

INFORMATION MATERIALS

on issues submitted
to the Annual General
Meeting of Shareholders
of MTS PJSC

JUNE 18, 2023

Initiator of review of the issues of the agenda of the annual General Shareholders' Meeting of MTS PJSC	Position of the Board of Directors on agenda items of the annual General Meeting of Shareholders of MTS PJSC
of the Board of Directors of MTS PJSC	Vote "FOR"

On the first issue of the agenda:

Approval of the MTS PJSC annual report, the MTS PJSC annual accounting (financial) statement, profit and loss distribution of MTS PJSC for the reporting year 2022.

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

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

- MTS PJSC 2022 Annual Report;
- MTS PJSC 2022 Annual Accounting (Financial) Statements prepared as per the Russian Accounting Standards;
- Recommendations of MTS PJSC Board of Directors regarding the procedure on distribution of MTS PJSC profit based on 2022 financial year results.

The stated documents shall be accompanied by the Findings of MTS PJSC Auditing Commission and the Auditor's Report and the 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.

MTS PJSC is a leading Russian company providing digital, media and telecommunications services operating in rapidly developing volatile markets. The primary objective of MTS is to maintain sufficient resources and flexibility to meet financial and operational goals.

Following historical practice, MTS PJSC will continue to pay dividends, fulfilling its obligation on adding value for the shareholders. Board of Directors shall determine the amount of payments, considering a number of factors which include cash flows from operation activities, capital expenditures and debt standing of the company.

As part of the previous dividend policies in 2019–2021 MTS PJSC sought to ensure a dividend yield of at least 28.0 rubles per share per calendar year. In May 2022, the Board of Directors recommended that shareholders approve the payment of dividends at the annual General Meeting of Shareholders (AGM) in the amount of 33.85 rubles per share or a total of 66.33 billion rubles based on 2021 financial year results. In June 2022, shareholders approved dividend payment at the AGM. In the context of increased macroeconomic uncertainty at the beginning of 2022 and the refusal of many Russian companies to pay dividends in 2022, the issue of adopting a new dividend policy of MTS PJSC has been postponed.

In May 2023, the Board of Directors of MTS PJSC recommended paying the annual dividends of MTS PJSC for 2022 in the amount of 34.29 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 2022 thus amounts to 67,198,691,575.17 rubles.

The Board of Directors also recommended to pay dividends in cash and to set June 29, 2023 as the date on which the persons entitled to receive dividends are determined.

The Board of Directors of MTS PJSC preliminarily considered and approved the Annual Report of MTS PJSC for 2022, and also considered the Annual Accounting Statements of MTS PJSC for 2022 (RAS standard) and recommended the annual General Meeting of Shareholders to approve the Annual Report of MTS PJSC, the Annual Accounting (Financial) Statements of MTS PJSC for 2022.

Procedure for resolution adoption:

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

Draft resolution:

- 1.1. 2022 Annual Report of MTS PJSC, 2022 Annual Accounting (Financial) Statement of MTS PJSC be hereby approved.
- 1.2. 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 34.29 rubles per ordinary share of MTS PJSC with a par value of 0.1 rubles each be hereby approved. The total amount of annual dividends of MTS PJSC is 67,198,691,575.17 rubles. The annual dividends shall be paid in cash. Set the date, at which persons entitled to receive dividends shall be determined — June 29, 2023.

On the second issue of the agenda:

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

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

Procedure for resolution adoption:

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 candidates into the list of candidates for MTS PJSC Board of Directors to be voted for at the Annual General Meeting of Shareholders of MTS PJSC.

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

Draft resolution:

Resolved that the following persons be elected members of the Board of Directors of Mobile TeleSystems Public Joint Stock Company*:

- 1) Full name
- 2) Full name
- 3) Full name
- 4) Full name
- 5) Full name
- 6) Full name
- 7) Full name
- 8) Full name
- 9) Full name
- 10) Full name
- 11) Full name
- 12) Full name

On the third issue of the agenda:

On election of members to the Auditing Commission of MTS PJSC.

The issue on electing the Members of MTS PJSC Auditing Commission is submitted to the Annual General Meeting of Shareholders 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 Meeting of Shareholders and retain its powers till the next Annual General Meeting of Shareholders of MTS PJSC.

No more than 3 candidates may be elected to the Auditing Commission. The number of Members of the Auditing Commission is determined in accordance with the Regulations on MTS PJSC Auditing Commission (approved by the decision of MTS PJSC Extraordinary General Meeting of Shareholders adopted on February 15, 2021).

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 Meeting of Shareholders of MTS PJSC.

MTS PJSC Board of Directors recommended the Annual General Meeting of Shareholders to elect an Auditing Commission in the amount of 3 members.

Procedure for resolution adoption:

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

Draft resolution:

Resolved that the following persons be elected members of MTS PJSC Auditing Commission*:

- 1) Full name
- 2) Full name
- 3) Full name

** Information about candidates for members of the Board of Directors and the Auditing Commission of MTS PJSC is not disclosed and not provided in accordance with clause 1 of Decree of the Government of the Russian Federation No. 351 dated March 12, 2022 "On the specifics of disclosure and provision of information in 2022 subject to disclosure and provision in accordance with the requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market," and the specifics of disclosure of insider information pursuant to the requirements of the Federal Law "On counteracting the misuse of insider information and market manipulation and on amendments to certain legislative acts of the Russian Federation" (as amended by Decree of the Government of the Russian Federation dated November 24, 2022 No. 2131 "On Amendments to the Decree of the Government of the Russian Federation dated March 12, 2022 No. 351").*

On the fourth issue of the agenda:

On approval of the Auditor of MTS PJSC.

The issue on approval of the MTS PJSC auditor to audit financial and operational activities of MTS PJSC in 2023 is submitted to the Annual General Meeting of Shareholders.

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 2022 financial years were audited by Business Solutions and Technologies JSC.

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 financial statements is held at least once per five years.

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, 2022.

The Board of Directors of MTS PJSC recommended to approve the company Joint Stock Company Business Solutions and Technologies as the auditor of MTS PJSC for 2023.

Procedure for resolution adoption:

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

Draft resolution:

Resolved that the audit company Business Solutions and Technologies Joint Stock Company (Primary State Registration Number: 1027700425444) be MTS PJSC auditor.

On the fifth issue of the agenda:

On approval of the revised Regulations on the Board of Directors of MTS PJSC.

The current version of the Regulations on the Board of Directors of MTS PJSC was approved by the decision of the Annual General Meeting of Shareholders of MTS PJSC on June 22, 2022 (Minutes 54).

1) It is proposed to exclude the obligation of current members of the Board of Directors of MTS PJSC to sign a Non-Disclosure Agreement upon re-nomination to the Board of Directors of MTS PJSC

The amendment proposed is aimed at reducing the labor costs of the current members of the Board of Directors of MTS PJSC upon re-nomination. More information about the amendments proposed can be found in the comparison table of amendments made to the Regulations on the Board of Directors of MTS PJSC.

2) It is proposed to request additional information from candidates to the Board of Directors of MTS PJSC

To improve the quality of study of materials considered at the meetings of the Remuneration and Nomination Committee of the Board of Directors of MTS PJSC and the Board of Directors of MTS PJSC on candidates to the Board of Directors of MTS PJSC, it is proposed to request additional information from candidates on key competencies.

3) *It is proposed to make clarifying amendments to the Standard Form of the Declaration of an Independent Director*

The proposed amendments are of a clarifying nature and are aimed at bringing the wording contained in the Standard Form of the Declaration of an Independent Director in line with the Listing Rules of Moscow Exchange PJSC.

Draft new wording of the Regulations on the Board of Directors of MTS PJSC and the table for comparing amendments made to the Regulations on the Board of Directors of MTS PJSC are attached.

Procedure for resolution adoption:

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

Draft resolution:

Resolved that Regulations on the Board of Directors of MTS PJSC, as revised, be approved (Appendix 2).

On the sixth issue of the agenda:

On approval of the revised Regulations on Remunerations and Compensations to the members of the Board of Directors of MTS PJSC.

The current version of the Regulations on Remunerations and Compensations to the members of the Board of Directors of MTS PJSC was approved by the Annual General Meeting of Shareholders of MTS PJSC on June 22, 2022 (Minutes 54).

The draft new version of the Regulations provides for the possibility of excluding the remuneration of members of the Board of Directors of MTS PJSC in the form of American Depositary Receipts granting rights to shares of MTS PJSC (hereinafter referred to as the ADR) because MTS ADRs were delisted from the New York Stock Exchange in August 2022; it is proposed to eliminate the prohibition to alienate or otherwise dispose of shares received by directors as remuneration for work in the Board of Directors of MTS PJSC, established for directors for a period of 3 years after receiving shares; it is proposed to clarify the procedure for calculating shares to be transferred to the director as remuneration.

The Board of Directors of MTS PJSC recommended approving the Regulations on Remunerations and Compensations to the members of the Board of Directors of MTS PJSC, as revised.

The draft Regulations on Remunerations and Compensations to the members of the Board of Directors of MTS PJSC, as revised, and a Table for comparing changes to the Regulations, are attached.

Procedure for resolution adoption:

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

Draft resolution:

Resolved that Regulations on Remunerations and Compensations to the members of the Board of Directors of MTS PJSC, as revised, be approved (Appendix 3).

On the seventh issue of the agenda:

On the participation of MTS PJSC in non-profit organization the Union “Vyatka Chamber of Commerce and Industry” (Kirov region)

Pursuant to subcl. 27.1 (30) of the Charter of MTS PJSC, the issue of the Company’s participation in financial and industrial groups, associations and other unions of commercial organizations shall be attributed to the competence of the General Meeting of Shareholders of MTS PJSC.

The primary focus of non-profit organization the Union “Vyatka Chamber of Commerce and Industry” (hereinafter referred to as “Vyatka CCI”) is to facilitate the development of entrepreneurship in Kirov region and to establish effective relationships between the business community and the government. Presently, Vyatka CCI unites over 600 companies from various sectors and branches of the regional economy, including small and medium enterprises, large companies, public and educational institutions.

Primary goals:

- Retaining Vyatka CCI as a corporate client;
- Retaining the right to participate in B2B events organized at the venues of Vyatka CCI;
- Expanding the range of services under the agreement with Vyatka CCI.
- Taking part in all events conducted by Vyatka CCI as an expert support.

Procedure for resolution adoption:

The resolution shall be adopted by simple majority (more than ½ (a half)) of votes of the shareholders holding the Company’s voting shares and participating in the General Meeting of Shareholders.

Draft resolution:

Adopt the resolution on MTS PJSC participation in the non-profit organization the Union “Vyatka Chamber of Commerce and Industry” (Kirov region) (Vyatka CCI, OGRN (Primary State Reg. No.) 1024300010327, INN (Taxpayer ID) 4346011204, location: 4/9 Profsoyuznaya St., Kirov, 610004).