

**Informational materials and comments on the issues presented  
for consideration of the Annual General Meeting of Shareholders of  
Mobile TeleSystems Public Joint Stock Company  
28<sup>th</sup> June, 2018**

| <b>Initiator of examination of Agenda items of<br/>MTS PJSC Annual Shareholders' General<br/>Meeting</b> | <b>Viewpoint of the Board of Directors on the<br/>Agenda items of MTS PJSC Annual<br/>Shareholders' General Meeting</b> |
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| <b>MTS PJSC Board of Directors</b>   | <b>Vote "FOR"</b>   |

**On the first item of Agenda:**

Procedure for holding the Annual General Meeting of MTS PJSC Shareholders.

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:

- conduct the General Shareholders' Meeting;
- ensure compliance with the procedure for the General Shareholders' Meeting;
- sign 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:**

Approval of MTS PJSC Annual Report, MTS PJSC Annual Financial Statements, including MTS PJSC Profit & Loss Statement; distribution of profits and losses of MTS PJSC based on FY 2017 results (including payment of dividends).

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 2017 Annual Report;
- MTS PJSC 2017 Annual Financial Statements prepared as per the Russian Accounting Standards;
- MTS PJSC 2017 Profit & Loss Report (Account);
- Recommendations of MTS PJSC Board of Directors regarding the procedure on distribution of MTS PJSC profit based on 2017 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).*

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 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.

As recommended by the Decision dated 10<sup>th</sup> April, 2018 of the Board of Directors, the amount of annual dividends on MTS PJSC registered ordinary shares shall be RUR 23.4 per registered ordinary share of MTS PJSC with a par value of RUR 0.1 each. The total amount of annual dividends of MTS PJSC comprises RUR 46,762,117,225.2.

As recommended by the Board of Directors, the annual dividends shall be paid in cash, and 9<sup>th</sup> July, 2018 is the date when the persons entitled to receive the dividends are defined.

The Board of Directors of MTS PJSC preliminarily approved the Annual Report of MTS PJSC for 2017, and also considered the Annual Financial Statements of MTS PJSC for 2017 (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 account of MTS PJSC for 2017.

#### Decision Making Procedure:

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

#### *Draft decision:*

2.1. 2017 Annual Report of MTS PJSC, 2017 Annual Financial Statements of MTS PJSC, 2017 Profit and Loss Report (Account) of MTS PJSC be hereby approved.

2.2. The procedure on distribution of MTS PJSC profits (Annex 1), including the annual dividends on registered ordinary shares of MTS PJSC in the amount of RUR 23.4 per registered 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 comprises RUR 46,762,117,225.2. The annual dividends shall be paid in cash. The date when the persons entitled to receive the dividends are defined, be hereby established – 9<sup>th</sup> July, 2018.

**On the third item of Agenda:**

Election of members of MTS PJSC Board of Directors.

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 till 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 won 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 outvoted 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. Artem Zasoursky
2. Ron Sommer
3. Alexey Katkov
4. Alexey Kornya
5. Stanley Miller – Independent Director
6. Vsevolod Rozanov
7. Regina von Flemming – Independent Director
8. Thomas Holtrop – Independent Director
9. Wolfgang Schussel – 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 27<sup>th</sup> June, 2008 defined the number of Members of MTS PJSC Board of Directors being **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. Artem Zasoursky
2. Ron Sommer
3. Alexey Katkov
4. Alexey Kornya
5. Stanley Miller – Independent Director
6. Vsevolod Rozanov
7. Regina von Flemming – Independent Director
8. Thomas Holtrop – Independent Director
9. Wolfgang Schussel – Independent Director

**On the fourth item of Agenda:**

Election of Members of MTS PJSC Auditing Commission

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 continuing 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 25<sup>th</sup> 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. Anatoly Panarin

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. Anatoly Panarin

**On the fifth item of Agenda:**

Approval of MTS PJSC Auditor.

The issue on approval of the MTS PJSC auditor to audit financial and operational activities of MTS PJSC in 2018 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 – 2017 financial years were audited by Deloitte and Touche CIS CJSC.<sup>1</sup>

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<sup>1</sup> 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 CJSC, which was recommended as an auditor to audit the consolidated statements according to IFRS.

Besides, in April – May 2018, 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 CJSC as the auditor of the 2018 Financial Statements in accordance with the Russian Accounting Standards 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, 2018.

MTS PJSC Board of Directors recommended Deloitte&Touche CIS CJSC to be approved as MTS PJSC auditor for 2017.

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:**

Approval of MTS PJSC Charter, as revised.

The current revision of MTS PJSC Charter, as well as its amendments, is approved by the decision of the Annual General Shareholders’ Meeting dated 23<sup>th</sup> June, 2016, considering the amendments to the Charter approved on 29<sup>th</sup> September, 2017.

The following amendments are represented in the new revision of the Charter:

1. Amendments previously made to the Charter by MTS PJSC Annual General Meeting of Shareholders have been consolidated into a single document;
2. Competence of the Board of Directors has been confirmed in terms of approval of candidates for Boards of Directors Members and Auditing Commissions Members of MTS PJSC foreign companies:
  - Approval of candidates for Auditing Commissions Members has been excluded
  - a list of foreign companies requiring approval of candidates for the Board of Directors Members will be defined by the Board of Directors.

The purpose of amendment is to decrease a burden on the Board of Directors by excluding the necessity to approve the candidates of companies that do not assert a significant influence over financial and economic and other performance indicators of MTS Group.

MTS PJSC Board of Directors recommended to approve the new revision of MTS PJSC Charter.

*The draft of newly revised MTS PJSC Charter with its Revision Sheet is attached.*

Decision Making Procedure:

The decision shall be adopted by a qualified majority (three fourths) of the votes of the Shareholders attending the Meeting.

*Draft decision:*

Resolved that the new revision of MTS PJSC Charter be approved (Annex 2).

**On the seventh item of Agenda:**

Approval of the new revision of the Regulation on MTS PJSC Board of Directors.

The current revision of the Regulations on MTS PJSC Board of Directors was approved by the Annual General Meeting of MTS PJSC Shareholders on 29<sup>th</sup> June, 2017.

1. For the purpose of fulfillment of recommendations of Corporate Governance Code:
  - The procedure allowing the Board of Directors Members to seek assistance from external advisors, at the expense of the Company, and obtain professional advice on matters within their terms of reference has been formalized.
  - The procedure engaging an independent financial expert in concluding major transactions and material related-party transactions requiring approval of Shareholders' Meeting, as well as M&A transactions to be concluded with the principal shareholder, has been formalized.
2. In connection with the usage of electronic document management system ensuring the work of the Board of Directors, the following procedure amendments were introduced:
  - An opportunity to fill in the voting ballots in electronic format, in case of absentee voting, is provided.
  - An opportunity to document an electronic version of a written opinion on issues covered by the Agenda, when meeting in presentia, is provided.

MTS PJSC Board of Directors recommended to approve the new revision of the Regulations on MTS PJSC Board of Directors.

*The draft of newly revised Regulation on MTS PJSC Board of Directors with its Revision Sheet is attached.*

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 new revision of Regulation on MTS PJSC Board of Directors be approved (Annex 3).

**On the eighth item of Agenda:**

On approval of the new revision of Regulation on Remunerations and Compensations payable to MTS PJSC Board of Directors Members.

The current revision of Regulation on Remunerations and Compensations payable to MTS PJSC Board of Directors Members was approved by the decision of MTS PJSC Annual General Meeting of Shareholders on 25<sup>th</sup> June, 2009.

The prerequisites for review of Regulation on Remunerations and Compensations payable to MTS PJSC Board of Directors Members:

- Corporate management practices (particularly, those related to Directors' remuneration) have changed significantly during these nine years.
- In 2014 Bank of Russia has adopted the Corporate Governance Code recommending a fixed remuneration, a reference to long-range motivation indices (more than 3 years), stimulation of long-term participation in share capital of the Company, benchmarking of the remuneration level in comparable companies.

MTS PJSC Board of Directors recommended to approve the new revision of Regulation on Remuneration and Compensations payable to MTS PJSC Board of Directors Members.

*The draft of newly revised Regulation on Remunerations and Compensations payable to MTS PJSC Board of Directors Members and an explanatory note on changes to be introduced in Regulation on the Board of Directors are attached.*

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 new revision of Regulation on Remunerations and Compensations payable to MTS PJSC Board of Directors Members be approved (Annex 4).

**On the ninth item of Agenda:**

Reorganization of MTS PJSC by taking over the subsidiaries of MTS PJSC.

The following MTS PJSC subsidiaries are suggested to be taken over:

- Stream Digital Limited Liability Company (State registration number (OGRN) 5157746197791, address: 8 Vorontsovskaya Street, Bldg. 4A, room 1, mezzanine storey, Moscow, 109147, Russian Federation), hereinafter – Stream Digital LLC;
- Cellular Communications of Bashkortostan Joint-Stock Company (State registration number (OGRN) 1020202562160, address: 2 Rabkorov street, Ufa, the Republic of Bashkortostan, 450106, Russian Federation), hereinafter – CCB JSC.

The takeover of Stream Digital LLC will allow the repayment of ordinary registered shares of MTS PJSC, received by this company as a result of the share buyback program in 2016 -2018. As a result of redemption, the authorized capital of MTS PJSC will be decreased by reducing the total number of shares.

The takeover of CCB JSC will allow MTS PJSC to re-arrange the frequency resource owned by the Company, to use these frequencies for the needs of MTS PJSC without sharing contracts, and to optimize the administrative and financial costs of maintaining the Company.

MTS PJSC Board of Directors recommended the Annual General Meeting of Shareholders to reorganize MTS PJSC by taking over its subsidiaries.

*The extract from the Minutes of MTS PJSC Board of Directors' Meeting on recommendations to the Annual General Meeting of Shareholders on "Reorganization of MTS PJSC by taking over the subsidiaries of MTS PJSC", the Rationale of terms and procedure for the reorganization of MTS PJSC by merger of Stream Digital LLC, CCB JSC and the Draft agreement on subsidiaries' merger into MTS PJSC are attached.*

Decision Making Procedure:

The resolution shall be adopted by a qualified majority comprising three fourths of the votes of the Shareholders attending the Meeting.

*Draft decision:*

- 9.1. Reorganize Mobile TeleSystems Public Joint-Stock Company (State registration number (OGRN) 1027700149124, address: 4 Marksistskaya Street, Moscow, 109147, Russian Federation), hereinafter – MTS PJSC, by taking over:
  - 1.1 Stream Digital Limited Liability Company (State registration number (OGRN) 5157746197791, address: 8 Vorontsovskaya Street, Bldg. 4A, room 1, mezzanine storey, Moscow, 109147, Russian Federation), hereinafter – Stream Digital LLC, with the transfer of all Stream Digital LLC rights and obligations to MTS PJSC and winding-up of Stream Digital LLC;
  - 1.2 Cellular Communications of Bashkortostan Joint-Stock Company (State registration number (OGRN) 1020202562160, address: 2 Rabkorov street, Ufa, the Republic of Bashkortostan, 450106, Russian Federation), hereinafter – CCB JSC, with the transfer of all CCB JSC rights and obligations to MTS PJSC and winding-up of CCB JSC.
- 9.2. Approve the Agreement on takeover of STREAM DIGITAL LLC, CCB JSC and SMARTS-Yoshkar-Ola JSC into MTS PJSC (Annex 5).
- 9.3. Establish that in connection with the fact that MTS PJSC is the owner of a stake in the amount of 100 (one hundred) percent of the Charter capital of Stream Digital LLC, the conversion of the MTS PJSC-owned stake in the amount of 100 (one hundred) percent of the Charter capital of Stream Digital LLC will not take place, the 100 (one hundred) percent stake in the charter capital of Stream Digital LLC owned by MTS PJSC will be liquidated upon making an entry into the Unified State Register of Legal Entities on the winding-up of Stream Digital LLC.
- 9.4. Establish that in connection with the fact that MTS PJSC is the owner of 100 (one hundred) percent of the ordinary registered shares of SSB JSC, conversion of the MTS PJSC-owned ordinary registered shares of SSB JSC will not take place, all of the ordinary registered shares of SSB JSC owned by MTS PJSC will be liquidated upon making an entry in the Unified State Register of Legal Entities on the winding-up of SSB JSC.
- 9.5. Establish that pursuant to sub-clause 3, clause 4, article 17 of the Federal Law “On Joint-Stock Companies”, the ordinary registered shares of MTS PJSC held by Stream Digital LLC shall be redeemed in accordance with the terms of the Incorporation Agreement at the time an entry is made in the Unified State Register of Legal Entities on the winding-up of Stream Digital LLC.
- 9.6. Establish that upon completion of Stream Digital LLC incorporation into MTS PJSC, the authorized capital of MTS PJSC will be reduced by the nominal value of shares of MTS PJSC owned by Stream Digital LLC and subject to redemption in case of incorporation in accordance with the Agreement on incorporation at the time an entry is made to the Unified State Register of Legal Entities on the winding-up of Stream Digital LLC.
- 9.7. Establish that one of the incorporated entities which is the last to decide affirmatively on reorganization shall notify the agency responsible for the state registration of legal entities of the commencement of reorganization procedures. Once an entry has been made in the Unified State Register of Legal Entities on the commencement of reorganization procedures, one of the incorporated entities which is the last to decide affirmatively on reorganization, shall in its own name and on behalf of other incorporated entities twice at an interval of once a month place a reorganization announcement in the mass media outlets publishing information on the state registration of legal entities.



**On the tenth item of Agenda:**

Amending MTS PJSC Charter with a view of reorganization.

The necessity for subsequent introduction of changes to MTS PJSC Charter is related to “Reorganization of MTS PJSC by taking over the subsidiaries”.

Clause 1.9 of the MTS PJSC Charter “Information on Reorganization and Succession at the Company” is suggested to be supplemented with the following sub-clauses:

- (69) The Entity is a full legal successor in respect of all rights and obligations of Stream Digital Limited Liability Company (registered by the Interdistrict Inspectorate of the Federal Tax Service No. 46 for Moscow on December 22, 2015, a registration entry made by the Interdistrict Inspectorate of the Federal Tax Service No. 46 for Moscow into the Unified State Register of Legal Entities under the Primary State Registration Number 5157746197791 on December 22, 2015), reorganized via incorporation into Mobile TeleSystems Public Joint-Stock Company.
- (70) The Entity is a full legal successor in respect of all rights and obligations of Cellular Communication of Bashkortostan Joint-Stock Company (registered by the Administration of Kirovsky district of Ufa of the Republic of Bashkortostan on December 23, 1993, a registration entry made by the Interdistrict Inspectorate of the Federal Tax Service No. 39 for the Republic of Bashkortostan into the Unified State Register of Legal Entities under the Primary State Registration Number 1020202562160 on December 11, 2002), reorganized via incorporation into Mobile TeleSystems Public Joint-Stock Company.

MTS PJSC Board of Directors recommended the Annual General Meeting of Shareholders to amend the MTS PJSC Charter.

*The draft amendments to be introduced in MTS PJSC Charter are attached.*

Decision Making Procedure:

The resolution shall be adopted by a qualified majority comprising three fourths of the votes of the Shareholders attending the Meeting.

*Draft decision:*

Amend MTS PJSC Charter with a view of MTS PJSC reorganization by taking over STREAM DIGITAL LLC and CCB JSC (Annex 6).

**On the eleventh item of Agenda:**

Reduction of MTS PJSC Charter capital due to reorganization.

The necessity to reduce MTS PJSC Charter capital is conditioned by introduction of issue on MTS PJSC re-organization by taking over Stream Digital LLC having 104 165 997 registered ordinary shares of MTS PJSC (obtained as a result of the share buyback program performed in 2016-2018) in Agenda of Shareholders’ General Meeting.

Following the results of Stream Digital LLC takeover by MTS PJSC, the retirement of MTS PJSC registered ordinary shares in the amount of 104 165 997, by total notional value of 10 416 599 rubles and 70 kopecks, will occur, which leads to further reduction of MTS PJSC Charter capital.

The Board of Directors of MTS PJSC recommended the Annual General Meeting of Shareholders to make a decision on reduction the authorized capital of MTS PJSC due the reorganization.

*The draft amendments to be introduced into MTS PJSC Charter are attached.*

Decision Making Procedure:

The decision shall be adopted by a simple majority (more than the half) of votes of the Shareholders attending the Meeting.

*Draft decision:*

In connection with reorganization of MTS PJSC by taking over Stream Digital LLC, to reduce MTS PJSC authorized capital by redemption of ordinary registered shares of MTS PJSC owned by Stream Digital LLC, in accordance with sub-clause 3, clause 4, article 17 of the Federal Law “On joint stock companies” and Agreement on takeover of Stream Digital LLC, SSB JSC.

As a result of redemption, the authorized capital of MTS PJSC will be reduced by the total nominal cost of redeemed shares under the following terms:

- quantity of ordinary registered shares with nominal value of 0.1 (zero point one) ruble (or 10 (ten) kopecks) each reduced by 104,165,997 (one hundred four million one hundred sixty five thousand nine hundred ninety seven) ordinary registered shares with total nominal value of 10,416,599 (ten billion four hundred sixteen thousand five hundred ninety nine) rubles 70 kopecks.

As a result of reduction the authorized capital of MTS PJSC will amount to 189,421,557 (one hundred eighty nine million four hundred twenty one thousand five hundred fifty seven) rubles 80 kopecks and will consist of 1,894,421,558 (one billion eight hundred ninety four million four hundred twenty one thousand five hundred fifty eight) outstanding ordinary registered shares with nominal value of 0.1 (zero point one) rubles (or 10 (ten) kopecks) each.

**On the twelfth item of Agenda:**

Amending MTS PJSC Charter due to reduction of MTS PJSC Charter capital.

The necessity to introduce the given changes into MTS PJSC Charter is related to the issue on “Reorganization of MTS PJSC by takeover of MTS PJSC subsidiaries”.

Clause 12.2 of the Charter of Mobile TeleSystems Open Joint-Stock Company shall be amended to read as follows:

*“The Company’s authorized capital is RUR 189,421,557 (one hundred eighty nine million four hundred twenty one thousand five hundred and fifty seven rubles) 80 kopeks and consists of 1,894,215,578 (one billion eight hundred ninety four million two hundred fifteen thousand five hundred and seventy eight) outstanding ordinary registered shares of the Company with a par value of RUB 0.1 (zero point one tenth of the ruble) or 10 (ten) kopeks each. The Company’s authorized capital is paid up in full.”*

MTS PJSC Board of Directors recommended the Annual General Meeting of Shareholders to amend the MTS PJSC Charter due to reduction of the authorized capital.

*The draft amendments to be introduced into MTS PJSC Charter are attached.*

Decision Making Procedure:

The decision shall be adopted by qualified majority of three fourths of the votes of the Shareholders attending the Meeting.

*Draft decision:*

Due to reduction of MTS PJSC authorized capital in connection with redemption under the agreement on takeover of Stream Digital LLC, SSB JSC with ordinary registered shares of MTS PJSC held by Stream Digital LLC, amend MTS PJSC Charter (Annex 7).