

Code of Corporate Conduct and Business Ethics
Mobile TeleSystems Public Joint Stock Company

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TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
ABOUT THE CODE	3
MTS AND ITS EMPLOYEES	4
Work environment.....	5
Role of managers	5
Workplace behavior	6
Conflict of Interest Management.....	7
Gifts and entertainment	7
Confidential or Company’s proprietary information	8
Safeguarding and use of Company’s property	9
MTS AND ITS CLIENTS	10
Customer requests.....	10
Fair marketing.....	10
Combatting fraud on communication networks	12
Data privacy	12
MTS AND THE PUBLIC	13
Interaction with partners and suppliers	13
Protection of intellectual property.....	14
Public appearances, statements and interaction with the mass media and social networks.....	14
Corporate social responsibility	15
Philanthropy.....	16
Environment.....	17
MTS AND THE LAW.....	17
Interaction with government agencies.....	18
Anticorruption legislation.....	18
Anti-money laundering, combatting the financing of terrorism and financing dissemination of weapons of mass destruction.	19
Prohibited content.....	20
Competition and antitrust legislation.....	20
Use of insider information.....	21
Business transparency and financial statements integrity	21
Company accounts and records	22
COMMUNICATING AND REPORTING CODE VIOLATIONS	23
CONCLUSION	24

ABOUT THE CODE

What is the Code of Conduct and Business Ethics?

The Code of Conduct and Business Ethics (hereinafter the “Code”) is the basic document of Mobile TeleSystems Public Joint Stock Company (hereinafter “MTS”, the “Company”) containing the key principles of conducting business and the set of standards and requirements adopted in our Company for the purpose of complying with applicable laws, facilitating honest and ethical business practices and preventing improprieties.

The Code sets out the rules and standards to which the employees are expected to adhere in their daily work. The Company does not apply any business practices that are contrary to these rules and standards. In those cases that demand compliance with higher standards than those commonly accepted in commercial practice, or that fall under regulatory act of greater legal force pursuant to prevailing law, MTS will adhere to and observe them.

Why do MTS and its employees need the Code?

MTS adheres to the principles of fair practice and business ethics in order to:

- **comply with the requirements of Russian and foreign law and other mandatory regulatory documents;**
- **observe the interests of concerned parties;**
- **maintain a good business reputation.**

This is called “compliance”.

The Code helps the employees to make conscientious and wise decisions. It suggests where it is necessary to turn for advice in case of uncertainty about decisions or in case of violation of the Code’s provisions.

The purpose of the Code is to reinforce and demonstrate that the Company follows best ethical business practices and inform all concerned parties about this position of MTS.

Concerned parties are clients, suppliers, competitors, the media, Russian and international regulatory agencies, and other third parties who might influence MTS, and whose activity might, in turn, be influenced by MTS.

Who is the subject to the Code?

The Code applies to:

- members of the Board of Directors;
- senior management;
- all other MTS employees (hereinafter, the term “employee” shall be understood to mean all individuals to whom the Code applies).

The standards of corporate conduct and business ethics presented in the Code also extend to all companies forming part of the MTS Group, as well as other individuals acting on behalf of or in the interests of the Company.

What is expected from me according to the Code?

The Company expects that all employees will work conscientiously and fairly. This requires that the employees:

- become thoroughly familiar with the Code and abide by the principles and procedures set forth herein;
- perform their duties pursuant to MTS local regulatory acts and the requirements of applicable law;
- prevent conflict of interest situations (for more details, read the section “Conflict of interests management”);
- show responsibility for decisions made;
- inform the Company immediately about all identified or potential cases of dishonest behavior or unfair business practices;

- behave ethically in all cases where the employee is acting on behalf of the Company or may be associated with it.

We are confident that only a conscientious business is a sustainable one!

Situations arise in our work in which it is not always possible to determine clearly which decision to make in order to demonstrate honest and fair behavior. The code is not an exhaustive set of rules that can be applied to every ambiguous situation. If you do not know what to do, ask yourself the following questions:

- 1. Is it legal?**
- 2. Is it honest and fair?**
- 3. Is it in the Company's interests?**
- 4. Does it comply with the Company's rules?**
- 5. Is it in line with the Company's reputation?**
- 6. Am I authorized to do it?**
- 7. Would I feel comfortable if information about my actions were published in the mass media?**

If the answer to any of the foregoing questions is "no", you should not proceed with what you were about to do.

What does violation of the Code entail?

The employment agreements with employees include provisions about their compliance with the Code and applicable law.

Behavior running contrary to the statutes of the law or this Code may result in disciplinary action, including dismissal/termination of the employment agreement, based on the actual circumstances of each specific case and pursuant to the law.

Issues of Code violation, ethical conflicts, the results of audits based on employee reports of unethical employee's behavior (colleagues, management, subordinates) are reviewed at meetings of the Disciplinary Committee. Additionally, this information is sent quarterly to the MTS Audit Committee.

Employees who have violated the law or this Code must compensate MTS for material damage caused by such violations, in accordance with labor law and other legislation, and may be subject to administrative and criminal prosecution in accordance with applicable law.

In addition to the foregoing, it is necessary to remember that the actions of each of us might have a direct impact on the Company's reputation and financial position, and in the final analysis, affect us and thousands of our colleagues working at MTS.

What the Company does to inform its employees about the provisions of the Code?

All Company employees are informed about the provision of the Code by receipt when hired. Additionally, in order to ensure proper understanding and execution of the Code's requirements, all employees pass an e-course in training and are tested on issues of observance of its provisions within three months from the start of work and then once every two years.

MTS AND ITS EMPLOYEES

MTS has been repeatedly cited by the industry's leading consulting firms and expert agencies as a premier employer. The reputation of one of the best employers in the Russian market is an important factor for our success, which is why caring for our employees is a top priority at MTS. We are convinced our attitude towards our employees largely determines their conscientious behavior at the Company.

Our key asset is our people. Today, we are concentrating our efforts on the search for ingenious, innovatively-minded specialists, as well as on continuous employee development within the Company. The recognition of our high business efficiency is predicated on the high professional level of our personnel.

Work environment

MTS promotes a friendly corporate culture and an atmosphere of gratitude, care and recognition towards those who help grow our business — our colleagues! The Company undertakes to abide by all prevailing laws and norms dealing with labor law, to ensure the social protection of employees, and to observe the principle of equal opportunities for all employees, based on their professional merits. This applies to all aspects of employment, including hiring, training, promotion, compensation, discipline and dismissal.

The guarantee for professional growth and an integral condition for conscientious and responsible behavior of employees in our Company is high-quality, timely and regular training.
MTS operates its own Corporate University whose mission statement is as follows: “We create opportunities for growth, expanding the boundaries of our people and business, to secure a confident future for MTS.”

The existing Company system of remote testing and training offers all MTS employees diverse training courses with greater detail regarding certain rules and requirements established in the Company, including those in this Code.

MTS shares completely the generally accepted world approach to observing human rights and recognizes human importance and universality. The Company is guided by the following principles in its activities:

- Equal opportunities and treatment in work and employment;
- Freedom of association;
- Refraining from forced and forced labor;
- Refraining from child labor;
- Not tolerating discrimination, including disability regarding all issues on all forms of employment;
- Protection, support of family, maternity, paternity and childhood;
- Safe working environment;
- Right to education.

The Company prohibits discrimination and harassment, violence or threat of violence, as well as any and all inappropriate behavior towards any MTS employee. MTS strictly adheres to the principle of equal, respectful treatment towards all its employees, regardless of their personal background: race, skin color, gender, ethnicity, nationality, religious beliefs, citizenship, age, physical capabilities, marital status, sexual orientation, culture and other legally protected individual characteristics. All employees are responsible for observing these principles.

Question: Where can one get more details about issues of observing human rights?

Answer: The Company has a policy “MTS Activities for Corporate Social Responsibility”, a separate appendix of which covers human rights issues.

Role of managers

An important task of managers at MTS is to form a culture and work atmosphere that promotes making correct and wise decisions – the basis for the Company’s successful performance. A manager includes not only the top manager, but also any other MTS employee with subordinates.

MTS expects that each manager will:

- through their conscientious behavior be an example of adherence to the Company’s values, including when interacting with clients, government agencies and suppliers, be aware of the requirements of legislative acts, policies and internal procedures of the Company applicable to their scope of activities, and share their knowledge with subordinates;

- explain the issues of labor law and other legal norms to the employees;
- encourage the employees not only for efficiency, but also for ethical, conscientious relationships among themselves, with the partners and suppliers;
- be open to issues and suggestions of colleagues, including corporate ethics and decency issues;
- respond quickly to identified violations of the Code and other MTS policies and procedures.

Workplace behavior

The Company strives to ensure a safe, comfortable work environment for its employees, however, the maintenance and preservation of a healthy work atmosphere also depends on employees' adherence to the rules of work behavior.

Labor discipline is mandatory subordination of all employees to the requirements established by the internal code of labor conduct, by employment agreements, job descriptions and local regulatory acts. In the event of violation of the labor discipline (commission of a disciplinary offense), i.e., non-performance or improper performance by the fault of an employee of the work duties assigned thereto, MTS may impose disciplinary sanctions.

Question: What types of behavior are categorically prohibited at the Company?

Answer: The Company prohibits any behavior posing a risk to human health in the workplace, for example:

- arriving to work in a state of alcoholic, narcotic or toxic intoxication, as well as the consumption of alcoholic beverages or narcotics;
- intentional causing of harm to the health or property of other employees;
- interfering with the work of other employees;
- smoking in prohibited areas on the territory and within the premises of MTS.

All employees are obliged to observe the labor safety requirements and fire safety rules established by Russian Federation law and the Company's regulatory acts.

MTS calls the employees to treat their colleagues with respect, provide assistance to newcomers, follow the business ethics rules and help foster a friendly work atmosphere, not to use vulgar language when communicating with other employees, counterparties and clients of the Company.

We communicate daily by e-mail with our colleagues, partners, counterparties and other concerned parties. It is important to focus on the contents of sent messages, maintain a professional, corporate style, state information as briefly, clearly and unambiguously as possible. Remember that careless statements in e-mail could carry potentially significant reputational, financial and legal risks for our Company.

Question: Why must I observe the correspondence rules and be precise about the contents when corresponding with a colleague?

Answer: Because under certain circumstances, the message that you send could fall into the hands of someone for whom it was not intended. Additionally, messages sent from the company's e-mail system are its property and may be used to harm the Company in conflict situations as arguments, including in external instances. For example, at first glance, such harmless phrases as "assist", "motivate clients" or "thank you for swift cooperation" may be perceived ambiguously and not play in your favor.

Conflict of Interest Management

MTS expects all of its employees to take a conscientious attitude towards the performance of their respective job duties and prohibits the derivative of personal gain from the positions thereby to the detriment of the Company's interests.

A conflict of interest is a situation in which a conflict arises or could arise between the personal interest of the employee and the Company's legal interests.

Personal interest is the opportunity for a Company employee when performing job duties to derive personal gain in terms of money, valuables, other property, benefits, goods and advantages.

Why is it so important to protect our Company from conflicts of interest?

1. In order to prevent possible financial losses and damage to the Company's reputation.
2. In order to prevent biased decisions made to the detriment of the Company's interests.
3. In order to prevent situations in which the existence of business interests outside the Company could hinder the employees in the proper performance of their duties.

The Policy entitled "Conflict of Interest Management" provides a detailed description of the terms and conflict of interest situations, as well as the sequence of employee actions that need to be taken to prevent a conflict of interest.

Upon being hired, new employees are familiarized with the "Conflict of Interest Management" policy, and required to complete and sign a special form, entitled "Disclosure of Conflict-of-Interest Information".

The management is certified annually in order to prevent conflict-of-interest situations.

All employees are obliged if possible to avoid situations in which a conflict of interest may arise. If a conflict of interest cannot be avoided, the employees must promptly inform the Department of Compliance or their immediate supervisor, participate actively and assist in settling the conflict of interest, and urgently take measures to eliminate the conflict of interest, where so required by the Company. MTS, like the employee, is interested in the swiftest settlement of the conflict-of-interest situation with an outcome beneficial to all parties.

Question: My relative is an MTS employee just like I am, but he works at one of the Company's other structural divisions. Is this considered a conflict of interest?

Answer: This situation is a potential conflict of interest. You need to divulge information pursuant to the "Conflict of Interest Management" policy.

Question: The company where I or my relatives serve as cofounders is an MTS supplier. Would that situation be a conflict of interest?

Answer: Yes, if your direct job duties involve the authority to make decisions with respect to that company.

Question: My spouse is an employee of an MTS competitor. What should I do?

Answer: In this case, you must divulge information about a conflict of interest in the form and per the procedure established by the "Conflict of Interest Management" policy to work on the optimal solution.

Gifts and entertainment

The giving and receiving of gifts, as well as attending official and entertainment events is common business practice, yet in certain situations, this practice exposes the Company's business to serious risk.

Within the scope of its anticorruption policy, the Company has adopted a separate Regulation "On Gifts and Entertainment at MTS PJSC". It states the rules and standards, establishes expense limits,

restrictions establishing the circumstances for the giving and receiving of gifts and event invitations, as well the requirements for their approval procedure.

Gifts in cash or their equivalent (gift cards, vouchers, certificates) are prohibited at MTS.

As a rule, it is permissible for an employee to give gifts or invitations to entertainment events to certain clients and counterparties or receive them from such parties, provided that this could not be interpreted as an inducement or reward for a particular business decision. That said, all costs of gifts and entertainment events must be reflected in the expense reports.

Using gifts (just as other types of hospitality) to anyone for the purposes of gaining commercial benefit and in exchange for information, favorable attitudes or business opportunities in MTS is unacceptable.

Gifts and participating in entertainment events must in no way influence an MTS employee's ability to make fair and impartial business decisions.

If a gift or invitation does not comply with the foregoing norms, it is politely refused. Each of us is responsible for a healthy approach to these issues.

Question: A client has invited me to attend an out-of-town conference, and is offering to pay for all related travel and accommodation expenses. Can I accept this invitation?

Answer: The invitation can be accepted, provided that you are not currently in the process of negotiating or making a business decision in favor of the client, and that the conference is directly related to your work specialty, is of practical interest, will not involve entertainment events for most of the trip, and the value of expenses undertaken by the inviting party is reasonable. MTS has a procedure for approving similar events and participating in them.

If you are in doubt as to whether it is appropriate to give a gift or invite a client to an event, or you're worried that a gift that has been presented to you cannot be accepted under Company rules, you should contact your immediate supervisor or a Compliance Department officer to make the correct decision together.

Confidential or Company's proprietary information

In the process of working at the Company, an employee is exposed to information and data of a confidential nature. The list of informational material constituting a commercial secret is provided in the Policy "Regulations on Information Security (Confidentiality) Procedures of MTS PJSC". Their safeguarding against unauthorized access is vital to the success of Company operations and could be tremendous significance of the preservation of jobs of all employees.

Upon being hired by the Company, a new employee assumes the ethical and legal obligation to refrain from disclosing confidential information or information constituting a commercial secret, even the employee subsequently decides to leave the Company.

All of the Company's employees must comply with MTS information safety (confidentiality) procedures, namely:

- ensure the safety of confidential data in the employee's possession;
- transfer confidential data to other employees according to the rules established in the Company;
- not transfer confidential data to any third parties and not disclose such data to the public;
- meet the requirements of MTS local regulatory acts related to data protection;
- should any unauthorized persons attempt to obtain protected data or any facts of disclosures of confidential data to be revealed, immediately inform the Department of Security and Security Procedures, Security Block, Corporate Center (regional security group) of MTS;

- keep confidential official secrets of ministries and agencies, which became known in connection with civil law relations, and also confidential information of companies with which MTS has business (partner) relations;
- after the termination of civil law relations with MTS, hand over all media containing confidential information, that is, scripts, rough copies, documents, USB-drives, external hard drives, CD-R disks, which were in the employee's possession in connection with the performance of contractual obligations towards MTS, with a certificate issued, to the employee responsible for confidential records management and in the absence of such employee, to the head of the corporate business unit;
- immediately inform MTS Department of Security and Security Procedures, Security Block, Corporate Center (regional security group) of loss or shortage of media containing confidential information, or loss or shortage of identity documents, passes, ID-cards, personal seals, keys to data rooms, storages, safes (metal cabinets) and any other facts that may result in the disclosure or leak of protected data.

Other MTS employees, including your work colleagues, should not have access to your work computer, laptop or mobile device. It is recommended to always lock your computer when leaving your workplace.

Take care to safeguard documents containing confidential information, and do not leave them at your workplace. Use a paper shredder to destroy discarded documents containing confidential information.

Question: My colleague while on a business trip asked me to send to his personal e-mail some presentations for work. Can I send them from my work address? After all, this is necessary for work.

Answer: This is not worth doing. The presentation might contain confidential information about the Company, therefore there is always the risk that such material, sent to external servers, could fall into third party hands. This action could become the grounds for a disciplinary sanction against you and your colleague. The Company has provided for the possibility of remote access to your work e-mail.

Each employee is personally responsible for complying with MTS information security (confidentiality).

Safeguarding and use of Company's property

The employees should be careful with the Company's property, which, in addition to material items (movable and immovable property, securities, money, etc.) includes the results of intellectual work of the Company's employees (commercial products, programs, trademarks, etc.), as well as property rights and property obligations. In this respect, all documentation, written correspondence, as well as information transmitted via telecom networks and stored in the Company's systems.

Employees are obliged to ensure the efficient use of the Company's property for business purposes and not to use MTS's fund or property for any illegal or improper purposes. Theft, negligence, recklessness and waste can have a direct impact on Company profitability.

In order to ensure the safeguarding and proper use of MTS property, every employee must:

- take due care to prevent the theft, destruction or misuse of MTS's property;
- use MTS's property only for legal business purposes specified by the official duties;
- immediately report actual or suspected instances of theft, destruction, careless treatment or misuse of MTS's property to the immediate supervisor, office manager and employees of the Security Block;
- use telephones, other electronic communication devices, written materials and other MTS's property for official purposes;
- safeguard all electronic programs, data, communications and written materials against accidental third-party access.

MTS AND ITS CLIENTS

We at MTS believe that life is a canvas of possibilities for all, and everyone has the potential from their birth to translate these possibilities into realities for their benefit and the world around them. We believe that every individual is a potential hero who can accept the challenges and cope with any situation.

Potential heroes — these are people who inspire MTS and ones for whom we create our products. Using the possibilities provided by our products, technologies or services, individuals overcome obstacles on the way to their goal and unlock their potential.

Customer requests

Every Company employee knows that MTS works for its customers.

All employees interacting with the customers pass special training to get to know the products offered by the Company, to find the necessary information and competently inform the customer about it.

MTS strives for its customers:

- to create the most convenient servicing conditions. We are constantly looking for new and improving the existing servicing systems;
- to develop self-service systems and encourage their use;
- to support the customers via “live contact”. All subscribers contacting the MTS showrooms or Contact Center can receive reliable, complete and transparent information.

No customer request should be left unaddressed.

Amid the changing environment, we instill confidence in everybody, help people to unlock their potential and move towards new possibilities. MTS is a source of possibilities.

Each employee should demonstrate an interest in the Company’s products. Moreover, employees should remember the sources of information that can be accessed at any time, such as the website, the Customer Service Center and the “My MTS” mobile app — these can and should be recommended to your friends and acquaintance. This will create a favorable impression of you as an employee and of the entire Company.

When responding to a customer request, always be sure that the customer has been offered all possible solution options for the question and are satisfied with the service provided.

Fair marketing

MTS strives to build long-term relationships with its customers, offer high-quality services at the best prices, considering the public and business interests, various social and age groups, the extent and economic development of each region in which the Company is conducting its business.

We are developing and offering “smart tariffs” with a personal approach: each subscriber can choose services in that amount needed, adjust the package of calls, SMS and the Internet as desired and needed.

We have created MTS-TV that allows customers to connect to and enjoy their favorite channels and movies at home (digital cable TV), on the road (MTS-TV app for the Smartphone and tablet) or outside city limits (Satellite MTS-TV).

Today our customers have access to products using innovative technologies in different spheres of life such as entertainment, education and tele-medicine.

The complete list of rates and services is posted on the corporate website www.mts.ru.

We make every effort to ensure that our customers receive secure, high-quality services not only in the MTS network, but also roaming services.

MTS always informs its customers outside the home network, through SMS messages, they have the opportunity to:

- top up their account by bank card when roaming;
- optimize their expenses by activating options both for services necessary to the subscribers (voice, SMS, Internet), and in the complex and their cost;

We are concerned that our subscribers can obtain the necessary assistance in any place and at any time. We provide our customers on international roaming with the free opportunity to contact the MTS Customer Service Center and receive MTS consultation by calling +7 (495) 766-01-66. Subscribers can use the MTS sites for free to receive information about MTS services, service connection and account top up.

We do not send spam to our customers and do not allow anyone else to do it.

MTS sends informational advertising messages only to the customers who have consented, and takes care that the volume and frequency of the messages received by the customer is in strict line with the MTS contact policy in place.

MTS does not do business with content service providers who send messages containing misleading information to MTS customers.

MTS strives to use fair and ethical methods of promoting our own services.

MTS takes care to ensure that any information about products and services is true and complete and does not misrepresent true product features and is communicated to the customer in an accessible and understandable manner.

MTS does not use any methods of advertising its products and services, which can be perceived as unethical or do harm to competitors or consumers.

We track the quality and cost of content.

MTS ensures the quality and billing accuracy of content services, whether branded (offered under the MTS brand) or furnished in the form of content provider services.

MTS does not pursue the commercial launch of content services that have not been subjected to proper quality and billing-accuracy testing (services not accompanied by the requisite positive conclusion by the MTS subdivision responsible for testing).

We leave no customer complaint unaddressed.

Every complaint from an MTS customer (whether submitted verbally or in writing) must be reviewed within the established timeframe and followed up with a substantiated decision.

MTS regularly analyzes incoming customer complaints for the purposes of identifying the real causes of their origination, and develops and implements appropriate corrective measures aimed at eliminating these causes to prevent (minimize the possibility) of their repeated occurrence.

If a friend contacts the employee with a complaint, this signal should not be ignored under any circumstances. The friend should be invited to contact the Customer Service Center by calling +7 (800) 250-0890, where the situation will be analyzed and the problem will be solved.

Question: I was charged 300 rubles yesterday. I do not understand why. To whom at MTS can I send a complaint to get my money back?

Answer: Was the "My MTS" app installed on your smartphone? If not, then the first thing I suggest is install it. There you can not only check the expenses, effectively manage the services and rates, but also get advice. Secondly, let's look at the date of withdrawal of the monthly rate or service payment, possibly this was the exact withdrawal. If you have further questions, then using the "My MTS" app you can request a consultation from the Customer Service specialist or use the Client Service by calling 8-800-250-0890. The employees will help to look into unanswered issues, and if the withdrawal was incorrect, of course, will help to return the money.

Combatting fraud on communication networks

Fraud on communication networks — includes the intentional activity of individuals on communication networks, including fraudulent activity aimed at the unlawful receipt of services and/or unauthorized use of client and/or communications-operator resources without their proper payment, the unlawful accessing of official client and/or operator information, including for the purposes of deriving financial gain, as well as other actions aimed at causing damage or other harm to the client and/or the operator. Such activity, in particular, includes SIM-card cloning, equipment tampering and the generation of international PRS traffic, unauthorized access to subscriber profile pages for the purposes of the siphoning of funds, and the unauthorized termination of international traffic.

The Company takes steps to combat fraud on communication networks.

Fraud involving SMS services, fraudulent content providers — is one of the most widespread types of fraud on communications networks resulting in financial losses borne by the subscribers. MTS actively combats such types of fraud. A system has been launched that make it possible to identify and filter fraudulent SMS messages and SMS spam sent to MTS subscribers from the networks of other communications operators, including from foreign carriers. We conduct a regular analysis of subscriber complaints against the actions of content providers. In the event that the actions of a content provider are deemed unfair, it will be subject to fine sanctions.

Fraud involving the use of communications networks gateways. The Company exercises constant control for the purpose of identifying illegally installed gateways in the MTS network.

Fraud involving the use of data transmission services. The Company has established controls over elevated use of data transmission services, including by subscribers in international and national roaming.

Roaming fraud. There is control over elevated use of voice and data transmission services when roaming internationally and nationally, as well as control over subscriber connection to “International and National Roaming” and “International Access” services.

For the purposes of improving subscribers’ awareness of combatting fraud, a website has been created safety.mts.ru, featuring information on measures to protect subscribers from fraud and security services the Company offers to its subscribers.

Question: What should Company employees do if they become aware of an instance of fraud on the communications network or are contacted by a subscriber with a fraud complaint?

Answer: If a Company employee has information concerning instance of fraud against subscribers or the Company, the employee must send it to the hotline at: hot_fraud@mts.ru.

Subscribers may be directed to the information posted on the website safety.mts.ru, and, if necessary, complete a feedback form at <http://www.mts.ru/feedback/>.

Data privacy

As a leading telecom operator, MTS is also a major personal data carrier for whom the confidentiality of subscribe information has the same priority as the uninterrupted provision of communications services.

The main principles of working with personal data are:

- personal data must be processed exclusively for the purposes defined by the employee’s official duties;
- the basis for the processing of personal data in the Company’s operations is the contract entered into with the subscriber to which the subscriber is a contracted party, the employment agreement with the employee, as well as the subscriber’s consent to processing of their personal data;
- the transfer of personal data to third parties must be undertaken solely on the basis of a contract or other legal grounds with mandatory guarantee of the confidentiality and protection of such data against unauthorized access through the use of data security facilities;

- processing of special categories of personal data is prohibited at MTS, with the exception of some cases provided for by Russian Federation law.

Question: What is personal data?

Answer: Personal data is any information related to a specific individual (subscriber, employee, visitor, etc.).

Question: What is personal data processing?

Answer: Personal data processing means any action (operation) or combination of actions (operations) with personal data taken with, or without the use of automatic means, including the gathering, recording, systematization, accumulation, storage, refinement (update, modification), retrieval, transfer (dissemination, provision, access), anonymization, blocking, deletion and destruction of personal data.

Question: What is encompassed by a special category of personal data?

Answer: A special category of personal data is information concerning racial and/or national background, political views, religious or philosophical beliefs, health or relationship status, private life and certain other categories of data.

Question: Whom can I contact if I have a question concerning personal data?

Answer: You can always address any question involving personal data to: privacy@mts.ru.

MTS strives to assure its subscribers of Company reliability and guarantees the confidentiality of their personal data. The policy entitled “Personal Data Processing at MTS PJSC” outlines the principles, procedure and terms governing the processing of the personal data not only of subscribers, but also MTS employees and other individuals whose personal data are processed by the Company, as well as by third parties at the instruction of MTS.

MTS AND THE PUBLIC

Our development strategy has been developed and is currently being implemented in accordance with public and consumer demand. MTS is a leader in telecommunications, providing innovative services and solutions for daily life and the business tasks of every person. As one of the most significant companies that has written itself into the country’s history, MTS makes an important contribution to the development of the regions of presence and improvement of the life quality of tens of millions of people.

Today, the public expects companies to conduct business in a socially responsible manner on the whole and MTS shares and develops this approach.

Interaction with partners and suppliers

MTS strives for truly partnership interrelationships with its counterparties. We expect our partners and suppliers to adhere to high standards of conducting business and use an effective, legal, honest and conscientious approach in their activity because our customers expect the exact same behavior from us.

In order to improve interaction with suppliers, MTS has introduced its own system for supplier evaluation and classification. This allows the Company to develop interaction strategies and to make decisions about developing future relationships.

MTS expects the following from its partners and suppliers:

- cooperation in completing the MTS mission statement;
- conscientiousness and honesty in commercial activities;
- striving to find a mutually advantageous solution;

- protection of confidential information;
- adherence to responsible conducting of business, including concern for the environment, ensuring a worthy work environment, transparency and accountability, and observance of human rights.

Information that is more detailed can be found in the Code of Business Behavior of a Supplier posted on the Company's website.

MTS employees must not receive property dishonestly through manipulations, intentional concealment of known facts, improper use of confidential information, use of corrupt schemes, leading astray regarding facts of significant importance, or any other practice that does not meet the values and approach of MTS towards business practices.

MTS expects the following from its employees regarding partners and suppliers:

- following the established purchasing procedures of the Company;
- interacting with conscientious partners and suppliers, whose work methods must not damage the reputation of MTS;
- reflecting in the contracts of principles of the Code and applicable MTS policies;
- encouraging partners and suppliers to apply our standards and assist in this;
- honest and just attitude towards the partners and suppliers.

Both the MTS employees and the Company's partners and supplier can report their suspicion regarding the lack of observance of the standards, policies and procedures of MTS or about other dangers related to finances, bookkeeping, audit, corruption or fraud in the Company, or other serious situations affecting the interests of MTS or its employees to the Internal Control and Audit Block control&audit@mts.ru.

Protection of intellectual property

MTS recognizes that intellectual property is one of the most valuable assets of the Company. Unauthorized use of intellectual property could result in its loss or reduction in its value, as well as entail criminal and civil-legal liability for the violators.

We protect our intellectual property and respect the intellectual property of other market participants.

No one has the right to use the intellectual property of MTS without prior permission from MTS.

The Company does not use the intellectual property of third parties without their permission. In particular, MTS does not use, copy or transfer third-party materials protected by copyright such as music, videos, programs, etc. without a license or permission of the proprietor.

Every MTS employee and third parties are obliged to observe copyrights and regulatory legal acts regarding intellectual property.

Public appearances, statements and interaction with the mass media and social networks

The Public Relations Department is the Company's only division authorized to make official statements, issue press releases and make comments to the mass media.

The Company has developed the policy entitled "Providing Information regarding Activity of the MTS Group to the Investment Community and Mass Media.

In the event that an MTS employee is approached by the mass media with the questions which directly or indirectly affect MTS, they should be redirected to the Department for Public Relations of MTS.

Social media user requests concerning MTS should be redirected to blogs@mts.ru.

Corporate social responsibility

Corporate social responsibility (CSR) is the responsibility of the organization for the impacts its decisions and operations have on society and the environment through transparent and ethical conduct. Our primary goal is to improve the quality of life and safety of human and society by developing innovations and offering a broad spectrum of services to our customers. We are responsible for our own actions, and we see this as the guarantee of the Company's sustainable development.

MTS strives to integrate CSR in all aspects of its operations, encompassing, among other things, social, economic and environmental fields and answers the requests of society, consumers, shareholders, its employees, the state, non-profit and public organizations, partners and suppliers, and local communities.

MTS activity regarding CSR involves working in nine main areas:

- improving the quality of life of the subscribers;
- concern for the employees and their development;
- developing corporate volunteering;
- philanthropy;
- developing regions, territories of presence and local communities;
- synergy of CSR practices and creating common values;
- responsible business practice;
- developing services improving environmental sustainability;
- environmental protection measures.

MTS bases its CSR activity on principles of socially responsible business practices aimed at ensuring sustainable development and growth of the Company's welfare, forming a competitive economy, improving the quality of life and flourishing of society. These principles were formulated with the participation and with consideration for the expectations of all concerned parties and were recorded in the policy entitled "MTS Activity for Corporate Social Responsibility" that regulates the implementation of CSR projects.

The Company supports innovative activity of talented youth, educational projects on safe and productive Internet use by children and the elderly, the development of corporate volunteering, environmental, social and philanthropic projects, implementation of the best Russian and international practices in CSR, sustainable business development and the publishing of the MTS annual sustainability report.

"Children on the Internet" is one of the federal projects by MTS that is a set of events combining a series of instructional lessons on Internet safety for young schoolchildren "Useful and Safe Internet", interactive topical exhibits based at leading museums and libraries in Russia, seminars and workshops for parents and the teaching community. The project is being carried out with the support of the Ministry of Communications and the Russian Federation Ministry of Telecom and Mass Communications, the Russian Federation Ministry of Education and Science and a number of partners. The project is based on an educational technique developed by MTS jointly with the Foundation for Internet Development and approved by the Federal Institute for the Development of Education. Find more details on www.safety.mts.ru and <http://detionline.com/mts/about>

"Telecom Idea" is an annual federal competition of innovative projects of youth in informational and communication technologies and services to solve commercial, social and government tasks. Find more details on www.telecomideas.com.

"Mobile Academy for the Older Generation" is a federal educational project of MTS targeting training the older generation in the safe and useful use of the Internet to improve their standard of living and adapt to the information society. The educational program was developed in MTS and is aimed at people over age 50, new Smartphone and tablet users and takes into consideration the needs and sociopsychological features of the elderly. Lessons and workbooks are available at the portal <http://baba-deda.ru/uroki>.

The Company has instituted an MTS corporate volunteer movement called "Just Give Good!". Within the scope of the movement, volunteers lend assistance to the young wards of sponsored children's institutions, veterans of the Great Patriotic War, disabled children and those from underprivileged families. Volunteers organize festivities, workshops, excursions and lectures for them, participate in their ongoing

social integration, collect funds for their treatment, and hold campaigns aimed at the promotion of child safety, support for Russia's student community and preservation of the country's cultural heritage.

Since 2012, within the scope of the volunteer movement, the MTS puppet theater has been operating "Mobile Theater of Tales." Today, its repertoire includes over 10 shows of varying topics: New Years, educational and environmental. The theater actors are the employees themselves, the audience is the wards of sponsored children's institutions, children from large families of the employees and partners, young patients from rehabilitation and oncological centers.

Question: How can I become a volunteer or puppet theater actor?

Answer: If you have decided to become a volunteer or puppet theater actor, you can register at: csr@mts.ru. You will be given information on upcoming events involving MTS volunteers, and you will be able to make your own contribution to this noble common endeavor. Follow movement news on the portal by following the "Just Give Good!" logo.

Bonpoc: Can an employee initiate their own social project?

Answer: Of course, but this project must comply with the corporate policy on CSR, therefore it must be pre-approved by the respective coordinator in the Corporate Social Responsibility Department in the HR Block.

Any employee can participate in supporting any socially-oriented events on their own private initiative, provided they do not violate prevailing law and common ethical norms. As a volunteer representing the Company, an employee may only act within the scope of the corporate policy on CSR.

Since 2008, MTS has been publishing the Sustainability Report, which includes a description of the main areas and achievements of the Company in social corporate responsibility towards society and all stakeholders.

The Sustainability Report represents, as transparently as possible, MTS's contribution to the development of brand-presence regions and the telecom industry as a whole; demonstrates corporate tools ensuring the high quality and performance reliability of the operator; describes the Company's key social and philanthropic projects.

When creating the report, we are guided by the GRI (The Global Reporting Initiative) Sustainability Reporting Guidelines, an international reporting standard for voluntary use by organizations reporting on sustainable development. The Sustainable Development Report is certified by the Russian Union of Industrialists and Entrepreneurs (RSPP) on an annual basis.

Reports are available at the MTS website: <https://moskva.mts.ru/about/socialnaya-otvetstvennost/novosti-i-otcheti/otchet-ustoychivogo-razvitiya>.

Philanthropy

A strategic and high-priority area of MTS' philanthropic activity involves the implementation of projects aimed at supporting children: their health, education and cultural development.

MTS' key philanthropic project "Generation M" involves both the creative and intellectual development of children using digital tools and rendering emergency medical assistance to crucially-ill children. On the online website pokolenie.mts.ru, in the group "VKontakte" and on the page in Instagram, kids from the entire country can display their talents by participating in contests and workshops from the best Russian teachers, masters of culture and show business. The winners of "Generation M" receive unique prizes: an appearance in one scene with stars, exhibition of work at the leading artistic platforms of the country, admission to the leading creative universities, publication of books with children's illustration, and more. All activities on the online platforms "Generation M", competitive work, "likes" and "reposts", are converted by MTS into money at the rate of "one action" = 1 ruble and is sent for emergency operations on children from Russian regions. Thus, by showing creativity in a project, the kids are saving the lives of their peers at the same time.

MTS' philanthropic program "Give Good!" is aimed at giving free help to children with serious illnesses who need emergency medical support and whose families cannot afford the necessary

expensive treatment. Within the scope of this program, MTS cooperates with a number of major federal foundations with impeccable reputations.

Question: How does MTS ensure the transparency of charitable donations?

Answer: The MTS Security Service checks all appeals for medical assistance in order to prevent fraud.

Funds are transferred to trusted foundations that provide targeted assistance to children. They, in turn, forward the funds to hospitals, rehabilitation centers and drug purchases. The foundations provide MTS with strict accounting records, which we then relay to our clients and partners participating in the program.

MTS' philanthropic activities also involve providing support for the ongoing development of the education and healthcare system, athletics and sports facilities, art and creativity resources and community-based infrastructure.

In the event that a Company employee receives an appeal or request for charitable assistance, whether from an organization or private individuals, it must be forwarded to the Public Relations Department, which is responsible for philanthropic programs, or to pr@mts.ru.

Environment

Within the scope of environmental events, MTS evaluates the environmental impact at all stages of its activities: from construction of base stations to the production and packing of SIM-cards. We strive for the entire MTS team and each employee in particular are involved to the utmost in the process of implementing environmental projects and have an objective assessment of their responsibility to nature.

We strive to put the world around us into perspective, and are concerned about environmental preservation. The initiatives launched at MTS are aimed at caring for the environment and its resources. The Company organizes and takes part in ambitious municipal environmental projects and promotes an eco-friendly culture and environmental protection activities. MTS actively encourages employees to participate in the Company's eco-initiatives, one of them is the "Save a Tree" public wastepaper collection project conducted on a quarterly basis.

"EcoOffice" — an MTS program aimed at the fostering of ecological knowledge, ethics and culture on the part of Company employees. Within the scope of the program, MTS organizes various eco-projects envisioning the rational preservation, consumption and recycling of natural resources.

"EcoTelecom" — a series of Company initiatives, which are aimed at heightening the environmental awareness of employees and raise personal responsibility for water conservation, saving forest resources, collecting and correct recycling of batteries and old phones, and care for the environment.

Question: What contribution can every employee make towards environmental protection?

Answer: MTS has launched a project involving the collection of used batteries for recycling. Anyone can drop them off at the Company's administrative offices. The Company is also holding a federal promotion to collect plastic caps "Good Caps". The funds from recycling them are sent to aid sick children. Additionally, the employees can participate in Eco-Saturdays, organized regularly by the Company.

MTS AND THE LAW

MTS' activities are governed by a number of laws and various regulatory requirements. It is very important for the employee to know the rules and requirements applicable to their area of responsibility.

The Company's success and its reputation depend on strict observance by each employee of the law, both national and international, as well as the timely and correct response to the regulatory requirements.

MTS attributes great importance to the development and introduction of a system of measures to prevent violations of applicable law.

Interaction with government agencies

During its operation, MTS interacts with government agencies of the Russian Federation, with regulators of foreign governments, as well as international organizations. This interaction must occur exclusively with compliance with prevailing law and internal Company requirements, regardless whether MTS provides services to this government agency or not.

Legislation tightly regulates the procedure for the provision of services to government agencies. When participating in tenders held by government agencies, Company employees must be exceedingly cautious and strictly adhered to the requirements of all MTS bylaws, including the requirements of the "Anticorruption Legislation" and "Competition and Antitrust Legislation" sections of this code.

A similar interaction procedure should be followed in cases where the government agency is issuing any sort of permit, license or approval.

While the Company has always strived to cooperate with government agencies in the performance of their official functions, including the holding of scheduled audits and investigations, it should be recalled that the information given at the request of the government agency must be relevant, accurate and complete.

Any employee receiving an inquiry from a government agency in the course of an audit or investigation should immediately contact the appropriate legal department of the Company.

MTS' position regarding government agencies must be clear and true to avoid financial and reputational risks of damage to the Company.

Question: I got a call from someone I used to go to school with who now works in the tax inspectorate, and he asked me to privately give him some information on a particular MTS deal. He said that the tax inspectorate has the right to request such information. What should I do?

Answer: You must immediately contact your legal department and tell them about the situation so that the competent employee can ensure that MTS' legal rights and obligations are honored.

Anticorruption legislation

MTS adheres to the principles of compliance with anticorruption legislation in all types of business relations, regardless of the country in which the Company pursues its economic activity.

Corruption is not part of our business!

Pursuant to the anticorruption legislation applicable to the Company, employees and persons, acting on behalf or in the interests of MTS, are prohibited, whether directly or through an intermediary, from rendering, offering, promising or approving payments in the form of monetary funds or any other valuables, as well as from proffering any financial or other gain or advantage to any third parties with the intention, by virtue of the official position occupied thereby, of exerting influence on their actions (or ensuring their inaction) or inducing or rewarding their improper performance of the official or otherwise legally-envisioned duties entrusted thereto.

Furthermore, all Company employees are prohibited, whether directly or through an intermediary, from demanding, approving the acceptance, or accepting any financial or other benefit or advantage, including payments in the form of monetary funds or any valuables.

Applicable anticorruption legislation means Russian anticorruption legislation, the US Foreign Corrupt Practices Act, the UK Bribery Act, and similar anticorruption legislation in the countries where the Company is engaged in economic activity.

The Company has adopted a policy entitled “Anticorruption Laws Compliance Policy Legislation”, which is binding on all members of the Company’s Board of Directors, executives, employees, subsidiaries and affiliates, as well as on all third parties acting on behalf or in the interests of the Company.

In order to prevent corruption violation, MTS has developed and introduced an anticorruption compliance system. It establishes measures to control regulatory risks, prevent and protect the Company from any manifestations of corruption, both within the Company and attempts to involve the Company in corrupt activity from the outside, improve the Company’s corporate culture, introduce and develop in the Company the best corporate management practices, as well as standards of responsible business behavior. The corporate anticorruption compliance system is under constant development and improvement based on the applicable legislative statutes, regulatory agency recommendations, industry specifics and the best practices in this area.

Question: Why does the anticorruption legislation of the United States and Great Britain apply to MTS operations?

Answer: MTS is a public company whose securities have been traded on the New York Stock Exchange since 2000. Registration on the US Exchange entails that foreign companies assume the obligation to comply with a number of requirements provided for by the local legislation. Thus, aside from requirements mandating the existence of an internal control system, ensuring the reliability of financial reporting and others, MTS operations are governed by the requirements of the US Foreign Corrupt Practices Act (FCPA), which prohibits US companies and foreign companies whose securities are traded on the American stock exchange from engaging in any corrupt activity whatsoever with respect to public officials abroad.

Similarly, MTS operations and those of its primary shareholder are also bound by the requirements of anticorruption legislation of Great Britain. MTS is a subsidiary of a company whose securities have been placed on the London Stock Exchange, which, in conjunction with a host of other factors, may serve as grounds for the application to its operations and the operations of MTS of the requirements of the UK Bribery Act.

Anti-money laundering, combatting the financing of terrorism and financing dissemination of weapons of mass destruction.

The Company fulfills its obligations for monitoring operations of subscribers in order to detect operations subject to mandatory monitoring and suspicious operations related to money laundering, financing of terrorism and financing dissemination of weapons of mass destruction (CML/TF) per the procedure specified by law.

MTS takes a risk-oriented approach when meeting the requirements of the law regarding CML/TF in order to minimize the involvement by the Company and its employees in money laundering.

Pursuant to the requirements of prevailing law, the Company identifies the subscriber numbers allocated to the players on the “List of Organizations and Individuals for Whom There Is Information about Their Affiliation with Extremist Activity or Terrorism” in order to take measures to freeze (block) their funds. At MTS, a special officer has been appointed who is responsible for implementing these processes.

MTS adheres to the subscriber identification requirements and makes an additional study of subscribers when they perform operations through the mobile commerce platform, as well as after return of an advance after dissolution of a contract for rendering communications services.

MTS provides the Rosfinmonitoring (Federal Financial Monitoring Service) with information as required by law, in a timely manner.

Prohibited content

In accordance with the requirements of prevailing law, MTS cooperates with the Unified Register of Domain Names, Website References and Network Addresses that makes it possible to identify websites containing information banned from circulation in the Russian Federation. Access restriction is undertaken in accordance with the recommendations of the regulatory agencies and within the timeframe established by law.

If an MTS employee comes across a website whose content, in the employee's opinion, includes banned information, they independently inform the regulator through Roskomnadzor (Service for Supervision of Communications, Information Technology and Mass Media) portal at eais.rkn.gov.ru.

Competition and antitrust legislation

The Company complies with antitrust legislation and adheres to the principles of fair competition in all types of business relations, regardless of the region of presence.

The most dangerous violations are the formation of a cartel between competitors and concerted actions on the market. MTS employees must refrain from actions that are aimed at a uniform behavior towards competitors, this applies, inter alia, to the sharing of information about commercial plans, whether directly or through an intermediary, negotiating, signing or oral approval of antitrust arrangements in any form whatsoever.

MTS makes decisions regarding its business, including price setting, independently and without regard for activities of other companies.

Question: Bumping into each other at an industry conference, two of my colleagues from competing companies started a conversation about industry difficulties and suggested coordinating our rate policies in order to support sector profitability. What should I do in this situation?

Answer: You must tell your conversation partners that it is impermissible to negotiate such matters with MTS, stop the conversation and at the first opportunity report the incident in detail to the department responsible for the antitrust compliance system.

Question: A friend of mine is employed with another telecom operator and he participated in the launch of an interesting rate plan. I would like to implement such a product at MTS, but I doubt whether it would be profitable. I may not discuss such matters with him, but information could be passed on by our mutual acquaintance who has no employment in the telecom industry. Is it permissible?

Answer: No, not under such circumstances. The use of non-public information about a competitor's business may result in the fact that the behavior of these two companies is considered as concerted and aimed at giving up the price competition. That said it does not matter whether this contact was direct or through an intermediary.

MTS does not use its market position to prevent, restrict competition or violate somebody's legal interests, and always strives to treat its clients and contractors, including prospective, in a fair and equal manner in all aspects of its business.

MTS does not utilize methods of unfair competition, is respectful of competitors on any markets and strives for fair and lawful competition.

Question: I am preparing a presentation to solicit a large corporate client. In order to convince the client to change their operator, I want to include information in the presentation that the services provided by MTS are of higher quality. Is it permissible?

Answer: Mentioning MTS advantages in comparison to competitors must be true and proven. You may include such information, if you give clear comparison criteria and the source of the information.

Violation of the provisions of antitrust legislation can result in fines and other civil, administrative and criminal sanctions, up to and including imprisonment. Should a company employee have any

questions in connection with any decision or actions, including those of another MTS employee or MTS partner, which may result in the violation of the antitrust legislation, or an employee is not certain about the legality of any action or decision, they must contact (until the respective decision/action has been made/carried out) the department responsible for the antitrust compliance system.

The underlying principles and requirements concerning the compliance with the provisions of antitrust legislation applicable to the Company are set for in the MTS Antitrust Policy, which is binding on all company employees.

Use of insider information

The use of corporate insider information is legally restricted in the countries in which MTS securities are traded.

Insider information is information about a company that has not been publicly disclosed and that, if disclosed, could have an impact on the value of the company's securities.

This information could be, for example:

- financial figures;
- information on upcoming mergers and acquisitions (M&A);
- information on the obtainment of an important license;
- information on planned dividends;
- information on major litigation.

MTS employees privy to insider information about MTS must not conduct transactions involving MTS securities, advise third parties to make such transactions, pass information to make such transactions or engage in similar acts involving insider information concerning other companies obtained in the course of the performance of their job duties.

Question: My cousin owns MTS shares and wants to sell them, but I know that in a couple of weeks MTS is going to announce quarterly results that significantly outperform analysts' forecasts. Can I advise him to hold off on the sale to gain more for the shares?

Answer: Absolutely not. Until announced publicly, information concerning the Company's financial results, even the form of advice to a relative, is insider information, and would be a violation on your part of the law both in Russia and in the USA.

In order to assist MTS employees, a policy has been adopted on compliance with the requirements of insider information law. Among other things, the policy establishes closed periods during which the existence of insider information is most likely and through which the conclusion of transactions involving MTS securities is restricted for all company employees.

Every employee with questions relation to insider information may contact the Corporate Law Department or at the address: insider@mts.ru, and find additional information in the internal portal section dedicated to insider information legislation.

Business transparency and financial statements integrity

MTS is a public company with securities traded on the Russian and US stock exchanges. Pursuant to regulatory documents governing the operation of the securities market, the Company provides the relevant regulatory agencies with reports on the financial results of its activities and discloses a significant amount of non-financial information. This disclosure includes the timely and accurate reporting of all material, including non-public information that could have an impact on the value of MTS securities. The disclosed information is intended for both external and internal users for the purposes of obtaining an objective view of the results of the company's financial-economic activities, its plans and areas for further development.

The gathered information must meet the general requirements of the majority of interested participants such as investors, employees, creditors, suppliers and contractors, buyers and customers, government agencies and the general public.

Information disclosure is undertaken in such a way so as to ensure a reasonable balance between the informational transparency and protection of the Company's commercial interests. In order to ensure compliance with the requirements of applicable law the violation of which could result in considerable financial losses and even the criminal prosecution of the company as a whole and of individual company employees, every employee must play their role in the information disclosure system. That said, the public disclosure of information is only permitted by individuals duly authorized by company management to do so, as secured in the Company's bylaws.

In order to ensure the efficient performance of MTS obligations with respect to information disclosure, the Company has created a Disclosure Committee and introduced the position of disclosure coordinator, who together are responsible for ensuring the accuracy and timeliness of information disclosure to all investors, shareholders and other stakeholders.

Question: A personal acquaintance has approached me with a request to provide him with certain information about Company activities. Do I have the right to give out such information?

Answer: If the requested information is not confidential, it is subject to open publication in the mass media, or on the official MTS website, etc., you can send the link to your acquaintance.

Employees responsible for administering accounting records and submitting data for report compilation must guarantee that all business operations are reflected in the Company's financial statements and that accompanying explanations are delivered fully, precisely, promptly and in a format that is easily understood by the user.

Employees must inform their supervisor and the Internal Control and Audit Block hotline control&audit@mts.ru per the procedure specified by the Code, about any and all known instances of the non-disclosure of assets or liabilities and/or the indication of false or falsified information in order to avoid the onset of legal, financial or other repercussions for MTS and the causing of serious harm to the Company's business reputation.

Question: I heard from my colleague who works at a major company, which is an MTS supplier, that they are having production problems and will not be able to meet their obligations to supply the equipment needed for the planned expansion of the MTS network. Do I have to disclose this information publicly?

Answer: No. you must immediately pass the information on to the current disclosure coordinator (the relevant information is posted on the internal portal in the section entitled "My Company" — "For Work" — "About the Company" — "Corporate Governance" — "Statement on the MTS PJSC Information Policy") so that they can assess the relevance and the need for its disclosure. In the event of an affirmative conclusion, the information will be disclosed by a duly authorized MTS employee in accordance with the necessary procedures.

Company accounts and records

Accounting documents reflect fully and precisely the business transactions conducted by the Company, and serve as the basis for the compilation of various types of reports and information disclosures in accordance with the requirements of prevailing law and based on generally accepted practice.

Accounting records are the source of data supporting the adoption of important managerial decisions concerning further Company development.

Questions: What do accounting documents include?

Answer: Accounting documents include financial and management statements, the operating chart of accounts, accounting policies, bookkeeping ledgers, primary accounting documents confirming the conclusion of business transactions, sales invoices, documents on the auditing of financial and economic

activity, payroll accounts and much more. Information that is more detailed can be found in the relevant policy of accounting document management.

MTS has in place approved policies governing the management of accounting documents and requirements concerning their compilation, submission, storage, archiving and destruction.

COMMUNICATING AND REPORTING CODE VIOLATIONS

In the event that an employee is uncertain about how to proceed appropriately in a given situation, or they think their actions could lead to a violation of the Code, they should discuss the situation with their immediate supervisor, the senior manager or Compliance Department officer.

If a Company employee witnesses or learns of a violation of the Code, legislation or the Company bylaws by other Company employees or third parties acting on behalf of in the interests of MTS, then it is their duty to report the issue so as to assist MTS in dealing with the problems that could arise.

Any employee wishing to report a violation should send a message to the hotline of the Internal Control and Audit Block at: control&audit@mts.ru, using the available mail servers and the services placed on the MTS corporate portal. Employees can also contact their immediate supervisor personally or any senior manager.

Please note that the priority method for reporting violations is a message on the Control and Audit Block hotline control&audit@mts.ru. This is especially important when identifying violations of human rights compliance at the workplace.

The hotline of the Internal Control and Audit Block has been set up to improve the efficiency of the processes involved in preventing and combatting the associated risks and detecting possible instances of fraud, misuse and violations in the following areas:

- accounting, tax accounting and reporting;
- internal control and audit;
- asset management and property usage;
- financial operations, procurement and logistics, sales and client services, contractual relations, third-party payments and other processes essential to business and operating activities;
- compliance with commercial secret policies;
- compliance with the requirements of applicable law (including anticorruption, antitrust and labor law);
- compliance with the Code of Conduct and Business Ethics;
- compliance with internal documents on the use of insider information.

A report on the operation of the internal Control and Audit Block hotline is sent to the MTS Audit Committee on a regular basis.

The Company will review all credible information concerning Code violations. All messages concerning known or possible Code violations will be considered thoroughly and confidentially, and the individuals providing the information may do it anonymously.

MTS strictly prohibits the application of any repressive measures against any employee making an effort in good faith to secure assistance and report known or possible violations.

CONCLUSION

It should be recalled that each of us, regardless of our position, region of work or function, bears personal responsibility for observing the Code, and thus contribute to the overall success and strengthening of the leadership position of MTS.

The responsible and conscientious conduct of the employees maintains MTS' status as a company operating in accordance with the highest standards of ethical business practices and the best international practices.

MTS reserves the right to make amendments and additions to the Code at any time, without prior notice.

The Code is a public document, which can be read by all stakeholders on the Company's official website: www.mts.ru.