



APPROVED

by the General Meeting of Shareholders
of Mobile TeleSystems
Open Joint Stock Company
29 June, 2007, Minutes No. 19

Attachment 1
to the Statute on MTS OJSC
Board of Directors

**Regulations of the Process
Preparation and holding of the Board of Directors meetings**

1. GENERAL CONDITIONS

1.1. The present Regulations “Preparation and holding of the Board of Directors meetings” (hereinafter – “Regulations”) is the Attachment to the Statute on MTS OJSC Board of Directors and establish requirements related to preparation and holding of the meetings of the Board of Directors.

1.2. The present Regulations of the process have been developed in accordance with the current legislation and the Company’s Charter and regulate the process related to formation of the plan of work of the Board of Directors, procedure of inclusion of issues on the agenda of the Board of Directors meetings, procedure of preparation of materials to the Board of Directors meetings, holding of the meetings and execution of the results of meetings.

1.3. The present Regulations have been developed for the following purposes:

- Regulation of the procedure of preparation and holding of the Board of Directors meetings;
- Non-admission of cases of non-provision or undue provision of materials to the Board of Directors meetings;
- Increase of transparency and efficiency of the work of the Board of Directors;
- Achievement of the goals of the Board of Directors, ensuring of fulfillment of resolutions and instructions of the Board of Directors.

2. DEFINITIONS OF TERMS AND ABBREVIATIONS

2.1. Abbreviations

MTS OJSC - Mobile TeleSystems Open Joint Stock Company

BoD – MTS OJSC Board of Directors

2.2. Definition of terms

Company or Society – MTS OJSC.

MTS OJSC (MTS) – all structural divisions, branches and representations.

3. FORMATION OF THE ANNUAL PLAN OF THE BOD WORK

3.1. The Board of Directors meetings shall be held on the plan basis.

3.2. When preparing to the first in a year meeting of the Board of Directors the Secretary of the BoD shall form draft annual plan of the BoD work, which shall contain information about the month of each planned BoD meeting and issues proposed for consideration at the given BoD meeting.

3.3. When forming draft annual plan of the BoD work the Secretary of the BoD shall be guided by the current legislation, MTS OJSC Charter, internal documents of MTS OJSC, earlier approved resolutions of MTS OJSC BoD, instructions of MTS OJSC President, Chairman of MTS OJSC BoD as well as formed business practice of consideration of issues at MTS OJSC BoD meetings.

3.4. Periodicity of holding planned BoD meetings shall be determined taking in view the necessity of holding the BoD meetings at least once a month.

3.5. Draft annual plan of the BoD work shall be sent by the BoD Secretary for preliminary agreement of the BoD Chairman and MTS OJSC President.

3.6. After receipt of preliminary agreement related to presented draft annual plan of the BoD work, the BoD Secretary shall send the draft to the BoD members within the terms established in the present Regulations of the process for sending of information materials to the BoD meeting.

3.7. The annual plan of the BoD work shall be approved at the first in a year meeting of the BoD.

3.8. Proposals of the BoD members which may be submitted by them to the name of the Chairman of the BoD at any time prior to the moment of completion of consideration of the issue on approval of the annual plan of the BoD work shall be taken in view when approving the annual plan of the BoD work.

3.9. Decision on refusal to include any issue proposed by the BoD member for inclusion into the annual plan of the BoD work may be adopted by the BoD exclusively in case if the issue is not in the competence of the BoD.

3.10. The annual plan of the BoD work may be amended at any succeeding meeting of the Board of Directors on the initiative of the Chairman of the BoD, member of the BoD or the President of the Company. In case of reelection of BoD members the plan of Board of Directors work shall be adjusted.

3.11. Consideration during planned meetings of the BoD of issues not included into the annual plan of the BoD work, carry forward of issues included in the annual plan of the BoD work from one planned meeting to another, as well as convocation of the unscheduled meetings of the BoD and consideration at the unscheduled meetings of the BoD of issues not included into the annual plan of the BoD work and carry forward of the issue from planned to the unscheduled meeting of the BoD shall not require preliminary adjustment of the annual plan of the BoD work at the BoD meeting and shall be implemented by the decision of the Chairman of the BoD.

4. PREPARATION OF MATERIALS TO THE BOD MEETING AND CONVOCAION OF THE BOD MEETING

4.1. The date of the BoD meeting shall be specified by resolution of the BoD taken at the preceding meeting in accordance with the approved annual plan of the BoD work.

4.2. In the condition of the receipt of a demand to convoke the unscheduled meeting of the BoD, the Chairman shall consider an issue about possibility of inclusion issues proposed for consideration at the unscheduled meeting of the BoD on the agenda of the nearest planned BoD meeting. Thus the Chairman of the BoD shall take in view scope of the proposed issues, time spending for their consideration and level of readiness of information materials related to the proposed issues.

4.3. In case of impossibility of inclusion of the issues proposed for consideration at the unscheduled meeting of the BoD on the agenda of the nearest planned BoD meeting, the Chairman of the BoD shall within 3 (three) working days from receipt of a demand appoint the date of the unscheduled meeting of the BoD taking in view level of readiness of information materials in relation to the proposed issues and necessary time for their preparation/update.

4.4. The Chairman of the BoD shall inform the Secretary of the BoD of convocation and date of the unscheduled BoD meeting for the purposes of preparation and ensuring of holding the meeting.

4.5. When the BoD meeting is held in the form of absentee ballot the date of completion of receipt of voting ballots for voting on the issues on the agenda of the meeting shall be deemed the date of holding of the BoD meeting.

4.6. The BoD meetings may be held in presence (joint presence of the BoD members for consideration of materials and approval of resolutions on the issues on the agenda) and in the form of absentee ballot.

4.7. The Chairman of the BoD shall determine upon the form of holding of the BoD meeting and inform thereof the BoD Secretary for preparation of holding the meeting.

4.8. The opinion of initiator of the unscheduled meeting shall be taken in view when determining upon the form of holding of the unscheduled meeting.

4.9. Not later than 7 calendar days from the date of compilation of the minutes of the BoD meeting where the date of the next BoD meeting was determined – in case of planned meeting and not later than 7 calendar days from the date of receipt by the BoD Secretary from the BoD Chairman of the information on convocation of the unscheduled meeting – in case of the unscheduled meeting, the BoD Secretary shall form the agenda of the BoD meeting and agree upon it with MTS OJSC President and the BoD Chairman.

4.10. When forming the agenda of the BoD meeting the BoD Secretary shall be guided by the current legislation, MTS OJSC Charter, internal documents of MTS OJSC, earlier adopted resolutions of MTS OJSC BoD, instructions of MTS OJSC President, the Chairman of MTS OJSC BoD, approved annual plan of BoD work as well as decisions of the BoD Chairman on convocation/refusal in convocation of the unscheduled meeting and inclusion/non-inclusion of issues on the agenda of the unscheduled meeting of the BoD.

4.11. The Chairman of the BoD shall be entitled to include issues on the agenda of the meeting on his own initiative as well as in accordance with the demand of the BoD members, Audit Commission of the Company, Auditor of the Company, the Company's President or in accordance with the demand of other persons in cases provided for in the legislation or the Company's Charter.

4.12. Not later than 1 working day from the date of agreement with the BoD Chairman in relation to the agenda of the BoD meeting, the BoD Secretary shall send to performers and persons responsible for preparation of information materials on the issues on the agenda of the BoD meeting the information message, in which the following information shall be indicated:

- the date of the BoD meeting;
- the agenda of the BoD meeting;
- name of responsible person for preparation of information materials in relation to each issue on the agenda of the BoD meeting;
- the date of provision of information materials on the issues on the agenda of the BoD meeting to the Secretary of the BoD;
- the date of sending of information materials on the issues on the agenda of the BoD meeting to the BoD members;

- the information of earlier given instructions by the BoD, which shall be fulfilled by the date of holding of the meeting with indication of responsible persons in relation to such instructions in the form of the following table:

Table 1.

No.	Resolutions of MTS OJSC Board of Directors	Number and date of BoD minutes	Status	Target date set by the Board of Directors	Responsible person
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- the date of provision to the BoD Secretary of information on status related to fulfillment of earlier given instructions by the BoD;

- the date of provision to the BoD Secretary of information materials in relation to earlier given instructions by the BoD.

4.13. Copy of the information message on preparation of the materials to the BoD meeting shall be sent to the Secretary of the Company's Executive Board (or profile committee at the meeting of which the materials on any issue on the agenda of the BoD meeting shall be preliminary considered).

4.14. The Secretary of the Company's Executive Board (in case of necessity – the Secretary of profile committee) shall organize consideration of materials to the BoD meeting at the meeting of the Company' Executive Board (profile committee);

4.15. The information materials to the BoD meeting shall be considered at the meeting of the Company's Executive Board (profile committee – in case of necessity) not later than 15 (fifteen) calendar days prior to the date of holding of the BoD meeting.

4.16. The information materials to the BoD meeting shall be adjusted, amended and reworked in accordance with the results or recommendations, worked out at the meeting of the Company's Executive Board (profile committee - in case of necessity) and presented to the BoD Secretary by responsible persons not later than 14 (fourteen) calendar days prior to the date of holding of the BoD meeting.

4.17. In case if within the period not later than 14 (fourteen) calendar days prior to the date of holding of the BoD meeting the BoD Secretary has not received any materials on the issues on the agenda of the BoD meeting, the Secretary of the BoD shall promptly inform thereof MTS OJSC President for taking a decision related to the necessity to apply to the BoD Chairman with the request to agree upon delay in provision of the materials on the said issue to the BoD members.

4.18. The BoD Secretary shall organize translation of the presented information materials on the issues on the agenda of the BoD meeting to the English language.

5. HOLDING OF THE BOD MEETING, SUMMARIZING RESULTS OF THE MEETING

5.1. The BoD member may participate in the meeting by sending written opinion on the issues on the agenda of the BoD meeting, which shall be taken in view when determining existence of quorum and results of voting on the issues on the agenda of the BoD meeting.

5.2. Any written opinion shall be presented by the BoD members to the BoD Chairman or the BoD Secretary prior to commencement of the meeting or during the meeting.

5.3. In case there are proposals related to change of the agenda of the meeting such proposals shall be considered prior to commencement of consideration of the first issue on the agenda of the meeting.

5.4. Consideration of the issue on the agenda shall commence with the report on the subject matter of the considered issue. The report on the issues on the agenda may be presented by the BoD Chairman, BoD members, the Company's President or invited persons.

5.5. After the report on the issue on the agenda the BoD members shall have an opportunity to ask questions, listen to answers of the reporter on the subject matter of the issues as well as discuss the presented material on the issue on the agenda.

5.6. The consideration of the issue on the agenda shall be finalized by voting on the issue on the agenda and tallying results of the voting.

5.7. Depending on the character of the considered issues on the agenda and other circumstances the BoD Chairman shall have the right to change the order of holding of the BoD meetings.

5.8. Resolutions at the BoD meetings shall be adopted by majority of votes of the present BoD members, unless otherwise provided for in the Russian legislation or the Company's Charter.

5.9. When taking resolutions at the BoD meeting each BoD member has one vote.

5.10. The BoD resolutions shall be adopted by open vote, unless other order is established by the BoD Chairman when convoking the meeting.

5.11. It shall be deemed that the BoD members took part in the absentee ballot if their ballots have been received not later than the date of completion of receipt of ballots.

5.12. At the BoD meeting the minutes is taken.

5.13. The BoD Secretary shall execute the functions related to maintenance and storage of the BoD minutes.

5.14. The BoD minutes shall be compiled not later than 3 (three) days after the meeting (date of completion of receipt of voting ballots).

5.15. Written opinions of the BoD members taken into consideration when determining existence of quorum and results of voting on the issues on the agenda of the meeting shall be attached to the minutes of the BoD meeting.

5.16. The Minutes shall be compiled in the Russian language. The BoD Secretary shall organize translation of the minutes to the English language.

5.17. Copy of the minutes of the BoD meeting shall be sent by the BoD Secretary to the BoD members not later than 5 (five) working days from the date of signing the minutes.

6. CONTROL OVER ADOPTED RESOLUTIONS (INSTRUCTIONS)

6.1. Control over fulfillment of the BoD resolutions shall be implemented with the aim of ensuring their unconditional, quality, precise and due fulfillment.

6.2. All resolutions of the BoD which require implementation and reflected in the minutes of the BoD meeting are subject to control and examination. Terms of fulfillment of the BoD resolutions shall be determined by resolutions of the BoD or the BoD Chairman.

6.3. Control over fulfillment of resolutions of the BoD shall be implemented by the BoD Secretary. Responsible persons for fulfillment of instructions shall in term not exceeding 1 (one) working day from the receipt of the request from the BoD Secretary present to the BoD Secretary information about the status of fulfillment of the BoD resolutions.

6.4. In case of failure to provide to the BoD Secretary of information about the status of fulfillment of resolutions (instructions) of the BoD the BoD Secretary shall have the right to apply to the Company's President with the request about the status of fulfillment of resolutions (instructions) of the BoD.

6.5. In case of objective impossibility to fulfill the BoD resolutions within the established period responsible person for fulfillment of the resolution shall beforehand (not later than 2-3 days prior to the date of completion of the period related to fulfillment of the resolution) apply with reasoned justification to the Company's President (with provision of copy of the application to the BoD Secretary) for solving the issue on sending the petition to the BoD Chairman related to postponement of the time period for fulfillment of the resolution (instruction).

6.6. In case of non-fulfillment of the BoD resolution within the established term the BoD Secretary not later than on the working day following the date of completion of the term for fulfillment of the resolution shall inform thereof the BoD Chairman and the Company' President.