

**Information and Comments on Issues Submitted for Approval  
of the Annual General Meeting of Shareholders of  
Mobile TeleSystems Open Joint Stock Company  
June 27<sup>th</sup>, 2012**

**On the first issue on the agenda:**

The procedure for conducting the annual general shareholders meeting

This agenda issue is of organizational nature and relates to the procedure for conducting the shareholders meeting.

The Counting Commission shall notify the meeting participants of the meeting participants' registration results, presence of a quorum and other organizational matters.

Within this issue, the meeting participants shall adopt a resolution on election of the Chairman of the Shareholders Meeting (the Chairman shall be elected from among the persons present at the Shareholders Meeting).

Pursuant to Clause 30.3 of MTS OJSC Charter, the Chairman shall perform the following functions:

- conduct the general shareholders meeting;
- ensure compliance with the rules of procedure for the general shareholders meeting;
- sign the minutes of the general shareholders meeting.

This issue also covers the procedure for summarizing the voting results and announcing resolutions adopted by MTS OJSC annual general shareholders meeting with respect to issues on the agenda of the shareholders meeting.

Procedure for adoption of the resolution:

The resolution shall be adopted by a simple majority of votes of shareholders attending the meeting.

*Draft resolution:*

1. Have the following person \_\_\_\_\_ elected Chairman of MTS OJSC Annual General Shareholders Meeting.
2. Voting results and resolutions adopted by MTS OJSC Annual General Shareholders Meeting with respect to issues on the agenda shall be announced at MTS OJSC Annual General Shareholders Meeting.

**On the second issue on the agenda:**

Approval of MTS OJSC Annual Report, MTS OJSC Annual Financial Statements, including MTS OJSC Profit & Loss Statement; distribution of profits and losses of MTS OJSC based on FY 2011 results (including payment of dividends).

As required by the existing Russian law, the said issue shall be discussed, on an annual basis, at the annual general shareholders meeting.

The following materials were submitted to the Annual General Shareholders Meeting for approval:

- MTS OJSC 2011 Annual Report;
- MTS 2011 Annual Financial Statements prepared under the Russian Accounting Standards;
- MTS OJSC 2011 Profit & Loss Report (Account);
- Recommendations of MTS OJSC Board of Directors regarding the procedure for distribution of MTS OJSC profit based on FY 2011 results.

The said documents shall be accompanied by the Findings of MTS OJSC Auditing Commission and the Report of MTS OJSC's Auditor (ZAO Deloitte & Touche CIS).

The text of the resolution on this issue also includes a section dealing with the payment of annual dividends on MTS OJSC registered common shares. As is recommended by the Board of Directors, the amount of annual dividends on MTS OJSC registered common shares shall be RUB 14.71 per one MTS OJSC registered common share with a par value of RUB 0.1 each. The total amount of MTS OJSC annual dividends shall be RUR 30,396,943,497. The annual dividends shall be paid in cash within the time frame set out in the Charter of MTS OJSC.

Procedure for adoption of the resolution:

The resolution shall be adopted by a simple majority of votes of shareholders attending the meeting.

*Draft resolution:*

Resolved that MTS OJSC Annual Report, MTS OJSC Annual Financial Statements, including MTS OJSC Profit & Loss Statement, and the procedure for distribution of profits and losses of MTS OJSC based on FY 2011 results be approved, including the annual dividends on MTS OJSC common registered shares in the amount of RUB 14.71 per one MTS OJSC common registered share with a par value of RUB 0.1 each. The total amount of MTS OJSC dividends shall be RUR 30,396,943,497. The annual dividends shall be paid in cash within the time frame set out in the Charter of MTS OJSC.

**On the third issue on the agenda:**

Approval of MTS OJSC Charter, as amended and restated.

The revised MTS OJSC Charter, following the recommendations of the Board of Directors, is submitted to the Annual General Meeting of MTS OJSC Shareholders for approval.

The said amendments of the MTS OJSC Charter shall be made to ensure the Charter compliance with the revised current laws on communication and improve the current practices of MTS OJSC corporate governance.

Main amendments and additions contained in the revised Charter:

1. For the purpose of Board of Directors work optimization the assignment of authorities between The Board of Directors and the Management Board has been changed as regards to:
  - (1) Decision making on participation, change of participatory interest and termination of participation of MTS OJSC in other organizations, herewith:
    - ✓ Decision making on participation in non-profit entities is assigned to the capacity of the Management Board (sp.20 p.35.1).
    - ✓ Decision making on participation in commercial entities is assigned to the capacity of the Board of Directors (sp. 25 p.32.2).
  - (2) Working out MTS OJSC' position in voting on issues of the decision making of the management bodies of subsidiaries and affiliated companies on participation, change of participatory interest and termination of participation of such entities in other organizations, herewith:
    - ✓ Decisions in relation to non-profit entities are made by the Management Board (sp.20 p.35.1)
    - ✓ Decisions in relation to commercial entities are made by the Board of Directors (sp.41 p.32.2)

2. The competence of the Board of Directors has been supplemented by the following items:
  - (1) Review of activity results reports of committees, commissions and other internal structural subdivisions at the Board of Directors (sp.31,p.32.2) – with the aim of performance efficiency improvement of the Board-level structural divisions;
  - (2) Determination of MTS OJSC position regarding voting on issues of the decision making by the management bodies of subsidiaries and affiliated companies on concluding shareholders agreements or participants agreements (sp.41 p.32.2) – with the aim of executing control over concluding such agreements by the subsidiaries and affiliated companies of MTS OJSC.
  - (3) Consideration of reports of the Executive bodies of MTS OJSC on issues of complying with the law of RF on counteraction to the illegal use of insider information and manipulating the market (sp.42 p.32.2) – in line with the requirements of paragraph 11 of the Federal law № 224-FL of 02.07.2011 “On counteraction to the illegal use of insider information and manipulating the market” to arrange control over complying with the provisions of the said law.
  - (4) Approval of MTS OJSC executive bodies’ reports on effectiveness of the compliance system (sp.43 p.32.2) – to improve performance of established MTS OJSC compliance system.
3. The procedure on entering items to the annual General Meeting agenda by the MTS OJSC shareholders and proposals on nominating candidates to MTS OJSC bodies elected by General Meeting has been specified(p.28.19)

*Please find attached the draft revised Charter of MTS OJSC.*

**Procedure for adoption of the resolution:**

The resolution shall be adopted by a simple majority of votes of shareholders attending the meeting.

**Draft resolution:**

To approve the revised Charter of MTS OJSC.

**On the forth issue on the agenda:**

Approval of the Regulations of MTS OJSC Board of Directors as amended and restated.

The issue on the approval of the revised Regulations of the MTS OJSC Board of Directors (“Regulations”), following the recommendations of the Board of Directors, was submitted to the General Meeting of MTS OJSC Shareholders for approval. The current version of the Regulations was approved by the Extraordinary General Meeting of MTS OJSC Shareholders on June 25, 2009.

In order to further enhance the existing corporate governance practices of MTS and adopt the latest development in international best practices, the criteria of independency have been revised.

The new set of criteria and the procedure of evaluation set by clause 2.5.5 of the Regulation remain compliant with the requirements of the listing rules of MICEX/RTS and NYSE as well as other requirements of Russian and US law.

**Main amendments to the Regulations:**

- (1) Inclusion of a special questionnaire (Annex 6) for assessment of independency of members of the Board of directors that is a prerequisite for establishing the status of an independent director (para. 2.5.5);
- (2) Audit committee formation procedure (para. 3.4.3) was supplemented by a requirement that the Remuneration and nomination committee takes into account the directors ability to

- effectively perform the duties of a committee member due to his existing involvement with the audit committees of other companies;
- (3) Inclusion of an option to create Board of directors meeting plans for both calendar and corporate years (para. 4.1.1);
  - (4) Setting the minimum frequency of Board of directors meetings at twice a quarter (para 3.4 Annex 4) in accordance with the set practice and actual necessities of the company governance;
  - (5) Number of technical and drafting amendments aimed at consistency with the current versions of various MTS OJSC internal documents.

*Please find attached the revised Regulations of the MTS OJSC Board of Directors.*

Procedure for adoption of the resolution:

The resolution shall be adopted by a simple majority of votes of shareholders attending the meeting.

*Draft resolution:*

Resolved that Regulations of MTS OJSC Board of Directors, as amended and restated, be approved.

**On the fifth issue on the agenda:**

Election of members of MTS OJSC Board of Directors

The issue on election of MTS OJSC Board of Directors members is submitted for approval of the General Shareholders Meeting. The powers of the new members of the MTS OJSC Board of Directors shall be effective until the next MTS OJSC annual general shareholders meeting.

Procedure for adoption of the resolution:

Pursuant to MTS OJSC Charter and the existing Russian law, the members of the Board of Directors shall be elected by cumulative voting. In cumulative voting, the number of voting shares owned by each of shareholders shall be multiplied by the number of persons to be elected to MTS OJSC Board of Directors, and the shareholder may cast all votes carried by the shares owned by him/her in favor of one candidate, or distribute them among two or more candidates. The candidates who received the greatest number of votes shall be deemed elected to the Board of Directors.

The MTS OJSC Board of Directors has resolved to include the following persons into the list of candidates to the MTS OJSC Board of Directors to be voted at the Annual General Shareholders Meeting:

1. Anton Vladimirovich Abugov
2. Alexey Nikolaevich Buyanov
3. Andrey Anatolievich Dubovskov
4. Ron Sommer
5. Stanley Philipp Miller
6. Paul James Ostling
7. Vsevolod Valerievich Rosanov
8. Gregor Harter
9. Mikhail Valerievich Shamolin

*Please find attached the information on the candidates to the Board of Directors.*

In accordance with MTS OJSC Charter, the number of MTS OJSC Board of Directors members shall be fixed by resolution of the general shareholders meeting and may be not less than nine (9).

The Annual General Shareholders Meeting on June 27, 2008 made a decision on the number of MTS OJSC Board of Directors members i.e. decided that the number of MTS OJSC Board of Directors members should be **nine**.

*Draft resolution:*

Have the following persons elected members of MTS OJSC Board of Directors:

1. Anton Vladimirovich Abugov
2. Alexey Nikolaevich Buyanov
3. Andrey Anatolievich Dubovskov
4. Ron Sommer
5. Stanley Philipp Miller
6. Paul James Ostling
7. Vsevolod Valerievich Rosanov
8. Gregor Harter
9. Mikhail Valerievich Shamolin

**On the sixth issue on the agenda:**

Election of members of MTS OJSC Auditing Commission

The issue of electing the members of the Auditing Commission in MTS OJSC is submitted to the Annual General Shareholders Meeting of MTS OJSC for approval. The Auditing Commission is an independent continuing body that oversees MTS OJSC's financial and business operations.

The Auditing Commission shall be elected by the annual general shareholders meeting and retain its powers until the next annual general meeting of MTS OJSC shareholders.

No more than three (3) candidates may be elected to the Auditing Commission, as that is the number of members of the Auditing Commission determined in accordance with the Regulations of MTS OJSC Auditing Commission (approved by resolution of MTS OJSC Annual General Shareholders Meeting of June 23, 2006).

The MTS OJSC Board of Directors has resolved to include the following persons into the list of candidates to the MTS OJSC Auditing Commission to be voted at the Annual General Shareholders Meeting of MTS OJSC:

1. Maxim Alexandrovich Mamonov
2. Alexander Sergeevich Obermeister
3. Vasily Vasilyevich Platoshin

*Please find attached the information on the candidates to the Auditing Commission.*

**Procedure for adoption of the resolution:**

Shares held by MTS OJSC Board of Directors members or MTS OJSC Executive Body (President) may not participate in voting. The resolution shall be adopted by a simple majority of votes of shareholders attending the meeting.

*Draft resolution:*

Have the following persons elected members of MTS OJSC Auditing Commission:

1. Maxim Alexandrovich Mamonov
2. Alexander Sergeevich Obermeister
3. Vasily Vasilyevich Platoshin

**On the seventh issue on the agenda:**

**Approval of MTS OJSC auditor**

The issue of approval of MTS OJSC's auditor to audit financial and operational activities of MTS OJSC in 2012 was submitted to the Annual General Meeting of Shareholders for approval.

The auditor shall be approved by the annual general meeting of shareholders on an annual basis.

In accordance with the current law, annual statements of an open joint stock company shall be confirmed by an auditor that has no property interests in the company or the company's shareholders.

MTS OJSC statements for years 2002-2011 were audited by ZAO Deloitte & Touche CIS.

MTS OJSC Board of Directors recommended that ZAO Deloitte & Touche CIS be approved as MTS OJSC auditor for 2012.

Procedure for adoption of the resolution:

The resolution shall be adopted by a simple majority of votes of shareholders attending the meeting.

*Draft resolution:*

To approve the auditing firm ZAO Deloitte & Touche CIS (Place of business: 5 Lesnaya St., Moscow, Russian Federation; OGP (Primary State Registration Number) 1027700425444) as MTS OJSC auditor).