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**NOTICE OF EXTRAORDINARY GENERAL SHAREHOLDERS MEETING
PUBLIC JOINT-STOCK COMPANY "MEGAFON"
RUSSIAN FEDERATION, MOSCOW**

Dear Shareholder,

Notice is hereby given that the Board of Directors (hereinafter, the "Board") of Public Joint Stock Company "MegaFon" (hereinafter, MegaFon PJSC or the "Company") has convened an Extraordinary General Meeting of Shareholders (hereinafter, the "Meeting") to make decisions on the following items on the Agenda:

1. On reorganization of Public Joint-Stock Company "MegaFon" in the form of spin-off of Joint-Stock Company "First Tower Company" (JSC "FTC").
2. On reorganization of Public Joint-Stock Company "MegaFon" in the form of merger with Joint-Stock Company "Mobicom Volga" (JSC "Mobicom Volga") and Joint-Stock Company "Yaroslavl-GSM" ("Yaroslavl-GSM"), 100% shares of which are owned by MegaFon PJSC and on approval of the Merger agreement.
3. Approval of interrelated related party transactions: Agreements on lease and/or use of telecom facilities (parts of telecom facilities) and other property (its parts) between MegaFon PJSC (Customer) and FTC JSC (Contractor).

Date of the Extraordinary General Shareholders Meeting (Deadline of acceptance of the voting ballots): 16.09.2016.

Address for returning of the executed voting ballots: 121108, Russian Federation, Moscow, Ivana Franko street, 8, Independent Registrar Company JSC.

Date to determine (fix) the persons entitled to participate in the Meeting of the Company: 15.08.2016.

The shareholder shall be entitled to participate in the meeting via forwarding the voting ballot duly executed by him or his representative.

Categories (types) of the shares the owners of which shall be entitled to vote on all or several Agenda items: ordinary registered uncertified shares.

Information/Materials for Meeting:

The Company's Board of Directors approved the following information (materials) to be available to shareholders prior to the Meeting:

1. Notice on convocation of the Extraordinary General Shareholders Meeting, including the procedures for distribution of information (materials) to be submitted to the Shareholders during preparation for the Extraordinary General Shareholders Meeting of the Company.
2. Voting ballot for voting at the Extraordinary General Shareholders Meeting of the Company.
3. Justification of conditions and procedure of reorganization of MegaFon PJSC in form of spin-off of JSC FTC.
4. Justification of conditions and procedure of reorganization of MegaFon PJSC in form of merger with JSC Mobicom Volga and JSC Yaroslavl GSM.
5. Draft decision on spin-off of JSC FTC.
6. Draft of transfer certificate under the spin-off of FTC JSC.
7. Draft of the merger agreement with Mobicom Volga JSC and Yaroslavl GSM JSC.
8. Draft of the Charter of FTC JSC established as a result of reorganization of MegaFon PJSC in form of spin-off of FTC JSC.

9. Annual reports and Annual accounting statements of MegaFon PJSC, Mobicom Volga JSC and Yaroslavl GSM JSC for three years prior to the date of the Extraordinary Shareholders Meeting of the Company (2013, 2014, 2015).
10. Quarterly accounting statements of MegaFon PJSC, Mobicom Volga JSC and Yaroslavl GSM JSC for Q2, 2016.
11. Report of the independent appraiser on the market value of shares of MegaFon PJSC which may be requested to be redeemed by the Company.
12. Calculation of value of net assets of MegaFon PJSC according to accounting statements as of 30.06.2016.
13. Extract from minutes of the meeting of the Board of Directors of the Company where shares redemption price was determined, including share redemption price.
14. Information on the candidate nominated to the position of the General Director of the FTC JSC and information regarding availability or absence of written consent from the nominated candidate.
15. Information on the candidate nominated to the position of the Auditor of the FTC JSC and information regarding availability or absence of written consent from the nominated candidate.
16. Extract from minutes of the meeting of the Board of Directors of the Company where the price of property (services) under the interrelated agreements on lease and/or use of telecom facilities (parts of telecom facilities) and other property (its parts) between MegaFon PJSC (Customer) and FTC JSC (Contractor) was determined.

The foregoing information (materials) will be available from August 16, 2016 on the Company's website at: http://corp.megafon.com/investors/shareholder_meetings/extraordinary_general_shareholder/#2016 and will also be available at the Meeting.

Also the information (materials) will be available upon request for examination at the Company's office: 30 Kadashevskaya Embankment, 115035, Moscow, Russian Federation. Payment taken by the Company for such copies may not exceed the cost for their production.

Based on the decision of the Board of Directors (Minutes 243 (307) dated 26.07.2016) on convocation of the Extraordinary General Shareholders Meeting of the Public Joint Stock Company "MegaFon", with the Agenda including the issues: "On reorganization of "MegaFon" PJSC in the form of spin-off of JSC FTC"; "On reorganization of MegaFon PJSC in the form of merger with JSC Mobicom Volga and JSC Yaroslavl GSM, 100% shares of which are owned by MegaFon PJSC and on approval of the Merger agreement; "Approval of interrelated related party transactions: Agreements on lease and/or use of telecom facilities (parts of telecom facilities) and other property (its parts) between MegaFon PJSC (Customer) and FTC JSC (Contractor)" please be informed on shareholder's right to request redemption of shares of "MegaFon" PJSC owned by such shareholder, on the redemption price and procedures for redemption.

Shareholder - owner of voting shares of the Company shall be entitled to request redemption of all or portion of shares of "MegaFon" PJSC owned by such shareholder in case such shareholder votes against under the items "On reorganization of "MegaFon" PJSC in the form of spin-off of JSC FTC"; "On reorganization of MegaFon PJSC in form of merger with JSC Mobicom Volga and JSC Yaroslavl GSM, 100% shares of which are owned by MegaFon PJSC and on approval of the Merger agreement; "Approval of interrelated related party transactions: Agreements on lease and/or use of telecom facilities (parts of telecom facilities) and other property (its parts) between MegaFon PJSC (Customer) and FTC JSC (Contractor)" or does not participate in voting under the above Agenda items.

The price of one ordinary registered share to be redeemed at the shareholder's request based on the evaluation by the independent appraiser was determined by the Board of Directors of the Company (Minutes No. 243 (307) dated 26.07.2016) in the amount of 557 RUR.

The shareholder's request on redemption by "MegaFon" PJSC of shares owned by this shareholder must be submitted to the Company within 45 (Forty Five) days after the date of the approval of the following issues by the General Shareholders Meeting: "On reorganization of "MegaFon" PJSC in the form of spin-off of JSC FTC"; "On reorganization of MegaFon PJSC in the form of merger with JSC Mobicom Volga and JSC Yaroslavl GSM, 100% shares of which are owned by MegaFon PJSC and on approval of the Merger agreement; "Approval of interrelated related party transactions: Agreements on lease and/or use of telecom facilities (parts of telecom facilities) and other property (its parts) between MegaFon PJSC (Customer) and FTC JSC (Contractor)".

The request shall include the following data (request form – Attachment No. 1 hereto):

1. Full Name of shareholder;
2. Place of residence (location) of shareholder;
3. Quantity, category (type) and state registration number of shares issue, requested for redemption by the shareholder;
4. Passport details of shareholder – private individual;
5. Shareholder's OGRN number – legal entity if this shareholder is a resident or the information on the body that registered the foreign company, registration number, date and place of registration of shareholder - legal entity if this shareholder is non-resident
6. Signature of a shareholder - private individual or its authorized representative; signature of an authorized representative of shareholder - private individual and stamp of shareholder – legal entity (in case available);

The request shall be bindingly signed by the shareholder or by his authorized representative. In case the request is signed on behalf of the shareholder's authorized representative, the duly executed power of attorney or other document confirming the appropriate authority of the person signing the request on behalf of the shareholder must be attached to the above.

The request presented by a shareholder - legal entity shall be sealed by the legal entity (in case available) and signed by an authorized person.

The requests that have not been signed by the shareholder or by a duly authorized representative of the shareholder, as well as the requests which are not accompanied by documents confirming the right of the person signing the request to sign the above on behalf of the shareholder, will not be accepted.

The request for the redemption of shares of the shareholder registered in the register of shareholders, or recall of such request shall be presented to the Company's Registrar (Independent Registrar Company JSC) by sending by post or delivery by hand of the appropriate document in writing following the address of the Registrar of the Company indicated in the Unified State Register of Legal Entities as well as following the address of any of the Registrar's branches.

The address of the Company's Registrar (Independent Registrar Company JSC) indicated in the Unified State Register of Legal Entities for the moment of forwarding the present notice shall be: 121108, Russian Federation, Moscow, Ivana Franko street, 8. The list of Registrar branches is available at the web page of Independent Registrar Company JSC <http://nrcreg.ru/>.

In case redeemable shares are accounted on the depo account in the depository (nominal holder), the indications (instruction) to exercise the right to request the shares redemption or recall of such request shall be presented to respective depository (nominal holder).

Since the date, when the Company's Registrar receives a request on shares buy-out from a shareholder registered in the Company's register and till the date when an entry is made in the Company's register on transfer of ownership right for the buy-out shares to the Company, or till the date when a revocation of such request is received from such shareholder, the shareholder shall not have any right to dispose of the shares that are put for buy-out, including their pledge or any other encumbrance, and the Registrar, without any instructions from the shareholder, shall make an entry about imposing such restriction on the account that is used to record the rights of the shareholder who presented such request.

Since the date when a nominal holder of shares receives from a shareholder instruction on execution of the right to request shares buy-out and till the date when an entry is made on the account of such nominal holder about transfer of such shares right to the Company, or when the nominal holder receives information that the Company's Registrar received the shareholder's revocation of the request, the shareholder shall not have any right to dispose of the shares that are put for buy-out, including their pledge or any other encumbrance, and the nominal holder, without any instructions from the shareholder, shall make an entry about imposing such restriction on the account that is used to record the rights of the shareholder who presented such request.

Shareholder shall revoke a request on shares buy-out according to the procedure that is similar to the procedure used to make a buy-out request. The format of shareholder's request revocation is set forth in Attachment No.2 to this Notice. Request on shares buy-out may be revoked only in respect to all shares of the Company that were put for buy-out. Shareholder's request on shares buy-out or its revocation shall be deemed to be presented to the Company on the date when it is received by the Company's Registrar from the shareholder who is registered in the Company's Register, or on the date when the Company's Registrar receives communication from a nominal holder of shares who is registered in the Company's Shareholder Register about expression of will by such shareholder.

Upon expiration of 45-day period, MegaFon PJSC must redeem the shares from the shareholder, who put the buy-out request, within 30 (Thirty) days.

Total amount of money used by the Company for shares buy-out may not exceed 10 (Ten) percent of the value of the Company's net assets on the date of the resolution that caused occurrence of shareholders' right for mandatory buy-out of their shares by the Company. If the total number of shares, in relation to which buy-out requests were put, exceeds the number of shares that may be redeemed by the Company assuming the imposed limits, the shares shall be redeemed in proportion to the presented requests.



Corporate Secretary

E.L. Breeva

Attachment No.1 to the Notice of
General Shareholders Meeting of the Company

To the Public Joint Stock Company MegaFon

From _____ (Full name, full name of legal entity)

_____ (ID\OGRN)

_____ Place of residence (location and address of legal entity)

REQUEST FOR REDEMPTION OF SHARES

Subject to the provisions of the Articles 75-76 of the Federal Law "On Joint Stock Companies" and due to the resolution taken on 16.09.2016 by the General Shareholders Meeting of the Company on _____, I hereby request redemption according to the existing law of _____ registered uncertified shares of MegaFon PJSC (the Company) in my ownership, state registration issue number 1-03-00822-J, at the price of 557 (Five Hundred Fifty Seven) RUR per one share.

In case this request cannot be satisfied fully due to limitations provided in Clause 5 of the Article 76 of the Federal Law "On Joint Stock Companies", I hereby request to redeem the number of shares allowed for redemption as per Clause 5 of the Article 76 of the Federal Law "On Joint Stock Companies".

I hereby guarantee that share specified in this request belong to me by the right of ownership which is not disputed, shares are not seized, pledged or in trust by any third parties.

From the time when this request is submitted until time of record made in the Company's shareholders register on transfer of ownership rights for such shares to the Company or until the time of recall of the request I shall not make any transactions with third parties related to disposal or encumbrance of shares that are subject to redemption.

I hereby guarantee that I had obtained the consent of my lawful spouse to sell shares to the Company on the terms specified in this request and in the Notice of the Company on the right of redemption of the shares by the Company (note – only for shareholders – private individuals).

I hereby guarantee that shares shall be transferred as per the provisions of the constituent documents, applicable law and that all the approvals, consents and clearances have been obtained (including the corporate approvals) required for transfer of shares as per the applicable law (note – only for shareholders – private individuals).

Signature date of the Request: _____
Tel: _____ e-mail: _____
Contact: _____

(signature)

(Full name of private individual **/ Full name and position of the person who signed the request of behalf of the legal entity)

Stamp here (for legal entities)

Power of attorney dated “_” _____ 2016 No. _____ (for representative).

In case the request is signed by the representative on the basis of the power of attorney, the request shall be accompanied by the referred power of attorney (its duly exercised copy).

Attachment No.2 to the Notice of
General Shareholders Meeting of the Company

To the Public Joint Stock Company MegFon

From _____ (Full name, full name of legal entity)

_____ (ID\OGRN)

_____ Place of residence (location and address of legal entity)

RECALL OF SHAHOLDERS' REQUEST FOR REDEMPTION OF SHARES IN HIS/HER OWNERSHIP BY THE COMPANY

On 19.09.2016, Extraordinary General Shareholders Meeting of MegaFon PJSC (hereinafter the Company) took the following resolutions _____.

On _____ 2016, as per Clause 1 of the Article 75 of the Federal Law "On Joint Stock Companies", I requested for redemption of shares in my ownership by the Company at the price and as per the procedure provided in Notice on the Annual General Shareholders Meeting of the Company.

In accordance with Clause 3 of the Article 76 of the Federal Law "On Joint Stock Companies", I recall the request for redemption of the following number of shares of the Company in my ownership:

_____ (_____)
in words

ordinary shares, issue registration number 1-03-00822-J at the price and as per the procedure provided in Notice on the Annual General Shareholders Meeting of the Company

Signature date of the Recall : _____
Tel: _____ e-mail: _____
Contact: _____

(signature) _____
(Full name of private individual **/ Full name and position of the person who signed
the request of behalf of the legal entity)
Stamp here (for legal entities)

Power of attorney dated " __ " _____ 2016 No. _____ (for representative).

In case the request is signed by the representative on the basis of the power of attorney, the request shall be accompanied by the referred power of attorney (its duly exercised copy).