

**Informational materials and comments on the issues presented
for consideration of the Annual General Meeting of Shareholders of
Mobile TeleSystems Public Joint Stock Company
27th June, 2019**

Initiator of examination of Agenda items of MTS PJSC Annual Shareholders' General Meeting	Viewpoint of the Board of Directors on the Agenda items of MTS PJSC Annual Shareholders' General Meeting
MTS PJSC Board of Directors	Vote "FOR"

On the first item of Agenda:

Procedure for the Annual General Shareholders Meeting.

This Agenda item is of organizational nature and relates to the procedure for conducting the Shareholders' Meeting.

The Counting Commission shall inform the Meeting participants on the number of participants registered, the quorum present and other organizational matters.

Under the given item, the Meeting participants shall adopt a decision on election of the Chairman of the Shareholders' Meeting (the Chairman shall be elected out of the persons present at the Shareholders' Meeting).

Pursuant to Clause 30.4 of MTS PJSC Charter, the Chairman shall perform the following functions:

- conducts the General Shareholders' Meeting;
- ensures compliance with the procedure for the General Shareholders' Meeting;
- signs the minutes of the General Shareholders' Meeting.

This item also covers the establishment of procedure on summarizing the voting results and announcing the decisions made by MTS PJSC Annual General Shareholders' Meeting with respect to the Agenda items of the Shareholders' Meeting.

Decision Making Procedure:

The decision shall be adopted by a simple majority of votes of the Shareholders attending the Meeting.

Draft decision:

1.1. Resolved, that the following person be elected as Chairman to preside over the Annual General Meeting of MTS PJSC Shareholders: _____.

1.2. Resolved, that the results of voting and the decisions adopted by the Annual General Meeting of MTS PJSC Shareholders with respect to the Agenda items be announced at the Annual General Meeting of MTS PJSC Shareholders.

On the second item of Agenda:

On the approval of the annual report of MTS PJSC, annual accounting reports of MTS PJSC, including the profit and loss report of MTS PJSC, profit and loss distribution of MTS PJSC for 2018 fiscal year (including dividend payment).

In accordance with the current legislation of the Russian Federation, the given item shall be discussed on an annual basis at the Annual General Shareholders' Meeting.

The following materials are submitted to the Annual General Shareholders' Meeting for approval:

- MTS PJSC 2018 Annual Report;
- MTS PJSC 2018 Annual Financial Statements prepared as per the Russian Accounting Standards;
- MTS PJSC 2018 Profit & Loss Statement (Account);
- Recommendations of MTS PJSC Board of Directors regarding the procedure on distribution of MTS PJSC profit based on 2018 financial year results.

The stated documents shall be accompanied by the Findings of MTS PJSC Auditing Commission and the Auditor's Report (Deloitte & Touche CIS CJSC), report of the internal audit of MTS PJSC.

The text of the decision on this issue also includes a Section related to the annual dividends payment on MTS PJSC registered ordinary shares.

Taking into consideration that MTS PJSC is a leading telecommunications company operating in rapidly developing volatile markets, the primary objective of MTS PJSC is to maintain sufficient resources and flexibility to meet financial and operational goals of MTS PJSC.

As demonstrated throughout our history, MTS PJSC continually seeks ways to create shareholder value through both commercial and financial strategies, which may include both organic and inorganic development, as well as the Company's capital management practices.

Following its historical practices, MTS PJSC continues to pay semi-annual dividends as a part of the commitment to enhance shareholder's value. In determining the Company's payout, the Board of Directors considers a number of factors, including cash flow from operations, capital expenditures and the Company's debt position.

For 2019-2021, MTS management commits to a minimum cumulative payout of RUB 28.0 per share per calendar year through two semi-annual payments.

The Board of Directors of MTS PJSC recommended paying the annual dividends of MTS PJSC for 2018 in the amount of 19.98 rubles per ordinary registered share of MTS PJSC with a par value of 0.1 rubles each. The total amount of the annual dividends of MTS PJSC for 2018 thus amounts to 39,927,310,941.78 rubles.

The Board of Directors also recommended to pay dividends in cash and to set July 9, 2019 as the date on which the persons entitled to receive dividends are determined.

The Board of Directors of MTS PJSC preliminarily approved the Annual Report of MTS PJSC for 2018, and also considered the Annual Financial Statements of MTS PJSC for 2018 (RAS standard) and recommended the Annual General Meeting of Shareholders to approve the Annual Report of MTS PJSC, the Annual Financial Statements of MTS PJSC, including the profit and loss statement of MTS PJSC for 2018.

Decision Making Procedure:

The decision shall be adopted by a simple majority of votes of the Shareholders attending the Meeting.

Draft decision:

2.1. 2018 annual report of MTS PJSC, 2018 annual financial statements of MTS PJSC, 2018 profit and loss statement of MTS PJSC be hereby approved.

2.2. The procedure for distribution of profits of MTS PJSC (Appendix 1), including the annual dividend on ordinary registered shares of MTS PJSC in the amount of RUR 19.98 per ordinary share of MTS PJSC with a par value of RUR 0.1 each be hereby approved. The total amount of annual dividends of MTS PJSC makes up RUR 39,927,310,941.78. Annual dividends shall be

paid in cash. The date, on which the persons entitled to receive the dividends are determined, be hereby established – July 9, 2019.

On the third item of Agenda:

On election of members of the Board of Directors of MTS PJSC.

The decision on election of MTS PJSC Board of Directors' Members is submitted for approval of MTS PJSC General Shareholders' Meeting. The powers of new Members of MTS PJSC Board of Directors shall be effective until the next MTS PJSC Annual General Shareholders' Meeting.

Decision Making Procedure:

Pursuant to MTS PJSC Charter and the current Legislation of the Russian Federation, the Members of the Board of Directors shall be elected by cumulative voting. In the process of cumulative voting, the number of votes received by each shareholder shall be multiplied by the number of persons to be elected to MTS PJSC Board of Directors and the shareholder may cast all votes, thus received in favor of one candidate, or distribute them among two or more candidates. The candidates received the majority of votes shall be deemed elected to the Board of Directors.

MTS PJSC Board of Directors has made a decision to include the following persons into the list of candidates for MTS PJSC Board of Directors to be voted for at the Annual General Shareholders Meeting:

1. Antoniou Antonios Theodosiou – Independent Director
2. Felix Evtushenkov
3. Artyom Zassoursky
4. Alexey Katkov
5. Alexey Kornya
6. Regina von Flemming – Independent Director
7. Vsevolod Rozanov
8. Thomas Holtrop – Independent Director
9. Valentin Yumashev – Independent Director

MTS PJSC Board of Directors recommended the General Shareholders' Meeting to elect 9 Members of the Board of Directors in total.

The information on the candidates for the Board of Directors' Members is attached.

In accordance with MTS PJSC Charter, the number of members of MTS PJSC Board of Directors shall be defined by the decision of the General Shareholders' Meeting and may be not less than nine (9) Members. The Annual General Shareholders' Meeting held on 27th June, 2008 defined the number of Members of MTS PJSC Board of Directors being **9 (nine) persons.**

Draft decision:

Resolved that the following persons be elected Members of the Board of Directors of Mobile TeleSystems Open Joint Stock Company:

1. Antoniou Antonios Theodosiou – Independent Director
2. Felix Evtushenkov
3. Artyom Zassoursky
4. Alexey Katkov
5. Alexey Kornya
6. Regina von Flemming – Independent Director
7. Vsevolod Rozanov
8. Thomas Holtrop – Independent Director
9. Valentin Yumashev – Independent Director

On the fourth item of Agenda:

On election of members of Auditing Commission of MTS PJSC.

The issue on electing the Members of MTS PJSC Auditing Commission is submitted to the Annual General Shareholders' Meeting of MTS PJSC for approval. The Auditing Commission is an independent permanently operating body that oversees MTS PJSC financial and business operations.

The Auditing Commission shall be elected by the Annual General Shareholders' Meeting and retain its powers till the next Annual General Meeting of MTS PJSC Shareholders.

No more than three (3) candidates may be elected to the Auditing Commission, as that is the number of Members of the Auditing Commission determined in accordance with the Regulations on MTS PJSC Auditing Commission (approved by the decision of MTS PJSC Annual General Shareholders' Meeting adopted on 25th June, 2015).

MTS PJSC Board of Directors has resolved to include the following persons into the list of candidates for MTS PJSC Auditing Commission Members to be voted for at the Annual General Shareholders' Meeting of MTS PJSC:

1. Irina Borisenkova
2. Maxim Mamonov
3. Andrey Poroh

MTS PJSC Board of Directors recommended the Shareholders' General Meeting to elect an Auditing Commission in the amount of three (3) Members.

The information on the candidates for the Auditing Commission Members is attached.

Decision Making Procedure:

Shares held by the Members of MTS PJSC Board of Directors or MTS PJSC Executive Body (President) may not participate in voting. The decision shall be adopted by a simple majority of votes of the Shareholders attending the Meeting.

Draft decision:

Resolved that the following persons be elected as Members of MTS PJSC Auditing Commission:

1. Irina Borisenkova
2. Maxim Mamonov
3. Andrey Poroh

On the fifth item of Agenda:

On approval of Auditor of MTS PJSC.

The issue on approval of the MTS PJSC auditor to audit financial and operational activities of MTS PJSC in 2019 is submitted to the Annual General Shareholders' Meeting.

In accordance with the current law, the annual statements of a public joint stock company shall be confirmed by an auditor that has no property interests in the Company or the Company's Shareholders.

The auditor shall be annually approved by the Annual General Meeting of Shareholders of the Company following the recommendation of MTS PJSC Board of Directors.

MTS PJSC statements for 2002 – 2018 financial years were audited by Deloitte and Touche CIS.¹

¹ Member of the self-regulating organization of auditors, Russian Union of Auditors (Association).

The recommendation of MTS PJSC Board of Directors is based on the tendering results. The tender to select an auditor of MTS PJSC to audit the consolidated statements is held at least once per five years. The latest tender to select an auditor of the consolidated statements was held in February – April 2017. The tender was won by Deloitte&Touche CIS, which was recommended as an auditor to audit the consolidated statements according to IFRS.

Besides, in March 2019, within the frames of the annual tender to audit statements in accordance with the Russian Accounting Standards, the tender commission made the decision to recommend Deloitte&Touche CIS as the auditor of the 2019 Financial Statements on the basis of the entirety of criteria including previous experience and the audit team's awareness of the processes and business practices of MTS PJSC.

The auditor's fee shall be approved by the decision of MTS PJSC Board of Directors on the basis of recommendation of the Audit Committee under the Board of Directors to be issued by the end of June, 2019.

MTS PJSC Board of Directors recommended Deloitte&Touche CIS to be approved as MTS PJSC auditor for 2019.

Decision Making Procedure:

The decision shall be adopted by a simple majority of votes of the Shareholders attending the Meeting.

Draft decision:

Resolved that the audit company Deloitte and Touche CIS (Place of business: 5 Lesnaya str., Moscow 125047 Russian Federation; Primary State Registration Number: 1027700425444) be MTS PJSC auditor.

On the sixth item of Agenda:

On approval of the Regulations on MTS PJSC General Meeting of Shareholders as revised.

The current version of the Regulations of MTS PJSC General Shareholders Meeting was approved by the Annual General Meeting of MTS PJSC Shareholders on June 23, 2016.

A new edition of the Regulation on the General Meeting of Shareholders of MTS PJSC has been prepared.

In January 2019, the Regulation of the Bank of Russia No. 660-P dated November 16, 2014 "On General Meetings of Shareholders" came into force.

The Bank of Russia updated the requirements for the procedure for preparing and holding a general meeting of shareholders, taking into account changes in corporate legislation, development of IT-technologies and law-enforcement practice related to holding meetings.

The provision on the General Meeting of Shareholders of MTS PJSC has been brought in line with the updated rules of the Bank of Russia. The amendments are of a technical nature and are aimed at bringing the procedures for preparing and holding the general meeting of shareholders in line with the Bank of Russia Regulation.

MTS PJSC Board of Directors recommended to approve the new revision of the Regulations of MTS PJSC General Shareholders Meeting.

The draft Regulation on the General Meeting of Shareholders of MTS PJSC in the new edition and the table of the changes made in comparison with the current edition are attached.

Procedure for adoption of the resolution:

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

Draft resolution:

Resolved that Regulations on the General Meeting of Shareholders of MTS PJSC as revised, be approved (Annex 2).