



APPROVED  
by Annual General Shareholders' Meeting  
of PJSC Rostelecom held on June 21, 2016

Minutes No. 1 as of June 23, 2016

**REGULATIONS ON THE GENERAL SHAREHOLDERS' MEETING OF  
PUBLIC JOINT-STOCK COMPANY  
LONG-DISTANCE AND INTERNATIONAL TELECOMMUNICATIONS ROSTELECOM**

(revised version No. 8)

Moscow  
2016

**1. GENERAL PROVISIONS**

- 1.1. These Regulations on the General Shareholders' Meeting of PJSC Rostelecom (hereinafter, these "Regulations") shall, in accordance with the Civil Code of the Russian Federation, the Federal Law On Joint-Stock Companies No 208-FZ of December 26, 1995 (hereinafter the "Federal Law On Joint-Stock Companies"), Corporate Governance Code of April 10, 2014 endorsed for application by the Bank of Russia, other applicable Russian laws and regulations, and the Charter of PJSC Rostelecom (hereinafter, the "Company"), govern the procedure for the conduct of a general shareholders' meeting (hereinafter the "Meeting") and other matters in connection with preparation for and holding of, annual and extraordinary general shareholders' meetings.

**2. TYPES AND TERMS OF HOLDING THE MEETINGS**

- 2.1. The Meeting shall be the supreme governing body of the Company.
- 2.2. The Company shall annually hold an annual general shareholders' meeting (hereinafter also the Annual GSM).
- 2.3. The authority of the Meetings is governed by the Federal Law On Joint-Stock Companies. Matters falling within the authority of the Meetings shall not be resolved by an executive body of the Company. Matters falling within the authority of the Meetings shall not be resolved by the Company Board of Directors (hereafter the "Board of Directors"), except for cases set out in the Federal Law On Joint-Stock Companies. The Meetings shall not discuss and resolve matters beyond its authority.
- 2.4. Resolutions of a Meeting adopted on matters not included in the Meeting's agenda (except in cases when all the shareholders participated in the Meeting), or on matters beyond the authority of the general shareholders' meeting, or in the absence of a quorum for the Meeting, or in the absence of a majority of the shareholders' votes required for adopting the decision shall be void regardless of any court appeals.
- 2.5. At an Annual GSM the following matters shall be decided upon:
- election of the Board of Directors;
  - election of the audit commission of the Company (hereinafter the "Audit Commission");
  - approval of the Company auditor (hereinafter the "Auditor");
  - approval of the annual report, annual financial (accounting) statements, distribution of profit and losses of the Company for the reporting year, including payment (declaration) of dividends (except profit distributed as dividends on results of the first quarter, half year results, nine months results of the reporting year);

Other matters referred to the authority of the Meeting pursuant to the Federal Law On Joint-Stock Companies shall also be resolved at an Annual GSM.

- 2.6. General shareholders' meetings convened aside from Annual GSMs shall be extraordinary general shareholders' meetings (hereinafter also referred to as "Extraordinary GSMs").

An Extraordinary GSM shall be held upon a decision of the Board of Directors on its own initiative or at the request of the Audit Commission, the Auditor or a shareholder(s) holding at least 10 (ten) percent of the Company's voting shares as of the date of the request, in accordance with the procedure established under the Federal Law On Joint-Stock Companies.

- 2.7. Meetings may be held in the form of:
- a meeting in person, i.e., collective presence of shareholders to discuss agenda items and decide on the issues put to vote (hereinafter also the "collective presence");
  - absentee voting.

A Meeting with agenda items including the election of the Board of Directors, election of the Audit Commission, approval of the Auditor, approval of the annual report and annual financial (accounting) statements, and matters concerning distribution of profit and losses of the Company, including payment (declaration) of dividends (except profit distributed as dividends on results of the first quarter, half year results, nine months results of the reporting year), as per results of the relevant reporting year may not be held in the form of absentee voting.

**3. PROCEDURE FOR THE SUBMISSION OF PROPOSALS ON THE INCLUSION OF ITEMS IN THE AGENDA OF AN ANNUAL GSM AND ON NOMINATION OF CANDIDATES TO THE GOVERNING AND OTHER BODIES OF THE COMPANY TO BE ELECTED BY THE MEETING AND FOR THE SUBMISSION OF A REQUEST FOR THE CONVOCAION OF AN EXTRAORDINARY GSM**

3.1. Proposals on the inclusion of items in the agenda of an Annual GSM, on nominating candidates to the governing and other bodies of the Company (hereinafter the "agenda proposals", "proposals") and requests to convene an Extraordinary GSM (hereinafter the "requests") may be submitted:

- by mailing or sending them via a courier service to the legal address of the Company; or
- by delivery against signature to the person performing the functions of the sole person executive body of the Company, the Chairman of the Board of Directors, the Corporate Secretary of the Company or other person authorized under the Company's internal documents to accept correspondence in writing addressed to the Company, and confirmed by a signature of one the above mentioned persons;
- by other means specified in the applicable Russian law.

3.2. An agenda proposal for an Annual GSM and request for the convocation of an Extraordinary GSM shall be deemed submitted by those shareholders (shareholders' representatives) who signed them.

3.3. The percentage of voting shares held by the shareholder(s) submitting an agenda proposal for an Annual GSM shall be determined as of the date such proposal is submitted.

The percentage of voting shares held by the shareholder(s) requesting the convocation of an Extraordinary GSM shall be ascertained as of the date such request is submitted.

3.4. The date of submitting an agenda proposal for an Annual GSM meeting shall be:

- the date on the date stamp, confirming the mailing date of the dispatch, if the proposal is sent by mail;
- the date of posting the dispatch with the courier service, if the proposal is sent via courier service;
- the date of delivery, if delivered by hand with signed receipt.

3.5. The delivery date of an agenda proposal for an Annual GSM (the date of submitting (presenting) a request to convene an Extraordinary GSM) shall be:

- the date of the receipt by the Company of the relevant mailed item, if a proposal or request was sent by ordinary mail or other ordinary dispatch;
- the date the relevant dispatch was delivered with a signed receipt to the persons listed in Par. 3.1 of these Regulations, if the proposal or request was sent by registered mail or other recorded mail;
- the date of delivery in hand by the courier, if a proposal or request was sent via courier service.

3.6. The Board of Directors shall consider submitted agenda proposals for an Annual GSM and make relevant decisions within 5 (five) days after expiry of the period for the submission of proposals as determined under the Company's Charter.

Agenda proposals for an Annual GSM received by the Company after the established deadline for the consideration of proposals shall also be considered by the Board of Directors in accordance with the procedure provided for under applicable Russian Law.

3.7. Received agenda proposals for an Annual GSM and requests for the convocation of an Extraordinary GSM received by the Company may be revoked by the persons submitting such proposals or requests. Such revocation shall be sent by any means provided for under Par 3.1 hereof for submission of proposals and requests. In such cases, the date the Company receives the mailed item, the date of the revocation delivery or the date of the revocation receipt by any other means specified in the applicable Russian Law shall be deemed to be the revocation receipt date.

**4. NOTIFICATION OF THE MEETING**

4.1. Notice of a Meeting shall be given in the manner and within timeline determined under the Company's Charter.

4.2. A notice of a Meeting shall specify the following:

- full official name and location of the Company;
- the form of holding the Meeting (collective presence or absentee voting);
- date, venue (location address at which the Meeting will be held) and time of holding the Meeting the mailing address to which completed voting ballots may be sent or, in the event that the Meeting is to be held in the form of absentee voting, the final date of acceptance of voting ballots and the mailing address to which completed voting ballots are to be sent;
- time when registration of the persons (or their representatives) participating in the Meeting is to commence, if the Meeting is held in the form of collective presence;
- the date for determination of (finalizing) persons entitled to participate in the Meeting;
- the Meeting agenda;
- procedure to be followed by representatives of persons entitled to participate in the Meeting to evidence their powers;
- procedure for review of the information (materials) to be provided, in preparation for the Meeting, to those entitled to take part in it and the address(es) where such information is made available (address (location) of the Company's sole person executive body and other addresses where such information (materials) will be available);
- classes (types) of shares whose owners are entitled to vote on all or some of the items of the Meeting agenda;
- information about shareholders' having the right to request a buyback by the Company of the shares held by them, the price and procedure of the buyback execution, if the agenda of the Meeting includes items, voting on which according to the Federal Law On Joint-Stock Companies could result in the creation of such right.

4.3. In addition to the information specified in Par. 4.2 hereof, a notice of a Meeting may contain other information on the procedure for shareholders' participation in the Meeting.

4.4. Additionally, the Company shall post on its website in the Internet at [www.rostelecom.ru](http://www.rostelecom.ru) materials pertaining to the relevant Meeting, and directions to get to the location where the Meeting is to be held, recommended sample power of attorney that a shareholder can issue to his/her representative in order for him/her to take part in the Meeting, information on certifying such power of attorney, and other information essential for shareholders.

## **5. QUORUM AT THE MEETING; RECONVENED MEETING**

5.1. A Meeting shall have a legal authority (have a quorum) if shareholders holding, in aggregate, more than one-half of the votes of the Company's placed voting shares, participate in such meeting.

Shareholders registered for participation and shareholders whose voting ballots were received no later than 2 (two) days prior to the date of the Meeting shall be deemed to have participated in it. Shareholders whose voting ballots were received prior to the final ballot acceptance date shall be deemed to have participated in a Meeting held in the form of absentee voting.

Shareholders who provided their voting instructions (directions) in accordance with requirements of the applicable Russian Law on securities to persons maintaining records of their rights for shares shall also be deemed to have participated in the Meeting if declarations of their will were received at least 2 (two) days before the Meeting date or the deadline for ballot acceptance if the Meeting is held in the form of the collective presence.

5.2. In the absence of a quorum for an Annual GSM, a reconvene Meeting with the same agenda shall be held. In the absence of a quorum for an Extraordinary GSM a reconvened Meeting with the same agenda may be held.

A reconvened Meeting shall be valid (have a quorum), if shareholders holding, in aggregate, at least 30 (thirty) percent of the Company placed voting shares participate in it.

In the event a reconvened Meeting is held within less than 40 (forty) days of the adjourned Meeting, those who are entitled to participate in the Meeting shall be determined (finalized) as on the date when persons entitled to participate in the adjourned Meeting were determined (finalized).

**6. REGISTRATION OF PERSONS PARTICIPATING IN THE MEETING**

- 6.1. Registration of persons participating in a Meeting held in the form of collective presence shall be performed at the address of the location where the relevant Meeting is held.
- 6.2. Persons entitled to take part in the Meeting shall be registered for participation in it, except shareholders whose voting ballots were received no later than 2 (two) days prior to the date of the Meeting date if voting on the Meeting's agenda items is allowed by sending completed voting ballots to the Company, and shareholders who provided their voting instructions (directions) in accordance with requirements of the applicable Russian Law on securities to persons maintaining records of their rights for shares if declarations of their will were received at least 2 (two) days before the Meeting date.
- 6.3. Shareholders entitled to take part in a Meeting to be held in the form of collective presence and whose ballots were received not later than 2 (two) days before the Meeting date, as well as shareholders who provided their voting instructions (directions) in accordance with requirements of the applicable Russian Law on securities to persons maintaining records of their rights for shares if declarations of their will were received at least 2 (two) days before the Meeting date shall be entitled to attend the Meeting.
- 6.4. Documents (their copies certified as required) confirming authorities of legal successors and representatives of persons included in the list of persons entitled to take part in the Meeting shall be attached to the voting ballots sent by those persons or submitted to the Registrar upon registration of those persons for taking part in the Meeting.
- 6.5. The established rules to be followed in order to confirm their powers by representatives of persons entitled to take part in a Meeting, including an exhaustive list of documents shall be posted on the Company website at [www.rostelecom.ru](http://www.rostelecom.ru).
- 6.6. Registration of persons entitled to take part in a Meeting shall be effected subject to identification of persons arrived to take part in it, by comparing data recorded in the list of persons entitled to take part in the Meeting with data contained in the documents produced (submitted) by these persons.
- 6.7. When registering a person intending to take part in a Meeting, who votes by shares outstanding beyond the Russian Federation in the form of depository securities, such person shall in a written form advise the Registrar of the quantity of shares outstanding beyond the Russian Federation in the form of depository securities in respect of which the person in question received instructions from the owner of the depository securities.
- 6.8. If for different agenda items of a Meeting the quantities of shares in respect of which the person in question received instructions from the owners of the depository securities differ (do not coincide) this person shall inform the counting commission about the relevant quantity of shares in respect of which the person received instructions from the owners of the depository securities for voting on each such agenda item of the Meeting.
- 6.9. If a person (voting by shares outstanding beyond the Russian Federation in the form of depository securities) voted by number of votes inconsistent with the quantity of such shares reported by this person to the counting commission such votes shall not be taken into account for finalizing the voting results at the Meeting.
- 6.10. Ballots received by the Company and signed by a representative acting on the basis of a power of attorney for voting shall be deemed invalid if the Company or Registrar receives a notice of replacement (withdrawal) of such representative not later 2 (two) days before the date of the Meeting.
- 6.11. A person entitled to take part in a Meeting (including a replacement representative acting on the basis of a power of attorney for voting) shall be registered for taking part in the Meeting and he/she shall be provided with ballots for voting if a notice of replacement (withdrawal) of a representative was received by the Company or Registrar before the representative whose powers are terminated was registered.

**7. BODIES ESTABLISHED TO HOLD THE MEETING**

- 7.1. A Meeting shall be presided over by the President of the Company (hereinafter the "Meeting Chairperson") unless the Board of Directors decides otherwise. The Meeting Chairperson shall conduct the Meeting and, among other things:
  - declare the meeting open and closed;

- introduce persons presenting information on the Meeting agenda items;
- control deliberations on the Meeting agenda items; and
- perform other functions provided for hereunder.

7.2. For the purposes of participation in the conduct of a Meeting held in the form of collective presence, the Meeting Chairperson may decide to form the Meeting's Presidium.

The Meeting Chairperson and members of the Meeting Presidium shall jointly conduct the Meeting and perform functions provided for under Clause 7.1. hereof.

7.3. The Meeting Chairperson shall appoint the Meeting Secretary (hereinafter the "Secretary") to keep minutes of the Meeting.

7.4. The Secretary shall perform the following functions:

- ensuring provision of answers to questions asked by the Meeting participants regarding the Meeting rules of procedure and related to application of these Regulations and the Company's Charter and compliance with provisions of applicable Russian Law, as well as taking measures to resolve conflicts connected with the Meeting rules of procedure;
- making arrangements for the keeping the Meeting minutes.

7.5. The functions of the Company's counting commission shall be performed by the registrar (hereinafter for the purpose of these Regulations referred to as the "Registrar"). The Registrar in addition to performing the counting commission functions shall verify the powers of and register persons participating in the Meeting, determine the quorum at the Meeting, clarify matters arising in connection with exercising by shareholders (or their representatives) of their voting rights at the Meeting, clarify the voting procedure on matters to be voted on, ensure the observation of the established voting procedure and rights of shareholders to participate in voting, count the votes, finalize the voting results, draw up the minutes upon the voting results, confirm adoption of a decision by the Meeting and the list of the Company shareholders, submit voting ballots to the archives and perform other functions provided for hereunder.

## **8. PROCEDURE OF THE MEETING CONDUCT AND VOTING ON AGENDA ITEMS OF A MEETING HELD IN THE FORM OF COLLECTIVE PRESENCE**

8.1. A Meeting held in the form of collective presence shall be declared open if by the time of its commencement there is a quorum with respect to at least one item on the Meeting agenda. Registration of persons who are entitled to take part in the Meeting and who did not register for participation in it prior to its commencement shall be terminated at the close of discussion of the last agenda item (the last agenda item with respect to which there is a quorum at the Meeting) and before the start of the time allocated for voting to those who failed to cast their ballots before that time.

8.2. In the event there is no quorum on any of the agenda items by the time of the Meeting start, the Registrar shall so inform the Meeting Chairperson who shall decide on the adjournment period for the Meeting opening, however, the Meeting start time may not be adjourned for more than 2 (two) hours.

If the Meeting opening was adjourned, the Meeting minutes shall reflect the actual time when the Meeting started.

8.3. Items shall be considered at the Meeting in the order determined by the approved agenda.

The order in which the items are to be considered may be changed by a decision of the Meeting Chairperson.

8.4. Discussion of agenda items at a Meeting shall consist of the provision to the persons participating in it of information on the agenda items and of the provision to them (if required) of clarifications on agenda items and on the furnished information.

Information and communications technologies enabling a possibility of distant participation in the Meeting and discussing agenda items and making decisions on the issues put to vote without physical presence at the Meeting venue can be used for the purpose of discussing agenda items and making decision on the issues put to vote.

The Meeting agenda items shall be discussed in accordance with the procedure established in Par. 8.5 – 8.8 hereof.

8.5. Persons participating in the Meeting shall be provided with information on the agenda item under discussion in the form of reports (statements) delivered by:

- speakers appointed by the Meeting Chairperson;
- persons (or their representatives) who participate in the Meeting and announced their intention to provide additional information on agenda items. Such applications shall be submitted in writing to the Meeting Chairperson prior to commencement of the relevant agenda item consideration. The application shall specify the name of the person, the wording of the agenda item to be reported on, the time required for the speech that shall not exceed 45 (forty five) minutes and the number of votes to be cast by such person on the Meeting agenda item under discussion.

8.6. Any person (or a representative) taking part in the meeting shall have the right to request from the Chairperson, members of the Meeting Presidium or person (persons) who submitted information to provide clarifications on any Meeting agenda item and on the information submitted in connection with it. Such request shall be filed in writing to the Secretary prior to commencement of consideration of the next item of the Meeting agenda and specify the name of the person participating in the Meeting and the number of votes to be cast by such person on the Meeting agenda item under discussion.

Each duly executed written request shall be reviewed at the Meeting.

If, in the opinion of the Meeting Chairperson, a member of the Presidium or a person(s) providing information, it is impossible to immediately provide an exhaustive clarification or if a person (representative) taking part in the Meeting requests a clarification in writing on the item of interest to him/her, such clarification in writing shall be furnished to the requesting person within 10 (ten) days after the Meeting is closed. Clarification in writing may only be furnished if the request is executed in accordance with the first paragraph of this Par. 8.6.

8.7. The time for delivery of reports (information) on the Meetings agenda items and clarifications in response to the received requests shall be determined by the Meeting Chairperson, provided that:

- a speaker appointed by the Meeting Chairperson shall be allowed to speak for at least 10 (ten) minutes but no more than 45 (forty five) minutes;
- a person (person's representative) taking part in the Meeting and providing additional information on an agenda item shall be allowed to speak for at least 5 (five) minutes;
- a person making a clarification in response to a received request shall be allowed to speak for at least 10 (ten) minutes.

A speaker is not required to use all the time allowed to him/her for speaking by the Meeting Chairperson.

The Meeting Chairperson shall not comment on a report or interrupt a speaker unless the speaker violates rules of procedure established herein.

8.8. The Meeting Chairperson shall determine if any breaks in the Meeting are required and how long the breaks should last.

No break in the Meeting may be announced during the discussion of an agenda item.

8.9. The persons (or their representatives) registered for participation in a Meeting shall be given an opportunity to vote on the Meeting agenda items at any time from the moment of their registration until the expiry of the voting period determined pursuant to Par. 8.10 hereof and the commencement of counting results of the voting on the Meeting agenda items.

8.10. Following the discussion of the last item of the last Meeting agenda item with respect to which there is a quorum, the Meeting Chairperson shall additionally allow a period of at least 30 (thirty) minutes for voting to those who failed to cast ballots by that time. Upon expiry of this period the vote counting shall start.

8.11. Those who registered to take part in a Meeting to be conducted in the form of collective presence shall be entitled to vote on all agenda items as of the moment the Meeting is declared open and until it is closed, and if the voting results and decisions passed by the Meeting are to be announced at the

Meeting, voting is permitted as of the moment of the Meeting commencement and until the start of counting of votes cast on the Meeting agenda items put to vote.

- 8.12. After the minutes on the voting results are drawn up and the Meeting minutes are signed, the voting ballots shall be sealed by the Registrar and handed over to the Company's archives for safe storage.

## **9. VOTING BALLOTS FOR VOTING AT A MEETING**

- 9.1. Any voting ballot shall contain:

- 9.1.1. the full official name and domicile of the Company;
- 9.1.2. the form in which the Meeting is to be held (collective presence or absentee voting);
- 9.1.3. the Meeting date, venue and time and mailing address to which filled-out voting ballots may be sent or, in the event of holding the Meeting in the form of absentee voting, the deadline for acceptance of voting ballots and mailing address to which filled-out ballots are to be sent;
- 9.1.4. the wording of resolutions on each agenda item (name of each candidate) on which such ballot is to vote;
- 9.1.5. voting options with respect to each agenda item – “for,” “against” or “abstain” – and fields opposite each voting option to specify the number of votes cast for each voting option and, if the voting ballot is used in a cumulative vote to elect members of the Board of Directors, also containing:
  - an indication that members of the Board of Directors are elected by a cumulative vote and an explanation of the nature of a cumulative vote;
  - a field just opposite the name of each candidate, to specify the number of votes cast for the relevant candidate by the person taking part in the meeting and selecting “for” option;
  - clarifications stating that the fraction of a vote obtained by multiplying the number of votes held by a shareholder holding a fraction of a vote, by the number of persons to be elected to the Board of Directors may only be cast in favor of one candidate;
- 9.1.6. an indication that the voting ballot shall be signed by a person entitled to take part in the Meeting or by such person's representative; and
- 9.1.7. clarifications that:
  - a voter may only select one voting option except where the voting is in accordance with the instructions of persons who acquired shares after the date of finalizing the list of persons entitled to take part in the Meeting, or in accordance with the instructions of owners of depositary securities;
  - if the ballot contains more than one voting option, the fields where the number of votes cast for each voting option should be specified shall contain the number of votes cast for the relevant voting option and indication that the voting is in accordance with the instructions of the acquirer of shares transferred after the list of persons entitled to take part in the Meeting was finalized and/or in accordance with the instructions of holders of depositary securities;
  - a person voting under a power of attorney issued with respect to shares transferred after the list of persons entitled to take part in the Meeting was finalized shall in the field opposite the chosen voting option for specifying the number of votes, indicate the number of votes cast for the chosen voting option and mark that the voting is under a power of attorney issued with respect to shares transferred after the list of persons entitled to take part in the Meeting was finalized;
  - if, after the list of persons entitled to take part in the meeting was finalized, not all of the shares were transferred, the voter shall, in the field provided to indicate the number of votes opposite the chosen voting option, indicate the number of votes cast for the chosen voting option and note that some shares were transferred after the list of persons entitled to take part in the Meeting was finalized. If, with respect to shares transferred after the list of persons entitled to take part in the Meeting was finalized, the instructions received from the acquirer of such shares coincide with the chosen voting option, such votes shall be added up.



- 9.2. In addition to the above a voting ballot may specify:
- 9.2.1. the wording of each of the items put to vote and the sequence number in which it will be considered;
  - 9.2.2. the manner in which the chosen voting option is to be indicated;
  - 9.2.3. the full name of the person entitled to take part in the Meeting;
  - 9.2.4. the number of votes the person entitled to take part in the Meeting may cast with respect to each item on the Meeting agenda;
  - 9.2.5. fields where persons who have indicated the number of votes cast for the chosen voting option(s) may mark, in each case:
    - that voting is in accordance with instructions of a purchaser of shares transferred after the list of persons entitled to take part in the Meeting was finalized;
    - that voting is in accordance with the instructions of holders of depository securities;
    - that voting is under a power of attorney issued with respect to shares transferred after the date of the list of those entitled to take part in the meeting;
    - that some shares were transferred after the list of persons entitled to take part in the Meeting was finalized;
  - 9.2.6. other information as determined by the Board of Directors, as well as specified in applicable Russian Law.

A voting ballot shall not contain 2 (two) or more Meeting agenda items if different groups of voters shall vote on such items.

- 9.3. A shareholder (shareholder's representative) shall be entitled before the end of a Meeting to request that a copy of a ballot completed by him/her be certified by the Registrar. Certifying by the Registrar of a ballot copy according to this Par. 9.3 shall be subject to provision by the shareholder (shareholder's representative) of an original ballot to the Registrar for the purpose of vote counting.

## **10. APPROVAL OF THESE REGULATIONS; AMENDMENTS AND MODIFICATIONS**

- 10.1. These Regulations shall be approved at a Meeting by a majority of votes cast by holders of voting shares of the Company taking part in the meeting.
- 10.2. These Regulations shall be amended or modified at a Meeting by a majority of votes cast by holders of voting shares of the Company taking part in the meeting.
- 10.3. If, as a result of any changes in applicable Russian Law or the Company's Charter, any provisions of these Regulations become inconsistent therewith, these Regulations shall be applicable to the extent not inconsistent with applicable Russian Law and the Company's Charter.