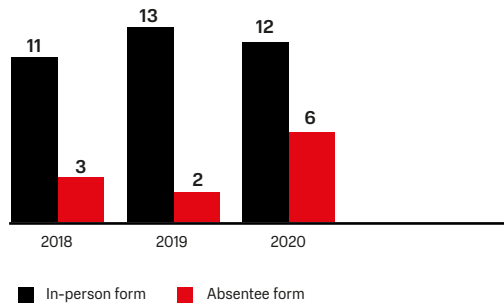
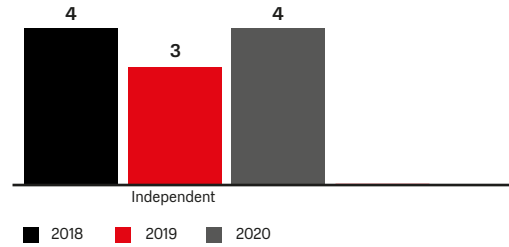


\\ Meetings of the Audit Committee in 2018–2020



\\ Composition of the Audit Committee in 2018–2020



REMUNERATION AND NOMINATION COMMITTEE



In the reporting year, the Remuneration and Nomination Committee performed its assigned function as a consultant to the Board of Directors of MTS PJSC in priority areas of personnel management, relying on international experience of corporate governance and best professional practices in its work.

The Committee's task is to assist in ensuring that the policy of MTS in the field of personnel management in general, and in such issues as compensation and remuneration, in particular, would correspond to up-to-date market practices and facilitate engagement of best candidates by the Company, to ensure that clear and understandable indicators and rules established by the Company's governing body were the basis for evaluating the employees' performance. The Committee summarizes the results of achieving annual key performance indicators and gives recommendations to the Board of Directors on short-term and long-term personnel remuneration systems, strategy and culture of the company, contributing to the growth of its efficiency and transformation into a digital ecosystem.

The Committee tracks the implementation of the Company's strategic development initiatives. An important goal is to ensure fair remuneration of outstanding results, on the one hand, and not to ignore the absence of efforts, on the other hand. Together with the Audit Committee, special attention is paid to compliance with the corporate governance rules, regulatory requirements and prevention of financial crimes. Much attention is paid to the implementation of the compliance requirements.

In accordance with the new strategy for developing and implementing the MTS ecosystem, one of the key tasks for the near future is to make sure that the organizational structure, the system of key performance indicators, long-term bonus payment programs and the entire life cycle of MTS employees are suitable for transformation of the company's HR strategy and culture. Determining and providing the best experience for employees, as well as attracting the best talents in the market, is a strategically important aspect of the work of the Remuneration and Nomination Committee. The corporate culture and its implementation in the context of change management remain one of the main tasks of the Committee.

The Committee is responsible for review of external and internal candidates for key management jobs at the Company, and for the assessment of independent candidates for the Board of Directors.

All members of the Committee are sure that investments in engaging the best candidates, stimulating the achievement of their potential and interest in the Company's growth, including through incentive programs, create a platform for long-term success.

Regina Dagmar Benedicta von Flemming
Chairperson of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee is an auxiliary collective deliberative body under the Board of Directors. Primary goals of the Committee include: development of the Company's HR policy, determination of the system for remuneration of chief officers of the Company, shaping the strategy for the development of the MTS Group's corporate culture.

The Committee members follow leading international practices and trends in preparation of effective solutions within the area of their competence.

In its activities the Committee follows the recommendations and requirements of the relevant legislation, the Company's Charter and internal documents, Code of Ethics and Business Conduct, decisions of the Company's management bodies, and Regulations on the Committee¹.

Tasks:

- > Development and updating of the HR Policy of MTS PJSC, preparation of a succession pool for the positions of chief officers;
- > Drawing up proposals on candidates and on the determination of significant conditions for remuneration of the chief executives, and proposals on an early termination of office;
- > Evaluation of performance results of the Company's President and Management Board members, direct subordinates of the Company's President for the reporting

period and preparation of proposals on their reappointment and appointment of the Corporate Secretary;

- > Development and submission for BoD review of internal documents related to the implementation of the Company's Options Plan;
- > Control over meeting the requirements of the effective legislation, MTS PJSC Charter and internal regulatory acts of MTS PJSC as to compliance with the Company's HR Policy, standards and procedures in the sphere of remuneration and appointments;
- > Determining methods and evaluation of performance of the Company's Board of Directors;
- > The Committee preliminarily addresses the issues reviewed at meetings of the Company's Board of Directors in the sphere of appointment and remuneration of top managers of the Company.

Number and identities of members

Composition of the Committee was changed during the reporting year.

The composition of the Committee was approved at the meeting of the Board of Directors on June 24, 2020

Meetings

In the reporting year, 11 meetings of the Committee took place: eight in-person form and three in the form of absentee voting.

Members of the Committee in 2020

Committee Member	From June 27, 2019	From June 24, 2020
Regina von Flemming , Chairman, Independent Director	●	●
A. Antoniou , Independent Director ²	●	○
T. Holtrop , Independent Director	●	●
V.B. Yumashev , Independent Director	●	●
Sh. Kheradpir , Independent Director ³	○	●
● person was/is a committee member		
○ person was/is not a committee member		

¹ <https://moskva.mts.ru/about/investoram-i-akcioneram/korporativnoe-upravlenie/dokumenty-pao-mts/polozhenie-o-komitete-po-voznagrazhdeniyam-i-naznacheniyam/>

² Excluded from the composition of the Committee since June 24, 2020.

³ Elected as a committee member on June 24, 2020

Participation of the Committee members in meetings in 2020

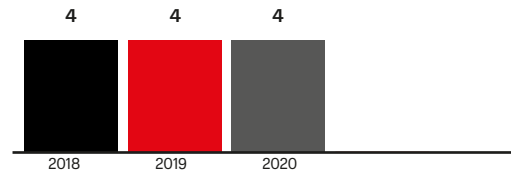
Committee Member	12 February	19 March	8 April	20 May	02 June In-absentia	23 June	10 August In-absentia	24 September	21 October	18 November	16 December
Regina von Flemming	•	•	•	•	•	•	•	•	•	•	•
A. Antoniou	•	•	•	•	•	•	—	—	—	—	—
T. Holtrop	•	•	•	•	•	•	•	•	•	•	•
V.B. Yumashev	•	•	•	•	•	•	•	•	•	•	•
Sh. Kheradpir	—	—	—	—	—	—	•	•	•	•	•

person was not a committee member at the time of the meeting

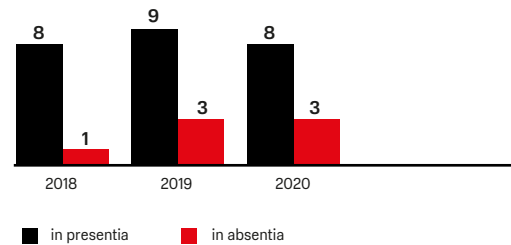
Main areas of activities of the Remuneration and Nomination Committee in 2020

- Matters of appointments and succession assurance
 - Candidates, including external ones, for positions of immediate subordination to the Company’s President were considered. Experience sufficiency was evaluated; the results achieved at the Company were analyzed for internal candidates.
 - Independence of the candidates for inclusion in the Audit Committee under the MTS PJSC Board of Directors was assessed.
- Issues with systems for the remuneration of managers
 - Key indicators of the performance of the Company’s top managers were determined, the results of activities during the previous period were reviewed.
 - Procedures required for the support of a long-term incentive program were implemented, including determination of the current-year program participants and the program’s KPI targets, preparation of proposals on further program development.
 - Technical standards for top managers were updated according to the current needs.
- HR policy issues at MTS
 - Key transformations of the Company’s organizational structure, their correspondence to the upper-level business objectives and the Company’s strategy were reviewed.
 - The HR strategy of MTS for 2020–2022 was reviewed.

Composition of the Remuneration and Nomination Committee in 2018–2020



Meetings of the Remuneration and Nomination Committee in 2018–2020



- The challenges in the field of HR management related to the transformation of MTS into an ecosystem were accepted, the areas of cultural transformation of the Company were reviewed.
- Measures for implementation of compliance requirements in terms of HR management were reviewed.
- Measures were presented to prevent the spread of the new coronavirus infection (2019-nCov) among the employees of MTS PJSC.

The Committee has provided the following recommendations to the Board of Directors

On all of the issues discussed, the Committee provided recommendations for appropriate decisions in accordance with the best world practices, the current business environment and the Company's development strategy.

Work results in 2020

In the reporting year, the Committee reviewed all the necessary issues related to the competences of the Committee required to effectively support the Company's activities and its development.

Particular attention was paid to sustainable fulfilment by the Company of business efficiency target indicators in the context of the global pandemic, and to ensuring the uninterrupted implementation of plans and initiatives aimed at transforming the Company into a digital ecosystem. In accordance with the set priorities, the Committee's operation plan for 2021 was developed.

CORPORATE GOVERNANCE COMMITTEE

The Committee was established in order to develop and improve the system and practices of corporate governance at the Company. Within its competences, the Committee preliminarily reviews the most important issues in the area of corporate governance falling within the competence of the Board of Directors and prepares recommendations for the Board of Directors to take relevant decisions.

In its activities the Committee follows the recommendations and requirements of the relevant legislation, the Company's Charter and internal documents, Code of Ethics and Business Conduct, decisions of the Company's management bodies, and Regulations on the Committee¹.

In the reporting year, we continued improving the Company's corporate governance system. As in previous years, we discussed the ranking of MTS in the National Corporate Governance Index and analyzed what can be done to maintain the high standing achieved by the Company.

Together with the Remuneration and Nomination Committee, we supported the first independent assessment of the MTS Board of Directors. As a result of the assessment, an action plan for the development of the company's corporate governance practices was prepared, which we have already begun to implement.

Also, with the participation of the Remuneration and Nomination Committee, we started work on the process of planning the succession of the MTS Board of Directors. Based on the results of this work, in 2021, the MTS Board of Directors approved the Succession Policy for members of the MTS Board of Directors.

We believe that corporate governance is one of the cornerstones of the Company's high capitalization, therefore, we will continue working on its development and improvement.

A.I. Zassoursky,

Chairman of the Corporate Governance Committee

Objectives

The Committee faces the challenges associated with the development of priority areas of the Company's activities as to implementation of the corporate governance standards and control over practices in this sphere and settlement of corporate conflicts.

¹ <https://moskva.mts.ru/about/investoram-i-akcioneram/korporativnoe-upravlenie/dokumenty-pao-mts/polozenie-o-komitete-po-korporativnomu-upravleniyu>