

APPROVED  
by the General Meeting of Shareholders of  
Mobile TeleSystems Open Joint Stock Company  
June 25, 2013, Minutes № \_\_\_\_

**STATUTE**  
**ON THE PRESIDENT**  
**of Mobile TeleSystems**  
**Open Joint Stock Company**

Moscow  
2013

## **1. GENERAL PROVISIONS**

- 1.1. The Statute On the President of Mobile TeleSystems Open Joint Stock Company (hereinafter, the “Statute”) was adopted in accordance with the Civil Code of the Russian Federation, the Federal Law On Joint Stock Companies, other regulations of the Russian Federation and the Charter of Mobile TeleSystems Open Joint Stock (hereinafter, “MTS” or the “Company”).
- 1.2. The President of MTS OJSC shall be the Sole Executive Body of the Company.
- 1.3. This Statute shall govern the procedure of establishing the Sole Executive Body – the President of the Company, his term of office, the competence and responsibility of the President of MTS OJSC.
- 1.4. The purpose of MTS OJSC President’s activities shall be ensuring profitability and competitiveness of MTS OJSC, its financial and economic stability, guaranteeing shareholders’ rights and securing social guarantees for the Company’s employees.
- 1.5. In performing his activities, the President of the Company shall be governed by the legislation of the Russian Federation, the Charter of MTS OJSC, this Statute, the employment contract, as well as other internal documents of the Company in the part relating to activities of MTS OJSC President.
- 1.6. In his activities, the President shall be accountable to the General Meeting of Shareholders and the Board of Directors of the Company.

## **2. PROCEDURE FOR ELECTING THE PRESIDENT**

- 2.1. The President of the Company shall be elected by the Board of Directors by a majority of votes of the members participating in the meeting of the Board of Directors. At that, the votes of the retired Board of Directors members shall not be taken into account.

## **3. REQUIREMENTS FOR CANDIDATES FOR THE POSITION OF PRESIDENT OF THE COMPANY. RESTRICTIONS RELATING TO THE POSITION OF PRESIDENT**

- 3.1. Any person having higher education and not debarred under the Russian law from holding certain offices or carrying on certain activities may be elected as the President of MTS OJSC.
- 3.2. Additional requirements that must be met by the persons nominated to be elected as the President of the Company may be stated by a resolution of the Board of Directors.
- 3.3. The President of the Company may not simultaneously be the Chairman of the Board of Directors of the Company.
- 3.4. The person performing the functions of the President shall be permitted to simultaneously occupy positions on the management bodies of other organizations and to enter into labor relations with other employers (except for scientific, teaching and creative activities) only with the consent of the Board of Directors of the Company.
- 3.5. The President of the Company may not simultaneously be a member of the Audit Commission of the Company.
- 3.6. Shares owned by the President may not participate in voting for the purpose of electing the members of the Audit Commission of the Company.
- 3.7. The President of the Company may not simultaneously be a member of the Tabulation Commission of the Company.

## **4. PRESIDENTIAL TERM OF OFFICE CONTRACT WITH THE PRESIDENT OF THE COMPANY**

- 4.1. The President of the Company shall be elected for the term provided for by the Charter of MTS

OJSC and by a resolution of MTS OJSC Board of Directors but no more than for three (3) years.

- 4.2. The President of the Company may be re-elected an unlimited number of times.
- 4.3. The presidential term of office shall be calculated from the date of the election of the President of the Company.
- 4.4. The terms and amounts of payment for the President's services, as well as the obligations of the Company relating to ensuring proper working conditions for the President shall be determined by a employment contract concluded between the Company represented by the Chairman of the Board of Directors (or by a person authorized by the Board of Directors of the Company) and the President of the Company.

## **5. COMPETENCE OF THE PRESIDENT OF THE COMPANY**

- 5.1. The competence of the President shall include all issues pertaining to management of the Company's current activities, with the exception of issues assigned to the competence of the General Meeting of Shareholders and the Board of Directors of the Company.
- 5.2. The President shall organize the implementation of resolutions of the General Meeting of Shareholders and the Board of Directors of the Company.
- 5.3. The President shall act in the name of the Company without a power of attorney, and in such capacity shall, inter alia:
  - 5.3.1. carry out the day-to-day management of the Company's activities;
  - 5.3.2. have the right of first signature on financial documents;
  - 5.3.3. dispose of the Company's property so as to provide for its current activities, within the limits established by this Charter;
  - 5.3.4. represent the Company in the Russian Federation and abroad, including in foreign states;
  - 5.3.5. approve the staff, enter into employment contracts with the Company's employees, and provide incentives to such employees and impose penalties on them;
  - 5.3.6. independently conclude the transactions on behalf of the Company, and in the cases provided for by the Federal Law On Joint Stock Companies and the Charter of the Company - pursuant to a resolution of the General Meeting of Shareholders, or the Board of Directors or the Executive Board;
  - 5.3.7. issue powers of attorney on behalf of the Company, including with the power of substitution;
  - 5.3.8. arrange for the keeping of accounting records and reports by the Company;
  - 5.3.9. issue orders and give instructions binding upon all employees of the Company;
  - 5.3.10. open settlement, foreign currency and other bank accounts of the Company;
  - 5.3.11. control the activity of subsidiaries and affiliates, representative offices, branches and other separate divisions of the Company;
  - 5.3.12. ensure the fulfillment of the Company's commitments to budget and contracting parties under economic and other contracts;
  - 5.3.13. take decisions on raising claims and advancing actions to legal entities and natural persons and on satisfying claims raised against the Company;
  - 5.3.14. exercise a proper control over rational and economic use of material, labor and financial resources of the Company;
  - 5.3.15. ensure favorable and safe working conditions for the Company's employees and the compliance with the requirements of the labor legislation;
  - 5.3.16. perform other functions necessary to achieve the Company's objectives and to ensure its normal operation in accordance with current legislation and the Company's Charter, with the exception of functions assigned by the Federal Law *On Joint Stock Companies* and the Company's Charter to other management bodies of the Company.

## **6. RIGHTS AND OBLIGATIONS OF THE PRESIDENT OF THE COMPANY**

- 6.1. In performing his activities, the President of the Company shall be obliged to act reasonably and in good faith in compliance with the current legislation, the Company's Charter, this Statute, other internal documents of the Company, the employment contract, as well as in compliance with the financial and economic plan of the Company.
- 6.2. The President of the Company shall be obliged to act in the interests of the Company ensuring an increase of profitability, investment attractiveness and the capitalization of the Company.
- 6.3. In performing his activities, the President of the Company shall be obliged to act on the basis of a strict observance of rights and legitimate interests of the Company's shareholders and to all take measures which are in his competence to ensure the observance of rights and interests of shareholders including shareholders' rights to receive the dividends.
- 6.4. The President of the Company shall abstain from any actions which may result in a conflict between his interests and those of the Company and, if any, immediately inform about it the Board of Directors of the Company.
- 6.5. The President of the Company shall not disclose or use in his personal interests and/or in the interests of any third parties confidential and insider information relating to the Company, the Company's securities and activities of the affiliated persons of the Company .
- 6.6. The President of the Company shall be obliged to disclose information relating to:
  - 6.6.1. securities owned by him, sales/purchase of the Company's securities;
  - 6.6.2. legal entities where he possesses individually or jointly with his affiliated persons 20 (twenty) percent or more of voting shares (stocks, interest);
  - 6.6.3. legal entities in management bodies of which the President occupies positions;
  - 6.6.4. any known to him completed or planned transaction in which he may be recognized to be interested person in accordance with the legislation of the Russian Federation;
  - 6.6.5. any other information relating to existing or potential conflict of interests between the President of the Company and the Company.

The disclosure of information pursuant this item shall be made promptly after the occurrence of circumstances subject to disclosure in the form of a written notification disclosing respective information to be addressed to the Chairman of the Board of Directors of the Company.

- 6.7. The President of the Company shall be entitled:
  - 6.7.1. to be remunerated for exercising his duties in the amount, in the order and within the period of time determined by the employment contract and resolutions of the Board of Directors of the Company;
  - 6.7.2. to delegate a part of his authority on the basis of powers of attorney issued in favor of other employees of the Company;
  - 6.7.3. to issue orders and instructions binding upon all employees of the Company;
  - 6.7.4. to obtain from the Company's employees any information regarding the subject of activities of the respective employee;
  - 6.7.5. to have comfortable and safe working conditions which correspond to the terms of the employment contract and resolutions of the Board of Directors of the Company;
  - 6.7.6. to participate in meetings of the Company's Board of Directors (if the President is not a member of the Board of Directors of the Company) and in General Meetings of Shareholders (if the President is not a shareholder);
  - 6.7.7. to familiarize himself with minutes of the Company's Board of Directors and General Meetings of Shareholders;
  - 6.7.8. to have all guarantees, compensations, social and personal benefits provided for by the legislation of the Russian Federation, the Charter of the Company, other internal documents of the Company, as well as the employment contract;

- 6.7.9. in temporary absence (business trips, vocation, illness), to entrust the authority of the President of the Company to one of the Executive Board members or other employee of the Company.
- 6.8. The President of the Company shall be obliged to take all necessary measures and use all available recourses for the purposes of dynamic development of the Company, improvement of the effectiveness of its activities, increase of the Company's profitability, the capitalization and investment attractiveness.
- 6.9. The President of the Company shall be obliged to strictly observe the Charter of the Company, MTS OJSC Code of Corporate Governance and the Code of Ethics for chief executive officers of MTS OJSC.

## **7. LIABILITY OF THE PRESIDENT OF THE COMPANY**

- 7.1. The President of the Company shall be liable to the Company for any losses incurred as a result of his culpable actions and omissions unless other grounds and extent of liability are established by federal laws of the Russian Federation.
- 7.2. Ordinary business conditions and other relevant circumstances shall be taken into account when determining the grounds and extent of the liability of the President of the Company.
- 7.3. The Company or a shareholder (shareholders) owning in aggregate at least 1 percent of placed common shares have a right to go to the law with an action to the President of the Company on reimbursement of damages inflicted to the Company in cases provided for by Clause 7.1 hereof.
- 7.4. The President of the Company shall be liable for unauthorized disclosure of confidential and insider information to the extent and in the manner provided for in the employment contract concluded with the President of the Company.

## **8. TERMINATION OF THE AUTHORITY OF THE PRESIDENT OF THE COMPANY**

- 8.1. The authority of the President of the Company shall be terminated in cases provided for by the Russian Labor Legislation, the Federal Law On Joint Stock Companies, other regulations of the Russian Federation, the Charter of the Company and the employment contract with the President of the Company.
- 8.2. The authority of the President of the Company may be terminated on the initiative of the Company in cases provided for by the legislation of the Russian Federation and the employment contract with the President, as well as on the initiative of the President of the Company or upon mutual agreement of the parties.
- 8.3. The President of the Company may at any time terminate the employment contract with the Company before its normal expiration, by notifying the Board of Directors (in the name of the Chairman of the Board of Directors) in writing at least one month prior to this termination.
- 8.4. The termination of the employment contract with the President of the Company on the initiative of the Company based on all grounds provided for by the legislation of the Russian Federation and the employment contract with the President, or upon mutual agreement of the parties shall be performed by a resolution of the Board of Directors.

## **9. EFFECT OF THE STATUTE. PROCEDURE FOR INTRODUCTION OF AMENDMENTS AND ADDENDA TO THE STATUTE**

- 9.1. This Statute may be amended or supplemented by decision of the General Meeting of Shareholders.  
The General Meeting of Shareholders may terminated this Statute and adopt a new Statute On the President of MTS OJSC.
- 9.2. In case of discrepancies between the Russian law and this Statute, the provisions of the current law of the Russian Federation shall prevail.