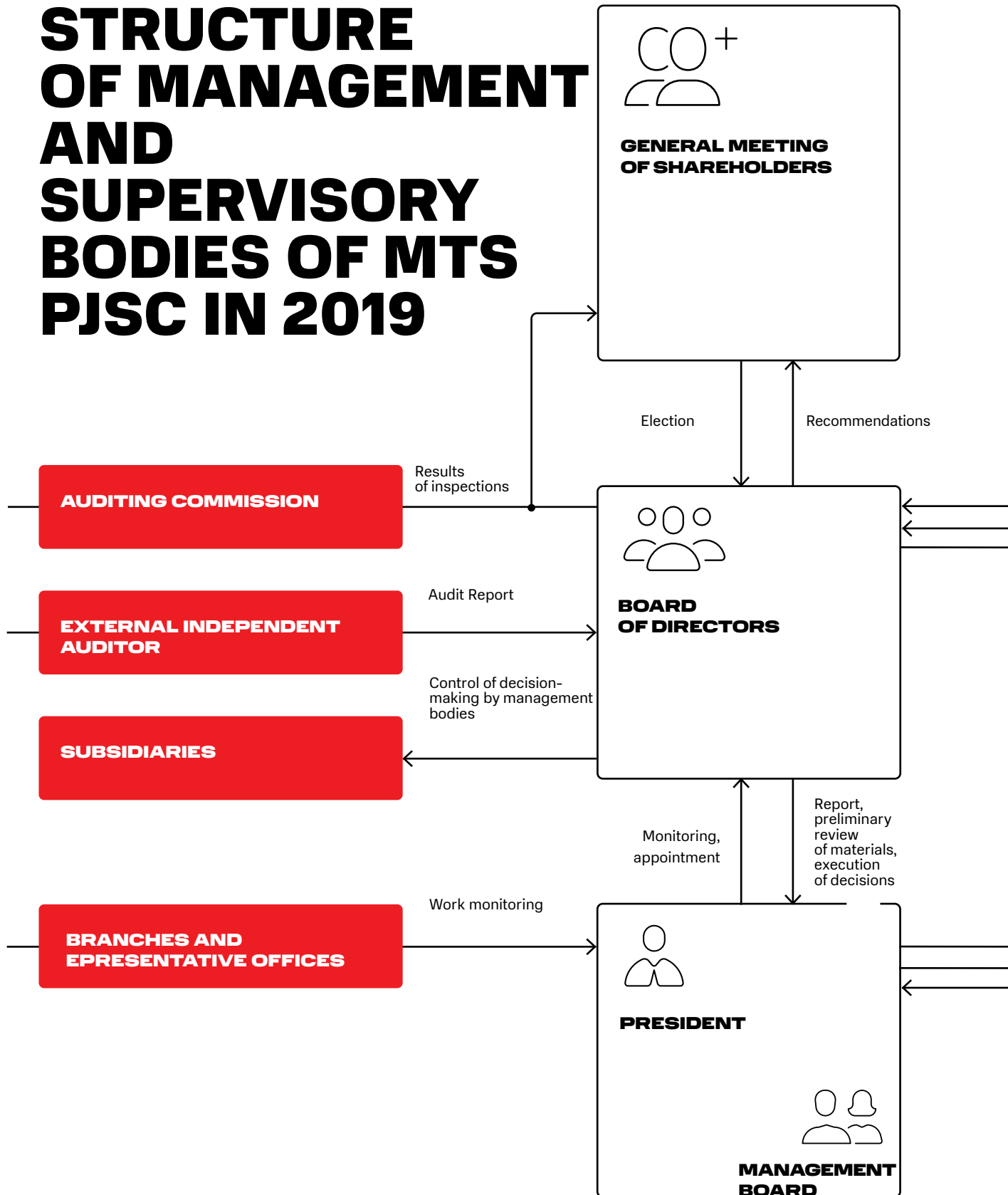
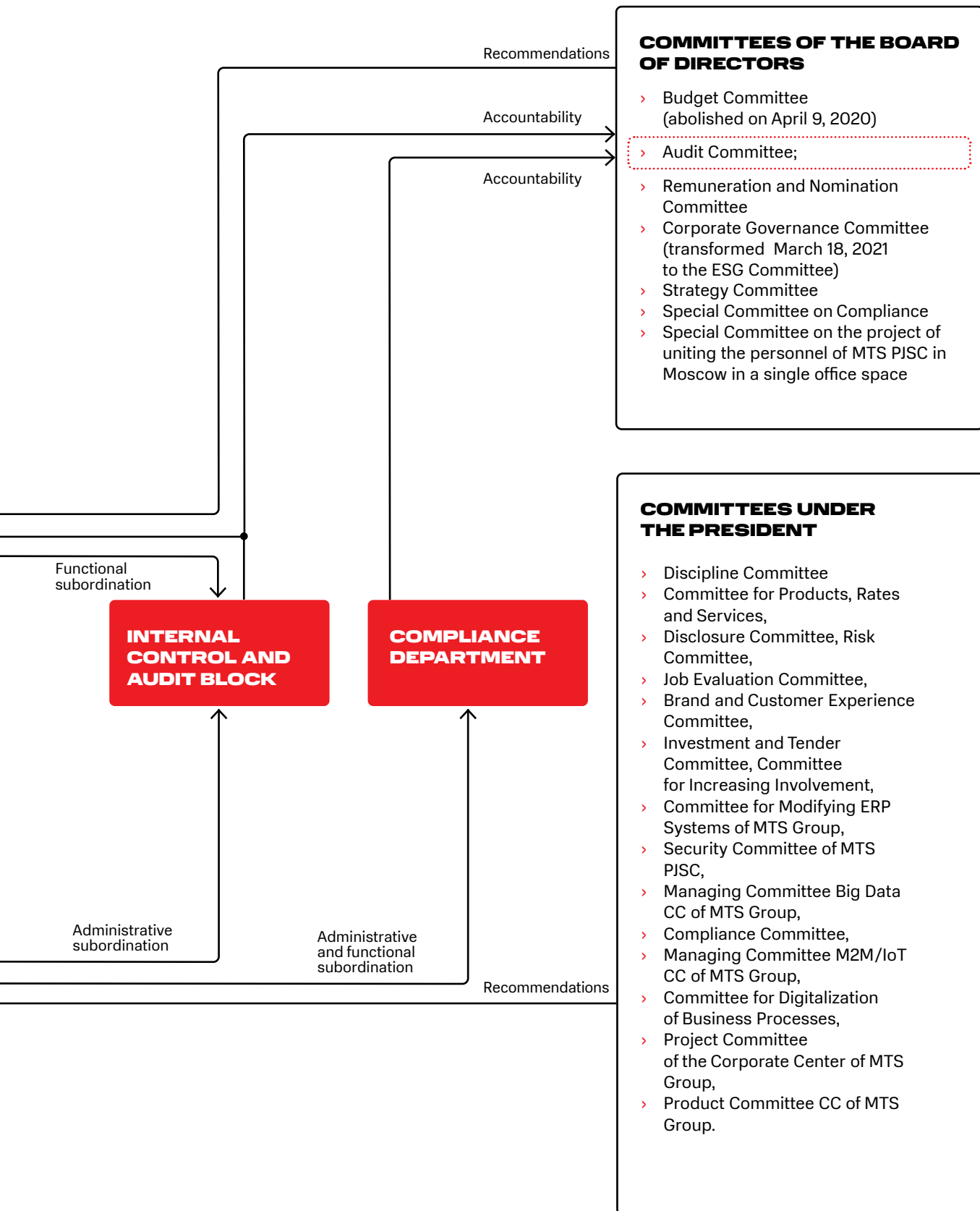


STRUCTURE OF MANAGEMENT AND SUPERVISORY BODIES OF MTS PJSC IN 2019





Management bodies

General Meeting of Shareholders	<p>Higher Governance Body of MTS PJSC.</p> <p>Procedure for holding the General Meeting of Shareholders is aimed at ensuring the adherence to the rights of shareholders, and meets all the requirements of the Russian Federation legislation.</p> <p>Procedure for the preparation, convocation, holding and summarizing of results of the General Meeting of Shareholders is defined by the Charter and the Regulations on the General Meeting of Shareholders of MTS PJSC¹.</p>
Board of Directors	<p>The Board of Directors carries out general management of MTS PJSC activities.</p> <p>It is a key element of the Company's corporate governance system, representing the interests of shareholders through an effective management organization.</p> <p>Establishment procedure, status, composition, functions, tasks and objectives, powers of the Board of Directors, its operating procedure and interaction with other management bodies of the company are determined by the Charter and the Regulations on the Board of Directors of MTS PJSC².</p>
Management Board	<p>Collective executive body of MTS PJSC.</p> <p>It organizes the effective day-to-day management of the Company's current activities, including the implementation of decisions taken by the Board of Directors within its current competences.</p> <p>The number and identities of the Management Board members shall be approved by the Board of Directors upon a proposal by the President. The Management Board Chairman is the President of the Company.</p> <p>The Management Board follows the Charter and the Regulations on the Management Board of MTS PJSC in its activities³.</p>
President	<p>The sole executive body of MTS PJSC who exercises a day-to-day management of the Company's current activities.</p> <p>The activities of the President shall provide for profitability and competitiveness of the Company, its financial and economic stability, enforcement of rights of the shareholders and social guarantees of the Company's employees.</p> <p>The President governs the Company's activities in accordance with the Charter and the Regulations on the President of MTS PJSC⁴.</p>
Internal Control System	
Audit Committee of the Board of Directors	<p>The Audit Committee is a collective advisory body of the Board of Directors that reviews issues related to the monitoring of risk-management and internal-control system's performance, compliance and corporate governance system, reliability of the financial statements of the MTS Group, the independence and objectivity of internal and external audit functions performance, consideration of nominees and assessment of the performance of external auditors, and also provides recommendations to the Board of Directors for it to make decisions on such issues.</p>
Auditing Commission	<p>The Auditing Commission is a permanent elective body of the Company, exercising periodic control over the financial and economic activities of the Company, and the activities of its management bodies and executive officers.</p> <p>Its activities are regulated by the Charter and the Regulations on the Auditing Commission of MTS PJSC⁵.</p>
Internal Audit Block⁶	<p>The Internal Audit Block is a standalone structural division of MTS PJSC and consists of the Corporate Interaction Department, the Special Audit Department, and the Process Audit Department⁷. Head of the Internal Audit Block is the Director for Internal Audit who is functionally subordinated to the Board of Directors of MTS PJSC, and administratively subordinated directly to the President of MTS PJSC.</p> <p>The objectives, tasks, obligations, principles of functioning and powers of the Internal Audit Block are set forth in the "Internal Control and Audit" Policy⁸. The Internal Audit Block carries out its activities while complying with the mandatory guidance of the international Institute of Internal Auditors, which includes the Main Principles of Professional Practice of Internal Audit, Code of Ethics, International Professional Standards of Internal Audit and Internal Audit Definition.</p>

¹ Regulations on the General Meeting of Shareholders of MTS PJSC — Moscow (mts.ru) .

² Regulations on the Board of Directors of MTS PJSC — Moscow (mts.ru) .

³ Regulations on the Management Board of MTS PJSC — Moscow (mts.ru) .

⁴ Regulations on the President of MTS PJSC — Moscow (mts.ru) .

⁵ "Internal Control and Audit" Policy — Moscow (mts.ru) .

⁶ Changes in the organizational structure of MTS PJSC: change of the name of the block (until March 5, 021 - the Internal control and Audit block).

⁷ Control and audit - Moscow (mts.ru) .

⁸ Internal Control and Audit Policy - Moscow (mts.ru) .

Internal Control Systems Department	The Internal Control Systems Department is a structural division to be a part of the Finance Block of the Corporate Center of MTS PJSC and consists of the ICS development department for the key business, the ICS development department for integrator business, the ICS development department for financial technologies and commerce, the Functional Group for Certification and General ICS Methodology. The Internal Control Systems Department is headed by the director of the department, who is directly subordinated to the Member of the Management Board and Vice President for Finance of MTS PJSC and reports to the Audit Committee under the Board of Directors of MTS PJSC.
Ethics & Compliance Department	The Ethics and Compliance Department is a standalone structural division consisting of the Risk Assessment and Operational Support Department, the SC Transactional Compliance and Compliance Integration Group, the Center for Relations with Regulators, the Regulatory Functional Group, the Internal Investigation Functional Group, and the Communications and Training Compliance Functional Group. The Vice President for Ethics and Compliance is directly subordinated to the President of MTS PJSC and reports to the Audit Committee under the Board of Directors and the Board of Directors of MTS PJSC. The activities of the department are regulated by the Regulations on the Ethics and Compliance Department.
Auditor	Independent assessment of reliability of the Company's accounting (financial) statements. In order to audit and approve the annual financial statements of the Company, the General Meeting of Shareholders annually approves the Auditor.

CORPORATE GOVERNANCE SYSTEM IMPROVEMENT

Key MTS corporate governance principles include:

- > comprehensive protection of shareholder rights and interests;
- > information openness and transparency;
- > single corporate policy in respect of subsidiaries;
- > independence of the Board of Directors when defining the Company's strategy, approving business plans, and making other important decisions;
- > control over management activities;
- > observance of business ethics when doing business;
- > doing socially responsible business aimed at ensuring the sustainable development of the Company and its welfare.

The procedures for preparing and conducting the General Shareholder Meeting enable MTS to ensure equal attention to all shareholders from the company when they exercise their rights to participation in the company's management and receipt of profits.

The remuneration system applied in MTS is designed to increase the Company's shareholder value, and the level of remuneration paid is fair and sufficient for the motivation of employees and members of management bodies.

The risk management and internal control system, developed taking into account the generally accepted conceptual foundations COSO (Committee of Sponsoring Organizations of the Treadway

Commission), is efficient and is aimed at ensuring reasonable confidence in the achievement of the objectives set by the company.

The Company has an efficient system of control over transactions made under a conflict of interests.

The information disclosure system, built with consideration for the requirements of listing rules of the Moscow Exchange and NYSE, is efficient and ensures compliance with the transparency principle.

The Company's systemic approach also covers areas where compliance with legislation is essential. Thus, systems of assurance of compliance with anti-corruption, antitrust, insider legislation and intellectual property legislation were built at the Company based on the best international compliance standards.

In 2020, we continued the work on development of the company's corporate governance system. In the recent years, our attention has been primarily focused on introduction of Corporate Governance Code provisions and we have achieved good results in this area.

We also continued monitoring practices for compliance with the recommendations of the Code by other Russian public companies and take them into account for drawing up our own plan for further development of the corporate governance system.

In 2020, a number of projects were implemented that were aimed both at developing corporate governance practices, and at maintaining them at the achieved level.

Three new directors were elected to the MTS Board of Directors, each of whom has the status of an independent director. Therefore, currently, independent directors constitute the majority in the MTS Board of Directors.

COVID-19 has become a big challenge for us, as well as for the rest of the world. In view of the above, we had to restructure certain corporate processes and procedures, which has ensured the high-quality functioning of the corporate governance system of MTS. For example, we ensured the high-quality work of management bodies in the context of the necessary increase in the number of remote forms of communication between directors and management. The annual general meeting of shareholders was held on June 24, 2020 in absentia using the electronic voting services E-Voting of the National Settlement Center and Register-Online of the Registrar "Reestr" JSC, which made it possible to provide shareholders with the most comfortable conditions for exercising their rights with a possibility to choose the electronic voting system.

In the pursuit of ensuring a more efficient consideration of budgeting and strategy issues, the MTS Board of Directors adopted a resolution to merge the Budget Committee of the MTS Board

of Directors and the MTS Strategy Committee into one committee under the MTS Board of Directors.

There is no doubt that one of the most important events of the reporting year in the field of corporate governance development was the first external assessment of the MTS Board of Directors. We consider this assessment to be planning of the company's future and one of the tools to achieve long-term objectives.

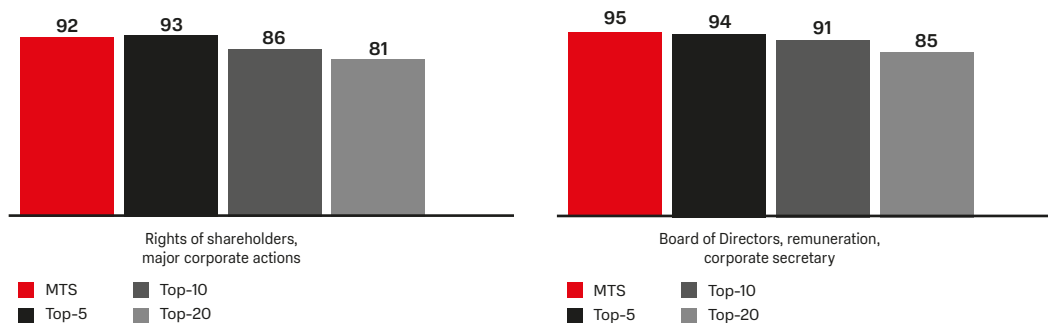
In 2021, we will focus on implementation of the action plan based on the results of the assessment of the MTS Board of Directors.

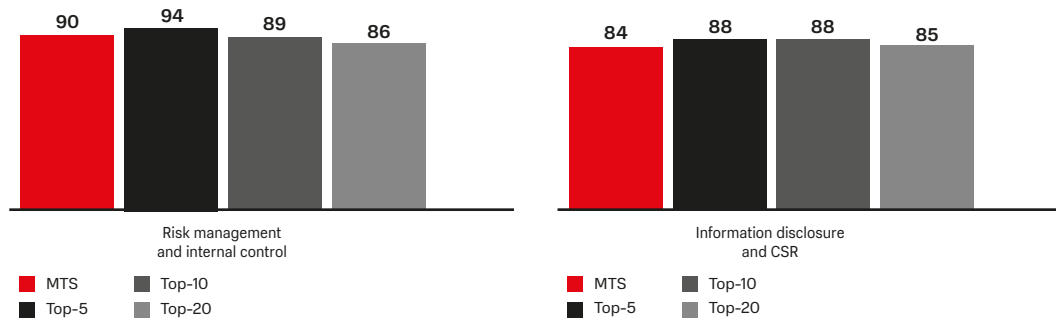
CORPORATE GOVERNANCE INDEX

Based on the 2020 results, MTS has remained in the top 10 companies of the National Corporate Governance Index for the fourth year in a row.

OVERVIEW OF THE CHANGES TO THE NATIONAL CORPORATE GOVERNANCE INDEX 2019/2020

\\ Level of compliance with key principles of corporate governance, %





MTS. Despite lowering of the ranking position, there is growth in the total percentage of commitment to the principles of MTS best corporate governance practices as compared to the previous year. Due to the absence of the results in the Company's Annual Report, the external evaluation of the MTS Board

of Directors has not been fully taken into account in the National Corporate Governance Index, which affected MTS dynamics in the block of the Board of Directors, remuneration, corporate secretary.

\\ Level of compliance with key principles of corporate governance (Dynamics), %

