



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

**JUNE 22, 2022**

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 issue on the agenda:**

On approval of the MTS PJSC Annual Report, the MTS PJSC Accounting Statements, including the MTS PJSC profit and loss report, the MTS PJSC profit and loss distribution for the 2021 reporting 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 2021 Annual Report;
- MTS PJSC 2021 Annual Financial Statements prepared as per the Russian Accounting Standards;
- MTS PJSC 2021 Profit & Loss Statement (Account);
- Recommendations of MTS PJSC Board of Directors regarding the procedure on distribution of MTS PJSC profit based on 2021 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.

As part of the previous dividend policies in 2016-2018. MTS PJSC sought to ensure a dividend yield of 25.0 – 26.0 rubles per share per calendar year. In 2019 – 2021 MTS PJSC sought to ensure a dividend yield of at least 28.0 rubles per share per calendar year. 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 for 2022-2024 has been postponed. At the same time, a stable financial position and a comfortable level of debt load make it possible to ensure dividend payments in 2022, which remains a significant factor in maintaining the investment history of MTS PJSC.

In May 2022 the Board of Directors of MTS PJSC recommended paying the annual dividends of MTS PJSC for 2021 in the amount of 33.85 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 2021 thus amounts to 66 334 910 976,95 rubles.

The Board of Directors also recommended to pay dividends in cash and to set July 12, 2022 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 2021, and also considered the Annual Financial Statements of MTS PJSC for 2021 (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 2021.

Procedure for adoption of the resolution:

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

**Draft resolution:**

1.1. 2021 Annual report of MTS PJSC, 2021 Annual accounting (financial) statement of MTS PJSC, 2021 loss and profit account of MTS PJSC be hereby approved.

1.2. The procedure for allocation of profits of MTS PJSC (Appendix 1), including the annual dividend on ordinary registered shares of MTS PJSC in the amount of RUR 33.85 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 66 334 910 976,95. Annual dividends shall be paid in cash. The date, on which the persons entitled to receive the dividends are determined, be hereby established – July 12, 2022.

**On the second issue on 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 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.

Procedure for adoption of the resolution:

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) Paul Berriman – Independent Director
- 2) Felix Evtushenkov
- 3) Artyom Zassoursky
- 4) Yury Misnik – Independent Director
- 5) Vyacheslav Nikolaev
- 6) Valery Pankratov
- 7) Regina von Flemming – Independent Director
- 8) Mikhail Khanov – Independent Director
- 9) Shaygan Kheradpir – Independent Director
- 10) Thomas Holtrop – Independent Director
- 11) Nadia Shouraboura – Independent Director
- 12) Valentin Yumashev – Independent Director
- 13) Tagir Yapparov – Independent Director

*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 9 (nine) members. The Annual General Shareholders' Meeting held on June 27, 2008 defined the number of members of MTS PJSC Board of Directors being **9 (nine) persons.**

**Draft resolution:**

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

- 1) Paul Berriman – Independent Director
- 2) Felix Evtushenkov
- 3) Artyom Zassoursky
- 4) Yurii Misnik – Independent Director
- 5) Valery Pankratov
- 6) Vyacheslav Nikolaev
- 7) Regina von Flemming – Independent Director
- 8) Mikhail Khanov – Independent Director
- 9) Shaygan Kheradpir – Independent Director
- 10) Thomas Holtrop – Independent Director
- 11) Nadia Shouraboura – Independent Director
- 12) Valentin Yumashev – Independent Director
- 13) Tagir Yapparov – Independent Director

**On the third issue on 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 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 Extraordinary General Shareholders' Meeting 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 Shareholders' Meeting of MTS PJSC:

- 1) Irina Borisenkova
- 2) Evgeniy Madorskiy
- 3) Natalia Mikheeva

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.*

Procedure for adoption of the resolution:

Shares held by the members of MTS PJSC Board of Directors or by 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 resolution:**

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

- 1) Irina Borisenkova
- 2) Evgeniy Madorskiy
- 3) Natalia Mikheeva

**On the fourth issue on 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 2021 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 – 2021 financial years were audited by Deloitte and Touche CIS.

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 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 (former name - Joint Stock Company Deloitte and Touche CIS) as the auditor of MTS PJSC for 2022.

Procedure for adoption of the resolution:

The decision 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 on the agenda:**

On approval of the revised Charter of MTS PJSC.

The current version of the Charter of MTS PJSC (hereinafter referred to as the Charter) was approved by the decision of the Annual General Meeting of Shareholders of MTS PJSC on June 23, 2021 (Minutes 52). Amendments to the Charter of MTS PJSC in the form of separate documents were approved at the Extraordinary General Meeting of Shareholders on February 15, 2021 (Minutes No. 51).

The new version of the Charter includes the following changes:

***1) An indication of the postal address is excluded from the Charter.***

The reference to the address of MTS PJSC is excluded from the Charter subject to paragraph 2 of Art. 54, paragraph 3 of Art. 98 of the Civil Code of the Russian Federation.

The Charter must contain an indication of the location of MTS PJSC. The location of a legal entity is determined by the place of its state registration on the territory of the Russian Federation by indicating the name of the settlement (municipal formation). The exact address of MTS PJSC is not required to be indicated in the Charter and is contained in the Unified State Register of Legal Entities (EGRLE).

***2) Changes aimed at bringing the provisions and wordings of the Charter in line with the current legislation of the Russian Federation.***

In accordance with paragraph 3 of Art. 66 of the Federal Law of December 26, 1995 N 208-FZ "On Joint Stock Companies" (hereinafter referred to as the Law "On JSC"), clause 31.5 of the Charter clarifies that the number of members of the Board of Directors of MTS PJSC cannot be less than 9 members.

Consideration of information and reports of the President and the Management Board of MTS PJSC on the issues of compliance by MTS PJSC with the requirements of the legislation of the Russian Federation on combating the misuse of insider information and market manipulation is excluded from the competence of the Board of Directors of MTS PJSC.

In accordance with sub. 2 p. 1 art. 11 of Federal Law No. 224-FZ "On Counteracting the Misuse of Insider Information and Market Manipulation and on Amendments to Certain Legislative Acts of the Russian Federation" (hereinafter referred to as "Law 224"), a structural unit (official), whose duties include monitoring compliance with the requirements of Law 224-FZ, is accountable to the person exercising the functions of the sole executive body of MTS PJSC.

A number of wordings of the Charter have been brought into line with the wording of the Law "On JSC" and Federal Law No. 39-FZ of April 22, 1996 "On the Securities Market" (clauses 3.4, 10.8, 26.4. 27.1 (19), 32.2 (20), exception 16.14) (see comments in the Bylaws Comparison Table).

***3) Changes previously approved by the General Meeting of Shareholders of MTS PJSC have been consolidated in the new version of the Charter.***

It is proposed to take into account in the new version of the Charter all amendments to the Charter previously approved by the General Meeting of Shareholders of MTS PJSC in the form of separate documents in order to make the Charter more convenient to use (changes to the Charter related to the succession of MTS PJSC following the results of reorganizations of other companies, approved in the form of separate documents at the Extraordinary General Meeting of Shareholders of MTS PJSC on February 15, 2021 (Minutes No. 51).

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

*The draft of newly revised MTS PJSC Charter with Table of amendments made to the Charter of MTS PJSC is attached.*

Procedure for adoption of the resolution:

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

*Draft decision:*

Resolved that Charter of MTS PJSC, as revised, be approved (Appendix 2).

**On the sixth issue on 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 Extraordinary General Meeting of Shareholders of MTS PJSC on September 30, 2021 (Minutes No. 51).

The amendments made to the Regulations on the Board of Directors of MTS PJSC are of a clarifying nature and are aimed at improving and developing the procedures and practices of corporate governance of MTS PJSC.

*The draft Regulations on the Board of Directors of MTS PJSC in a new edition and a Table for comparing changes to the Regulations on the Board of Directors of MTS PJSC are attached.*

Procedure for adoption of the resolution:

The decision 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 3).

**On the seventh issue on 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 Remuneration and Compensation to the members of the Board of Directors of MTS PJSC (hereinafter referred to as the Regulation) was approved by the General Meeting of Shareholders of MTS PJSC on June 28, 2018 (Minutes No. 43).

The draft new version of the Regulations provides for the procedure for fulfilling the obligations of MTS PJSC to pay remuneration and compensation of expenses to members of the Board of Directors of MTS PJSC in case of maintaining the current ones, as well as introducing new restrictions on transactions (operations) with securities and foreign exchange transactions.

In particular, the new version of the Regulations provides for the possibility of replacing the remuneration of members of the Board of Directors of MTS PJSC in the form of ordinary shares of MTS PJSC or American Depositary Receipts granting rights to shares of MTS PJSC with remuneration in cash, as well as the possibility fulfillment of the obligations of MTS PJSC to pay the remuneration and compensation of expenses provided for by the Regulations to the members of the Board of Directors of MTS PJSC in various currencies in case of the introduction of the above restrictions.

A detailed description of the proposed changes to the Regulations and comments to them are contained in the Table of Comparison of Changes to the Regulations.

The Board of Directors of MTS PJSC recommended approving the Regulation on Remuneration and Compensation paid to members of the Board of Directors of MTS PJSC, as amended.

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

Procedure for adoption of the resolution:

The decision 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 4).