

Annex to the Representation of the Board of Directors of MTS PJSC on compliance with the principles and recommendations of the Corporate Governance Code

REPORT on Compliance with the Principles and Recommendations of the Corporate Governance Code

No.	Corporate governance principles	Criteria of assessment of compliance with the corporate governance principle	Status ¹ of compliance with the corporate governance principle	Explanations ² of the deviation from criteria of assessment of compliance with the corporate governance principle
1	2	3	4	5
1.1	The Company shall ensure an equal and fair attitude towards all shareholders who exercise their right for participation in governance of the Company			
1.1.1	The Company creates the maximum favorable conditions for the shareholders to participate in the general meeting, conditions to generate a justified position on the general meeting agenda items, to coordinate their actions, as well as the opportunity to speak their opinion on the issues considered	<p>1. The Company provides an accessible method of communication with the Company, such as a hotline, e-mail or forum in the Internet, making it possible for shareholders to speak their opinion and send questions with respect to the agenda in the process of preparation for a general meeting.</p> <p>The specified communication methods were organized by the Company and provided to the shareholders when preparing for each general meeting held during the reporting period</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
1.1.2	The procedure of communicating the holding of a general meeting and providing materials for the general meeting enables the shareholders to properly prepare for their participation in it.	<p>1. In the reporting period, the notice on holding a general meeting of shareholders shall be posted (published) on the Company's official website in the Internet not later than 30 days prior to the date of the general meeting, unless the law provides for a longer period.</p> <p>2. The notice on holding a general meeting specifies the documents required to be admitted into the venue.</p> <p>3. Shareholders were provided with access to information on those who proposed agenda items and candidates for the Board of Directors and the Auditing Commission of the Company (if its establishment is provided for by the Company's Charter)</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
1.1.3	In the process of preparation and holding of a general meeting, the shareholders could freely and promptly receive information on the meeting and materials to it, pose questions to the executive bodies and members of the Board of Directors of the Company, and communicate with each other	1. In the reporting period, the shareholders were given a chance to pose questions to members of the executive bodies and members of the Board of Directors of the Company when preparing for and during the annual general meeting.	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	

¹ The status "complied with" is only indicated if the company meets all criteria of assessment of compliance with the corporate governance principle. Otherwise, the status "partially complied with" or "not complied with" is indicated.

² Provided for each criterion of assessment of compliance with the principle of corporate governance, if the company only complies with some criteria or does not comply with any criterion of assessment of compliance with the principle. If the company specifies the status "complied with", no explanations are required.

List of major and interested-party transactions made by MTS in 2021

1	2	3	4	5
		<p>2. The opinion of the Board of Directors (including special opinions (if any) entered into the minutes), on each item on the agenda of the general meetings held in the reporting period was included into the materials for the general meeting.</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
		<p>3. The Company provided access to entitled shareholders to the list of persons authorized to participate in the general meeting, starting from the date of its receipt by the Company, in all cases of holding general meetings in the reporting period</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
1.1.4	Exercise of the shareholder's right to request convocation of a general meeting, to propose candidates for the management bodies and to make proposals for inclusion into the agenda of the general meeting was not accompanied with needless complexity	<p>1. The Charter of the Company establishes the deadline for the shareholders to submit proposals for inclusion into the agenda of the annual general meeting, which is at least 60 days after the end of the corresponding calendar year.</p> <p>2. In the reporting period, the Company did not reject the inclusion of proposals for the agenda or candidates to the Company's bodies due to misprints and other minor defects in a shareholder's proposal</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
1.1.5	All shareholders were able to freely exercise their voting right in the way that was most simple and convenient for them	<p>1. The Charter of the Company provides for the possibility of filling out an e-ballot on the website in the Internet, the address of which is indicated in the notice on holding a general meeting of shareholders</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
1.1.6	The procedure of holding a general meeting established by the Company provides an equal opportunity to all persons present at the meeting to speak their opinion and ask their questions of interest	<p>1. During general meetings of shareholders in the form of a meeting (joint presence of shareholders) in the reporting period, sufficient time was provided for reports on agenda items, as well as time for discussion of these questions, shareholders were given the opportunity to express their opinion and ask questions of interest to them in regard of the agenda.</p> <p>2. The Company invited nominees to the management and control bodies of the Company and took all the measures required to ensure their participation in the general meeting of shareholders, at which such nominations were put to vote. Nominees to the Company's management and control bodies present at the general meeting of shareholders were available to answer the questions posed by the shareholders.</p> <p>3. The sole executive body, the person in charge of keeping accounting records, the chairman or other members of the Audit Committee of the Board of Directors were available to answer the questions posed by the shareholders at general meetings of shareholders held in the reporting period.</p> <p>4. In the reporting period, the Company used telecommunication facilities to provide remote access for the shareholders to participate in general meetings, or the Board of Directors made a reasonable decision that there was no need (possibility) to use such facilities in the reporting period</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	

1	2	3	4	5
1.2	Shareholders were provided an equal and fair opportunity to participate in the profit of the Company by receiving dividends			
1.2.1	The Company developed and introduced a transparent and clear mechanism for determination of the dividend amount and their payment	1. The Regulations on the Dividend Policy of the Company were approved by the Board of Directors and disclosed on the Company's website in the Internet.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
		2. If the dividend policy of the Company preparing consolidated financial reporting uses the Company's reporting indicators for determination of the dividend amount, then the appropriate provisions of the dividend policy shall take into account the consolidated indicators of the financial reporting.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
		3. The rationale for the proposed net income distribution, including for the payment of dividends and the Company's own needs, as well as assessment of its compliance with the dividend policy adopted by the Company containing explanations and an economic rationale for the need to allocate a certain part of net income for in-house needs in the reporting period, were included in the materials to the general meeting of shareholders, the agenda of which includes the issue of profit distribution (including the payment (announcement) of dividends)	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
1.2.2	The Company does not make a decision on payment of dividends if such decision, while formally not violating the limitations established by the law, is economically unjustified and may result in misrepresentation and misperception of the Company's business	1. The Regulations on the Dividend Policy of the Company, in addition to the restrictions established by law, define the financial/economic circumstances under which the Company shall not resolve to pay dividends	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>The Company's dividend policy effective in 2021 (hereinafter referred to as dividend policy) did not contain clear indications of financial/economic circumstances under which the Company should not pay dividends, but included a provision stating that the Company has no right to declare or pay declared dividends in cases stipulated by the legislation of the Russian Federation.</p> <p>The Company has been consistently paying dividends for the entire duration of its public history (MTS had IPO on the New York Stock Exchange in 2000), providing for dividend income to shareholders at the level of global and regional communications service providers. Sustainable payment of dividends have been an important element of the Company's investment appeal. In 2014, the MTS "3D" strategy was introduced, according to which payment of dividends was one of its key elements. We did not rule out paying dividends out of retained income of previous years, and therefore did not consider it possible to set, for example, a ban on the decision to pay dividends in the event that the net income for the reporting year is below the amount recommended for payment of dividends for the fiscal year. In accordance with the dividend policy, the Board of Directors of the Company took into account the financial results of the Company's operations when determining the recommended amount of dividends. When determining the amount of dividends, the Board of Directors took into account a number of additional factors, including prospects for revenue growth, capital expenditure requirements, funds received from general business, potential acquisition opportunities, and the state of the Company's debt obligations. The Company did not make a decision on payment of dividends, if such a decision</p>

List of major and interested-party transactions made by MTS in 2021

1	2	3	4	5
				is economically unjustified and may result in misrepresentation and misperception about the Company's business. The existing practices for dividend payment and the considerable attention paid to this issue by the Board of Directors provided a balanced approach and mitigated risks associated with not fully implementing the recommendation. At one of the meetings of the Corporate Governance Committee of the Board of Directors in 2018, the issue of partial compliance with this recommendation of the Code was considered. It was noted that MTS PJSC did not comply with the recommendation on formal grounds only. Besides, in our opinion, the Company complies with the basic principle of the Code, therefore it will not attempt to fully follow this recommendation of the Code.
1.2.3	The Company does not allow a deterioration of the dividend rights of the existing shareholders	1. In the reporting period, the Company did not commit any actions resulting in deterioration of the dividend rights of existing shareholders	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
1.2.4	The Company strives to exclude the use of other methods of gaining profit (income) by the shareholders at the expense of the Company, apart from dividends and liquidation value	1. In the reporting period, no other ways for the persons controlling the Company to receive profit (income) at the expense of the Company, other than dividends (for example, through transfer pricing, unreasonable rendering of services by the controlling person to the Company at inflated prices, through internal loans replacing dividends to the controlling person and/or his controlled persons), were used	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>The recommendation is complied with, at the same time, as of the date of approval of this Report, MTS PJSC has no information about an existing shareholder who owns 50 and more percent of the MTS voting shares.</p> <p>In accordance with the provisions of applicable law and on the basis of information disclosed by the shareholders of MTS PJSC, it is publicly known and disclosed that the shareholder of MTS PJSC, owning 42.085% of the authorized capital jointly with its subsidiary (the efficient stock of less than 50%) is Sistema PJSC.</p>
1.3	The system and practice of corporate governance provide for equal conditions for all shareholders – owners of shares of one category (type), including minority (small) shareholders and foreign shareholders, and an equal attitude to them from the Company			
1.3.1	The Company has created conditions for a fair attitude to each shareholder from the management bodies and controlling persons of the Company, including conditions preventing abuse on the part of major shareholders in respect to minority shareholders	1. During the reporting period, the persons controlling the Company did not allow any abuse of the rights in relation to the Company's shareholders, there were no conflicts between the Company's controlling persons and shareholders and, if any, the Board of Directors paid due attention to them	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	The recommendation is complied with, at the same time, as of the date of approval of this Report, MTS PJSC has no information about an existing shareholder who owns 50 and more percent of the MTS PJSC voting shares. Find details in clause 1.2.4. (1).
1.3.2	The Company does not undertake actions that result or may result in factitious redistribution of corporate control	1. Quasi-treasury shares are absent or did not participate in voting during the reporting period	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
1.4	The shareholders are provided with reliable and effective ways to register rights for shares, as well as the opportunity of free and unhindered alienation of shares they own			
1.4	The shareholders are provided with reliable and effective ways to register rights for shares, as well as the opportunity of free and unhindered alienation of shares they own	1. The technologies used by the Company's Registrar and the conditions for the services rendered meet the needs of the Company and its shareholders, ensure that the rights to the shares are recorded and the rights of shareholders are exercised in the most efficient way	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

1	2	3	4	5
2.1	The Board of Directors carries out strategic management of the Company, determines the basic principles and approaches to the organization of the risk management system and internal control at the Company, monitors activity of the Company's executive bodies, and implements other key functions			
2.1.1	The Board of Directors is responsible for making decisions related to appointments to and dismissals from the executive bodies, including due to improper performance of one's job duties. The Board of Directors also checks that the executive bodies of the Company act in accordance with the approved development strategy and the principal directions of the Company's business	1. The Board of Directors has powers registered in the Charter for appointment, dismissal and determination of the agreement terms in respect to the members of the executive bodies.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
		2. In the reporting period, the Nomination (Appointments, HR) Committee considered the issue of conformity of the professional qualifications, skills and experience of members of the executive bodies to the current and expected needs of the Company, stipulated by the Company's approved strategy.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
		3. In the reporting period, the Board of Directors considered the report (reports) of the sole executive body and the collective executive body (if any) on compliance with the Company's strategy	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.1.2	The Board of Directors establishes the main reference points for the Company's business over a long term, assesses and approves the key indicators of business and main business objectives of the Company, and assesses and approves the strategy and business plans on the main types of the Company's business	1. During the reporting period, at the meetings of the Board of Directors, the issues were considered, which were related to the progress of achievement and update of the strategy, approval of the financial and business plan (budget) of the Company, as well as consideration of criteria and indicators (including interim ones) for fulfilment of the strategy and business plans of the Company	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.1.3	The Board of Directors defines principles and approaches for the organization of the risk management and internal control system at the Company	1. The principles and approaches to organizing the risk management and internal control system at the Company are determined by the Board of Directors and documented in the Company's internal documents defining the risk management and internal control policy. 2. In the reporting period, the Board of Directors approved (revised) the acceptable level of risks (risk appetite) of the Company, or the Audit Committee and/or Risk Committee (if any) considered the practicality of submitting the issue of revising the Company's risk appetite before the Board of Directors	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.1.4	The Board of Directors determines the Company's policy on remuneration and/or recovery of costs (compensations) to members of the Board of Directors, executive bodies and other key executives of the Company	1. The Company developed and approved the policy (policies) introduced by the Board of Directors for remuneration and recovery of costs (compensations) to members of the Board of Directors, executive bodies and other key executives of the Company.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
		2. During the reporting period, the Board of Directors considered the issues related to the specified policy (policies)	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

List of major and interested-party transactions made by MTS in 2021

1	2	3	4	5
2.1.5	The Board of Directors plays a key role in prevention, detection and settlement of internal conflicts between the Company's bodies, shareholders and employees	1. The Board of Directors plays a key role in prevention, detection and settlement of internal conflicts. 2. The Company has created a system of identification of transactions related to a conflict of interest, and a system of actions aimed at the resolution of such conflicts	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.1.6	The Board of Directors plays a key role in ensuring the transparency of the Company, timeliness and completeness of information disclosure by the Company, unhindered access of shareholders to the Company's documents	1. In the Company's internal documents, there are persons defined as those responsible for implementation of the Information Policy	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.1.7	The Board of Directors monitors the corporate governance practices at the Company and plays a key role in significant corporate events of the Company	1. During the reporting period, the Board of Directors considered the results of self-assessment and/or external assessment of corporate governance practices at the Company	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.2	The Board of Directors reports to all shareholders of the Company			
2.2.1	Information on the activity of the Board of Directors is disclosed and provided to the shareholders	1. The Annual Report of the Company for the reporting period includes information on attendance of the meetings of the Board of Directors and committees by each member of the Board of Directors. 2. The Annual Report contains information on the main results of assessment (self-assessment) of the quality of activities of the Board of Directors carried out in the reporting period	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.2.2	The Chairman of the Board of Directors is available for communication with the Company's shareholders	1. The Company has a transparent procedure that provides shareholders with the opportunity to send messages to the Chairman of the Board of Directors (and, if applicable, to the senior independent director) and receive feedback on them	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.3	The Board of Directors is an effective and professional management body of the Company, capable of producing objective independent judgments and making decisions to protect the interests of the Company and its shareholders			
2.3.1	Only persons with a perfect business and personal reputation and the knowledge, skills and experience required for making decisions falling within the competence of the Board of Directors, and required for effective fulfilment of its functions, are elected members of the Board of Directors	1. In the reporting period, the Board of Directors (or its Nomination Committee) conducted assessment of the nominees to the Board of Directors from the point of view of availability of the necessary experience, knowledge, business reputation, absence of conflicts of interest, etc.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

1	2	3	4	5
2.3.2	Members of the Board of Directors of the Company are elected through a transparent procedure, making it possible for the shareholders to receive information about candidates, which is sufficient to form a view of their personal and professional qualities	1. In all cases of holding a general meeting of shareholders in the reporting period, the agenda of which included issues on election of the Board of Directors, the Company provided to the shareholders the biographic data of all nominees to the Board of Directors, the results of assessment of compliance of the professional qualifications, experience and skills of candidates with the current and expected needs conducted by the Board of Directors (or its Nomination Committee), and also information on compliance of a nominee with the independence criteria, in accordance with Recommendations 102–107 of the Code, as well as information on the presence of a written consent of nominees to be elected members of the Board of Directors	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>In the reporting period the materials of the annual General Meeting of Shareholders 2021 contained biographic data of all candidates to the MTS Board of Directors, information on the candidate's compliance with the independence criteria according to the recommendations of 102–107 of the Corporate Governance Code (CGC) and on availability of the candidates' consent to be elected to the Board of Directors of MTS, but did not contain the results of assessment of candidates' professional qualification, experience and skills compliance with the current and expected needs of the Company.</p> <p>When the candidates are nominated to the members of the Board of Directors of MTS, the Remuneration and Nomination Committee of the Board of Directors of MTS annually checks candidates' professional qualification, experience and skills compliance with the current and expected needs of the company, including with account of biographic data and experience of candidates, as well as assesses candidates for compliance with the independence criteria according to recommendations 102–107 of the Corporate Governance Code recommended by the Bank of Russia.</p> <p>The results of this assessment are considered by the Board of Directors of MTS within nomination of the candidates to the members of the Board of Directors of MTS.</p> <p>Nevertheless, the results of assessment of candidates' professional qualification, experience and skills compliance with the current and expected needs of the Company were not included into the materials of the annual General Meeting of Shareholders of MTS in 2021.</p> <p>In our opinion, the Code recommendation is mostly relevant when new candidates are elected to the Board of Directors who have not held the position of a member of the Company's Board of Directors previously. Besides, the composition of the Board of Directors of MTS is relatively stable, the members of the Board of Directors of MTS were reelected to the composition of the Board of Directors for several years in a row. When current members of the Board of Directors of MTS are nominated as candidates, such assessment may be treated as a formal action.</p> <p>We plan to include the results of such assessment in the materials of the annual General Meeting of Shareholders of MTS in 2022.</p>
2.3.3	The composition of the Board of Directors is balanced, among other things, in terms of qualification of its members, their experience, knowledge and business qualities, and is trusted by the shareholders	1. In the reporting period, the Board of Directors analyzed its own needs in terms of professional qualifications, experience and skills and determined the competencies required by the Board of Directors in the short and long run	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

List of major and interested-party transactions made by MTS in 2021

1	2	3	4	5
2.3.4	<p>The quantitative composition of the Board of Directors of the Company makes it possible to organize the activities of the Board of Directors in the most efficient manner, including the possibility to form the committees of the Board of Directors, and also provides the substantial minority shareholders of the Company with a possibility to elect a candidate they vote for into the Board of Directors</p>	<p>1. In the reporting period, the Board of Directors considered the issue on compliance of the quantitative composition of the Board of Directors with the needs of the Company and interests of its shareholders</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
2.4	<p>The Board of Directors includes a sufficient number of independent directors</p>			
2.4.1	<p>An independent director is a person with a sufficient level of proficiency, experience and independence in order to have his/her own opinion, capable of producing objective and fair judgements independently from the influence of the executive bodies of the Company, separate groups of shareholders or other stakeholders.</p> <p>At the same time, it should be taken into account that, under regular conditions, a candidate (elected member of the Board of Director) may not be recognized as independent, if it is related to the Company, its major shareholder, major contractor or competitor or is related to the government</p>	<p>1. Within the reporting period, all independent members of the Board of Directors met all the criteria of independence specified in Recommendations 102–107 of the Code, or were recognized independent by the resolution of the Board of Directors</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
2.4.2	<p>Compliance of candidates to the members of the Board of Directors with the independence criteria is assessed, and regular analysis is carried out for compliance of independent members of the Board of Directors with the independence criteria. When such an assessment is conducted, the content shall prevail over the form</p>	<p>1. In the reporting period, the Board of Directors (or the Nomination Committee of the Board of Directors) produced an opinion on independence of each candidate to the Board of Directors and provided a relevant report to the shareholders.</p> <p>2. During the reporting period, the Board of Directors (or the Nomination Committee of the Board of Directors) at least once considered the issue of independence of the existing members of the Board of Directors (upon their election).</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	<p>During the reporting period, the Board of Directors (or the Remuneration and Nomination Committee of the Board of Directors of MTS) at least once considered the issue of independence of the existing members of the Board of Directors (upon their election). At the same time, such consideration took place on the next day after election of the existing members of the Board of Directors of MTS, which may not be fully compliant with the nature of this recommendation of the Code.</p> <p>In connection therewith MTS introduced into its practice the additional regular consideration of the issue on independence of the existing members of the Board of Directors at the meeting of the Remuneration and Nomination Committee of the Board of Directors of MTS (and, if necessary, at the meeting of the Board of Directors of MTS) in the first quarter of each year. At the Annual General Meeting of Shareholders in 2022 it will be offered to MTS shareholders to record this practice in the Regulations on the Board of Directors of MTS PJSC.</p>

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				In 2021 MTS regularly conducted assessment of independence of the existing members of the Board of Directors – at least once per quarter. In a situation when there were grounds to believe that a director may lose their status of “independent director”, the issue on independence of existing members of the Board of Directors was considered at the meeting of the Remuneration and Nomination Committee of the Board of Directors of MTS (and, if necessary, at the meeting of the Board of Directors of MTS). For example, the issue of independence of one of existing members of the Board of Directors of MTS was considered at the meeting of the Remuneration and Nomination Committee of the Board of Directors of MTS and at the meeting of the Board of Directors of MTS in September 2021.
		3. The Company developed procedures that determine the necessary actions to be undertaken by a member of the Board of Directors, if they stop being independent, including obligations on timely notification of the Board of Directors	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.4.3	Independent directors make up at least one third of the elected composition of the Board of Directors	1. Independent directors make up at least one third of the composition of the Board of Directors	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.4.4	Independent directors play a key role in preventing internal conflicts at the Company and making major corporate actions by the Company	1. Independent directors (with no conflict of interest) preliminarily assessed the major corporate actions related to a potential conflict of interest in the reporting period, and the results of this assessment were provided to the Board of Directors	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.5	The Chairman of the Board of Directors contributes to the most efficient performance of functions imposed upon the Board of Directors			
2.5.1	The Chairman of the Board of Directors is an independent director; or a senior independent director is chosen from among the elected independent directors, who coordinates the work of the independent directors and cooperates with the Chairman of the Board of Directors	1. The Chairman of the Board of Directors is an independent director; or a senior independent director is chosen from among the independent directors ¹ .	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>The Chairman of the Board of Directors is not an independent director; a senior independent director is not defined. Besides, an independent director was elected as the deputy Chairperson of MTS Board of Directors.</p> <p>MTS regularly (annually) conducts a benchmarking analysis of the Company’s corporate governance practices as compared with other public companies. Consideration of benchmarking takes place on the site of the ESG Committee (Corporate Governance, Environmental and Social Responsibility Committee) of the Board of Directors of MTS. During the Committee’s meetings, recommendations of the Code that are not adhered to by the Company are analysed and the practicability of their implementation is assessed. This recommendation of the Code has been considered by the Committee and the Board of Directors many times before. In previous years, we came to the conclusion that the level of corporate governance achieved by the Company and the created constructive discussion environment did not require implementation of this recommendation of the Code.</p>

¹ Specified, which of the two alternative approaches permitted by the principle is introduced at the Company, and explained the reasons for the chosen approach.

List of major and interested-party transactions made by MTS in 2021

1	2	3	4	5
				<p>In 2021 MTS returned to consideration of this recommendation of the Corporate Governance Code. With account of recommendations of the independent consultants, following the results of the last conducted external assessment of the MTS Board of Directors work, on June 24, 2021 by the resolution of the MTS Board of Directors an independent director (Regina von Flemming) as the Deputy Chairperson of the Board of Directors of MTS was elected.</p> <p>In this position, Ms. Flemming, in fact, replacing the senior independent director, performs all of its functions provided for by the Code – coordinating the work of independent directors and implementing (organizing) the interaction of independent directors with the Chairman of the Board of Directors of MTS.</p> <p>Therefore, presence of a strong professional Chairman of the Board of Directors, election of an independent director as the Deputy Chairperson of the Board of Directors of MTS (who actually acts as the senior independent director) and election of the adequate number of the independent directors to the Board of Directors shall be considered as a tool to reduce the potential risks of failure to comply with the Code recommendation.</p> <p>Implementing the recommendations of the Code, we adhere to the position that each recommendation of the Code shall be assessed for its utility and applicability to the corporate governance system of a specific company, therefore we do not see it as necessary to elect an independent director as the Chairman of the Board of Directors or to appoint a senior independent director.</p>
		2. The role, rights and obligations of the Chairman of the Board of Directors (and, if applicable, the senior independent director) are properly defined in the internal documents of the Company	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.5.2	The Chairman of the Board of Directors ensures a constructive atmosphere for holding meetings, free discussion of the issues included in the meeting agenda, and control over implementation of decisions made by the Board of Directors	1. Efficiency of work of the Chairman of the Board of Directors is assessed within the procedure for assessment (self-assessment) of the quality of performance of the Board of Directors in the reporting period	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.5.3	The Chairman of the Board of Directors takes the necessary actions for timely providing the members of the Board of Directors with information required to make decisions on the agenda issues	1. The obligation of the Chairman of the Board of Directors to take actions for ensuring timely provision of complete and reliable information to the members of the Board of Directors on the agenda issues of the meeting of the Board of Directors is recorded in the internal documents of the Company	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.6	The members of the Board of Directors act fairly and reasonably in the interests of the Company and its shareholders on the basis of sufficient awareness, with a sufficient degree of care and diligence			
2.6.1	The members of the Board of Directors make decisions with account of all available information, in absence of conflict of interest, with account of an equal attitude to shareholders of the Company, within regular entrepreneur risk	1. Internal documents of the Company stipulate that a member of the Board of Directors shall notify the Board of Directors, if they have a conflict of interest in respect to any issue on the agenda of a meeting of the Board of Directors or a committee of the Board of Directors, prior to discussion of the relevant agenda item.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

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		<p>2. Internal documents of the Company assume that a member of the Board of Directors shall abstain from voting on any issue, where they have a conflict of interest.</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
		<p>3. There is a procedure at the Company, which makes it possible for the Board of Directors to receive professional consultation on issues that fall within its terms of reference, at the expense of the Company</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
2.6.2	Rights and obligations of the members of the Board of Directors are clearly formulated and recorded in the internal documents of the Company	<p>1. There is an internal document approved and published by the Company, which defines the rights and obligations of the members of the Board of Directors</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
2.6.3	The members of the Board of Directors have sufficient time to perform their obligations	<p>1. Individual attendance at the meetings of the Board and Committees, as well as sufficiency of time to work on the Board of Directors, including its Committees, was analyzed within the procedure for assessing (self-assessing) the quality of work of the Board of Directors in the reporting period.</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
		<p>2. In accordance with the internal documents of the Company, the members of the Board of Directors shall notify the Board of Directors about their intent to enter the management bodies of other organizations (apart from subsidiaries and affiliates of the Company), as well as about the fact of such an appointment</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
2.6.4	All members of the Board of Directors are able to access the Company's documents and information to the same extent. Newly elected members of the Board of Directors are provided with sufficient information about the Company and work of the Board of Directors within the shortest time possible	<p>1. In accordance with the internal documents of the Company, the members of the Board of Directors are entitled to receive the information and documents required for the members of the Board of Directors of the Company to fulfill their duties related to the Company and its subsidiaries, and the executive bodies of the Company shall provide the relevant information and documents.</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
		<p>2. There is a formalized program of induction events for newly elected members of the Board of Directors at the Company</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
2.7	Meetings of the Board of Directors, preparation for them and participation by members of the Board of Directors in them ensure the effective work of the Board of Directors			
2.7.1	Meetings of the Board of Directors are held when required, with account of the scope of activities and objectives of the Company in a certain period of time	<p>1. The Board of Directors held at least six meetings in the reporting period</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
2.7.2	The internal documents of the Company stipulate the procedure for preparing and holding meetings of the Board of Directors, providing the opportunity for the members of the Board of Directors to properly prepare for its holding	<p>1. There is an internal document at the Company, which defines the procedure for preparing and holding meetings of the Board of Directors, where it is stipulated, among other things, that notice of a meeting shall usually be made at least five days prior to the meeting date.</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
		<p>2. In the reporting period, members of the Board of Directors absent from the venue of the meeting of the Board of Directors were given the opportunity to participate in discussing the agenda items and voting remotely – via conference calls and video conferencing</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	

List of major and interested-party transactions made by MTS in 2021

1	2	3	4	5
2.7.3	The form of holding a meeting of the Board of Directors is determined with consideration for the significance of the agenda items. Most important issues are resolved at the meetings held with physical presence	1. The Charter or an internal document of the Company contemplates that the most important issues (according to the list set forth in Recommendation 168 of the Code) shall be considered at in-person meetings of the Board of Directors	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>The Charter or an internal document of the Company did not provide that prior review of the annual reports or approval of the material transactions took place at the in praesentia meetings of the Board of Directors of MTS. At the same time, in previous years, usually such issues were considered at the in praesentia meetings of the Board of Directors of MTS.</p> <p>In 2022 during another consideration of this recommendation, the ESG Committee (Corporate Governance, Environmental and Social Responsibility Committee) of the Board of Directors of MTS came to the conclusion that the recommendation may be complied with – the relevant amendments will be made to the internal documents of the Company, if they are approved by the Annual General Meeting of Shareholders of MTS in 2022.</p>
2.7.4	Decisions on the most important issues of the Company's business shall be made at the meeting of the Board of Directors by the qualified majority or the majority of votes of all elected members of the Board of Directors	1. The Charter of the Company contemplates that the decisions on the most important issues, including those specified in Recommendation 170 of the Code shall be made at the meeting of the Board of Directors by the qualified majority, with at least three quarters of votes, or by the majority of votes of all elected members of the Board of Directors	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>The Charter of the Company does not contemplate that the decisions on the issues specified in Recommendation 170 of the Code shall be made at a meeting of the Board of Directors by the qualified majority, with at least three fourths of votes, or by the majority of votes of all elected members of the Board of Directors. In accordance with the Charter, decisions on most issues falling within the competence of the Board of Directors, are taken by the simple majority (more than a half (½) of votes of the members of the Board of Directors attending the meeting). A small number of issues requires a unanimous decision by all members of the Board of Directors, except for retired members of the Board of Director. In practice, the specified recommendation of the Code is complied with: during the recent years, more than 90% of the Board of Directors' meetings have taken place with 100% participation of members of the Board of Directors. Therefore, in most cases, the simple majority of votes of the Board of Directors' members attending a meeting is comparable to the majority of votes of all elected members of the Board of Directors. After approval of the Code, the issue on implementation of the recommendation was considered by members of the Corporate Governance Committee of the Board of Directors with involvement of other members of the Board of Directors and the management. The Committee came to the conclusion on unreasonableness of introducing stricter procedures for decision-making by the Board of Directors, including due to the fact that their implementation may negatively impact urgency of decision-making. Risks related to incomplete compliance with the recommendation are levelled out by traditionally high attendance of the Board of Directors' meetings by its members, as well as by decision-making procedures adopted at the Company: decisions made by the Board of Directors are based on the consensus of all members of the Board of Directors, and key decisions are first elaborated by independent members of the Board of Directors within the framework of committees' work. In connection with the above, the Company does not plan to achieve full compliance with this recommendation of the Code in this part. At the same time, the Company will continue monitoring the compliance with this recommendation of the Code by the Russian issuers and will evaluate the opportunity of its introduction at MTS PJSC (depending on changes happening in the field of the Russian corporate governance).</p>

1	2	3	4	5
2.8	The Board of Directors sets up the committees for preliminary consideration of the most important issues of the Company's business			
2.8.1	For preliminary consideration of the issues related to control of the Company's financial and economic activities, the Audit Committee comprised of independent directors has been established	<p>1. The Board of Directors established the Audit Committee made exclusively of independent directors.</p> <p>2. The internal documents of the Company define the objectives of the Audit Committee, including those contained in Recommendation 172 of the Code.</p> <p>3. At least one member of the Audit Committee being an independent director has experience and knowledge in the field of preparation, analysis, assessment and audit of the accounting (financial) statements.</p> <p>4. Meetings of the Audit Committee were held at least once per quarter during the reporting period</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
2.8.2	For preliminary consideration of the issues related to formation of efficient and transparent remuneration practice, the Remuneration Committee has been established, comprised of independent directors and headed by an independent director, not being the Chairman of the Board of Directors	<p>1. The Board of Directors established the Remuneration Committee, which is only comprised of independent directors.</p> <p>2. The Chairman of the Remuneration Committee is an independent director, who is not the Chairman of the Board of Directors.</p> <p>3. The internal documents of the Company define the tasks of the Remuneration Committee, including, but not limited to, the tasks contained in Recommendation 180 of the Code, as well as the conditions (events) upon occurrence of which the Remuneration Committee considers the issue of revising the Company's policy on remuneration to members of the Board of Directors, executive bodies and other key executives</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input type="checkbox"/> complied with</p> <p><input checked="" type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	<p>The tasks of the Remuneration and Nomination Committee of the Board of Directors of MTS also include tasks contained in recommendation 180 of the Code. At the same time the internal documents of MTS do not determine the conditions (events), upon occurrence of which the committee will consider the issue of revising the policy of the Company for remuneration of the Board of Directors members, executive bodies' members and other key managers.</p> <p>Such conditions (events) were not specified in the internal documents of the Company, since the level of corporate governance of MTS until recently made it possible to organize the process of the Company's remuneration policy revision at a proper level without additional formalization of these conditions and events, and also in absence of the specified recommendation in the Corporate Governance Code.</p> <p>In the next corporate year MTS will consider the opportunity of adding the corresponding changes to the internal documents of MTS.</p>
2.8.3	For preliminary consideration of the issues related to HR planning (succession planning), professional composition and efficiency of work of the Board of Directors, the Nomination (Appointments, HR) Committee has been established, the majority of the members of which are independent directors	1. The Board of Directors has established the Nomination Committee (or its objectives specified in Recommendation 186 of the Code are implemented within a different committee ¹), the majority of the members of which are independent directors.	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	

¹ If objectives of the Nomination Committee are implemented within a different committee, its name is specified.

List of major and interested-party transactions made by MTS in 2021

1	2	3	4	5
		<p>2. The internal documents of the Company define the objectives of the Nomination Committee (or the relevant committee with the combined functions), including those contained in Recommendation 186 of the Code.</p>	<p><input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with</p>	<p>Activities of the Remuneration and Nomination Committee of the Board of Directors of MTS are performed on the basis of the Committee Regulations. In accordance with the Regulations, the Committee's functions include, inter alia, all objectives listed in Recommendation 186 of the Code, excluding sub-clause 8. The task to describe the individual duties of the directors and Chairman of the Board of Directors was not included into the list of functions of the Remuneration and Nomination Committee of the Board of Directors of MTS for two main reasons: main duties of members of the Board of Directors (including the Chairman of the Board of Directors) are clearly defined in the Regulations on the Board of Directors; the composition of the Company's Board of Directors is relatively stable. Therefore, the scope of individual duties of each director has already been formed, and the Company believes that additional description of duties of directors by the Remuneration and Nomination Committee of the Board of Directors of MTS would be of exclusively formal nature and would not be a catalyst for increased efficiency of the Board of Directors' work. The risks related to partial compliance with this recommendation are levelled out by introduction at the Company of an on boarding course for newly elected members of the Board of Directors, which also contains description of duties of directors and the Chairman of the Board of Directors. In connection with the above, the Corporate Governance Committee made a decision on unreasonableness of including the objective specified in sub-clause 8 of Recommendation 186 of the Code into the functions of the Remuneration and Nomination Committee of the Board of Directors of MTS. The Company does not plan to include this objective into the functions of the Remuneration and Nomination Committee of the Board of Directors of MTS. In connection with the above, the Company does not plan to achieve full compliance with this recommendation of the Code in this part.</p>
		<p>3. In the reporting period, the Nomination Committee, independently or jointly with other Committees of the Board of Directors, or the Company's authorized subdivision for shareholder relations, arranged interaction with shareholders, not limited to the circle of largest shareholders, in the context of the selection of candidates to the Board of Directors of the Company in order to form a Board of Directors that best meets the Company's goals and objectives</p>	<p><input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with</p>	<p>The tasks of the Remuneration and Nomination Committee of the Board of Directors of MTS also include interaction with the shareholders that should not be limited to the circle of the largest shareholders, in order to generate recommendations for the shareholders in respect to voting on the issue of candidates election to the Company's Board of Directors.</p> <p>In the reporting year, the Board of Directors of MTS underwent only a minor change: the existing President of MTS was added to the Board of Directors instead of the former President of MTS.</p> <p>Two candidates were nominated by Sistema PJSC, seven candidates were proposed by the Board of Directors of MTS. The proposed independent candidates took most offices in the Board of Directors of MTS (6 out of 9). The Board of Directors of MTS is well-balanced both in terms of numerical composition and in terms of experience and qualification of its members.</p> <p>With a strong block of independent candidates MTS actually did not need to search for additional candidates. Inclusion of 6 independent directors into the Board of Directors also made it possible to balance the</p>

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				<p>risks that could have occurred since MTS in the reporting year did not resort to the help of shareholders when selecting candidates to the Board of Directors of the Company.</p> <p>In the future, in order to establish the Board of Directors that meets the objectives and tasks of the Company to the fullest extent, MTS will try to organize cooperation with the shareholders in the context of selecting candidates to the Board of Directors whenever it becomes necessary.</p>
2.8.4	<p>With account of the scope of activity and the level of risk, the Board of Directors of the Company made sure that the composition of its committees fully complies with the objectives of the Company's business. Additional committees were either formed or were not recognized necessary (Strategy Committee, Corporate Governance Committee, Ethics Committee, Risk Management Committee, Budget Committee, Health, Safety and Environment Committee, etc.)</p>	<p>1. In the reporting period, the Board of Directors of the Company considered the issue on compliance of the structure of the Board of Directors with the scale and nature, business objectives and needs, as well as with the risk profile of the Company. Additional committees were either formed or were not recognized necessary</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
2.8.5	<p>The composition of the committees was determined so that it made it possible to perform comprehensive discussion of previously considered issues with account of different opinions</p>	<p>1. In the reporting period, the Audit Committee, the Remuneration Committee, the Nominations Committee (or the relevant committee with combined functions) were headed by independent directors.</p> <p>2. The internal documents (policies) of the Company contain the provisions, in accordance with which the persons not included into the composition of the Audit Committee, Nomination Committee (or the relevant committee with combined functions) and Remuneration Committee may only visit the meetings of the committees upon the invitation of the Chairman of the relevant committee</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
2.8.6	<p>Chairmen of the committees regularly advise the Board of Directors and its Chairman of the work of their committees</p>	<p>1. During the reporting period, the chairmen of the committees regularly reported to the Board of Directors about the work of their committees</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
2.9	<p>The Board of Directors provides for the assessment of the quality of the Board of Directors' work, its committees and members</p>			
2.9.1	<p>The assessment of the quality of the Board of Directors' work is aimed at defining the degree of efficiency of the work of the Board of Directors, committees and members of the Board of Directors, compliance of their work with the needs of the Company's development, as well as at enhancing the work of the Board of Directors and detecting areas, where their activity may be improved</p>	<p>1. The internal documents of the Company define the procedures for assessing (self-assessing) the quality of work of the Board of Directors.</p> <p>2. Assessment (self-assessment) of work of the Board of Directors performed in the reporting period included assessment of the work of the committees, individual assessment of each member of the Board of Directors and the Board of Directors in general.</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input type="checkbox"/> complied with</p> <p><input checked="" type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	<p>In the reporting year MTS assessed the quality of work of the Board of Directors of MTS, including assessment of the work of the committees and the Board of Directors as a whole, however, it did not include individual assessment of each member of the Board of Directors.</p> <p>In 2021, MTS conducted an assessment of the work of the Board of Directors in the form of a self-assessment. Besides, in the previous year MTS conducted external assessment of the Board of Directors with engagement of independent consultants,</p>

List of major and interested-party transactions made by MTS in 2021

1	2	3	4	5
				<p>also including individual assessment of the members of the Board of Directors, following which a detailed plan was prepared to improve the work of the Board of Directors of MTS and the corporate governance of MTS as a whole.</p> <p>Considering the issue of launching self-assessment of 2021 and determining the assessment elements, the Board of Directors of MTS, with account of the recently completed external assessment, decided that it was not feasible to conduct the individual assessment in 2021.</p> <p>In the future, the Board of Directors of MTS, following the risk-based approach, will decide on the need or no need to conduct individual assessment every time when considering the issue on launching the annual assessment of the Board of Directors of MTS.</p>
		3. Results of assessment (self-assessment) of the quality of the Board of Directors' work performed during the reporting period were considered at the in-person meeting of the Board of Directors	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.9.2	The work of the Board of Directors, committees and members of the Board of Directors is assessed on a regular basis at least once per year. For independent assessment of the quality of the work of the Board of Directors, a third party organization (consultant) is engaged at least once in three years	1. In order to conduct an independent assessment of the quality of the work of the Board of Directors during the three recent reporting periods, the Company engaged a third party organization (consultant) at least once	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
3.1	The Corporate Secretary of the Company ensures effective current interaction with the shareholders, coordinates the Company's activities aimed at protection of rights and interests of the shareholders, and supports effective work of the Board of Directors			
3.1.1	The Corporate Secretary has knowledge, experience and qualification sufficient for performance of their obligations, has an impeccable reputation and is trusted by the shareholders	1. The Company's website in the Internet and the Annual Report contain biographical information about the Corporate Secretary (including information about the age, education, qualifications, experience), as well as data about positions in the management bodies of other legal entities occupied by the Corporate Secretary over the course of not less than the last five years	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
3.1.2	The Corporate Secretary is sufficiently independent from the executive bodies of the Company and has the necessary powers and resources to perform their objectives	<p>1. The Company adopted and disclosed an internal document – the Regulations on the Corporate Secretary.</p> <p>2. The Board of Directors approves a candidate for the Corporate Secretary position and terminates their powers, as well as considers the issue of paying them additional remuneration.</p> <p>3. The internal documents of the Company enshrine the right of the Corporate Secretary to request and receive the Company's documents and information from the management bodies, structural divisions and executive officers of the Company</p>	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with <input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with <input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

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4.1	The level of remuneration paid by the Company is sufficient to engage, motivate and retain people that have the necessary competences and qualification for the Company. Remuneration to members of the Board of Directors, executive bodies and other key executives of the Company shall be paid in accordance with the Remuneration Policy adopted at the Company.			
4.1.1	The level of remuneration provided by the Company to the members of the Board of Directors, executive bodies and other key management employees creates sufficient motivation for their efficient work, making it possible for the Company to employ and retain competent and qualified experts. At the same time, the Company avoids higher remuneration than necessary, as well as unjustified high gap between levels of remuneration paid to the specified persons and employees of the Company	1. The remuneration paid to members of the Board of Directors, executive bodies and other key executives of the Company shall be determined taking into account the results of a comparative analysis of the remuneration level in comparable companies	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
4.1.2	The Company's Remuneration Policy has been developed by the Remuneration Committee and approved by the Board of Directors of the Company. The Board of Directors, with the support of the Remuneration Committee, provides for monitoring of introduction and implementation of the Remuneration Policy at the Company – and reviews and amends it as necessary	1. During the reporting period, the Remuneration Committee considered the Remuneration Policy (policies) and/or practice of its (their) introduction, assessed their efficiency and transparency and submitted the necessary recommendations on revising this Policy (policies) to the Board of Directors, where required	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
4.1.3	The Remuneration Policy of the Company contains transparent mechanisms to determine the amount of remuneration paid to members of the Board of Directors, executive bodies and other key executives of the Company, and also regulates all types of payments, benefits and privileges provided to the specified persons	1. The Remuneration Policy (policies) of the Company contains (contain) transparent mechanisms to determine the amount of remuneration paid to members of the Board of Directors, executive bodies and other key executives of the Company, and also regulates (regulate) all types of payments, benefits and privileges provided to the specified persons	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
4.1.4	The Company determines the policy for recovery of expenses (compensations) that details the list of expenses subject to recovery, and the level of service that the members of the Board of Directors, executive bodies and other key management employees of the Company may claim for. Such a policy may be part of the Company's Remuneration Policy	1. The Remuneration Policy (policies) or other internal documents of the Company establish the rules for recovery of expenses incurred by members of the Board of Directors, executive bodies and other key executives of the Company	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
4.2	The remuneration system for members of the Board of Directors provides for rapprochement between financial interests of the directors with long-term financial interests of the shareholders			
4.2.1	The Company pays fixed annual remuneration to members of the Board of Directors. The Company does not pay remuneration for participation in individual meetings of the Board or committees of the Board of Directors.	1. In the reporting period, the Company paid remuneration to the members of the Board of Directors in accordance with the Remuneration Policy of the Company.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

List of major and interested-party transactions made by MTS in 2021

1	2	3	4	5
	The Company does not use any forms of short-term motivation or additional financial incentives in respect to members of the Board of Directors	2. In the reporting period, the Company did not apply any form of short-term motivation or additional financial incentives to the members of the Board of Directors, the payment of which depends on the Company's performance (indicators). Remuneration for participation in individual meetings of the Board or committees of the Board of Directors was not paid	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
4.2.2	Long-term ownership of the Company's shares provides for rapprochement between financial interests of members of the Board of Directors and long-term interests of the shareholders to the largest extent. At the same time, the Company does not provide for the rights to sell the shares by achievement of certain indicators of activities, and the members of the Board of Directors do not participate in option programs	1. If the internal document (documents) – Remuneration Policy (policies) of the Company – contemplates (contemplates) provision of the Company's shares to members of the Board of Directors, clear rules of share ownership by members of the Board of Directors aimed at promoting long-term ownership of such shares shall be provided for and disclosed	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
4.2.3	The Company does not provide for any additional payments or compensation in case of early termination of powers of members of the Board of Directors in connection with transfer of control over the Company or other circumstances	1. The Company does not provide for any additional payments or compensation in case of early termination of powers of members of the Board of Directors in connection with transfer of control over the Company or other circumstances	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
4.3	The system of remuneration for members of executive bodies and other key executives of the Company provides for the dependence of remuneration on the result of the Company's operation and their personal contribution to the achievement of this result			
4.3.1	Remuneration paid to members of executive bodies and other key executives of the Company is determined so that a reasonable and justified ratio is ensured between the fixed part of remuneration and the variable part of remuneration, depending on the results of the Company's operation and personal (individual) contribution of an employee to the final result	<p>1. During the reporting period, the annual indicators of efficiency approved by the Board of Directors were used to determine the amount of variable remuneration paid to members of executive bodies and other key executives of the Company.</p> <p>2. During the last completed assessment of the remuneration system for members of executive bodies and other key executives of the Company, the Board of Directors (Remuneration Committee) made sure that the Company used an effective ratio of the fixed part of remuneration and the variable part of remuneration.</p> <p>3. When determining the amount of remuneration paid to members of executive bodies and other key executives of the Company, the risks borne by the Company shall be taken into account in order to avoid creating incentives for making excessively risky managerial decisions</p>	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with <input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with <input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
4.3.2	The Company has introduced a program for long-term motivation of members of executive bodies and other key executives of the Company, using shares of the Company (options or other derivative financial instruments, the basic assets under which are the Company's shares)	1. The program for long-term motivation for members of executive bodies and other key executives of the Company using the Company's shares (financial instruments based on the Company's shares) introduced at the Company, if any, contemplates that the right to sell such shares and other financial instruments arises not earlier than three years after the moment of their provision. At the same time, the right for their sale depends on achievement of certain indicators of the Company's activities	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

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4.3.3	The amount of compensation ("top-echelon parachute"), paid by the Company in case of early termination of powers to members of executive bodies or key executives at the initiative of the Company and with absence of unfair actions from their side, shall not exceed double size of the fixed part of the annual remuneration	1. The amount of compensation ("top-echelon parachute"), paid by the Company in case of early termination of powers to members of executive bodies or key executives at the initiative of the Company and with absence of unfair actions from their side, did not exceed double size of the fixed part of the annual remuneration in the reporting period	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
5.1	The Company has an efficiently operating risk management and internal control system aimed at ensuring reasonable confidence in achievement of objectives set by the Company			
5.1.1	The Board of Directors of the Company has defined the principles and approaches towards organization of the risk management and internal control system in place at the Company	1. Functions of various management bodies and subdivisions of the Company within the risk management and internal control system are clearly defined by the internal documents/relevant policy of the Company approved by the Board of Directors	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
5.1.2	Executive bodies of the Company ensure development and maintenance of functioning of an efficient risk management and internal control system at the Company	1. Executive bodies of the Company provided for distribution of obligations, powers and responsibilities in respect to risk management and internal control between the managers (heads) of the subdivisions and departments subordinated to them	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
5.1.3	The risk management and internal control system in place at the Company provides for objective, fair and clear understanding of the current status and prospects of the Company, integrity and transparency of the Company's reporting, reasonableness and acceptability of the risks undertaken by the Company	1. The Company has adopted an Anti-Corruption Policy. 2. There is a safe, confidential and available method (hotline) at the Company for informing the Board of Directors or the Audit Committee of the Board of Directors about the facts of breaching of the law, internal procedures, or the Company's Code of Ethics	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with <input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
5.1.4	The Board of Directors of the Company takes necessary actions to make sure that the Company's existing risk management and internal control system complies with the principles and approaches towards its organization determined by the Board of Directors and that it functions effectively	1. During the reporting period, the Board of Directors (the Audit Committee and/or the Risk Committee, if any) arranged the assessment of reliability and efficiency of the risk management and internal control system in place. 2. In the reporting period, the Board of Directors reviewed the results of assessing the reliability and efficiency of the Company's risk management and internal control system, and information on the review results was included in the Annual Report of the Company	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with <input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
5.2	The Company organizes an internal audit to systematically and independently assess the reliability and efficiency of the risk management and internal control system and the corporate governance practices			
5.2.1	In order to conduct an internal audit, a separate structural subdivision has been established at the Company, or an independent external entity has been engaged. Functional and administrative accountabilities of the internal audit subdivision are separated. The internal audit subdivision is functionally accountable to the Board of Directors	1. In order to conduct an internal audit, the Company has a separate structural internal audit subdivision, which is functionally accountable to the Board of Directors or an independent third-party entity with the same principle of accountability has been engaged	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

List of major and interested-party transactions made by MTS in 2021

1	2	3	4	5
5.2.2	The internal audit subdivision assesses the reliability and efficiency of the risk management and internal control system, as well as the corporate governance practices, and applies generally accepted internal audit standards	<p>1. In the reporting period, the reliability and efficiency of the risk management and internal control system was assessed as part of an internal audit.</p> <p>2. In the reporting period, as part of an internal audit, an assessment of the corporate governance practice (certain practices) was conducted, including the information interaction procedures (e.g. on the issues of internal control and risk management) at all corporate management levels, as well as stakeholder interaction</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
6.1	The Company and its activities are transparent for the shareholders, investors and other stakeholders			
6.1.1	There is an Information Policy developed and introduced at the Company, which provides for effective information interaction between the Company, shareholders, investors and other stakeholders	<p>1. The Board of Directors of the Company has approved the Information Policy of the Company developed with account of the Code's recommendations.</p> <p>2. During the reporting period, the Board of Directors (or one of its committees) considered the issue of efficiency of information interaction between the Company, shareholders, investors and other stakeholders, as well as the practicality (necessity) of revising the information policy of the Company</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	
6.1.2	The Company discloses information on the corporate governance system and practices, including detailed information on compliance with the principles and recommendations of the Code	<p>1. The Company discloses information on the corporate governance system in place at the Company</p> <p>and the general principles of corporate governance used by the Company, including on the Company's website in the Internet.</p> <p>2. The Company discloses information on the composition of its executive bodies and the Board of Directors, independent members of the Board and their membership in the committees of the Board of Directors (as defined by the Code).</p> <p>3. If there is an entity that controls the Company, the latter publishes a memorandum of the controlling entity in respect to the plans of such an entity concerning the corporate governance at the Company</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	<p>The recommendation is complied with, at the same time, as of the date of approval of this Report, MTS PJSC has no information about an existing shareholder who owns 50 and more percent of the MTS voting shares.</p> <p>In accordance with the provisions of applicable law and on the basis of information disclosed by the shareholders of MTS PJSC, it is publicly known and disclosed that the shareholder of MTS PJSC, owning 42.085% of the authorized capital jointly with its subsidiary (the efficient stock of less than 50%) is Sistema PJSC.</p>
6.2	The Company discloses complete, relevant and valid information about the Company in a timely manner to ensure the possibility of making justified decisions by the Company's shareholders and investors			
6.2.1	The Company discloses information in compliance with the principles of regularity, consistency and promptness, as well as of availability, validity, completeness and comparability of data being disclosed	1. The Company has a procedure that ensures work coordination of all structural subdivisions and employees of the Company involved in information disclosure or those whose activities may lead to the need to disclose information.	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	

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		3. Provided that foreign shareholders own a substantial quantity of the Company's shares, information was disclosed not only in Russian, but also in one of the most common foreign languages during the reporting year	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
		3. Provided that foreign shareholders own a substantial quantity of the Company's shares, information was disclosed not only in Russian, but also in one of the most common foreign languages during the reporting year	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
6.2.2	The Company avoids a formal approach when disclosing information, and it discloses substantial information about its activities, even if disclosure of such information is not provided for by the law	1. The Company's Information Policy determines the approaches to disclosing information about other events (actions) that have a significant impact on the value or quotations of its securities, the disclosure of information about which is not provided for by the law.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
		2. The Company discloses full information on the structure of the Company's capital in accordance with Recommendation 290 of the Code in the Annual Report and on the Company's website in the Internet.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
		3. The Company discloses information on controlled entities that are of significant importance to it, including on the key areas of their activities, the mechanisms ensuring the accountability of controlled entities, the powers of the Board of Directors of the Company in relation to determining the strategy and evaluating the performance of controlled entities.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
		4. The Company discloses a non-financial report – a report on sustainable development, an environmental report, a report on corporate social responsibility or any other report containing non-financial information, including on the factors related to the environment (including factors related to ecology and climate change), the society (social factors) and corporate governance, except for a report of the issuer of equity securities and the Annual Report of the Joint Stock Company	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
6.2.3	The Annual Report of the Company, being one of the most important tools for information exchange with the shareholders and other stakeholders, contains information that allows for evaluating the results of the Company's activities over the year	1. The Annual Report of the Company contains information on the results of evaluation by the Audit Committee of the external and internal audit process efficiency.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
		2. The Annual Report of the Company contains information about the Company's policy in the field of environmental protection and the Company's social policy	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

List of major and interested-party transactions made by MTS in 2021

1	2	3	4	5
6.3	The Company provides information and documents at the request of the shareholders in accordance with the principles of an equal and unhindered access			
6.3.1	Shareholders' exercise of the right for access to documents and information of the Company is not accompanied with needless complexity	<p>1. The Information Policy (internal documents defining the Information Policy) of the Company determines an easy procedure for providing access to information and documents of the Company as requested upon by shareholders.</p> <p>2. The Information Policy (internal documents defining the Information Policy) contains provisions assuming that in case of shareholder's request for information about entities controlled by the Company, the Company will take the necessary actions to obtain such information from the corresponding entities controlled by the Company</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <hr/> <p><input type="checkbox"/> complied with</p> <p><input checked="" type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	<p>The Company's Policy Statement Guidelines for Corporate Disclosure (Information Policy) does not stipulate the shareholders' right for access to information on legal entities controlled by the Company.</p> <p>Due to the fact that the Information Policy of MTS is a high-level document only containing the basic principles to which MTS adheres when disclosing material non-public information, a procedure for providing the shareholders with an access to certain types of information has not been included into it. At the same time, recognizing and respecting the shareholders' right to access information on legal entities controlled by the Company, MTS has posted on its corporate website a procedure for providing such information upon request (https://moskva.mts.ru/about/investoram-i-akcioneram/korporativnoe-upravlenie/predostavlenie-informacii-po-zaprosam-akcionerov).</p> <p>MTS regularly (annually) conducts an analysis of corporate governance practices used by other public companies (benchmarking). The benchmarking results are reviewed by the Corporate Governance Committee (since 2021, the ESG Committee (Corporate Governance, Environmental and Social Responsibility Committee) of the Board of Directors of MTS) of the Board of Directors of MTS in an extended composition (involving the participation of all independent directors). During the Committee's meetings, recommendations of the Code that are not adhered to by the Company are analysed and the practicability of their implementation is assessed. This recommendation was considered, inter alia, at the meeting held on December 11, 2020; following the review, the directors found that it would be sufficient to disclose a procedure for providing the shareholders with an access to information on the legal entities controlled by the Company on the Company's website.</p> <p>Nevertheless, the Company plans to make the corresponding amendments to the Information policy until the end of 2022.</p>
6.3.2	When the Company provides information to the shareholders, a reasonable balance is maintained between the interests of specific shareholders and those of the Company itself, which is interested in preserving the confidentiality of its important commercial information capable of exerting a substantial influence on its competitiveness	<p>1. During the reporting period, the Company did not reject requests from the shareholders for provision of information, or such rejections were justified.</p> <p>2. In cases defined by the Information Policy of the Company, the shareholders are made aware of the confidential nature of the information and undertake to maintain its confidentiality</p>	<p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p> <hr/> <p><input checked="" type="checkbox"/> complied with</p> <p><input type="checkbox"/> partially complied with</p> <p><input type="checkbox"/> not complied with</p>	

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7.1	Actions that considerably influence or may influence the structure of the joint stock capital and financial condition of the Company and, therefore, the position of the shareholders (major corporate actions) are carried out under fair conditions, providing for compliance with the rights and interests of the shareholders, as well as of other stakeholders			
7.1.1	Major corporate actions include reorganization of the Company, acquisition of 30 or more percents of the voting shares of the Company (acquisition), closing of major transactions by the Company, increase or decrease in the authorized capital of the Company, listing and delisting of the Company's shares, as well as other actions, which may lead to a substantial change in the rights of the shareholders or violation of their interests. The Company's Charter defines a list (criteria) of transactions or other actions, being major corporate actions, and such actions fall within the competence of the Board of Directors of the Company	1. The Company's Charter defines a list (criteria) of transactions or other actions, being major corporate actions. Decision-making in respect to major corporate actions falls within the competence of the Board of Directors according to the Company's Charter. In cases where implementation of these corporate actions is directly related by the law to the competence of the general meeting of shareholders, the Board of Directors provides relevant recommendations to the shareholders	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
7.1.2	The Board of Directors plays a key role in making decisions or developing recommendations in respect to major corporate actions; the Board of Directors relies on the position of the Company's independent directors	1. There is a procedure in place at the Company, in accordance with which independent directors state their position on the major corporate actions prior to their approval	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
7.1.3	When making major corporate actions, which affect the rights and legitimate interests of the shareholders, equal conditions are provided for all the shareholders of the Company. If the mechanisms stipulated by the law and aimed at protecting the shareholders' rights are insufficient, additional measures shall be taken to protect the rights and legitimate interests of the Company's shareholders. At the same time, the Company not only complies with the formal requirements of the law, but also adheres to the principles of corporate governance set forth in the Code.	1. Taking into account specific features of the Company's activity, its Charter attributes approval of other essential transactions, in addition to those provided for by the law, to the competence of the Board of Directors. 2. During the reporting period, all major corporate actions were approved prior to their implementation	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with <input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
7.2	The Company provides for such a procedure of making major corporate actions, which enables the shareholders to obtain complete information on such actions in a timely manner and to influence such actions and guarantees the observance and an adequate level of protection of their rights, when such actions are undertaken			
7.2.1	Information on making substantial corporate actions is disclosed with explanation of reasons, conditions and effects of such actions	1. Provided that the Company took significant corporate actions during the reporting period, the Company disclosed information on such actions in a timely manner and in detail, including the reasons, conditions for taking such actions and their consequences for shareholders	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

List of major and interested-party transactions made by MTS in 2021

1	2	3	4	5
7.2.2	Rules and procedures related to the implementation of major corporate actions by the Company are stipulated in the internal documents of the Company	1. The Company's internal documents determine the cases and the procedure of engagement of an independent appraiser to define the cost of property alienated or purchased under a major transaction or an interested-party transaction.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
		2. The Company's internal documents provide for the procedure of engagement of an appraiser to evaluate the cost of purchase and redemption of the Company's shares.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
		3. If there is no formal interest of a member of the Board of Directors, the sole executive body, a member of the collective executive body of the Company, a person being the controlling entity of the Company or a person entitled to give the Company mandatory instructions, in the transactions of the Company, and yet there is a conflict of interest or their other actual interest, the internal documents of the Company assume that such persons do not participate in voting on the approval of such a transaction	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	