

GOLDEN TELECOM INC
 Form 4
 July 02, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Smirnov Ilya

(Last) (First) (Middle)
 2831 29TH STREET, NW
 (Street)

WASHINGTON, DC 20008

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 GOLDEN TELECOM INC [GLDN]

3. Date of Earliest Transaction
 (Month/Day/Year)
 06/28/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 ___X___ Officer (give title below) ___ Other (specify below)
 VP, Gen. Coun., Corp. Sec.

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___X___ Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Code V Amount (D) Price | | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|---|------------------------------------|------------------|------------|--|------|---|-----|-----|---------------------|---------------------------|-----------------|-------------------------------------|
| Options to purchase Common Stock ⁽¹⁾ | \$ 53.8 | 06/28/2007 | A | 17,500 | | | | | <u>(2)</u> | 06/28/2012 ⁽³⁾ | Common Stock | 17,500 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Smirnov Ilya 2831 29TH STREET, NW WASHINGTON, DC 20008 | | | VP, Gen. Coun., Corp. Sec. | |

Signatures

/s/ Ilya Smirnov 07/02/2007
 **Signature of Date
 Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Owing to ambiguities and inconsistencies in the legislation of the countries in which some of the Issuer's employees live, the Compensation Committee of the Board of Directors decided not to issue stock to the Issuer's Russian employees, including Mr. Smirnov. Instead as part of the Issuer's key employee incentive and retention policy, the Issuer established the Golden Telecom Incentive Bonus Program, whereby the Issuer issues stock to a trust in numbers corresponding to the level of financial incentive the Issuer wishes to award its eligible employees. When eligible employees, including Mr. Smirnov, desire and are eligible to receive the economic benefits of the stock, they inform the Issuer and the Issuer, in turn, advises the trustee, who sells an appropriate number for contribution to the trust. Upon request of the Issuer and the employee, the funds available in the trust may be disbursed to eligible employees in the form of incentive bonuses.
- (1) Reflects the grant of stock options with respect to 17,500 shares of Common Stock, par value \$.01 per share. Seventy-five percent of the stock option grant (13,125 shares) is subject to time-vesting, one-third (4,375 shares) of which shall become vested and nonforfeitable on each of the first three anniversary dates from June 28, 2007, provided Mr. Smirnov remains continuously employed by Golden Telecom,
- (2) Inc. or one of its subsidiaries or business units until each such relevant date. The exercise price shall increase by five percent on each anniversary date after June 28, 2007 in association with the stock options that shall be and become vested and nonforfeitable on each such anniversary date. Twenty-five percent of the stock options granted (4,375 shares) are subject to performance vesting upon the Company's Common Stock achieving an average trading price of at least \$82.15 per share for thirty days.
- If the Company's Common Stock does not achieve an average closing trading price of at least \$82.15 per share for thirty days within three
- (3) years of the date of grant, such portion of the stock options granted subject to performance vesting shall expire by its terms and shall not be exercisable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.