

APPROVED
by the Board of Directors of
Mobile TeleSystems
Open Joint Stock Company
February 25, 2015 (Minutes No. 233)

STATUTE
on Corporate Governance Committee
of the Board of Directors of Mobile TeleSystems Open Joint Stock Company

1. General provisions

- 1.1. This Statute defines the status, tasks and functions of the Corporate Governance Committee (hereinafter – the "**Committee**") of the Board of Directors of Mobile TeleSystems Open Joint Stock Company (hereinafter – **MTS OJSC** or the "**Company**"); the procedure of its formation and termination of its powers; rights and duties of its members; its management and decision-making procedures.
- 1.2. The Committee is created to develop and improve corporate governance system and practices in the Company through preliminary review of corporate governance matters relating to the competence of the Board of Directors; regulation of relationships between the shareholders, the Board of Directors and executive bodies of the Company, as well as issues of interaction with entities controlled by the Company and other stakeholders.
- 1.3. The Committee is a subsidiary body of the Board of Directors. The Committee is not a body of the Company and the Company shall not assume any rights and obligations through actions of this Committee.
- 1.4. The Committee performs preliminary review of the most important matters and make recommendations to the Board of Directors to decide on matters within its competence in the field of corporate governance. Decisions of the Committee shall be advisory to the Board of Directors of the Company.
- 1.5. When performing its activities, the Committee shall be guided by current laws and subordinate acts of the Russian Federation, the Company's Charter and internal documents.

2. The Committee's tasks and functions

- 2.1. The Committee's tasks include:
 - 2.1.1. Development and improvement of corporate governance system and practices in MTS OJSC;
 - 2.1.2. Preparing recommendations for the Board of Directors on the Company's priority activities to develop and implement corporate governance standards contributing to establishing high appreciation of corporate governance quality (level) in MTS OJSC;
 - 2.1.3. Control over corporate governance practices in MTS OJSC;
 - 2.1.4. Settlement of corporate conflicts.
- 2.2. The Committee's functions include:
 - 2.2.1. Control of MTS OJSC corporate governance system's effectiveness and reliability, evaluation of effectiveness of corporate governance practices and making proposals to the Board of Directors for their improvement;
 - 2.2.2. Preliminary review of internal documents submitted for approval (preliminary approval) of the Board of Directors which govern the management bodies' authority

and activities and the implementation of the main corporate governance rules; issuing an opinion of compliance of provided drafts with provisions of law, MTS OJSC internal documents and interests;

- 2.2.3. Monitoring the implementation of resolutions approved by the Board of Directors dealing with issues which relate to the Committee's tasks and functions;
- 2.2.4. Determination of MTS OJSC voluntary disclosure policies;
- 2.2.5. Monitoring compliance with the corporate disclosure policy of MTS OJSC;
- 2.2.6. Control over the system of compliance with the legislation on combating illegal use of inside information and market manipulation;
- 2.2.7. Monitoring the compliance with the law, the Charter of MTS OJSC, internal normative documents of MTS OJSC with regard to compliance with corporate governance rules;
- 2.2.8. Submitting for consideration of the Board of Directors proposals for making amendments and addenda to the Company's Charter and internal documents to improve corporate governance standards in MTS OJSC;
- 2.2.9. Support in preventing and resolving corporate conflicts between shareholders of the Company, as well as between shareholders and executive bodies of the Company;
- 2.2.10. Provision on a regular basis of reports relating to the Committee's tasks and functions status as well as measures taken by the Committee to improve corporate governance in MTS OJSC to the Board of Directors;
- 2.2.11. Guaranteeing the actual participation of the Company's Board of Directors members in monitoring process and ensuring their personal knowledge in relation to the Company's activities in the sphere of corporate governance;
- 2.2.12. Collaboration with the Sole Executive Body (the President) of the Company, other organization departments and officials of the Company within the framework of their tasks and functions;
- 2.2.13. Carrying out a comparative analysis and informing the Board of Directors about corporate governance policy and programs in other companies;
- 2.2.14. Processing shareholders' complaints and applications in relation to relations with the Company;
- 2.2.15. Preliminary review of the Company's Annual Report;
- 2.2.16. Arranging and conducting performance evaluation of the Board of Directors on a yearly basis;
- 2.2.17. Performing other functions within the scope of the Committee's tasks.

3. The Committee's composition and formation

- 3.1. As for the number of members and composition of the Committee, the latest shall be formed of Board of Directors members, the Company's management body staff and external experts; the number of members and composition of the Committee shall be approved at the meeting of the Company's Board of Directors.
- 3.2. Resolution relating to determination of the number of members and composition of the Committee shall be adopted by the Board of Directors after re-election of the Board of Directors.
- 3.3. The powers of all and any Committee members may be terminated by the Board of Directors at any time.

- 3.4. The Board of Directors may at any time adopt a resolution to increase (or decrease) the number of Committee members and to elect new Committee members.
- 3.5. The Chairman of the Committee shall be approved by the Board of Directors. The Chairman of the Committee shall be personally liable for the results of the Committee's activities and the achievement of goals set for the Committee. The Chairman of the Committee shall periodically inform the Chairman of the Board of Directors on performance of the Committee, as well as submit annual performance report of the Committee to the Board of Directors.
- 3.6. The Secretary of the Committee shall be elected by the Committee members and may not be Committee member. If there is no Secretary of the Committee the Secretary of the Board of Directors shall perform respective duties.

4. Meetings of the Committee

- 4.1. The Committee shall perform its work based on the plan approved by it. The Secretary of the Committee is liable for preparing issues to be discussed at the Committee's meeting.
- 4.2. Agenda for the Committee's meeting shall be determined by the Chairman of the Committee. Any Committee member is entitled to initiate inclusion of an item on the agenda of the Committee's meeting.
- 4.3. The meeting shall be convened by the Chairman of the Committee, on his (or her) own initiative, or at the suggestion of any Committee or Board of Directors members or the President of the Company.
- 4.4. Board of Directors members who are not Committee members, the President of the Company, members of the Company's Audit Commission as well as experts involved in work in the Committee may approach the Chairman of the Committee and propose to examine any issue within the competence of the Committee. Such issue shall be examined at the next scheduled regular meeting of the Committee or at specially convened meeting if this is a matter of special importance and brooks no delay.
- 4.5. The Secretary of the Committee shall notify the Committee members of the Committee meeting and forward them necessary documents within reasonable and sufficient periods before the date of the beginning of the meeting.
- 4.6. Decisions of the Committee are taken by majority of votes of elected Committee members. In case of a tie vote the Chairman of the Committee has a deciding vote.
- 4.7. Written opinion of the Committee members shall be taken into account when summing up the voting results relating to issues discussed in the meeting.
- 4.8. Meetings of the Committee in exceptional cases may take the form of absentee voting on the agenda of the meeting (a meeting in absentia). The decision to hold a meeting of the Committee in the form of absentee voting shall be made by the Chairman of the Committee. For an absentee meeting of the Committee, ballot papers shall be distributed to members of the Committee together with agenda materials of the meeting. Members of the Committee whose voting ballots were received by the Secretary of the Committee not later than the date and time for receipt of ballots indicated on the ballot are deemed to have participated in the absentee voting.
- 4.9. Persons who are not Committee members and have necessary professional skills may be involved in work in the Committee.
- 4.10. Minutes of the meeting shall be drawn up and signed by the Chairman and the Secretary of the Committee, based on the meeting results.

5. Rights and obligations of the Committee members

- 5.1. The Committee members shall be obliged:

- to comprehensively and fully participate in the activities of the Committee;
- to study documents submitted to the meeting and at the meeting of the Committee;
- when making decisions, to act in good faith and reasonably in the interests of shareholders of the Company and all concerned parties;
- to immediately inform the Committee that there is a personal interest in taking certain decision;
- to inform the Chairman of the Committee on impossibility of personal participation in the next meeting of the Committee;
- in accordance with the Company's internal documents, not disclose confidential information and trade secrets which became known to them, respect confidentiality of the matters discussed, not disclose inside information to third parties and not use such information for personal purposes and for purposes of their affiliates;
- to avoid actions which can compromise the Committee and call into question the professionalism of its members.

5.2. The Committee members shall be entitled:

- to require information and documents within the competence of the Committee from the Company's Board of Directors, the President and the staff;
- to require their dissenting written opinion to be attached to the minutes of the meeting of the Committee;
- to participate in meetings, conferences, seminars dealing with issues within the competence of the Committee to improve the effectiveness of the Committee's work.

5.3. Following a resolution of the Board of Directors, remuneration can be paid to the Committee members; expenses dealing with exercise of powers of Committee member can be reimbursed.

6. Rights and obligations of the Secretary of the Committee

6.1. The Secretary of the Committee shall be obliged:

- to inform the Committee members of the meeting, send materials and documents to the Committee members within reasonable and sufficient time frames;
- to draw up minutes of Committee meetings within the time frame not exceeding three (3) working days following the date of the meeting;
- to record individual opinions of Committee members in the minutes (if there are respective instructions of the Committee members);
- to forward minutes and recommendations of the Committee to the Secretary of the Company's Board of Directors;
- to ensure technical and procedural issues dealing with interaction between the Committee and the Company's officials.

6.2. The Secretary of the Committee shall be entitled:

- to demand information and documents necessary for preparing discussion materials for the Committee meetings from the Company officials;
- to give out excerpts from the Committee meetings, certified by his (or her) signature.