

APPROVED  
by the resolution of the Board  
of Directors of Joint Stock  
Company COMSTAR –  
United TeleSystems  
(Minutes # 25-07/107 of the  
Board of Directors dated April  
19, 2007

**BYLAW**  
ON THE INSIDER INFORMATION

Moscow, 2007

## 1. GENERAL

1.1. This Bylaw on the Insider Information of Joint Stock Company COMSTAR – United TeleSystems (hereinafter the “Bylaw”) has been adopted in accordance with the laws of the Russian Federation and other applicable legislation; the Code of Corporate Conduct approved at a meeting of the Government of the Russian Federation on 28 November 2001 and recommended by the Federal Commission for the Securities Market of the Russian Federation; the Charter of Joint Stock Company COMSTAR – United TeleSystems (“Company”); and the requirements of Russian and foreign stock exchanges (including, but not limited to, the London Stock Exchange plc (the “LSE”) and the UK Listing Authority (the “UKLA”), which are contained in the market abuse rules as implemented in the UK and the Disclosure and Transparency Rules of the UKLA (together, the “UK Rules”).

1.2. The purpose of this Bylaw is to ensure compliance with applicable legislation, international law, regulatory acts and usual business practices governing trading in the securities market, the equality of participants in the securities market, and competition in the securities market; to ensure compliance with and protection of the rights and legitimate interests of investors in the securities market; and to preserve, support, and improve the business reputation and high corporate trustworthiness and stability of the Company.

## 2. BASIC TERMS AND CONCEPTS USED IN THIS BYLAW

2.1. *Securities* in the context of this Bylaw means shares, bonds, options, debentures, depositary receipts (the “GDRs”), and other securities of the Company which, in the case of Securities listed on a stock exchange in the European Economic Area (the “EEA”) are listed on a “regulated market” (which, for the avoidance of doubt, includes the Company’s GDRs listed on the LSE).

2.2. *Insider information* means material information concerning the Company’s activities or its securities, as well as transactions involving such securities, that is unavailable to the general public, whose disclosure may have a material effect on the value of the Company’s securities, and for the purpose of the UK Rules, means information of a precise nature which is not generally available, relates directly or indirectly to the Company or the GDRs themselves, and would, if generally available, be likely to have a significant effect on the price of the GDRs or on the price of related investments.

Insider information includes information whose disclosure may have a material effect on the market value of the Company’s securities. Information that is subject to disclosure in accordance with Russian legislation governing the securities market and the Company’s internal documents shall be regarded as insider information until such time as it is disclosed in the manner provided by such legislation or the Company’s internal documents.

2.3. *Material information* means information, facts and data concerning the activities or securities relating to the Company or any of its subsidiaries with regard to which there is a significant probability that a reasonable investor will consider such information important when deciding whether to buy, sell or hold a security, or when such information, facts and data may have a significant influence on the market value/quotation of a security.

Material information may be positive or negative and may relate factually to any aspect of the Company’s business activities or to any form of the Company’s securities, including without limitation information regarding:

- dividends;
- share splits or consolidations or share repurchase programs;
- issuance of securities;
- initiation of proceeding to have issues of the Company’s securities declared aborted or invalid;

- reorganization of the Company;
- the Company's revenues and expenses or projections of the Company's revenues and expenses;

2

•—joint venture activity;

- acquisition or alienation of property, property complexes, property rights and obligations, and intellectual property;
- entry into contracts; defaults under or termination of existing contracts;
- borrowing or financing;
- initiation of new judicial proceedings or events associated with existing judicial proceedings;
- changes in the management or governance structure of the Company;
- replacement of the Company's auditor or notification that the Company should no longer give credence to an auditor's opinion;
- regulatory or other acts issued by the government or public departments that pertain to the Company;
- cash or liquidity problems or potential loan defaults; and
- bankruptcy (insolvency).

Material information may be indirectly related to the Company's business activities or the Company's securities. Material information may also include information relating to the Company's subsidiaries and dependent companies. Material information may also include notices, articles, ratings, press-releases and other information prepared, or being prepared, for publication and placement in the mass media or other sources available to a wide group of persons not related to the Company.

Under the UK Rules, and for the sake of completeness, information would be likely to have a significant effect on price if and only if it is information of a kind which a reasonable investor would be likely to use as part of the basis of his investment decisions. This would potentially include significant information relating to (1) the assets and liabilities, performance or expectations, financial condition or business of the company; or (2) major new developments in the Company's business; or (iii) information previously disclosed to the market.

2.4. *Information not subject to disclosure* is information, facts and data concerning the Company or its securities that is not available to third parties, is not distributed to the mass media, and is not generally known and information which will not be disclosed by the Company pursuant to existing legislation, and is available only to a limited group of persons by virtue of their performance of official, managerial or monitoring functions in the Company or performance of contractual obligations to the Company and any other information received in confidence.

2.5. *Information is regarded as publicly available* if it is widely disseminated in a way that makes it generally and on the whole available to any interested person. The dissemination of rumors, even if true and reproduced in the mass media, shall not constitute actual public dissemination.

2.6. *Waiting Period* is the period of time necessary for the market to react to publicly disseminated information, equal to 48 hours from the time of its dissemination, unless otherwise

established by applicable legislation in force, regulations and/or local rules and norms, international law, or ordinary business practices.

2.7. *Insider trading* if an insider deals or attempts to deal in the GDRs or related investments on the basis of insider information, where “dealing” means acquiring or disposing of the GDRs as principal or agent, directly or indirectly, including agreeing to do so, and “on the basis of” means that the insider has consciously taken advantage of the insider information. The scope of insider dealing also includes the disclosure by an insider of insider information at any time otherwise than in the proper performance of their employment, office or profession.

2.8. *Purchase/sale of securities* is the actual purchase/sale of securities, as well as the entry into a contract for the purchase/sale, or other acquisition/alienation, of a security, conversion/swap/exchange, the granting and exercise of stock options, and the acquisition and exercise of put, call and/or other options in relation to a security. This subsection does not apply to stock options (option agreements) granted by the Company pursuant to a resolution of the Company’s Board of Directors to members of the Company’s Board of Directors, employees of the Company and/or employees of subsidiaries and dependent companies.

2.9. *Insider* is any person who has insider information as a result of (i) his membership of an administrative, management or supervisory body of the Company; or (ii) being a shareholder of the Company; or (iii) his employment, profession or duties (e.g., lawyers and accountants of the Company); or (iv) any criminal activities; or (v) other means, but where they know or could reasonably be expected to know that they hold insider information.

A person shall be deemed an insider if his or her access to insider information is expressly granted by applicable legislation, other normative legal acts, his or her job description, general or local internal Company documents, or a contract with the Company.

Related persons shall also be deemed insiders. Related persons shall be:

- a husband (wife), children and other members of insider’s family;
- any relatives of the insider and other persons who resided with the insider for not less than 12 months before the date of consummating a certain transaction.

2.10. Regardless of the grounds specified in section 2.9 hereof, the following persons shall be regarded as insiders of the Company:

- members of the Company’s Board of Directors;
- the individual executive body (President) of the Company;
- members of the Company’s Board of Directors’ committees;
- Vice Presidents of the Company;
- the Chief Accountant of the Company;
- members of the Company’s Audit Commission;
- Secretary of the Board of Directors of the Company;
- directors of structural subdivisions (units, departments, services, and other subdivisions) of the Company;
- directors of branches and representative offices of the Company;
- directors of Company’s subsidiaries and dependent companies;

- the Company’s auditors, including employees of such auditors who by virtue of their employment duties have access to information involving the Company;
- the Company’s registrar, including employees of such registrar;
- the Company’s broker or another professional participant of the securities market acting pursuant to an agreement with the Company, as well as its officers and employees;
- any government official having access to insider information involving the Company due to his or her controlling or supervisory powers; and
- legal, financial and other consultants of the Company, including employees of such consultants rendering services to the Company, who by virtue of their employment duties have access to information involving the Company.

2.11. A person shall not be deemed to be an insider upon expiry of 1 (one year) of termination of the basis on which such person was regarded as an insider, unless a longer period is provided by applicable law or a contract with the Company or one of its subsidiaries.

2.12. *Recipient of insider information* means a person who receives access to insider information in the absence of the grounds specified in section 2.9 hereof and who is not specified in section 2.10 hereof.

2.13. *Use of insider information* means any actions taken by insiders and recipients of insider information with the use or on the basis of insider information.

2.14. *Legitimate use of insider information* occurs when insider information is used in the Company’s interests, in support of the Company’s production, business, financial and other activities for purposes contemplated by applicable legislation, regulatory acts, the Company’s charter, an employee’s job description, or other general or local internal documents of the Company (bylaws, regulations, orders, directives and other internal documents of the Company), or on the basis of a contract with the Company. In relation to the Company’s GDRs, pursuant to the UK Rules, dealing or attempting to deal in the GDRs on the basis of insider information is never permitted.

2.15. *Illegitimate use of insider information* means any actions taken with or on the basis of insider information committed for purposes inconsistent with the objectives set forth in section 2.14 hereof, including the use of insider information for the personal interests of insiders and recipients of insider information, including without limitation:

- trading in securities on the basis of insider information;
- recommendations to buy, sell or hold securities of the Company on the basis of insider information;
- transfer or disclosure of insider information with or without compensation; and
- publication or other dissemination of insider information.

With respect to the GDRs listed on the UKLA, see section 2.7 above for the definition of “insider dealing.”

2.16. *Consent to purchase (sell) the securities* relates to the prior written agreement to purchase (sell) the Company’s securities obtained by insiders, including related persons, from the persons defined herein in section 4.9.

2.17. *close period* means (i) the period of 60 days immediately preceding a preliminary announcement of the Company’s annual results or, if shorter, the period from the end of the relevant

financial year up to and including the time of announcement; or (ii) the period of 60 days immediately preceding the publication of its annual financial report or, if shorter, the period from the end of the relevant financial year up to and including the time of such publication; and (iii) if the Company reports on a half yearly basis the period from the end of the relevant financial period up to and including the time of such publication; and (iv) if the Company reports on a quarterly basis the period of 30 days immediately preceding the announcement of the quarterly results or, if shorter, the period from the end of the relevant financial period up to and including the time of the announcement.

Under the UK Rules, an insider must not purchase or sell the GDRs of the Company at any time when in possession of insider information relating to the Company or its GDRs. If an insider is given clearance to deal pursuant to section 4.9 below, such insider must ensure that they do not purchase or sell the Company's GDRs during any close period or any period during which there exists inside information in relation to the Company or its GDRs.

The Company will notify insiders of the commencement and closure of a close periods.

### 3. MODALITIES FOR THE PROVISION OF INSIDER INFORMATION

3.1. The members of the Board of Directors and the individual executive body (President) of the Company shall enjoy access to any insider information concerning the Company, its activities, and its securities.

3.2. Insiders not specified in section 3.1 hereof shall only enjoy access to insider information needed by them to perform their duties expressly provided by current legislation, other regulatory acts, employment contracts or contracts with the Company and general or local internal Company documents.

3.3. If doubts exist regarding the legitimacy of a request for insider information or the possibility and legitimacy of providing the requested information, the recipient of the request shall immediately seek clarification from the Legal Department of the Company's Corporate center.

3.4. Requests for clarification pursuant to section 3.3 above shall be examined by the Company's Legal Unit of the Corporate Governance center within one (1) business day. The results of the examination shall immediately be communicated to the person requesting clarification.

3.5. The right of access to insider information may not be delegated or otherwise transferred/assigned.

### 4. MODALITIES FOR THE PROTECTION AND USE OF INSIDER INFORMATION.

4.1. The Company shall monitor the use of insider information.

4.2. The Company and insiders shall take steps to protect insider information by all appropriate means under their control.

4.3. Insiders may not use or divulge insider information available to them, except in the circumstances expressly provided by applicable legislation, other regulatory acts, internal Company documents, or contracts with the Company.

4.4. When an employment contract or civil contract is concluded that entitles a counterparty under the contract access to insider information of the Company, the contract shall stipulate nondisclosure and a prohibition on illegitimate use of the insider information.

4.5. When general or local internal Company documents (including bylaws, regulations, orders, directives, etc.) are published that grant access to insider information to certain persons, such documents shall stipulate nondisclosure and a prohibition on the illegitimate use of insider information.

4.6. If doubts exist regarding the legitimacy of using or transferring insider information, the insider shall neither use nor transfer the insider information and shall immediately seek clarification from the Legal Unit of the Corporate Governance center of the Company.

4.7. Requests for clarification pursuant to section 4.6 above shall be examined by the Company's Legal Unit of the Corporate Governance center within one (1) business day. The results of the examination of the request shall immediately be communicated to the person requesting clarification.

4.8. Insiders shall refrain from consummating transactions involving securities of the Company during the time that they are deemed to be insiders.

4.9. Insiders who are not in possession of insider information in relation to the Company or its GDRs must be given clearance to purchase (sell) securities on the condition that consent to purchase (sell) the securities is secured not later than five (5) days prior to consummating the transaction involving the purchase (sale) of the Company's securities.

- In the event that the Company's securities are purchased (sold) by the chairman of the Board of Directors of the Company, consent shall be secured from one of the independent directors of the Company designated by the Board of Directors for this purpose.
- In the event that the Company's securities are purchased (sold) by the President of the Company, consent shall be secured from the chairman of the Board of Directors of the Company.
- In the event that the Company's securities are purchased (sold) by members of the Board of Directors or the secretary of the Board of Directors of the Company (other than the chairman or the President), consent shall be secured from the chairman of the Board of Directors.
- In the event that the Company's securities are purchased (sold) by other insiders, consent shall be secured from the President of the Company.

The respective insider shall secure the consent on behalf of any related persons.

4.10. Company insiders shall notify the Company's secretary of the Board of Directors of all contemplated transactions with the Company's securities, as well as of all contemplated transactions with the Company's securities consummated by any related persons, not later than two (2) business days from the date of securing consent to purchase (sell) the securities.

4.11. The Company and, within the limits of their competence, members of the Company's governance and supervisory bodies, shareholders, officers and employees of the Company shall undertake all steps within their control to protect and avoid the illegitimate use and dissemination of insider information, including without limitation:

- explanatory and consultative work with Company employees aimed at explaining the need to ensure the protection and non-dissemination of insider information, and explaining nondisclosure responsibilities and penalties for the illegitimate use of insider information;
- conducting business and social activities in a manner that eliminates the risk of unintentional disclosure of insider information;
- marking and protecting all documents in a manner that eliminates the risk of unintentional disclosure of insider information;
- viewing documents containing insider information in public places exclusively in a

manner that prevents unauthorized persons from access to the documents;

- restricting access to documents and files (including to computer files) containing insider information to individuals exclusively on a need-to-know basis (including by supervising the distribution of documents and draft documents);
- immediately collecting and removing all documents containing insider information and other materials from conference rooms after the completion of any meetings;
- destroying all documents containing insider information and other papers after they cease to have any business or legal significance, using paper shredders when appropriate;
- restricting access to areas where documents containing insider information may be located;
- avoiding discussion of insider information in places where the information may be heard by other persons, for example, in elevators, restrooms, entranceways, restaurants, airplanes and taxis; and
- performing work that involves the use or discussion of insider information in areas away from areas where other work is performed.

4.12. A person who becomes aware of illegitimate use of insider information shall inform the Company's secretary of the Board of Directors to that effect within three (3) business days of becoming aware of such illegitimate use of insider information.

4.13. The secretary of the Board of Directors shall monitor the use and dissemination of insider information.

4.14. Within the scope of their competence, the Audit Commission and the Audit Committee of the Company's Board of Directors shall monitor the use and dissemination of insider information.

4.15. When there is information on the illegitimate use of insider information, the secretary of the Board of Directors, the Audit Commission and/or the Audit Committee of the Company's Board of Directors may raise the issue of disciplinary, administrative or civil penalties against the offender before an authorized body of the Company.

## 5. RESPONSIBILITY FOR ILLEGITIMATE USE OF INSIDER INFORMATION.

5.1. For illegitimate dissemination and/or use of insider information, the Company's insiders may be subject to administrative, civil or disciplinary penalties in accordance with applicable legislation in force, as well as with the terms and conditions of contracts with the Company.

5.2. The Company may seek compensation for losses caused to the Company by the illegitimate use and dissemination of insider information from those engaged in such acts.

5.3. The Company and/or its shareholder(s) owning in the aggregate at least 1 % of the Company's common shares may bring a court action against a member of the Company's Board of Directors or the chief executive (*i.e.*, President) of the Company seeking compensation for losses caused to the Company as a result of the illegitimate use or dissemination of insider information by the defendant.

## 6. KEEPING INSIDER LISTS UNDER THE UK RULES.

Under the UK Rules, it is the Company's responsibility, and the Company must ensure that it and persons acting on its behalf or on its account draw up a list of those persons working for



them, under a contract of employment or otherwise, who have access to insider information relating directly or indirectly to the Company, whether on a regular or occasional basis. The UK Financial Services Authority (the “FSA”) may require the Company to produce such insider list to the FSA on request, and insider lists must be kept for at least five years from the date on which it is first drawn up or updated.

*Contents* - Every insider list must contain the following information: (1) the identity of each person having access to insider information; (2) the reason why such person is on the insider list; and (3) the date on which the insider list was created and updated.

It is the Company’s responsibility to ensure that its employees with access to insider information acknowledge their legal and regulatory duties and are aware of the sanctions attaching to the misuse or improper circulation of such information.

*Updating* - In addition, an insider list must be promptly updated: (1) when there is a change in the reason why a person is already on the list; (2) when any person who is not already on the list is provided with access to insider information; and (3) to indicate the date on which a person already on the list no longer has access to insider information.

*Lists of agents/advisers* - The Company should also maintain a list of its principal contacts at any other firm or company acting on its behalf or on its account with whom it has had direct contact and who also have access to insider information about it. This includes legal and financial advisers.

However, it is not necessary for the Company to maintain a list of all the individuals working for another firm or company acting on its behalf or its account so long as it has: (1) recorded the name of the principal contact(s) at that firm or company; (2) made effective arrangements, which are likely to be based in contract, for that firm or company to maintain its own list of persons both acting on behalf of the Company and with access to insider information on the Company; and (3) made effective arrangements for that firm or company to provide a copy of its list to the Company as soon as possible upon request.

The Company must ensure that any person that is acting on its behalf or on its account and has drawn up an insider list in accordance with these provisions has taken the necessary measures to ensure that every person whose name is on the insider list at such agent acknowledges their legal and regulatory duties and is aware of the sanctions attaching to the misuse or improper circulation of such information.

## 7. DISCLOSURE OF INSIDER INFORMATION UNDER THE UK RULES.

Under the UK Rules, the Company must notify IR Director as soon as possible of any insider information which directly concerns the Company. Such insider information must also be made available on the Company’s internet site by the close of the business day following the day of the IR Director announcement where it must remain for one year.

*Holding Announcements* - If the Company is faced with an unexpected and significant event, a short delay may be acceptable if it is necessary to clarify the situation. In such situations a holding announcement should be used where the Company believes that there is a danger of insider information leaking before the facts and their impact can be confirmed. The holding announcement should: (a) detail as much of the subject matter as possible; (b) set out the reasons why a fuller announcement cannot be made; and (c) include an undertaking to announce further details as soon as possible.

*Delaying Disclosure* - The Company may, under its own responsibility, delay the public disclosure of insider information, such as not to prejudice its legitimate interests provided that: (1) such omission would not be likely to mislead the public; (2) any person receiving the information owes the Company a duty of confidentiality; and (3) the Company is able to ensure the

confidentiality of that information.

Legitimate interests may, for instance, relate to the following two circumstances:

(1) Negotiations or related elements where the outcome or normal pattern of those negotiations would be likely to be affected by public disclosure.

But note that this does not allow the Company to delay public disclosure of the fact that it is in financial difficulty or of its worsening financial condition and is limited to the fact or substance of the negotiations to deal with such a situation.

(2) Decisions taken or contracts made by the management body of the Company which need the approval of another body of the Company in order to become effective, where the organization of the Company requires the separation between these bodies, provided that a public disclosure of the information before such approval together with the simultaneous announcement that this approval is still pending would jeopardize the correct assessment of the information by the public.

Ultimately, whether or not the Company has a legitimate interest which would be prejudiced by the disclosure of certain insider information is an assessment which must be made by the Company in the first instance. However, the Company should note that the FSA considers that, other than in relation to impending developments or matters described above, there are unlikely to be other circumstances where delay would be justified.

If disclosure has been delayed, the situation should be monitored and, if circumstances change, immediate disclosure should be made. Note that where there is press speculation or market rumor and such speculation or rumor is largely accurate and the information underlying the rumor is insider information, then it is likely that the Company can no longer delay disclosure as it is no longer able to ensure the confidentiality of the insider information. Conversely, the knowledge that press speculation or market rumor is false is not likely to amount to insider information. Even if it does amount to insider information, the FSA expects that in most of those cases an issuer would be able to delay disclosure (often indefinitely).

*Equivalent information* - The Company must take reasonable care to ensure that the disclosure of insider information to the public is synchronized as closely as possible in all jurisdictions where it is obliged to make such disclosure.