

*Appendix No. 5 to item No. 8 on the agenda
of the Annual General Shareholders' Meeting of OJSC "Rostelecom" on the year 2010*

APPROVED
by the Annual General Shareholders' Meeting
of OJSC "Rostelecom" held on June 27, 2011

Minutes No. 1 dt. June 30, 2011

REGULATION ON THE PRESIDENT

**OF THE JOINT STOCK COMPANY
LONG DISTANCE AND INTERNATIONAL TELECOMMUNICATIONS "ROSTELECOM"**

(revised version No.2)

Moscow
2011

1. GENERAL PROVISIONS

- 1.1. The President of the Company, hereinafter referred to as the President, executes the management of the current operations of the Company within his/her competence.

The President acts as the Chairman of the Management Board of the Company.

- 1.2. The main goal of the President's activity is to secure profit and competitiveness of the Company, its financial and economic stability, and to ensure the rights of shareholders and social guarantees of the Company's staff.

The President is responsible for implementing (or delegating the implementation of) decisions of the General shareholders' meeting and of the Board of Directors.

2. APPOINTMENT OF THE PRESIDENT

- 2.1. Any citizen of the Russian Federation who is legally capable and is not legally deprived of the right to employment may be appointed as the President.

The President must have complete higher education (or equivalent) and work experience in the communications industry.

- 2.2. The President is appointed by the Board of Directors by a majority vote of those members of the Board who have participated in the meeting – for a term no longer than 5 (five) years, and can be re-appointed any number of times. The Board of Directors can terminate the powers of the President at any time before the term ends.

- 2.3. The rights, liabilities and responsibility of the President are governed by the Federal law "On Joint Stock Companies", by any other Russian Federation Acts, by the Charter, by this Provision and by the employment agreement between him/her and the Company. The salary conditions are settled by the employment agreement. The employment agreement with the President is signed by the Chairman of the Board on behalf of the Company, upon the decision of the Board of Directors of the Company to appoint the President.

3. RIGHTS AND DUTIES OF THE PRESIDENT AND TERMINATION OF POWERS OF THE PRESIDENT

- 3.1. The President exercises his/her powers for the term he/she was appointed for, until his/her follower is elected and takes over the responsibility – except for the cases stated in clause 3.2 of this Provision.

- 3.2. The President's powers, as well as his/her employment agreement with the Company, can be terminated in cases and through the procedure(s) outlined by the applicable laws of the Russian Federation, in this Charter and in the employment agreement of the Company with the President.

4. POWERS OF THE PRESIDENT

- 4.1. The President carries out the management of the current operations of the Company and is granted powers thereby. All management issues of the Company's current operations are part of his/her competence, except for the issues which fall into the competence of the General Shareholders' Meeting, the Board of Directors and/or the Management Board.

- 4.2. The President executes all actions on behalf of the Company within his/her competence without the official power of attorney, including:

- representing the Company within the Russian Federation as well as abroad;
- chairing a General Shareholders' Meeting in accordance with the Provision on the General Shareholders' Meeting, except for the cases when another person is appointed by the Board of Directors to do this;
- organizing the implementation of the decisions of the General Shareholders' Meeting and of the Board of Directors;
- performing general management of the operations of the Company's subsidiaries;

- approving internal regulatory documents of the Company, except for those which are regulated by the General Shareholders' Meeting, by the Board of Directors and/or by the Management Board, according to the applicable laws of the Russian Federation and this Charter;
- determining the structure and quantity of the Company's human resources, salaries, manner and form of payment for work undertaken based on the internal motivation regulating documents approved by the Management Board;
- issuing orders and instructions which are compulsory for all employees of the Company ;
- hiring, reassigning and dismissing employees, including Directors and employees of the Branches, as well as executing other rights and liabilities of the Company in its role as a local and/or national employer under the labour relations as stated by the law and the Charter;
- approving the positions of the Company's employees, including the Company's Branches, unless the decision-making about the employees in question is not delegated by the President to other persons;
- negotiating transactions on behalf of the Company within the Federal law "On Joint Stock Companies" and the Charter;
- having a right of primary authority to sign financial documents of the Company;
- issuing the power of attorney on behalf of the Company (including that with the right of further substitution);
- opening bank accounts for the Company;
- approving the contents, volume and procedures for protection of data which constitute commercial classified information, issuing orders and giving instruction on how to comply with claims to commercial classified information requirements;
- approving the internal control procedures;
- executing any other powers in accordance with the current legislation of the Russian Federation and the Charter.

5. LIABILITY OF THE PRESIDENT

- 5.1. The President is personally liable for fulfilling his/her duties, given the conditions specified in the employment agreement in accordance with the Federal law "On Joint Stock Companies" and other legal acts of the Russian Federation, the Charter of the Company and this Provision.

6. THE PRESIDENT'S SALARY

- 6.1. President's salary is determined by the employment agreement between the President and the Company, represented by the Chairman of the Board or by another authorized body in accordance with the decision of the Board of Directors.