

**Information and Comments on Issues Submitted for Approval  
of the Annual General Meeting of Shareholders of  
Mobile TeleSystems Open Joint Stock Company  
June 25<sup>th</sup>, 2013**

**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 2012 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 2012 Annual Report;
- MTS 2012 Annual Financial Statements prepared under the Russian Accounting Standards;
- MTS OJSC 2012 Profit & Loss Report (Account);
- Recommendations of MTS OJSC Board of Directors regarding the procedure for distribution of MTS OJSC profit based on FY 2012 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 14.6 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, 168, 311, 143. The annual dividends shall be paid in cash within the time not exceeding sixty (60) days from the day of the resolution on payment of dividends at the general meeting of shareholders.

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 2012 results be approved, including the annual dividends on MTS OJSC common registered shares in the amount of RUB 14.6 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, 168, 311, 143. The annual dividends shall be paid in cash within the time not exceeding sixty (60) days from the day of the resolution on payment of dividends.

**On the third 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. Alexander Evgenyevich Gorbunov
3. Sergey Alexeevich Drozdov
4. Andrey Anatolyevich Dubovskov
5. Ron Sommer
6. Michel Combes
7. Stanley Miller
8. Vsevolod Valeryevich Rozanov
9. Thomas Holtrop

*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. Alexander Evgenyevich Gorbunov
3. Sergey Alexeevich Drozdov
4. Andrey Anatolyevich Dubovskov
5. Ron Sommer
6. Michel Combes
7. Stanley Miller
8. Vsevolod Valeryevich Rozanov
9. Thomas Holtrop

**On the fourth 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. Irina Radomirovna Borisenkova
2. Maxim Alexandrovich Mamonov
3. Yakub Osmanovich Paragulgov

*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. Irina Radomirovna Borisenkova

2. Maxim Alexandrovich Mamonov
3. Yakub Osmanovich Paragulgov

**On the fifth 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 2013 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 – 2012 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 2013.

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; OGRN (Primary State Registration Number) 1027700425444) as MTS OJSC auditor.

***The issue of approval of a new revision of the MTS OJSC Charter and new revisions of MTS OJSC internal documents recommended for approval by the MTS OJSC Board of Directors is proposed for consideration by the General Meeting of Shareholders of MTS OJSC. Amendments to the Charter and internal documents shall be made in order to bring them in compliance with requirements of the legislation in connection with its recent amendments, and also to improve the existing practices of MTS OJSC corporate governance.***

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

Approval of MTS OJSC Charter, as amended and restated.

The current version of the MTS OJSC Charter was approved by the Annual General Meeting of MTS OJSC Shareholders on June 27, 2012.

Main amendments and additions contained in the revised Charter:

1. In accordance with the Federal Law dated December 29, 2012 No. 282-FZ, starting from January 1, 2014 the deadlines for payment of dividends and the procedure for identification of people entitled to dividends are amended. With account of the new rules, the date to identify people entitled to dividends shall be defined by the resolution of the General Meeting of Shareholders, which carries a resolution on payment (announcement) of the dividends. Such date may not be set before the date of the resolution on payment (announcement) of dividends and not later than in 20 days after its passing, and in case of payment of dividends on shares that are exchanged within organized trading – not before 10 days from the date of the resolution on payment (announcement) of dividends and not later than in 20 days from the

date of such resolution. Accordingly, amendments were made to the clauses 6.4, 6.8 of the Charter of MTS OJSC.

2. The Federal Law dated December 29, 2012 No. 282-FZ amended the norm of the article 27.5-4. of the Federal Law dated April 22, 1996 No. 39-FZ “On the securities market”. Previously the norm limited issue of the company bonds with the amount of the charter capital of the company or with the amount of the pledge provided to the company by third parties for the purpose of bonds issue. Accordingly, amendments were made to the clauses 6.10, 6.14 of the Charter of MTS OJSC, which exclude the previous limitations.
3. The clause 20.1 of the MTS OJSC Charter is complemented with cases, occurrence of which entitles the shareholders to request redemption of shares: passing of the resolution by the General Meeting of Shareholders on exchange with an application for delisting and making amendments to the Charter (passing of the resolution by the General Meeting of Shareholders, which serves as the ground for making amendments and additions to the Company Charter). Amendments were made in connection with amendments of the article 75 of the Federal Law dated December 26, 1995 No. 208-FZ “On joint-stock companies”.
4. General Meeting of Shareholders.
  - ✓ Competence of the General Meeting was complemented with the issue of passing the resolution on exchange with an application for delisting of the Company shares and (or) issuance securities of the Company, converted into its shares. Amendments were made in connection with the amendments of the article 48 of the Federal Law dated December 26, 1995 No. 208-FZ “On joint-stock companies”.
  - ✓ In accordance with the Federal Law dated December 29, 2012 No. 282-FZ starting from January 1, 2014 a company is granted a right to make an announcement on calling of a general meeting by placement of the announcement text at its official website. Accordingly, the method of public announcement about the General Meeting to shareholders was amended. Instead of publication of information in printed media, the announcement about the General Meeting of Shareholders will be placed at the Company’s website. The replacement will make it possible to simplify the procedure of notifying shareholders about the general meeting of shareholders and also to optimize costs of the company and shareholders for publication and subscription to printed media.
  - ✓ In the clause 28.16 of the MTS OJSC Charter the procedure of notifying a nominee holder on the general meeting of shareholders was excluded in connection with amendment of such notification procedure starting from January 01, 2014 (clause 4, article 52 as amended by the Federal Law dated December 29, 2012 No. 282-FZ).
  - ✓ In the clause 29.7 of the MTS OJSC Charter the procedure of individuals registration at the General Meeting of Shareholders was corrected with account of introduction of new rules established by the clause 4.10 Regulations on additional requirements to the procedure of preparation, calling and holding of the general meeting of shareholders (Decree of the Federal Commission for Financial Markets of Russia dated February 02, 2012 No. 12-6/pz-n). Now registration of individuals entitled to attend the General Meeting of Shareholders, which did not register to participate in the General Meeting before its opening, shall end upon completion of discussion of the last issue on the agenda of the General Meeting of Shareholders (the last issue on the agenda of the General Meeting of Shareholders, for which there is a quorum) and before time provided for voting to those individuals that have not voted until this moment.
5. Board of Directors
  - ✓ Competence of the Board of Directors was complemented with the issue of passing a resolution on exchange with an application for listing of the Company’s shares and

(or) issuance securities of the Company, converted into the Company's shares. Amendments were made in connection with addition of the appropriate competence in the article 65 of the Federal Law dated December 26, 1995 No. 208-FZ "On joint-stock companies".

- ✓ In order to control execution of simple partnership and property trust agreements (if companies specified in this subclause (41) are a trustor), and also participation in investment funds by subsidiary and affiliates of MTS OJSC, the clause 32.2.41 of the MTS OJSC Charter was corrected.

#### 6. Executive bodies

- ✓ The terms of the Management Board members' authorities were amended. Now the term of the Management Board members' authorities does not depend on the term of the Company's President authorities. The members of the Management Board are elected for three (3) years. Amendments were made to the clause 35.3 of the MTS OJSC Charter.
- ✓ The procedure of concurrent service by the President and the members of the Management Board in other organizations were confirmed. Amendments were made to the clauses 32.2.26, 34.8 of the MTS OJSC Charter.

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

#### Procedure for adoption of the resolution:

The resolution shall be adopted by qualified majority (three fourths) of shareholders votes attending the meeting.

#### *Draft resolution:*

Resolved that Charter of MTS OJSC, as amended and restated, be approved.

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

Approval of the Regulations of MTS OJSC General Shareholders Meeting as amended and restated.

The current version of the Regulations of MTS OJSC General Shareholders Meeting was approved by the Annual General Meeting of MTS OJSC Shareholders on June 24, 2010.

#### Main amendments to the Regulations of MTS OJSC General Shareholders Meeting:

1. The Regulations on the General Meeting of MTS OJSC was amended in connection with approval of the new Regulations on additional requirements to the procedure of preparation, calling and holding of the general meeting of shareholders (Decree of the Federal Commission for Financial Markets of Russia dated February 02, 2012 No. 12-6/pz-n) and amendment of the Federal Law dated December 26, 1995 No. 208-FZ "On joint-stock companies". In the clause 6.8.3 of the Regulations the list of additional information necessary to be provided when preparing for the General Meeting of Shareholders was expanded. In the clause 7.9 of the Regulations the procedure of voting on shares exchanged outside the Russian Federation as depositary securities was confirmed. Other amendments and additions were also made, which confirm the procedure of preparation, calling and holding of the General Meeting of MTS OJSC.

*Please find attached the revised Regulations of MTS OJSC General 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:*

Resolved that Regulations of MTS OJSC General Shareholders Meeting, as amended and restated, be approved.

**On the eighth issue on the agenda:**

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

The current version of the Regulations of MTS OJSC Board of Directors was approved by the Annual General Meeting of MTS OJSC Shareholders on June 27, 2012.

Main amendments to the Regulations of MTS OJSC Board of Directors:

1. Competence of the Chairman of the Board of Directors of MTS OJSC was confirmed (subclause 11 of the clause 3.2.1 of the Regulations) in part of cooperation with the President and members of the Company's Management Board, and also the management company on issues arising from the agreements signed with them. In practice the Chairman of the Board of Directors shall do certain actions connected to performance of appropriate agreements.
2. In the clause 3.1.1 of the Regulations the limitation was excluded for election of one deputy Chairman of the Board of Directors. Now by the resolution of the Board of Directors for the purposes of efficient operation, two and more deputies of the Chairman of the Board of Directors may be elected.
3. Some amendments were made of technical or stylistic nature, which are aimed at bringing the wording of the Regulations in compliance with other internal documents of MTS OJSC.

*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 ninth issue on the agenda:**

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

The current version of the Regulations was approved by the Annual General Meeting of MTS OJSC Shareholders on June 25, 2009.

Main amendments to the Regulations of MTS OJSC Management Board:

1. The terms of the Management Board members' authorities were amended. Now the term of the Management Board members' authorities does not depend on the term of the Company's President authorities. The members of the Management Board shall be elected for three (3) years. Amendments were made to the clause 2.1 of the Regulations.

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

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 Management Board, as amended and restated, be approved.

**On the tenth issue on the agenda:**

Approval of the Regulations of MTS OJSC President as amended and restated.

The current version of the Regulations of MTS OJSC President was approved by the Annual General Meeting of MTS OJSC Shareholders on June 23, 2006.

Main amendments to the Regulations of MTS OJSC President:

1. The procedure of concurrent service of the President in other organizations was confirmed. Amendments were made to the clause 3.4 of the Regulations.
2. Competence of the President was confirmed in part of making transactions on behalf of the Company (clause 5.3.6. of the Regulations).

*Please find attached the revised Regulations of MTS OJSC President.*

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 President, as amended and restated, be approved.