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Approved
under Decision of Board of Directors of
OJSC «COMSTAR-UTS»

REGULATION
ON DIVIDEND POLICY
OJSC «Comstar – UTS»

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1. General provisions

1.1. This Regulation on dividend policy (hereinafter referred to as the «Regulation») was elaborated in accordance with the effective legislation of the Russian Federation, the Charter of OJSC «COMSTAR – UTS» (hereinafter referred to as the «The Company») and its internal documents.

1.2. This Regulation is aimed at informing of shareholders and any other interested persons on the dividend policy of the Company.

1.3. The dividend policy - the policy of the Company in respect of profit disposition is based on maintenance of balance of the Company and its shareholders when determining amounts of dividend payments. The dividend policy is aimed at social welfare of the Company shareholders, growth of investment attractiveness and capitalization of the Company.

1.4. A dividend is a part of the Company net profit distributed among shareholders pro rata to a number and category of their shares.

1.5. Payment of declared dividends falls within the scope of the Company obligations. The Company bears responsibility to its shareholders for non-performance of this obligation in accordance with the effective legislation of the Russian Federation.

1.6. When approving this Regulation, the Board of Directors of the Company expects that the current dividend policy of the Company, considering high investment requirements of the Company for a medium-term perspective will remain in force within 3 years.

1.7. This Regulation has the character of a recommendation and is meant for determination of the approach of the Board of Directors of the Company to elaboration of recommendations on the amount of dividends on shares and the procedure for their payment.

2. Principal conditions for payment of dividends

2.1. Alongside with growth of capitalization the Company is aimed at increase of the amount of dividends paid to shareholders based on the amount of net profit gained within the year and requirements to develop production and investment activities of the Company.

2.2. Conditions for payment of dividends to shareholders include the following ones:

- 1) availability in the Company of net profit for the year determined in accordance with paragraphs 3.1 and 3.2 of this Regulation;
- 2) unrestricted payment of dividends provided for under article 43 of the Federal Law «On Joint Stock Companies»;
- 3) recommendation of the Board of Directors of the Company on the amount of dividends;
- 4) decision of the General Meeting of the Company Shareholders.

3. Determination of dividend amount

3.1. In accordance with requirements of the legislation of the Russian Federation dividends are paid to the Company shareholders from net profit of the Company, calculated based on financial statements drawn up in accordance with requirements of the legislation of the Russian Federation.

3.2. When determining the dividend amount (per one share) recommended to the General Meeting of the Company Shareholders and a relevant share of net profit allocated for payment of dividends the Board of Directors proceeds from the facts that a sum of funds allocated for dividends payments shall not less than 2% (two percent) of net profit determined based on consolidated financial statements of the Company drawn up in accordance with Generally Accepted Accounting Principles (GAAP) U.S.A..

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3.3. Dividends are paid in the form of money.

3.4. When dividends are paid none of shareholders has any privileges with regard to payout time.

3.5. In case of deviation from the criteria for determination of the amount of dividend payments established within the framework of this Dividend Policy the Company shall be obliged to disclose complete information on reasons of such a deviation.

3.6. Recommendations of the Board of Directors to the General Meeting of the Company Shareholders contain the total amount of profit allocated for payment of dividends, calculated in accordance with the established procedure, as well as the amount of dividends for each share.

4. Procedure for making decision on payment of dividends

4.1. Based on the proposal of the executive body the Board of Directors of the Company determines a recommended amount of dividend payments. When making its decision the Board of Directors is governed by sections 2, 3 and 6 of this Regulation.

4.2. The Board of Directors of the Company gives its recommendation to shareholders on the amount of dividends based on performance of the latest year in accordance with the effective legislation for them to make a final decision at the meeting of shareholders.

4.3. The decision on payment of dividends and their amount is made by the General Meeting of Shareholders. The amount of dividends may not exceed the amount recommended by the Board of Directors of the Company.

5. Procedure for payment of dividends

5.1. The Board of Directors of the Company determines the date for drawing up a list of persons having the right to participate in the General Meeting of the Company Shareholders. The list of persons having the right to receive dividends is drawn up as of the date of drawing up a list of persons having the right to participate in the General Meeting of the Company Shareholders making the decision on payment of dividends. For drawing up a list of persons having the right to receive dividends, the nominal holder of shares presents information on persons, in whose interests the nominal holder holds shares.

5.2. In accordance with the effective legislation and the Charter the Company pays dividends within a period of time not later than 60 days from the date of the decision on their payment made by the General Meeting of the Company Shareholders.

5.3. The Company pays expenses connected with payment of dividends. The Company bears no responsibility for losses of shareholders incurred in connection with non-payment or untimely payment of dividends due to absence of information, misleading or incomplete information on recipient of dividends recorded in the system of maintenance of the Register of the Company shareholders. Shareholders shall timely notify the Register of the Company Shareholders concerning any changes in their information including settlement accounts. Dividends are transferred to a shareholder over again according to corrected information at the written request of a shareholder and at the expense of the latter.

5.4. The Company bears no responsibility for non-payment or untimely payment of dividends in case of non-presentation (untimely presentation) by the nominal holder of information on shareholders, whose property right to shares was registered by the nominal holder as of the date of drawing up a list of persons having the right to receive dividends on securities.

5.5. A shareholder shall have the right to receive dividends, which were not received previously within three years from the date of closure of the financial year, within which dividends were charged. No interest is charged and paid on dividends not received when due.

5.6. The executive body of the Company bears responsibility for timely and full payment of dividends to shareholders.

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5.7. Dividends may be paid by means transfer of money to accounts of shareholders opened with banks of the Russian Federation, specified by shareholders in the system of maintenance of the Company Register and by means of payments of charged dividends through the Company cash office.

5.8. When paying dividends the Company performs functions of the tax agent deducting and transferring the tax on dividends in accordance with the procedure established under the legislation.

6. Restrictions on payment of dividends.

6.1. The Company shall have no right to make the decision on (to declare) payment of dividends on shares in the following cases:

- till redemption of all shares to be redeemed in accordance with the effective legislation;
- if as of the date of such a decision the Company shows signs of insolvency (bankruptcy) in accordance with the effective legislation of the Russian Federation on insolvency (bankruptcy) or if the Company has the above signs due to payment of dividends;
- if as of the date of such a decision the value of net assets of the Company is less than its Authorized Capital and the reserve fund or becomes less than their amount due to making such a decision;
- in any other cases provided for under the legislation.

6.2. The Company shall have no right to pay declared dividends on shares in the following cases:

- if as of the date of payment the Company shows signs of insolvency (bankruptcy) in accordance with the effective legislation of the Russian Federation on insolvency (bankruptcy) or if the Company has the above signs due payment of dividends;
- if as of the date of payment the value of net assets of the Company is less than its Authorized Capital and the reserve fund or becomes less than their amount due to payment of dividends;
- in any other cases provided for under the legislation.

Upon cessation of the circumstances provided for in this paragraph the Company pays dividends to shareholders.

7. Informing of shareholders on dividend policy of the Company

7.1. The Company places this Regulation and amendments hereto as well as the dividend history of the Company on the Internet Web-site.

7.2. The Company publishes information on the decision made by the General Meeting of the Company Shareholders in Internet at the address: www.comstar-uts.ru, and brings this information to notice of shareholders placing it in the Bulletin of the Federal Service on Financial Markets and the newswire of information agencies authorized by the Federal Service on Financial Markets in accordance with the established procedure.

7.3. Materials disseminated among shareholders for making decisions at the General Meeting of the Company Shareholders shall contain all necessary information on availability or absence of conditions required for payment of dividends.

7.4. The compulsory notice on the decision to pay dividends, their amount, terms, manner and form of payment published by the Company shall give shareholders an unambiguous and clear idea on these questions. At the same time shareholders shall be explained their obligation to notify the Registrar of the Company concerning any changes in their banking requisites and postal addresses as well as concerning consequences of non-performance of this obligation.

8. Responsibility for incomplete or untimely payment of dividends to shareholders

8.1. The Board of the Company bears responsibility for timely and correct execution of decisions made by meetings of shareholders concerning payment of dividends.

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8.2. In case of incomplete or untimely payment of dividends to shareholders, who timely notified the Registrar of the Company concerning their banking requisites or postal addresses and changes in them, any office holders, who are directly in fault for that bear responsibility in accordance with the effective legislation.

8.3. In accordance with article 44 of the Law «On joint stock companies» the Company, the Registrar and their office holders bear no responsibility for non-payment of dividends to shareholders, who failed to timely notify the Registrar of the Company concerning their banking requisites or postal addresses and changes in them.