

APPROVED

by the General Meeting of Shareholders  
of Mobile TeleSystems  
Public Joint Stock Company

June 24, 2020, Minutes No.49

**REGULATIONS**  
**ON THE BOARD OF DIRECTORS**  
**of Mobile TeleSystems Public Joint Stock Company**

Moscow  
2020

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## **1. General**

- 1.1. The Regulations on the Board of Directors of Mobile TeleSystems Public Joint Stock Company (hereinafter the “Regulations”) has been developed in accordance with the laws of the Russian Federation and the Charter of Mobile TeleSystems Public Joint Stock Company (hereinafter the “Company”).
- 1.2. The Regulations establishes the procedure for forming the Board of Directors, the composition, functions, goals and objectives, and powers of the Board of Directors, and the manner of its work and interaction with the Company’s other management bodies.
- 1.3. The Regulations shall be approved by the General Meeting of Shareholders of the Company and may be amended, supplemented, or cancelled only by resolution of that management body of the Company.
- 1.4. The Board of Directors is the Company’s collective management body. It shall provide overall management of the Company’s operations, with the exception of decisions on matters within the competence of the General Meeting of Shareholders, and shall be governed by the laws of the Russian Federation, the Charter of the Company, resolutions of its General Meetings of Shareholders, the Regulations, and other internal regulations of the Company.
- 1.5. The Board of Directors shall be bound, within its competence, to comply with the resolutions of the General Meeting of Shareholders.
- 1.6. Resolutions of the Board of Directors shall be binding upon the Company’s Executive Bodies.

## **2. Goals and Objectives of the Board of Directors. Rights, Duties, and Liability of Board of Directors Members. Formation of the Board of Directors**

### **2.1. Goals and objectives of the Board of Directors**

- 2.1.1. The main goals of the Board of Directors shall be to:
  - (1) develop and analyze overall corporate strategy and monitor its implementation;
  - (2) monitor and evaluate the performance of the Company’s Executive Bodies and senior officers;
  - (3) increase the capitalization of the Company, expand its market positions, and achieve and maintain the Company’s competitiveness;
  - (4) maintain financial stability, increase revenues, and improve profitability;
  - (5) protect the rights and legitimate interests of Company’s shareholders.
- 2.1.2. In order to achieve these goals, the Board of Directors shall, within its competence, acting directly or through its Committees, perform the following tasks:
  - (1) develop and monitor the implementation of the Company’s strategic and overall economic policies;
  - (2) continuously monitor the activities of the Company’s Executive Bodies and senior officers;
  - (3) organize the implementation of resolutions of the General Meeting of Shareholders;
  - (4) identify the future and priority areas of the Company’s operations;
  - (5) form an effective organizational structure and system of management of the Company;
  - (6) ensure the financial stability of the Company;
  - (7) approve the Company’s plans and budgets;
  - (8) determine approaches to investments and participation in other entities;
  - (9) evaluate the performance of the Company and its bodies;
  - (10) set the terms and conditions for dividend payments;
  - (11) set criteria for the management personnel hiring;
  - (12) develop systems and methods of motivation and incentives for Executive Bodies and personnel;

- (13) determine the basic principles of and approaches to the organization of a risk management and internal control system of the Company;
- (14) assess political, financial, and other risks affecting the Company's operations;
- (15) exercise control over the proper organization and efficient functioning of a system of disclosure of information by the Company;
- (16) exercise control over the observance of the Company's information policy;
- (17) ensure that the Company complies with the laws of the Russian Federation;
- (18) ensure compliance with corporate governance principles;
- (19) ensure the evaluation of the quality of work of the Board of Directors, Committees of the Board of Directors and members of the Board of Directors;
- (20) exercise control of the Company's corporate governance practice.

2.1.3. The competence of the Board of Directors shall be defined by the Company's Charter and applicable laws.

2.1.4. In performing its functions the Board of Directors shall take into account interests of the Company, shareholders and other interested parties, including employees, creditors, contractors of the Company. In events where decisions of the Board of Directors may have different consequences for different groups of shareholders, the Board of Directors shall fairly treat all the shareholders. The Board of Directors shall make decisions in compliance with adopted environmental protection and social standards.

## 2.2. **Rights of the Board of Directors and its Members**

2.2.1. The Board of Directors shall be entitled to:

- (1) hear the reports of the Company's officers on the Company's activities in accordance with its competence;
- (2) request reviews and internal audits of the Company's financial and business operations by the Auditing Commission;
- (3) form committees and commissions from its own members and involving specialists from the Company and third party experts to meet particular objectives;
- (4) engage external counsels, experts, and other advisors as the Board of Directors (or the Board of Directors Committees) may determine necessary to assist them in performing the functions of Board of Directors members;
- (5) nominate the candidates for the Board of Directors and the Auditing Commission when no candidates or an insufficient number of candidates have been nominated by the shareholders; submit proposals on the Company's Auditor to the General Meeting of Shareholders for approval;
- (6) take other actions within its competence;
- (7) establish a staff of the Board of Directors or a similar unit to support the Board of Directors in the performance of its functions;
- (8) engage independent third party experts to review draft resolutions.

2.2.2. Member of the Board of Directors shall be entitled to:

- (1) request that officers and employees of the Company provide necessary information (documents and materials) and explanations regarding the Company's activities, including information and materials related to legal entities under the control of the Company. Request for information shall be sent through the Secretary of the Board of Directors to the attention of the Chairman of the Board of Directors and shall be signed by its initiator – a member of the Board of Directors;
- (2) propose matters for inclusion into the agenda of the Board of Directors meetings;
- (3) inspect the minutes of the meetings of the Board of Directors;
- (4) receive the fees for performance of his/her duties and/or reimbursement of expenses related to his/her performance of Board of Directors member's functions, in a manner established by resolution of the General Meeting of Shareholders in accordance with the Regulation on Compensation and Allowances of Members of the Board of Directors;

- (5) require recording of his/her dissenting opinion on agenda items or adopted resolutions in the minutes of the Board of Directors meeting;
- (6) attend General Meetings of Shareholders and answer questions asked by meeting participants regarding Company's activities.

### 2.3. **Duties of the Board of Directors members**

2.3.1. The activities of a member of the Board of Directors shall be continuous and not be limited to participation in the meetings and adoption of resolutions of the Board of Directors and may include participation in committees and commissions established by the Board of Directors.

2.3.2. A member of the Board of Directors shall:

- (1) be loyal to the Company;
- (2) act within his/her rights and duties in accordance with the goals and objectives of the Board of Directors;
- (3) perform his/her duties in a reasonable and honest manner, with due diligence and care for the benefit of the Company and its shareholders, seek sustainable and successful development of the Company;
- (4) convene the meetings of the Board of Directors to address urgent issues;
- (5) prepare for meetings, attend and take an active part in the discussion of matters considered at meetings of the Board of Directors, and if unable to participate in a meeting, notify the Board of Directors in advance with an explanation;
- (6) take part in the decision-making process of the Board of Directors either by voting on items on the agenda for its meetings or by a written opinion on items on the agenda;
- (7) make sound decisions, and for that purpose study all the relevant information (materials), perform research, and bring to the attention of all members of the Board of Directors all information, without exception, related to resolutions being adopted;
- (8) refrain from voting on matters in respect of which the member has a conflict of interest;
- (9) assess risks and adverse effects, when making decisions;
- (10) participate in the work of Committees of the Board of Directors of which he/she is a member;
- (11) follow instructions and the orders of the Board of Directors, ensure the fulfillment of decisions made by the Board of Directors and the General Meeting of Shareholders of the Company;
- (12) not disclose confidential information about the Company's activity which the member becomes aware of, act to protect such information from illegal and unauthorized disclosure and refrain from use of such information for his/her own benefit or for the benefit of third parties;
- (13) comply with the requirements of the Company's approved Regulation on Principles and Procedures relating to the prevention of transactions with the use of insider information of the Company;
- (14) provide the Company with information about himself/herself and relations with the Company's affiliates, as well as other information, details, and documents needed by the Company to comply with the requirements of the laws of the Russian Federation and achieve the Company's goals in accordance with Annex No. 1 hereto. If changes occur in the provided information, the member shall notify the Company thereof;
- (15) bring to the attention of the Company information on proposed transactions in which he/she may be deemed to be an interested party, including information on:
  - legal entities in which the member, whether alone or with his/her affiliates, holds 20% (twenty percent) or more of the voting shares (interests or units);
  - legal entities in whose management bodies the member holds positions;
  - current or proposed transactions, known to the member, in which the member may be deemed to be interested;

- (16) inform the Board of Directors of his/her intention to acquire an interest in competitors' authorized capital or to participate in the work of competitor's management bodies;
- (17) notify the Board of Directors of his/her intention to take a position within the structure of management bodies of other legal entities and immediately upon election (appointment) to management bodies of other legal entities notify the Board of Directors of such election (appointment);
- (18) disclose information about his/her direct or indirect<sup>1</sup> possession of Company's securities, as well as of the sale, and/or purchase of securities of the Company, notify the Chairman of the Board of Directors of his/her intention to engage in a transaction involving shares of the Company.

2.3.3. A member of the Board of Directors shall disclose information in accordance with subparagraphs 2.3.2(14) – 2.3.2(18) of these Regulations immediately after the occurrence of circumstances to be disclosed, by way of a written statement disclosing the respective information sent to the Chairman of the Board of Directors of the Company through the Corporate Secretary of the Company.

2.3.4. A member of the Board of Directors shall refrain from actions, which will or may result in a conflict of his/her and Company's interest, and should such conflict occur, disclose information about it to the Board of Directors through the Corporate Secretary. Disclosure of such information has to be prompt and in no event later than the actual discussion of the relevant matter with the conflict of interests on the relevant meeting of the Board of Directors or its Committee.

2.3.5. Independent directors play a key role in prevention of corporate conflicts and evaluation of substantial corporate actions taken by the Company. Independent directors preliminarily evaluate and analyze possible actions and Company's draft solutions, which can cause a corporate conflict.

2.3.6. A member of the Board of Directors, as well as persons related to him/her<sup>2</sup>, shall not receive gifts or other forms of remuneration from persons interested in a decision of the Board of Directors providing such persons with direct or indirect benefits. A member of the Board of Directors shall observe the provisions of the Company's approved policies and procedures applicable to the Board of Directors' activities, including the Code of Business Conduct and Ethics and Policy on Compliance with Anticorruption Legislation.

#### 2.4. **Liability of the Board of Directors members**

2.4.1. Members of the Board of Directors shall be liable to the Company for losses caused to the Company by their culpable acts and omissions in accordance with the laws of the Russian Federation. However, the members of the Board of Directors who voted against (or did not participate in voting on) a resolution that resulted in losses to the Company shall not be liable for the consequences of the resolution.

2.4.2. The Company or a shareholder (shareholders) holding in the aggregate at least 1% (one percent) of the outstanding ordinary shares of the Company may take legal action against a member of the Board of Directors to recover losses caused to the Company in cases provided for by the current laws of the Russian Federation.

2.4.3. The Company shall maintain insurance covering liability of the members of the Board of Directors arising from legal actions or claims brought against a member/members of the Board of Directors by third parties or the Company's shareholders in connection with business decisions or other acts taken by such member/members in the capacity of members of the Board of Directors of the Company or its subsidiaries.

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<sup>1</sup> Indirect possession means the possession by a member of the Board of Directors of shares of the Company through legal entities controlled by such member or possession by his Related persons.

<sup>2</sup> Related persons of a member of the Board of Directors for the purposes of these Regulations mean the spouse, parents, children, adoptive parents, adopted children, siblings (including half-sisters and half-brothers), grandparents, and any other individual residing together with the member of the Board of Directors and having a common household with him/her.

## 2.5. Composition of the Board of Directors

- 2.5.1. The number of the Board of Directors members shall be set in the Company's Charter.
- 2.5.2. The members of the Company's Executive Body may not comprise more than 25% (twenty five percent) of the members of the Board of Directors.
- 2.5.3. If the number of members of the Board of Directors falls below the number required to constitute a quorum for its meetings, the Board of Directors shall adopt a resolution to hold an extraordinary General Meeting of Shareholders to elect a new Board of Directors. The authority of the remaining members of the Board of Directors shall be limited to the adoption of such resolution.
- 2.5.4. Retired members of the Board of Directors shall mean the members who are defined in Company's Charter as the "retired", including, but not limited to, the deceased, or missing, or declared incapable.
- 2.5.5. The Board of Directors shall include independent directors. A member of the Board of Directors shall be deemed independent if the Board of Directors establishes in relation to this director that he has an independent status due to the absence of any material relationship with the Company, its major shareholder<sup>3</sup>, major counterparty<sup>4</sup>, or competitor, or the government. To take this decision the Board of Directors should be provided with the questionnaire on the independence (information in accordance with the form as determined in Annex No. 6 to these Regulations) hereto with respect to each Board of Directors member.

Provided that, a member of the Board of Directors shall be considered independent only if:

- (1) he/she and/or his/her related persons are not and have not been for the last 3 (three) years members of Executive Bodies or employees of the Company, an organization controlled by the Company and/or a Company's management organization;
- (2) he/she and/or his/her related persons are not members of the board of directors of the legal entity controlling the Company, or of the controlled company or the management company of such legal entity;
- (3) he/she and/or his/her related persons did not receive remunerations and/or other financial benefits from the Company and/or its controlled companies within any of the last three (3) years in the amount exceeding the half of the annual base (fixed) remuneration of a member of the Board of Directors of the Company. Herewith, payments and/or compensations received by the said persons as remuneration for his/her duties as member of the Board of Directors of the Company and/or its controlled company, including those related to the insurance of their liability as members of the board of directors, as well as yield and other payments received by the said persons on securities of the Company and/or its controlled company;
- (4) he/she has not received directly or indirectly any payment or compensatory fee from the Company or its subsidiaries for consulting or other such services, except for a remuneration expressed as a firm amount, in accordance with a pension plan (including deferred payments) for services provided to the Company in the past (only if such payments do not depend whatsoever on the performance by the member of the Board of Directors of his/her current duties);

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<sup>3</sup> Major shareholder means any person who is entitled, whether directly or indirectly, acting through entities controlled thereby, on his own or together with other persons associated therewith by virtue of a property trust management agreement and/or a simple partnership agreement and/or a commission agreement and/or a shareholder agreement and/or another agreement the subject matter of which is the exercise of rights evidenced by shares (interests) in the issuer to cast five or more percent of votes attaching to the company's voting shares in its share capital

<sup>4</sup> Substantial contractor shall be understood to be an entity being a party to a contract (contracts) with the Company, the amount of obligations under which currently constitutes, or the amount of obligations performed thereunder constituted during the last year, two (2) or more percent of the book value of the consolidated assets of the Company or this entity as of the reporting date preceding the date of assessment of the importance of the contractor, or two (2) or more percent of the consolidated revenue (income) of the Company or this entity for the completed calendar year preceding the point of assessment of the importance of the contractor. If a contractor has no consolidated financial statements, its accounting statements may be used for comparison.

- (5) he/she and/or his/her related persons are not the holders of shares or beneficiaries of shares of the Company<sup>5</sup>, which amount to more than 1% (one percent) of the charter capital or the total number of voting shares of the Company or the market value of such block of shares amounts to more than 20 (twenty) times the amount of the annual fixed remuneration of the member of the Board of Directors of the Company;
- (6) he/she and/or his/her related persons are not employees and/or members of Executive Bodies of a legal entity whose remuneration is determined (considered) by the remuneration committee of the board of directors of this legal entity, in the event that any of the employees and/or members of the Company's Executive Bodies is member of the remuneration committee of the board of directors of this legal entity;
- (7) he/she and/or his/her related persons do not provide consulting services to a Company, a person controlling the Company or legal entities controlled by the Company and are not members of management or executive bodies of organizations providing to the Company or the above legal entities such services or employees of such organizations directly participating in the provision of such services;
- (8) he/she and/or his/her related persons did not provide any services in the area of appraisal activity, tax consulting, auditing or accounting record-keeping services to the Company or its controlled companies within the last three (3) years, and also were not members of management bodies of companies that provided such services to the said legal entities, or those of the rating agency of the Company, or employees of such companies or the rating agency who were directly involved in the provision of corresponding services to the Company, within the last three (3) years;
- (9) he/she is not an affiliated person of the Company or a subsidiary of the Company on any grounds other than his/her affiliation in the capacity of member of the Board of Directors of the Company. Herewith, the concept of affiliation shall be construed in accordance with the Russian and U.S. regulation;
- (10) he/she has not been holding the position of member of the Board of Directors of the Company for more than seven (7) years; While calculating a corresponding term, the period of membership of a director in the board of directors of a legal entity subsequently reorganized shall be taken into account, if such director was then elected to the Board of Directors of the successor entity (of the Company). Herewith, for the purposes of assessment of independence of a candidate (elected member of the Board of Directors), a candidate (elected member of the Board of Directors) who has been holding the position of member of the Board of Directors for seven (7) to 12 (twelve) years, in aggregate, may be deemed as non-related person of the Company, if so decided by the Board of Directors of the Company;
- (11) he/she and/or his/her related persons are not employees and/or members of executive bodies of a major shareholder of the Company (legal entity from the group of organizations the major shareholder of the Company is a member of);
- (12) he/she and/or his/her related persons did not receive remuneration and/or other financial benefits from a substantial shareholder of the Company (a legal entity from the group of companies whose member is the substantial shareholder of the Company), within any of the last three (3) years, in the amount exceeding the half of the base (fixed) remuneration of a member of the Board of Directors of the Company. Herewith, no payments and/or compensations shall be taken into account that have been received by the said persons as remuneration and/or reimbursement of expenses for duties of a member of the board of directors (a committee of the board of directors) of the Company's substantial shareholder (a legal entity from the group of companies whose member is the substantial shareholder of the Company), including those related to the insurance of their liability as members of

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<sup>5</sup> A beneficiary of shares of the Company for the purposes of these Regulations means an individual, who due to his/her participation in the Company, on the basis of an agreement or otherwise receives an economic benefit from holding the shares (interests) and/or disposal of votes attached to the shares (interests) forming the charter capital of the Company.

the board of directors, as well as yield and other payments received by the said persons on securities of the substantial shareholder of the Company (a legal entity from the group of companies whose member is the substantial shareholder of the Company);

- (13) he/she and/or his/her related persons are not members of the board of directors of two legal entities controlled by a major shareholder of the Company or a person controlling a major shareholder of the Company;
- (14) he/she and/or his/her related persons are not employees and/or members of management bodies of a major counterparty or competitor of the Company as well as legal entities controlling or controlled by a major contractor or competitor of the Company;
- (15) he/she and/or his/her related persons are not the holders of shares (interests) or beneficiaries on shares (interests) of a major counterparty or competitor of the Company, which amount to more than 5% (five percent) of the charter capital or the total number of voting shares (interests);
- (16) he/she is not, and was not within one (1) year preceding his/her election to the Board of Directors of the Company, a government or municipal official, person holding office in government bodies, employee of the Bank of Russia;
- (17) he/she is not bound to vote on one or several matters within the competence of the Board of Directors of the Company in accordance with a directive of the Russian Federation, a constituent entity of the Russian Federation or a municipal entity.

2.5.6. Under exceptional circumstances a member of the Board of Directors may be recognized according to the decision the Board of Directors as independent even if he/she does not meet any of the independence criteria determined in paragraph 2.5.5 above, if the connection the same are indicating does not affect the ability of such member of the Board of Directors to make independent, objective, and honest judgments.

2.5.7. Independent members of the Board of Directors shall refrain from actions that may compromise their independent status.

2.5.8. Independent members of the Board of Directors shall disclose information on changes or circumstances occurring after their election to the Board of Directors, as a result of which they cease to be independent under the applicable legislation and/or the requirements of self-regulatory organizations.

2.5.9. If after election of an independent member to the Board of Directors such person ceases to be independent by reason of any changes or new circumstances, such director shall notify the Company's Board of Directors by a written statement addressed to the Board of Directors Chairman and President of the Company via the Corporate Secretary and shall provide a detailed report on such changes and new circumstances. Either upon receipt of such notice or if the Board of Directors becomes otherwise aware of such changes or new circumstances, the Company's Board of Directors must assure the disclosure of this information and, if necessary, may convene an extraordinary General Meeting of Shareholders to elect a new Board of Directors.

2.5.10. Independent members of the Board of Directors quarterly, by the request of the Corporate Secretary, shall report changes or absence of changes in the data that they provided in the director independence declaration upon their election, according to Appendix 6 to these Regulations.

2.5.11. The Board of Directors may include non-executive directors: members of the Board who are not the members of the Company's Executive Bodies.

2.5.12. At a meeting of the Board of Directors on the inclusion of candidates in a list of candidates to the Board of Directors of the Company for election at the General Meeting of Shareholders the status of every candidate for a member of the Board of Directors of the Company: independent director, non-executive director, executive director, shall be determined.

## 2.6. **Election of Board of Directors Members and Termination of Powers of the Board of Directors Members**

2.6.1. The Board of Directors members shall be elected by the General Meeting of Shareholders in the manner set forth in the Company's Charter, the Regulations, and the Regulations on the General Meeting of Shareholders for a term ending at the next annual General Meeting of Shareholders.

If an annual General Meeting of Shareholders is not held within the time period prescribed by article 47 paragraph 1 of the Federal Law “On Joint Stock Companies”, the powers of Company’s Board of Directors shall be terminated, with the exception of those powers associated with preparing for, calling, and holding the annual General Meeting of Shareholders. The powers of all members of the Board of Directors may be terminated early at an extraordinary General Meeting of Shareholders.

- 2.6.2. Any individual nominated by a shareholder, or by any other persons or management bodies entitled under the laws of the Russian Federation to nominate candidates to the Board of Directors, and elected by the General Meeting of Shareholders in the prescribed manner may be a member of the Board of Directors. Requirements to the candidates for the Board of Directors are set forth in Annex No. 2 hereto.
- 2.6.3. The Remuneration and Appointment Committee of the Board of Directors considers the following when evaluating candidates nominated to the Board of Directors:
- (1) Whether the candidate possesses the highest competency, judgment and integrity;
  - (2) Whether the candidate possesses an understanding of the regulatory and political environment in which the Company does its business;
  - (3) Diverse experience in meeting business, financial and other challenges that a major Russian company may face;
  - (4) The ability to attend meetings of the Board of Directors and fully participate in the activities of the Board of Directors and Committees of the Board of Directors of the Company;
  - (5) Candidate compliance with the criteria of independence;
  - (6) Results of obligatory assessment of candidate’s profile in the sphere of compliance and business ethics.
- 2.6.4. Persons elected to the Board of Directors may be re-elected an unlimited number of times. The Remuneration and Appointment Committee shall consider the following when evaluating a director for re-election:
- (1) A director’s contribution to the effective functioning of the Company, including transfer of relevant professional experience in the course of the Board of Directors activity;
  - (2) Any change in the director’s principal area of responsibility with his/her own company or in his or her employment, including the resignation from his principal position;
  - (3) The ability to attend meetings of the Board of Directors and fully participate in the activities of the Board of Directors and Committees of the Board of Directors of the Company;
  - (4) The development of any relationships with the Company or another organization, or creation of other circumstances, that might make it inappropriate for the director to continue its activities as capacity of the member of the Board of Directors; and
  - (5) The director’s age and length of service in the Board of Directors;
  - (6) Director’s compliance with the criteria of independence.
- 2.6.5. Members of the Board of Directors may not simultaneously be the members of the Company’s Auditing Commission.
- 2.6.6. Members of the Board of Directors may not simultaneously be the members of the Counting Commission.
- 2.6.7. Shares of the Company held by newly elected members of the Company’s Board of Directors shall not participate in voting on electing the Company’s Auditing Commission.
- 2.6.8. Candidates for the Board of Directors shall be nominated in conformity with the procedure set forth in the Company’s Charter and Regulations on the General Meeting of Shareholders. For the purpose of preliminary discussion of candidates to the Board of Directors, including for organization the candidate’s profile assessment in the sphere of compliance and business ethics, shareholders, which intend to promote candidates into the Board of Directors membership, can send to the Company information on candidates before their promotion in advance. In such a case, shareholders will provide, in addition to information about candidates, a candidate’s

consent on processing of his personal data, which is made in a form provided in Annex No. 3 hereto.

- 2.6.9. The Company shall be provided by the candidates nominated for the Board of Directors with the following information and documents (in the forms essentially set by Annexes No. 3, 3.1 and 3.2 hereto):
- (1) surname, given name, patronymic, passport details, and contact information;
  - (2) age of the candidate;
  - (3) details of the candidate's education and academic qualifications;
  - (4) details of positions held by the candidate in the last 5 (five) years, and of positions held in the management bodies of legal entities in the last 5 (five) years;
  - (5) details of nominations of the candidate for a board of directors (and/or committees of a board of directors) or election/appointment to positions in other legal entities;
  - (6) information about the person who nominated the candidate;
  - (7) information about the candidate's shareholdings in the Company (including the number of shares);
  - (8) the nature of the candidate's relationship with the Company (whether the candidate is currently a member of any management or supervisory body of the Company, i.e. a member of the Board of Directors, or the Management Board, or Auditing Commission, or the President, or any Committee of the Company's Board of Directors; whether the candidate holds any other positions in the Company or receives compensation for his/her participation in Company's management and supervisory bodies or in Committees of the Board of Directors, etc.);
  - (9) the candidate's written consents to be elected to the Board of Directors of the Company, the Committees of the Board of Directors of the Company and consent to process personal data of the candidate signed by the candidate;
  - (10) written confirmation by a candidate that he did not commit any activities prohibited by Russian or another applicable anticorruption laws;
  - (11) candidate's consent to comply with the regulations and requirements of anticorruption compliance as well as provide necessary information and perform activities envisaged by Annex No. 3.1 hereto while on his duty as the Board of Directors member;
  - (12) the Non-Disclosure Agreement signed by the candidate in the form provided for in Appendix No. 3.2 hereto.
- 2.6.10. The members of the Board of Directors shall be elected by the General Meeting of Shareholders by cumulative voting.
- 2.6.11. Each newly elected member of the Board of Directors shall pass through the on-boarding procedure, including acquaintance with the Company's growth history, the main principles of the Board of Directors activity, the Company's general corporate documents. Within 10 (ten) days from the date of vote counting for election of the Company's Board of Directors, the Secretary of the Board of Directors shall introduce each newly elected member of the Board of Directors to the corporate executive officers of the Company. Within 10 (ten) days from the date of vote counting for election of the Company's Board of Directors, the Secretary of the Board of Directors shall provide each newly elected member of the Board of Directors with copies of the Company's Charter and corporate documents regulating activities of the Company's bodies, the Code of Corporate Conduct and Ethics, the last annual report of the Company. Other features of the on-boarding procedure for newly elected members of the Board of Directors can be established by the Company's corporate documents.
- 2.6.12. The powers of the Board of Directors shall terminate upon the adoption by the General Meeting of Shareholders of a resolution to terminate the powers of the Board of Directors.
- 2.6.13. The powers of all members of the Board of Directors may be terminated simultaneously and at any time prior to the expiration of their term under the resolution of the General Meeting of Shareholders.

- 2.6.14. A member of the Company's Board of Directors may at any time voluntarily relinquish his/her powers upon sending a notice of voluntary retirement to the Company (addressed to the Chairman of the Board of Directors). The Board of Directors shall retain its powers irrespective of any vacancies that may arise with respect to restrictions set forth in paragraph 2.5.3 hereof.

### **3. Organization of Work of the Board of Directors**

#### **3.1. Chairman and Deputy Chairman of the Board of Directors**

- 3.1.1. The Chairman of the Board of Directors shall be elected by its members from among their number. The Chairman shall be elected by open voting by a majority vote of the total number of members of the Board of Directors. The members of the Board of Directors may elect Deputies Chairman of the Board of Directors from among the members of the Board of Directors. The Deputies Chairman shall perform the functions of the Chairman of the Board of Directors in his/her absence. Upon election of several Deputy Chairmen of the Board of Directors, the duties and powers of each Deputy Chairman shall be provided for in the respective decision of the Board of Directors. In case of absence of both the Chairman and the Deputies Chairman of the Board of Directors, any member of the Board of Directors may perform the functions of the Chairman of the Board of Directors pursuant to the resolution adopted by the Board of Directors.
- 3.1.2. The person serving as the Company's sole executive body may not concurrently be the Chairman of the Board of Directors.
- 3.1.3. The Board of Directors shall be entitled to elect a new Chairman of the Board of Directors at any time.
- 3.1.4. Shareholders of the Company may ask the Chairman of the Board of Directors questions concerning matters within the competence of the Board of Directors as well as notify the Chairman of their opinion (position) on such matters by sending to the Company a written request addressed to the Chairman of the Board of Directors.

#### **3.2. Functions and duties of the Board of Directors Chairman**

- 3.2.1. The Chairman of the Board of Directors shall ensure the efficient organization of the activity of the Board of Directors of the Company and its interaction with Company's bodies, and in particular shall:
- (1) represent and act on behalf of the Board of Directors in dealings with the Company's Executive Bodies, shareholders, and third parties;
  - (2) plan and organize the work of the Board of Directors;
  - (3) call and preside at meetings of the Board of Directors;
  - (4) decide the form of its meetings;
  - (5) formulate the agenda of its meetings;
  - (6) organize the keeping of the minutes at meetings;
  - (7) ensure that the members of the Board of Directors are timely provided with information on items on the agenda of the next meeting;
  - (8) ensure free and open discussion of the items under consideration at meetings, ensure that the opinions of all members of the Board of Directors are taken into account in decision-making, summarize discussion, and formulate resolutions to be adopted;
  - (9) read out proposals and opinions received by the Chairman from members of the Board of Directors on matters within its competence, and on the formation and composition of Committees of the Board of Directors;
  - (10) ensure efficient work of Committees of the Board of Directors, including (but not limited to), initiate the nomination of members of the Board of Directors to the Committees based on their professional and personal qualities and considering suggestions of members of the Board of Directors on the formation of the Committees;
  - (11) if necessary, generates proposals to improve the work of the Board of Directors and Committees of the Board of Directors, taking into account the results of evaluation of performance of the Board of Directors and the Committees of the Board of Directors;

- (12) sign letters and other documents originating from the Board of Directors;
  - (13) sign on the Company's behalf the contract with the Company's President, the Management Board members and the management company, and interacts with these persons in respect of the issues arising from such contracts;
  - (14) bear personal responsibility to the General Meeting of Shareholders for organizing the work of the Board of Directors of the Company.
- 3.2.2. The Chairman of the Board of Directors shall take all measures required to provide members of the Board of Directors with information they need to make resolutions on the agenda items of meetings of the Board of Directors as well as take the initiative when formulating draft resolutions on the agenda items of meetings of the Board of Directors of the Company under consideration.
- 3.2.3. The Chairman of the Board of Directors shall create a constructive atmosphere at the meetings, ensure free discussion of items included in the agenda of a meeting, control over the fulfillment of resolutions made by the Board of Directors of the Company.
- 3.3. Corporate Secretary and the Secretary of the Board of Directors**
- 3.3.1. The Board of Directors shall confirm the appointment of the Corporate Secretary of the Company in case such position is established in the Company. The resolution shall be adopted by a simple majority of votes of the members participating in the meeting.
- 3.3.2. The President of the Company shall on the Company's behalf enter into the employment contract with the Corporate Secretary of the Company pursuant to a resolution of and on the terms and conditions established by the Board of Directors.
- 3.3.3. The Corporate Secretary shall be an officer of the Company.
- 3.3.4. The Corporate Secretary in his/her work shall report to the Board of Directors.
- 3.3.5. The person appointed as the Corporate Secretary of the Company shall meet the following requirements:
- (1) higher education;
  - (2) at least 5 (five) years' experience in corporate governance and in executive position;
  - (3) knowledge of the norms of corporate law and securities market legislation, including rules governing disclosure by issuers in the securities market and operations of professional securities market participants (registrars of the Company, stock exchanges, etc.);
  - (4) knowledge of regulatory documents reflecting best domestic and foreign corporate governance practices;
  - (5) computer literacy;
  - (6) negotiating skills;
  - (7) personal qualities and skills: independent judgment and ability to defend his/her opinion;
  - (8) no criminal record or disqualification under the Code of Administrative Offenses of the Russian Federation.
- 3.3.6. The Corporate Secretary shall perform the following functions:
- (1) is involved in the improvement of the Company's corporate governance system and practice;
  - (2) is involved in the organization of the preparation and holding of the Company's general meetings of shareholders;
  - (3) provides the work of the Board of Directors and Committees of the Board of Directors of the Company;
  - (4) provides the interaction of the Company with its shareholders and is engaged in the prevention of corporate conflicts;
  - (5) monitor compliance of the Company's bodies and officers with the rules and procedures of corporate governance established by the laws and the Company's corporate documents to secure the rights and interests of the Company's shareholders;
  - (6) organize the interaction between the Company and its shareholders as well as between shareholders of the Company and the Chairman of the Board of Directors of the Company;

- (7) provides the implementation of the procedures established by the Law and internal documents of the Company ensuring the rights and legitimate interests of shareholders and control over their exercising;
  - (8) provides the Company's interaction with regulators, trade organizers, the registrar, other professional participants of the securities market within the powers assigned to the Corporate Secretary;
  - (9) monitor compliance by the Company's units and officers with the norms and requirements of the corporate law of the Russian Federation and the Company's Charter and corporate documents. Immediately informs the Board of Directors of all identified violations of the Law and internal documents of the Company, the observance of which is within the functions of the Corporate Secretary of the Company;
  - (10) is involved in the realization of the Company's policy on information disclosure, and also provides depositing of corporate documents of the Company;
  - (11) performs other functions stipulated by the current Russian Law, the Company's Charter, the internal documents of the Company, the Regulations on the Corporate Secretary of the Company.
- 3.3.7. The Corporate Secretary functions can be performed by a special structural subdivision of the Company on the grounds of the Regulations approved by the Board of Directors of the Company.
- 3.3.8. The Board of Directors Secretary's duties may be entrusted to the Company's Corporate Secretary pursuant to the resolution of the Board of Directors.
- 3.3.9. A Secretary of the Board of Directors shall be appointed at the first meeting of the Company's Board of Directors held on the date of the General Meeting of Shareholders when the Board of Directors was elected.
- 3.3.10. The Secretary of the Board of Directors shall:
- (1) perform the on-boarding procedure for newly elected members of Company's Board of Directors in compliance with paragraph 2.6.11 hereof;
  - (2) inform the members of the Board of Directors and invitees about upcoming meetings of the Board of Directors;
  - (3) send materials relating to items on the agenda of a meeting of the Board of Directors to the Board of Directors members;
  - (4) ensure that additional information on the Company's operations is provided to the members of the Board of Directors upon request;
  - (5) record and bring to the attention of the Board of Directors members participating in a meeting information about written opinions submitted by absent members regarding items under consideration at the meeting;
  - (6) tabulate the voting results for the agenda issues put to a vote and keep the minutes of the meetings of the Board of Directors;
  - (7) arrange for the custody of documents of the Board of Directors;
  - (8) upon request, enable members of the Board of Directors, shareholders, and officers of the Company to inspect the minutes of the Board of Directors meetings, and prepare copies of the minutes and extracts from the minutes of the Board of Directors meetings;
  - (9) in case of absentee voting by the Board of Directors members, prepare and effect the circulation and collection of ballots and determine the results of voting on agenda items of the Board of Directors meeting;
  - (10) obtain required documents and information on the Company's operations from units of the Company and provide such documents and information to the members of the Board of Directors;
  - (11) monitor the implementation of the resolutions of the Board of Directors;
  - (12) assist the Board of Directors Chairman in planning the work of the Board of Directors;
  - (13) perform any other function for providing the work of Board of Directors.

- 3.3.11. Within the scope of duties the Corporate Secretary / Secretary of the Board of Directors shall be entitled to:
- (1) request and obtain from officers of the Company and heads of its units any documents or information required to meet his/her assigned objectives;
  - (2) gather information on the implementation of resolutions adopted by the Board of Directors and the General Meeting of Shareholders;
  - (3) make notes on the incoming correspondence, applications, and statements from the shareholders indicating the date and the time of receipt by the Company of the respective documents.
- 3.3.12. The Corporate Secretary / Secretary of the Board of Directors shall:
- (1) comply strictly with the rules and requirements of the laws of the Russian Federation;
  - (2) serve the interests of the shareholders when addressing issues that arise;
  - (3) fulfill assignments of the Board of Directors Chairman.
- 3.3.13. Liability of the Corporate Secretary / Secretary of the Board of Directors:
- (1) In exercising his/her rights and performing his/her duties the Corporate Secretary / the Board of Directors Secretary shall act to the benefit of the Company and exercise his/her rights and perform his/her duties in relation to the Company reasonably and in good faith;
  - (2) The Corporate Secretary / the Board of Directors Secretary shall not be entitled to disclose any information viewed as a trade secret under the Company's corporate documents;
  - (3) The Corporate Secretary / the Board of Directors Secretary shall not be entitled to use or disclose for his/her personal purposes any Company's insider information available for him/her (information of restricted access).

#### **3.4. Formation and Work of the Committees of the Board of Directors**

- 3.4.1. For purposes of preliminary preparation and better and more timely consideration of issues to be submitted to a meeting of the Board of Directors, and to improve the effectiveness of interaction with the Company's management in implementation of their assigned tasks and monitor the implementation of resolutions, the Board of Directors shall establish Committees of the Board of Directors composed of its members. The list of Committees of the Board of Directors may be established by the Board of Directors. Establishment of the following Committees is mandatory: a Strategy Committee, a Remuneration and Appointment Committee, an Audit Committee, and a Corporate Governance Committee. The Company seeks to establish committees of the Board of Directors composed of at least three members.
- 3.4.2. The Board of Directors may establish Special Committees. A Special Committee shall be a collegial body of Company's Board of Directors assisting the Board of Directors by means of preliminary consideration and preparation of recommendations to the Board of Directors on Company's different projects. Special Committee's activity shall be targeted to ensuring conformity of project terms & conditions with Company's and all its shareholders' interests. The Special Committee may not include persons, who have a conflict of interest on the issues considered by the Committee.
- 3.4.3. The Audit Committee shall be composed solely of independent directors. Committee assignments, including the designation of the Committee Chairman, are made annually by the Board of Directors resolution, based on recommendations from the Remuneration and Appointment Committee. When making recommendations, the Remuneration and Appointment Committee shall evaluate individual expertise of each Board of Directors member and the needs of the Company as well as take into account actual capabilities of each member of the Board of Directors on performing duties of Audit Committee member in relation with his membership in two or more audit committees of other companies.
- 3.4.4. The Company's employees, representatives of shareholders and other specialists may be involved in the operation of the Committees, including in the capacity of their members.
- 3.4.5. Persons not included into the composition of the Audit Committee, Remuneration and Nomination Committee may visit the meetings of the Committees only with the invitation of the chairman of the appropriate Committee.

- 3.4.6. The Committees of the Board of Directors shall work pursuant to regulations approved by the Board of Directors and work plans approved by the Committees and in conjunction with the work plan of the Board of Directors. Each Committee meets in accordance with its work plan and as needed and for an appropriate length of time based on the specific meeting agenda. Committee agendas are developed by the Committee's secretary and approved by the respective Committee Chairman in consultation with appropriate representatives of the management bodies, and with regard to the proposals of other directors. Every Committee Chairman shall regularly inform the Chairman of the Board of Directors of the activity of his/her Committee.
- 3.4.7. Matters within the competence of a particular Committee shall be elaborated in advance by that Committee before being considered in the Board of Directors. If no relevant decision is made by the Committee a matter may be withdrawn from the consideration of the Board of Directors by resolution of the Board of Directors Chairman.
- 3.4.8. Decisions of the Committees shall be advisory for the Company's Board of Directors. The Committee shall not be viewed as a management body of the Company.
- 3.4.9. A report on the activity of each Committee of the Board of Directors shall be submitted annually to the Board of Directors of the Company.
- 3.5. Engagement of external consultants by the Board of Directors**
- 3.5.1. For the purposes of rendering assistance in the performance of functions of a Board of Directors member, external consultants, experts and other advisors may be engaged. The engagement of such person is possible: (1) by the decision of the Board of Directors; (2) by the decision of a Committee of the Board of Directors; (3) at the initiative of any member of the Board of Directors, as agreed with the Chairman of the Board of Directors.
- 3.5.2. The engagement of such consultants shall be made at the expense of the Company. Estimated costs related to the engagement of external consultants shall be included in the budget of the Company. The engagement of external consultants and payment for their services shall be made in accordance with in-house procedures of the Company.

## **4. Meetings of the Board of Directors and Adoption of Resolutions by the Board of Directors**

### **4.1. Procedure for Convening the Company's Board of Directors meetings**

- 4.1.1. Meetings of the Board of Directors shall be scheduled. A schedule of the Board of Directors meetings shall be drawn up for a calendar or a corporate year (a period between two annual General Meetings of Shareholders). As necessary, but not less often than once every 6 (six) months, the schedule of the Board of Directors meetings of the Board of Directors shall be refined/adjusted. The work of the Board of Directors shall be planned in accordance with the Rules of Procedure of the Board of Directors "Preparation for and Holding of the Meetings of the Board of Directors" (Annex No. 4).
- 4.1.2. Meetings of the Board of Directors shall be called by the Chairman of the Board of Directors on his/her own initiative or at the request of a member of the Board of Directors, the Auditing Commission, or the Company's Auditor, the President of the Company, or other persons designated by the Federal Law "On Joint Stock Companies" and the Company's Charter.
- 4.1.3. If the Board of Directors Chairman fails to convene a meeting of the Board of Directors in cases where such meeting is required under the laws or the Company's Charter, such meeting may be called either by any Deputy Chairman of the Board of Directors or by any two members of the Board of Directors one of which shall be a member of the Board of Directors elected upon nomination by a shareholder, who holds (directly or indirectly) over 50% (fifty percent) of the Company's voting shares.
- 4.1.4. A written request to call a meeting of the Board of Directors shall include:
- (1) the name of the initiator of the meeting or the inclusion of an item in the agenda of a scheduled meeting;
  - (2) the wording of the item and a draft resolution on that item;

- (3) the rationale for considering the item;
  - (4) accompanying materials.
- 4.1.5. The request shall be signed by the initiator of the special meeting of the Board of Directors.
- 4.1.6. A special meeting shall be convened within 15 (fifteen) calendar days from receipt of the request for the meeting.
- 4.1.7. The Board of Directors Chairman may refuse to hold a special meeting or refuse to include a proposed item in the agenda of a regular meeting if:
- (1) the Chairman determines that the request to hold the meeting or to include an item in the agenda was submitted by a person lacking the authority to do so;
  - (2) the Chairman determines that the submitted item is not within the competence of the Board of Directors; or
  - (3) the request to include an additional item in the agenda of the scheduled meeting was received after distribution of the agenda and materials among the members of the Board of Directors.
- 4.1.8. The notice of a meeting and materials shall be sent to each member of the Board of Directors at least 10 (ten) business days prior to the meeting in the form and manner prescribed by the Rules of Procedure of the Board of Directors “Preparation of and Holding Meetings of the Board of Directors” (Annex No. 4). The members of the Board of Directors are expected to review and devote appropriate time to studying Board of Directors and committee materials, and may request additional information as appropriate.
- 4.1.9. The first meeting of the Board of Directors shall be held on the day of the General Meeting of Shareholders at which the Board of Directors was elected. If the meeting is not held on that day, the first meeting of the Board of Directors shall be held on the initiative of the senior member of the Board of Directors, who shall call the meeting no later than one week after the General Meeting of Shareholders at which the Board of Directors was elected.
- 4.1.10. The following issues shall be considered at the first meeting of the Board of Directors: election of the Board of Directors Chairman, appointment of the Board of Directors Secretary, formation of committees of the Board of Directors, and determining the status of the Board of Directors members.
- 4.2. Procedure for Holding Board of Directors Meetings**
- 4.2.1. The Chairman of the Board of Directors may either convene a meeting or arrange the absentee voting.
- 4.2.2. A Board of Directors meeting in praesentia shall be qualified competent if attended by at least one half of the elected members of the Board of Directors (except where a larger quorum is required by the laws, the Company’s Charter, or the Regulations). A member of the Board of Directors may attend a meeting in praesentia in person, or such meeting may be conducted via electronic means (telephone or videoconference). In the latter case the Board of Directors Secretary shall ensure that a magnetic (digital or otherwise) recording of the meeting is kept.
- 4.2.3. At its meetings the Board of Directors shall consider the items included in the agenda of the meeting.
- 4.2.4. Invitees shall be admitted to a Board of Directors meeting with the approval of the Board of Directors Chairman.
- 4.2.5. A resolution of the Board of Directors may be adopted by absentee voting, i.e. without holding a meeting of the Board of Directors. In case of absentee voting, the notice of the meeting and materials shall be accompanied by a voting ballot (Annex No. 5).
- 4.2.6. Members of the Board of Directors shall be deemed participating in absentee voting, if copies of their signed ballots are received by e-mail or if they filled out an electronic voting ballot form in the electronic document management system designed for collective management bodies of the Company, prior to the deadline of ballot receipt. Absentee voting by the Board of Directors members shall be deemed performed if at least a half of its elected members participate in voting (except where a larger quorum is required by law or the Company’s Charter).

- 4.2.7. Accounting of ballots and making of a report on absentee voting shall be performed within 3 (three) days of the deadline of ballot receipt. The absentee voting report shall be signed by the Board of Directors Chairman and the Board of Directors Secretary.
- 4.2.8. All members of the Board of Directors shall be informed on resolutions of the Board of Directors adopted by absentee voting as well as on the voting results within 3 (three) days of the date of signing of the voting report by forwarding a copy of the report to all members of the Board of Directors.
- 4.2.9. The Board of Directors shall not adopt resolutions on the following items by absentee voting:
- (1) identification of the priority areas of the Company's operations;
  - (2) approval of the Company's budget;
  - (3) calling of the annual General Meeting of Shareholders;
  - (4) calling of the extraordinary General Meeting of Shareholders or refusal to call such meeting;
  - (5) election and re-election of the Board of Directors Chairman;
  - (6) increase in the Company's charter capital;
  - (7) appointment of the President of the Company, approval of terms and conditions of a contract with the President of the Company, early termination of his/her powers, election of members of the Management Board of the Company, approval of terms and conditions of agreements with the members of the Management Board of the Company, early termination of their powers;
  - (8) proposal of matters of reorganization (including determination of a factor of conversion of Company's shares) or liquidation of the Company to the General Meeting of Shareholders for consideration;
  - (9) approval of a Company's registrar and terms and conditions of an agreement with him/her as well as cancellation of the agreement with the Company's registrar;
  - (10) adoption of recommendations on a voluntary or mandatory proposal received by the Company in accordance with chapter XI.1 of the Federal Law "On Joint Stock Companies", including the evaluation of an offered price of securities to be purchased and a possible change of their market value after the purchase, evaluation of plans of the person sending the voluntary or mandatory proposal in respect of the Company, including in relation to its employees;
  - (11) consideration of results of financial and business activities of the Company and its subsidiaries;
  - (12) consideration of material aspects of activities of legal entities controlled by the Company;
  - (13) making a decision on application for the listing of shares of the Company and/or equity securities of the Company convertible into shares of the Company;
  - (14) consideration of the results of evaluation of the efficiency of work of the Board of Directors, Executive Bodies of the Company and key executives;
  - (15) remuneration of members of Executive Bodies of the Company and other key executives;
  - (16) consideration of a risk management policy;
  - (17) approval of a Company's dividend policy.
- 4.2.10. Additional requirements applicable to the procedure for holding the meetings of the Board of Directors shall be established by the Rules of Procedure of the Board of Directors "Preparation for and Holding of Meetings of the Board of Directors" (Annex No. 4).
- 4.3. Procedure for Adoption of Resolutions by the Board of Directors**
- 4.3.1. A resolution shall be deemed adopted if more than a half of the Board of Directors members attending the meeting vote in favor (unless a greater number of votes are required by the law or the Company's Charter). In the event of a tie vote of the Board of Directors members on a resolution, the Board of Directors Chairman shall have a casting vote.
- 4.3.2. For the avoidance of a conflict of interest executive directors of the Board of Directors of the Company shall refrain from participation in voting during the approval of terms and conditions

of agreements with members of Executive Bodies of the Company. On the relevant Board of Directors meeting the Board of Directors Chairman proposes the executive directors to refrain from voting.

- 4.3.3. Member of the Board of Directors of the Company having a conflict of interest on the agenda item of the Board of Directors meeting will refrain from participating in the discussion and voting on this agenda item. Where required by the specific character of a discussed matter or the nature of a conflict of interest, the Chairman of the Board of Directors shall suggest that a member of the Board of Directors with the respective conflict of interest not be present in the course of the discussion of such matter at the meeting of the Board of Directors of the Company.
- 4.3.4. The written opinions of the Board of Directors members not present at the Board of Directors meeting shall be taken into account when determining whether a quorum is present and determining the results of voting on items on the agenda for the meeting in praesentia. A written opinion must bear the signature and full printed name of the Board of Directors member. Written opinions shall be submitted by the Board of Directors members to the Board of Directors Chairman or the Board of Directors Secretary before the beginning of the meeting. A written opinion may be sent by a member of the Board of Directors by means of electronic communication with subsequent provision of the original or an electronic written opinion form may be filled out in the electronic document management system designed for collective management bodies of the Company. If the electronic written opinion form is filled out in the electronic document management system designed for collective management bodies of the Company, the electronic written opinion form must be signed by a qualified electronic signature of the member of the Board of Directors. In such a case, the electronic written opinion form signed by a qualified electronic signature shall be considered to be equivalent to the written opinion on paper signed by personal handwritten signature.
- 4.3.5. A written opinion of a member of the Board of Directors may include his/her voting on any or all items on the agenda for the meeting. The member's position on an item on the agenda (in favor, against, or abstained) must be unambiguously expressed in the written opinion. A member's written opinion shall be taken into account for purposes of determining whether a quorum is present and determining the results of voting only with respect to items on which it includes the voting of that member.
- 4.3.6. If a copy of the written opinion of the Board of Directors member is not included in the information and materials provided to the Board of Directors members for the meeting, the person presiding at the meeting shall read out the written opinion of the Board of Directors member, who is absent at the Board of Directors meeting, before voting on agenda items on which such member has expressed an opinion.

#### 4.4. **Minutes of Board of Directors Meetings**

- 4.4.1. Minutes shall be kept at every meeting of the Board of Directors. The minutes of a meeting of the Board of Directors shall be prepared by the Secretary of the meeting within 3 (three) days after the meeting.
- 4.4.2. The minutes shall reflect the negotiation process and the resolutions adopted in those meetings, including at least the following information:
- (1) the venue and time of the meeting;
  - (2) the persons attending the meeting;
  - (3) the agenda of the meeting;
  - (4) the issues put to a vote and the results of voting thereon;
  - (5) the resolutions adopted;
  - (6) information of the voting results of each member of the Board of Directors for the issues put to a vote;
  - (7) information about the persons who tabulated the voting results;
  - (8) information about the members of the Board of Directors having a conflict of interest on the agenda items of the meeting of the Board of Directors.

- 4.4.3. The minutes of the Board of Directors meeting shall be signed by the person presiding at the meeting, who shall be responsible for their correct preparation, and by the Board of Directors Secretary.
- 4.4.4. Upon a written request of shareholders, members of the Board of Directors, or senior officers of the Company, the Board of Directors Secretary shall prepare and provide copies of the minutes and extracts from the minutes of meetings of the Board of Directors. Copies of the minutes and extracts from the minutes of meetings of the Board of Directors shall be certified by the Secretary of the Board of Directors of the Company.
- 4.5. **Engagement of an appraiser/financial expert in decision-making of the Board of Directors.**
- 4.5.1. An independent appraiser and, in certain cases, an investment bank or other independent financial expert shall be engaged in decision-making of the Board of Directors in the following instances:
- (1) to evaluate a property (except for monetary funds) alienated under a major transaction;
  - (2) to evaluate a property alienated or purchased under a material interested-party transaction;
  - (3) to evaluate shares/stocks acquired or alienated under a material transaction concluded with the Company's controlling shareholder and/or with companies controlled by the controlling shareholder of the Company;
  - (4) to determine the market value, where the engagement of an independent appraisal is required by law.
- 4.5.2. In preparation for considering by the Board of Directors an issue requiring an independent evaluation/engagement of a financial expert in accordance with Clause 4.5.1. of these Regulations, the responsible internal division of the Company shall organize an independent appraisal/expert investigation before materials related to relevant issue are brought before the Board of Directors for consideration. The list of appraisers/financial experts engaged to carry out an independent appraisal/issue an independent opinion shall be approved by the head of the responsible division. When selecting an appraiser/financial expert, its business reputation and appraisal experience in corresponding area shall be taken into account. The result of (report on) the independent appraisal/expert opinion shall be an exhibit to materials of the Board of Directors' meeting.

## **5. Performance Evaluation of and Fees to the Board of Directors Members. Advanced Training of the Board of Directors Members**

- 5.1. The amount and procedure of payment of fees and compensations to the Board of Directors members shall be determined by resolution of the General Meeting of Shareholders in accordance with the Regulations on Fees and Compensations paid to Board of Directors Members. The Regulations on Fees and Compensations paid to Board of Directors Members shall be approved by the General Shareholders meeting of the Company and shall be the basis of charging and payment of fees and compensations to the Board of Directors members. Fee amounts to the Board of Directors members shall be reasonable, relevant and proportionate to their responsibility and duties performed in the position of a member of the Board of Directors.
- 5.2. The Board of Directors shall annually evaluate performance of the Board of Directors and Committees of the Board of Directors.
- 5.3. In order to increase efficiency of the Board of Directors performance, the Company can make a decision on advanced training of the Board of Directors members. The decision on advanced training of a member of the Board of Directors shall be made by President of the Company on the basis of an application by a member of the Board of Directors or Company's Board of Directors Chairman. Application on advanced training of a member of the Board of Directors shall be satisfied only when additional knowledge and skills are required for a director to successfully perform duties of a member of Company's Board of Directors. The decision on advanced training of a member of the Board of Directors shall contain an indication to the targets of the advanced training as well as a ceiling amount of expenses allocated for the purpose. Expenses for advanced training of Company's Board of Directors members shall be covered with funds from the Company's appropriate budget.

## **Annex No. 1**

**to the Regulations on the Board of Directors  
of Mobile TeleSystems  
Public Joint Stock Company**

### **Information on the Relationship of a Member of the Board of Directors with the Affiliates and Major Counterparties of the Company**

1. Kinship relationships with current members of the Board of Directors, members of the Management Board, members of the Auditing Commission, or the President.
2. Relationships with legal entities in which the Company is a shareholder/member and controls more than 20% (twenty percent) of the total number of voting shares (interests, units).
3. Relationships with persons who control over 20% (twenty percent) of the total number of votes carried by voting shares of the Company.
4. Relationships of the member of the Board of Directors with persons belonging to the group of entities to which the Company belongs.
5. Relationships of the member of the Board of Directors with major counterparties of the Company.

**Member of the Board of Directors**

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## **Annex No. 2**

**to the Regulations on the Board of Directors  
of Mobile TeleSystems  
Public Joint Stock Company**

### **Requirements to the Candidates for Mobile TeleSystems Public Joint Stock Company Board of Directors Members**

1. Age: 25 (twenty five) years or older.
2. At least 3 (three) years' work experience.
3. No conviction for economic crimes.
4. No ban on holding management positions.

## Annex No. 3

### to the Regulations on the Board of Directors of Mobile TeleSystems Public Joint Stock Company

to: The Board of Directors  
of Mobile TeleSystems  
Public Joint Stock Company

from: \_\_\_\_\_

#### CONSENT

I, \_\_\_\_\_, hereby consent to be nominated for the Board of Directors of Mobile TeleSystems Public Joint Stock Company and, if elected a member of the Board of Directors by the General Meeting of Shareholders, undertake to perform the functions of a member of the Board of Directors of Mobile TeleSystems Public Joint Stock Company. Also I hereby consent to be elected and engaged in activities of committees of the Board of Directors of Mobile TeleSystems Public Joint Stock Company.

#### I hereby provide the following information about myself:

1. **Details of the candidate's identity document:**
2. **Date of birth:**
3. **Education:**
4. **Place of employment and positions in the last 5 (five) years:**  
Period:  
Entity:  
Position:
5. **Positions held in the management bodies of other legal entities in the last 5 (five) years:**  
Period:  
Entity:  
Position:
6. **Mailing address for correspondence:**

#### I hold / do not hold shares of Mobile TeleSystems Public Joint Stock Company.

*I hereby express my consent with processing of my personal data by Mobile TeleSystems Public Joint Stock Company (hereinafter the "Company"), involved in the process of preparation for election to the Board of Directors, procedure of direct election to the Board of Directors, activity of the Board of Directors of the Company, settlement of required transactions and carrying out of other corporate actions conducted by the Company, as well as disclosure of information about the Company's management bodies in accordance with the applicable laws, requirements of stock exchanges, other regulatory authorities and internal documents of the Company, including the publication of my personal data in the annual, quarterly and other reports of the Company. I hereby give my consent for processing, including collection, systematization, accumulation, storage, specification (updating, change), use, distribution (including transfer), depersonalization, blocking, and destruction of the following personal data:*

- Surname, Name, Patronymic
- Passport data
- Date and year of birth
- Mail address for correspondence
- Email
- Main stages of biography
- Information about my education
- Personal photographic image

- *Information about my professional experience and professional activity*
- *Information about my membership in professional and other organizations*
- *Information about my marital status*
- *Information about my membership in management bodies of legal entities and organizations*
- *Information about my holding in the charter capital of the Company and its affiliates*
- *Information about my possession of shares (interests in the charter (share) capital of other legal entities*

*The specified personal data may be processed by any means provided that the Company implements all required organizational and technical measures for protection of personal data against unauthorized or accidental access thereto, destruction, change, blocking, copying, distribution and other wrongful acts; among other things, the Company shall use encryption (cryptographic) tools while processing of personal data using computer-aided means and lockable safe deposit boxes (cabinet units) for storage of documents, which contain personal data.*

*This consent shall be valid from signing hereof and upon the expiration of 5 (five) years after termination of my membership in the Board of Directors or, in case not being elected as a member of the Auditing Commission, until formalization of the minutes of the General Meeting of Shareholders/Members of the Company the Board of Directors is elected at. A request for withdrawal of this consent shall be sent to the Chairman of the Board of Directors with explanation of the reasons.*

\_\_\_\_\_  
 (signature)  
 “ \_\_\_\_\_ ” \_\_\_\_\_ 20\_\_\_\_

## **Annex No. 3.1**

**to the Regulations on the Board of Directors  
of Mobile TeleSystems  
Public Joint Stock Company**

**To the Board of Directors of Mobile  
TeleSystems Public Joint-Stock Company**

dd \_\_\_\_\_

### **CONSENT**

- a) I, \_\_\_\_\_, hereby confirm that I did not commit any activities prohibited by Russian or another applicable anticorruption laws in force. Also I hereby confirm, while my duty as a member of the Board of Directors of Mobile TeleSystems Public Joint Stock Company, to undertake to observe principles and requirements set forth below. While my duty as a member of the Board of Directors of MTS PJSC and operating for the account and/or benefit of MTS Group, I shall not:
- offer, promise, reconcile or provide payments or any other assets, including (but not limited to) business gifts, reimbursement of expenses, discounts, entertainment, etc., as well as any financial or other benefit to any state officials or representatives of commercial organizations in order to influence his or her actions (to ensure inaction), to induce to perform official duties in an inappropriate manner and/or to obtain an inappropriate commercial advantage;
  - demand, consent to the receipt, or actually receive, any payments in the form of cash or any other valuables, as well as any financial or other gain or advantage, where the receipt of such payments, gain or advantage in and of itself represents the improper performance of the receiver's official duties or their responsibilities otherwise envisioned by applicable law or is a remuneration for improper performance of such duties;
  - mediate in bribery or commercial bribery, i.e. directly transfer bribes as instructed by a bribe-taker or bribe-recipient, or otherwise help the bribe-taker and/or bribe recipient in achieving or executing agreement between them on receiving and giving the bribe or commercial bribery;
- б) I am thoroughly familiar with the content of
- MTS PJSC Policy for Compliance with Anticorruption Legislation (posted at: <https://moskva.mts.ru/about/komplaens-i-delovaya-etika>);
  - MTS PJSC Code of Business Conduct and Ethics (posted at: <https://moskva.mts.ru/about/komplaens-i-delovaya-etika>).
- в) I undertake to comply with the principles and requirements of abovementioned documents, which are applicable to me as a member of the Board of Directors of MTS PJSC;
- г) I hereby agree, by MTS PJSC request, to confirm in writing form their compliance with the requirements of MTS PJSC in the area of business ethics and compliance of applicable legislation;
- д) I agree to add to the contract wording special anticorruption provisions (anticorruption clause) at the request of MTS PJSC;

- e) I agree to take training on issues relating to the anticorruption legislation and business ethics applicable to MTS Group at the initiative of MTS PJSC;
- ж) I agree to provide necessary explanations and further MTS PJSC in identification circumstances of separate transactions and operations, including in the course of preparing answers on requests of regulatory bodies, at the request of MTS PJSC;
- з) I do not carry out my activities in the interest of any persons holding office in governmental (municipal) service and having a conflict of interest in performing their official (job) duties.

I agree to conduct assessment by the Company for the purpose of my conformity with the requirements of compliance and business ethics and usage the results of such assessment with a view to a procedure of my promotion in the Company's Board of Directors membership.

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*(signature)*

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## Annex No. 3.2

### to the Regulations on the Board of Directors of Mobile TeleSystems Public Joint Stock Company

#### A standard form of the Non-Disclosure Agreement signed with a candidate for membership in the Board of Directors of MTS PJSC

NON-DISCLOSURE AGREEMENT No \_\_\_\_\_ of \_\_\_\_\_, 20\_\_ .

\_\_\_\_\_, date and place of birth:  
\_\_\_\_\_, passport \_\_\_\_\_ No.  
\_\_\_\_\_, issued (by) \_\_\_\_\_  
(when) \_\_\_\_\_, residing at:  
\_\_\_\_\_,  
(hereinafter referred to as the “**Receiving Party**”), on the one part, and

**MTS PJSC**, organized and existing in accordance with the legislation of the Russian Federation, located at: 4 Marksistskaya street, 109147, Moscow (hereinafter referred to as “**MTS**”, “**Disclosing Party**”), represented by \_\_\_\_\_, acting under \_\_\_\_\_, on the other part,

hereinafter also jointly referred to as the “**Parties**” and individually as “**Party**”, whereas the Receiving Party considers a possibility to come forward (or hereby consents to be nominated) as a candidate to be elected to the MTS Board of Directors;

The Parties have entered into this legally binding agreement (hereinafter referred to as the “**Agreement**”) as the basis for the information to be presented by one Party to the other Party in order to achieve the above purposes of each of the Parties, to arrange circulation of the information between the Parties, and to provide for confidentiality of the information disclosed, including protection and non-disclosure thereof.

### 1. DEFINITION OF TERMS

*Unless the context expressly requires otherwise, capitalized terms used herein shall have the meaning assigned to them as described below and may be used in singular or in plural.*

#### 1.1. Confidential Information

- (a) “Confidential Information” means any information, including agreements, presentations, financial data, accounts and records, opinions of external consultants and other documents, business correspondence, audiovisual materials and other data that the Disclosing Party has provided to the Receiving Party in hard copy, in digitized, electronic or any other form, by whatever medium and in whatever format, including orally or in writing, via electronic or fax message, by computer communication, by granting access through placing at an office, in meeting rooms or other premises, in virtual data rooms, network folders, web-portals, server resources with an option of remote access via Internet, electronic document management systems, etc. before or after conclusion hereof.

- (b) Depending on sensitivity of the Confidential Information for the Disclosing Party, such information may be marked by the Disclosing Party at its discretion as follows, where appropriate:
- (i) by “Confidential” mark and/or
  - (ii) by “Trade Secret” mark and, if required, by additional reference to the name and location address of the Disclosing Party or by any other marks as the Disclosing Party deems appropriate.

Any information that is furnished to the Receiving Party by the Disclosing Party by any means will be deemed to be Confidential Information and will be protected under the Agreement regardless of any markings mentioned above, except for the exclusions listed below.

Notwithstanding any provisions of this Agreement, Confidential Information shall not include any information that:

- (i) can not be deemed Confidential Information by virtue of law;
  - (ii) was or became publicly available/generally known due to the disclosure by the Disclosing Party or other parties;
  - (iii) has been received by the Receiving Party from any sources on a non-confidential basis or on the grounds/under the conditions that do not compel the Receiving Party to maintain confidentiality or that release it from such an obligation;
  - (iv) has been independently created by the Receiving Party based on the information obtained from the open sources.
- (c) Should any information classified as Confidential Information pursuant hereto be used in any way in a form different from that in which it was disclosed by the Disclosing Party to the Receiving Party (e.g. as a result of a changed wording, paraphrasing, etc.), such information shall be deemed to be Confidential Information despite all such differences.

## 1.2. Insider Information

- (a) “Insider Information” means any material non-public information, including that on the List of Insider Information of MTS PJSC approved in accordance with the procedure established by the RF legislation. The List of Insider Information of MTS PJSC is disclosed in the Internet information and telecommunication network on the MTS official website: <http://www.mts.ru/>.
- (b) Information is deemed “material”, if a reasonable investor is likely to consider it important when taking an investment-related decision or if such information significantly changes the general data on the Company available to the investors or is capable of substantially affecting the market value of securities.
- (c) Information is deemed “non-public”, provided it has not become widespread or made available to the investors via mass media and with the use of any other permitted methods of information disclosing designated to make the information publicly available. Spreading of rumours, even if they are reliable and are published in mass media, shall not be deemed actual public distribution of the information. After the information is publicly disseminated, 48 hours should pass for the market to respond to such information. The information shall only be deemed public upon expiry of 48 hours.
- (d) Insider Information shall always be deemed to be Confidential Information.

## 1.3. Receiving Party and Disclosing Party

- (a) “Receiving Party” means a Party receiving the Confidential Information from the other Party.
- (b) “Disclosing Party” means a Party disclosing the Confidential Information to the other Party.

## 2. PRINCIPAL PROVISIONS

### 2.1. Confidentiality obligation

- a) The Receiving Party shall:
- (i) provide for confidentiality, protection and non-disclosure of the Confidential Information and, where applicable, the trade secret mode in compliance with the legal requirements of the Russian Federation and the provisions hereof;
  - (ii) refrain from publicly disclosing, commenting or transferring the Confidential Information to any third parties without the prior written consent of the Disclosing Party, except in cases permitted by this Agreement;
  - (iii) upon the written request of the Disclosing Party, if the Confidential Information is stored on any media and the media of the Confidential Information are:
    - owned by the Receiving Party – destroy (delete) such Confidential Information from such media within the time limit specified in the request with no possibility of restoration;
    - owned by the Disclosing Party – return all such media to the Disclosing Party within the time limit specified in the request.The Receiving Party should, upon request of the Disclosing Party, confirm that such destruction has occurred. Notwithstanding the return or destruction of the Confidential Information, the Receiving Party will be bound by the confidentiality obligations and by other obligations under this Agreement.
  - (iv) when detecting any facts (or should there be any suspected facts) of disclosure of the Confidential Information to third parties immediately inform the Disclosing Party on such facts and take whatever measures are necessary to mitigate any potential damage caused by such breach;
  - (v) use the Confidential Information solely for the purposes of estimating whether it can be nominated to be elected as a member of the MTS Board of Directors and shall not use the same for any other purposes;
  - (vi) refrain from using the Confidential Information in correspondence with third parties, in public speaking and from referring to it in mass media;
  - (vii) not transfer the Confidential Information via the open telephone or facsimile communication channels, as well as using the Internet information and telecommunication network without applying the data cryptographic protection facilities in respect of the relevant category of the data transferred;
  - (viii) not use the Confidential Information when engaged in any other activities, including when employed with any other companies, and in the scientific and pedagogical activities;
  - (ix) know MTS local regulatory acts on protection of the Confidential Information and adhere to the provisions thereof.
- The term “party” used herein should be construed widely enough as including, but not limited to, mass media, any individuals and legal entities, partnerships, groups and other persons.
- b) Without prejudice to the provisions of clause 2.1 (a) of the Agreement, the Receiving Party may provide the Confidential Information to the parties stated below in the following cases:
- (i) to competent public authorities upon their reasonable requests;
  - (ii) to securities market regulators and exchanges provided that the respective Confidential Information is required to be transferred to them under the applicable legislation, rules of the regulators and exchanges or under their reasoned request.
- c) The Receiving Party shall be liable to the Disclosing Party for any actions and/or omission, violation, non-performance or improper performance by the Receiving Party or by any third parties who received the Confidential Information from the Receiving Party of the

obligations and restrictions envisaged hereby, and shall without delay take any actions contemplated hereby and any other actions necessary to ensure proper protection, prevent misuse, unauthorized disclosure, dissemination of the Confidential Information or commenting thereof by the Receiving Party.

## 2.2. Information disclosure required by law

- b) Where the Receiving Party is requested to provide the Confidential Information by any competent public authorities, securities market regulators, exchanges or by any other authorized parties, the Receiving Party shall promptly notify the Disclosing Party in writing on any such request (except to the extent such notification from the Receiving Party is prohibited in pursuance of a law or a reasoned instruction of the requesting party), which will make it possible for the Disclosing Party to timely find any possible remedies to protect the Confidential Information and to take the required legitimate actions to ensure secrecy, protection and non-disclosure of the Confidential Information, including to dispute any relevant request or claim, etc.
- c) If, in the absence of the legal, administrative or other remedies or in case of the Disclosing Party's waiver of the right to dispute the request or otherwise protect the Confidential Information from claims for involuntary transfer, the Receiving Party is obliged to disclose the Confidential Information, the Receiving Party may only disclose a reasonable part thereof claimed by the requestor.

## 2.3. Release from liability and warranties

- (a) Notwithstanding that the Disclosing Party will use reasonable endeavors to provide the Receiving Party with the accurate, complete, relevant and reliable information upon its requests/applications, the Receiving Party acknowledges and agrees that the Disclosing Party provides no representations and warranties in whatever form as to the accuracy, completeness, relevancy and reliability of the Confidential Information, except to the extent the respective representations and/or warranties are expressly provided. The Receiving Party agrees that the Disclosing Party shall not be held liable to the Receiving Party in respect of or as a result of the use of the Confidential Information or any fallacies or omissions contained therein, except to the extent the respective representations and/or warranties are expressly provided.

## 2.4. Transfer of Confidential Information

- a) Upon request of the Disclosing Party that may be made by it from time to time during the term hereof, the Receiving Party should sign the Confidential Information Transfer and Acceptance Certificate(s) executed between the Parties.
- b) For the avoidance of doubt, it is hereby additionally acknowledged that provision of the Confidential Information to the Receiving Party without signing of the Confidential Information Transfer and Acceptance Certificate shall in no way cancel or impair confidentiality (including protection and non-disclosure) of the Confidential Information so presented and shall not release the Receiving Party from the obligations to maintain the secrecy mode of the Confidential Information provided (including protection and non-disclosure thereof) and from the obligations to be fulfilled under the Agreement.

## 2.5. Rights to Confidential Information

Unless otherwise provided for by the written agreement between the Parties, all rights to the Confidential Information shall be reserved by the Disclosing Party and/or by other right holders,

and entering into this Agreement and providing the Confidential Information to the Receiving Party shall not be deemed granting to the Receiving Party of any other rights in respect of the Confidential Information, except of those expressly specified by the Agreement or any other legally binding contract or the applicable law.

## 2.6. Liability

A Party who has violated any of its obligations under this Agreement shall indemnify the other Party for the losses (including, but not limited to, legal expenses) caused by actions (failure to perform actions) in relation to Confidential Information in violation of this Agreement.

## 3. REQUIREMENTS RELATED TO SECURITIES TRADED ON STOCK EXCHANGES

### 3.1. The Parties understand and acknowledge that:

- a) MTS financial instruments have been listed and are traded on stock exchanges and that in some cases the Confidential Information may from time to time be deemed the Insider Information in terms of the applicable laws and regulations.
- b) In order to observe the applicable legislation and the exchange regulations, the Receiving Party shall ensure that the Receiving Party and related parties comply with the requirements stated below in case they are granted access to the Insider Information:
  - (i) to refrain from using the Insider Information for carrying out transactions with the financial instruments, foreign currency and (or) goods the Insider Information is related to, on its own account or on the account of a third party, except for making transactions as part of performance of the matured obligation on sale or purchase of the financial instruments, foreign currency and (or) goods, provided that such obligation has arisen as a result of the transaction made prior to the Insider Information became known to the party;
  - (ii) to refrain from using the Insider Information by transferring it to a third party, except for cases when this information was transferred to an individual, included in the list of Insiders due to the execution of obligations set forth by the federal laws or due to the execution of labor obligations or execution of a contract;
  - (iii) to refrain from using the Insider Information by providing recommendations to third parties, i.e. obligating or otherwise making them acquire or sell financial instruments, foreign currency and (or) goods.
- c) The Receiving Party shall, within ten (10) working days from the date of making by it (or by related parties) of the transaction involving MTS financial instruments and (or) entering into an agreement being a derivative financial instrument with the value depending on the MTS financial instruments, provide MTS with the information on such transactions in one of the following ways:
  - (iv) by sending an electronic copy of the notice (in pdf format) to e-mail insider@mts.ru;
  - (v) by sending a notice by registered letter to the address: 5 Vorontsovskaya street, building 2, 109147, Moscow (marked: to the Corporate Law Department)
  - (vi) by other ways provided for by legislation.

### 3.2. By signing this Agreement, the Receiving Party represents (acknowledges) that:

- (a) it is made aware of the list of data constituting the MTS Insider Information pursuant to the legislation of the Russian Federation.

- (b) it is made aware of the Regulation on the principles and procedures to prevent transactions involving MTS Insider Information approved by resolution of the MTS Board of Directors dated February 25, 2015 (Minutes No. 233).

#### **4. ANTI-CORRUPTION PROVISIONS**

- 4.1. The Parties acknowledge that they have in-house documents and procedures in force designated to prevent corruption and that in performance of their obligations hereunder they undertake:
  - a) to refrain from any corrupt practices, including from offering, giving, promising, extorting, giving consent to receive and receiving bribes and/or from making any payments to simplify administrative, bureaucratic and other formalities;
  - b) to inform each other without delay on any cases of infringement of the above clause (a) and to provide any additional comments and necessary information (documents) as may be requested.

#### **5. FINAL PROVISIONS**

- 5.1. This Agreement and obligations of the Parties hereunder shall become effective from the date of signing by both Parties and shall be valid during 3 years following signing hereof, and in case the Receiving Party is elected as a member of the MTS Board of Directors – during 3 years following termination of its being a member of the MTS Board of Directors. No unilateral repudiation of this Agreement shall be allowed.
- 5.2. Should any of the provisions hereof be found illegal or unenforceable, other provisions hereof shall remain in full force and effect.
- 5.3. This Agreement has been signed in testimony of the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior undertakings, agreements and obligations of the Parties with regard to the subject matter hereof.
- 5.4. All annexes, supplements and amendments hereto shall become an integral part hereof and be valid if executed in writing and signed by the authorized representatives of the Parties.
- 5.5. Notwithstanding the provisions of this Agreement, if applicable regulations (in particular, but not limited to, the following regulations, by-laws, etc.) establish special requirements to the treatment of any information (for example, with personal data, etc.), such requirements shall be fulfilled by the Parties, even if they were not set forth in this Agreement.
- 5.6. Neither Party shall have the right to transfer or otherwise assign all or some of its rights or obligations hereunder without prior written consent of the other Party.
- 5.7. This Agreement shall be governed by the law of the Russian Federation. Disputes and controversies concerning relations between the Parties hereunder shall be resolved through negotiations. If no agreement is reached between the Parties through negotiations, the dispute shall be referred to the Arbitration Court of Moscow.

## 6. NAMES AND SIGNATURES OF THE PARTIES

<i>Full name</i> Date of birth: Place of birth: Series and number of an identification document; issued by and when: Passport: TIN (Taxpayer ID): _____ Correspondence address: Address of residence: _____ e-mail: _____ tel.:	<b>MTS PJSC</b> Address: 4 Marksistskaya St., Moscow 109147 PSRN (Primary State Registration Number) 1027700149124 TIN (Taxpayer ID) 7740000076 RRC (Registration Reason Code) 997750001 Bank: MTS-Bank (PJSC), Moscow Settlement account 40702810700000002756 Correspondent account 30101810600000000232 BIC 044525232
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### SIGNATURES OF REPRESENTATIVES OF THE PARTIES:

#### **Receiving Party**

Full name

#### **Disclosing Party**

Full name

## **Annex No. 4**

**to the Regulations on the Board of Directors  
of Mobile TeleSystems  
Public Joint Stock Company**

# **Rules of Procedure Preparation for and Holding of the Board of Directors Meetings**

## **1. GENERAL PROVISIONS**

1.1. These Rules of Procedure “Preparation for and Holding of the Board of Directors Meetings” (hereinafter referred to as the “Rules of Procedure”) represent an Annex to the Regulations of the Board of Directors of Mobile TeleSystems Public Joint Stock Company, and set the requirements to preparation of and holding of the Board of Directors meetings.

1.2. These Rules of Procedure were developed in accordance with the currently effective Russian legislation and the Company’s Charter, and regulate the process of planning the activities of the Board of Directors, procedures for incorporation of issues in the Board of Directors’ agenda, procedures for preparation of materials for the Board of Directors meetings, holding of the meetings and documenting results of the meetings.

1.3. These Rules of Procedure were developed in order to:

- set the procedures for preparation of and holding of the Board of Directors meetings;
- avoid failure to provide or provide on a timely basis of materials to the Board of Directors meetings;
- enhance transparency and efficiency of the Board of Directors’ activities;
- achieve the objectives of the Board of Directors, ensure implementation of the Board of Directors’ decisions and assignments.

## **2. DEFINITIONS AND ABBREVIATIONS**

### **2.1. Abbreviations**

**MTS PJSC**– Mobile TeleSystems Public Joint Stock Company

### **2.2. Definitions**

**The Company** – MTS PJSC.

**MTS PJSC (MTS)** means all structural divisions, branches and representative offices.

**Electronic document management system designed for collective management bodies of the Company** means a system of electronic document control to prepare, conduct and compile the results of meetings of collective management bodies of the Company.

## **3. DEVELOPMENT OF AN ANNUAL PLAN OF THE BOARD OF DIRECTORS MEETINGS**

3.1. In accordance with the requirements of paragraph 4.1.1 of the Regulation on the Board of Directors of MTS PJSC, the Board of Directors meetings are conducted on a pre-planned basis, with the activity plan (schedule of meetings) being prepared for the relevant calendar or corporate year.

3.2. Prior to the end of the calendar year, the Board of Directors Secretary shall develop an annual

activity plan (schedule of meetings) of the Board of Directors for the next calendar year that shall include information on the month of each planned meeting and on the issues proposed for considering during the meeting.

3.3. When developing a draft agenda of the Board of Directors' meetings for the year, the Board of Directors Secretary shall be guided by provisions of the effective Russian legislation, by MTS PJSC Charter, MTS PJSC corporate rules and regulations, previous decisions approved by the Board of Directors, instructions by MTS PJSC President, by MTS PJSC Board of Directors Chairman, and by customary business practices of considering issues by MTS PJSC Board of Directors.

3.4. Planned meetings of the Board of Directors shall be held periodically when needed, but at least 2 (two) times a quarter.

3.5. Board of Directors Secretary shall present a draft annual plan of the Board of Directors meetings to the Board of Directors Chairman and to MTS PJSC President to be preliminarily approved.

3.6. Having received a preliminary approval of the proposed draft annual plan of the Board of Directors meetings, the Board of Directors Secretary shall send out the draft annual plan to the Board of Directors members in accordance with the procedures and within the timeframe set forth in these Rules of Procedures for distribution of information materials to the Board of Directors meetings.

3.7. The annual plan of the Board of Directors meetings shall be approved no later than the date of the last meeting of the Board of Directors, preceding to the corresponding fiscal year.

3.8. When approving the annual plan of the Board of Directors meetings, the Board of Directors shall take into account proposals made by Board of Directors members to the Board of Directors Chairman at any time prior to the completion of discussion and approval of the annual plan of the Board of Directors meetings.

3.9. A resolution to refuse to enter any issue proposed by a Board of Directors member into the annual plan of Board of Directors meetings shall not be approved unless this issue is beyond the Board of Directors competence.

3.10. The annual plan of the Board of Directors meetings can be amended and/or expanded at any further meeting of the Board of Directors on the initiative of the Board of Directors Chairman, of the Board of Directors member, or the Company President. Should members of the Board of Directors be re-elected, the plan of the Board of Directors' meetings shall be adjusted.

3.11. No prior adjustment of the annual plan of the Board of Directors meetings by a Board of Directors shall be required for considering at planned meetings of the Board of Directors of the issues not included in the annual plan of the Board of Directors meetings, for shifting the issues included in the annual plan of the Board of Directors meetings from one planned meeting to another planned meeting, for calling extraordinary meetings of the Board of Directors, for considering at extraordinary meetings of the Board of Directors of the issues not included in the Board of Directors annual plan, for shifting an issue from a planned meeting to extraordinary meeting of the Board of Directors; the above shall be done under decision of the Board of Directors Chairman.

#### **4. PREPARATION OF MATERIALS TO MEETINGS OF THE BOARD OF DIRECTORS AND CALLING MEETINGS OF THE BOARD OF DIRECTORS**

4.1. The Board of Directors shall set a date for a meeting of the Board of Directors at the previous meeting in accordance with the approved annual plan of the Board of Directors meetings.

4.2. Should a request for calling an extraordinary meeting of the Board of Directors be made, the Board of Directors Chairman shall consider the possibility of including the issues proposed for discussion at the extraordinary meeting of the Board of Directors in agenda of the next planned meeting of the Board of Directors. In this connection, the Board of Directors Chairman shall consider the scope of proposed issues, time required to discuss them, and readiness of information materials on the proposed issues for presentation.

4.3. Should it be impossible to include the issues proposed for discussion at the extraordinary meeting of the Board of Directors in agenda of the next planned meeting of the Board of Directors, the Board of

Directors Chairman shall within 3 (three) business days from the date of receiving the request set a date for holding an extraordinary meeting of the Board of Directors with due account of readiness for presentation of information materials on the proposed issues and time required for their preparation/elaboration.

4.4. The Board of Directors Chairman shall inform the Board of Directors Secretary on calling and the date of the Board of Directors extraordinary meeting in order to ensure preparation and support to the meeting.

4.5. If a meeting of the Board of Directors is held in the form of absentee voting, the date of the Board of Directors meeting shall be the last date of accepting the proxies for voting on the issues in the meeting agenda.

4.6. Meetings of the Board of Directors may be held either in the form of meeting in praesentia (collective presence of the Board of Directors members for discussion of material and adoption of resolutions on items on the agenda) or in the form of absentee voting.

4.7. The form of holding a meeting of the Board of Directors shall be established by decision of the Board of Directors Chairman and shall be brought to attention of the Board of Directors Secretary for the purpose of preparing the meeting.

4.8. The form of holding an extraordinary meeting should be established with account of the opinion of the extraordinary meeting initiator on the form of holding the meeting.

4.9. The Board of Directors Secretary shall develop the meeting agenda and obtain its approval by MTS PJSC President and the Board of Directors Chairman within 7 (seven) calendar days from the date of the minutes of the Board of Directors meeting, at which the date of the next meeting of the Board of Directors was set, in case of a planned meeting, and within 7 (seven) calendar days from the date of receipt by the Secretary of information from the Board of Directors Chairman on calling an extraordinary meeting, in case of an extraordinary meeting.

4.10. In the course of developing an agenda for the Board of Directors meeting, the Board of Directors Secretary shall be guided by provisions of the effective Russian law, by MTS PJSC Charter, MTS PJSC corporate rules and regulations, previous decisions approved by the Board of Directors, instructions of MTS PJSC President and MTS PJSC Board of Directors Chairman, by approved annual plan of the Board of Directors meetings, and by decisions by the Board of Directors Chairman on calling/refusal to call an extraordinary meeting and on inclusion/decline of issues from agenda of an extraordinary meeting of the Board of Directors.

4.11. The Board of Directors Chairman shall be entitled to include issues on a meeting agenda on his/her own initiative, as well as on request of the Board of Directors members, the Company's Auditing Commission, the Company's Auditor, the Company President, or on request of other persons in cases provided for in legislation or in the Company's Charter.

4.12. Within 1 (one) business day from the date of approval of a meeting agenda by the Board of Directors Chairman, the Board of Directors Secretary shall send out to executives and to persons responsible for preparation of information materials on items on the agenda of the Board of Directors meeting an information notice providing the following information:

- date of the Board of Directors meeting;
- agenda for the Board of Directors meeting;
- full names of the persons responsible for preparation of information materials on each item on the agenda for the Board of Directors meeting;
- date of submission to the Board of Directors Secretary of information materials on items on the agenda for the Board of Directors meeting;
- date of distribution of information materials on items on the agenda for the Board of Directors meeting among the Board of Directors members;
- date of submission to the Board of Directors Secretary of information on the current status of

previous assignments issued by the Board of Directors;

- date of submission to the Board of Directors Secretary of information materials on the previous assignments issued by the Board of Directors.

4.13. Information notice on preparation of materials to the Board of Directors shall be copied to Secretary of the Company's Management Board (or of the relevant committee that is responsible for prior discussion of materials on items on the agenda for the Board of Directors' meeting).

4.14. Secretary of the Company's Management Board (or Secretary of the relevant committee, if applicable) shall arrange for discussion of the materials for the Board of Directors by the Company's Management Board (relevant committee).

4.15. The Company's Management Board (or relevant committee, if applicable) shall discuss the information materials for the Board of Directors meeting no later than 15 (fifteen) calendar days prior to the date of the Board of Directors meeting.

4.16. Responsible executives shall correct, expand, and revise the information materials to the Board of Directors meeting on the basis of recommendations issued by the Company's Management Board meeting (or meeting of the relevant committee, if applicable) and shall submit them to the Board of Directors Secretary not later than 14 (fourteen) calendar days prior to the date of the Board of Directors meeting.

4.17. If no materials on the items on the agenda of the Board of Directors meeting were received by the Board of Directors Secretary at least 14 (fourteen) calendar days prior to the date of the Board of Directors meeting, the Secretary shall without delay inform MTS PJSC President of the above for taking decision on the need to address the Board of Directors Chairman with a request to authorize the delay of provision of the material of the item to Board of Directors members.

4.18. If necessary the Secretary of the Board of Directors shall arrange for translation into English of the provided information materials on the items on the agenda for the Board of Directors meeting.

4.19. All members of the Board of Directors should be notified of a meeting of the Board of Directors not later than 10 (ten) calendar days prior to the date of the meeting.

4.20. The notification of the meeting shall include: (1) timing and venue for the meeting; (2) items on the agenda; (3) notification of the members of the Board of Directors about the need to report if they have a conflict of interest on the meeting agenda items.

4.21. The notification of the Board of Directors meeting shall be signed by Board of Directors Chairman or on his behalf by Board of Directors Secretary.

4.22. The notification of the meeting shall be forwarded in written form to all Board of Directors members by e-mail and/or by posting the notice text in the electronic document management system designed for collective management bodies of the Company. The notice of the meeting may also be sent by mail, telegraph, and fax or otherwise, as convenient for the members of the Board of Directors of the Company.

4.23. The Board of Directors Chairman shall advise all Board of Directors members of any change in timing or venue for the Board of Directors meeting taking into account the time they need on the way to get to the venue of the meeting.

4.24. The Board of Directors members shall be supplied with complete information materials on each item on the agenda. Information files on the agenda item are not provided to the member of the Board of Directors with a conflict of interest.

4.25. When convening the Board of Directors meeting, all members shall be provided with the following information materials:

- information on fulfillment of resolutions previously adopted by the Board of Directors;
- explanatory/information note on each item on the agenda identifying the persons who submitted the issue to the Board of Directors, the substance of the issue, applicable law, draft resolution, procedure for resolution adoption and other relevant information;

- draft corporate documents submitted to the Board of Directors for approval;
- draft business-plans (budgets, financial plans) and other plans and programs submitted to the Board of Directors for approval;
- information on major transactions and related-party transactions submitted to the Board of Directors for approval and material terms & conditions of such transactions.

4.26. Any information materials on the agenda items may be sent to the members of the Board of Directors together with the notice of the meeting or separately, but not later than 10 (ten) calendar days prior to the meeting in any case. The information materials on the agenda items are provided to the members of the Board of Directors by e-mail or by posting in the electronic document management system designed for collective management bodies of the Company. The information materials on the agenda items may be provided to the members of the Board of Directors also by mail, courier, fax, or otherwise, as convenient for the members of the Board of Directors.

4.27. This timeframe for submission of the materials to the Board of Directors members may be reduced by the decision of the Board of Directors Chairman: (1) for information materials related to financial statements of the Company; (2) in exceptional cases when the submission of information materials appears to be impossible within the established timeframe. In this case the information materials shall be provided to the Company Board of Directors members within the reduced timeframe by the decision of the Board of Directors Chairman.

4.28. For the purpose of the enhanced performance efficiency of the Board of Directors it is highly recommended to submit the remarks and guidelines to the Board of Directors' members to the distributed information materials within 3 (three) calendar days at the latest prior to the meeting. The remarks and guidelines presented shall be sent to the Board of Directors Secretary with a copy to the Board of Directors Chairman for subsequent distribution among the Board of Directors members.

4.29. Members of the Board of Directors may request additional information on items on the agenda. Additional information shall be provided to members of the Board of Directors upon request sent through the Secretary of the Board of Directors, addressed to the Chairman of the Board of Directors.

## **5. HOLDING OF THE BOARD OF DIRECTORS MEETING, SUMMARIZING THE RESULTS OF THE MEETING**

5.1. Participants of the Board of Directors meetings.

Apart from the Board of Directors members, the Board of Directors meeting may be attended by the Company President.

Depending on the items included into the Board of Directors meeting agenda, the meeting may be attended by the following individuals:

- Management Board members - Vice Presidents and other Company's employees;
- Members of the Company's Auditing Commission;
- Company Auditors;
- hired experts;
- other invited persons as agreed with the Company Board of Directors Chairman.

The specific list of persons invited to participate in the Board of Directors meeting shall be defined by the Board of Directors Chairman, when convening the meeting.

5.2. The Board of Directors member may participate in the meeting by sending a written opinion on the Board of Directors meeting agenda items to be considered in determining the presence of quorum and the voting results on the Board of Directors meeting agenda items. An electronic written opinion form can be filled out by a member of the Board of Directors in the electronic document management system designed for collective management bodies of the Company. If the electronic written opinion form is filled out in the electronic document management system designed for collective management bodies of the Company, the electronic written opinion form must be signed by a qualified electronic signature of

the member of the Board of Directors. In this case, the electronic written opinion form signed by a qualified electronic signature shall be deemed equivalent to a hard copy of the written opinion signed by hand.

5.3. Any opinion expressed in written form shall be submitted by the Board of Directors members to the Board of Directors Chairman or Board of Directors Secretary prior to the commencement of the meeting or in course of the meeting.

5.4. Upon availability of the proposals on changing the agenda of the meeting, such proposals shall be reviewed prior to the discussion of the first item on the agenda.

5.5. The consideration of the item on the agenda shall commence from the report on the substance of the pending item. The report on the agenda items may be delivered by the Board of Directors Chairman, Board of Directors members, President or invited persons. In the event an item on the agenda was preliminarily considered at a meeting of a Committee of the Board of Directors, the Chairman of the Board of Directors or the Chairman of the respective Committee of the Board of Directors shall communicate to the members of the Board of Directors the opinion and recommendations of the Committee on the respective item on the agenda of the meeting of the Board of Directors.

5.6. Upon the delivery of the report on agenda item, the Board of Directors members shall have an opportunity to ask questions, listen to the speaker's answers on the substance of the items as well as to discuss the material and recommendations of Committees of the Board of Directors on the agenda item presented.

5.7. The consideration of the agenda item shall be closed with voting on the agenda item and summarizing of the voting results.

5.8. Depending on the nature of the pending agenda items and other circumstances, the Board of Directors Chairman shall be entitled to change the process of holding the Board of Directors meetings.

5.9. The resolution at the Board of Directors meeting shall be adopted by the majority of votes from the attendant members of the Board of Directors, unless otherwise is established by the law of the Russian Federation and/or Company Charter.

5.10. When addressing the issues at the Board of Directors meeting, each member of the Board of Directors shall be entitled to one vote.

5.11. The Board of Directors shall adopt resolutions by open voting unless otherwise is established by the Board of Directors Chairman, when convening the meeting.

5.12. The Board of Directors members are deemed to have taken part in absentee voting if their ballots are received prior to or on end date for collecting the ballots.

5.13. The Board of Directors meeting shall be supported by adequate minutes.

5.14. The functions on taking and keeping the Board of Directors' minutes shall be exercised by the Board of Directors Secretary.

5.15. The Board of Directors minutes shall be drawn within 3 (three) days at the latest upon holding of the meeting (end date for collecting the voting ballots).

5.16. The written opinions of the Board of Directors members taken into consideration in determining the presence of quorum and voting results on the agenda items shall be attached to the Board of Directors meeting minutes.

5.17. The minutes of a meeting of the Board of Directors shall include recommendations of Committees of the Board of Directors adopted on items considered at the meeting of the Board of Directors or justification of reasons the recommendations of Committees were not taken into account by the Board of Directors when making decisions.

5.18. The minutes shall be drawn and signed in Russian. The Board of Directors Secretary shall organize a translation of the minutes into English.

5.19. The copy of the Board of Directors meeting minutes shall be distributed by the Board of Directors

Secretary to the Board of Directors members within 5 (five) business days at the latest from the date of signing the minutes.

## **6. PROCEDURE FOR ADOPTION OF RESOLUTIONS BY ABSENTEE VOTING**

6.1. The resolution of the Company Board of Directors related to its competence may be adopted by absentee voting.

6.2. The absentee voting shall be held by the decision of the Board of Directors Chairman. Other members of the Board of Directors may propose to hold absentee voting.

6.3. When making decision on holding absentee voting, the Board of Directors Chairman shall determine:

- issues submitted to absentee voting;
- draft resolution on the agenda items;
- wording and form of the voting ballot;
- list of information materials submitted to the Board of Directors members;
- timing when the Board of Directors members shall be provided with the voting ballots and other information materials;
- deadline for receipt of the ballots;
- address for sending the ballots.

When deciding whether to hold an absentee voting, it may be possible to fill out an electronic form of the voting ballots in the electronic document management system designed for collective management bodies of the Company.

6.4 The notification on holding absentee voting shall be sent to all members of the Board of Directors within 10 (ten) calendar days at the latest prior to the end date for collecting the ballots. This deadline may be reduced by the decision of the Board of Directors Chairman.

6.5. The notification of absentee voting shall include:

- issues submitted to absentee voting;
- end date for collecting the ballots;
- address for sending the ballots;
- indication of the possibility to fill out an electronic form of the voting ballots in the electronic document management system designed for collective management bodies of the Company.

The notification on holding absentee voting shall be signed by the Board of Directors Chairman and on his behalf by the Board of Directors Secretary.

6.6. Along with sending notices on holding absentee voting to all members of the Board of Directors the following items shall be sent:

- Voting ballots on all items submitted to absentee voting;
- Information materials on all items submitted to absentee voting.

6.7. The written notification on holding absentee voting shall be sent to all members of the Board of Directors via e-mail and/or by posting the notification text in the electronic document management system designed for collective management bodies of the Company. The written notice of the absentee voting may also be sent by mail, fax, telegraph, or otherwise, as convenient for the members of the Board of Directors.

6.8. The absentee voting ballots for Board of Directors members shall include the following information:

- full name and location of the Company;

- end date for collecting the ballots;
- address for sending the ballots;
- wording of each item submitted to absentee voting, draft resolution and voting options for each of them stated as “pro”, “contra” and “abstained”;
- indication that the ballot shall be signed by the Board of Directors member.

6.9. The Board of Directors members are deemed to have taken part in absentee voting if copies of their signed ballots have been received by e-mail or if they filled out an electronic voting ballot form in the electronic document management system designed for collective management bodies of the Company, prior to or on the end date for collecting the ballots. In case of participating in the absentee voting by sending a copy of the signed ballot by e-mail, the member of the Board of Directors shall send the original copy of the signed ballot to the Company address specified in the ballot or handed to the Secretary of the Board of Directors. If the electronic voting ballot form is filled out in the electronic document management system designed for collective management bodies of the Company, the filled out e-ballot form must be signed by a qualified electronic signature of the member of the Board of Directors. In this case, the e-ballot form signed by a qualified electronic signature shall be deemed equivalent to a hard copy of the ballot signed by hand.

6.10. Summarizing of the voting results and taking minutes of absentee voting shall be made within 3 (three) days at the latest from the established end date for collecting the ballots. The absentee voting minutes shall be signed by the Board of Directors Chairman and Board of Directors Secretary.

6.11. All members of the Board of Directors shall be advised of the resolutions of the Board of Directors adopted by absentee voting and the related absentee voting results within 3 (three) days at the latest upon signing the absentee voting minutes by providing the copy of the minutes to all members of the Board of Directors.

## **7. FOLLOW-UP PROCESS FOR THE RESOLUTIONS (ASSIGNMENTS) ADOPTED**

7.1. The Board of Directors follow-up process for the resolutions adopted shall be initiated with a view to ensuring the implicit, quality, accurate and timely performance of the resolutions adopted.

7.2. The whole array of Board of Directors resolutions to be implemented and addressed in the Board of Directors meeting minutes shall be exposed to verification and control. The timing for implementation of the Board of Directors resolutions shall be defined by the decisions of the Board of Directors or the Board of Directors Chairman.

7.3. The Board of Directors follow-up process for the resolutions adopted shall be initiated by the Board of Directors Secretary. The responsible parties for implementation of the assignments shall provide the information on the Board of Directors resolution fulfillment status within the period not exceeding 1 (one) business day from the date of receiving the enquiry from the Board of Directors Secretary.

7.4. In case of failure to supply the Board of Directors Secretary with the information on the resolution (assignment) fulfillment status, the Board of Directors Secretary shall be entitled to recourse to the Company President with a request on the Board of Directors resolution (assignment) fulfillment status.

7.5. In case of objective inability to implement the Board of Directors resolutions within the established timeframe, the party responsible for resolution implementation shall approach the Company President in advance (3 business days prior to the end date for resolution implementation timing) with the reasoned justification (providing the copies of the appeal to the Board of Directors Secretary) to resolve the question of sending the petition to postpone the resolution (assignment) implementation timing to the Board of Directors Chairman.

7.6. In case of failure to execute the Board of Directors resolutions within the established period the Board of Directors Secretary shall not later than the date following the business day from the end date for executing the resolutions bring the information on non-execution of the resolutions to the knowledge of the Board of Directors Chairman and Company President.

## Annex No. 5

### to the Regulations on the Board of Directors of Mobile TeleSystems Public Joint Stock Company

**BALLOT No. \_\_\_\_\_**

**for absentee voting of a member of the Board of Directors  
of Mobile TeleSystems Public Joint Stock Company**

\_\_\_\_\_ (Name, Surname)

**Location of the Company:**  
**Address for Ballots to be forwarded:**  
**Deadline for receipt of ballots:**

**Item 1.**

**Items put to the vote:**

**Voting result:**

<b>IN FAVOUR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
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*In Voting Results, please, mark (circle) one of the options (IN FAVOUR, AGAINST or ABSTAINED with regard to all items put to the vote).*

**Item 2.**

**Items put to the vote:**

**Voting result:**

<b>IN FAVOUR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
------------------	----------------	------------------

*In Voting Results, please, mark (circle) one of the options (IN FAVOUR, AGAINST or ABSTAINED with regard to all items put to the vote).*

**The voting ballot shall be personally signed by the member of the Board of Directors.**

Signature \_\_\_\_\_ / \_\_\_\_\_ /

A ballot filled in with violation of the said requirements shall be deemed void.

This ballot shall be forwarded to MTS PJSC at the address:

**Annex No. 6**

**to the Regulations on the Board of Directors  
of Mobile TeleSystems  
Public Joint Stock Company**

**MOBILE TELESYSTEMS PUBLIC JOINT STOCK COMPANY  
DIRECTOR INDEPENDENCE DECLARATION**

Nominated director's name: \_\_\_\_\_

**I have filled out the attached declaration to the best of my knowledge as of the date stated below and understand that Mobile TeleSystems Public Joint Stock Company (hereinafter the "Company") and its Board of Directors will rely upon this information in connection with evaluating my status as an independent nominated director and member of the Board of Directors and its compliance with listing rules of Public Joint Stock Company MOEX and U.S. Securities and Exchange Commission (hereinafter "SEC") rules and any disclosure required thereunder. If my personal data and / or other information specified by me in this declaration changes or becomes irrelevant or inaccurate, then I undertake to notify the Company in writing (including by e-mail) in the person of the Corporate Secretary of the Company and provide relevant actual and reliable data and information. Also, I undertake to quarterly, at the request of the Corporate Secretary of the Company, update the information contained in this declaration or inform about the absence of changes in such information**

Date: " \_\_\_\_ " \_\_\_\_\_ 20\_\_\_\_

\_\_\_\_\_  
*(signature)*

## Key Definitions and General Instructions

With this declaration, certain terms have been used that have particular meanings associated with them. These terms, and their meanings, are as follows:

**Affiliate:** The term “Affiliate” of the Company, or a person “affiliated” with the Company, includes any of the following persons:

1. any Director or Officer of the Company;
2. any person who directly or indirectly controls, or is controlled by, or is under common control with, the Company;
3. any person performing general management or advisory services for the Company; and
4. any “Associate” of the foregoing persons.

**Associate:** A person is an “Associate” of another person, or is “associated” with another person, if: (i) the person is any Related person (as defined below) of the other person, (ii) the person is an Officer or partner, or directly or indirectly the beneficial owner of 10% (ten percent) or more of any class of equity securities, shares in share capital of, any corporation or organization (other than the Company or its subsidiaries) or beneficiary as to them; or (iii) the person has a substantial beneficial interest, or serves as a trustee, executor or in a similar fiduciary capacity with respect to, the other person and the other person is a trust or estate.

**Control:** “control” (including the terms “controlling”, “controlled by” and “under common control with”) means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities (shares), by contract or otherwise.

**Director:** any director of a legal entity, trustee of a trust, general partner of a partnership, or any person who performs for an organization functions that are similar to those performed by the foregoing persons.

**Related persons:** spouse, parents, children, adoptive parents, adopted children, siblings (including half-sisters and half-brothers), grandparents, and any other individual residing together with such first individual and having a common household with him/her.

**Substantial shareholder:** any person who is entitled, whether directly or indirectly (acting through entities controlled thereby), on his own or together with other persons associated therewith by virtue of a property trust management agreement, and/or a simple partnership agreement, and/or a commission agreement, and/or a shareholder agreement, and/or another agreement the subject matter of which is the exercise of rights evidenced by shares (interests) in the Company to cast 5 (five) or more percent of votes attaching to the Company’s voting shares in its share capital.

**Group of organizations, which includes the Substantial Shareholder of the Company:** legal entities controlled by the Substantial Shareholder of the Company, and / or legal entities controlled by the controller of the Substantial Shareholder (including a Substantial Shareholder and / or person controlling the Substantial Shareholder). The concept of a group of organizations, which includes the Substantial Shareholder of the Company, does not apply to the Substantial Shareholder - the Russian Federation, a constituent entity of the Russian Federation or a municipality.

Major counterparties: VypelCom PJSC, MegaFon PJSC, T2 RTK Holding LLC.

**Major counterparty:** any person being a party to a contract(s) with the Company under which the amount of obligations as of current date or the amount of obligations fulfilled within the last year amounts to (i) 2 (two) or more percent of the book value of the consolidated assets of the Company or such person as at the last reporting date prior to his qualification as Major counterparty, or (ii) 2 (two) or more percent of the consolidated proceeds (receipts) of the Company or such person for the ended calendar year prior to his qualification as Major counterparty.

**Managing entity:** an entity that is entitled to act as the Company’s sole executive body in accordance with the applicable provisions of the laws of the Russian Federation.

**Officer (executive officer):** a president, vice president, secretary, treasurer or principal financial officer, controller or principal accounting officer and any person routinely performing corresponding functions with respect to any organization whether incorporated or unincorporated.

**Person:** an individual, corporation, partnership, limited liability company, association, joint stock company, trust, unincorporated organization or a government or political subdivision thereof.

### Division I. Questions

1. Are you or any of your Related persons or were you or any of your Related persons during the last 3 (three) years before the date of the signing this Declaration members of the Executive Bodies or employees of the Company, any entity controlled by the Company and/or its management company?

Yes  No

2. Are you or your Related Persons members of the Board of Directors of a legal entity that has control over the Company, or of a controlled or management company of such legal entity?

Yes  No

3. Have you or your Related Persons received remunerations and/or other financial benefits from the Company and/or its controlled companies within any of the last three (3) years in the amount exceeding the half of the annual base (fixed) remuneration of a member of the Board of Directors of the Company?

Yes  No

*Note: For this purpose, no account should be taken of any payments and/or compensation that such persons received in the form of remuneration and/or reimbursement of expenses as a result of their performance of the duties of a member of the board of directors of the Company and/or an entity controlled thereby, including payments relating to their liability insurance as board members, as well as income and other payments received by such persons in relation to any securities issued by the Company and/or an entity controlled thereby.*

4. Have you received, directly or indirectly, any payment or remuneration from the Company or its subsidiaries for consultancy or similar services, except for the remuneration, expressed in a fixed amount in accordance with the retirement benefit plan (including deferred payments), for services rendered to the Company in the past ( only if such payments do not depend, in any way, on the performance by a member of the Board of Directors of his/her ongoing duties)?

Yes  No

5. Are you or any of your Related persons direct or indirect owners or beneficiaries of any shares issued by the Company in excess of 1% (one percent) of the share capital or the total number of the voting shares of the Company or the market value of which exceeds 20 times the annual fixed fee due to a member of the Board of Directors of the Company?

Yes  No

*Note: A beneficiary of the Company's shares means an individual who, by virtue of his/her participation in the Company, under a contract or otherwise, receives the economic benefits of ownership of shares (interests) and/or use of the votes attaching to shares (interests) in the share capital of the Company.*

6. Are you or your Related Persons just now employees and/or members of executive bodies of a legal entity whose remuneration is/was determined (considered) by the remuneration committee of the board of directors (the board of directors) of such legal entity, and any of the employees and/or members of the Executive Bodies of the Company is/was member of the said committee (board of directors)?

Yes  No

7. Have you been a member of the Company's Board of Directors for more than 7 (seven) years in aggregate (including membership in the Board of Directors of any legal predecessor of the Company)?

Yes  No

Please indicate the number of full years and months during which you occupy the position of member of the Board of Directors of the Company (taking into account the period of membership in the Board of Directors of the reorganized legal entity, the successor of which is the Company):

8. Do you or any of your Related persons provide advisory services to the Company, any of its controlling shareholders or any legal entities controlled by the Company,

or are you or any of your Related persons members of management bodies of any entities providing such services to the Company or any of the above entities or are employees of such entities directly involved in the provision of such services?

Yes  No

9. Have you or any of your Related persons during the last 3 (three) years provided the Company or any legal entities controlled by the Company appraisal, tax advisory, auditing, or accounting services,  
or were you or any of your Related persons during the last 3 (three) years, members of management bodies of any entities providing any such services to above-mentioned legal entities, or of the Company's rating agency or employees of such entities or rating agency directly involved in the provision of such services to the Company?

Yes  No

10. Are you or any of your Related persons employees and/or members of the executive bodies of any of the Company's Substantial shareholders or a legal entity within the Substantial shareholder's group of entities?

Yes  No

11. Did you or your Related Persons receive a remuneration or other financial benefits from a Substantial Shareholder of the Company (a legal entity from the group of companies whose member is the Substantial Shareholder of the Company), within any of the last three (3) years, in the amount exceeding the half of the annual base (fixed) remuneration of a member of the Board of Directors of the Company?

Yes  No

*Note: For this purpose, no account should be taken of any payments and/or compensation that such persons received in the form of remuneration and/or reimbursement of expenses as a result of their performance of the duties of a member of the board of directors (or a committee of the board of directors) of such Substantial shareholder of the Company (or a legal entity of a group of organizations which includes such Substantial shareholder of the Company), including payments relating to their liability insurance as board members, as well as income and other payments received by such persons in relation to any securities issued by such Substantial shareholder of the company (or a legal entity forming part of a group of organizations which includes the Substantial shareholder of the Company).*

12. Are you or any of your Related persons members of the boards of directors of more than two legal entities controlled by a Substantial shareholder of the Company or a person controlling such Substantial shareholder?

Yes  No

13. Are you or any of your Related persons employees and/or members of a management body of a Major counterparty or competitor of the Company or any legal entities controlling or controlled by a Major counterparty or competitor of the Company?

Yes  No

14. Do you or any of your Related persons directly or indirectly hold shares (interests) or are beneficiaries in relation to shares (interests) in a Major counterparty or competitor of the Company which comprise more than 5% (five percent) of its share capital or the total number of its voting shares (interests)?

Yes  No

15. Were you a government or municipal official, person holding office in government bodies, employee of the Bank of Russia during one (1) year preceding the election to the Board of Directors?

Yes  No

16. Are you a representative of the Russian Federation, a constituent entity of the Russian Federation or a municipality on the board of directors of a company in respect of which a decision has been made to use the special right to participate in management (the "golden share")?

Yes  No

17. Are you obliged to vote on one or more matters falling within the jurisdiction of the Company's board of directors in accordance with instructions of the Russian Federation, its subject or a municipality?

Yes  No

18. Are you or have you been within 1 year prior to your election to the Board of Directors of the Company, an employee, a member of the executive body of an organization controlled by the Russian Federation, a subject of the Russian Federation or a municipality, an employee of a state or municipal unitary enterprise or institution?

Yes  No

19. Please list the names of all companies (including charitable organizations, educational institutions and other non-profit organizations) for which you at the moment (or during the last 5 years) serve (served) as a member of the board of directors or as an executive officer, as well as the committees (and other consultative bodies) on which you serve (served):

Name of the company/ committee	Individual taxpayer number of the company (if any)	Name of the office	Term of service (month, year)

For any other company for which you serve as a director, are you aware of any services or products that could be regarded as competitive with those of the Company?

Yes  No

20. Do you directly or indirectly beneficially hold more than 10% (ten percent) or more of any class of the Company's equity securities?

Yes  No

*Note: Under SEC rules, ownership of 10% (ten percent) or less of the outstanding voting shares is presumed not to create affiliate status. If ownership exceeds 10% (ten percent), the Company may determine whether or not such ownership creates affiliate status depending on the facts and circumstances, under SEC rules.*

21. Are you an Affiliate of the Company or any subsidiary of the Company, other than in your capacity as a member of the board of directors or any committee of the Board of Directors of the Company and/or its direct or indirect subsidiaries?

Yes  No

22A. Are you a party to any existing or proposed contract, or other written or oral arrangement that provides for payments to you from the Company or any of its subsidiaries of any consulting, advisory or other compensatory fee, other than compensation for your service as a member of the Company's Board of Directors or of any Committee of the Board of Directors (or boards or board committees of the Company's subsidiaries)?

Yes  No

22B. Is any spouse, minor child or stepchild of yours, or any child or stepchild of yours sharing a home with you, a party to any existing or proposed contract or other written or oral arrangement that provides for payments to that individual of any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries?

Yes  No

22C. Is any entity (i) in which you are a partner, member, managing director, executive officer, or principal or in which you occupy a similar position, and (ii) that provides accounting, consulting, legal, investment banking, financial advisory or any similar services, a party to any existing or proposed contract or other written or oral arrangement that provides for payments to that entity of any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries?

Yes  No

23. Are you able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement?

Yes  No

24. Audit Committee Financial Expert Status

(a) *Expertise Criteria.* Do you have each of the following measures of financial expertise (to qualify, each item in (a) must be "yes"):

- an understanding of US generally accepted accounting principles and financial statements;

Yes  No

- the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

Yes  No

- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;

Yes  No

- an understanding of internal control over financial reporting; and

Yes  No

- an understanding of audit committee functions.

Yes  No

(b) *Experience Criteria.* Have you acquired the above financial expertise outside of and/or prior to serving on the Company's Audit Committee and through one or more of the following (to qualify, you must meet at least one of the following criteria):

- Do you have education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions?

Yes  No

If "Yes," please list applicable education and experience:

\_\_\_\_\_.

- Do you have experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions?

Yes  No

If "Yes," please list applicable supervisory positions:

\_\_\_\_\_.

- Do you have experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements?

Yes  No

If "Yes," please list applicable oversight or assessment positions:

\_\_\_\_\_.

- Do you have other relevant experience that you believe is equivalent to the experience listed in any of the three bullet points above?

Yes  No

If "Yes," please describe the relevant experience:

\_\_\_\_\_.

25. Have you ever been held administratively liable for offenses in the areas of finance, taxes and fees, the securities market or criminal liability (criminal record), including for economic crimes or for crimes against state power?

Yes  No

If "Yes", please indicate the nature of the offense and the date of its commission :

*Note: for non-residents of the Russian Federation including prosecution or criminal record for similar crimes (offenses) in foreign jurisdictions*

26.. Please provide information about your Related Persons:

Full name	Degree of relationship	Correspondence address

27. Please provide information on the number of equity securities of any class (shares) in the authorized (joint-stock) capital of other legal entities of Sistema JSFC Group and MTS PJSC directly or indirectly in your possession or for which you are beneficiary:

Company name	The total number of securities (shares) owned or for which you are the beneficiary	% of the total number of voting stocks (shares)

## Division II. Liability and Commitments

1. I confirm that during the entire term of my office as a member of the Board of Directors of the Company, I have acted and will act independently of individual shareholders / groups of shareholders, executive bodies of the Company, and third parties when making decisions and voting on issues on the agenda of meetings of the Board of Directors.

Yes  No  Previously not a member of the Board of Directors of the Company

2. From the date of signing this declaration and until the end of the term of office of a member of the Board of Directors of the Company, I voluntarily accept the following obligations:

- not commit conscious actions aimed at losing my status of independent director;

Yes  No

- make informed decisions based on the long-term interests of the Company and all its shareholders, regardless of the position of other members of the Board of Directors, of individual shareholders / groups of shareholders, third parties, assess the risks and consequences of decisions made, show openness in communicating with all groups of shareholders and desire to such communication;

Yes  No

- form objective, independent and bona fide judgments based on my own experience, materials of the Board of Directors of the Company, information and explanations provided by the management of the Company and other information available to me;

Yes  No

- critically and impartially assess the activities of the management of the Company;

Yes  No

- act as an independent director in good faith and reasonably, taking the necessary initiative and due diligence;

Yes  No

*Note: good faith and reasonability in the performance of the duties assigned to the director consist in taking the necessary and sufficient measures to achieve the goals of the activity for which the legal entity was created, including the proper fulfillment of public law obligations entrusted to the legal entity by applicable law*

- immediately inform the Board of Directors of the occurrence (reasonably presumed possibility of occurrence) of any circumstances as a result of which I will lose (may lose) the status of an independent director;

Yes  No

- abstain from actions that will lead or potentially lead to a conflict between my interests and the interests of the Company, including not taking part in voting on related-party transactions in which I am an interested party (including, abstain from voting in in case of approval of transactions in the conclusion of which I have an actual interest on the grounds not provided by law);

Yes  No

- immediately disclose to the Board of Directors an interest (conflict of interest) on the issues on the agenda of meetings of the Board of Directors;

Yes  No

- immediately inform the Board of Directors of any actions of third parties aimed at influencing the performance of my duties as an independent director.

Yes  No

3. I do not have a material conflict of interest due to business, family, friendship or other factors in relation to:

- management as a whole, any manager or structural unit of the Company,

- any of the assets or investment project of the Company,
- any individual shareholders or groups of shareholders of the Company,
- any individual shareholders or groups of shareholders of the Company,
- the state as a whole, public authorities, or a municipality;

Yes  No

4. I do not know about any other circumstances that impede the formation of objective, independent and bona fide judgments in my performance of duties as a member of the Board of Directors of the Company and the adoption of decisions on agenda items for meetings of the Board of Directors of the Company..

Yes  No

5. The above information about me is correct, relevant and presented in full without significant omissions.

Yes  No

6. I am acquainted with the responsibility of members of the collegial bodies of a legal entity provided for by the Civil Code of the Russian Federation.

Yes  No

7. I have become acquainted with the provisions of the Corporate Governance Code (Letter of the Bank of Russia dated 10.04.2014 No. 06-52 / 2463 "On the Corporate Governance Code") and the independence criteria provided for in the Listing Rules..

Yes  No

\_\_\_\_\_  
(Full name)

\_\_\_\_\_  
(signature)

Date: \_\_\_\_/\_\_\_\_/202\_\_