

**APPROVED**

Minutes of the General Meeting of  
Shareholders of Mobile TeleSystems  
Open Joint Stock Company

Minutes No. \_\_\_\_\_  
dated \_\_\_\_\_, 2006  
Chairman

\_\_\_\_\_

**APPROVED**

Resolution of Mobile TeleSystems Open  
Joint Stock Company, the sole shareholder of  
ReCom Open Joint Stock Company

Resolution No. \_\_\_\_\_  
dated \_\_\_\_\_, 2006  
President of MTS OJSC

\_\_\_\_\_ L. A. Melamed

## **MERGER AGREEMENT**

**on the merger of  
ReCom Open Joint Stock Company  
into  
Mobile TeleSystems Open Joint Stock Company**

Guided by the Civil Code of the Russian Federation and the Federal Law of the Russian Federation *On Joint Stock Companies*, No. 208-FZ dated December 26, 1995 (hereinafter, the JSC Law),

Mobile TeleSystems, an open joint stock company registered by the State Registration Chamber under the Ministry of Justice of the Russian Federation (Certificate of Registration No. R-7882.16, dated March 1, 2000), entered by the Moscow Registration Chamber into the citywide register of Moscow enterprises (Certificate of Registration No. 102.618, dated March 22, 2000), and entered into the consolidated state register of legal entities by the Moscow Department of the Ministry of Taxes and Levies of the Russian Federation on September 2, 2002 under Main State Registration Number 1027700149124, hereinafter referred to as "MTS OJSC" or the "Surviving Company," represented by its President, Leonid Adolfovich Melamed, acting under the Charter, on the one hand; and

ReCom, an open joint stock company registered by the Registration Chamber of the Orel Administrative Authorities (State Registration Certificate No. 1244 series C, dated February 26, 1998) and entered into the consolidated state register of legal entities by the Ministry of Taxes and Levies Inspectorate of Sovjetsky District of Orel on August 7, 2002 under Main State Registration Number 1025700824544, hereinafter referred to as "ReCom OJSC" or the "Merging Company," represented by Leonid Vladislavovich Denisov, General Director, acting under the Charter, on the other hand,

(hereinafter referred to collectively as the "Parties") have entered into this Agreement as follows:

**I.**  
**GENERAL PROVISIONS**

- 1.1 On the basis of Articles 15 and 17 of the JSC Law, for the purposes of attaining more effective results of their activity and increasing profits, the Parties have agreed to effect reorganization by the merger of ReCom OJSC into MTS OJSC, with the transfer of all rights and obligations from ReCom OJSC to MTS OJSC in accordance with an Instrument of Transfer executed by ReCom OJSC and with the termination of the activity of ReCom OJSC.
- 1.2 MTS OJSC shall be deemed reorganized from the date of an entry concerning termination of the activity of ReCom OJSC is made by state registration authorities into the state register of legal entities.
- 1.3 ReCom OJSC shall cease to exist from the time an entry concerning termination of the activity of ReCom OJSC is made by the state registration authority into the state register of legal entities.
- 1.4 During the effective term hereof the Parties shall act jointly to provide organizational support for the merger of ReCom OJSC into MTS OJSC in the manner defined by this Agreement and by current legislation.
- 1.5 The authorized governance bodies of the Surviving and Merging Companies (the general meeting of shareholders of the Surviving Company, the sole shareholder of the Merging Company, MTS OJSC President (the individual executive body of MTS OJSC), the General Director of ReCom OJSC (the individual executive body of ReCom OJSC, etc.) shall, within the scope of their competence as established by law and by their respective constituent documents, ensure the following:
  - 1.5.1 notify their creditors of the pending reorganization and take measures to settle with creditors who demand termination or early performance of obligations;
  - 1.5.2 inform state supervisory and registration authorities of the pending reorganization;
  - 1.5.3 take necessary measures to redeem shares from shareholders of the Surviving Company who have the right to demand redemption and exercise that right in accordance with the procedure established by the JSC Law;
  - 1.5.4 ensure that the Federal Antimonopoly Service of the Russian Federation (the "FAS") is provided with the documents required to obtain preliminary authorization from the FAS for the reorganization of MTS OJSC OJSC and ReCom OJSC by way of the merger of ReCom OJSC into MTS OJSC;
  - 1.5.5 perform other necessary actions relating to the merger of ReCom OJSC into MTS OJSC;
- 1.6 MTS OJSC shall also perform the following actions:
  - 1.6.1 undertake direction of the merger procedure;

- 1.6.2 ensure the preparation of draft versions of legal documents necessary for the reorganization;
- 1.6.3 ensure that the FAS is provided with the documents required to obtain preliminary authorization from the FAS for the merger of ReCom OJSC into MTS OJSC;
- 1.6.4 provide consultative and other assistance to the Merging Company in the preparation of the Instrument of Transfer and other necessary documents;
- 1.6.5 be entitled to undertake all necessary financial expenditures associated with reorganization;
- 1.6.6 ensure the registration of necessary amendments and additions to the constituent documents of the Surviving Company in connection with reorganization;
- 1.7 ReCom OJSC shall also perform the following actions:
  - 1.7.1 at the request of competent bodies of the Surviving Company, without delay provide the Surviving Company and its authorized representatives with any documents and information required for the reorganization;
  - 1.7.2 without delay, identify its creditors and debtors and the amounts of its accounts payable and accounts receivable (including debts to federal and local budgets and extrabudgetary funds).
- 1.8 The Parties undertake to provide one another with the documents and information needed by them to perform their respective obligations under this Agreement and the obligations imposed on them by current legislation.
- 1.9 Until such time as the rights and obligations of the merging company, ReCom OJSC, are transferred to its legal successor, MTS OJSC, the Parties shall independently bear expenses associated with organizing and holding general meetings of shareholders, as well as other expenses necessitated by the merger.
- 1.10 The expenditure of monetary funds in connection with reorganization procedures shall be done exclusively by executive bodies of the Surviving and Merging Companies.

## **II.**

### **PROCEDURE FOR THE MERGER OF RECOM OJSC INTO MTS OJSC**

- 2.1 The executive bodies of MTS OJSC and ReCom OJSC shall, within 30 (thirty) days of the date when the last of the companies participating in the reorganization (the Surviving and Merging Companies) has adopted a resolution to reorganize by way of merger, send written notices to their creditors concerning the pending reorganization. Settlements with creditors, including settlements in respect of creditors' demands for early performance or termination of obligations, shall initially be carried out by the executive bodies of the Surviving and Merging Companies and then, after the rights, obligations, and property of ReCom OJSC have been transferred to the legal successor, by the executive bodies of the legal successor, MTS OJSC.

- 2.2 A decision to satisfy (wholly or partly) or to refuse to satisfy creditors' claims shall be made by the executive bodies of the Surviving and Merging Companies. Creditors' demands for early performance of obligations or termination of obligations shall be accepted by the executive bodies within the period established by law (within 30 days after the relevant notices are sent to creditors). Demands for early performance or termination of obligations may be rejected if received after the expiration of the period established by law for the presentment thereof, as well as in other circumstances provided by law.

Creditors' demands shall be satisfied out of the property of the Surviving and Merging Companies.

- 2.3 The Surviving and Merging Companies shall prepare and submit documents to the FAS for receipt of preliminary authorization for reorganization by the merger of ReCom OJSC into MTS OJSC.

- 2.4 Redemption of shares in MTS OJSC.

2.4.1 Shareholder demands for redemption of their shares shall be accepted by MTS OJSC only from MTS OJSC shareholders entitled to demand such redemption, on the basis of a shareholder list approved by the Board of Directors of MTS OJSC pursuant to data in the shareholders register as at the date of preparation of the list of shareholders eligible to participate in the general meeting of shareholders of MTS OJSC that adopted the resolution to reorganize through the merger of the Merging Company into MTS OJSC.

2.4.2 Shareholder demands for redemption of shares of the Surviving Company must be presented no later than 45 (forty-five) days after the adoption by the respective general shareholders meeting of the resolution to reorganize by merger, at the market price of the shares. The market price of the shares shall be determined in accordance with the requirements of the JSC Law. Redemption shall take place within 30 (thirty) days of the expiration of the period for presentment of share redemption demands.

2.4.3 In accordance with the JSC Law, the total funds used to redeem MTS OJSC shares shall not exceed 10% (ten percent) of the value of the MTS OJSC's net assets on the date of adoption of the resolutions to reorganize by way of merger. If demands are received for the redemption of more shares than can be redeemed by the company in view of the limit established by law, shares shall be redeemed from shareholders pro rata to the demands presented.

2.4.4 Shares redeemed by MTS OJSC shall be cancelled upon redemption.

2.4.5 Settlements with shareholders in respect of redeemed shares shall be made by the Executive Bodies of the Surviving Company.

- 2.5 In connection with the fact that MTS OJSC owns 100% of the placed shares in ReCom OJSC, it is established that:

- A joint general meeting of the shareholders of MTS OJSC and the shareholders of ReCom OJSC will not be held.

- A resolution amending the Charter of MTS OJSC to include information on the succession of MTS OJSC to the rights and obligations ReCom OJSC shall be adopted at a general meeting of MTS OJSC shareholders; such resolution may be adopted concurrently with the adoption by the general meeting of MTS OJSC shareholders of the resolution to reorganize by way of merger and the resolution approving the merger agreement.
  - After the adoption of the resolution by general meeting of MTS OJSC shareholders the President of MTS OJSC shall adopt a decision to reorganize ReCom OJSC, a decision on approval of the merger agreement on the part of ReCom OJSC, and a decision approving the Instrument of Transfer of ReCom OJSC.
- 2.6 The Parties may on the basis of a supplemental agreement change the procedure and periods for performance of individual stages of the reorganization procedure and also take other necessary actions not contemplated by this Agreement if such actions are unconditionally necessitated by the requirements of RF legislation or competent state authorities. Supplemental agreements governing the matters contemplated by this section will not require approval by the General Meeting of Shareholders of the Surviving and Merging Companies.
- 2.7 After the completion of the process of reorganization by merger, MTS OJSC shall become the legal successor of ReCom OJSC in respect of all its rights and obligations, including disputed rights and obligations, in accordance with an Instrument of Transfer executed by ReCom OJSC, which shall be approved by the general meeting of shareholders of ReCom OJSC.
- 2.8 Reorganization shall be completed once the state registration authority has made an entry into the state register of legal entities concerning termination of the activity of ReCom OJSC.
- 2.9 For the purposes of supervising the merger procedure, the Parties may, if necessary, form a Joint Working Group, which shall be a temporary consultative and coordinating body operating until the completion of the merger procedure. The personnel makeup of the Working Group shall be approved by the executive bodies of the Surviving and Merging Companies.

### **III.**

#### **CHARTER CAPITAL AND SHARES OF THE SURVIVING AND MERGING COMPANIES**

- 3.1 The charter capital of ReCom OJSC at the time of entry into this Agreement is RUR 100,000 (one hundred thousands) and is divided into 1000 (one thousand) registered common shares with a par value of RUR 100 (one hundred) each of issue:
- the state registration number of the issue is 1-01-40199-A is registered by Orel Regional Department of the FCSM of Russia on April 20, 1998.
- 3.2 The charter capital of MTS OJSC at the time of entry into this Agreement is RUR 199,332,613.80 (one hundred ninety-nine million three hundred thirty-two thousand six hundred thirteen rubles and eighty kopecks) and is divided into 1,993,326,138 (one billion nine hundred ninety-three million three hundred twenty-six thousand one

hundred thirty-eight) registered common shares with a par value of RUR 0.1 (one-tenth) (or 10 (ten) kopecks) each, of the following issues:

- issue: 1,993,326,138 (one billion nine hundred ninety-three million three hundred twenty-six thousand one hundred thirty-eight) registered common shares of MTS OJSC, issue state registration number 1-01-04715-A, registered by the Central Federal Area Regional Department of the FCSM of Russia on January 22, 2004.

3.3 In connection with the fact that MTS OJSC is the sole shareholder of ReCom OJSC, owning 1000 (one thousand) registered common shares of ReCom OJSC which is 100 (one hundred) percent of the total number of placed shares of ReCom OJSC and 100 (one hundred) percent of the paid-in charter capital of ReCom OJSC:

3.3.1 In conjunction with the reorganization by merger of ReCom OJSC into MTS OJSC, the registered common shares of ReCom OJSC owned by MTS OJSC shall not be converted into shares of MTS OJSC;

3.3.2 All registered common shares of ReCom OJSC owned by MTS OJSC and not subject to conversion shall be cancelled at the moment when an entry is made in the register concerning the termination of the merging company, ReCom OJSC.

3.3.3 MTS OJSC shall not adopt resolutions to place any additional shares necessary for the conversion of shares of ReCom OJSC in conjunction with the merger into MTS OJSC.

3.3.4 In conjunction with the reorganization of MTS OJSC by way of merger of ReCom OJSC into MTS OJSC, the charter capital of MTS OJSC shall not be increased and shall remain at its former level existing at the time of entry into this Agreement.

3.4 As a result of the reorganization, the charter capital of MTS OJSC, the legal successor of ReCom OJSC, shall not change and shall remain at RUR 199,332,613.80 (one hundred ninety-nine million three hundred thirty-two thousand six hundred thirteen rubles and eighty kopecks) and divided into 1,993,326,138 (one billion nine hundred ninety-three million three hundred twenty-six thousand one hundred thirty-eight) registered common shares with a par value of 0.1 (one-tenth) ruble (or 10 (ten) kopecks) each.

3.5 Registered common shares of MTS OJSC shall grant the following rights to their owners:

- to freely assign the shares owned by them, including the right to sell, donate, devise, bequeath, pledge, or in any other way alienate or encumber their shares without the consent of the other shareholders in accordance with applicable legislation and on the condition of compliance with the provisions of the constituent documents of MTS OJSC;
- to receive dividends;
- to take part in direct and remote voting at general meetings of shareholders on all issues within their competence;
- to assign the right to vote to other shareholders of MTS OJSC or their own representatives on the basis of a power of attorney;

- to nominate and elect candidates to the management bodies and supervisory bodies of MTS OJSC in the manner and on the conditions established by the constituent documents of MTS OJSC;
- in the manner and on the conditions established by the constituent documents of MTS OJSC, to submit for examination by the management bodies of MTS OJSC, in accordance with their competence, proposals concerning the activities of MTS OJSC, the state of its property, and the amounts of profits and losses;
- to be elected to the management bodies and supervisory bodies of MTS OJSC;
- to elect working bodies of the general meeting of shareholders in the situations provided for by the constituent documents;
- to demand the calling of an extraordinary general meeting of shareholders or an extraordinary audit of the activities of MTS OJSC by the audit commission or by an independent auditor in the manner and on the conditions established by the legislation of the Russian Federation and the constituent documents of MTS OJSC;
- to demand the redemption by MTS OJSC of all or some of the shares belonging to them in the manner and in the cases established by the legislation of the Russian Federation and the constituent documents of MTS OJSC;
- to receive a portion of the property of MTS OJSC in the event of its liquidation;
- to have free access to documents of MTS OJSC, in the manner provided for by the legislation of the Russian Federation and by the constituent documents of MTS OJSC, and to receive copies thereof for a reasonable fee; and
- to exercise other rights provided by the constituent documents of MTS OJSC, by the legislation of the Russian Federation, and by resolutions of the general meeting of shareholders adopted within its competence.

#### **IV. LEGAL SUCCESSION**

- 4.1 As a result of the reorganization the Surviving Company shall, in accordance with current legislation of the Russian Federation, become the legal successor of the Merging Company in respect of all obligations of the Merging Company in relation to all its creditors and debtors, including disputed obligations, irrespective of whether these obligations were reflected in the Instrument of Transfer executed by the Merging Company.
- 4.2 In conjunction with the reorganization by merger, all equipment and documentation for cellular communication networks built, under construction, planned, and necessary for the provision of GSM cellular communication services in the territory of Orel, Bryansk, Belgorod, Kursk and Lipetsk Regions shall obligatorily pass to MTS OJSC.
- 4.3 In conjunction with the reorganization by merger, all licenses and any other authorizing documents necessary for the planning, construction, and operation of a cellular communication network and the provision of GSM cellular communication services and accompanying services in the territory of Orel, Bryansk, Belgorod, Kursk and Lipetsk Regions shall be subject to transfer to MTS OJSC by way of legal succession through reorganization, including:
  - License No. 23984 dated October 24, 2002 to provide local telephone services;
  - License No. 25032 dated February 7, 2003 to provide local telephone services;
  - License No. 23792 dated October 4, 2002 to provide data transfer services;

- License No. 239Y dated December 20, 2003 to provide data ciphering services;
- License No. №237 X dated December 20, 2003 to maintain ciphering (cryptographic) facilities;
- License No. 238 P dated December 20, 2003 to distribute ciphering (cryptographic) facilities;
- License with registration number ГС-1-57-03-26-0-5753024000-000584-2 dated June 6, 2005 to design buildings and erections of the 1<sup>st</sup> and 2<sup>nd</sup> level of responsibility in compliance with the government standard;
- License with registration number ГС-1-57-03-27-0-5753024000-000585-2 dated June 14, 2005 to construct buildings and erections of the 1<sup>st</sup> and 2<sup>nd</sup> level of responsibility in compliance with the government standard;
- License No. 32868 dated July 15, 2005 to provide communication channels;
- License No. 32553 dated June 27, 2005 to provide communication channels;
- License No. 32867 dated July 15, 2005 to provide telematic communication services;
- License No. 33533 dated July 28, 2005 to provide communication services on voice transmission in a data transmission network;
- License No. 33964 dated August 25, 2005 to provide local communication services using collective access facilities;
- License No. 10021 dated May 15, 1998 to provide 900 MHz cellular radiophone communication services;
- License No. 10024 dated May 15, 1998 to provide 900 MHz cellular radiophone communication services;
- License No. 10022 dated May 15, 1998 to provide 900 MHz cellular radiophone communication services;
- License No. 10023 dated May 15, 1998 to provide 900 MHz cellular radiophone communication services;
- License No. 10015 dated May 15, 1998 to provide 900 MHz cellular radiophone communication services;
- License No. 10020 dated May 15, 1998 to provide 900 MHz cellular radiophone communication services.

and all other authorizations and documents.

## V. EFFECTIVE TERM

- 5.1 This Agreement shall enter into force upon its approval by the General Meeting of Shareholders of MTS OJSC and the sole shareholder of ReCom OJSC.
- 5.2 The Instrument of Transfer executed by ReCom OJSC shall enter into force upon its approval by the sole shareholder of ReCom OJSC.
- 5.3 This Agreement shall terminate upon the removal of ReCom OJSC from the state register of legal entities.
- 5.4 The rights and obligations of ReCom OJSC shall pass to its legal successor, MTS OJSC, at the moment when an entry concerning the termination of ReCom OJSC is made in the state register of legal entities by the state registration authority.



- 5.5 The Parties grant to the executive bodies of the Merging Company (the General Director of ReCom OJSC) the right to make additions and clarifications to the Instrument of Transfer executed by ReCom OJSC necessitated by the completion of any business operations in the ordinary course of business of ReCom OJSC, by the payment of taxes, other obligatory payments, and wages, by the discharge of debts and early performance of obligations of ReCom OJSC upon creditors' demands presented in connection with reorganization, and by other like circumstances.
- 5.6 The Instrument of Transfer shall reflect the legal succession of MTS OJSC in respect of the obligations and rights of ReCom OJSC in relation to all its debtors, as well as in relation to all creditors who do not seek early performance by ReCom OJSC of its obligations or termination of the respective obligations, and which are performed early or terminated. Furthermore, the Instrument of Transfer shall reflect the full list of property of ReCom OJSC being transferred to the legal successor, MTS OJSC.
- 5.7 Once this Agreement has been duly approved, the Parties may not unilaterally withdraw from the reorganization of MTS OJSC and ReCom OJSC by way of the merger of ReCom OJSC into MTS OJSC, except in the circumstances established by law.
- 5.8 Liability for nonperformance or improper performance of obligations under this Agreement shall be borne by the Parties in the manner established by legislation.

## **VI. REQUISITE DETAILS AND SIGNATURES OF THE PARTIES**

- 6.1 In the event of changes in the requisite details specified below, the Parties hereto shall notify one another of such changes within 2 days.
- 6.2 This Agreement was signed in Moscow on \_\_\_\_\_, 2006.
- 6.3 Requisite details and signatures of the Parties:

### **Mobile TeleSystems Open Joint Stock Company**

Location: 4, Marksistskaya Street, Moscow, Russian Federation.

Postal address: 4, Marksistskaya Street, Moscow, 109147, Russian Federation.

Registered by the State Registration Chamber under the Ministry of Justice of the Russian Federation (Registration Certificate No. R-7882.16, dated March 1, 2000).

Entered by the Moscow Registration Chamber into the citywide register of Moscow enterprises (Registration Certificate No. 102.618, dated March 22, 2000).

Main State Registration Number: 1027700149124.

Taxpayer ID (INN): 7740000076; OKPO code: 52686811; tel.: (495) 911-65-65; fax: (495) 911-65-99.

President

L. A. Melamed

Chief Accountant

R. M. Kolomiets

**ReCom Open Joint Stock Company**

Location: 19 Leskov Street, Orel, Russian Federation.

Postal address: 16 Turgenev Street, Orel, Russian Federation.

Registered by the Registration Chamber of the Orel Administrative Authorities (State Registration Certificate No. 1244 series C, dated February 26, 1998)

Main State Registration Number: 1025700824544.

Taxpayer ID (INN): 5753024000; OKPO code: 46208214; tel. (4862) 43-45-48; fax: (4862) 43-45-48.

General Director

L.V. Denisov

Chief Accountant

A.I. Postnikova