

**Information and comments on the issues
submitted for the consideration of the Annual General Meeting of Shareholders of
Mobile TeleSystems Open Joint Stock Company,
June 23, 2006**

Agenda item 1

Procedure for holding the Annual General Meeting of Shareholders

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

The Counting Commission shall inform the participants of the meeting about the registration of participants, presence of quorum and shall present other information of organizational nature.

Within the scope of this issue the participants of the meeting should decide on the election of the Chairman of the Shareholders' meeting (the Chairman shall be elected from among the persons attending the Shareholders' meeting).

Pursuant to Paragraph 12.12.2 of the Charter of MTS OJSC, the Chairman shall perform the following functions:

- conduct the General Meeting of Shareholders;
- ensure compliance with the rules of procedure for the General Meeting of Shareholders;
- sign the minutes of the General Meeting of Shareholders.

This issue also includes determination of a procedure for summing up the results of voting and for the announcement of resolutions of the Annual General Meeting of MTS OJSC Shareholders relating to the issues on the agenda of the Shareholders' Meeting.

Decision Making Procedure:

Resolution shall be adopted by a simple majority vote of shareholders attending the meeting.

Draft Resolution:

Be it resolved:

1. That the following person: _____ be elected as a Chairman of the Annual General Meeting of MTS OJSC Shareholders.
2. That voting results and resolutions adopted by the Annual General Meeting of MTS OJSC Shareholders with respect to agenda items be announced at the Annual General Meeting of MTS OJSC Shareholders.

Agenda item 2

Approval of MTS OJSC annual report, annual financial statements of MTS OJSC, including Profit and Loss Statement of MTS OJSC and Distribution of Profits of MTS OJSC (including payment of dividends).

According to the existing law of the Russian Federation, this issue shall be discussed annually at the Annual General Meeting of Shareholders. The following documents are submitted for the approval of the Annual General Meeting of Shareholders:

- Annual Report of MTS OJSC;
- Annual Financial Statements of MTS OJSC for 2005 according to Russian accounting standards;
- Profit and Loss Statement of MTS OJSC;

- Recommendations of the Board of Directors with respect to the distribution of profits of MTS OJSC based on results of financial year 2005.

Reports of the Audit Commission of MTS OJSC and the opinion of the independent auditor (ZAO Deloitte & Touche) are attached to the above mentioned documents.

The text of the resolution on this issue also includes a section on payment of dividends on registered common shares in MTS OJSC. It is proposed to set annual dividends on registered common shares in MTS OJSC in the amount of 7.6 rubles per registered common share with the nominal value of 0.1 ruble each. The total amount of annual dividends of MTS OJSC constitutes 15,149,278,648.8 rubles. Annual dividends shall be paid in money within the time period determined by the Charter of MTS OJSC.

Decision Making Procedure:

A resolution shall be adopted by a simple majority vote of shareholders attending the meeting.

Draft Resolution:

Be it resolved:

To approve MTS OJSC annual report for 2005, Annual Financial Statements of MTS OJSC for 2005, Profit and Loss Statement of MTS OJSC for 2005, procedure for distribution of profits of MTS OJSC, including payment of annual dividends on registered common shares in MTS OJSC in the amount of 7.6 rubles per registered common share with the nominal value of 0.1 ruble each. The total amount of annual dividends of MTS OJSC constitutes 15,149,278,648.8 rubles. Annual dividends shall be paid in money within the time period determined by the Charter of MTS OJSC.

Agenda item 3

Election of members of MTS OJSC Board of Directors

The issue concerning the election of members of MTS OJSC Board of Directors is submitted for consideration of the Annual General Meeting of Shareholders. Powers of the new Board of Directors will continue in effect until the next Annual General Meeting of MTS OJSC Shareholders.

Decision Making Procedure:

According to MTS OJSC Charter and the existing law, the election of members of the Board shall be based on cumulative voting. In case of cumulative voting the number of votes owned by each shareholder is multiplied by a number of persons that shall be elected to the Board of Directors of MTS OJSC, and a shareholder may cast all the votes for one candidate or distribute them between two or more candidates. Candidates with the highest votes are deemed elected to the Board of Directors.

The size of MTS OJSC Board of Directors: 7 members.

Information on the candidates to the Board of Directors is attached.

Draft Resolution:

Be it resolved:

That the persons listed below be elected as members of the Board of Directors of Mobile TeleSystems Open Joint Stock Company:

Agenda item 4

Election of members of the Audit Commission of MTS OJSC.

The issue concerning the election of members of the Audit Commission of MTS OJSC is submitted for consideration of the Annual General Meeting of Shareholders. The Audit Commission is an independent permanent body supervising financial and business activities of MTS OJSC.

The Audit Commission shall be elected at the Annual General Meeting of Shareholders and its powers will continue in effect until the next Annual General Meeting of MTS OJSC Shareholders.

No more than 3 candidates may be elected to the Audit Commission – that is the size of the Commission determined by the resolution of the Annual General Meeting of MTS OJSC Shareholders of 21 June 2002.

Information on candidates to the Audit Commission is attached.

Decision Making Procedure:

Shares owned by members of MTS OJSC Board of Directors and/or the executive body (President) of MTS OJSC may not participate in voting on this issue.

Resolution shall be adopted by a simple majority vote of shareholders attending the meeting.

Draft Resolution:

Be it resolved:

That the listed below persons be elected as members of the Audit Commission of Mobile TeleSystems Open Joint Stock Company: _____.

Agenda item 5

Approval of the auditor of MTS OJSC

The issue concerning the approval of an auditor that will carry out the auditing of financial and business activities of MTS OJSC is submitted for consideration of the Annual General Meeting of Shareholders.

An auditor shall be approved every year at the Annual General Meeting of Shareholders and perform its duties until the next Annual Meeting of MTS OJSC Shareholders.

According to the existing law, the annual accounts of an open joint stock company shall be confirmed by an auditor who has no property ties with the company or its shareholders.

The auditing of MTS OJSC account for 2002, 2003, 2004 and 2005 was carried out by ZAO Deloitte and Touche CIS.

MTS OJSC Board of Directors recommended that ZAO Deloitte and Touche CIS should be approved as an auditor of MTS OJSC.

Decision Making Procedure:

Resolution shall be adopted by a simple majority vote of shareholders attending the meeting.

Draft Resolution:

Be it resolved:

That ZAO Deloitte and Touche CIS (located at: 4/7 Vozdvizhenka St., Moscow, Russian Federation, OGRN 1027700425444) be approved as an auditor of Mobile TeleSystems Open Joint Stock Company.

Agenda item 6

Approval of the restated version of the Charter of MTS OJSC

The issue concerning the approval of the restated version of the Charter of MTS OJSC is submitted for the consideration of the General Meeting of MTS OJSC Shareholders.

This issue is submitted for consideration for the following reasons:

- The Charter of MTS OJSC should be brought to conformity with the Federal Law No. 7-FZ *On Changes to the Federal Law On Joint Stock Companies and to Some Other Legal Acts of the Russian Federation* dated 05.01.2006.
- The issue concerning the transfer of powers related to forming the Individual Executive Body of MTS OJSC to the competence of MTS OJSC Board of Directors (in order to simplify this process) should be submitted for consideration of the General Meeting of MTS OJSC Shareholders.
- A unified version of the Charter should be made up due to the following. Since the approval of the last version of the Charter of MTS OJSC in 2005 six Amendments and Supplements to the Charter were adopted and registered. The unified version of the Charter of MTS OJSC will allow making it as one document that will be easy to work with and to reduce substantially the costs of notarial certification of copies of the Charter and amendments thereto.

The draft of the restated version of the Charter of MTS OJSC is attached.

Decision Making Procedure:

Resolution shall be adopted by three-fourths majority vote of shareholders attending the meeting.

Draft Resolution:

Be it resolved:

That the restated version of the Charter of MTS OJSC be approved.

Agenda item 7

Approval of the Statute on the Audit Commission of MTS OJSC

The issue concerning the approval of the Statute on the Audit Commission of MTS OJSC is submitted for the consideration of the General Meeting of MTS OJSC Shareholders. The Statute is a corporate document specifying the competence of and rules of procedure for the Audit Commission of MTS OJSC.

The draft Statute on the Audit Commission of MTS OJSC is attached.

Decision making procedure:

Resolution shall be adopted by a simple majority vote of shareholders attending the meeting.

Draft Resolution:

Be it resolved:

That the Statute on the Audit Commission of MTS OJSC be approved.

Agenda item 8

Approval of the restated version of the Statute on the President of MTS OJSC.

The draft of the restated version of the Statute on the President of MTS OJSC is submitted for the approval the General Meeting of MTS OJSC Shareholders. The Statute sets the basic principles and rules specifying work procedures for the President (Individual Executive Body) of MTS OJSC in accordance with the Civil Code of the Russian Federation, the Federal Law *On Joint Stock Companies*, applicable rules and standards of corporate governance and the Charter of MTS OJSC.

This issue was submitted for the consideration of the General Meeting of MTS OJSC Shareholders because it was necessary to bring the Statute on the President of MTS OJSC to conformity with the restated version of the Charter of MTS OJSC which is also submitted for the approval of this General Meeting of MTS OJSC Shareholders.

The draft Statute on the President of MTS OJSC is attached.

Decision making procedure:

Resolution shall be adopted by a simple majority vote of shareholders attending the meeting.

Draft Resolution:

Be it resolved:

That the restated version of the Statute on the President of MTS OJSC be approved.

Agenda item 9

Approval of the restated version of the Statute on the Board of Directors of MTS OJSC.

The issue concerning the approval of the restated version of the Statute on the Board of Directors of MTS OJSC is submitted for the consideration the General Meeting of MTS OJSC Shareholders. The Statute sets the basic principles and rules specifying work procedures for the Board of Directors of MTS OJSC in accordance with the Civil Code of the Russian Federation, the Federal Law *On Joint Stock Companies*, applicable rules and standards of corporate governance and the Charter of MTS OJSC.

This issue was submitted for the consideration of the General Meeting of MTS OJSC Shareholders because it was necessary to bring the Statute on the Board of Directors of MTS OJSC to conformity with the restated version of the Charter of MTS OJSC which is also submitted for the approval of this General Meeting of MTS OJSC Shareholders.

The draft Statute on the Board of Directors of MTS OJSC is attached.

Decision making procedure:

Resolution shall be adopted by a simple majority vote of shareholders attending the meeting.

Draft Resolution:

Be it resolved:

That the Statute on the Board of Directors of MTS OJSC be approved.

Agenda item 10

Approval of the restated version of the Statute on the General Meeting of Shareholders of MTS OJSC.

The draft of the restated version of the Statute on the General Meeting of Shareholders of MTS OJSC is submitted for the approval the General Meeting of MTS OJSC Shareholders. The Statute sets the basic principles and rules specifying work procedures for the General Meeting of Shareholders of MTS OJSC in accordance with the Civil Code of the Russian Federation, the Federal Law *On Joint Stock Companies*, applicable rules and standards of corporate governance and the Charter of MTS OJSC.

This issue was submitted for the consideration of the General Meeting of MTS OJSC Shareholders because it was necessary to bring the Statute on the General Meeting of Shareholders of MTS OJSC to conformity with the restated version of the Charter of MTS OJSC which is also submitted for the approval of this General Meeting of MTS OJSC Shareholders.

The draft Statute on the General Meeting of Shareholders of MTS OJSC is attached.

Decision making procedure:

Resolution shall be adopted by a simple majority vote of shareholders attending the meeting.

Draft Resolution:

Be it resolved:

That the Statute on the General Meeting of Shareholders of MTS OJSC be approved.

Brief information on agenda items 11 – 12

The issue concerning the reorganization of MTS OJSC by merger of 100% subsidiaries into MTS OJSC is submitted for the approval of the Annual General Meeting of MTS OJSC Shareholders.

The list of companies to be merged:

- ReCom OJSC (Orel);
- Telesot CJSC (Vladikavkaz).

MTS OJSC owns 100% of the placed shares in the above subsidiaries which allows MTS OJSC to exercise full control over such subsidiaries.

The subsidiaries have licenses for providing mobile communication services in the following Russian regions: Orel Region, Lipetsk Region, Braynsk Region, Voronezh Region, Kursk Region, Belgorod Region, and the Republic of North Ossetia-Alania.

The merger of subsidiaries into MTS OJSC will yield the following results:

- Reduction of management costs;
- Reduction of costs related to business organization and management (no need in agreements between MTS OJSC and subsidiaries for: equipment deliveries, general contracts, use of trade mark, commercial representation and other business contracts);
- Reduction of costs related to organization and management of subsidiary's corporate activity (resolutions of shareholder, cooperation with the Russian Federal Antimonopoly Service and the Federal Financial Markets Service);
- Simplification of the scheme for the provision of mobile communication services by MTS OJSC branches established in the regions where subsidiaries operate (without conclusion of commercial representation contracts);
- Simplification of the management structure and improvement of decision-making process efficiency;

- Consolidation of subsidiaries' performance indicators in MTS OJSC Russian financial statements;
- Integration of subsidiaries into the new organizational management structure of MTS OJSC.

General conditions and procedures for the reorganization:

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

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

Due to the fact that MTS OJSC owns 100% of placed shares in the subsidiaries and MTS OJSC President (individual executive body) shall decide on all issues related to competence of subsidiaries' general shareholders meetings, it seems reasonable to implement the merger procedure as specified in the draft resolutions on merger.

Agenda item 11

Reorganization of MTS OJSC by merger of ReCom OJSC into MTS OJSC and approval of the Merger Agreement between ReCom OJSC and MTS OJSC.

Decision Making Procedure:

Resolution shall be adopted by three-fourths majority vote of shareholders attending the meeting.

Draft Resolution:

Be it resolved:

That MTS OJSC be reorganized by merger of its subsidiary, ReCom Open Joint Stock Company (ReCom OJSC, located at: 19, Leskov Street, Orel, Russian Federation, OGRN 1025700824544) in which MTS OJSC owns 100 percent of the placed shares, into MTS OJSC, with the assignment of all rights and obligations of ReCom OJSC to MTS OJSC and the cessation of the activity of ReCom OJSC.

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

Due to the fact that MTS OJSC owns 100 percent of the placed shares of ReCom OJSC, that it be established that:

- The registered common shares of ReCom OJSC (the merging company) owned by MTS OJSC (the surviving company) shall not be converted into shares of MTS OJSC;
- All registered common shares of ReCom OJSC 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 cessation of activities of the merging company, ReCom OJSC.
- The charter capital of MTS OJSC, 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 ReCom OJSC into MTS OJSC.
- A joint general meeting of shareholders of MTS OJSC and shareholders of ReCom OJSC shall not be held.
- A resolution on amendments to the Charter of MTS OJSC in the part concerning the inclusion of information on the succession of MTS OJSC to the rights and liabilities of ReCom OJSC 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 on the Company reorganization 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 should adopt a resolution to reorganize ReCom OJSC, a resolution on the approval, on the part of ReCom OJSC, of the agreement on the merger of ReCom OJSC into MTS OJSC, and a resolution approving the Instrument of Transfer of ReCom OJSC.

That the President of MTS OJSC be advised to take all necessary measures relating to the merger of ReCom OJSC into MTS OJSC and to notify the creditors of MTS OJSC of the decision to reorganize the Company.

That the agreement on the merger of ReCom OJSC into MTS OJSC be approved.

Agenda item 12

Reorganization of MTS OJSC by merger of Telesot OJSC into MTS OJSC and approval of the Merger Agreement between Telesot OJSC and MTS OJSC.

Decision Making Procedure:

Resolution shall be adopted by three-fourths majority vote of shareholders attending the meeting.

Draft Resolution:

Be it resolved:

That MTS OJSC be reorganized by merger of its subsidiary, Telesot Closed Joint Stock Company (Telesot CJSC, located at: 15 Gugkaev Street, Vladikavkaz, Republic of North Ossetia-Alania, Russian Federation, OGRN 1021500773546) in which MTS OJSC owns 100 percent of placed shares, into MTS OJSC, with the assignment of all rights and obligations of Telesot CJSC to MTS OJSC and the cessation of the activity of Telesot CJSC.

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

Due to the fact that MTS OJSC owns 100 percent of placed shares of Telesot CJSC, that it be established that:

- The registered common shares of Telesot CJSC (the merging company) owned by MTS OJSC (the surviving company) shall not be converted into shares of MTS OJSC;
- All registered common shares of Telesot CJSC 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 cessation of activities of the merging company, Telesot CJSC;
- The charter capital of MTS OJSC, the number and the par value of MTS OJSC shares shall not change in conjunction with the reorganization of MTS OJSC by merger of Telesot CJSC into MTS OJSC;
- A joint general meeting of shareholders of MTS OJSC and shareholders of Telesot CJSC shall not be held;
- A resolution on amendments to the Charter of MTS OJSC in the part concerning the inclusion of information on the succession of MTS OJSC to the rights and liabilities of Telesot CJSC 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 on the Company reorganization 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 should adopt a resolution to reorganize Telesot CJSC, a resolution on approval, on the part of Telesot CJSC, of the agreement on the merger of Telesot CJSC into MTS OJSC, and a resolution approving the Instrument of Transfer of Telesot CJSC.

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

That the agreement on the merger of Telesot CJSC into MTS OJSC be approved.

Agenda item 13

Amendments and Supplements to the Charter of MTS OJSC.

The issue concerning amendments and supplements to the Charter of MTS OJSC is submitted for the consideration of the Annual General Meeting of MTS OJSC Shareholders.

Amendments and supplements are necessary for the following reasons. In the event the shareholders approve the resolution on MTS OJSC reorganization by merger of ReCom OJSC and Telesot CJSC, it would be necessary to adopt a resolution on making amendment and supplements to the Charter of MTS OJSC in the part concerning the inclusion of information on MTS OJSC' succession with respect to rights and liabilities of the merging companies.

The draft amendments and supplements to the Charter of MTS OJSC are attached.

Decision Making Procedure

Resolution shall be adopted by three-fourths majority vote of shareholders attending the meeting.

Draft Resolution:

Be it resolved:

1. That amendments and supplements be made to the Charter of MTS OJSC in the part concerning the inclusion of information relating to the succession by MTS OJSC of all rights and liabilities of ReCom Open Joint Stock Company after the completion of the reorganization by merger of ReCom Open Joint Stock Company into Mobile TeleSystems Open Joint Stock Company.
2. That amendments and supplements be made to the Charter of MTS OJSC in the part concerning the inclusion of information relating to the succession by MTS OJSC of all rights and liabilities of Telesot Closed Joint Stock Company after the completion of the reorganization by merger of Telesot Closed Joint Stock Company into Mobile TeleSystems Open Joint Stock Company.