

The assessment principles are the following:

- > regular performance;
- > relevance;
- > practical focus;
- > objectivity of results;
- > comparability of results;
- > confidentiality

The objects of the assessment include:

- > activities of the Board of Directors;
- > activities of committees of the Board of Directors;
- > individual performance of each member of the Board of Directors and committees, including their chairmen;
- > activities of the Corporate Secretary.

The purpose of the Board of Directors performance assessment is to maximize the Board of Directors contribution to the successful development and growth of the company's value by solving such tasks as:

- > ensuring a balanced composition of the Board of Directors from the point of view of professional experience, knowledge, skills and personal qualities of its members;
- > analysis of effective approaches and procedures used by the Board of Directors and Committees in their work;
- > tracking the presence and level of motivation of the Board of Directors members;
- > confirmation of sufficient control from the Board of Directors over operations of the organization and determination of the quality of interrelations between the Board of Directors and the management;
- > determination of the Board of Directors contribution to development of the MTS corporate governance system and ensuring efficient cooperation of its subjects.

The main objective of the Board of Directors performance assessment is definition of their efficiency in preliminary elaboration of issues and assistance to the Board of Directors in the decision-making process. This objective can be achieved by solving such tasks as:

- > confirmation of the role, function and objectives of the Committee;
- > inspection of the balanced composition of the Committee from the point of view of number of its members, their knowledge, professional experience and competences;
- > analysis of the quality and efficiency of the Committee's interaction with the Board of Directors and the management.

The individual assessment of members of the Board of Directors is designed to maximize their contribution to operations of the Board of Directors and Committees, and also to detect directors' need for upgrade or development of certain skills enabling more effective operation of the Board of Directors and the Committees.

The assessment is carried out on a regular basis (annually) and can be conducted both independently (by questionnaire method) and with the involvement of an independent consultant.

### **Results of an independent assessment of the activities of the Board of Directors for 2019/2020**

At the end of 2019, the MTS Board of Directors decided to launch an independent assessment of the performance of the Board of Directors for 2019/2020 with the involvement of the Independent Directors Association in partnership with the international consulting company Oliver Wyman (hereinafter referred to as the Consultants).

The Consultants discussed the project with the Remuneration and Nomination Committee and the Corporate Governance Committee to agree on the scope and methodology for the assessment, as well as the project schedule. Detailed questionnaires were sent to directors and top management to assess the performance of the Board and its Committees. The obtained results were supplemented with extended comments and feedback from members of the Board of Directors, the Corporate Secretary, individual representatives of management and stakeholders in the course of personal interviews. Consultants prepared a Preliminary Assessment Report, which was discussed with the Chairman of the Remuneration and Nomination Committee and the Chairman of the Corporate Governance Committee. The Final Report containing the results of the assessment, including observations and recommendations, as well the report of the status of their implementation for the period from September 2020 to May 2021 was presented to the MTS Board of Directors in May 2021.

An external assessment has confirmed that the Board of Directors and Committees are functioning effectively. At the same time, several directions were noted for further increasing the effectiveness of MTS Board of Directors activities:

1. Increasing the involvement of independent directors and the entire Board of Directors in overseeing the strategy formulation and implementation processes, as well as the associated risks;
2. Raising the Board's focus on corporate governance and ESG;
3. Strengthening the interaction of the Board and management to form the desired culture in the Company..

As part of the consideration of the external evaluation report and the Final Report by the Board of Directors of MTS PJSC in May 2021, the status of implementation of the Consultants' recommendations and proposals of measures to continue improving Corporate Governance at MTS PJSC was taken into account..

## **DIRECTORS, EXECUTIVE OFFICERS AND MTS GROUP COMPANIES LIABILITY INSURANCE**

The insurance contract enables us to ensure the protection of members of the Board of Directors, Management Board and management of MTS PJSC and its subsidiary companies (hereinafter, the "Executive Officers") and to provide coverage for:

- › indemnification of Executive Officers, in connection with actions or claims submitted against them or their persecution by authorized state authorities for their actions/omissions while they exercise office duties in the office held, namely:
  - compensation of expenses of Executive Officers for lawyers and legal protection in connection with the above actions or claims;
  - indemnification of damages caused to plaintiffs by inadvertent actions/omission of Executive Officers (in the event that the lawsuit is satisfied by the court);



**The insurance amount under the liability insurance contract is USD 25 million**

- › indemnification of damages of MTS PJSC and subsidiaries of MTS PJSC for claims related to securities (except for lawsuits related to new IPO of American depositary receipts).

## **COMMITTEES OF THE BOARD**

Committees of the Board of Directors serve as a tool for the preliminary in-depth study of issues before they are submitted to the meeting of the Board of Directors. Committee members thoroughly study an issue under consideration and propose to the members of the Board of Directors the elaborated alternative decisions, making it possible for them to join the discussion of the issue more promptly.

As of the end of 2020, the following committees operated under the Board of Directors in order to increase the efficiency of decisions taken by the Board of Directors, to exercise a detailed preliminary review of the most topical matters and to prepare the corresponding recommendations: Audit Committee, Remuneration and Nomination Committee, Corporate Governance Committee, Strategy Committee, Special Committee for Compliance under the Board of Directors.

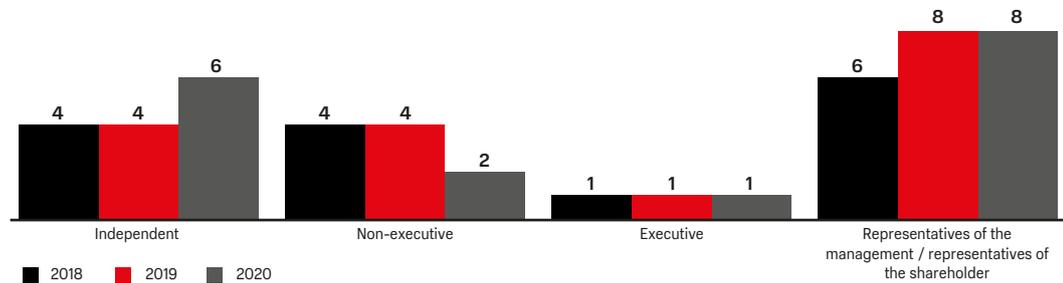
On December 17, 2020, the Board of Directors of MTS PJSC established a Special Committee under the MTS PJSC Board of Directors for the project to unite the personnel of MTS PJSC in the integrated office space in Moscow.

Powers of and requirements to compositions of the committees shall be determined by regulations on the committees approved by the Board of Directors. The committees may involve external experts and advisors in order to resolve their tasks. The results of reviews of agenda issues by the Committees are communicated to the Board of Directors members prior to every meeting of the Board of Directors.

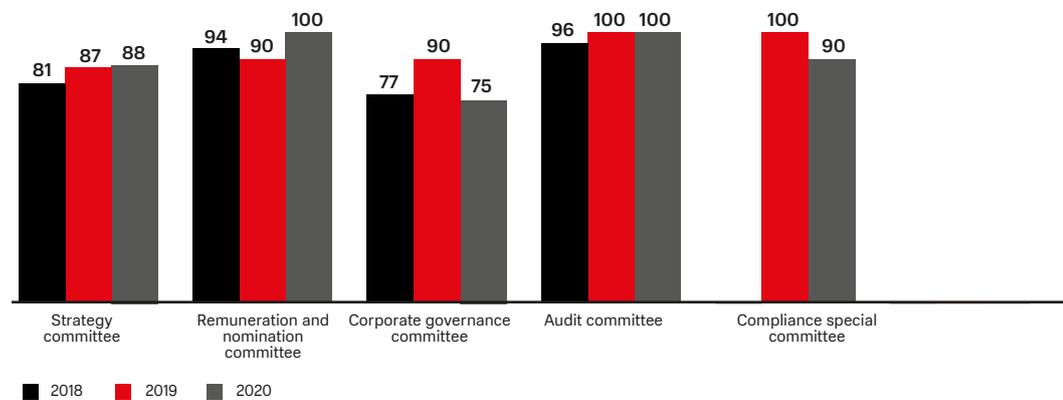
Each BoD member is also a member of one to four committees. Representation of the Company's managers in the committees allows for a meaningful dialog during committee meetings.

Committee	Committee Overview
<b>Audit Committee</b>	Preparation of recommendations to the Board of Directors with respect to supervision over the Company's financial and operational activities
<b>Remuneration and Nomination Committee</b>	Preparation of recommendations to the Board of Directors on issues of HR policy, determination of the incentive and remuneration system, generation of the Company's corporate culture development strategy
<b>Corporate Governance Committee</b>	Preparation of recommendations to the Board of Directors on issues of preliminary review of internal regulations, annual report, sustainability report of the Company and the development of corporate governance practices.
<b>Strategy Committee</b>	Preparation of recommendations to the Board of Directors upon review of a strategic development of key functions, projects and the Company in general, and implementation of investment projects and long-term investment programs
<b>Special Committee for Compliance</b>	Overall supervision in the sphere of compliance, review of issues and preparation of recommendations for the Board of Directors on compliance issues.

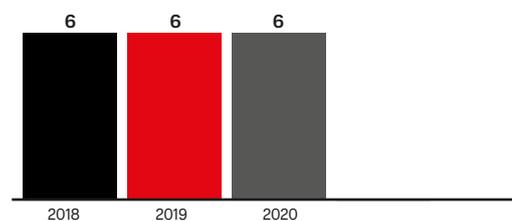
**\\ Structure of composition of the committees of the Board of Directors 2018–2020**



**\\ Average level of attendance of the meetings of the Committees in 2018–2020, %**



**\\ Number of committees of the Board of Directors in 2018–2020**



<sup>1</sup> As of December 31, 2020

## Attendance of meetings of committees in 2020<sup>1</sup>

Committee Member	Audit Committee (18 meetings, including 12 in-person meetings and 6 meetings in the form of absentee voting)	Remuneration and Nomination Committee (11 meetings, including 8 in-person meetings and 3 meetings in the form of absentee voting)
<b>F.V. Yevtushenkov<sup>2</sup></b>		
<b>A.I. Zassoursky</b>		
<b>A.V. Kornya<sup>3</sup></b>		
<b>Regina Dagmar Benedicta von Flemming<sup>4</sup></b> Independent Director, not a member of executive management of MTS PJSC	18/18	11/11
<b>Shaygan Kheradpir<sup>5</sup></b> Independent Director, not a member of executive management of MTS PJSC	10/10	5/5
<b>Thomas Holtrop</b> Independent Director, not a member of executive management of MTS PJSC	18/18	11/11
<b>Nadia Shouraboura<sup>6</sup></b> Independent Director, not a member of executive management of MTS PJSC	10/10	
<b>V.B. Yumashev<sup>7</sup></b> Independent Director, not a member of executive management of MTS PJSC		11/11
<b>Antoniu Antonios Theodosiou<sup>8</sup></b>	8/8	6/6
<b>A.V. Barsegyan<sup>9</sup></b>		
<b>A.E. Gorbunov<sup>10</sup></b>		
<b>A.A. Znamenskaya<sup>11</sup></b>		
<b>R.S. Ibragimov</b>		
<b>A.B. Katkov</b>		
<b>V.M. Klimovich<sup>12</sup></b>		
<b>L.E. Lukyanova<sup>13</sup></b>		
<b>V.K. Nikolaev<sup>14</sup></b>		
<b>V.V. Rozanov<sup>15</sup></b>		
<b>Y.S. Romashkina<sup>16</sup></b>		
<b>V.S. Travkov<sup>17</sup></b>		
<b>A.A. Khanin<sup>18</sup></b>		
<b>M.V. Khanov<sup>19</sup></b>		
<b>A.A. Shmakov</b>		

<sup>1</sup> Elected as a member of the Audit Committee, Strategy Committee on June 24, 2020.

<sup>2</sup> Powers of the Strategy Committee member terminated on June 24, 2020.

<sup>3</sup> Powers of a member of the Audit Committee, the Remuneration and Nomination Committee, the Corporate Governance Committee, the Strategy Committee, and the Special Committee for Compliance terminated on June 24, 2020.

<sup>4</sup> Elected as a member of the Corporate Governance Committee and the Special Committee for Compliance on April 09, 2020.

<sup>5</sup> Powers of the Strategy Committee member terminated on June 24, 2020.

<sup>6</sup> Powers of the Strategy Committee member terminated on November 19, 2020.

<sup>7</sup> Elected as a member of the Strategy Committee on June 24, 2020.

<sup>8</sup> Elected as a member of the Special Committee for Compliance on April 09, 2020.

<sup>9</sup> Powers of the Strategy Committee member terminated on April 09, 2020.

<sup>10</sup> Powers of the Chairman of the Corporate Governance Committee, a member of the Strategy Committee, the Special Committee for Compliance terminated on June 24, 2020.

Strategy Committee (11 meetings in presentia)	Committee for corporate governance (5 meetings including 2 ones in presentia and 3 in absentia)	Joint meetings for the Committee for Corporate Governance and Remuneration and Nomination Committee (3 meetings, including 2 in presentia, and 1 in absentia)	Special committee for Compliance (4 meetings in presentia)
6/6			
11/11	3/5	3/3	3/4
5/5	3/5	3/3	
			4/4
			3/3
	5/5	2/3	4/4
6/6			
2/3			
5/5	2/2	2/2	1/1
	4/4	2/2	3/3
5/5			
3/3			
	5/5	2/3	
10/11			
6/6			
			3/3
3/3			
4/5	2/2	2/2	1/1
6/8			
6/6			
6/6			
	4/5	2/3	

- <sup>11</sup> Authorities of the member of the Committee for Strategy terminated from November 19, 2020.
- <sup>12</sup> Elected as a member of the Strategy Committee from June 24, 2020.
- <sup>13</sup> Selected as a member of the Special Committee for Compliance from April 09, 2020.
- <sup>14</sup> Authorities of the member of the Strategy Committee terminated from April 09, 2020.
- <sup>15</sup> Authorities of the Chairman of the Committee for Corporate Governance, member of the Strategy Committee, Special Committee for Compliance terminated from June 24, 2020.
- <sup>16</sup> Powers of a member of the Special Committee for Compliance terminated on April 09, 2020.
- <sup>17</sup> Elected as a member of the Strategy Committee on April 09, 2020.
- <sup>18</sup> Elected as a member of the Strategy Committee on June 24, 2020.
- <sup>19</sup> Elected as a member of the Strategy Committee on June 24, 2020.