

**Information and comments on the issues  
submitted for approval of the Annual General Meeting of Mobile  
TeleSystems Open Joint Stock Company Shareholders on June 21, 2005**

**The first issue on the agenda:**

Procedure for conducting the Annual General Meeting of Shareholders.

This issue on the agenda for the shareholders' meeting is of organizational nature and relates to the procedure for conducting the shareholders' meeting.

The Counting Commission shall present to participants of the meeting the information about registration of participants of the meeting, satisfaction of quorum and other relevant organizational information.

Within the scope of this issue the participants of the meeting shall adopt a resolution on the 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 12.12.2 of MTS OJSC Charter, the Chairman shall perform the following functions:

- conduct the general meeting of shareholders;
- ensure compliance with rules of procedure for the general meeting of shareholders;
- sign the minutes of the general meeting of shareholders.

This issue also includes determination of the procedure for summarizing the results of voting and presentation of resolutions adopted by the annual general meeting of MTS OJSC shareholders with respect to issues on the agenda of the shareholders' meeting.

Procedure for adoption of resolutions:

The resolution shall be adopted by a simple majority of votes of shareholders attending the meeting.

*Draft resolution:*

1. For conducting the meeting to elect the following person  
\_\_\_\_\_ Chairman of the Annual General Meeting of MTS OJSC Shareholders.
2. Voting results and resolutions adopted by the Annual General Meeting of MTS OJSC Shareholders with respect to issues on the agenda shall be announced at the Annual General Meeting of MTS OJSC Shareholders.

**The second issue on the agenda:**

Approval of MTS OJSC Annual Performance Report, MTS OJSC Annual Financial Statements, including Profit & Loss Report, MTS OJSC Profit Distributions (including payment of dividends).

Under the existing Russian legislation, the said issue should be discussed on an annual basis at the annual general meeting of shareholders. The following materials are submitted to the Annual General Meeting of Shareholders for approval:

- MTS OJSC's Annual Performance Report;
- MTS OJSC's Financial Statements for 2004 in accordance with the Russian Accounting Standards;
- MTS OJSC's Profit & Loss Report (account);
- Recommendations of MTS OJSC Board of Directors on distribution of MTS OJSC's profit on the basis of FY 2004 results.

See attached the Conclusion 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. It is recommended that the amount of annual dividend on MTS OJSC registered common shares should be determined as RUR 5.75195247 per one MTS OJSC registered common share with the par value of RUR 0.1 each. The total amount of annual dividends should be RUR 11 465 517 202.98. Annual dividends shall be paid out in money within a period specified by MTS OJSC Charter.

Procedure for adoption of resolutions:

The resolution shall be adopted by a simple majority of votes of shareholders attending the meeting.

*Draft resolution:*

To approve MTS OJSC's Annual Performance Report for 2004, MTS OJSC's Annual Financial Statements for 2004, MTS OJSC's Profit & Loss Report (account) for 2004, the procedure for distribution of MTS OJSC's profit, including the amount of annual dividend on MTS OJSC registered common shares that is determined as RUR 5.75195247 per one MTS OJSC registered common share with the par value of RUR 0.1 each. The total amount of annual dividends shall be RUR 11 465 517 202.98. Annual dividends shall be paid out in money within a period specified by MTS OJSC Charter.

**The third issue on the agenda:**

Election of members to MTS OJSC Board of Directors.

The issue of election of members to MTS OJSC Board of Directors is submitted to the General Meeting of Shareholders. The powers of the newly elected Board of Directors shall be effective until the next annual general meeting of MTS OJSC shareholders.

Procedure for adoption of resolutions:

Pursuant to MTS OJSC Charter and the existing law, the members of the Board of Directors shall be elected by cumulative voting. In cumulative voting, the number of votes owned by each shareholder shall be multiplied by the number of persons to be elected to MTS OJSC Board of Directors, and a shareholder may cast all resulting votes in favor of one candidate or distribute them among two or several candidates.

The candidates who receive the greatest number of votes shall be deemed elected to the Board of Directors.

MTS OJSC Board of Directors consists of 7 members.

See attached information on candidates to the Board of Directors.

*Draft resolution:*

To elect the following persons: \_\_\_\_\_  
to the Board of Directors of Mobile TeleSystems Open Joint Stock Company.

**The fourth issue on the agenda:**

Election of members to MTS OJSC Auditing Commission.

The issue of formation of the Auditing Commission in MTS OJSC is submitted to the Annual General Meeting of MTS OJSC Shareholders. The Auditing Commission is an independent, standing working body supervising the financial and economic activities of MTS OJSC.

The Auditing Commission shall be elected by the annual general meeting of shareholders and shall retain its powers until the next annual general meeting of MTS OJSC shareholders.

No more than 3 (three) candidates may be elected to the Auditing Commission, as that is the size of the Auditing Commission determined by the resolution of the Annual General Meeting of MTS OJSC Shareholders of June 21, 2002.

See attached information relating to candidates to the Auditing Commission.

Procedure for adoption of resolutions:

Shares owned by MTS OJSC Board of Directors members or MTS OJSC executive body (President) cannot participate in voting.

The resolution shall be adopted by a simple majority of votes of shareholders attending the meeting.

*Draft resolution:*

To elect the following persons as members of MTS OJSC Audit Commission:  
\_\_\_\_\_ .

**The fifth issue on the agenda:**

Approval of MTS OJSC auditor.

The issue of approval of MTS OJSC's auditor for auditing financial and economic activities of MTS OJSC is submitted to the General Meeting of Shareholders.

The auditor shall be approved by the annual general meeting of shareholders on an annual basis and shall retain its powers until the next annual general meeting of MTS OJSC's shareholders.

Under current legislation, 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's statements for 2002, 2003 and 2004 were audited by ZAO Deloitte & Touche CIS.

MTS OJSC Board of Directors recommended to approve ZAO Deloitte & Touche CIS as MTS OJSC's auditor.

Procedure for adoption of resolutions:

The resolution should be adopted by a simple majority of votes of shareholders attending the meeting.

*Draft resolution:*

To approve auditing company ZAO Deloitte & Touche CIS (location: 4/7 Vozdvizhenka St., Moscow, Russian Federation, OGNP 1027700425444) as MTS OJSC's auditor.

**The sixth issue on the agenda:**

Approval of the revised version of MTS OJSC Charter.

The issue of approval of the revised version of MTS OJSC Charter is submitted to the General Meeting of Shareholders.

This item is submitted for consideration because of the necessity to:

- make several non-significant amendments in accordance with the altered legislation of the Russian Federation;
- create a unified version of the Charter because 13 several amendments and addenda to MTS OJSC Charter have been made since the approval of the last version of MTS OJSC Charter. A unified version of the Charter shall enable to transform MTS OJSC Charter into a unified document, more convenient for work, and considerably reduce expenses with respect to notarial certification of copies of the Charter and amendments thereto.

*See attached the revised version of MTS OJSC Charter.*

Procedure for adoption of resolutions:

The resolution should be adopted by a three-fourth majority of votes of shareholders attending the meeting.

*Draft resolution:*

To approved the revised version of MTS OJSC Charter.

**The seventh issue on the agenda:**

Approval of transactions in whose completion there is an interest.

The issue of approval of transactions between MTS OJSC and MGTS OJSC, in whose completion there is an interest, is submitted to the Annual Meeting of Shareholders.

In the course of its business MTS OJSC needs to enter into various agreements with OJSC MGTS.

Under such agreements with OJSC MGTS, premises for telecommunication equipment and cable duct sections owned by OJSC MGTS are leased, telecom services and other economic agreements are provided.

*See attached the list of transactions, including prices and basic terms and conditions of transactions.*

Amounts of transactions between MTS OJSC and OJSC MGTS indicated in the Annex, in accordance with the Federal Law “On Joint Stock Companies”, were determined by the resolution of MTS OJSC Board of Directors of May 17, 2005.

Procedure for adoption of resolutions:

The resolution should be adopted by a simple majority of votes of shareholders attending the meeting who are not interested in completion of respective transactions.

*The following shareholders that are recognized as persons interested in completion of the said transactions will not participate in voting: OJSC AFK Sistema and companies affiliated to OJSC AFK Sistema.*

*Draft resolution:*

To approve the completion of transactions between MTS OJSC and MTS OJSC shareholders affiliated to MTS OJSC shareholders and MTS OJSC Board of Directors members, and other companies set forth in Annex to Ballot Form No.7 in whose completion there is an interest and whose basic terms and conditions are set forth in Annex to Ballot Form No.7.

**The eighth issue on the agenda:**

Approval of transactions between MTS OJSC and the interested parties which may be completed in the future in the course of usual business within the period until the next annual general meeting of MTS OJSC shareholders.

The issue of approval of transactions between MTS OJSC and the interested parties which may be completed in the future in the course of usual business within the period until the next annual general meeting of MTS OJSC shareholders is submitted to the Annual Meeting of Shareholders. The said transactions relate to the placement of temporarily surplus funds and the insurance of the liabilities of the Board of Directors members.

Procedure for adoption of resolutions:

The resolution should be adopted by a simple majority of votes of shareholders attending the meeting who are not interested in completion of respective transactions.

*The following shareholders that are recognized as persons interested in completion of the said transactions will not participate in voting: OJSC AFK Sistema and companies affiliated to MTS OJSC.*

*See attached the list of transactions between MTS OJSC and interested parties which may be completed in the future in the course of usual business within the period until the next annual general meeting of MTS OJSC shareholders.*

*Draft resolution:*

To approve the completion of transactions between MTS OJSC and interested parties which may be completed in the future in the course of usual business within the period until the next annual general meeting of MTS OJSC shareholders set forth in Annex to Ballot Form No.8; maximum transaction amounts are set forth in Annex to Ballot Form No.8.