

Background information for the holders of Notes (as defined below) regarding the possibility of, and available methods for, receiving coupon and principal, upon redemption through direct payment in rubles, which became available following the consent solicitation

Loan participation notes with a total par value of U.S.\$500,000,000 and a coupon rate of 5 percent and maturing in 2023 (the "Notes") issued, subject to limited liability, by MTS International Funding Designated Activity Company (the "Issuer") solely for the purpose of financing a loan to MTS PJSC (the "Loan") (Regulation C ISIN: XS0921331509; Common Code: 092133150; Rule 144A ISIN: US55377WAB46; Rule 144A CUSIP: 55377WAB4; Regulation C CUSIP: G6356YAC9; Rule 144A Common Code: 078394960)

Where are your Eurobonds recorded?

In Russia



If your notes are held in the Russian depository infrastructure (the NSD or a "neighboring" depository):



You do not need to submit an application; your funds will be transferred automatically as part of the direct payment procedure through the NSD.

Outside Russia



If your notes are held outside the Russian depository infrastructure



You need to submit an application for direct payment of coupon and principal redemption directly to MTS PJSC with supporting documents attached in accordance with the procedure set out on slides 3–5.

With respect to Notes recorded outside the Russian Federation

To receive the coupon payment and redeem the face value, you will need to submit an application to MTS PJSC

The application must be submitted:

- a) no later than 15 calendar days from the date when the Extraordinary Resolution regarding the payment of the 19th coupon yield was passed;
- b) no later than 15 calendar days from the record date for the 20th coupon yield and redemption of the face value.

Method for submitting original applications to the following address: 4 Marksistskaya St., 109147 Moscow
Attention: MTS PJSC Treasury Department
with the documents indicated on slides 4–5 attached
The application form may be requested at kazna@mts.ru

The following must be attached:

- Proof of holding to the effect that a Noteholder is the owner of the Notes as of the relevant record date;
- details of the corresponding ruble account;
- identification/statutory documents;
- any other documents that MTS PJSC may request by notifying the Noteholder.

If you are an individual and a resident of the Russian Federation and your notes are held outside the Russian depository system

In addition, the following must be attached to your application:

- Proof of **holding** to the effect that a Noteholder is the owner of the Notes as of the relevant record date—*an original statement from the foreign custody account*;
- Details of the corresponding ruble account;
- A copy of the holder's passport—*a notarised copy*;
- A copy of a foreign passport, including the pages with the holder's photo, stamps entered upon crossing the border of the Russian Federation during the 12 months preceding the corresponding record date—a *notarised copy*;
- A letter about the number of days during the corresponding 12-month period that you spent outside the Russian Federation— *a letter of the Noteholder*;

If the application is submitted in the year in which the Notes mature, the following documents must be attached:

- documents confirming the purchase of the Notes (for example, the purchase agreement) *[a copy certified by the owner]*;
- brokerage reports (if any) *[original]*;
- documents confirming the transfer of ownership of the Notes;
- documents confirming expenses incurred by the Noteholder in connection with the acquisition of the Notes;
- documents confirming expenses incurred by the Noteholder *in connection with the custody* of the Notes (if any).

If you are a nonresident of the Russian Federation and your notes are held outside the Russian depository system

For individuals,

the following must be attached to your application:

- Proof of **holding** to the effect that a Noteholder is the owner of the Notes as of the relevant record date;
- Details of the corresponding ruble account;
- A copy of the holder's passport [*a notarised copy with an apostille attached or otherwise duly legalised and translated into Russian*];
- A certificate from the competent (tax) authority of the state where the individual is the tax resident [*original, apostille, translation into Russian*];

If the application is submitted in the year in which the Notes mature, the following documents must be attached:

- documents confirming the purchase of the Notes (for example, the purchase contract);
- brokerage reports (if any);
- documents confirming the transfer of ownership of the Notes;
- documents confirming expenses incurred by the Noteholder in connection with the acquisition of the Notes;
- documents confirming expenses incurred by the Noteholder in connection with the **ownership** of the Notes (if any).

For legal entities

- Proof of ownership to the effect that a Noteholder is the owner of the Notes as of the record date;
- a letter confirming that the legal entity is the actual (beneficial) recipient of the income [*Appendix 1*]
- details of the corresponding ruble account;
- statutory documents [*a notarised copy with an apostille attached or otherwise duly legalised and translated into Russian*];
- *If the noteholder is a CFC, a copy of the CFC notice for the corresponding tax period (the first sheet with the mark) and a list with the CFC that is the owner of Eurobonds, certified by the Noteholder*

On the issue of documents confirming ownership of Notes

- 1) An account statement (to confirm the ownership in STACK);
- 2) A screenshot from Euroclear, Clearstream, Luxembourg or DTC, or an account statement or a holdings report from a direct participant;
- 3) An extract or statement from any depository or any other document or information that, in the opinion of MTS PJSC, would be sufficient evidence of ownership of the Notes;

Documents confirming the ownership of the Notes must be provided in originals together with the application for direct payments at 4 Marksistskaya St., 109147 Moscow, to the attention of the MTS PJSC Treasury Department

Tel. (reception, used to give instructions to the courier service) +7 (495) 911-71-51

Questions regarding the submission of documents for direct payments may be sent to kazna@mts.ru

APPENDIX

Confirmation letter

CONFIRMATION of beneficial ownership

In accordance with Article 312 of the Tax Code of the Russian Federation, _____
_____(company name) hereby confirms that it is the beneficial owner of _____ (type of
income) under the agreement _____ (contract
details) with MTS PJSC, being payable to _____
_____(company name)

In confirmation of the beneficial ownership, _____
(company name) pledges that:

1. _____ (company name) has actual business in
_____ (name of the country of tax residence).
2. _____ (company name) is not a conduit company
and does not act as an agent of the third party which actually derives profits from the revenues under the
Agreement.
3. _____ (company name) is the entity actually
deriving benefits from the revenues under the Agreement and defining its further economic use.

Yours sincerely,

ПОДТВЕРЖДЕНИЕ о наличии фактического права на доход

В соответствии со статьей 312 Налогового кодекса РФ,
_____ (наименование компании)
настоящим подтверждает, что имеет фактическое право на получение дохода в виде
_____ (вид дохода) по Договору о
_____ (реквизиты договора), заключенному с ПАО
«МТС», подлежащих выплате в адрес _____
_____ (наименование компании).

В подтверждение наличия фактического права на указанный доход,
_____ (наименование
компании) дает заверения о следующих обстоятельствах:

1. _____
(наименование компании) осуществляет фактическую предпринимательскую
деятельность в _____ (наименование страны
налогового резидентства).
2. _____
(наименование компании) не является кондуитной компанией, не действует как
промежуточное звено в интересах иного лица фактически получающего выгоду от
дохода по настоящему Договору.
3. _____
(наименование компании) является лицом, которое фактически получает выгоду от
полученного по настоящему Договору дохода и определяет его дальнейшую
экономическую судьбу.

С уважением,

- This background information does not constitute individual investment, financial or legal advice. It is for informational purposes only and is not exhaustive.
- In order to carry out a proper risk assessment, it is recommended that a Noteholder seeks qualified legal advice.
- This background information and the methods outlined herein for obtaining, upon redemption through direct payment in rubles, coupon and principal, which became available following the consent solicitation, do not guarantee that the expected result will be obtained.
- The interpretation and implementation in practice of applicable laws and regulations by government authorities, legal entities or individuals may differ from those described above, and MTS PJSC is not responsible for consequences of different approaches to such interpretation and enforcement. The sanctions legislation of both the Russian Federation and other States may have a considerable impact on the proper performance of obligations. This background information may become irrelevant due to rapidly changing circumstances.
- MTS PJSC is not obliged to update and does not expect to update the information provided to reflect events or circumstances occurring after the date of the publication of the information or to reflect unforeseen events.
- The risk management system of credit institutions, depositories and other securities market participants could considerably prolong the process of obtaining coupon and principal upon redemption through direct payment in rubles.
- In line with the mechanism for direct payments into accounts of residents of unfriendly states, funds in rubles may be deposited only into special accounts; regarding the use of such accounts, it is recommended that qualified legal advice is sought. Transactions with funds held in such accounts are pursuant to the specified list of purposes established by the Bank of Russia.