

**Table for Comparison
of amendments made to the Charter of MTS PJSC with the current version (2020)**

No. of clause	Revision of the Charter No. 14 (without accepted changes)	Revision of the Charter with proposed changes	Comments
Editing and technical changes			
3.9	3.9. For the purposes of implementation of the state, social, economic and tax policies, the Company shall be responsible for safekeeping of internal documents (administrative, financial, economic, personnel, etc.). The Company shall ensure the transfer of the documents of scientific and historical importance for the custody in the Moscow central archives in compliance with the list of documents agreed with Mosgorarkhiv association, laws in force; personnel documents shall be filed and used in the established manner.	3.9. The Company shall be responsible for safekeeping and usage of internal documents (administrative, financial and economic, accounting, etc.), personnel documents. The Company shall ensure the transfer of the documents of scientific and historical importance for the state custody in the manner established by laws in force in Russia.	Proposed correction is directed to bring the Charter into accord with the laws in force, elimination double interpretation of standard as well as giving it greater universality under the conditions of changing regulation: - Mosgorarkhiv was renamed to Main Archive Administration of Moscow (Glavarkhiv); - agreement of the document list may be necessary only in definite cases; - the order may be changed in the future. To this end, it is proposed more general wording.
Changes in terms of corporate procedures			
28.14	28.14 Voting at the General Meeting of Shareholders shall be carried out by voting ballots. In case the General Meeting of Shareholders being held in form of joint attendance or in form of absentee voting, the voting ballot shall be sent by registered letters or by courier , or delivered against signature to each person, entered in the Register of Company's Shareholders and entitled to participate in the General Meeting of Shareholders not later than 20 (twenty) days before the date of conducting of the General Meeting of Shareholders.	28.14. Voting at the General Meeting of Shareholders shall be carried out by voting ballots. In case the General Meeting of Shareholders being held in form of joint attendance or in form of absentee voting, the voting ballot shall be sent by electronic message to e-mail address of corresponding person specified in the Register of Company's Shareholders or delivered against signature to each person, included in the Register of Company's Shareholders and entitled to participate in the General Meeting of Shareholders not later than 20 (twenty) days before the date of conducting of the General Meeting of Shareholders.	It is proposed as a main way of dispatching of voting ballots to shareholders entered in the Register of Company's Shareholders to set their dispatching via e-mail in place of envisaged at the moment dispatching by registered letters. Such way of voting ballots dispatching is envisaged by the applicable laws in force (<u>according to clause 2 of Article 60 of Federal Law "On Joint Stock Companies" dispatching of voting ballots shall be performed by registered letter unless other way of their dispatching, including by electronic message to e-mail address of corresponding person specified in the Register of Company's Shareholders, is envisaged by the Company's Charter</u>). Distribution of voting ballots via e-mail will reduce paper turnover, provide operative receiving of voting ballots by shareholders. Therewith in parallel, it is proposed to envisage (please refer below to clause 28.19 of the Charter) that the Board of Directors at the time of preparing to the

			General Meeting of Shareholders has a right to define additional way of voting ballots dispatching by registered letters or serving in person for those shareholders whose e-mail addresses did not mention in the register. It will allow to achieve optimal balance between comfortability of shareholders from on side and minimization of temporal and financial expenses of the Company at the time of preparation to the meeting.
28.17	28.17. The notice of the General Meeting of Shareholders may additionally be delivered to the persons entitled to participate in the General Meeting of Shareholders and entered in the Register of Shareholders by registered letter at the addresses referred to in the Company's Register of Shareholders , or delivered to those persons against signature simultaneously with sending or delivery of the voting ballots in order provided in sub-clause 28.14 hereof.	28.17. The notice on conducting of the General Meeting of Shareholders may additionally be delivered to the persons entitled to participate in the General Meeting of Shareholders and entered in the Register of Company's Shareholders via electronic message to e-mail address of corresponding person specified in the Register of Company's Shareholders or delivered to those persons against signature simultaneously with sending or delivery of voting ballots in order provided in sub-clause 28.14 hereto.	According to effective order, the main way of shareholders' notification on conducting of the General Meeting of Shareholders is a posting the message on meeting on the Company's website in the Internet (sub-clause 28.16). Therewith, the Company may additionally distribute such messages to shareholders together with voting ballots via mail by registered letters. In connection with the fact that it is proposed switching to voting ballots distribution via e-mail (please refer to the abovementioned comment to sub-clause 28.14), it is also proposed to distribute messages on conducting of the meeting to e-mail addresses (for those shareholders who have provided their e-mail addresses to the registrar). Therewith, the main way of message delivery will be its posting on the MTS PJSC website as before.
28.19	28.19. The notice on conducting of the General Meeting of Shareholders may, by decision of the Board of Directors, be sent also in electronic form to those Company's shareholders who have provided to the Company or registrar their e-mail addresses for such notices.	The notice on conducting of the General Shareholders Meeting and voting ballot may, if so decided by the Board of Directors, be additionally sent to those Company's shareholders who did not provide the Company or registrar with their data about e-mail addresses to receive such messages, by registered mail or serving in person .	Changes are connected with switching to distribution by voting ballots as a main way of their dispatch (please refer to the comment to sub-clause 28.14). On this basis, it is proposed to envisage that a voting ballot and notice on conducting the meeting may be additionally sent in paper form via conventional mail for those shareholders who did NOT provide with their e-mail address. The other shareholders entered in the register will receive voting ballots via e-mail that makes it possible to receive them promptly and with less expenditures for the Company.

30.4	<p>30.4. The chairman of the General Meeting of Shareholders shall be elected by majority of votes of the shareholders participating in the meeting. The Chairman shall perform the following functions: (1) conducts the General Meeting of Shareholders, (2) observes the compliance with the regulations of the General Meeting of Shareholders, and (3) signs the minutes of the General Meeting of Shareholders.</p>	<p>30.4. A Chairman of the General Meeting of Shareholders shall be the Board of Directors Chairman or other person authorized by the Board of Directors at the time of preparation for conducting of the General Meeting of Shareholders. The Chairman shall perform the following functions: (1) conducts the General Meeting of Shareholders, (2) observes the compliance with the regulations of the General Meeting of Shareholders, and (3) signs the minutes of the General Meeting of Shareholders.</p>	<p>It is proposed to change the order of determination of the Chairman of the General Meeting of Shareholders. Effective order assumes election of the Chairman of the General Meeting that leads to expenditures of time for voting and votes count. As a result, at the very beginning of the meeting attention of the participants is drawn away from substantial issues to procedural ones. There are no any objective necessities for such procedure.</p> <p>It is proposed to envisage that the Chairman of the General Meeting is a) the Board of Directors Chairman, or b) other person defined by the resolution of the Board of Directors. It is agreed with a general approach stated in the Law "On Joint Stock Companies", according to which the Board of Directors Chairman should be in the chair of the meeting unless another procedure is envisaged by the Company Charter (clause 2 of Article 67 of the Federal Law No. 208-FZ "On Joint Stock Companies").</p>
Changes to the terms of reference of the management bodies			
<p>32.2(22), 32.2(38), 32.2(39)</p>	<p>32.2. The following matters shall fall within the terms of reference of the Board of Directors:</p> <p>...</p> <p>(22) making decision on the Company's participation, changing the interest and dissociation of the Company on business entities (except for the cases where such decision falls within the competence of the General Meeting of Shareholders in compliance with sub-clause 27.1(30) of the Charter), including those on establishing the Company's subsidiaries (the resolution shall be accepted by simple majority (more than ½ (a half)) of voices of members participating in the meeting of the Board of Directors);</p> <p>...</p> <p>(38) approval of the transactions on the acquisition, alienation and encumbrance of the shares and participation interests in the authorized capitals of other companies including approval of material terms and</p>	<p>32.2. The following matters shall fall within the terms of reference of the Board of Directors:</p> <p>...</p> <p>(22) making decision on the Company's participation, changing the interest and dissociation of the Company on business entities (except for the cases where such decision falls within the competence of the General Meeting of Shareholders in compliance with sub-clause 27.1(30) of the Charter or of the Company Management Board pursuant to sub-clause 35.1(23) of the Charter), including those on establishing the Company's subsidiaries. Determination of criteria for the entity classification as startup. Approval of budget for transactions made on accordance with sub-clauses 35.1(23) - 35.1(24) of the Charter; (the resolution shall be made by a simple majority (more than ½ (a half)) of the votes of members of the Board of Directors participating in the meeting);</p> <p>...</p>	<p>It is proposed to change assignment of competence between the Board of Directors and Management Board of MTS PJSC in terms of participation of MTS PJSC and its subsidiaries in organizations classified as startup.</p> <p>At the present time, the item on participation of MTS PJSC and its subsidiaries in other business entities is referred to the competence of MTS PJSC Board of Directors. It corresponds to the tasks of the Board of Directors as a body performing strategic management of the Company, taking into consideration that items of a structure of acquisition by MTS Group of new business entities and sales of existing ones are referred to strategic items of the Company business.</p> <p>At the same time, new tasks on development of the MTS Group dictate new challenges. Participating in new venture businesses, which develop high-tech innovation products and have high potential for growth is a part of new strategy of MTS PJSC.</p> <p>Entry to such businesses requires maximum operating conducting of post-sales procedures, when a period</p>

<p>conditions of such transactions, including, but not limited to, the provisions specifying the number of the acquired, alienated and encumbered shares, or the provisions specifying the size of the acquired, alienated or encumbered participation interest and the price of the transaction;</p> <p>(the resolution shall be made by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);</p> <p>(39) determination of the Company (Company representatives) stance on participation (non-participation) of the Company (Company representatives) in voting on draft resolutions “for”, “against” or “abstained” during (a) General Meeting of Shareholders (participants), (b) meetings of Boards of Directors, (c) meetings of collective executive management bodies as well as (d) when decisions are made by sole executive management bodies of subsidiary business entities of the Company as well as by business entities directly or indirectly owned by the Company and (or) such subsidiary business entities of the Company, on following issues:</p> <p>on concluding the shareholder agreements (participation agreements), simple partnership agreements, trust management agreements (if the business entities mentioned in this sub-clause 32.2(39) act as trustors),</p> <p>on participation of the Company’s subsidiaries in investment funds and business entities and/or on participation of the entities directly or indirectly owned by the Company and (or) such a subsidiary, in investment funds and business entities (on membership as a participant (shareholder) in an existing entity or establishment of a new entity),</p> <p>on change in interest of participation or on dissociation thereof, including on transactions made involving purchase, alienation and encumbrance of shares and stakes in the</p>	<p>(38) approval of transactions involving purchase, alienation and encumbrance of shares and stakes in the authorized capitals of other entities, inter alia approval of substantial terms of such transactions, including, but not limited to terms on quantity of purchased, alienated or encumbered shares, or the size of purchased, alienated or encumbered stake, or the transaction value except for transactions falling within the competence of the Company Management Board in accordance with sub-clause 35.1(23) of the Charter (startups);</p> <p>(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of members of the Board of Directors participating in the meeting);</p> <p>(39) determination of the Company (Company representatives) stance on participation (non-participation) of the Company (Company representatives) in voting on draft resolutions “for”, “against” or “abstained” during (a) General Meeting of Shareholders (participants), (b) meetings of the Boards of Directors, (c) meetings of collective executive management bodies as well as (d) when decisions are made by sole executive management bodies of subsidiary business entities of the Company as well as by business entities, directly or indirectly, owned by the Company and (or) such subsidiary business entities of the Company, on following issues:</p> <p>on concluding the shareholder agreements (participation agreements), simple partnership agreements, trust management agreements (if the business entities mentioned in this sub-clause 32.2(39) act as trustors),</p> <p>on participation of the Company’s subsidiaries in investment funds and business entities and/or on participation of the entities, directly or indirectly, owned by the Company and (or) such a subsidiary, in investment funds and business entities (on membership as a participant (shareholder) in an existing entity or establishment of a new entity),</p> <p>on change in interest of participation or on dissociation thereof, including on transactions made involving purchase, alienation and encumbrance of shares and</p>	<p>from the beginning of the analysis to making a decision on entry to it is estimated not by months, but by weeks and sometimes by days. According to such scheme all players of venture financing market are working, and MTS PJSC entering into it requires to accept this rules. On this basis, it is proposed to redistribute competences on making decisions on participation in venture companies (startups) from the Board of Directors to an executive body, the Management Board of MTS PJSC with obligatory reservation a competence for the Board of Directors to work with key items of venture financing.</p> <p>From this perspective, it is proposed:</p> <ul style="list-style-type: none"> - to attribute to competence of the Board of Directors items on determination of startup criteria that is supposed to establish value and(or) substantial characteristics of startups permitting to assign them in separate category and not to allow the term “washing out”; - envisage establishment of the Board of Directors the budget (extent of expenses) for acquisition by MTS interests/shares in the startups; - establish that a decision on participation of MTS (its subsidiaries) in the startups for transaction sum not more than 2 million USD and extent of acquired interest less than 50% as well as within the budget approved by the Board of Directors is made by the Management Board of MTS PJSC. In case of exceeding of stated indicators, the item shall be a subject of consideration by the Board of Directors. <p>Such approach will provide operative decision-making with safekeeping high-level control of the Board of Directors.</p>
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	<p>authorized capitals of entities, inter alia approval of substantial terms of such transactions, including, but not limited to, terms on quantity of purchased, alienated or encumbered shares, or the size of purchased, alienated or encumbered stake, or the transaction value.</p> <p>HOWEVER, the provisions of this sub-clause 32.2(39) shall not apply to the cases of decision-making by the management bodies on the reorganization of 100% (one hundred per cent) subsidiaries of the Company and the companies where a respective subsidiary of the Company holds, directly or indirectly, 100% (one hundred per cent) of the authorized capital, in form of transformation, or acquisition, or merger with each other;</p> <p>(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting).</p>	<p>stakes in the authorized capitals of entities, inter alia approval of substantial terms of such transactions, including, but not limited to, terms on quantity of purchased, alienated or encumbered shares, or the size of purchased, alienated or encumbered stake, or the transaction value.</p> <p>HOWEVER, requirements of this sub-clause 32.2(39) shall not apply to:</p> <p>(a) decision-making by the management bodies on the reorganization of 100% (one hundred per cent) subsidiaries of the Company as well as the companies where a respective subsidiary of the Company owns, directly or indirectly, 100% (one hundred per cent) of the authorized capital, in form of transformation, or acquisition, or merger with each other;</p> <p>(b) cases when making relevant decision falls within competence of the Company Management Board in accordance with sub-clause 35.1(24) of the Charter (startups).</p> <p>(the decision shall be made by a simple majority (more than ½ (a half)) of the votes of members of the Board of Directors participating in the meeting).</p>	
<p>35.1(23), 35.1(24) (new clauses)</p>		<p>35.1. The Management Board shall, within its terms of reference, set forth hereby, by decisions of the General Meetings of Shareholders and of the Board of Directors, and by internal documents of the Company endorsed by the General Meetings of Shareholders, be responsible for the following issues:</p> <p>...</p> <p>(23) making decisions on the participation, change in interest and dissociation of the Company in business entities (startups), if the size of purchased, alienated share in the relevant entity (startup) with consideration of the share in the organization (startup) which is already in the possession of the Company is less than 49.99% of the authorized capital of the entity (startup), and the amount of transaction related to the purchase, alienation or possibility to purchase or alienate shares/stakes of the relevant entity (startup) by the Company is not more than 2,000,000 (two million) USD in RUB equivalent at the exchange rate of the CB of the Russian Federation as of the decision-making</p>	

		<p>date and is concluded within the budget approved by the Company's Board of Directors for transactions made in accordance with the clause. Criteria for the entity classification as of "startup" category shall be defined by resolution of the Company's Board of Directors;</p> <p>(24) determination of the Company (Company representatives) stance on participation (non-participation) of the Company (Company representatives) in voting on draft resolutions "for", "against" or "abstained" during (a) General Meeting of Shareholders (participants), (b) meetings of Boards of Directors, (c) meetings of collective executive management bodies as well as (d) when decisions are made by sole executive management bodies of subsidiary business entities of the Company as well as by business entities, directly or indirectly, owned by the Company and (or) such subsidiary business entities of the Company, with regard to participation, change in interest and dissociation of the Company subsidiaries in entities (startups) and (or) participation, change in interest and dissociation of entities, directly or indirectly, owned by the Company and (or) such a subsidiary, in entities (startups), if the size of purchased, alienated share in relevant entity (startup) is less than 50% of the authorized capital of the entity (startup), and the amount of transaction related to purchase, alienation or possibility to purchase or alienate shares of the relevant entity (startup) is not more than 2,000,000 (two million) USD in RUB equivalent at the exchange rate of the CB of the Russian Federation as of the decision-making date and is concluded within the budget approved by the Company's Board of Directors for transactions made in accordance with the clause. Criteria for the entity classification as of "startup" category shall be defined by resolution of the Company's Board of Directors;</p> <p>(25) consideration other items of current activities of the Company.</p>	
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