

ОАО Система-Халс

APPROVED

By the Resolution of the Board of Directors
of ОАО Система-Халс

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Chairman of the Board of Directors

F. V. Evtushenkov

REGULATIONS ON ESSENTIAL INFORMATION DISCLOSURE AND INSIDER TRANSACTIONS OF ОАО СИСТЕМА-ХАЛС

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I. Purpose of the Regulations

Purpose of these Regulations is that:

- 1.1. The information submitted to the investors about OA0 Sistema-Hals (hereinafter referred to as the *Company*) and its subsidiaries:
 - is reliable, full and is timely disclosed;
 - comply with the applicable legislation and other regulations and instructions, including Disclosure Rules, and apply in full compliance with them.
- 1.2. The Insiders do not execute the Transactions with the Securities of the Company and its subsidiaries based on the Essential Nonpublic Information and comply with the rules and regulations applicable to the Company that ban the abuses in the securities market, including refraining from disclosure of the Essential Nonpublic Information about the Company to any persons unless it is required for honest and proper performance of their professional duties.
- 1.3. The Company keeps the Insider List.
- 1.4. The Employees of the Company comply with the rules related to obtaining of the prior permissions for Transactions with the Securities of the Company (Section XIV) and refrain from such Transactions during the Moratorium Periods (Section IX).
- 1.5. Any persons investing into Securities of the Company have free access to information that being publicly available could significantly influence the value of the securities of the Company.

II. Scope

These Regulations shall apply to all Employees of the Company, including Officials and Members of the managerial bodies, due to the status of the public company and circulation of the GDR on LSE, and specify the procedure for the Essential Information Disclosure, keeping of the Insider List and execution of the Transactions with the Securities according to the requirements of the Regulators.

III. Definitions and Abbreviations

Regulation Information Service (RIS) means a group of the specially authorized entities cooperating with the regulating authorities of UK and with the issuers of Securities for the purpose of gathering, distribution and publication of the issuers' significant information in behalf of the investors.

Financial Services Authority (FSA) means the organization with regulating and controlling powers in the UK securities market.

UK Listing Authority (UKLA) means a business unit of FSA authorized to determine the listing rules of issuing companies on LSE and supervising the compliance with such rules.

External Consultant means a company or an individual rendering different services to the Company, including legal, financial, consulting, auditing, investment, expert, technical, etc.

GDR means Global Depositary Receipts of the Company traded on LSE.

Insider means a company or an individual possessing the Essential Information due to:

- membership/participation in the management board or supervisory bodies of the Company, its subsidiaries and other companies having access to the Company's Essential information;
- labor relations or pursuance of professional duties, including as the External Consultants;
- ownership of the Securities of the Company;
- granting of loans or credits to the Company;
- illegal or criminal actions;
- other circumstances and events if such person is aware (or is to be aware) that he/she possesses the Essential Information; and
- ties of relationship with the individuals mentioned above.

Essential Information means the data, directly or indirectly related to the Company or its subsidiaries, including economical activity, financial indicators, business, strategy, purchases, credits and loans, changes in the capital structure or value of the Securities of the Company and its subsidiaries or operations with such Securities which being publicly available would possibly affect the market value of such Securities and/or associated investments and would possibly taken into account by a reasonable investor in funds investment decisions and would influence such decision. Further the Essential Information may include the information about new major trends and achievements in the Company's business or changes of any information about the Company that has been made available to the investors earlier.

Insider Transactions means execution or attempt to execute the Transaction with the Securities based on the Essential Nonpublic Information by the Insider.

Essential Information Disclosure Committee or Committee means permanent consultative and advisory body of the Company assisting in fulfillment of the commitments of the Company in respect of timely, reliable and full Disclosure of the Essential Information about the Company to the investors in accordance with the applicable laws and requirements of the Regulators.

Company means ОАО Система-Халс.

Regulations mean these Regulations on Essential Information Disclosure and Insider Transactions of ОАО СИСТЕМА-ХАЛС.

Disclosure Rules mean the requirements for essential information disclosure by issuers of securities provided for by the Federal Law of the Russian Federation "On securities market", UK Listing Rules, Disclosure Rules, Transparency Rules, Combined Code and other applicable laws and/or instructions of the Regulators.

President means a sole executive management body of the Company acting under the Charter and Regulations on the President.

Information Disclosure or Disclosure means arrangement of package plan in order to ensure the availability of the Company's Essential Information to all persons concerned, including publication of press releases by the Company in accordance with the legislative requirements on information disclosure by issuers of securities according to the Disclosure Rules, including informing of the investors about:

- purchase or disposal of the essential assets or Securities by the Company, including shares and/or stake in authorized capitals of other companies;
- business of the Company, its Securities, associated investments, issues and/or listing of the Securities of the Company, buyback or redemption of the own shares, GDR and other Securities by the Company;
- annual financial statements of the Company, including auditor's reports and management statements, extraordinary general meetings of the shareholders and so forth.

Regulators mean the Federal Financial Markets Service of the Russian Federation, the Financial Services Authority (FSA), UK Listing Authority (UKLA), the Regulation Information Service (RIS) and other authorized entities with regulating, controlling and other powers in the securities markets of the Russian Federation and/or UK.

Transaction or Securities Transaction mean purchase or sale, and attempts to purchase and sell any securities, subscription to options and/or their sale, conclusion of agreements where the amount of payment depends on the value of the basic securities or where the financial risks change depending on the fluctuation of the market value of the securities and so forth

Affiliated Persons - with regard to the Insider – legal entity mean its affiliated legal entities and individuals, with regard to the Insider – individual mean his/her relatives.

Employees (Officials and/or Management board members) mean members of the Board of Directors, the President and members of the Management Board of the Company as well as any manager and employee of complexes, departments and other Business Units of the Company (including staff and out-of-staff), working under labor, civil and other contracts or collaborating with the Company for other reasons, including as agents, representatives and so forth, whether on a temporary or employment basis.

Insider List means the list kept by the Company indicating the Employees of the Company, External Consultants and their representatives, and other persons having regular or periodic access to the Essential Nonpublic Information about the Company, as specified in Section XIV.

Business Units mean complexes, departments, directions and other business units of the Company.

Securities mean shares, GDR, debt instruments, promissory notes, other securities (including convertible) as well as options for securities (including call and put), phantom stock and so forth.

IV. Liability

The Employees of the Company shall be guided by these Regulations and comply with their provisions.

Liability for breach of these Regulations shall be established according to the legislation of the Russian Federation and UK, the Charter and internal documents of the Company as well as the labor contracts concluded with the Employees, and:

- the Employees of the Company shall be liable for failure to comply with these Regulations.
- the Heads of the Business Units of the Company shall be personally liable for the breach of these Regulations by their subordinate Employees of the Company.

The Insiders may be brought to account for the Transactions with the Securities of the Company executed by any other person (partner) whom they have advised the Essential Nonpublic Information or give recommendations in respect of the Transaction with the Securities of the Company based on the Essential Nonpublic Information.

Breach of these Regulations may be qualified as failure to comply with the specific laws and regulations of the Russian Federation and UK providing for the penalties against violator in a form of fines and/or imprisonment.

The Director of the Corporate Communications Department (IR, PR) shall be liable for development, relevance and surveillance of compliance with these Regulations.

V. Essential Information

- 5.1. Information both of positive and negative nature may be considered essential.

- 5.2. One should take into consideration the following factors while interpreting the term "Essential Information":
- 5.2.1. significance of information, i.e. its possible influence on the decision of any reasonable investor on investment into the Securities of the Company;
 - 5.2.2. accuracy of information, i.e. actual occurrence of definite events or their possible occurrence, and its specific nature reasonably enabling investor to make conclusions on possible influence of the appropriate event on the value of securities or associated investments;
 - 5.2.3. The Essential Information subject to Disclosure is the information not available for free / public access, i.e. not published according to the applicable rules and these Regulations ensuring widespread informing of public within a period of time sufficient for such information to influence the value of the securities of the Company;
- 5.3. Different examples of information and events potentially qualified as the Essential Information are given in the Annex No.1.

VI. Obligations of the Company in respect of the Essential Information Disclosure

- 6.1. The Company shall comply with all applicable legislation of the Russian Federation and UK and provisions of the Disclosure Rules on timely Essential Information Disclosure as well as Disclosure of data changing the contents of the Essential Information brought to the notice of the investors earlier.
- 6.2. The Director of the Corporate Communications Department (IR, PR) of the Company shall be responsible for timely and proper Essential Information Disclosure (as specified in this Section VI and, in particular, in paragraph 6.4.).
- 6.3. The Essential Information about the Company shall be disclosed as soon as the Company becomes aware of such information, and negative information shall be disclosed fully without delay, as well as positive information, excluding cases when the full Essential Information Disclosure may be delayed in accordance with these Regulations.

- 6.4. According to the requirements of UK Regulators the proper Essential Information Disclosure shall be as follows:
- 6.4.1. prompt notification of RIS on the Essential Information in respect of the Company;
 - 6.4.2. publication of such information at the website of the Company till the end of the business day following the day of notification of RIS (information shall be published at the website only after the notification of RIS);
 - 6.4.3. ensuring of access to the information published at the website of the Company within one year.
- 6.5. Disclosed Essential Information shall be published at the website of the Company in Russian and English.
- 6.6. The message on delivery of the Essential Information to RIS shall be published in Interfax newswire in accordance with the Regulations on disclosure of the information by the issuers of issue-grade securities approved by the Order of the Federal Financial Markets Service N 06-117/ПЗ-Н of October 10, 2006.
- 6.7. Press releases of the Company shall ensure that mass media and investors get an impartial understanding of essence and meaning of the Essential Information.
- 6.8. In exceptional circumstances when the Company is faced with unforeseen and important event or there is a objective need in clarification the Essential Nonpublic Information may be disclosed with delay, provided:
- 6.8.1. such delay does not delude third persons;
 - 6.8.2. any persons possessing the Essential Nonpublic Information at the moment are engaged themselves to secrecy with the Company;
 - 6.8.3. the Company is able to ensure confidentiality of such information.
- 6.9. The delay for Disclosure of the Essential Nonpublic Information (subject to subparagraphs 6.6.1- 6.6.3) is also allowed if the Company's interests are observed, in particular, when:

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- 6.9.1. The Disclosure may affect the course of negotiations of the Company;
- 6.9.2. Resolution already approved by the managerial body of the Company requires the approval of another managerial board of the Company.
- 6.10. If the Disclosure is delayed the situation shall be supervised by the Corporate Communications Department (IR, PR) of the Company which should promptly notify the Essential Information Disclosure Committee and the President of the Company about any changes of circumstances, and then it shall disclose the Essential Information Disclosure as specified in paragraph 6.4.
- 6.11. If is any supposition in mass media or hearsay in the market that is quite reliable in its contents, and if the information underlying such supposition and hearsay is Essential, the Company shall not delay its Disclosure as it is not able to ensure its confidentiality.

VII. Ban on Unauthorized Disclosure of the Essential Nonpublic Information

- 7.1. The Employees of the Company and persons who are Insiders shall not disclose the Essential Nonpublic Information about the Company to any persons until the Company discloses such information in accordance with these Regulations.
- 7.2. If the Essential Nonpublic Information has been indeliberately or illegally disclosed by any persons, on behalf of the Company the Corporate Communications Department (IR, PR) shall notify RIS and act as specified in paragraph 6.4. above, and it can additionally publish the appropriate information in a separate press release.
- 7.3. Communicating of the Essential Nonpublic Information to any persons or groups in the course of personal or group meetings shall not be considered as proper and sufficient Disclosure of information to the investors for the purpose of these Regulations.
- 7.4. Access to the Essential Nonpublic Information by the External Consultants of the Company for the purpose of their professional duties

shall be allowed as an exception from the abovementioned ban if the confidentiality agreement or any similar agreement is available.

VIII. Essential Information Access Restriction (confidentiality)

- 8.1. Only persons actually needed in the Essential Information for performance of their professional duties (according to the principle of service necessity) shall get access to such information.
- 8.2. All Employees of the Company, and any other individuals and legal entities granted the access to the Essential Information about the Company shall be notified in good time that they are not allowed to disclose it or execute any Securities Transaction of the Company or its subsidiaries until the Company discloses the appropriate Essential Information to the investors. It is recommended to sign the confidentiality agreements with such persons in the form of Annex to the labor contract.
- 8.3. The Disclosure of the Essential Information by the Insider to any persons beyond honest and proper performance of the professional duties of the Insider shall be illegal.
- 8.4. The Insiders possessing the Essential Nonpublic Information about the Company or having access to such information shall not be entitled to comment upon fluctuations of prices in the equity market and securities market or hearsay about corporate development plans of the Company potentially significant for investors without written permission of the President of the Company.
- 8.5. In order to prevent the improper use or unauthorized disclosure of the Essential Information the following safety measures shall be kept:
 - 8.5.1. Documents and files with the Essential Information shall be kept in safety with access granted only to the persons needed such information in connection with their professional duties. When needed the system of passwords and access codes may be used.
 - 8.5.2. It is not allowed to discuss the confidential issues in the places where other persons may hear the discussion, including, lifts, passages, halls, restaurants, bars, airliners, taxi and so forth

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- 8.5.3. The Employees of the Company shall be barred from participation in discussion of the corporate issues in any mass media, including Internet.
- 8.5.4. All Employees shall promptly notify the Director of the Corporate Communications Department (IR, PR) about any known facts of publication in mass media or Internet of the Essential Information or confidential information about the Company kept a secret before.
- 8.5.5. Upon receiving and confirmation of the insider facts the Director of the Corporate Communications Department (IR, PR) shall notify the Economic Security Service accordingly.

IX. Transactions with the Securities

- 9.1. Execution of Transactions with any Securities based on the Essential Nonpublic Information is illegal that is why the Insiders shall be barred from:
 - 9.1.1. execution of the Transactions with the Securities of the Company or its subsidiaries based on the Essential Nonpublic Information or according to it;
 - 9.1.2. execution of the Transactions with the Securities of any other companies (including partners of the Company) if the Essential Nonpublic Information become available to the Insiders in the course of performance of their function in the Company.
- 9.2. The restriction indicated in paragraphs 9.1.1. and 9.1.2. and penalties applicable to the violators shall also apply to:
 - 9.2.1. Transactions executed in the formal securities markets and over-the-counter Transactions;
 - 9.2.2. forced sales resulted from transfer by the Insiders of the securities in order to guarantee the obtained loans, as, for example, when the Insider gets marginal loans through a broker the latter may be entitled to sell the securities owned by the Insider without his/her authorization if the value of the securities of such Insider falls below the fixed broker's margin. The sale of the securities unauthorized by the Insider shall be considered as executed in behalf of the Insider. Such sale may result in the liability of the Insider according to the UK legislation prohibiting the transactions

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based on the Essential Nonpublic Information, provided that the Securities are sold by a broker when the Insider possesses of the Essential Nonpublic Information about the Company. Similar restrictions shall apply to the credits or loans guaranteed by the Securities of the Company or other companies owned by the Insider.

- 9.3. The Insiders shall not be entitled to recommend other persons on Transactions with the Securities of the Company or its subsidiaries, if such recommendations are based on the Essential Nonpublic Information.
- 9.4. Transactions with the Securities of the Company or other companies executed under the instructions of the Insider by any other persons shall be considered as Transactions executed by the Insider himself or herself.
- 9.5. The ban on execution of the abovementioned Transactions by the Insiders shall be in force until the relevant Essential Nonpublic Information is not fully and properly disclosed by the Company in accordance with instructions of these Regulations, applicable legislative requirements and Disclosure Rules.
- 9.6. More detailed description of violations qualified as abuse in the UK securities market is specified in the Annex No.3.

X. Exceptions

- 10.1. These Regulations shall not apply to the following Transactions with the Securities:
 - 10.1.1. Transactions with no change of the beneficiary of the respective Security (securities);
 - 10.1.2. Transactions between the Insider and his/her spouse or children;
 - 10.1.3. Bona fide granting of the securities to the Insider by third persons as a gift.

XI. Moratorium Periods

- 11.1. The Insiders shall not be entitled to execute or attempt to execute Transactions with the Securities of the Company during the moratorium periods.
- 11.2. Moratorium period shall be:

- 11.2.1. a period of sixty (60) calendar days immediately preceding the publication of the annual performance financial statements by the Company;
- 11.2.2. a period of thirty (30) calendar days immediately preceding the publication of the quarterly performance financial statements by the Company.
- 11.3. The safest period for execution of the Transactions with the Securities by the Insiders shall be the first ten bidding days at the expiration of the moratorium period, provided that at the moment the full Essential Information about the Company has been disclosed to the investors.
- 11.4. For the purpose of due compliance with these Regulations, the Insiders shall wait for 48 hours after the expiration of the moratorium period at least before execution of the Transactions with the Securities of the Company.

XII. Granting of Securities and Options

- 12.1. Granting of the securities by the Company, including options or other rights for purchase of the securities by the Insiders shall be allowed during the moratorium period, provided:
 - 12.1.1. such instruments are granted within the option program the terms and conditions of which have not been approved and amended during the moratorium period;
 - 12.1.2. the terms and conditions of the option program specify the total amount or value of the granted securities or the basis for calculation of such amount or value, and the possibility of distribution at free option is excluded.
- 12.2. If the moratorium period of the Company is too long or there is a sequence of moratorium periods the permission for the realization of option or rights under the program of securities distribution among the Employees of the Company as well as the rights for conversion of the convertible securities may be granted if:
 - 12.2.1. the final date for realization of such options or rights falls to the date within the moratorium period;

- 12.2.2. it can not be reasonably expected that the Employee subject to ban on such Transaction shall execute it within the period of time when the moratorium is not in effect.

XIII. Transacting in Exceptional Circumstances

- 13.1. The Insider who does not possess the Essential Information about the Company may receive the permission for Transactions with the Securities of the Company in exceptional circumstances.
- 13.2. Permission for sale (but not purchase) of securities of the Company may be granted to the Insider, in particular, in the following exceptional circumstances:
- 13.2.1. if the Insider has financial obligations that can be discharged only by means of sale of the securities of the Company;
- 13.2.2. if cession or sale of the securities of the Company is mandatory in accordance with the legislation or court decision.
- 13.3. The decision on the issue whether there are exceptional circumstances or not shall be made by the authorized member of the Board of Directors of the Company.

XIV. Obtaining of Prior Permissions for Transacting

- 14.1. Prior to Transactions with the Securities of the Company by the Employees of the Company, other Insiders, and Affiliated Persons it is required to obtain the permission as follows:
- 14.1.1. Any member of the Board of Directors, President and Corporate Secretary shall not execute any Transaction with the Securities of the Company without prior permission of the Chairman of the Board of Directors, or member of the Board of Directors authorized especially for such purpose;
- 14.1.2. The rest Employees of the Company and any other persons who are the Insiders shall not execute any Transaction with the Securities of the Company without prior permission of the Corporate Secretary, or member of the Board of Directors authorized especially for such purpose;

- 14.1.3. On behalf of the Affiliated Persons the prior permission shall be obtained by the respective member of the Board of Directors, President, other Employee or other person who is the Insiders.
- 14.2. The reply (i.e. permission or refusal) to the request on obtaining of the permission for Transaction with the Securities of the Company shall be delivered within 2 (two) business days from the date of request sending.
- 14.3. Any person who has received the permission for Transaction with the Securities of the Company in accordance with this Section XIV shall execute the Transaction without delay, but in any case within 5 (five) business days from the date of the permission obtaining.

XV. Notification on Transactions of the members of the managerial bodies, officials with managerial powers and affiliated persons

- 15.1. In any case the members of the managerial bodies, Officials with managerial powers, and Affiliated Persons shall notify the Company about the Transaction with the Securities of the Company within 4 (four) business days from such transaction execution date.
- 15.2. The notice on execution of the Transaction with the Securities shall specify the following information:
- last name, first name, patronymic of the Member of the managerial body, Official with managerial powers, Affiliated Person;
 - reasons for delivery of the notice on execution of Transaction with the Securities;
 - description of securities subject to the Transaction with the Securities;
 - description of the Transaction with the Securities (purchase, sale of the Securities and so forth);
 - place and date of the Transaction with the Securities;
 - price of the Transaction with the Securities and number of the Securities subject to the Transaction with the Securities.
- 15.3. The Company shall promptly deliver to RIS the detailed information about all Transactions with the Securities of the Company (including options for the shares of the Company) executed (concluded) by the

Members of the managerial bodies and Officials with managerial powers including the information about the Transactions:

- 15.3.1. of the Members of the Board of Directors, President and members of the Board of the Company;
 - 15.3.2. Officials having free access to the Essential Nonpublic Information and qualified to make managerial decisions influencing on development and prospects of the Company's business;
 - 15.3.3. Affiliated Persons of the Members of the managerial bodies and Officials mentioned in paragraphs 15.3.1. and 15.3.2.
- 15.4. Upon delivery of the notices on Transactions (as specified above), the Company shall use the "Notice on Transactions of the members of the managerial bodies, officials with managerial functions and affiliated persons" form recommended by FSA and enclosed below in Annexes No.2-A and No.2-B to these Regulations in Russian and English. The notes to this form specify the procedure and circumstances for filling in of the respective sections.
- 15.5. Notices on Transactions shall be filed only in English by means delivery to RIS by the Director of the Corporate Communications Department.
- 15.6. The notice shall be published at the website of the Company in Russian at the date of notice sending to RIS.

XVI. Insider List

- 16.1. The Company shall make up and update periodically the list of all persons having regular or periodic access to the Essential Nonpublic Information relevant to the Company either directly or indirectly.
- 16.2. The Insider List of the Company shall include:
- 16.2.1. The Employees of the Company having regular or periodic access to the Essential Nonpublic Information, including members and secretaries of the committees, commissions of the Company and so forth;

- 16.2.2. Representatives of the External Consultants and creditors of the Company (specifying the name of the consulting company or creditor) having regular or periodic access to the Essential Nonpublic Information of the Company;
- 16.2.3. Shareholders of the Company owing 1 (one) and more per cent of the stock of the Company;
- 16.2.4. Heads of the subsidiaries of the Company and heads of its branches and representative offices;
- 16.2.5. Registrars of the Company, brokers of the Company and other professional participants of the securities market acting under the agreements with the Company;
- 16.2.6. Reasons for inclusion of the persons enumerated in the paragraphs 16.2.1.-16.2.5. to the Insider List (it is enough to indicate that "person/company is included into the List because he/she has access to the Essential Nonpublic Information"), and date of inclusion of such persons into the List and exceptions from the List;
- 16.2.7. Date when the List has been made up and date(s) of its update, and the Insider List shall be updated:
 - 16.2.7.1. upon changing of the reason for inclusion of a person into the List;
 - 16.2.7.2. upon granting of access to the Essential Nonpublic Information to any person not included into the List before;
 - 16.2.7.3. in order to indicate the date when any person included into the List has lost access to the Essential Nonpublic Information.
- 16.3. Through the Corporate Communications Department (IR, PR) the Company shall:
 - 16.3.1. Keep the Insider List in English and in Russian and update it regularly;

- 16.3.2. Submit the Insider List to FSA on demand;
- 16.3.3. Have custody of the Insider List for at least five (5) years from the last update.
- 16.4. The Company shall ensure that its Employees, External Consultants and creditors having access to the Essential Nonpublic Information acknowledge and confirm the understanding of their obligations in respect of the nondisclosure of the Essential Nonpublic Information about the Company and are aware of penalties related to its improper use or illegal distribution.
- 16.5. UK Regulators charge the Company with obligations to ensure that the External Consultants keep their own Insider Lists similar to the List of the Company. So the agreements on involving of the External Consultants shall include the corresponding obligations in respect of the keeping of own Insider Lists and submission of them to the Company on demand for delivery to FSA.
- 16.6. The Company may keep a single Insider List or a number of independent Lists as appropriate (for example, separate List for Employees and separate List for External Consultants and so forth).

XVII. Annexes

- Annex No.1: Examples of the Essential Information
- Annex No.2-A and No.2-B: "Notice on Transactions of the members of the managerial bodies, officials with managerial functions and affiliated persons" Form
- Annex No.3: Types of Abuses in the UK Securities Market

Clause 1. EXAMPLES OF THE ESSENTIAL INFORMATION

- 1.1. This Annex No.1 specifies the different types of events and information that may be qualified as the Essential Information (**list of examples is not exhaustive**).

Clause 2. CHANGES IN THE ORGANIZATIONAL OR EQUITY STRUCTURE OF THE COMPANY

- 2.1. Changes in stock ownership structure that may affect the control over the Company.
- 2.2. Major reorganizations, merger or takeover of other companies by the Company.
- 2.3. Takeover bids in respect of the Company.
- 2.4. Private or public placement of the Securities.
- 2.5. Planned redemption of the own Securities by the Company.
- 2.6. Planned splitting of ordinary shares of the Company, or offering of warrants or rights for purchase of the shares of the Company.
- 2.7. Consolidation of the shares, exchange of the shares, or payment of dividends in a form of shares of the Company instead of money payment.
- 2.8. Changes in dividend payment procedure or dividend policy of the Company.
- 2.9. Considerable changes in the rights of the securities holders.

Clause 3. CHANGES IN THE FINANCIAL PERFORMANCE OF THE COMPANY

- 3.1. Considerable increase or reduction of expected earnings.
- 3.2. Unforeseen changes in financial performance for any period.
- 3.3. Changes of financial indicators, e.g. reduction of cash flows, write-off of the essential assets or their book value due to revaluation related to depreciation.
- 3.4. Changes in value or structure of the assets of the Company.
- 3.5. Any considerable changes in the corporate accounting policy.

Clause 4. CHANGES IN BUSINESS AND ACTIVITIES OF THE COMPANY

- 4.1. Considerable changes of capital investment plans or corporate goals.
- 4.2. Considerable labor disputes or disputes with major contractors or suppliers.
- 4.3. Conclusion of new major contracts or incurring of large-scale losses from transaction or business.
- 4.4. Important scientific and technical discoveries and so forth
- 4.5. Changes in the Board of Directors or Management Board including discharge of the President (General Director), CFO (or persons holding equivalent positions).
- 4.6. Beginning of a material trial or administrative proceedings, and appropriate significant events.
- 4.7. Breach of corporate ethics and approved standards of behavior by the executive Employee's of the Company.
- 4.8. Any notice that the data of the previous audit are not reliable.
- 4.9. Delisting of the Securities of the Company or change of the listing system.

Clause 5. PURCHASE AND ALIENATION OF ESSENTIAL ASSETS OF THE COMPANY

- 5.1. Purchase or alienation of the assets, real estate or shares in joint-ventures.
- 5.2. Major mergers and takeovers.

Clause 6. CHANGES IN DEBT LIABILITIES OF THE COMPANY

- 6.1. Obtaining or granting of considerable credits /loans.
- 6.2. Pledge or encumbrance of the assets of the Company.
- 6.3. Failure to fulfill the debt obligations (default), and conclusion of agreements on debt rescheduling, or forced debt recovery procedure against the Company initiated by banks or other creditors.

Clause 7. FOREIGN POLICY, ECONOMIC AND SOCIAL EVENTS

- 7.1. As a rule, companies are not obliged to evaluate what external political, economic and social events influence on their business or status. However if the external event may directly or indirectly affect or actually has affected the business and status of the Company but not of other companies with similar economical activity in the same branch of business, the Company should deliberately assess this fact and make decision on Disclosure of the respective information. If the Company has decided that the Disclose is reasonable, the information shall be disclosed without delay.
- 7.2. For example, changes in the public policy of the Russian Federation significantly influencing the operations of the vast majority of companies operating in telecommunications sector are not subject to disclosure, but if such changes significantly influence the Company only, it shall disclose such information to the investors.

TRANSLATION FROM ENGLISH INTO RUSSIAN OF "Notice on Transactions of the members of the managerial bodies, officials with managerial functions and affiliated persons" Form.

To be completed in English in capital block letter.

1.	Наименование эмитента	2.	Указать, относится ли уведомление к (i) сделке, о которой сообщается в соответствии с DTR* 3.1.2 R, (ii) раскрытию информации в соответствии с LR** 9.8.6R(1) или (iii) раскрытию информации в соответствии с разделом 793 Закона о Компаниях (2006).
3.	Имя лица, наделенного управленческими полномочиями/директора	4.	Указать, относится ли уведомление к лицу, связанному с лицом, наделенным управленческими полномочиями/директором, указанным в п. 3, и указать имя связанного с ними лица
5.	Указать, относится ли уведомление к Securities во владении лица, указанного в пп. 3 или 4 выше или к небенефициарному участию 1	6.	Описание акций (включая класс), облигаций, деривативов или финансовых инструментов, относящихся к акциям
7.	Имя зарегистрированного владельца именной акции и, если их более одного, количество акций во владении каждого из них	8.	Указать характер сделки
9.	Количество акций, облигаций или финансовых инструментов, относящихся к приобретаемым акциям	10.	Процент приобретенных акций выпущенного класса (казначейские акции данного класса не должны приниматься во внимание при расчете процента)
11.	Количество акций, облигаций или финансовых документов,	12.	Процент выпущенных акций определенного типа, с которыми

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	относящихся к акциям с которыми совершается сделка		совершается сделка (казначейские акции данного класса не должны приниматься во внимание при расчете процента)
13.	Цена каждой акции или сумма сделки	14.	Дата и место совершения сделки
15.	Общее количество акций во владении (по состоянию после уведомления) и общий процент доли в уставном капитале (по состоянию после уведомления) (при расчете процента, казначейские акции не учитываются)	16.	Дата информирования эмитента о сделке

Если лицо, наделенное управленческими полномочиями, получало опционы от эмитента, необходимо заполнить следующие поля:

17.	Дата предоставления опциона	18.	Период, в течение которого опцион может быть реализован или точная дата возможной реализации
19.	Общая сумма выплат (если производились) за предоставление опциона	20.	Описание акций или облигаций опциона (тип акций и их количество)
21.	Цена реализации (если устанавливалась во время предоставления) или указание, что цена устанавливается во время реализации	22.	Общее количество акций или облигаций в отношении которых предоставлен опцион (по состоянию после уведомления)
23.	Любая дополнительная информация	24.	Имя и телефон контактного лица для справок

Имя уполномоченного должностного лица или эмитента, ответственного за направление уведомления:

Дата уведомления _____

Примечание: Данная форма предназначена для использования эмитентом при направлении уведомлений в Британскую Информационную Службу Регулирования (RIS), согласно DR 3.1.

- (1) Эмитент, направляющий уведомление о сделке с его акциями и облигациями, должен заполнить поля 1 - 16, 23 и 24.
- (2) Эмитент, направляющий уведомление о сделке с деривативами по его акциям, должен заполнить поля 1 - 4, 6, 8, 13, 14, 16, 23 и 24.
- (3) Эмитент, направляющий уведомление об опционах, предоставленных им директору/лицу, наделенному управленческими полномочиями, должен заполнить поля 1 - 3 и 17 - 24.
- (4) Эмитент, направляющий уведомление в отношении финансового инструмента, относящегося к его акциям (кроме облигаций), должен заполнить поля 1 - 4, 6, 8, 9, 11, 13, 14, 16, 23 и 24.

* *DTR - Disclosure and Transparency Rules of the UK Listing Authority*
(«Правила Раскрытия и Прозрачности» Британского Управления по Листингу)

** *LR - Listing Rules of the UK Listing Authority*
(«Правила Листинга» Британского Управления по Листингу)

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AUTHENTIC FORM: "Notice on Transactions of the members of the managerial bodies, officials with managerial functions and affiliated persons".

To be completed in English in capital block letter.

1.	Name of the issuer	2.	State whether the notification relates to (i) a transaction notified in accordance with DTR* 3.1.2 R, (ii) a disclosure made in accordance LR** 9.8.6R(1) or (iii) a disclosure made in accordance with section 793 of the Companies Act (2006)
3.	Name of person discharging managerial responsibilities/director	4.	State whether notification relates to a person connected with a person discharging managerial responsibilities/director named in 3 and identify the connected person
5.	Indicate whether the notification is in respect of a holding of the person referred to in 3 or 4 above or in respect of a nonbeneficial interest 1	6.	Description of shares (including class), debentures or derivatives or financial instruments relating to shares
7.	Name of registered shareholders(s) and, if more than one, the number of shares held by each of them	8.	State the nature of the transaction
9.	Number of shares, debentures or financial instruments relating to shares acquired	10.	Percentage of issued class acquired (treasury shares of that class should not be taken into account when calculating percentage)
11.	Number of shares, debentures or financial instruments relating to shares disposed	12.	Percentage of issued class disposed (treasury shares of that class should not be taken into account when calculating percentage)
13.	Price per share or value of transaction 1	14.	Date and place of transaction
15.	Total holding following notification and total percentage	16.	Date issuer informed of transaction

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	holding following notification (any treasury shares should not be taken into account when calculating percentage)		
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If a person discharging managerial responsibilities has been granted options by the issuer then complete the following boxes

17.	Date of grant	18.	Period during which or date on which exercisable
19.	Total amount paid (if any) for grant of the option	20.	Description of shares or debentures involved (class and number)
21.	Exercise price (if fixed at time of grant) or indication that price is to be fixed at the time of exercise	22.	Total number of shares or debentures over which options held following notification
23.	Any additional information	24.	Name of contact and telephone number for queries

Name of authorized official of issuer responsible for making notification:

Date of notification _____

Notes: This form is intended for use by an issuer to make a RIS notification required by DR 3.1.

- (1) An issuer making a notification in respect of a transaction relating to the shares or debentures of the issuer should complete boxes 1 to 16, 23 and 24.
- (2) An issuer making a notification in respect of a derivative relating the shares of the issuer should complete boxes 1 to 4, 6, 8,13, 14, 16, 23 and 24.
- (3) An issuer making a notification in respect of options granted to a director/person discharging managerial responsibilities should complete boxes 1 to 3 and 17 to 24.
- (4) An issuer making a notification in respect of a financial instrument relating to the shares of the issuer (other than a debenture) should complete boxes 1 to 4, 6, 8, 9, 11, 13, 14, 16, 23 and 24.

* *DTR - Disclosure and Transparency Rules of the UK Listing Authority*

** *LR - Listing Rules of the UK Listing Authority*

TYPES OF ABUSES IN THE SECURITIES MARKET

Clause 1. ABUSES IN THE SECURITIES MARKET

- 1.1. UK Rules on counteractions against abuses in the securities market shall apply to any individual or company operating in the securities market with GDR or associated investments. It does not matter whether such individual or company is a UK resident or not, as the violation is related to UL listed securities. It also does not matter whether an individual or company has subjective intention to abuse in the securities market.
- 1.2. In respect of the Securities of the Company "abuse in the securities market UK", in particular, shall mean acts (both action and inaction) in respect of:
 - 1.2.1. GDR listed on LSE and GDR in respect of which there has been an application for listing, and
 - 1.2.2. investments with value depending on the value of GDR (for example, exchange of the shares under GDR and so forth),if such acts fall under one or several patterns of behavior described below in Clause 2 and Clauses 5 - 9 of hereof.

**Clause 2. TYPES OF ABUSES DESCRIBED IN THE REGULATIONS ON
ABUSES IN THE UK SECURITIES MARKET**

- 2.1. The following acts are qualified as abuses in the UK securities market:
 - 2.1.1. Execution of the Insider transactions.
 - 2.1.2. Improper disclosure of the Essential Information.
 - 2.1.3. Execution of the Transactions for the purpose of manipulation.
 - 2.1.4. Manipulation plans execution.
 - 2.1.5. Disclosure of the misleading information.
- 2.2. The violations also include action or inaction of one person provoking other persons (or making them) to commit acts than may be qualified as abuses in the market if such acts have been committed by the person itself. For example, the executive Employee of the Company possessing of the Essential Nonpublic Information may force their subordinates to execute the Transactions with GDR of the Company based on such information (or encourage/provoke such execution). Within such "indirect" violation such

executive Employee does not have to take part in the transaction or gain self-profit.

- 2.3. Indirect violation may consist in untimely disclosure or selective disclosure of the Essential Information subject to disclosure only in accordance with Disclosure Rules.

Clause 3. MAIN TYPES OF BAD BEHAVIOR

- 3.1. Main types of bad behavior which are more likely will be qualified by the Regulators as abuse in the securities market, with respect to the Company are:
 - 3.1.1. Execution of the Insider Transactions, and
 - 3.1.2. Improper disclosure of the Essential Nonpublic Information.
- 3.2. For the purpose of full-fledged understanding the key types and constituent elements of such behavior are discussed below.

Clause 4. CONSTITUENT ELEMENTS OF ABUSES IN THE SECURITIES MARKET

- 4.1. Main types of abuses in the securities market are specified in Clauses 5 – 9 hereof.
- 4.2. Major requisite for proper understanding of these abuses in the securities market is understanding of the terms "Essential Nonpublic Information" and "Insider".
 - 4.2.1. Essential Nonpublic Information means information of the specific nature that is not available to the public, directly or indirectly related to the Company or GDR, and may significantly influence on the market value of the securities or associated investments.
 - 4.2.2. The elements of the definition above shall be interpreted as follows:
 - 4.2.2.1. Information of the specific nature – information has specific nature if it (1) specifies the circumstances that actually take place, or if there is a reasonable grounds to suppose that they will take place, or indicate some event already taken place or event that is likely to take place, and (2) is specific enough to make conclusion on possible results of such circumstances or events and their influence on the value of investments or associated investments.
 - 4.2.2.2. Available to the public – the objective criterion is a fact of public availability of the information (whereby it is not confidential), but not the fact of awareness of any person about availability of such information for public. For example, information that may be received by the

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participants of the market by means of research and analysis is considered to be public.

4.2.2.3. May significantly influence– information may significantly influence on the value of the Securities if it would possibly used and taken into account by a reasonable investor in funds investment decisions. The following data are potentially included into this type of information: (1) on assets and liabilities; performance or projections; financial condition or business activity of the Company; (2) major new trends and achievements in business of the Company; (3) change of the Essential Information that has been made available to the investors earlier.

4.3. Such criteria are applied in practice with no account taken of subjective component, i.e. with no account taken of factor of understanding by the appropriate person that the information available to him/her is Essential.

Clause 5. EXECUTION OF INSIDER TRANSACTIONS

5.1. The Insider executes the Insider Transactions if he/she executes or attempts to execute the Transactions with the Securities of the Company (including as principal or agent, directly or indirectly) based on the Essential Nonpublic Information or following it.

Clause 6. IMPROPER DISCLOSURE OF ESSENTIAL NONPUBLIC INFORMATION

6.1. Improper disclosure shall be the transfer by the Insider of the Essential Nonpublic Information relevant to the Securities (or associated investments) to any persons excluding those persons who need such information for lawful and bona fide performance of their function and professional duties according to the principle of service necessity.

6.2. If the Employee of the Company informs their acquaintances that the Company received the offer on affiliation resulting in significant increase of the value of its securities in comparison to the current value, and the acquaintances guided by the expectation of securities value increase after the public affiliation announcement conclude the futures contracts tied to the securities value, such operation shall be considered the Insider Transaction.

Clause 7. TRANSACTING FOR THE PURPOSE OF MANIPULATION

7.1. Execution of the Transactions for the purpose of manipulation is performance of operations that result or may result in false or misleading impression in the market on demand, supply or value of the securities of the Company (for example, GDR) or operations increasing the value of the

securities of the Company up to abnormal (artificial overvaluation) level, excluding the cases when such operations are executed legally and in accordance with the generally accepted market practice.

- 7.2. The example of manipulation Transactions with the Securities is the execution of a number of operations in the market in order to make impression of activity and fluctuation of the market value of the securities of the Company.

Clause 8. MANIPULATION PLANS PERFORMANCE

- 8.1. The performance of the manipulation plans is an execution of the Transactions accompanied by the feigned patterns or other fraud (misrepresentation).
- 8.2. For example, in mass media the Employee of the Company may express his/her opinion (positive or negative) about GDR or other securities of the Company, and previously he/she has given the instruction to the broker to buy (or sell) GDR, and gain the profit resulted from his opinion.
- 8.3. Such manipulation behavior patterns include:
- 8.3.1. deliberate "warming up" of the market and subsequent disposal of the securities (for example, "long position" for GDR (purchase of GDR) and distribution of false positive information on GDR in order to increase their market value);
- 8.3.2. purchase of securities at artificially reduced price (for example, "short position" for GDR (sale of GDR) and distribution of false positive information on GDR in order to reduce their market value).

Clause 9. DISCLOSURE OF MISLEADING INFORMATION

- 9.1. Distribution of the misleading information shall be the distribution by all means (for example, through RIS) or similar data portal) of the information that creates misleading or false impression about the value of securities of the Company (for example, GDR) if the information is distributed by a person aware (or to be aware) that such information is misleading and false.
- 9.2. For example, if any person publishes in Internet deliberately false or misleading information about supposedly takeover of the Company, such person is to be found guilty in distribution of misleading information.
- 9.3. Similarly the fault of a person responsible for the contents of the information delivered by the Company to RIS will be admitted if such

person irresponsibly submits false and misleading information about the Securities of the Company to RIS.

Clause 10. EXCEPTIONS

10.1. The program of redemption of the own shares by the Company ("Safe Harbour" is a rule according to which companies may purchase their own stock without accusation of manipulations and abuses in the securities market).

10.1.1 Implementation of the program of redemption of the shares or GDR shall not constitute a violation in the securities market subject to the terms and conditions below:

10.1.1.1. redemption program shall be implemented solely for the purpose reduction of the authorized capital of the Company or fulfillment of the obligations in respect of the debt instruments convertible into shares (securities) or under the programs of granting of the securities of the Company to its Employees;

10.1.1.2. redemption program shall be implemented with proper approval of the shareholders of the Company;

10.1.1.3. all details of the redemption program shall be disclosed to the investors;

10.1.1.4. the Company shall document and register every Transaction;

10.1.1.5. the Company shall disclose every Transaction to the public; and

10.1.1.6. the specific restrictions for price and volume shall be observed and the Company shall refrain from the sale securities during the period of the redemption program realization and shall not execute Transactions with them in the period of time when there is undisclosed Essential Information.

10.2. Arrangements for stabilization of the value of the securities of the Company.

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- 10.2.1. Arrangements of the Company for stabilization of the value of own securities shall not constitute a violation if they comply with the specific requirements, e.g. stabilization for a limited period of time and the respective Disclosure of the information allied with the proper reporting to the Regulators and investors.
- 10.3. Compliance with the Rules established by the Regulators.
 - 10.3.1. Any arrangement shall not be qualified as violation in the securities market if it is directly permitted by the respective rule or direction of the Regulators. The list of circumstances allowing for behavior otherwise being considered as violation is very limited. For example, it is relevant to the sections of the Disclosure Rules regulating the terms, distribution, contents of the Essential Information in respect of the procedure of information Disclosure and publication.

Clause 11. PENALTIES

- 11.1. Violations and abuses in the UK securities market may be qualified as civil or criminal offence.
- 11.2. FSA is lawfully authorized to investigate the case if there is suspicion of violations or abuses in the securities market.
- 11.3. Penalties may be expressed as unlimited monetary fine, public censure, resolution on refund of the gained profit or losses of third persons, payment of compensation to aggrieved person and/or imprisonment within seven years.
- 11.4. Any Employee of the Company may be found guilty of a crime in a form of inducement of the Company to execute the illegal Transactions if the respective decision made on the basis of the Essential Nonpublic Information is expressed by such Employee on behalf of the Company. Moreover, under the UK laws the Company may be found guilty in collusion or complicity and abetting and the penalties specified in paragraph 11.3. above may be imposed on the Company.
- 11.5. While determining whether it should resort to prosecution in respect of the alleged infringement in the securities market, FSA will take into account whether there has been an influence in the terms of violation of trust in the market, and whether the participants of the market have incurred losses. FSA will also take into consideration whether its timely actions may

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prevent the further loss or influence the prevention of such behavior /actions in the future.

- 11.6. FSA may not impose penalties if there are reasonable and sufficient evidence that a person has honestly believed that his/her actions will not result in violation of the market behavior standards, or that he/she has taken all reasonable precautions and honestly tried to avoid such violations.

