

APPROVED  
By the General Shareholders' Meeting  
of Mobile TeleSystems Open Joint Stock Company  
October 30, 2006, Minutes № 18

**STATUTE ON  
EXECUTIVE BOARD**

**Of Mobile TeleSystems  
Open Joint Stock Company**

Moscow  
2006

## **1. General Provisions**

- 1.1. Executive Board of the Mobile TeleSystems Open Joint Stock Company (hereinafter referred to as “MTS OJSC” or “Company”) is a collegial executive body of the Company acting in conformity with the legislation of the Russian Federation, Company Charter and this Statute.
- 1.2. Executive Board executes control over current Company activity within its competence as stipulated by the Company Charter and this Statute.
- 1.3. Executive Board is accountable to the General Shareholders’ Meeting and Board of Directors of the Company.
- 1.4. Resolutions carried by the General Shareholders’ Meeting and Board of Directors of the Company within their competence shall be binding for the Executive Board.

## **2. Formation of Executive Board and Termination of Powers of Executive Board members**

- 2.1. Executive Board consists of no more, than 15 (fifteen) members.
- 2.2. The number of members and candidacies to the Executive Board shall be approved by the Board of Directors upon submission by the President of the Company.
- 2.3. Executive Board shall be formed for the period determined by the Company Board of Directors at the time of formation. The term of Executive Board powers shall not exceed the term of President’s powers.
- 2.4. The Chairman of Executive Board is the President of the Company.
- 2.5. All members of the Executive Board shall sign with the Company the Contract in the form approved by the Board of Directors, which is to specify the rights and obligations of Executive Board members.
- 2.6. The Contracts between the Company and members of the Executive Board shall be signed on behalf of the Company by the Chairman of the Board of Directors or other person authorized by the Board of Directors.
- 2.7. The powers of any member of Executive Board but for its Chairman can be early terminated by the Company Board of Directors at any time. The powers of the Chairman of Executive Board shall be terminated at the dissolution of Executive Board or at termination of powers of the Executive Board Chairman as the Company President. Termination of powers of any other member of Executive Board does not entail cancellation of his/her employment agreements with the Company as a Company staff member.
- 2.8. Members of Audit Commission shall not be elected to Executive Board of the Company.

## **3. Competence of Executive Board**

- 3.1. The following issues are within the competence of Executive Board:
  - 3.1.1. Arrangement of efficient operating management of current activity of the Company;
  - 3.1.2. Elaboration of key principles to be used for planning of the Company activity;
  - 3.1.3. Elaboration and implementation of current economic activity of the Company aimed at profitability and compatibility improvement;
  - 3.1.4. Development of quarterly, yearly and perspective plans of the Company activity, budget and investment program, and execution control therein;
  - 3.1.5. Preparation and motivation for the proposals to streamline the internal organization and management structure of the Company;
  - 3.1.6. Elaboration and submission to the Company Board of Directors of proposals on strategy related to organization and planning of the Company activity on the whole;
  - 3.1.7. Development of global finance and investment strategy and elaboration of tasks for the normal activity of the Company;

- 3.1.8. Elaboration and submission for approval by the Company Board of Directors of key standards of corporate conduct, including those related to confidentiality and information resource management;
- 3.1.9. Elaboration and improvement of Company staff motivation system;
- 3.1.10. Development of recommendations for the President and Board of Directors of the Company based on yearly targets to be achieved with regard to the general objections;
- 3.1.11. Submission of reports to the Board of Directors, Audit Commission and Auditor of MTS OJSC;
- 3.1.12. Preliminary review of discussion materials submitted to the members of Board of Directors and shareholders of the Company in course of preparation to the Board of Directors Meetings and General Shareholders' Meetings;
- 3.1.13. Arrangement for fulfillment of resolutions of General Shareholders' Meetings and Board of Directors Meetings;
- 3.1.14. Taking decisions on settlement of a transaction (non-material and related-party transaction) or a number of connected transactions related to purchase, alienation or potential alienation, direct or indirect, of property priced at amount exceeding the equivalent of USD 100 000 000 (one hundred millions) and denominated in RUR at the rate of the Central Bank of Russia as of the date of transaction;
- 3.1.15. Rendering assistance to the President of the Company in preparation of budget, financial information and other materials, as well as other reports, balance sheets and documents required by the Company Charter, resolution of General Shareholders' Meetings and/or legislation of the Russian Federation.
- 3.1.16. Consideration of other matters related to normal activity of the Company and attributed to the competence of Executive Board by the legislation of the Russian Federation, Charter of MTS OJSC and this Statute. The President of MTS OJSC has the right to propose for consideration by Executive Board any matters related to normal activity of the Company that are not assigned to the competence of the General Shareholders' Meetings or Board of Directors of the Company.

#### **4. Executive Board activity planning procedure, convening of Executive Board meetings**

- 4.1. Executive Board Meetings shall be held on an as-needed basis, however no less than 2 (two) times per month, and shall be convened by the Chairman of Executive Board upon his/her own initiative or upon request from any member of Executive Board, Board of Directors, Audit Commission, or Auditor of the Company. The meetings shall be held at the location of the Company.
- 4.2. Chairman of Executive Board (President of the Company) shall prepare and forward a quarterly schedule of Executive Board activity to Executive Board members no later than 10 days before a calendar quarter start.
- 4.3. In order to put an issue in the quarterly schedule of Executive Board activity, Members of Executive Board can, no later than 20 (twenty) days before the next quarter start (before December 10, March 10, June 10, September 10) forward their proposals for the quarterly schedule of Executive Board activity, with a mandatory copy to Secretary of Executive Board, specifying the following:
  - 4.3.1. Proposed subject;
  - 4.3.2. Proposed meeting date;
  - 4.3.3. Executive person (s) in charge of preparation and submission of materials;
  - 4.3.4. Member of Executive Board supervising material preparation and coordination;
  - 4.3.5. List of persons to be invited to the Executive Board meeting to consider the issue proposed.

- 4.4. The Secretary of Company Board of Directors shall, no later than 1 (one) business day since approval of the Agenda for the Executive Board meeting by the Chairman of Board of Directors, notify the Chairman and the Secretary of Executive Board, specifying the following:
  - 4.4.1. Date of Board of Directors Meeting;
  - 4.4.2. Approved Agenda for the Board of Directors Meeting;
  - 4.4.3. Executives in charge of material preparation for each item of Agenda for Board of Directors Meeting;
  - 4.4.5. Date of submission of materials on items of Agenda for Board of Directors Meeting to the Secretary of Board of Directors;
  - 4.4.6. Date of distribution of materials on items of Agenda for Board of Directors Meeting among the members of Board of Directors;
  - 4.4.7. Earlier instructions by the Board of Directors to be carried out by the date of the meeting, specifying executives in charge therein;
  - 4.4.8. Date of submission of status information on early instructions by the Board of Directors to the Secretary of Board of Directors;
  - 4.4.9. Date of submission of materials related to early instructions by the Board of Directors to the Secretary of Board of Directors.
- 4.5. Chairman of Executive Board shall arrange for preliminary review of materials prepared to the Board of Directors meetings at Executive Board meetings no later than 15 (fifteen) calendar days before the date of the Board of Directors meeting.
- 4.6. Secretary of Company Board of Directors shall, no later than 1 (one) business day since appointment of the date for the General Shareholders' Meeting, notify the Chairman and the Secretary of the Executive Board of the above, specifying the following:
  - 4.6.1. Approved date of the General Shareholders' Meeting;
  - 4.6.2. Approved Agenda for the General Shareholders' Meeting;
  - 4.6.3. Executives in charge of preparation of materials to be submitted to Company shareholders for review;
  - 4.6.4. Date of submission of materials to Company shareholders for review.
- 4.7. The Chairman of the Executive Board shall arrange for the preliminary review of the materials, that have been submitted to Company shareholders in course of preparation of the General Shareholders' Meeting, at the Executive Board meeting, no later than 5 (five) business days before submission of the materials to Company shareholders for review.
- 4.8. Date, place and final Agenda for the Executive Board meeting shall be approved by the Chairman of Executive Board and communicated to the members and the Secretary of Executive Board no later than 15 (fifteen) business days before the date of the meeting.
- 4.9. Convening and holding of unscheduled meetings of Company Executive Board, putting unscheduled items on Agenda for Executive Board meeting, dating issue consideration from one planned meeting to another, withdrawal of items from Agenda for Executive Board meeting, shifting the date of Executive Board meeting, changing Agenda for Executive Board meeting, changing the deadline for execution of Executive Board instructions shall be implemented by the Chairman of Executive Board upon his/her own initiative or upon request from any member of Executive Board, Board of Directors or Audit Commission, Auditor of the Company or Secretary of Company Board of Directors (if the materials that have been submitted to members of Board of Directors and Company shareholders in course of preparation of the Board of Directors or General Shareholders' Meetings are to be preliminarily reviewed at the Executive Board meeting).

4.10. Secretary of Executive Board shall communicate any changes in the date, place of the meeting and Agenda for Executive Board meeting to the members of Executive Board no later than 1 (one) business day since receipt of such information from the Chairman of Executive Board.

## **5. Procedures for preparation of materials for Executive Board meetings**

- 5.1. Executives in charge of preparation of materials for Executive Board meetings shall forward drafts, in electronic form, coordinated with the supervising member of Executive Board, no later than 5 (five) business days before the date of the meeting, to the Secretary of Executive Board.
- 5.2. The Secretary of Executive Board shall, no later than 4 (four) business days before the date of the Executive Board meeting, submit all received materials for review by the Chairman and the Secretary of the Executive Board. The Secretary of Executive Board shall inform the Chairman of Executive Board on each case of lack of materials on any item of Agenda for Executive Board meeting.
- 5.3. The Chairman and the members of the Executive Board shall, no later than 2 (two) business days before the date of Executive Board meeting, forward his/her comments/remarks/proposals on the materials submitted (with a copy to the Secretary of Executive Board).
- 5.4. Executive in charge of material preparation shall, before 12.00 of the day preceding the date of the meeting, take into account all comments received (to be approved by the member of Executive Board supervising material preparation), respond all questions raised, improve and forward the materials for further review to members of Executive Board who gave their remarks, and to Chairman of Executive Board (with a copy to the Secretary of Executive Board).
- 5.5. Executives in charge shall submit finally approved and modified materials to the Secretary of Executive Board no later than 1 (one) hour before the end of the business day preceding the date of the meeting.
- 5.6. Before the end of the business day preceding the date of the meeting, the Secretary of Executive Board shall forward final and approved materials prepared for Executive Board meeting to the Chairman and members of Executive Board.
- 5.7. Any changes to the procedure of preparation and submission of materials for Executive Board meetings can be implemented upon decisions taken by the Chairman of Executive Board.

## **6. Procedure for holding Executive Board meetings, adoption and execution of resolutions of Executive Board**

- 6.1. The Chairman of Executive Board shall organize activity of Executive Board and chair the meetings of the above. In the absence of the Chairman of Executive Board, Deputy Chairman appointed by the Chairman shall execute his functions.
- 6.2. The Chairman of Executive Board shall have the right to invite to Executive Board meetings any other persons including Company staff members and independent experts.
- 6.3. The quorum required for Executive Board meeting to be held is no less than 50% of the elected members of Executive Board. If the number of Executive Board members is less than the quorum required, the Company Board of Directors must form a new Executive Board.
- 6.4. Executive Board members, who are not able to attend an Executive Board meeting, can participate by telephone or video conference.
- 6.5. Resolutions of Executive Board shall be adopted by majority voting of the Executive Board members present. In case of equal vote, the Chairman of Executive Board has the casting vote. Member of Executive Board cannot transfer his/her vote to other person, including other members of Executive Board.

- 6.6. Opinion of Executive Board members absent from the meeting, expressed in written form, shall be taken into account when making up a quorum.
- 6.7. Executive Board member who has voted against a resolution adopted by the Executive Board, will have the right to, within 2 (two) business days since the date of the meeting, to form and submit to the Chairman of Executive Board his/her dissenting opinion on the issue, which is to be incorporated into the Minutes and become its integral part.
- 6.8. Minutes of meetings shall be taken. Secretary of Executive Board appointed by the Chairman of Executive Board shall take the minutes of Executive Board meetings.
- 6.9. Secretary of Executive Board shall draft the Minutes of Executive Board meetings no later than 2 (two) business days since the date of the meeting and forwarded to participating members and Chairman for approval. During 1 (one) business day since receipt of the draft Minutes, the members and the Chairman of Executive Board have the right to forward to the Secretary of Executive Board their comments on the draft proposed; the Secretary of Executive Board is to take the comments into account when preparing final Minutes version approved by the Chairman of Executive Board. Minutes of Executive Board meetings shall be signed by the Chairman and the Secretary of Executive Board no later than 5 (five) business days since the date of the Executive Board meeting.
- 6.10. Minutes of Executive Board meetings shall be submitted to Company shareholders (shareholder) possessing in total no less than 25 percent of the voting shares, members of Board of Directors, members of Company Audit Commission, and Auditor of the Company at their request.

## **7. Control over fulfillment of resolutions taken by Execution Board**

- 7.1. Control over fulfillment of resolutions taken by Execution Board shall be aimed at unconditional, quality, precise and timely fulfillment therein.
- 7.2. All resolutions of the Executive Board that are recorded in the Minutes and are to be fulfilled, are subject to monitoring and control. The terms of fulfillment of resolutions taken by Executive Board are governed by resolutions of the Executive Board. If no term has been set by the Executive Board, the resolution is to be fulfilled within no longer than one month, if not otherwise stated by the Chairman. If deadline falls on a day-off (holiday), than the resolution is to be fulfilled no later than the next business day.
- 7.3. The Secretary of Executive Board is to control fulfillment of resolutions taken by Executive Board. Executives in charge shall, within no longer than 1 (one) business day since the date of request by the Secretary of Executive Board, supply him/her with information on the status of resolutions.
- 7.4. In case of objective impossibility to fulfill the resolutions of the Executive Board in due time, the executive in charge shall, with due advance (2-3 days before the deadline), submit his reasoned request to the Chairman of Executive Board to postpone the deadline for fulfillment (with a copy to the Secretary of Executive Board). The Chairman shall inform the executive in charge and the Secretary of Executive Board on decision taken on the request no later than 2 (two) days since the date of request.
- 7.5. In case a resolution of Executive Board is not fulfilled in due time, the Secretary of Executive Board shall, no later than the next business day after the deadline, notify the Chairman of Executive Board on non-fulfillment.

## **8. Validity of the Statute. Introduction of alterations and additions to the Statute.**

- 8.1. This Statute is to be approved by the General Shareholders' Meeting by majority voting of shareholders possessing voting shares of the Company.

- 8.2. Alterations and additions to this Statute can be introduced by the decision of General Shareholders' Meeting adopted by majority voting of shareholders possessing voting shares of the Company.
- 8.3. General Shareholders' Meeting can terminate validity of this Statute and adopt a new version of Statute "On MTS OJSC Executive Board".
- 8.4. In case the Statute contravenes the legislation of the Russian Federation, the current legislation of the Russian Federation shall prevail.