

**Minutes of the Annual General Shareholders Meeting
of Public Joint Stock Company “MegaFon”
(hereinafter also referred to as the “Company”)**

Address of the Company: Moscow, Russian Federation.

Type of the general meeting: Annual General Shareholders Meeting of the Company.

Form of holding the Annual General Shareholders Meeting of the Company: meeting (joint presence of shareholders for discussion of items of the agenda and taking decisions on issues put to vote).

Date of holding the General Meeting of Shareholders: June 30, 2016.

Venue of the Annual General shareholders meeting: 115035 Russian Federation, Moscow, Kadashevskaya Embankment, 30.

Time of registration of persons entitled to participate in the Annual General Meeting of Shareholders of the Company: 11-00.

Address to which the shareholders forwarded the executed voting ballots: 121108, Russian Federation, Moscow, Ivana Franko street, 8, Office of Independent Registrar Company JSC.

Deadline for acceptance of the executed voting ballots: June 27, 2016.

Starting time of the Annual General Meeting of Shareholders of the Company: 12-00.

End time of registration: 12-30.

Starting time for counting of votes: 12-45.

Closing time of the Annual General Meeting of Shareholders of the Company: 13-30.

List of persons entitled to participate in the Annual General Meeting of Shareholders was drawn according to the shareholders register of the Company as of May 11, 2016.

The total number of votes held by the Shareholders with voting shares of the Company according to the shareholders register as of May 11, 2016: 620 000 000 votes.

The Annual General Shareholders Meeting of the Company has the quorum. The Annual General Shareholders Meeting has the authority to pass resolutions on all items of the Agenda.

Chairman of the Annual General Shareholders Meeting: V.Ya. Streshinsky.

Secretary of the Annual General Shareholders Meeting: E.L. Breeva.

In the Minutes of the Annual General Shareholders Meeting of Public Joint Stock Company “MegaFon” the following term shall be used: Provisions - Provisions on additional requirements to the procedure of preparation, convocation and holding the General Shareholders Meeting, approved by the Order of FSFR of Russia dd. 02.02.2012. №12-6/ПЗ-Н.

Agenda:

1. Approval of 2015 Annual Report of the Company.
2. Approval of 2015 Annual Accounting (Financial) Statements of the Company.
3. Distribution of profit, including payment (declaration) of dividends, and losses of the Company based on 2015 Financial Year results.
4. Payment (declaration) of dividends based on Q1 2016 results.

5. Election of the Board of Directors of the Company.
6. Election of the Company's Chief Executive Officer.
7. Approval of the number of seats in the Management Board of the Company and election of the Management Board of the Company.
8. Approval of the Company's Auditor.
9. Election of the Revision Commission of the Company.

The floor was taken by the Company's Corporate Secretary, Breeva E.L., who presented information on all the Agenda items of the Annual General Shareholders meeting of the Company.

On Item 1 of the Agenda:

Draft resolution:

Approve the 2015 Annual Report of the Company.

Results of the voting on item 1 of the agenda of the Annual General Shareholders Meeting:

| | |
|--|-------------|
| The number of votes on this item held by the persons included in the list of persons entitled to participate in the General Shareholders Meeting (owners of outstanding voting shares) | 620 000 000 |
| The number of votes assigned to the voting shares of the Company, calculated with consideration of item 4.20 of the Provisions | 620 000 000 |
| The number of votes on this item held by the persons who actually participated in the Meeting | 571 734 597 |
| QUORUM on this item is PRESENT (%) | 92.2152% |

| Voting options | Number of votes for each voting option | % of actual participants of the meeting |
|--|--|---|
| "IN FAVOR" | 571 592 626 | 99.9751 |
| "AGAINST" | 1 625 | 0.0003 |
| "ABSTAINED" | 129 804 | 0.0227 |
| Number of votes that were not counted due to be deemed as invalid or due to other reasons stipulated by the Provisions | | |
| "Not voted" | 8 442 | 0.0015 |
| "Not valid" | 2 100 | 0.0004 |
| TOTAL: | 571 734 597 | 100.0000 |

Resolution on Item 1 of the Agenda of the Annual General Shareholders Meeting of the Company was ADOPTED.

Adopted resolution:

Approve the 2015 Annual Report of the Company (Attachment No. 1).

On Item 2 of the Agenda:

Draft resolution:

Approve 2015 Annual Accounting (Financial) Statements of the Company.

Results of the voting on item 2 of the agenda of the Annual General Shareholders Meeting:

| | |
|--|-------------|
| The number of votes on this item held by the persons included in the list of persons entitled to participate in the General Shareholders Meeting (owners of outstanding voting shares) | 620 000 000 |
|--|-------------|

| | |
|--|-------------|
| The number of votes assigned to the voting shares of the Company, calculated with consideration of item 4.20 of the Provisions | 620 000 000 |
| The number of votes on this item held by the persons who actually participated in the Meeting | 571 734 597 |
| QUORUM on this item is PRESENT (%) | 92.2152% |

| Voting options | Number of votes for each voting option | % of actual participants of the meeting |
|--|--|---|
| "IN FAVOR" | 571 592 436 | 99.9751 |
| "AGAINST" | 1 625 | 0.0003 |
| "ABSTAINED" | 129 844 | 0.0227 |
| Number of votes that were not counted due to be deemed as invalid or due to other reasons stipulated by the Provisions | | |
| "Not voted" | 8 442 | 0.0015 |
| "Not valid" | 2 250 | 0.0004 |
| TOTAL: | 571 734 597 | 100.0000 |

Resolution on Item 2 of the Agenda of the Annual General Shareholders Meeting of the Company was ADOPTED.

Adopted resolution:

Approve 2015 Annual Accounting (Financial) Statements of the Company (Attachment No.2).

On Item 3 of the Agenda:

Draft resolution:

1. Determine the amount of dividend for shares, form and procedures for its payment as follows:

- forward the Company's net income earned in 2015 financial year in the amount of 29 995 600 000 RUR for payment of dividend;
- determine dividend for ordinary shares of the Company based on 2015 financial year performance in the amount of 48,38 RUR per one ordinary share, pay dividend in money terms, in RUR.

2. Determine July "11", 2016 as the date to define the people entitled to receive the dividends on the common registered shares of the Company as of 2015 financial year results.

Results of the voting on item 3 of the agenda of the Annual General Shareholders Meeting:

| | |
|--|-------------|
| The number of votes on this item held by the persons included in the list of persons entitled to participate in the General Shareholders Meeting (owners of outstanding voting shares) | 620 000 000 |
| The number of votes assigned to the voting shares of the Company, calculated with consideration of item 4.20 of the Provisions | 620 000 000 |
| The number of votes on this item held by the persons who actually participated in the Meeting | 571 734 597 |
| QUORUM on this item is PRESENT (%) | 92.2152% |

| Voting options | Number of votes for each voting option | % of actual participants of the meeting |
|--|--|---|
| "IN FAVOR" | 571 651 518 | 99.985468 |
| "AGAINST" | 10 | 0.000002 |
| "ABSTAINED" | 72 507 | 0.012682 |
| Number of votes that were not counted due to be deemed as invalid or due to other reasons stipulated by the Provisions | | |
| "Not voted" | 8 442 | 0.001477 |
| "Not valid" | 2 120 | 0.000371 |
| TOTAL: | 571 734 597 | 100.000000 |

Resolution on Item 3 of the Agenda of the Annual General Shareholders Meeting of the Company was ADOPTED.

Adopted resolution:

1. Determine the amount of dividend for shares, form and procedures for its payment as follows:

- forward the Company's net income earned in 2015 financial year in the amount of 29 995 600 000 RUR for payment of dividend;
- determine dividend for ordinary shares of the Company based on 2015 financial year performance in the amount of 48,38 RUR per one ordinary share, pay dividend in money terms, in RUR.

2. Determine July "11", 2016 as the date to define the people entitled to receive the dividends on the common registered shares of the Company as of 2015 financial year results.

On Item 4 of the Agenda:

Draft resolution:

1. Determine the amount of dividend for shares, form and procedures for its payment as follows:

- forward the Company's net income earned in Q1 2016 financial year in the amount of 4 997 200 000 RUR for payment of dividend;
- determine dividend for ordinary shares of the Company based on Q1 2016 financial year performance in the amount of 8,06 RUR per one ordinary share, pay dividend in money terms, in RUR.

2. Determine July "11", 2016 as the date to define the people entitled to receive the dividends on the common registered shares of the Company as of Q1 2016 financial year results.

Results of the voting on item 4 of the agenda of the Annual General Shareholders Meeting:

| | |
|--|-------------|
| The number of votes on this item held by the persons included in the list of persons entitled to participate in the General Shareholders Meeting (owners of outstanding voting shares) | 620 000 000 |
| The number of votes assigned to the voting shares of the Company, calculated with consideration of item 4.20 of the Provisions | 620 000 000 |
| The number of votes on this item held by the persons who actually participated in the Meeting | 571 734 597 |
| QUORUM on this item is PRESENT (%) | 92.2152% |

| Voting options | Number of votes for each voting option | % of actual participants of the meeting |
|--|--|---|
| "IN FAVOR" | 571 650 788 | 99.985341 |
| "AGAINST" | 10 | 0.000002 |
| "ABSTAINED" | 72 507 | 0.012682 |
| Number of votes that were not counted due to be deemed as invalid or due to other reasons stipulated by the Provisions | | |
| "Not voted" | 8 442 | 0.001477 |
| "Not valid" | 2 850 | 0.000498 |
| TOTAL: | 571 734 597 | 100.000000 |

Resolution on Item 4 of the Agenda of the Annual General Shareholders Meeting of the Company was ADOPTED.

Adopted resolution:

1. Determine the amount of dividend for shares, form and procedures for its payment as follows:

- forward the Company's net income earned in Q1 2016 financial year in the amount of 4 997 200 000 RUR for payment of dividend;
- determine dividend for ordinary shares of the Company based on Q1 2016 financial year performance in the amount of 8,06 RUR per one ordinary share, pay dividend in money terms, in RUR.

2. Determine July "11", 2016 as the date to define the people entitled to receive the dividends on the common registered shares of the Company as of Q1 2016 financial year results.

On Item 5 of the Agenda:

Draft resolution:

Elect the Board of Directors of the Company in the following composition:

1. R.W. Andersson
2. G. J. M. Bengtsson
3. N. B. Krylov
4. S.A. Kulikov
5. L.P. Myners
6. C.P.C. Luiga
7. P.E. Nilsson
8. J.E. Rudberg
9. S. V. Soldatenkov
10. I.M. Stenmark
11. V. Ya. Streshinsky

Results of the voting on item 5 of the agenda of the Annual General Shareholders Meeting:

| | |
|--|---------------|
| The number of votes on this item held by the persons included in the list of persons entitled to participate in the General Shareholders Meeting (owners of outstanding voting shares) | 4 340 000 000 |
| The number of votes assigned to the voting shares of the Company, calculated with consideration of item 4.20 of the Provisions | 4 340 000 000 |
| The number of votes on this item held by the persons who actually participated in the Meeting | 4 002 141 761 |
| QUORUM on this item is PRESENT (%) | 92.2152% |

| Item № | Name of candidate | Number of votes for cumulative voting |
|--|--------------------------------|---------------------------------------|
| " IN FAVOR ", distribution of votes by candidates | | |
| 1 | S.A. Kulikov | 729 904 402 |
| 2 | L.P. Myners | 715 409 213 |
| 3 | N. B. Krylov | 638 552 126 |
| 4 | V. Ya. Streshinsky | 636 488 583 |
| 5 | C.P.C. Luiga | 545 370 256 |
| 6 | I.M. Stenmark | 544 706 414 |
| 7 | J.E. Rudberg | 178 494 331 |
| 8 | S. V. Soldatenkov | 3 479 729 |
| 9 | P.E. Nilsson | 3 289 281 |
| 10 | R.W. Andersson | 2 799 219 |
| 11 | G. J. M. Bengtsson | 2 798 959 |
| | "Against" all candidates | 33 922 |
| | "Abstained" for all candidates | 611 236 |
| Number of votes that were not counted due to be deemed as invalid or due to other reasons stipulated by the Provisions | | |
| | "Not voted" | 64 188 |
| | "Not valid" | 139 902 |
| | TOTAL: | 4 002 141 761 |

Resolution on Item 5 of the Agenda of the Annual General Shareholders Meeting of the Company was ADOPTED.

Adopted resolution:

Elect the Board of Directors of the Company as follows:

1. S. A. Kulikov;
2. L. P. Myners;
3. N. B. Krylov;
4. V. Ya. Streshinsky;
5. C. P. C. Luiga;
6. I. M. Stenmark;
7. J. E. Rudberg.

On Item 6 of the Agenda:

Draft resolution:

1. Early terminate the powers of the Company's Chief Executive Officer Mr. Ivan Vladimirovich Tavrín.
2. Elect Soldatenkov Sergey Vladimirovich as the Company's Chief Executive Officer till the date of the Annual General Shareholders Meeting in 2019 (including this date).

Results of the voting on item 6 of the agenda of the Annual General Shareholders Meeting:

| | |
|--|-------------|
| The number of votes on this item held by the persons included in the list of persons entitled to participate in the General Shareholders Meeting (owners of outstanding voting shares) | 620 000 000 |
| The number of votes assigned to the voting shares of the Company, calculated with consideration of item 4.20 of the Provisions | 620 000 000 |
| The number of votes on this item held by the persons who actually participated in the Meeting | 571 734 597 |
| QUORUM on this item is PRESENT (%) | 92.2152% |

| Voting options | Number of votes for each voting option | % of actual participants of the meeting |
|--|--|---|
| "IN FAVOR" | 571 645 557 | 99.9844 |
| "AGAINST" | 4 821 | 0.0009 |
| "ABSTAINED" | 73 227 | 0.0128 |
| Number of votes that were not counted due to be deemed as invalid or due to other reasons stipulated by the Provisions | | |
| "Not voted" | 8 442 | 0.0015 |
| "Not valid" | 2 550 | 0.0004 |
| TOTAL: | 571 734 597 | 100.0000 |

Resolution on Item 6 of the Agenda of the Annual General Shareholders Meeting of the Company was ADOPTED.

Adopted resolution:

1. Early terminate the powers of the Company's Chief Executive Officer Mr. Ivan Vladimirovich Tavrín.
2. Elect Soldatenkov Sergey Vladimirovich as the Company's Chief Executive Officer till the date of the Annual General Shareholders Meeting in 2019 (including this date).

On Item 7 of the Agenda:

Draft resolution:

Approve the number of seats in the Management Board of the Company (19 persons) and elect the Management Board of the Company in the following composition:

1. Soldatenkov Sergey Vladimirovich;
2. Bashmakov Alexander Vladimirovich;
3. Velichko Valery Leonidovich;
4. Vermishyan Gevork Arutyunovich;
5. Wolfson Vlad;
6. Karpushkin Vladimir Viktorovich;
7. Kononov Dmitry;
8. Korchagin Pavel Viktorovich;
9. Kukhalsky Jan Ivanovich;
10. Levykin Andrey Borisovich;
11. Likhova Irina Borisovna;
12. Likhodedov Konstantin Mikhailovich;
13. Molotkov Mikhail Ivanovich;
14. Semenov Alexei Borisovich;
15. Serebryanikova Anna Andreevna;
16. Sobolev Aleksandr Andreevich;
17. Tyutin Aleksey Leonidovich;
18. Chermashentsev Evgeniy Nikolaevich;
19. Shishkovskiy Andrey Yurievich.

Results of the voting on item 7 of the agenda of the Annual General Shareholders Meeting:

| | |
|--|-------------|
| The number of votes on this item held by the persons included in the list of persons entitled to participate in the General Shareholders Meeting (owners of outstanding voting shares) | 620 000 000 |
| The number of votes assigned to the voting shares of the Company, calculated with consideration of item 4.20 of the Provisions | 620 000 000 |
| The number of votes on this item held by the persons who actually participated in the Meeting | 571 734 597 |
| QUORUM on this item is PRESENT (%) | 92.2152% |

| Voting options | Number of votes for each voting option | % of actual participants of the meeting |
|--|--|---|
| "IN FAVOR" | 571 644 277 | 99.9842 |
| "AGAINST" | 5 381 | 0.0009 |
| "ABSTAINED" | 74 187 | 0.0130 |
| Number of votes that were not counted due to be deemed as invalid or due to other reasons stipulated by the Provisions | | |
| "Not voted" | 8 442 | 0.0015 |
| "Not valid" | 2 310 | 0.0004 |
| TOTAL: | 571 734 597 | 100.0000 |

Resolution on Item 7 of the Agenda of the Annual General Shareholders Meeting of the Company was ADOPTED.

Adopted resolution:

Approve the number of seats in the Management Board of the Company (19 persons) and elect the Management Board of the Company in the following composition:

1. Soldatenkov Sergey Vladimirovich;
2. Bashmakov Alexander Vladimirovich;
3. Velichko Valery Leonidovich;
4. Vermishyan Gevork Arutyunovich;

5. Wolfson Vlad;
6. Karpushkin Vladimir Viktorovich;
7. Kononov Dmitry;
8. Korchagin Pavel Viktorovich;
9. Kukhalsky Jan Ivanovich;
10. Levykin Andrey Borisovich;
11. Likhova Irina Borisovna;
12. Likhodedov Konstantin Mikhailovich;
13. Molotkov Mikhail Ivanovich;
14. Semenov Alexei Borisovich;
15. Serebryanikova Anna Andreevna;
16. Sobolev Aleksandr Andreevich;
17. Tyutin Aleksey Leonidovich;
18. Chermashentsev Evgeniy Nikolaevich;
19. Shishkovskiy Andrey Yurievich.

On Item 8 of the Agenda:

Draft resolution:

Approve KPMG JSC as the Company's Auditor.

Results of the voting on item 8 of the agenda of the Annual General Shareholders Meeting:

| | |
|--|-------------|
| The number of votes on this item held by the persons included in the list of persons entitled to participate in the General Shareholders Meeting (owners of outstanding voting shares) | 620 000 000 |
| The number of votes assigned to the voting shares of the Company, calculated with consideration of item 4.20 of the Provisions | 620 000 000 |
| The number of votes on this item held by the persons who actually participated in the Meeting | 571 734 597 |
| QUORUM on this item is PRESENT (%) | 92.2152% |

| Voting options | Number of votes for each voting option | % of actual participants of the meeting |
|--|--|---|
| "IN FAVOR" | 571 448 140 | 99.9499 |
| "AGAINST" | 193 546 | 0.0339 |
| "ABSTAINED" | 82 119 | 0.0143 |
| Number of votes that were not counted due to be deemed as invalid or due to other reasons stipulated by the Provisions | | |
| "Not voted" | 8 442 | 0.0015 |
| "Not valid" | 2 350 | 0.0004 |
| TOTAL: | 571 734 597 | 100.0000 |

Resolution on Item 8 of the Agenda of the Annual General Shareholders Meeting of the Company was ADOPTED.

Adopted resolution:

Approve KPMG JSC as the Company's Auditor.

On Item 9 of the Agenda:

Draft resolution:

Elect the Revision Commission of the Company in the following composition:

1. Zheimo Yuri Antonovich;
2. Kaplun Pavel Sergeevich;
3. Haavisto Sami Petteri.

Results of the voting on item 9 of the agenda of the Annual General Shareholders Meeting:

| | |
|--|-------------|
| The number of votes on this item held by the persons included in the list of persons entitled to participate in the General Shareholders Meeting (owners of outstanding voting shares) | 620 000 000 |
| The number of votes assigned to the voting shares of the Company, calculated with consideration of item 4.20 of the Provisions | 619 994 000 |
| The number of votes on this item held by the persons who actually participated in the Meeting | 571 734 181 |
| QUORUM on this item is PRESENT (%) | 92.2160% |

| Voting options | Number of votes for each voting option | % of actual participants of the meeting |
|--|--|---|
| "IN FAVOR" | 571 227 828 | 99.9115 |
| "AGAINST" | 416 404 | 0.0728 |
| "ABSTAINED" | 79 097 | 0.0138 |
| Number of votes that were not counted due to be deemed as invalid or due to other reasons stipulated by the Provisions | | |
| "Not voted" | 10 102 | 0.0018 |
| "Not valid" | 750 | 0.0001 |
| TOTAL: | 571 734 181 | 100.0000 |

Resolution on Item 9 of the Agenda of the Annual General Shareholders Meeting of the Company was ADOPTED.

Adopted resolution:

Elect the Revision Commission of the Company in the following composition:

1. Haavisto Sami Petteri;
2. Zheimo Yuri Antonovich;
2. Kaplun Pavel Sergeevich;

The Minutes of the Annual General Shareholders Meeting were made on: June 30, 2016.

Attachments:

1. Annual Report of the Company for 2015.
2. Annual Accounting Statements for 2015.
3. Minutes confirming the results of voting at the Annual General Shareholders Meeting of the Company.

Chairman of the Annual General Shareholders Meeting _____ /V. Ya. Streshinsky/

Secretary of the Annual General Shareholders Meeting _____ /E.L. Breeva/