

**Information and comments on the issues  
submitted for approval of the Extraordinary General Meeting of  
Mobile TeleSystems Open Joint Stock Company Shareholders on  
November 9, 2004**

**The first issue on the agenda:**

Procedure for the meeting handling.

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 a 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:**

A resolution must be adopted by a simple majority of votes of shareholders attending the meeting.

*Draft resolution:*

1. To elect the following person to preside at the extraordinary general meeting of Mobile TeleSystems Open Joint Stock Company \_\_\_\_\_.
2. To announce voting results and resolutions on the agenda issues approved by the extraordinary general meeting of MTS OJSC shareholders at the extraordinary general meeting of MTS OJSC shareholders.

## **Brief information on agenda issues 1-8.**

The issue with respect to the reorganization of MTS OJSC in the form of merger of 100 percent subsidiaries into MTS OJSC MTS is submitted for the approvement of the Extraordinary General Meeting of MTS OJSC Shareholders.

List of the companies to be merged:

1. TELECOM XXI OJSC (St.-Petersburg);
2. Kuban-GSM CJSC (Krasnodar);
3. UDN-900 CJSC (Izhevsk);
4. MTS-Barnaul CJSC (Barnaul);
5. Dontelecom CJSC (Rostov-on-Don);
6. ACC CJSC (Blagoveshensk);
7. MTS-NN CJSC (Nizhni Novgorod);
8. Telecom-900 CJSC (Moscow).

MTS OJSC owns 100% of the mentioned subsidiaries' placed shares, that allows MTS OJSC to fully control activities of its subsidiaries.

Subsidiaries have licenses for providing mobile communication services in some Russian regions: North-West region, Krasnodar region, Rostov region, Altai region, Amur region.

Merger of subsidiaries to MTS OJSC will allow to achieve the following:

- Reduction of management costs;
- Reduction of costs related to organization and handling of economic activity (no necessity to conclude agreements between MTS OJSC and a subsidiary for delivery of equipment, general contract, usage of trade mark, commercial representation and other economic contracts);
- Reduction of costs related to organization and handling of a subsidiary's corporate activity (decisions of shareholder, interaction with the Russian Federation Ministry on Anti-Monopoly Policy and the Federal Securities Commission);
- Simplification of the scheme related to provision of mobile communication services by MTS OJSC Branches, set up in the regions where subsidiaries operate (without agreements on commercial representation);
- Simplification of the management structure and higher efficiency of decision-making;
- Consolidation of subsidiaries' performance indicators in MTS OJSC Russian accounting statements;
- Integration of subsidiaries into a new organizational management structure of MTS OJSC.

General conditions and procedure of reorganization:

It is proposed to reorganize MTS OJSC in the form of merger of MTS OJSC subsidiaries, in which MTS OJSC owns 100% of placed shares, to MTS OJSC with transfer of all rights and obligations of subsidiaries to MTS OJSC and termination of subsidiaries' activity.

In accordance with the current legislation MTS OJSC shall be the successor of all rights and obligations of the subsidiaries.

Because of the fact that MTS OJSC owns 100% of placed shares in the subsidiaries and MTS OJSC President (a sole executive body) shall take decisions on all issues related to competence of subsidiaries general shareholders meetings, it seems feasible to implement the merger procedure specified in draft resolutions on merger.

*Resolutions with respect to the approval of MTS OJSC reorganization by merger of Closed Joint Stock Company Amur Cellular Communication (CJSC ACC) into MTS OJSC and the approval of the agreement on merger of CJSC ACC into MTS OJSC were adopted at the extraordinary general meeting of MTS OJSC shareholders on April 17, 2003.*

**The second issue on the agenda:**

On reorganization of MTS OJSC by merger of OJSC TELECOM XXI into MTS OJSC and on approval of the agreement on merger of OJSC TELECOM XXI into MTS OJSC.

Procedure for adoption of resolutions:

A resolution must be adopted by three-fourths majority of votes of shareholders attending the meeting.

*Draft resolution:*

Be it resolved:

That MTS OJSC be reorganized by way of the merger of its subsidiary, Open Joint Stock Company TELECOM XXI (OJSC TELECOM XXI, located at: 51, Shpalernaya Street, St.-Petersburg, Russian Federation, OGRN 1027809176031), in which MTS OJSC owns 100 percent of the placed shares, into MTS OJSC, with the assignment of all rights and obligations of OJSC TELECOM XXI to MTS OJSC and the cessation of the activity of OJSC TELECOM XXI.

That MTS OJSC be established as the assignee of OJSC TELECOM XXI with respect to all its rights and obligations.

In connection with the fact that MTS OJSC owns 100 percent of the placed shares of OJSC TELECOM XXI, that it be established that:

- The registered common shares of OJSC TELECOM XXI (the merging company) owned by MTS OJSC (the surviving company) shall not be converted into shares of MTS OJSC;
- All registered common shares of OJSC TELECOM XXI 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, OJSC TELECOM XXI.
- The charter capital of MTS OJSC and the number and the par value of MTS OJSC shares shall not change in conjunction with the reorganization of MTS OJSC by the merger of OJSC TELECOM XXI into MTS OJSC.
- A joint general meeting of the shareholders of MTS OJSC and the shareholders of OJSC TELECOM XXI 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 liabilities of OJSC TELECOM XXI shall be adopted at the general meeting of MTS OJSC shareholders and such resolution may be approved 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 the general meeting of MTS OJSC shareholders, the President of MTS OJSC shall adopt a decision to reorganize OJSC TELECOM XXI, a decision on approval on the part of OJSC TELECOM XXI of the agreement on the merger of OJSC TELECOM XXI into MTS OJSC, and a decision approving the Instrument of Transfer of OJSC TELECOM XXI.

That the President of MTS OJSC be entrusted to take all necessary measures relating to the merger of OJSC TELECOM XXI into MTS OJSC and to notify the creditors of MTS OJSC of the decision to reorganize.

To approve the agreement on the merger of OJSC TELECOM XXI into MTS OJSC.

**The third issue on the agenda:**

On reorganization of MTS OJSC by merger of Kuban-GSM CJSC into MTS OJSC and on approval of the agreement on merger of Kuban-GSM CJSC into MTS OJSC.

Procedure for adoption of resolutions:

A resolution must be adopted by three-fourths majority of votes of shareholders attending the meeting.

*Draft resolution:*

Be it resolved:

That MTS OJSC be reorganized by way of the merger of its subsidiary, Closed Joint Stock Company Kuban-GSM (CJSC Kuban-GSM, located at: 61, Gimnazicheskaya Street, Krasnodar, Russian Federation, OGRN 1022301190779), in which MTS OJSC owns 100 percent of the placed shares, into MTS OJSC, with the assignment of all rights and obligations of CJSC Kuban-GSM to MTS OJSC and the cessation of the activity of CJSC Kuban-GSM.

That MTS OJSC be established as the assignee of CJSC Kuban-GSM with respect to all its rights and obligations.

In connection with the fact that MTS OJSC owns 100 percent of the placed shares of CJSC Kuban-GSM, that it be established that:

- The registered common shares of CJSC Kuban-GSM (the merging company) owned by MTS OJSC (the surviving company) shall not be converted into shares of MTS OJSC;

- All registered common shares of CJSC Kuban-GSM 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, CJSC Kuban-GSM.

- The charter capital of MTS OJSC and the number and the par value of MTS OJSC shares shall not change in conjunction with the reorganization of MTS OJSC by the merger of CJSC Kuban-GSM into MTS OJSC.

- A joint general meeting of the shareholders of MTS OJSC and the shareholders of CJSC Kuban-GSM 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 liabilities of CJSC Kuban-GSM shall be adopted at the general meeting of MTS OJSC shareholders and such resolution may be approved 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 the general meeting of MTS OJSC shareholders, the President of MTS OJSC shall adopt a decision to reorganize CJSC Kuban-GSM, a decision on approval on the part of CJSC Kuban-GSM of the agreement on the merger of CJSC Kuban-GSM into MTS OJSC, and a decision approving the Instrument of Transfer of CJSC Kuban-GSM.

That the President of MTS OJSC be entrusted to take all necessary measures relating to the merger of CJSC Kuban-GSM into MTS OJSC and to notify the creditors of MTS OJSC of the decision to reorganize.

To approve the agreement on the merger of CJSC Kuban-GSM into MTS OJSC.

**The forth issue on the agenda:**

On reorganization of MTS OJSC by merger of OJSC UDN-900 into MTS OJSC and on approval of the agreement on merger of OJSC UDN-900 into MTS OJSC.

**Procedure for adoption of resolutions:**

A resolution must be adopted by three-fourths majority of votes of shareholders attending the meeting.

***Draft resolution:***

Be it resolved:

That MTS OJSC be reorganized by way of the merger of its subsidiary, Closed Joint Stock Company UDN-900 (CJSC UDN-900, located at: 278, Pushkinskaya Street, Izhevsk, Russian Federation, OGRN 1021801168058), in which MTS OJSC owns 100 percent of the placed shares, into MTS OJSC, with the assignment of all rights and obligations of UDN-900 to MTS OJSC and the cessation of the activity of UDN-900.

That MTS OJSC be established as the assignee of CJSC UDN-900 with respect to all its rights and obligations.

In connection with the fact that MTS OJSC owns 100 percent of the placed shares of CJSC UDN-900, that it be established that:

- The registered common shares of CJSC UDN-900 (the merging company) owned by MTS OJSC (the surviving company) shall not be converted into shares of MTS OJSC;

- All registered common shares of CJSC UDN-900 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, CJSC UDN-900.

- The charter capital of MTS OJSC and the number and the par value of MTS OJSC shares shall not change in conjunction with the reorganization of MTS OJSC by the merger of CJSC UDN-900 into MTS OJSC.

- A joint general meeting of the shareholders of MTS OJSC and the shareholders of CJSC UDN-900 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 liabilities of CJSC UDN-900 shall be adopted at the general meeting of MTS OJSC shareholders and such resolution may be approved 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 the general meeting of MTS OJSC shareholders, the President of MTS OJSC shall adopt a decision to reorganize CJSC UDN-900, a decision on approval on the part of CJSC UDN-900 of the agreement on the merger of CJSC UDN-900 into MTS OJSC, and a decision approving the Instrument of Transfer of CJSC UDN-900.

That the President of MTS OJSC be entrusted to take all necessary measures relating to the merger of CJSC UDN-900 into MTS OJSC and to notify the creditors of MTS OJSC of the decision to reorganize.

To approve the agreement on the merger of CJSC UDN-900 into MTS OJSC.

**The fifth issue on the agenda:**

On reorganization of MTS OJSC by merger of Dontelecom CJSC into MTS OJSC and on approval of the agreement on merger of Dontelecom CJSC into MTS OJSC.

**Procedure for adoption of resolutions:**

A resolution must be adopted by three-fourths majority of votes of shareholders attending the meeting.

*Draft resolution:*

Be it resolved:

That MTS OJSC be reorganized by way of the merger of its subsidiary, Closed Joint Stock Company Dontelecom (CJSC Dontelecom, located at: 15, Kayani Street, Rostov-on-Don, Russian Federation, OGRN 1026104143944), in which MTS OJSC owns 100 percent of the placed shares, into MTS OJSC, with the assignment of all rights and obligations of CJSC Dontelecom to MTS OJSC and the cessation of the activity of CJSC Dontelecom.

That MTS OJSC be established as the assignee of CJSC Dontelecom with respect to all its rights and obligations.

In connection with the fact that MTS OJSC owns 100 percent of the placed shares of CJSC Dontelecom, that it be established that:

- The registered common shares of CJSC Dontelecom (the merging company) owned by MTS OJSC (the surviving company) shall not be converted into shares of MTS OJSC;

- All registered common shares of CJSC Dontelecom 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, CJSC Dontelecom.

- The charter capital of MTS OJSC and the number and the par value of MTS OJSC shares shall not change in conjunction with the reorganization of MTS OJSC by the merger of CJSC Dontelecom into MTS OJSC.

- A joint general meeting of the shareholders of MTS OJSC and the shareholders of CJSC Dontelecom 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 liabilities of CJSC Dontelecom shall be adopted at the general meeting of MTS OJSC shareholders and such resolution may be approved 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 the general meeting of MTS OJSC shareholders, the President of MTS OJSC shall adopt a decision to reorganize CJSC Dontelecom, a decision on approval on the part of CJSC Dontelecom of the agreement on the merger of CJSC Dontelecom into MTS OJSC, and a decision approving the Instrument of Transfer of CJSC Dontelecom.

That the President of MTS OJSC be entrusted to take all necessary measures relating to the merger of CJSC Dontelecom into MTS OJSC and to notify the creditors of MTS OJSC of the decision to reorganize.

To approve the agreement on the merger of CJSC Dontelecom into MTS OJSC.

**The sixth issue on the agenda:**

On reorganization of MTS OJSC by merger of MTS-Barnaul CJSC into MTS OJSC and on approval of the agreement on merger of MTS-Barnaul CJSC into MTS OJSC.

Procedure for adoption of resolutions:

A resolution must be adopted by three-fourths majority of votes of shareholders attending the meeting.

*Draft resolution:*

Be it resolved:

That MTS OJSC be reorganized by way of the merger of its subsidiary, Closed Joint Stock Company MTS-Barnaul (CJSC MTS-Barnaul, located at: 52, Dimitrova Street, Barnaul, Russian Federation, OGRN 1022201506854), in which MTS OJSC owns 100 percent of the placed shares, into MTS OJSC, with the assignment of all rights and obligations of CJSC MTS-Barnaul to MTS OJSC and the cessation of the activity of CJSC MTS-Barnaul.

That MTS OJSC be established as the assignee of CJSC MTS-Barnaul with respect to all its rights and obligations.

In connection with the fact that MTS OJSC owns 100 percent of the placed shares of CJSC MTS-Barnaul that it be established that:

- The registered common shares of CJSC MTS-Barnaul (the merging company) owned by MTS OJSC (the surviving company) shall not be converted into shares of MTS OJSC;
- All registered common shares of CJSC MTS-Barnaul 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, CJSC MTS-Barnaul;
- The charter capital of MTS OJSC and the number and the par value of MTS OJSC shares shall not change in conjunction with the reorganization of MTS OJSC by the merger of CJSC MTS-Barnaul into MTS OJSC;
- A joint general meeting of the shareholders of MTS OJSC and the shareholders of CJSC MTS-Barnaul 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 liabilities of CJSC MTS-Barnaul shall be adopted at the general meeting of MTS OJSC shareholders and such resolution may be approved 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 the general meeting of MTS OJSC shareholders, the President of MTS OJSC shall adopt a decision to reorganize CJSC MTS-Barnaul, a decision on approval on the part of CJSC MTS-Barnaul of the agreement on the merger of CJSC MTS-Barnaul into MTS OJSC, and a decision approving the Instrument of Transfer of CJSC MTS-Barnaul.

That the President of MTS OJSC be entrusted to take all necessary measures relating to the merger of CJSC MTS-Barnaul into MTS OJSC and to notify the creditors of MTS OJSC of the decision to reorganize.

To approve the agreement on the merger of CJSC MTS-Barnaul into MTS OJSC.

#### **The seventh issue on the agenda:**

On reorganization of MTS OJSC by merger of MTS-NN CJSC into MTS OJSC and on approval of the agreement on merger of MTS-NN CJSC into MTS OJSC.

#### Procedure for adoption of resolutions:

A resolution must be adopted by three-fourths majority of votes of shareholders attending the meeting.

#### *Draft resolution:*

Be it resolved:

That MTS OJSC be reorganized by way of the merger of its subsidiary, Closed Joint Stock Company MTS-NN (CJSC MTS-NN, located at: 11, Prospect Gagarina, Nizhni Novgorod, Russian Federation, OGRN 1025203721168), in which MTS OJSC owns 100 percent of the placed shares, into MTS OJSC, with the assignment of all rights and obligations of CJSC MTS-NN to MTS OJSC and the cessation of the activity of CJSC MTS-NN.

That MTS OJSC be established as the assignee of CJSC MTS-NN with respect to all its rights and obligations.

In connection with the fact that MTS OJSC owns 100 percent of the placed shares of CJSC MTS-NN, that it be established that:

- The registered common shares of CJSC MTS-NN (the merging company) owned by MTS OJSC (the surviving company) shall not be converted into shares of MTS OJSC;
- All registered common shares of CJSC MTS-NN 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, CJSC MTS-NN;
- The charter capital of MTS OJSC and the number and the par value of MTS OJSC shares shall not change in conjunction with the reorganization of MTS OJSC by the merger of CJSC MTS-NN into MTS OJSC;
- A joint general meeting of the shareholders of MTS OJSC and the shareholders of CJSC MTS-NN 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 liabilities of CJSC MTS-NN shall be adopted at the general meeting of MTS OJSC shareholders and such resolution may be approved 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 the general meeting of MTS OJSC shareholders, the President of MTS OJSC shall adopt a decision to reorganize CJSC MTS-NN, a decision on approval on the part of CJSC MTS-NN of the agreement on the merger of CJSC MTS-NN into MTS OJSC, and a decision approving the Instrument of Transfer of CJSC MTS-NN.

That the President of MTS OJSC be entrusted to take all necessary measures relating to the merger of CJSC MTS-NN into MTS OJSC and to notify the creditors of MTS OJSC of the decision to reorganize.

To approve the agreement on the merger of CJSC MTS-NN into MTS OJSC.

#### **The eighth issue on the agenda:**

On reorganization of MTS OJSC by merger of Telecom-900 CJSC into MTS OJSC and on approval of the agreement on merger of Telecom-900 CJSC into MTS OJSC.

#### Procedure for adoption of resolutions:

A resolution must be adopted by three-fourths majority of votes of shareholders attending the meeting.

#### *Draft resolution:*

Be it resolved:

That MTS OJSC be reorganized by way of the merger of its subsidiary, Closed Joint Stock Company Telecom-900 (CJSC Telecom-900, located at: 29, Gagarinsky pereulok, Moscow, Russian Federation, OGRN 1027739174682), in which MTS OJSC owns 100 percent of the placed shares, into MTS OJSC, with the assignment of all rights and obligations of CJSC Telecom-900 to MTS OJSC and the cessation of the activity of CJSC Telecom-900.

That MTS OJSC be established as the assignee of CJSC Telecom-900 with respect to all its rights and obligations.

In connection with the fact that MTS OJSC owns 100 percent of the placed shares of CJSC Telecom-900, that it be established that:

- The registered common shares of CJSC Telecom-900 (the merging company) owned by MTS OJSC (the surviving company) shall not be converted into shares of MTS OJSC;



- All registered common shares of CJSC Telecom-900 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, CJSC Telecom-900.

- The charter capital of MTS OJSC and the number and the par value of MTS OJSC shares shall not change in conjunction with the reorganization of MTS OJSC by the merger of CJSC Telecom-900 into MTS OJSC.

- A joint general meeting of the shareholders of MTS OJSC and the shareholders of CJSC Telecom-900 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 liabilities of CJSC Telecom-900 shall be adopted at the general meeting of MTS OJSC shareholders and such resolution may be approved 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 the general meeting of MTS OJSC shareholders, the President of MTS OJSC shall adopt a decision to reorganize CJSC Telecom-900, a decision on approval on the part of CJSC Telecom-900 of the agreement on the merger of CJSC Telecom-900 into MTS OJSC, and a decision approving the Instrument of Transfer of CJSC Telecom-900.

That the President of MTS OJSC be entrusted to take all necessary measures relating to the merger of CJSC Telecom-900 into MTS OJSC and to notify the creditors of MTS OJSC of the decision to reorganize.

To approve the agreement on the merger of CJSC Telecom-900 into MTS OJSC.

### **The ninth issue on the agenda**

Entering of supplements and amendments into MTS OJSC Charter.

The issue with respect to entering supplements and amendments into MTS OJSC Charter is submitted for the consideration of the Extraordinary General Meeting of MTS OJSC Shareholders.

Entering supplements and amendments is necessary, because in the event the shareholders approve the resolution on MTS OJSC reorganization in the form of merger of OJSC Telecom XXI, CJSC Kuban-GSM, CJSC UDN-900, CJSC MTS-Barnaul, CJSC Dontelecom, CJSC MTS-NN, CJSC Telecom-900 into MTS OJSC and taking into account the resolution concerning the merger of CJSC ACC approved at the Extraordinary General Meeting of MTS OJSC Shareholders on April 17, 2003, a resolution on entering supplements and amendments into MTS OJSC Charter is to be approved with regard to entering into MTS OJSC Charter information on MTS OJSC' succession with respect to rights and liabilities of the merging companies.

Clauses stating that MTS OJSC is the successor of the merging companies OJSC Telecom XXI, CJSC Kuban-GSM, CJSC UDN-900, CJSC MTS-Barnaul, CJSC Dontelecom, CJSC ACC, CJSC MTS-NN, CJSC Telecom-900 with respect to their rights and liabilities shall be entered into MTS OJSC Charter.

Draft supplements and amendments to MTS OJSC Charter are attached.

### **Procedure for adoption of resolutions:**

A resolution must be adopted by three-fourths majority of votes of shareholders attending the meeting.

*Draft resolution:*

1. To enter supplements and amendments into MTS OJSC Charter with regard to inserting information into MTS OJSC Charter relating to the succession by MTS OJSC of all rights and liabilities of the Open Joint Stock Company TELECOM XXI after the completion of the reorganization by merger of the Open Joint Stock Company TELECOM XXI into Mobile TeleSystems Open Joint Stock Company.

2. To enter supplements and amendments into MTS OJSC Charter with regard to inserting information into MTS OJSC Charter relating to the succession by MTS OJSC of all rights and liabilities of the Closed Joint Stock Company Kuban-GSM after the completion of the reorganization by merger of the Closed Joint Stock Company Kuban-GSM into Mobile TeleSystems Open Joint Stock Company.

3. To enter supplements and amendments into MTS OJSC Charter with regard to inserting information into MTS OJSC Charter relating to the succession by MTS OJSC of all rights and liabilities of the Closed Joint Stock Company Udmurt Digital Networks-900 after the completion of the reorganization by merger of the Closed Joint Stock Company Udmurt Digital Networks-900 into Mobile TeleSystems Open Joint Stock Company.

4. To enter supplements and amendments into MTS OJSC Charter with regard to inserting information into MTS OJSC Charter relating to the succession by MTS OJSC of all rights and liabilities of the Closed Joint Stock Company Dontelecom after the completion of the reorganization by merger of the Closed Joint Stock Company Dontelecom into Mobile TeleSystems Open Joint Stock Company.

5. To enter supplements and amendments into MTS OJSC Charter with regard to inserting information into MTS OJSC Charter relating to the succession by MTS OJSC of all rights and liabilities of the Closed Joint Stock Company Mobile TeleSystems-Barnaul after the completion of the reorganization by merger of the Closed Joint Stock Company Mobile TeleSystems-Barnaul into Mobile TeleSystems Open Joint Stock Company.

6. To enter supplements and amendments into MTS OJSC Charter with regard to inserting information into MTS OJSC Charter relating to the succession by MTS OJSC of all rights and liabilities of the ACC CJSC after the completion of the reorganization by merger of the ACC CJSC into Mobile TeleSystems Open Joint Stock Company.

7. To enter supplements and amendments into MTS OJSC Charter with regard to inserting information into MTS OJSC Charter relating to the succession by MTS OJSC of all rights and liabilities of the Closed Joint Stock Company Mobile TeleSystems-Nizhni Novgorod after the completion of the reorganization by merger of the Closed Joint Stock Company Mobile TeleSystems-Nizhni Novgorod into Mobile TeleSystems Open Joint Stock Company.

8. To enter supplements and amendments into MTS OJSC Charter with regard to inserting information into MTS OJSC Charter with respect to the succession by MTS OJSC of all rights and liabilities of the Closed Joint Stock Company Telecom-900 after the completion of the reorganization by merger of the Closed Joint Stock Company Telecom-900 into Mobile TeleSystems Open Joint Stock Company.

**The tenth issue on the agenda**

Early termination of the powers of all members of MTS OJSC Board of Directors and election of new members of MTS OJSC Board of Directors.

The issue with respect to the early termination of powers of all MTS OJSC Board of Directors members and the election of new MTS OJSC Board of Directors members is submitted for the consideration of the General Meeting of MTS OJSC Shareholders. The powers of the newly elected Board of Directors shall be effective until the next Annual General Meeting of MTS OJSC Shareholders.

The necessity in reelection of the Board of Directors arose in connection with the new order issued by the Russian FCSM in December 2003. The order sets a requirement that the companies whose shares are listed in class B of the Russian stock exchange listings should have at least one independent director within their Boards.

Specific requirements to independent directors were established by the Federal Service for Financial Markets of Russia (former FCSM of Russia) and Securities and Exchange Commission, USA.

According to the applicable rules of the Russian and Western law the nominee to the post of the independent member of the Board of Directors shall comply with the following requirements:

- At the time of election and during three (3) years preceding the election the nominee shall not be an officer or employee of MTS OJSC;
- Shall not be an officer of another company where anyone of MTS OJSC officers is a member of a committee with the Board of Directors dealing with staff and remuneration issues;
- Shall not be a spouse, parent, son/daughter, brother or sister of any MTS OJSC officers;
- Shall not be affiliated to MTS OJSC and/or its affiliated persons (i. e. the nominee cannot be an affiliated person of either of the companies/persons listed in the Annex);
- Shall not be a party to any agreement with MTS OJSC according to which the nominee may acquire property/monetary funds which value is equal or exceeds 10% of the total annual income of the nominee in question excluding remuneration for participation in the activities of the Board of Directors;
- Shall not receive any remuneration (indemnification, fee) from MTS OJSC other than remuneration for participation in the activities of the Board of Directors;
- Shall not be a representative of the government;
- Shall not be a member of MTS OJSC Board of Directors for over 5 years.

The candidature of Mr. Weber Carsten and Mr. Reuschenbach Helmut meets the said requirements specified for an independent member of the Board of Directors.

Information on candidates to the Board of Directors is attached.

**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, each voting share of the Company shall carry a number of votes equal to the total number of members of the Board of Directors (7 members).

A Shareholder may cast all votes carried by the shares owned by him in favor of one candidate or distribute them among several candidates for the Board of Directors. The candidates who receive the greatest number of votes shall be deemed elected to the Board of Directors.

*Draft resolution:*

1. Terminate official powers by all members of the Board of Directors of Mobile TeleSystems Open Joint Stock Company.
2. Have the following persons elected members of the Board of Directors of Mobile TeleSystems Open Joint Stock Company: \_\_\_\_\_.

**The eleventh issue on the agenda**

On approval of the Statute of MTS OJSC Board of Directors.

The issue with respect to the Draft Statute of the Board of Directors of Mobile TeleSystems Open Joint Stock Company is submitted for approval of the General Shareholders Meeting of the Company.

This Statute of the Board of Directors of Mobile TeleSystems Open Joint Stock Company has been adopted in accordance with the Civil Code of the Russian Federation, the Federal Law on Joint Stock Companies, applicable corporate governance rules and standards, and the Company's charter and defines the basic principles and rules governing the activities of the Company's Board of Directors.

Procedure for adoption of resolutions:

A resolution must be adopted by a simple majority of votes of shareholders attending the meeting.

*Draft resolution:*

Approve the Statute of MTS OJSC Board of Directors.