

APPROVED

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

Minutes No. _____
Dated _____, 2007

Chairman

APPROVED

Resolution of Mobile TeleSystems Open Joint
Stock Company, the sole shareholder of Mar
Mobile GSM Close Joint Stock Company

Resolution No. ____
Dated _____, 2007

L.A. Melamed
MTS OJSC President

MERGER AGREEMENT

between
Mar Mobile GSM Close Joint Stock Company
and
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 (incorporated at the address: 4, Marksistskaya Street, 109147, Moscow) 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 United 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 the 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

Mar Mobile GSM, a close joint stock company (located at the address: 138, Sovetskaya Street, 424000, Yoshkar Ola) registered by the State Registration Chamber under the Ministry of Justice of Republic of Mariy El on 15 November, 2000 with № 4097 (State Registration Certificate No. 12003874 series GI, Dated November 15, 2000) and entered into the United state register of legal entities by the Ministry of Taxes and Levies Inspectorate of Yoshkar Ola of Republic of Mariy El on July 17, 2002 under the Main State Registration Number 1021200750702, hereinafter referred to as "Mar Mobile GSM CJSC" or the "Acquired Company," represented by Dmitry Viacheslavovich Bobikov, 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 performance indicators, Parties have agreed to effect reorganization by the merger of Mar Mobile GSM CJSC into MTS OJSC, with the transfer of all rights and obligations from Mar Mobile GSM CJSC to MTS OJSC in accordance with a Deed of Transfer executed by Mar Mobile GSM CJSC and with the termination of the activity of Mar Mobile GSM CJSC.
- 1.2 MTS OJSC shall be deemed reorganized from the date of an entry concerning termination of the activity of Mar Mobile GSM CJSC is made by state registration authorities into the United state register of legal entities.
- 1.3 Mar Mobile GSM CJSC shall cease to exist from the time an entry concerning termination of the activity of Mar Mobile GSM CJSC is made by the state registration authority into the United state register of legal entities.
- 1.4 During the effective term hereof Parties shall act jointly to provide organizational support for the merger of Mar Mobile GSM CJSC into MTS OJSC in the manner defined by this Agreement and by current legislation.
- 1.5 The authorized governance bodies of Surviving and Acquired Companies (the general meeting of shareholders of Surviving Company, the sole shareholder of Acquired Company, MTS OJSC President (the sole executive body of MTS OJSC), the General Director of Mar Mobile GSM CJSC (the sole executive body of Mar Mobile GSM CJSC, 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 buy back shares from shareholders of Surviving Company who have the right to demand buyback and exercise that right in accordance with the procedure established by 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 approval from FAS for the reorganization of MTS OJSC and Mar Mobile GSM CJSC by way of the merger of Mar Mobile GSM CJSC into MTS OJSC;
 - 1.5.5 perform other necessary actions relating to the merger of Mar Mobile GSM CJSC into MTS OJSC;
- 1.6 MTS OJSC shall:

- 1.6.1 undertake management of the merger procedure;
 - 1.6.2 ensure the preparation of draft documents required for the reorganization;
 - 1.6.3 ensure that FAS is provided with the documents required to obtain preliminary approval from FAS for the merger of Mar Mobile GSM CJSC into MTS OJSC;
 - 1.6.4 provide consultancy and other assistance to Acquired Company in the preparation of the Deed of Transfer and other necessary documents;
 - 1.6.5 be entitled to cover all necessary financial expenditures associated with reorganization;
 - 1.6.6 ensure the registration of necessary amendments and additions to the constituent documents of Surviving Company in connection with reorganization;
- 1.7 Mar Mobile GSM CJSC shall:
- 1.7.1 at the request of competent bodies of Surviving Company, without delay provide 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 extra budgetary funds).
- 1.8 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 the current legislation.
- 1.9 Until such time as the rights and obligations of Acquired Company, Mar Mobile GSM CJSC, are transferred to its legal successor, MTS OJSC, 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 Surviving and Acquired Companies.

II.

PROCEDURE FOR THE MERGER OF MAR MOBILE GSM CJSC INTO MTS OJSC

- 2.1 The executive bodies of MTS OJSC and Mar Mobile GSM CJSC shall, within 30 (thirty) days of the date when the last of the companies participating in the reorganization (Surviving and Acquired Companies) has adopted a resolution to reorganize by 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 Surviving and Acquired Companies and then, after the rights, obligations, and property of Mar Mobile GSM CJSC 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 Surviving and Acquired 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. 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 under the law.

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

- 2.3 Surviving and Acquired Companies shall prepare and submit documents to FAS for receipt of preliminary approval for reorganization by the merger of Mar Mobile GSM CJSC into MTS OJSC.

- 2.4 Buyback of shares in MTS OJSC.

2.4.1 Shareholder demands for buyback of their shares shall be accepted by Surviving Company only from MTS OJSC shareholders included into a list of shareholders, entitled under the law to claim such buyback, made on the basis of MTS OJSC shareholders register as of the date of making the list of shareholders eligible to participate in MTS OJSC general shareholders meeting that adopted the resolution to reorganize through the merger of Acquired Company into Surviving Company.

2.4.2 Shareholder demands for buyback of shares of 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 JSC Law. Buyback of shares of Surviving Company shall take place within 30 (thirty) days of the expiration of the period for presentment of share buyback demands.

2.4.3 In accordance with 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 as of the date of adoption of the resolution to reorganize by way of merger. If demands are received for the buyback of more shares than can be bought back by the company in view of the limit established by law, shares shall be bought back from shareholders pro rata to the demands presented.

2.4.4 Shares bought back by Surviving Company shall be at its disposal. The bought back shares do not give the voting right, are not included when counting votes, no dividends are set to such shares. The said shares shall be disposed at least at the market price no later than in a year from the date of transfer of ownership of the bought back shares to Surviving Company otherwise MTS OJSC general shareholders meeting shall adopt a resolution on the Charter Capital of Surviving Company to be decreased by redemption of the above shares.

- 2.4.5 Settlements with shareholders in respect of redeemed shares shall be made by the Executive Bodies of Surviving Company.
- 2.5 In connection with the fact that MTS OJSC owns 100% of the placed shares in Mar Mobile GSM CJSC, it is established that:
- A joint general meeting of the shareholders of MTS OJSC and the shareholders of Mar Mobile GSM CJSC shall 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 of Mar Mobile GSM CJSC 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.
 - MTS OJSC President shall adopt a decision to reorganize Mar Mobile GSM CJSC, a decision on approval of the merger agreement on behalf of Mar Mobile GSM CJSC, and a decision approving the Deed of Transfer of Mar Mobile GSM CJSC.
- 2.6 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 Surviving and Acquired Companies.
- 2.7 Upon completion of the process of reorganization by merger, MTS OJSC shall become the legal successor of Mar Mobile GSM CJSC in respect of all its rights and obligations, including disputed rights and obligations, in accordance with the Deed of Transfer executed by Mar Mobile GSM CJSC, which shall be approved by the sole shareholder of Mar Mobile GSM CJSC (by MTS OJSC President).
- 2.8 Reorganization shall be deemed completed once the state registration authority has made an entry into the United state register of legal entities concerning termination of the activity of Mar Mobile GSM CJSC.
- 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 Working Group members shall be approved by the executive bodies of Surviving and Acquired Companies.

III. CHARTER CAPITAL AND SHARES OF SURVIVING AND ACQUIRED COMPANIES

- 3.1 The charter capital of Mar Mobile GSM CJSC as of the time of entry into this Agreement is RUR 90,000 (ninety thousand) and is divided into 9000 (nine thousand) registered common shares with a par value of RUR 10 (ten) each of the issue:

- the state registration number of the issue is 1-01-16689-R is registered by Regional Department of the FCSM of Russia in Volga Federal District on October 03, 2001.
- 3.2 The charter capital of MTS OJSC as of 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 issue:
- the state registration number of the issue is 1-01-04715-A registered by the Central Federal Area Regional Department of the FCSM of Russia on January 22, 2004.
- 3.3 Pursuant to the fact that MTS OJSC is the sole shareholder of Mar Mobile GSM CJSC, owning 90,000 (ninety thousand) registered common shares of Mar Mobile GSM CJSC, which is 100 (one hundred) percent of the total number of placed shares of Mar Mobile GSM CJSC, and 100 (one hundred) percent of the paid-in charter capital of Mar Mobile GSM CJSC:
- 3.3.1 In conjunction with the reorganization by merger of Mar Mobile GSM CJSC into MTS OJSC, the registered common shares of Mar Mobile GSM CJSC owned by MTS OJSC shall not be converted into shares of MTS OJSC;
- 3.3.2 All registered common shares of Mar Mobile GSM CJSC owned by MTS OJSC and not subject to conversion shall be redeemed at the moment when an entry is made in the United state register of legal entities concerning the termination of Acquired Company, Mar Mobile GSM CJSC;
- 3.3.3 MTS OJSC shall not adopt resolutions to place any additional shares necessary for the conversion of shares of Mar Mobile GSM CJSC in conjunction with the merger into MTS OJSC;
- 3.3.4 In conjunction with the reorganization of MTS OJSC by way of merger of Mar Mobile GSM CJSC 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 Mar Mobile GSM CJSC, 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 holders:
- 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 voting in presentia or in absentee 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 proxy;
- 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 MTS OJSC activities, the state of its property, and the amounts of profits and losses;
- to be elected to MTS OJSC management or supervisory bodies;
- to elect working bodies of the general shareholders meeting 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 MTS OJSC activities 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 MTS OJSC constituent documents;
- to demand the buyout by MTS OJSC of all or some of the shares owned by them in the manner and in the cases established by the legislation of the Russian Federation and MTS OJSC constituent documents;
- to receive a portion of MTS OJSC property in the event of its liquidation;
- to have free access to MTS OJSC documents in the manner provided for by the legislation of the Russian Federation and by MTS OJSC constituent documents and to receive copies thereof for a reasonable fee; and
- to exercise other rights provided for by MTS OJSC constituent documents, 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 Surviving Company shall, in accordance with the current legislation of the Russian Federation, become a legal successor of Acquired Company in respect of all obligations of Acquired Company in relation to all its creditors and debtors, including disputed obligations, irrespective of whether these obligations were reflected in the Deed of Transfer executed by Acquired Company.
- 4.2 Pursuant to the reorganization by merger, all equipment and documentation for cellular communication networks built, under construction, planned, and necessary for the provision of GSM 900/1800 cellular communication services in the territory of the Republic of Mariy El shall be subject to transfer to MTS OJSC.
- 4.3 Pursuant to the reorganization by merger, all licenses and any other approvals necessary for the planning, construction, and operation of a cellular communication network and the provision of GSM 900/1800 cellular communication services and accompanying services in the territory of the Republic of Mariy El shall be subject to transfer to MTS OJSC as a legal successor, including:

- License No. 20382 Dated January 15, 2002 to provide 900/1800 MHz cellular radio phone communication services issued by the Ministry of Telecommunication and Informatization of the Russian Federation;
- License No. 35478 Dated October 05, 2005 to provide communication channels issued by the Federal Communication Supervisory Service;
- License No. 34848 Dated September 14, 2005 to provide data transmission except for voice transmission services issued by the Federal Communication Supervisory Service;
- License No. 34847 Dated September 14, 2005 to provide telematics communication services issued by the Federal Communication Supervisory Service;

and all other approvals and documents.

V.

TERM OF THE AGREEMENT

- 5.1 This Agreement shall be effective upon its approval by MTS OJSC General Shareholders Meeting and the sole shareholder of Mar Mobile GSM CJSC.
- 5.2 The Deed of Transfer executed by Mar Mobile GSM CJSC shall be effective upon its approval by the sole shareholder of Mar Mobile GSM CJSC.
- 5.3 This Agreement shall be deemed terminated upon the removal of Mar Mobile GSM CJSC from the United state register of legal entities.
- 5.4 The rights and obligations of Mar Mobile GSM CJSC shall pass to its legal successor, MTS OJSC, upon the entry of Mar Mobile GSM CJSC activity termination made by the state registration authority in the United state register of legal entities.
- 5.5 Parties entitle the executive bodies of Acquired Company (the General Director of Mar Mobile GSM CJSC) to make additions and clarifications to the Deed of Transfer of Mar Mobile GSM CJSC due to completion of any transactions in the ordinary course of business of Mar Mobile GSM CJSC, payment of taxes and wages or other obligatory payments, repayment of debts and early performance of obligations of Mar Mobile GSM CJSC upon creditors' demands presented in connection with reorganization, and other similar circumstances.
- 5.6 The Deed of Transfer shall reflect the legal succession of MTS OJSC in respect of Mar Mobile GSM CJSC obligations and rights in relation to all its debtors, as well as to all creditors who do not seek early performance by Mar Mobile GSM CJSC of its obligations or termination of the respective obligations or which are performed early or terminated. Furthermore, the Deed of Transfer shall include the full list of property of Mar Mobile GSM CJSC being transferred to the legal successor, MTS OJSC.
- 5.7 Once this Agreement has been duly approved, Parties shall not unilaterally withdraw from the reorganization of MTS OJSC and Mar Mobile GSM CJSC by merger of Mar Mobile GSM CJSC into MTS OJSC unless a case is stipulated by law.

- 5.8 Liability for nonperformance or improper performance of obligations under this Agreement shall be borne by Parties in the manner stipulated by the legislation.

VI. REQUISITE DETAILS AND SIGNATURES OF PARTIES

- 6.1 In the event of changes in the requisite details specified below, Parties hereto shall notify one another of such changes within 2 days.
- 6.2 This Agreement was signed in Moscow on _____, 2008.
- 6.3 Requisite details and signatures of Parties:

Mobile TeleSystems Open Joint Stock Company

Location: 4, Marksistskaya Street, 109147, 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; Tel.: (495) 911-65-65; Fax: (495) 911-65-99.

L. A. Melamed
President

I.R. Borisenkova
Chief Accountant

Mar Mobile GSM Close Joint Stock Company

Location: 138 Sovetskaya Street, 424000, Yoshkar Ola, Russian Federation.

Postal address: 40 Sadovaya Street, 424028, Yoshkar Ola, Russian Federation.

Registered by the Registration Chamber under the Ministry of Justice of the Republic of Mariy El on 15 November, 2000 with № 4097 (State Registration Certificate No. 12003874 series GI, Dated November 15, 2000)

Main State Registration Number: 1021200750702.

Taxpayer ID (INN): 1215070240; Tel. (8362) 63-55-11; Fax: (8362) 64-13-14.

D.V. Bobikov
General Director

I.Yu. Sedykh
Chief Accountant