

DRAFT
APPROVED
by General meeting of Shareholders
of JSC Comstar-UTS
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Minutes No _____

BOD Chairman

BY-LAW
BOARD OF DIRECTORS

Open Joint Stock Company Comstar–United TeleSystems

Moscow 2008

1	GENERAL PROVISIONS	3
2	GOALS AND OBJECTIVES OF THE BOARD OF DIRECTORS. RIGHTS, OBLIGATIONS AND LIABILITY OF THE BOARD MEMBERS. COMPOSITION OF THE BOARD OF DIRECTORS	3
2.1	Goals and Objectives	3
2.2	Rights of the Board of Directors and individual Board members	3
2.3	Obligations of the Board of Directors	4
2.4	Liability of the Board members	5
2.5	Board of Directors membership	Error! Bookmark not defined.
2.6	Election and termination of powers of the Board of Directors members.	Error! Bookmark not defined.
3	ORGANIZATION OF WORKING PROCESS OF THE BOARD OF DIRECTORS	ERROR! BOOKMARK NOT DEFINED.
3.1	Chairman and Deputy Chairman of the Board of Directors	Error! Bookmark not defined.
3.2	Functions of Chairman of the Board of Directors	Error! Bookmark not defined.
3.3	Corporate secretary	Error! Bookmark not defined.
3.4	Formation and activity of Board of Directors committees	Error! Bookmark not defined.
4	MEETINGS OF THE BOARD OF DIRECTORS AND ADOPTION OF RESOLUTIONS BY THE BOARD OF DIRECTORS	ERROR! BOOKMARK NOT DEFINED.
4.1	Procedure for calling Meetings of the Company's Board of Directors	Error! Bookmark not defined.
4.2	Procedure for Conducting the Board of Directors Meetings	Error! Bookmark not defined.
4.3	Procedure for Adoption of Resolutions by the Board of Directors	Error! Bookmark not defined.
4.4	Minutes of Meetings of the Board of Directors	Error! Bookmark not defined.
5	PERFORMANCE EVALUATION AND REMUNERATION PAYABLE TO MEMBERS OF THE BOARD OF DIRECTORS	ERROR! BOOKMARK NOT DEFINED.
ANNEX 1		ERROR! BOOKMARK NOT DEFINED.
	Information on relations of the Board of directors' member with affiliated persons and large counterparties of the Company	Error! Bookmark not defined.
ANNEX 2		ERROR! BOOKMARK NOT DEFINED.
	Requirements to the Candidate Members of the Board of Directors	Error! Bookmark not defined.
ANNEX 3		ERROR! BOOKMARK NOT DEFINED.
	STATEMENT OF CONSENT	Error! Bookmark not defined.
ANNEX 4		ERROR! BOOKMARK NOT DEFINED.

Voting cards for absentee voting of the Company's Board of Directors members ..Error! Bookmark not defined.

1 General provisions

- 1.1 This by-law has been drafted in compliance with the RF law and the Charter of the Open Joint Stock Company Comstar – United Telesystems (hereinafter, the Company).
- 1.2 This by-law establishes the forming procedures, status, functions, goals and objectives, powers of the Board of Directors, its procedures of working and interacting with other Company's governing bodies.
- 1.3 This by-law shall be approved by General meeting of Shareholders and may be revised, amended and cancelled solely upon decision of General meeting of Shareholders .
- 1.4 The Board of Directors is a Company's collective governing body, that carries out the Company's general management, excepting the issues referred to the competence of the General meeting of Shareholders, and is governed by the RF law, Company's Charter, resolutions of General meeting of Shareholders, this by-law and other Company's internal regulations.
- 1.5 The resolutions of General meeting of Shareholders are binding for Company's Board of Directors and must be executed to the extent of its competence .
- 1.6 The resolutions of the Board of Directors shall be binding for the Company's executive bodies.

2 Goals and Objectives of the Board of Directors. Rights, duties and liability of the Board members. Board of Directors membership.

2.1 Goals and Objectives

- 2.1.1 The BOD's main goals shall be: to
 - 1) develop and analyze the general corporate strategy and Company's business development strategy, control their implementation, establish priorities in Company's activities;
 - 2) ensure control and appraisal of performance of Company's executive bodies and senior officers;
 - 3) increase the Company's capitalization, expand its market positions, achieve and maintain the Company's competitiveness;
 - 4) preserve the steady financial standing, increase the revenues, profitability;
 - 5) handle the crucial issues of Company's financial and business operations;
 - 6) protect the rights and lawful interests of shareholders, investors, contracting parties and those of other Company's related parties.
 - 7) ensure the proper disclosure of information on the Company
- 2.1.2 To achieve these goals, the Board of Directors shall accomplish the following objectives:
 - 1) develop Company's strategic and general economic policy, follow up its implementation;
 - 2) monitor on permanent basis the activities of Company's executive bodies and seniors executives;
 - 3) organize the implementation of resolutions adopted by General meeting of Shareholders;
 - 4) define the promising and priority areas in Company's activities;
 - 5) shape efficient organizational structure and governance system in the Company;
 - 6) evaluate political, financial and other risks, affecting the Company's activities;
 - 7) ensure the Company's steady financial position;
 - 8) approve the Company's plans and budget;
 - 9) define approaches to investment and participation in other entities;
 - 10) evaluate Company's results of operations and performance of its bodies;
 - 11) establish conditions for payment of dividends;
 - 12) determine criteria for selection of executives;
 - 13) develop systems and method to motivate and encourage the executive bodies and the staff;
 - 14) ensure disclosure of accurate and unbiased information on the Company;
 - 15) ensure Company's compliance with RF law;
 - 16) ensure observance of corporate governance principles ;
 - 17) ensure efficient internal control system.
- 2.1.3 The BOD's competence is defined the Company's Charter.

2.2 Rights of the Board of Directors and individual Board members

- 2.2.1 The Board of Directors, as a whole, shall have the right to:
 - 1) hear the reports of Company's executives in conformity with its competence;
 - 2) demand an audit (review) of the Company's financial and business operations by the Auditing Commission;

- 3) form ad hoc committee and commissions for specific objectives, out of BOD members or by engaging the Company's specialists and outside experts;
 - 4) nominate candidates for election into the Board of Directors and the Auditing Commission, when shareholders did not nominate candidates or nominated an insufficient number of them; submit suggestions to the General meeting of Shareholders concerning the approval of a Company's Auditor;
 - 5) carry out other actions within its competence;
 - 6) so as to ensure fulfillment by the Board of Directors of its functions to create the BOD apparatus or other similar subdivision;
 - 7) engage external independent expertise to scrutinize the draft resolutions .
- 2.2.2 Each individual Board member shall have the right to:
- 1) demand from Company's executives and employees to provide any information (documents and representations) and clarifications on issues relating to Company's operations. An inquiry to have information is sent through the BOD Secretary to the name of the BOD Chairman and shall be signed by its originator – a BOD member .
 - 2) get remuneration for exercising its duties and (or) reimbursement for the expenses related to a Board of Directors member's performance of his/her duties, with the modalities of such reimbursement to be determined by resolution General meeting of Shareholders in line with By-Law On Remuneration and Compensations payable to the members of the Board of Directors of JSC Comstar-UTS;
 - 3) demand that his/her particular opinion on agenda items and taken decision be included into the minutes of the BOD meeting.

2.3 Obligations of the Board of Directors

2.3.1 The activities of the members of the Board of Directors shall be conducted on a permanent basis and shall not be confined to participation in the meetings and adoption of resolutions.

2.3.2 A Board member shall:

- 1) be loyal to the Company;
- 2) operate within the limits of his/her rights and duties pursuant to Company's goals and Objectives ;
- 3) act reasonably, in good faith, with due care of the Company's business ;
- 4) initiate the BOD meetings to resolve the urgent matters ;
- 5) attend and take an active part in preparing and discussing the issues, examined at the Board meetings;
- 6) participate in adoption of BOD resolutions through voting on BOD agenda items ;
- 7) adopt resolutions that would be substantiated, and, therefore, to study all necessary information (documents), make investigations on the issues and bring to the knowledge of all BOD members the entire information, without any exception, relating to the resolutions being adopted ;
- 8) take part in activities of the BOD committees, which he/she has joined;
- 9) provide to Company the following information: about him/herself and affiliated entities, and also other information, data and documents, necessary for Company to comply with requirements of the RF law and to achieve its goals presented in Annex No1 hereto. If changes occur in the provided data, a Board members shall advise of such changes the Company;
- 10) bring to the knowledge of the Board of Directors, Auditing Commission and Company's Auditor the information on the contemplated transactions, with regard to which he/she may be considered as the interested persons, including:
 - on legal entities, where he/she holds independently or jointly with his/her affiliated entity(ies) 20 and more percent of the voting shares (stakes, equities);
 - on legal entities, in the governing bodies of which they hold positions;
 - The transactions, being concluded or contemplated, which are known to them, where they may be considered as the interested persons;
- 11) inform the Board of Directors on their intention to participate in the charter capital or the governing bodies of competitors;
- 12) disclose information about holding Company's securities, and, in the instances of selling and (or) purchasing them, to inform the BOD Chairman on his/her intention to consummate a transaction with Company's shares;
- 13) attend the General meeting of Shareholders and answer the questions of the meeting participants, execute the tasks assigned by the Board of Directors, ensure implementation of resolutions adopted by the Board of Directors and General meeting of Shareholders;

- 14) pursuant to the By-Law on Insider Information currently valid in the Company not disclose and not use such information.
- 15) consummate transactions with securities of Company or its subsidiaries (dependant companies) strictly obeying to restrictions, established by Company's internal documents.
- 16) refrain from the actions out of which a conflict between their interests and those of the Company arises or may arise, and should such conflict exist or arise, they shall disclose such information to the Board of Directors.

2.4 Liability of the Board members

2.4.1 The members of the Board of Directors shall be liable to the Company for the damage inflicted to the Company through their culpable action (non-action) in accordance with applicable RF law. Notwithstanding the foregoing, those members of the Board of Directors who voted against the resolution, which resulted in infliction of such damage to the Company, or who did not participate in the voting, shall not be liable.

2.4.2 The members of the Board of Directors shall refrain from the actions out of which a conflict between their interests and those of the Company arises or may arise, and should such conflict exist or arise, they shall disclose such information to the Board of Directors.

2.4.3 The members of the Board of Directors may not receive gifts or other form of remuneration from the persons interested in adoption by BOD of resolutions, providing to those persons direct or indirect gains.

2.4.4 Company or shareholder(s) holding in aggregate not later than one percent of Company's placed common stock may file a lawsuit against a BOD member for damages to the Company in the instances set forth by RF applicable law .

2.4.5 The Company shall insure the Board members against financial liability, arising from lawsuits and claims, filed against Director(s) by third persons or Company's shareholders because of business solutions or other actions of such Director(s), committed during his/her tenure as a members of the Board of Directors of the Company or its subsidiaries.

2.5 Board of Directors Membership

2.5.1 The number of members of the Board of Directors is determined by the General meeting of the shareholders while electing members of the Board of directors and shall not be less than 7 (seven) members.

2.5.2 Upon formation of Company's Management board, its members may not concurrently form more than 25 per cent of the members of the Board of directors.

2.5.3 If the number of members of the Board of directors is reduced below the half of their initial number, the Board of directors is obliged to pass a decision regarding convocation of an extraordinary General meeting of shareholders required for election of a new Board of directors of the Company. Prior to such meeting all members of the Board of directors who are still on duty shall not be entitled to pass decisions except for those related to convocation of an extraordinary General meeting of shareholders.

2.5.4 A member of the Board of directors is considered to be retired: upon his/her death, missing persons or deemed to be disabled.

2.5.5 The Company, within its competence, shall take steps to ensure the necessary number of independent directors inside the Board of Directors in order to ensure the relevancy and objectivity of the adopted resolutions. An Independent Director: a Member of Board of Directors who :

- 1) Is not, as at the time of election, and was not, for the past 5 years, an employee or official of the Company or of a group of persons of which the Company is a part;
- 2) Has not or had not for the past three years material business relations with the Company, irrespective of whether those relations were direct, or the respective Director acted in such relations as a partner, shareholder, director or an executive of any company, which maintained respective relations with the Company, but not being a party to the Company's liabilities, under which he/she may acquire property (receive cash assets), the value of which is 10 percent or more of total annual income of such person, except for receiving remuneration for participation in the activities of the Company's Board of Directors;
- 3) Did not or does not receive an additional remuneration from the Company, other than the remuneration for performance of the functions of a Member of the Company's Board of Directors, does not participate in the option schemes implemented by the Company, or other schemes, the payments under which are based on the performance results, nor in the retirement benefit schemes;

- 4) Has no close family relations and is not a spouse, parent, son or daughter, brother or sister of the Directors, executives, officials, consultants, the management Company or officials of the Company's management administration;
- 5) Is not an affiliate of the Company (except for the membership in Board of Directors) and its affiliates and is not the Head of a subsidiary or dependent company, nor a managing person or an official of the management company, its subsidiary or dependent company;
- 6) Is not, at the same time, a Member of Board of Directors of the companies materially related to other Members of the Company's Board of Directors through participation in the companies or the management bodies of the respective companies related to other Members of the Company's Board of Directors;
- 7) Upon expiry of his/her 5 year term of office as a Member of Board of Directors, an Independent Director cannot be regarded as independent;
- 8) Is not a representative of a Company's major shareholder or the State;
- 9) Is not an official of other business where any of that business' officials is a member of the Board of Directors' committee for appointments and remuneration.

2.5.6 The Board of directors may comprise Non-executive directors – members of the Board of directors who are not members of any executive body of the Company.

2.5.7 At the first meeting of the Board of directors, which is carried out after the General meeting of the shareholders, where the Board of directors was elected, the status of each member of the Company's Board of directors shall be defined.

2.6 Election and termination of powers of the Board of Directors members.

2.6.1 The members of the Board of directors of the Company are elected at a General meeting of the shareholders by cumulative voting in the manner specified in the Company's Charter, present By-Law and By-Law on General Shareholders meeting until the next annual meeting of shareholders. If the annual General shareholders meeting was not conducted within the time, specified in cl. 1, article 47 of the Federal Law «On Joint Stock Companies», then the powers of the Board of directors of the Company shall terminate, except for the powers to prepare, convene and conduct the annual General shareholders meeting. Anticipatory termination of the powers and authority of all members of the Board of Directors may happen by virtue of a decision of the Extraordinary General meeting of the shareholders.

2.6.2 Any natural person may be a member of the Board of directors, if this person is nominated by a shareholder or other persons or executive bodies possessing the right to nominate a candidate to the Board of directors, pursuant to the RF legislation, and elected by a General meeting of the shareholders in accordance with the established manner. Persons nominated to the members of the Board of directors shall comply with the requirements set forth in Annex #2 to the present By-Law.

2.6.3 Persons elected to the Company's Board of directors can be re-elected indefinite number of times.

2.6.4 A member of the Board of directors may not concurrently be a member of Auditing Commission of the Company, at the same time

2.6.5 Members of the Board of Directors may not be members of Counting Commission.

2.6.6 Company's shares, owned by a newly elected member of the Board of directors shall not participate in voting related to election of the Company's Auditing Commission.

2.6.7 Nomination of candidatures to the Board of Directors is carried out in a manner specified in the Charter of the Company and the By-Law on the General meeting of the shareholders. Nomination of persons as candidates to the Board of directors, who has already agreed to be elected to more than five Boards of directors, by the time of election, is considered undesirable.

2.6.8 When electing the members of the Board of Directors, the Shareholders shall provide to the Company the following information on the nominees:

- 1) Last name, First name and Patronymic, passport data, contact information;
- 2) age;
- 3) Information on education background and scientific degrees;
- 4) Information on place(s) of employment for 5 successive years, and also information on candidate's membership in executive bodies of legal entities for 5 successive years;
- 5) Information on nomination of the candidate to Board of directors (and/or Board of directors Committies) or election (appointment) to a post in other legal entities;
- 6) Information about the person who nominated that candidacy;

- 7) Number and the percentage of shares of the Company, if any, owned by the candidate;
- 8) Information regarding the character of candidate's relationships with the Company (whether the candidate is a member of executive or authority body of the Company – a member of the Board of directors, Management Board, Auditing Commission, General Director, or he/she is a member of the Company's Board of directors Committies, and whether he/she holds any other offices in the Company; receives any compensations for participation in executive or authority bodies of the Company, for participation in the Board of directors Committee and etc.);
- 9) Information regarding availability/absence of candidate's written consent to stand for election and to process candidate's personal data (in the manner, set forth in Annex #3 to the present By-Law). The written consent shall be signed by the candidate;

2.6.9 The Board of Directors members shall be elected at the General Shareholders Meeting by way of cumulative voting.

2.6.10 Based on resolution adopted by the Extraordinary General meeting of the shareholders, powers and authority of all the members of the Board of directors can be terminated simultaneously and at any time prior to maturity of powers.

2.6.11 If the General meeting of the shareholders adopts the resolution specified in cl. 2.6.10, powers and authorities of the Board of directors deemed to be terminated as of the moment of the given resolution adoption.

3 Organization of working process of the Board of directors

3.1 Chairman and Deputy Chairman of the Board of directors

3.1.1 The Board of directors elects, from amongst themselves, the Chairman of the Board of directors by a simple majority of votes.

3.1.2 The person performing functions of the sole executive body of the Company, may not concurrently hold the office of the Chairman of the Board of directors .

3.1.3 The Board of directors has a right to re-elect the Chairman of the Board of directors, at any time.

3.1.4 Members of the Board of directors has a right to elect the Deputy Chairman of the Board of directors. In the event that the Chairman of the Board of Directors is absent at a Board of Directors meeting, his/her Company's functions shall be fulfilled by the Deputy Chairman of the Board of Directors.

3.2 Functions of the Chairman of the Board of directors

3.2.1 The Chairman of the Board of directors:

- 1) represents the Board of directors and acts on its behalf when dealing with executive bodies of the Company, shareholders and third parties;
- 2) plans and manages the work of the Board of directors;
- 3) convokes meetings of the Board of directors and presides thereat;
- 4) determines the form and mode of the meeting;
- 5) forms the agenda of a meeting
- 6) organizes taking of minutes at the meetings;
- 7) provides members of the Board of directors with information regarding all issues of the agenda of a meeting in question;
- 8) ensures overt and straightforward negotiations on the issues of the agenda, pays due consideration to the opinions and judgment of each and every member of the Board of directors expressed upon elaboration of various decisions and sums up the results of negotiations, which he/she then reduces to writhing describing the approved decisions;
- 9) proclaims proposals and opinions received by him/her from the members of the Board of directors regarding the establishment of various Committees adjunct to the Board of directors and the personnel thereof;
- 10) signs letters and other documents issued by the Board of directors, certifies excerpts from the minutes of the Board of directors;
- 11) signs a contract with the President or managing organization, if any, on behalf of the Company;
- 12) presides at the General meeting of the shareholders of the Company,
- 13) is answerable to the General meeting of the shareholders and incurs personal liability for management of the work performed by the Company's Board of directors .

3.2.2 In the event that the Chairman of the Board of Directors is absent and his/her deputies are absent too at a Board of Directors meeting, his/her Company's functions by decision of the Board of Directors shall be fulfilled by one of the members of the Board of directors.

3.3 Corporate Secretary

3.3.1 Upon the recommendation of the Board Chairman the Board of Directors elects Corporate Secretary of the Company. The decision is adopted by a simple majority of the meeting participants.

3.3.2 Based on the decision of the Board of Directors Corporate Secretary is appointed to the post and released from office by the order of the President.

3.3.3 Corporate Secretary is a Company's employed officer.

3.3.4 Corporate Secretary, when carrying out her/his activities, is accountable directly to the Chairman of the Board of Directors.

3.3.5 Corporate Secretary of the Company may be a person who meets the following criteria:

- a. higher education;
- b. not less than 3 years of service in the field of corporate governance;
- c. knowledge of legal norms as regards corporate law, law on securities market, including the rules of information disclosure by the issuers on securities market and the procedure of work of professional participants of securities market (registrars of the Company, stock exchanges, etc.);
- d. knowledge of normative documents reflecting the best Russian and foreign practice of corporate governance;
- e. PC user;
- f. negotiating skills ;
- g. personal characteristics and skills: independent judgment, ability to persist in his/her opinion;
- h. no record of conviction or disqualification as per the RF Code on Administrative Violations;

3.3.6 BoD may at any time make the decision on the re-election of the person performing the functions of Corporate Secretary.

3.3.7 Corporate Secretary performs his/her functions in accordance with the Bylaws on Corporate Secretary of the Company, including:

- 1) organizes the preparation and ensures the conducting of General meetings of Shareholders pursuant to Charter and other internal documents of the Company;
- 2) organizes the preparation and ensures the conducting of BoD meetings;
- 3) ensures the observance by the Company's bodies and officers of the rules and procedures in respect of the corporate governance established by the law, internal documents of the Company which guarantee the enforcement of rights and interests of Company's shareholders;
- 4) provides interaction between the Company and its shareholders;
- 5) organizes and takes part in the development and subsequent updating of the Corporate Conduct Code, Company's Charter, internal documents: by-laws on governing bodies and implementation of the corporate procedures;
- 6) exercises control over compliance of subdivisions and Company's officers with norms and requirements of the RF corporate law, the Charter and internal documents. Immediately communicates to the BoD Chairman all revealed violations;
- 7) analyzes the established practice of corporate governance in the Company, develops proposals on its improvement;
- 8) renders assistance to the BoD Chairman in organizing the BoD's work;
- 9) participates in disclosure of information about the Company, including updating the information to be placed on official web page of the Company in the Internet ;
- 10) organizes the keeping of documents within the framework of his/her competence.

3.3.8 By the decision of the BoD of the Company the Corporate Secretary may be vested with the function of the BoD.

3.3.9 The Board Secretary of the Company, when carrying out her/his activities, is accountable directly to the Chairman of the Board of Directors of the Company.

3.3.10 President of the Company signs on behalf of the Company an Employment Contract with the Board Secretary in accordance with the resolution and on terms and conditions determined by the Board of Directors.

3.3.11 The Board Secretary shall:

- 1) notify members of the Board of Directors and invitees concerning forthcoming meetings of the Board of Directors;
- 2) send out to the members of the Board of Directors materials relating to the agenda of the Board of Directors meeting;
- 3) provide BoD members with additional, requested by them information in respect of business activity of the Company;
- 4) keep records of and convey to the participating in the BoD meeting members information concerning the written opinions received from the absent BoD members in respect of the matters under consideration;
- 5) keep Minutes of BoD meetings;
- 6) ensure storage of BoD's documents;
- 7) give the Board Directors, shareholders, officers of the Company the opportunity, at their request, to see the Minutes of the Board meetings, make copies of Minutes and also extracts from the Minutes of the Board meetings;
- 8) in case of BoD meeting conducting in the form of absentee voting – prepare voting cards for voting, send out voting cards and collect the received voting cards, summarize voting results in respect of the items on the agenda of BoD meetings;
- 9) obtain in the subdivisions of the Company and provide to the members of the BoD all the required documents and information concerning business activity of the Company;
- 10) maintain personal details forms of the BoD members;
- 11) exercise control over the fulfillment of resolutions of the BoD;
- 12) render assistance to the Chairman of the Board of Directors in terms of planning of the Board of Directors work;

3.3.12 Within the framework of performing his/her duties Corporate Secretary/Board Secretary shall have the right to:

- 1) request and receive information and documents required for fulfillment of the set tasks from the Company's executives and directors of its structural subdivisions;
- 2) collect information on fulfillment of resolutions adopted by the BoD and GSM;
- 3) register the correspondence, applications and requests received from the shareholders, stating the date and time when the respective documents were received by the Company.

3.3.13 Corporate Secretary/Board Secretary must:

- 1) when carrying out her/his activities strictly observe the rules and requirements of the RF legislation;
- 2) when resolving the arising issues the secretary shall be governed by the presumption of shareholders' interests observance;
- 3) fulfill instructions of the Board Chairman

3.3.14 Responsibility of Corporate Secretary /Board Secretary:

- 1) Corporate Secretary /Board Secretary, while performing his/her duties and exercising his/her rights, shall act in the interests of the Company, reasonably and in a good faith perform his/her duties and exercise his/her rights in respect of the Company.
- 2) Corporate Secretary/Board Secretary has no right to disclose any information, which constitutes a commercial secret according to applicable internal documents of the Company.
- 3) Corporate secretary/Board Secretary shall not have the right to use and disclose insider information (restricted information) about the joint stock company for personal advantage.
- 4) Corporate secretary/Board Secretary is liable before the Company for the damages, caused to the Company by his/her faulty actions (inaction), unless other grounds and scope of responsibility are specified in the Federal law.

3.4 Formation and Activity of Board of Directors Committees

3.4.1 For the purpose of preliminary preparation, better and operative consideration of the matters submitted to the BoD meetings, higher effectiveness of interaction with the Company's management, while fulfilling the tasks set to them, and control over the implementation of adopted resolutions the Board of Directors forms Board of Directors' Committees from among its members. The list of BoD's Committees to be formed shall be determined by the Board of Directors. It is mandatory to establish the following Committees: Strategy Committee, Compensations and Appointments Committee, Audit Committee, Corporate Conduct (Governance) Committee.

3.4.2 The Audit Committee and the Compensations and Appointments Committee shall be formed only out of the Independent Directors, and if it is not possible for objective reasons - only out of Independent and

Non-Executive Directors, and the number of Independent Directors in the respective committees shall not be less than 50%. Only Independent members of the Board of Directors may be Chairmen of the said committees.

3.4.3 Company's employees, representatives of the shareholders, other specialists may be engaged in the Committee's work, including as its members.

3.4.4 Board of Directors' Committees carry out their activities on the basis of Bylaws approved by the Board of Directors and Plans of Works approved by Committees and agreed with Board of Directors of the Company.

3.4.5 Matters, referred to the competence of the respective Committee, shall be worked through by such Committee prior to their consideration by the Board of Directors of the Company. In case the respective decision of the Committee is lacking, the issue may be excluded from consideration at the BoD meeting by the resolution of Chairman of the Company's Board of Directors.

3.4.6 Resolutions adopted by the Committees have a recommendatory nature for the Company's Board of Directors . A Committee is not a governance body of the Company.

4 Meetings of the Board of Directors and Adoption of Resolutions by the Board of Directors

4.1 Procedure for Calling Meetings of the Company's Board of Directors

4.1.1 The meetings of the Board of Directors are conducted as scheduled. The Activity Plan is drawn up for a year, covers the period between the annual general meetings of shareholders. As and when needed, but at least once in six months, the Board of Directors' Activity Plan is to be updated (corrected.) The Board of Directors' activities are planned as per the procedure, set forth in the Regulations on the Company's Board of Directors Activities.

4.1.2 The meetings of the Board of Directors are held at least once in every month.

4.1.3 A meeting of the Board of Directors is called by the Chairman of the Board of Directors on his/her own initiative, at the request of a member of the Board of Directors, the Company's Auditing Committee or the Company's Auditor, the President of the Company, the shareholders owning two or more percent of the Company's shares, as well as by other persons, defined by the Federal Law On Joint Stock Companies and the Company's Charter. Additional issues may be included on the agenda for a scheduled (regular) meeting of the Board of Directors on initiative of the said persons.

4.1.4 A written request for calling a Board of Directors meeting (for inclusion of an additional issue on the agenda of a scheduled meeting of the Board of Directors) shall contain:

- 1) Reference to the person that requests conducting of the meeting or inclusion of an issue in the agenda for a scheduled meeting;
- 2) The wording of the issue and the draft resolution thereof;
- 3) The reasons necessitating the review of the said issue;
- 4) The accompanying materials.

4.1.5 The request shall be signed by the person requesting conducting of an unscheduled Board of Directors meeting.

4.1.6 An unscheduled meeting is held within 15 days of the request for its conducting being received.

4.1.7 Chairman of the Board of Directors has the right to reject conducting of an unscheduled meeting or inclusion of the proposed issue on the agenda for a regular meeting in the event that:

- 1) The request for conducting of a meeting or inclusion of an issue on the agenda was submitted by an authorized person;
- 2) The proposed issue is outside the Board of Directors competence;
- 3) The request for inclusion of an additional issue on the agenda for a scheduled meeting was received after the agenda and the materials for the forthcoming meeting were distributed to the members of the Board of Directors.

4.1.8 The issues submitted for the Company's Board of Directors review are reviewed, as a general rule, on a preliminary basis at a meeting of the Company's Management Board.

4.1.9 Notice of conducting the meeting, together with the attached materials, is sent to each member of the Board of Directors not less than 10 work days prior to conducting the meeting in the form and as per the procedure set forth in the Regulations on the Company's Board of Directors Activities. The Voting Card is attached to the notice of conducting the meeting and the materials if the absentee voting is conducted (Annex # 4.)

4.1.10 The first meeting of the Board of Directors is conducted on the day on which the General meeting of the Company's shareholders is held in which meeting the Board of Directors was elected. In the event that such meeting was not conducted on the day on which the General meeting of the shareholders is held, the first meeting of the Board of Directors is conducted on initiative of the oldest member of the Board of Directors who shall call the meeting not later than one week after holding the General meeting of shareholders in which meeting the Board of Directors was elected.

4.1.11 The following issues are reviewed at the first meeting of the Board of Directors: election of the Chairman of the Board of Directors, appointment of the Company's Corporate Secretary, forming of the Board of Directors Committees, definition of the status of the members of the Board of Directors.

4.2 Procedure for Conducting the Board of Directors Meetings

4.2.1 Meetings, by decision of Chairman of the Board of Directors, may be conducted in the form of both simultaneous attendance of the shareholders and in absentia.

A meeting of the Board of Directors conducted in the form of simultaneous attendance of the shareholders is competent if attended by not less than half of the elected members of the Board of Directors. If the agenda for a meeting of the Board of Directors includes the issues that require a larger quorum to adopt a resolution thereupon, as well as the issues in respect of which different membership of the voters vote, the quorum for adoption of resolution on those issues is determined separately. This being the case, the absence of quorum for adoption of resolution on the issues in respect of which a certain membership of the voters vote, does not prevent adoption of resolution on the issues in respect of which a different membership of the voters vote, for adoption of which resolution the quorum is present.

4.2.2 The Secretary of the Board of Directors, prior to each meeting of the Board of Directors, registers the Board members arriving for the meeting. A member of the Board of Directors may attend in person a meeting of the Board of Directors conducted in the form of simultaneous attendance of the shareholders, or such meeting may be conducted through audio or video conference facilities. For the latter instance, it is mandatory that the Secretary of the Board of Directors ensure that magnetic (including digital) recording of the meeting is made.

4.2.3 The issues included on the agenda are reviewed in a meeting of the Board of Directors.

4.2.4 The Company ensures that the Company's officers who are in a position to provide the information necessary for the members of the Board of Directors to adopt reasoned resolutions, should attend the meetings of the Board of Directors;

4.2.5 The invitees are admitted to a meeting of the Board of Directors by agreement with Chairman of the Board of Directors.

4.2.6 The Company, in the course of conducting a meeting of the Board of Directors, affords an opportunity to the members of the Board of Directors to read the opinion of the Company's body that reviewed the issue on a preliminary basis.

4.2.7 A meeting of the Board of Directors conducted in absentia is competent if attended by not less than half of the elected members of the Board of Directors (except where the legislation or the Company's Charter require a larger quorum). Secretary of the Board of Directors, prior to each meeting, keeps record of the Voting Cards submitted to the Company.

4.2.8 The Board of Directors refrains from adoption of the following resolutions by the absentee voting:

- 1) Identification of the Company's priority activity areas;
- 2) Calling the annual General meeting of shareholders;
- 3) Increase in the Company's Charter capital;
- 4) Pre-approval of the Company's annual report;
- 5) Appointment of the President of the Company and approval of the terms of Personal Employment Agreement (Contract) with the Company's President

4.2.9 Additional requirements to the procedure for conducting the meetings of the Board of Directors are set forth in the Regulations on the Company's Board of Directors Activities.

4.3 Procedure for Adoption of Resolutions by the Board of Directors

4.3.1 The resolution is deemed to be adopted if more than half of the number the Board of Directors members (unless the law, the Company's Charter provide for more votes) attending the meeting, voted for such resolution. In case of equality of the Company Board of Directors members' votes, when adopting resolutions, Chairman of the Board of Directors has the casting vote.

4.3.2 When determining the quorum and the voting results in respect of the issues on the agenda for the meeting of the Board of Directors conducted in the form of simultaneous attendance of shareholders, the written opinion of a Board of Directors member who is absent from such meeting of the Board of Directors, is taken into account. The written opinion shall be signed by that member of the Board of Directors and contain transcript of the signature.

4.3.3 The written opinion of a Board of Directors member may contain his/her voting both on all issues on the agenda for the meeting and on individual issues. The written opinion shall expressly render the position of the Board of Directors member in respect of the issue on the agenda (for, against, abstained). The written opinion of a Board of Directors member is only taken into account, when determining the quorum and the voting results in respect of the issues on the agenda in respect of which it contains the voting of the member of the Board of Directors.

4.3.4 If a copy of the written opinion of a Board of Directors member was not included in the information (materials) provided to the Board of Directors members for the meeting, then the person chairing the meeting shall voice the written opinion of the Board of Directors member who is absent from such meeting of the Board of Directors, prior to commencement of the voting in respect of the issue on the agenda in respect of which such opinion is submitted.

4.3.5 The Board of Directors, in the course of adoption of the resolutions in respect of the issues on the agenda, identifies, as a general rule, the persons-in-charge for fulfillment of such resolution.

4.3.6 A resolution of the Board of Directors takes effect at the time of signing the minutes of the Board of Directors' meeting (for the resolutions adopted by the absentee voting) and at the time of reading the voting results (for the resolutions adopted in the meeting conducted in the form of simultaneous attendance of shareholders), unless the resolution specifies a different procedure for the resolution for the Board of Directors' resolution to take effect.

4.4 Minutes of Meetings of the Board of Directors.

4.4.1 The minutes are taken in a meeting of the Board of Directors. The Secretary of the meeting generates the minutes of the meeting of the Company's Board of Directors not later than three days after its conducting.

4.4.2 Minutes of the meeting indicate:

- 1) Its venue and time;
- 2) The persons attending the meeting, the presence of quorum;
- 3) Agenda for the meeting;
- 4) The issues put to the vote and the voting results in respect of them;
- 5) The adopted resolutions.

4.4.3 The minutes of a meeting of the Board of Directors is signed by the person chairing that meeting, who is responsible for correctness of generation of the minutes.

4.4.4 Secretary of the Board of Directors, at a written request of the Company's: shareholders, members of the Board of Directors and the chief executive officers prepares and furnishes copies of the minutes and abstracts from the minutes of meetings of the Board of Directors certified by Chairman of the Board of Directors or Secretary of the Board of Directors.

5 Performance Evaluation and Remuneration Payable to Members of the Board of Directors

5.1 The amount and procedure for payment of remuneration and compensations to the members of the Board of Directors is determined by the resolution of a General meeting of shareholders as per the Bylaws on Remuneration and Compensations Payable to the Members of the Board of Directors.

Information on relations of the Board of directors' member with affiliated persons and large counterparties of the Company

1. Existence of ancestral relationships with the members of the current Board of directors, Management Board members, members of the Auditing Commission and with General Director of the Company
2. Relations with legal entities, where the Company holds 20 or more per cent of the voting shares (equities, units)
3. Relations with persons who holds 20 or more per cent of votes accounting for voting shares of the Company
4. Relations of the Board of directors' member with persons who belong to the group to which the Company belongs
5. Relations of the Board of directors' member with large counterparties of the Company

Member of the Board of directors

Requirements to the Candidate Members of the Board of Directors

COMSTAR-UTS OJSC

1. Age: not younger than 25 years.
2. Working experience: not less than 3 years.
3. No record of convictions for economic crimes.
4. No proscription to occupy the executive positions.
5. The candidate member also shall not be part of the management and control bodies of the companies, which are the Company's competitors, or their affiliates.

Annex №3
to the by-law on the Board of Directors
of JSC Comstar-UTS

To the Board of Directors
of the Open Joint Stock Company
Comstar – United Telesystems

of _____

STATEMENT OF CONSENT

I, the undersigned _____, do hereby express my consent to stand as a candidate for a member of the Board of Directors of Open Joint Stock Company Comstar – United Telesystems and, if elected to this position by General meeting of Shareholders, I herewith undertake to work in the capacity of BOD member of Open Joint Stock Company _____.

Below please find my particulars:

1. **ID document data:**
2. **Birth date:**
3. **Education background:**
4. **Place of employment and position over the last 5 years:**
Timeframe:
Organization:
Job title:
5. **Titles held in governing bodies of other legal entities over the past 5 years:**
Timeframe:
Organization:
Job title:
6. Mail address for sending correspondence:

As to the shares the Open Joint Stock Company «_____»
I hold / do not hold them.

I agree to processing and subsequent publication of my particulars above in disclosures of annual and quarterly reports of the Open Joint Stock Company Comstar – United Telesystems, and in the information about candidates into the Board of Directors due to be provided to persons entitled to participate in the General meeting of Shareholders of Open Joint Stock Company Comstar – United Telesystems.

(signature)
«_____» _____ 2008

Board of Directors
of JSC COMSTAR-UTS

Voting card for absentee voting of the Company's Board of Directors members
on the matters put to the vote

Company's location: _____

The final date for acceptance of Voting Cards: « _____ » _____ 200__

VOTING CARD # _____

Board of Directors Member: _____

AGENDA ITEM # _____ (Item description)			
Wording of the proposed resolution			
VOTING OPTIONS	<i>FOR</i>	<i>AGAINST</i>	<i>ABSTAINED</i>

Leave the option you have selected, and cross out the others.

The unsigned Voting Card shall be deemed to be invalid.

/signature and date/

