

Approved by decision of the Board of Directors
of MegaFon PJSC dated April 22, 2019
(Minutes No. 306 (370) dated April 22, 2019)

RECOMMENDATIONS
of the Board of Directors of Public Joint Stock Company “MegaFon”
in respect of the squeeze-out request for the securities of Public Joint Stock Company “MegaFon”
received from “MegaFon Finance” LLC

On April 17 2019, Public Joint Stock Company “MegaFon” (the “**Company**”) received from “MegaFon Finance” LLC the squeeze-out request for the securities of the Company, specifically, ordinary registered uncertified shares of the Company, state registration number of issue 1-03-00822-J (the “**Shares**”), at a price of RUR 659.26 (six hundred fifty-nine rubles twenty-six kopecks) per one Share (“**Squeeze-Out Request**”).

Board of Directors of the Company has considered the Squeeze-Out Request received by the Company and has adopted the following recommendations:

1. The Squeeze-Out Request was received within the timeframe established by Federal Law dated December 26, 1995 No. 208-FZ “On Joint-Stock Companies” (amended and revised) (hereinafter referred to as the “**JSC Law**”), accompanied by the required documents and bearing stamp of the Bank of Russia confirming that the Squeeze-Out Request was filed with the Bank of Russia on April 1, 2019 pursuant to the requirements of Article 84.8 and 84.9 of the **JSC Law**.

The Squeeze-Out Request was accompanied by the report of the valuator № FAS/2019/64170 dated March 25, 2019 on the market price of one Share (executed by: Deloitte and Touche CIS JSC, valuator: Anton Vladimirovich Shulga) (hereinafter referred to as the **Valuator** and **Valuation Report**, respectively).

2. The squeeze-out price stated in the Squeeze-Out Request is RUR 659.26 (six hundred fifty-nine rubles twenty-six kopecks) per Share (hereinafter the **Squeeze-Out Price**) which corresponds with the price of Shares purchase as per the Mandatory Tender Offer where “MegaFon Finance” LLC became the owner of more than 95 percent of total number of Shares, including shares owned by “MegaFon Finance” LLC and its affiliates (hereinafter the **Mandatory Tender Offer**).

The Squeeze-Out Price was above the market price value of Shares estimated by the Valuator. Market price of one Share within 100% stock of Shares is RUR 642 (six hundred forty two) per one Share according to the Valuation Report.

The Squeeze-Out Price is also above the highest purchase price at which “MegaFon Finance” LLC and its affiliates purchased or refused to purchase Shares before the end of the period set forth in the Mandatory Tender Offer. According to the Squeeze-Out Request, the highest price for such transactions was RUR 642 (six hundred forty two) per one Share.

The Price stated in the Squeeze-Out Request corresponds with the terms set in item 4 of Article 84.8 of the JSC Law.

3. The date when the owners of the Shares subject to the Squeeze-out shall be determined (fixed) shall be June 3, 2019.

4. Owners of the Shares subject to the Squeeze-out registered in the register of the shareholders of the Company shall be entitled to send to the Company's registrar applications, which contain the details on their bank accounts where money for the Shares subject to the Squeeze-out have to be transferred. Such applications may be sent to the post addresses stated in the Squeeze-Out Request or personally submitted to the addresses stated in the Squeeze-Out Request. These applications are considered to be sent in due time if they would be received by the Company's registrar before the date on which the owners of the Shares subject to the Squeeze-out are to be determined (fixed) (June 3, 2019).
5. Pursuant to the JSC Law, "MegaFon Finance" LLC shall pay money for the Shares subject to the Squeeze-out by transferring it to the bank accounts of the owners of the above Shares, registered in the register of the shareholders of the Company, and nominal holders registered in the register of the shareholders of the Company in accordance with the information provided by the Company's registrar. In the absence of such information, "MegaFon Finance" LLC shall transfer money for the Shares subject to the Squeeze-out to the notarial deposit at the location of the Company as specified in the Squeeze-Out Request.

The Shareholders should carefully read and consider the terms and conditions of the Squeeze-Out Request and terms of Chapter XI, including Article 84.8 of the JSC Law.