

APPROVED

Minutes of the general meeting of
shareholders of Mobile TeleSystems Open
Joint Stock Company

Minutes No. _____
dated _____, 2004
Chairman

APPROVED

Resolution of Mobile TeleSystems Open
Joint Stock Company, the sole shareholder of
Mobile TeleSystems-Nizhni Novgorod
Closed Joint Stock Company

Resolution No. ____
dated _____, 2004
President of MTS OJSC

_____ V. V. Sidorov

MERGER AGREEMENT

**on the merger of
Mobile TeleSystems-Nizhni Novgorod Closed 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 of 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" or the "Surviving Company," represented by its president, Vasily Vasilievich Sidorov, acting on the basis of its charter, as the first party; and

Mobile TeleSystems-Nizhni Novgorod, a closed joint stock company registered on January 22, 2001 by the Registration Chamber of Nizhni Novgorod under No. 4583 and entered into the consolidated state register of legal entities on August 14, 2002, by the Nizhni Novgorod Sovetsky Raion Inspectorate of the Ministry of Taxes and Levies under Main State Registration Number 1025203721168, hereinafter referred to as "MTS-NN CJSC" or the "Merging Company," represented by its general director, Oleg Vladimirovich Lulun, acting on the basis of its charter, as the second party,

(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 MTS-NN CJSC into MTS, with the transfer of all rights and obligations from MTS-NN CJSC to MTS in accordance with an Instrument of Transfer executed by MTS-NN CJSC and with the termination of the activity of MTS-NN CJSC.
- 1.2 MTS shall be considered reorganized from the time an entry concerning termination of the activity of MTS-NN CJSC OJSC is made by state registration authorities into the state register of legal entities.
- 1.3 MTS-NN CJSC shall cease to exist from the time an entry concerning termination of the activity of MTS-NN CJSC 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 MTS-NN CJSC into MTS 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, the President of MTS (the individual executive body of MTS), the General Director of MTS-NN CJSC (the individual executive body of MTS-NN 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 all 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 and MTS-NN CJSC by way of the merger of MTS-NN CJSC into MTS;
 - 1.5.5 perform other necessary actions relating to the merger of MTS-NN CJSC into MTS;
- 1.6 MTS shall also perform the following actions:

- 1.6.1 undertake direction of the merger procedure;
- 1.6.2 provide for 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 MTS-NN CJSC into MTS;
- 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 MTS-NN CJSC 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, MTS-NN CJSC, are transferred to its legal successor, MTS, 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 MTS-NN CJSC INTO MTS

- 2.1 The executive bodies of MTS and MTS-NN CJSC 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 MTS-NN CJSC have been transferred to the legal successor, by the executive bodies of the legal successor, MTS.

- 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 MTS-NN CJSC into MTS.

2.4 Redemption of shares of MTS

- 2.4.1 Shareholder demands for redemption of their shares shall be accepted by MTS only from MTS shareholders entitled to demand such redemption, on the basis of a shareholder list approved by the Board of Directors of MTS 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 that adopted the resolution to reorganize through the merger of the Merging Company into MTS.

- 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 shares shall not exceed 10% (ten percent) of the value of the MTS'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 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 owns 100% of the placed shares of MTS-NN CJSC, it is established that:

- A joint general meeting of the shareholders of MTS and the shareholders of MTS-NN CJSC will not be held.
 - A resolution amending the charter of MTS to include information on the succession of MTS to the rights and obligations MTS-NN CJSC shall be adopted at a general meeting of MTS shareholders; such resolution may be adopted concurrently with the adoption by the general meeting of MTS 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 shareholders the President of MTS shall adopt a decision to reorganize MTS-NN CJSC, a decision on approval of the merger agreement on the part of MTS-NN CJSC, and a decision approving the Instrument of Transfer of MTS-NN CJSC.
- 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 shall become the legal successor of MTS-NN CJSC in respect of all its rights and obligations, including disputed rights and obligations, in accordance with an Instrument of Transfer executed by MTS-NN CJSC, which shall be approved by the general meeting of shareholders of MTS-NN CJSC.
- 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 MTS-NN 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 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 MTS-NN CJSC at the time of entry into this Agreement is 100,000 (one hundred thousand) rubles and is divided into 10,000 (ten thousand) registered common shares with a par value of 10 (ten) ruble each of one issue:
- issue of registered common shares: 10,000 (ten thousand) registered common shares of MTS-NN CJSC, issue state registration number 1-01-16505-P, registered by the Privolzhsky Federal Okrug Regional Department of the FCSM of Russia on May 24, 2001;

- issue of registered common shares: 4,100,000 (four million one hundred thousand) registered common shares of MTS-NN CJSC, issue state registration number 1-01-01736-D, registered by the Northwest Federal Okrug Regional Department of the FCSM of Russia on April 26, 2000.
- 3.2 The charter capital of MTS at the time of entry into this Agreement is 199,332,613 rubles 80 kopecks (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 0.1 (one-tenth) ruble (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, issue state registration number 1-01-04715-A, registered by the Central Federal Okrug Regional Department of the FCSM of Russia on January 22, 2004.
- 3.3 In connection with the fact that MTS is the sole shareholder of MTS-NN CJSC, owning 10,000 (ten thousand) registered common shares of MTS-NN CJSC, which is 100 (one hundred) percent of the total number of placed shares of MTS-NN CJSC and 100 (one hundred) percent of the paid-in charter capital of MTS-NN CJSC:
- 3.3.1 In conjunction with the reorganization by merger of MTS-NN CJSC into MTS, the registered common shares of MTS-NN CJSC owned by MTS shall not be converted into shares of MTS;
- 3.3.2 All registered common shares of MTS-NN CJSC owned by MTS 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, MTS-NN CJSC.
- 3.3.3 MTS shall not adopt resolutions to place any additional shares necessary for the conversion of shares of MTS-NN CJSC in conjunction with the merger into MTS.
- 3.3.4 In conjunction with the reorganization of MTS by way of merger of MTS-NN CJSC into MTS, the charter capital of MTS 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, the legal successor of MTS-NN CJSC, shall not change and shall remain at 199,332,613 rubles 80 kopecks (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 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;

- 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 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 in the manner and on the conditions established by the constituent documents of MTS;
- in the manner and on the conditions established by the constituent documents of MTS, to submit for examination by the management bodies of MTS, in accordance with their competence, proposals concerning the activities of MTS, the state of its property, and the amounts of profits and losses;
- to be elected to the management bodies and supervisory bodies of MTS;
- 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 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;
- to demand the redemption by MTS 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;
- to receive a portion of the property of MTS in the event of its liquidation;
- to have free access to documents of MTS, in the manner provided for by the legislation of the Russian Federation and by the constituent documents of MTS, and to receive copies thereof for a reasonable fee; and
- to exercise other rights provided by the constituent documents of MTS, 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.

V. EFFECTIVE TERM

- 5.1 This Agreement shall enter into force upon its approval by the General Meeting of Shareholders of MTS and the sole shareholder of MTS-NN CJSC.

- 5.2 The Instrument of Transfer executed by MTS-NN CJSC shall enter into force upon its approval by the sole shareholder of MTS-NN CJSC.
- 5.3 This Agreement shall terminate upon the removal of MTS-NN CJSC from the state register of legal entities.
- 5.4 The rights and obligations of MTS-NN CJSC shall pass to its legal successor, MTS, at the moment when an entry concerning the termination of MTS-NN CJSC 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 MTS-NN CJSC) the right to make additions and clarifications to the Instrument of Transfer executed by MTS-NN CJSC necessitated by the completion of any business operations in the ordinary course of business of MTS-NN CJSC, by the payment of taxes, other obligatory payments, and wages, by the discharge of debts and early performance of obligations of MTS-NN CJSC 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 in respect of the obligations and rights of MTS-NN CJSC in relation to all its debtors, as well as in relation to all creditors who do not seek early performance by MTS-NN CJSC 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 MTS-NN CJSC being transferred to the legal successor, MTS.
- 5.7 Once this Agreement has been duly approved, the parties may not unilaterally withdraw from the reorganization of MTS and MTS-NN CJSC by way of the merger of MTS-NN CJSC into MTS, 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 has been signed in Moscow on _____, 2004.
- 6.3 Requisite details and signatures of the Parties:

Mobile TeleSystems Open Joint Stock Company

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

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

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).

Main State Registration Number: 1027700149124.

Taxpayer ID (INN): 7740000076; OKPO code: 52686811; tel.: (095) 911-6565; fax: (095) 911-6599.

President

V. V. Sidorov

Chief Accountant

R. M. Kolomiets

Mobile TeleSystems Nizhni-Novgorod Closed Joint Stock Company

Location: 11, prospect Gagarina, Nizhni-Novgorod, Nizhnegorodskaya Oblast, 603022, Russian Federation.

Postal address: 5/9, ulitsa Bolshaya Pecherskaya, Nizhni-Novgorod, Nizhnegorodskaya Oblast, 603005, Russian Federation.

Registered: By the Administration of Nizhni Novgorod, the City Property and Land Management Committee, the Registration Chamber of Nizhni-Novgorod on January 22, 2001, under No. 4583.

Main State Registration Number: 1025203721168.

Taxpayer ID (INN): 5262093072; OKPO code: 55863225; tel. (8312) 198-111; fax: (8312) 198-112.

General Director

O.V. Lulin

Acting Chief Accountant

T.V. Ushakova