

**Adopted by annual General meeting of shareholders
JSC COMSTAR – UTS**

« 27 » June 2007

Protocol № 30

**OPEN JOINT-STOCK COMPANY
COMSTAR – UNITED TELESYSTEMS**

TERMS OF REFERENCE

PRESIDENT

The present Terms of Reference : President of JSC COMSTAR – UNITED TELESYSTEMS (hereinafter – “the Company”) is developed based on the law of the Russian Federation and the Company Charter. The present Terms is an internal document of the Company regulating the activities of the President, determining his rights and duties, responsibilities, the procedure of assignment and termination of powers.

1. GENERAL PROVISIONS

1.1. President is the Company’s sole standing executive body, which main goal is management of the current operations of the Company to ensure its profitability and competitiveness, financial and economic stability, rights of the shareholders and social guarantees to the Company staff.

1.2. President acts within the sphere of his competence and is reporting to the Board of Directors and General meeting of shareholders of the Company.

1.3. The resolutions adopted by General meeting of shareholders and the Board of Directors of the Company are obligatory for President.

1.4. President is not entitled to simultaneously occupy the position of Chair of the Board of Directors, as well as the member of Board of Auditors and Counting Board of the Company.

1.5. Combination of the positions in management bodies of other entities by President is admissible only upon approval by the Board of Directors of the Company.

1.6. In his activities President shall be guided by law of the Russian Federation, Company Charter, other internal documents of the Company, resolutions of General meetings of shareholders and the Board of Directors of the Company, as well as the present Terms of Reference.

2. PROCEDURE OF ASSIGNMENT AND TERMINATION OF POWER OF PRESIDENT

2.1. President position may be occupied by the person with higher education, high proficiency, management experience in a large company for at least 5 (five) years, clean personal record. President position may not be occupied by the person with criminal records for the crimes in the area of entrepreneurship, finances, taxes, securities market.

2.2. The formation of the sole executive body (President) and early termination of his powers is the area of competence of the Board of Directors of the Company. The resolution shall be adopted by simple majority (over 1/2) of the votes of the members of the Board of Directors participating in the meeting.

The President term is 3 (three) years with possible reassignment.

2.3. The powers of President shall arise (terminate) on the date of approval of appropriate resolution by the Board of Directors. The information about termination (assignment, extension) of the powers of President shall be disclosed by the Company under procedure established by law of the Russian Federation, as well as by means of publishing appropriate press-release on the Company Web- site.

2.4. The information about President, including the number of owned shares of the Company or affiliate or dependent companies shall be disclosed on the Company Web- site.

2.5. The Company in the person of Chair of the Board of Directors shall sign Fixed Term Employment Contract with President specifying his rights and duties, responsibilities, salary, etc. The Contract terms shall be determined by the Board of Directors. The Contract shall be signed within five days from the date of approval of the Contract terms by the Board of Directors.

2.6. The Company shall ensure the possibility of realization by President of the powers stipulated by Company Charter, the present Terms of Reference and Employment Contract.

2.7. The grounds for termination of powers of President of the Company are the following:

2.7.1. expiry of the term of Employment Contract;

2.7.2. agreement between the Parties;

- 2.7.3. early termination of the powers based on the resolution of the Board of Directors of the Company;
 - 2.7.4. termination of Employment Contract initiated by President, subject to written notice to the Company at least 1 (one) month prior to intended termination date of Employment Contract;
 - 2.7.5. the circumstances beyond control of the Parties;
 - 2.7.6. other grounds specified in RF Labor Code.
- 2.8. In case of early termination of Employment Contract initiated by the Company, President shall be paid a lump sum in the amount specified in Employment Contract or by the decision of the Board of Directors of the Company.

3. RIGHTS AND RESPONSIBILITIES OF PRESIDENT

3.1. President shall:

- 3.1.1. timely identify before the Board of Directors the issues which require appropriate resolution, which acceptance, under the law of the Russian Federation and Company Charter, is within the competence of the Board of Directors or General meeting of shareholders of the Company;
 - 3.1.2. report to the Board of Directors of his activities;
 - 3.1.3. act in the interests of the shareholders of the Company, exercise the rights and duties with regard to the Company reasonably and in good faith;
 - 3.1.4. implement resolutions of General meeting of shareholders, Board of Directors, Board of Auditors adopted within the sphere of competence of above bodies;
 - 3.1.5. apply property and non-property rights of the Company only to reach the goals of the Company operations;
 - 3.1.6. be loyal with regard to the Company;
 - 3.1.7. not disclose to third parties any business confidential information about the Company's economical, technical, organizational-legal and other nature operations, and not disclose or use in personal vested interest or in the interests of any third party the insider information about the Company;
 - 3.1.8. inform the Company of his affiliate entities, as well of any changes in their composition;
 - 3.1.9. perform other duties stipulated by the Charter and other internal documents of the Company.
- #### 3.2. President shall have the right:
- 3.2.1. of first signature on all financial documents;
 - 3.2.2. to request and obtain any information and documentation about the Company operations;
 - 3.2.3. to encourage distinguished personnel;
 - 3.2.4. bring to material and disciplinary responsibility the employees violating production and labor discipline, as well as the employees guilty in causing material damage
 - 3.2.5. reimbursement of transport, representative, travel and other costs arising in the course of execution of his duties;
- 3.3. President shall be provided with a personal car with the driver and limit-free mobile communication.
- 3.4. President shall use other social benefits and guarantees stipulated by the law of the Russian Federation and resolutions of the Board of Directors of the Company.
- 3.5. President is not entitled to establish or participate (acquire shares) in the competitor companies.
- 3.6. The Company is the main job for President. President is not entitled to occupy other gainful positions in any state or public bodies, as well as other entities, institutions and organizations, except for teaching, scientific and other creative work. President is entitled to exercise activities in management bodies of other entities only upon approval by the Board of Directors of the Company.
- 3.7. President, as well as affiliate persons belonging to President, is not entitled to receive gifts, other direct or indirect benefits intended to motivate President to adopt a specific economical decision.
- 3.8. President shall inform the Board of Directors of the number of securities of the Company, its affiliate and dependant companies belonging to President, about his intention to execute any transactions with the shares of the Company, its affiliate and dependant companies, as well as of any act of acquisition (alienation) of transactions such shares. Additional limitations can be established

by internal documents of the Company with regard to execution by President of the transactions with the securities of the Company, its affiliate and dependant companies.

4. LIABILITY OF PRESIDENT

4.1. Failure or inappropriate execution of the duties by President may form the grounds for early termination of Employment Contract upon initiative of the Company.

4.2. President shall bear civil, material, disciplinary and other liability under the law of the Russian Federation for violation of his duties, as well as for any material losses caused by his guilty actions. The liability amount of President before the Company for the losses caused to the latter as a result of his guilty actions (act of omission) is established by the law of the Russian Federation.

4.3. President shall not be liable for the losses arising as a result of his implementation of the resolutions of General meeting of shareholders of the Company and the Board of Directors of the Company, leading to damage, as well as for any damage arising as a result of normal economical risk.

5. AMENDMENTS TO TERMS OF REFERENCE ON PRESIDENT

5.1. Any changes or amendments to the present Terms of Reference shall be adopted by the resolution of General meeting of shareholders of the Company.

5.2. In case if any provisions of the present Terms of Reference are in confrontation with the law of the Russian Federation, the provisions of the law of the Russian Federation shall be applied.