

**Information Letter in Relation to the Mandatory Tender Offer  
for the Purchase of Ordinary Registered Uncertified Shares of Public Joint Stock  
Company “MegaFon” Made by Limited Liability Company “MegaFon Finance”**

**To the attention of shareholders of PJSC “MegaFon”:**

On 27 December 2018, Public Joint Stock Company “MegaFon” (“**PJSC MegaFon**” or the “**Company**”) received a mandatory tender offer made by Limited Liability Company “MegaFon Finance” (“**MegaFon Finance LLC**”) to purchase the securities of PJSC MegaFon (the “**Mandatory Tender Offer**”). The Mandatory Tender Offer is made in respect of 131,212,843 (one hundred thirty-one million two hundred twelve thousand eight hundred forty-three) ordinary registered uncertified shares of the Company, state registration number of issue 1-03-00822-J (the “**Shares**”), on the following terms and conditions:

1. **Proposed purchase price of the Shares:** RUB 659.26 (six hundred fifty-nine rubles twenty-six kopecks) per one Share.
2. **Period for acceptance of the Mandatory Tender Offer:** 70 (seventy) days from the date the Mandatory Tender Offer was received by the Company (i.e. from 28 December 2018 to 7 March 2019, inclusive).
3. **Period for payment for the Shares:** the Shares to be transferred to MegaFon Finance LLC shall be paid for within 17 (seventeen) days from the date of the expiration of the period for acceptance of the Mandatory Tender Offer, i.e. no later than 25 March 2019.
4. **Form of payment for the Shares:** the Shares shall be paid for in cash by wire transfer in rubles. The Mandatory Tender Offer does not provide for any other forms of payment.

The procedure and period for acceptance of the Mandatory Tender Offer and for the transfer and payment for the purchased Shares is set forth in the Mandatory Tender Offer, which is available together with the recommendations of the Board of Directors of the Company in respect of the Mandatory Tender Offer on the Company’s website at <http://corp.megafon.ru/investoram/stock/mto/>.

This Information Letter does not replace the Mandatory Tender Offer or any of its terms and conditions, is provided purely for the convenience of shareholders of the Company, and is intended to clarify the procedure for the acceptance of the Mandatory Tender Offer by shareholders who decide to accept the Mandatory Tender Offer.

**A. Procedure for the acceptance of the Mandatory Tender Offer**

If you decide to accept the Mandatory Tender Offer and sell your Shares pursuant to the Mandatory Tender Offer, you must perform the below actions in the following order.

<b>I. Submission of an application to sell the securities</b>
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The shareholders may accept the Mandatory Tender Offer by submitting applications to sell the securities pursuant to the procedure set forth below.

***Procedure for submitting the application by the shareholders registered in the shareholders’  
register of the Company***

Please complete the application to sell the securities pursuant to the Mandatory Tender Offer (the “**Application**”). The Application must be completed in Russian.

The information to be included in the Application is specified in para. 6.3.1 of the Mandatory Tender Offer. To avoid any mistakes that can be made when completing your Application we recommend using the form of an Application (sample Application) provided in **Annex 1**. This form is not mandatory and is provided for the convenience of shareholders.

The Application must be signed personally by the shareholder or his/her authorised representative. If the Application is signed by an authorised representative of the shareholder, the Application must be accompanied by a power of attorney (original or notarised copy) or other document confirming the authority of the person signing the Application on behalf of the shareholder (original or notarised copy). If a power of attorney is issued by a shareholder that is a foreign legal entity or individual, it must be duly legalised or apostilled. If a power of attorney is made in a foreign language, it must be provided together with a notarised translation into Russian.

Applications submitted by shareholders that are legal entities must have the company seal attached (where applicable).

The Application must be received by the registrar of PJSC MegaFon<sup>1</sup> (the “Registrar”) prior to the expiration of the period for acceptance of the Mandatory Tender Offer, i.e., not later than on **7 March 2019** (inclusive). Please bear in mind the time that will be required for your Application to be delivered by post. Applications received after 7 March 2019 will not be considered.

**Prior to submitting the Application, we strongly recommend that the shareholders registered in the shareholders’ register contact the Registrar to verify whether their details, including the details of their bank accounts kept by the Registrar, are up to date.**

The Application may be sent by mail or delivered personally (on business days during normal office hours) to the Registrar to the addresses below. If the Application is sent by mail, it is recommended that the envelope is marked as follows: “Mandatory Tender Offer made by MegaFon Finance LLC in respect of the shares of PJSC MegaFon”.

Please note that JSC Independent Registrar Company is in the process of its reorganisation in the form of merger into Joint Stock Company “Independent Registrar Company R.O.S.T.” (previously known as Joint Stock Company “R.O.S.T. Registrar”; entry regarding the change of company name was made in the Unified State Register of Legal Entities on 13 December 2018).

Information about the Registrar:

- (i). prior to the date of entry of a record of cessation of the operations of JSC Independent Registrar Company in the Unified State Register of Legal Entities due to its reorganisation in the form of merger into Joint Stock Company “Independent Registrar Company R.O.S.T.”: Joint Stock Company Independent Registrar Company; OGRN 1027739063087; address: 18 Ul. Stromynka, Bldg. 5B, office IX, 107076 Moscow; licence to conduct registrar operations of FCSM of Russia No. 045-13954-000001 dated 6 September 2002 issued for an indefinite period, telephone +7 (495) 989-76-50;
- (ii). from the date of entry of a record of cessation of the operations of JSC Independent Registrar Company in the Unified State Register of Legal Entities due to its

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<sup>1</sup> JSC Independent Registrar Company – prior to the date of entry of a record of cessation of the operations of JSC Independent Registrar Company in the Unified State Register of Legal Entities due to its reorganisation in the form of merger into Joint Stock Company “Independent Registrar Company R.O.S.T.”; Joint Stock Company “Independent Registrar Company R.O.S.T.” – from the date of entry of a record of cessation of the operations of JSC Independent Registrar Company in the Unified State Register of Legal Entities due to its reorganisation in the form of merger into Joint Stock Company “Independent Registrar Company R.O.S.T.”.

reorganisation in the form of merger into Joint Stock Company “Independent Registrar Company R.O.S.T.”: Joint Stock Company “Independent Registrar Company R.O.S.T.”; OGRN 1027739216757; address: 18 Ul. Stromynka, Bldg. 13, 107996 Moscow; licence to conduct registrar operations of FCSM of Russia No.045-13976-000001 dated 3 December 2002 issued for an indefinite period, telephone +7 (495) 780-73-63.

Prior to the date of entry of a record of cessation of the operations of JSC Independent Registrar Company in the Unified State Register of Legal Entities due to its reorganisation in the form of merger into Joint Stock Company “Independent Registrar Company R.O.S.T.”, the Application may be sent by mail or delivered personally (on business days during normal office hours):

- (i). to JSC Independent Registrar Company at 18 Ul. Stromynka, Bldg. 5B, 107076 Moscow, for JSC Independent Registrar Company; or
- (ii). to the address of any branch of JSC Independent Registrar Company appearing in the Unified State Register of Legal Entities as of the date of submitting the Application. Information on the branches of Joint Stock Company Independent Registrar Company is available on its website at <http://nrcreg.ru/contacts/branch/default.aspx>.

From the date of entry of a record of cessation of the operations of JSC Independent Registrar Company in the Unified State Register of Legal Entities due to its reorganisation in the form of merger into Joint Stock Company “Independent Registrar Company R.O.S.T.”, the Application may be sent by mail or delivered personally (on business days during normal office hours):

- (i). to Joint Stock Company “Independent Registrar Company R.O.S.T.” at 18 Ul. Stromynka, Bldg. 13, 107996 Moscow, for Joint Stock Company “Independent Registrar Company R.O.S.T.”; or
- (ii). to the address of any branch of Joint Stock Company “Independent Registrar Company R.O.S.T.” appearing in the Unified State Register of Legal Entities as of the date the holder registered in the shareholders’ register of PJSC MegaFon submits its Application. Information on the branches of Joint Stock Company “Independent Registrar Company R.O.S.T.” is available on its website at <http://www.rrost.ru/ru/filials/>.

From the date of receipt of the Application of the securityholder registered in the shareholders’ register of the Company by the Registrar and until the date of making an entry on the transfer of title to the sold Shares to MegaFon Finance LLC (or until the date of receipt by the Registrar of withdrawal of the Application) their holder may not dispose of the Shares indicated in the Application, including by pledge or any other encumbrance, which restriction must be recorded by the Registrar on the account on which the Shares of such holder are held without the latter’s instruction.

***Procedure for submitting the application by shareholders that are not registered in the shareholders’ register of the Company***

Any securityholder who is not registered in the shareholders’ register of the Company shall submit its application to sell the securities to the entity which records its rights to the shares of PJSC MegaFon (nominee holder) pursuant to the procedure set forth in Article 76, para. 3.1 of Federal Law No. 208-FZ on Joint Stock Companies dated 26 December 1995, as amended (the “JSC Law”) for tendering shares for redemption by the company.

In this case, a shareholder will need to give an appropriate instruction (order) to the nominee holder in accordance with the Russian securities laws and must indicate the number of Shares, the category/type of the Shares to be sold and any other information provided for by the depository agreement and required by the depository to identify such shareholder, withdraw the Shares to be sold from the depo account and to transfer the funds to such shareholder for the Shares purchased from him pursuant to the Mandatory Tender Offer.

From the date of receipt of the instruction by the nominee holder from the securityholder to submit an application to sell the securities and until the date of making an entry on the transfer of title to such securities to MegaFon Finance LLC on the account of such nominee holder or until the date of receipt by the nominee holder of notice from the Registrar that such application has been withdrawn, the securityholder may not dispose of such Shares, including by pledge or any other encumbrance, which restriction must be recorded by the nominee holder on the account on which the Shares of such securityholder are held without the latter's instruction (order).

### *Contact details*

Please provide your contact details in the Application, including telephone number and, if available, an email address. This will allow MegaFon Finance LLC to get in touch with you promptly should any questions arise in connection with your Application or payment for the Shares, including where certain information indicated in your Application is insufficient or where payment cannot be effected to your account.

## **II. Receipt of cash funds in payment for the Shares**

If you timely submit the Application, payment for the purchased Shares will be made within 17 calendar days from the date of the expiration of the period for acceptance of the Mandatory Tender Offer as follows:

– payment for the Shares purchased from the shareholders registered in the shareholders' register of PJSC MegaFon will be made by wire transfer of cash funds to their bank accounts kept by the Registrar;

– payment for the Shares purchased from the shareholders that are not registered in the shareholders' register of PJSC MegaFon will be made by wire transfer of cash funds to the bank account of the nominee holder of such Shares registered in the shareholders' register of PJSC MegaFon. Pursuant to Article 84.3, para. 7.2 of the JSC Law, the nominee holder registered in the shareholders' register of PJSC MegaFon shall pay the cash funds to its deponents (securities account holders) by wire transfer to their bank accounts no later than on the business day following the date of the order of the nominee holder pursuant to which the Registrar records the transfer of title to the acquired Shares to MegaFon Finance LLC. The nominee holder who is not registered in the shareholders' register of PJSC MegaFon shall pay the cash funds to its deponents (securities account holders) by wire transfer to their bank accounts no later than on the business day following the date the funds are deposited to the account and information is received on the number of Shares so sold from the depository through which its Shares are held.

MegaFon Finance LLC will not be responsible for inability to transfer cash funds to the bank account of any shareholder/nominee holder by the deadline specified in the Mandatory Tender Offer due to failure to provide or provision of incomplete, inaccurate or insufficient bank account details by such shareholder/nominee holder to the Registrar for transfer of the cash funds in payment for the Shares.

**To update their details (including bank account details), we recommend that the shareholders contact the Registrar (submit a questionnaire of a registered person) or their respective nominee holder, if applicable.**

Please note that according to the current legislation MegaFon Finance LLC does not act as a tax agent on the payment of income in relation to sale Shares. Please consult with the professional tax advisors on the amount and the procedure of respective tax payment.

### **III. Transfer of title to the Shares to MegaFon Finance LLC**

The Shares to be transferred must be free and clear of any rights of third parties, i.e., to not be pledged, in dispute, seized, etc.

#### ***Transfer of title to the Shares sold by securityholders registered in the shareholders' register of the Company***

No order of securityholder registered in the shareholders' register of the Company is required by the Registrar to record the transfer of title to the acquired Shares to MegaFon Finance LLC.

#### ***Transfer of title to the Shares sold by securityholders that are not registered in the shareholders' register of the Company***

Pursuant to Article 84.3, para. 7.2 of the JSC Law, to transfer the Shares to the personal account of MegaFon Finance LLC in the register of holders of registered securities of PJSC MegaFon maintained by the Registrar, the nominee holder registered in the shareholders' register of PJSC MegaFon shall provide an order of the nominee holder for the withdrawal of the Shares from the personal account of such nominee holder and transfer of such Shares to the personal account of MegaFon Finance LLC pursuant to the requirements of the legislation of the Russian Federation and the regulations of the Bank of Russia.

#### **B. Queries with respect to the procedure for submitting the application to sell the securities pursuant to the Mandatory Tender Offer**

Any questions with respect to the procedure for the acceptance of the Mandatory Tender Offer can be addressed to the Registrar by e-mail: [MegafonTO@nrcreg.ru](mailto:MegafonTO@nrcreg.ru), or by telephone: 8-800-200-81-60.

#### **Annexes:**

- [1. The recommended form of an application to sell ordinary shares of Public Joint Stock Company "MegaFon"](#)**