

APPROVED

by the Resolution of the Board of Directors of MTS PJSC
on 18 March 2021, Minutes No.310

**Mobile TeleSystems
Public Joint Stock Company**

**SHAREHOLDER INTERACTION POLICY GOVERNING
GOVERNMENT RELATIONS ACTIVITY, INITIATION OF BUSINESS
AND BUSINESS OPERATIONS**

Moscow, 2021

1. OBJECTIVES OF THE SHAREHOLDER INTERACTION POLICY

- 1.1. This Shareholder Interaction Policy (the “Policy”) is designed to enhance corporate governance practices at Mobile TeleSystems Public Joint Stock Company (“MTS” or the “Company”) and its subsidiaries with respect to government relations activities (“Government Relations Activity”), Initiation of Business and Business Operations and also to minimize the risk of non-compliance with the requirements of the applicable anticorruption and corporate legislation by the Company, its Subsidiaries, as well as Shareholders, members of the governing bodies and employees.
- 1.2. The Policy has been developed and approved to increase transparency and enhance good governance of MTS’s business.
- 1.3. The Policy applies to all directors and employees of the Company. MTS directors and employees shall consider this Policy as if it was part of the Code of corporate conduct and business ethics of Mobile TeleSystems Public Joint Stock Company.
- 1.4. The Company encourages its Shareholders to adhere to the principles and rules outlined in the Policy and in particular to adopt similar corporate governance standards.
- 1.5. The Company recommends to directors and officers of all Subsidiaries to comply with this Policy and will implement similar policies in its controlled Significant Subsidiaries so that the relevant principles and rules become mandatory for their directors and employees.

2. GENERAL PROVISIONS

- 2.1. The Policy sets out the principles and rules that the Company shall comply with if and when any of its Shareholders get Involved in Government Relations Activity, Business Operations and Initiation of Business (as defined herein) whether the Involvement is initiated by MTS or a Shareholder.
- 2.2. The Policy shall be disclosed publicly on the Company’s website and may also be transmitted directly to Shareholders.
- 2.3. To implement the Policy, the Company will develop and adopt specific regulations that will apply to the Company’s managers and employees when interacting with Shareholders or each other in relation to Shareholder Involvement in matters covered by the Policy.
- 2.4. The Company intends to provide additional information and training programs for Shareholders (including their designated officers and employees) to achieve the objectives of the Policy.

3. DEFINITIONS

Term	Definition
Shareholder ¹	An individual or entity (other than MTS Subsidiary), which directly or indirectly owns 2% or more of MTS' capital, including via MTS' American Depositary Receipts.
Subsidiary/Subsidiary Company	A legal entity (including a Significant Subsidiary) in which MTS owns, directly or indirectly, more than 20 percent of the capital.
Significant Subsidiary/ Significant Subsidiary Company	A Subsidiary included in the list approved by the competent Committee of the Board of Directors of MTS PJSC, which is controlled by the Company and is significant for the MTS ecosystem due to the scale of its business, growth potential, development strategy or any other factors. A list of such Significant Subsidiaries as relevant to this Policy shall be posted with the Policy and/or at MTS' website and updated as appropriate.
Business Operations	Ongoing operational activities of MTS or of a Significant Subsidiary Company that requires or may in the future require a resolution or approval at the level of MTS' President, Management Board meeting, or Board of Directors meeting, where such a resolution or approval is required pursuant to MTS' Charter, MTS' bylaws, or by Russian corporate law.
Governing Body	The President, the Management Board, or the Board of Directors of MTS PJSC.
Representatives	Managers, executive officers, employees, as well as other persons, including agents and representatives of a Shareholder, duly authorized to act on behalf of such Shareholder on the issues of the Relevant activities.
Initiation of Business	(a) A transaction that would expand or change existing core-telecom business of the Company or core businesses of a Significant Subsidiary Company, or (b) A transaction in a new business, other than MTS' core telecom business or core businesses of a Significant Subsidiary Company.

¹ The definition of a Shareholder as used in the Policy includes Representatives of a Shareholder unless otherwise (a) specified or (b) obvious from the context.

Term	Definition
Government Official	Any Russian or foreign person, either appointed or elected, who holds or fills in for any position in a legislative, executive, administrative or judicial body or an international organization; any person who performs any public function for a state or a state organization; leading politicians, officials of political parties, including candidates for political posts, ambassadors, influential functionaries in nationalized industries or natural monopolies; managers and employees of a state organization, including physicians, military personnel, municipal employees, etc.; persons who are known to be related to a government official by kin, friendship or business relations and/or act for and/or on behalf of a government official.
Relevant Activities	Types of activities referred to in Section 4 of the Policy.
State Organization	Any public authority and administrative body of the Russian Federation and foreign states, their constituent entities (including government ministries, public services, agencies, government departments and their structural divisions) and local authority; any political party; all legal entities directly or indirectly controlled by the government (Russian or foreign); legal entities the activities of which are understood as public service by the general public, except for the fulfillment of statutory requirements; international public organizations.
Shareholder Involvement	Actions of a Shareholder and/or MTS described in the Section 4 of the Policy.
Government Relations Activity	(a) Communication by a Shareholder (or its Representatives) with a State Organization or Government Official on behalf of or in the interest of the Company or a Subsidiary Company, or (b) Communication between a Shareholder (or its Representatives) and the Company regarding such a communication as aforesaid in clause (a) above.

4. DEFINITION OF SHAREHOLDER INVOLVEMENT

- 4.1. This Policy applies to Shareholder Involvement in Government Relations Activity, Initiation of Business and Business Operations (“Relevant Activities”) of the Company and its Subsidiary Companies, as set out herein.
- 4.2. Shareholder Involvement in Government Relations Activity means any oral or written communication between a Shareholder and a State Organization or

Government Official that affects the interests of MTS or a Subsidiary Company, or any oral or written communication about aforesaid:

4.2.1. from a Shareholder to a Governing Body of the Company, either directly or reported to a Governing Body by a Company employee; or

4.2.2. from a Governing Body of the Company to a Shareholder.

4.3. Shareholder Involvement in Initiation of Business or Business Operations means any oral or written communication on those topics:

4.3.1. from a Shareholder to a Governing Body of the Company, either directly or reported to a Governing Body by a Company employee; or

4.3.2. from a Governing Body of the Company to a Shareholder.

5. REGISTRATION AND MONITORING OF SHAREHOLDER INVOLVEMENT

5.1. The Company will maintain a written record of Shareholder Involvement in Government Relations Activity, Business Operations and Initiation of Business (the "Register"). The information maintained in the Register will document the communication that constitutes Shareholder Involvement as well as any decision taken by the Company (through its Governing Bodies) in relation to the communication.

5.2. The Business Ethics & Compliance Department of MTS PJSC will regularly monitor the Register to ensure that actions of the Company, its Governing Bodies and employees are in compliance with this Policy.

6. EXPECTATIONS OF SHAREHOLDERS

6.1. The Company establishes the following principles for Involvement of Shareholders in Government Relations Activity, Initiation of Business and Business Operations and urges all Shareholders to comply with them:

6.1.1. Legitimacy and permissibility of actions taken by Shareholders and the Company in compliance with the mandatory and discretionary provisions of applicable legislation.

6.1.2. Mitigation of conflicts of interest that may potentially arise amongst Shareholders or between Shareholders and the Company, including when Shareholders exercise their corporate rights, rights to use information received from the Company, etc.

- 6.1.3. Informational awareness of the Company's Governing Bodies while making decisions in their area of competence on the issues of Relevant Activities in view of Involvement of Shareholders.
 - 6.1.4. Autonomy and independence of the Company's Governing Bodies while making decisions in their area of competence on the issues of Relevant Activities in view of Involvement of Shareholders.
 - 6.1.5. Observance of the balance of rights and legitimate interests of all Shareholders of the Company by the Company's Governing Bodies while making decisions in their area of competence on the issues of Relevant Activities in view of Involvement of Shareholders.
 - 6.1.6. Transparency of Involvement of Shareholders and monitoring of actions and communications on the issues of Relevant Activities by the Company.
- 6.2. The Company encourages each Shareholder to observe the following rules:
- 6.2.1. Inform the Governing Bodies of the Company in advance in writing about the Shareholder's intentions to interact with any State Organization or Government Official for or on behalf of the Company or a Subsidiary Company.
 - 6.2.2. Coordinate with the Company in advance regarding any initiatives of the Shareholder concerning Government Relations Activity, Business Operations or Initiation of Business.
 - 6.2.3. Be aware of and adhere to the principles and rules set out in this Policy, as well as in the Company's Policy "Compliance with Anticorruption Legislation," the "Code of corporate conduct and business ethics of Mobile TeleSystems Public Joint Stock Company" and the "MTS PJSC Counterparty Code of Business Conduct", as well as governance, internal controls and anti-corruption legislation applicable to the Shareholder.
 - 6.2.4. Upon the Company's request, provide reasonably necessary information on the measures taken by the Shareholder to comply with the requirements of the anticorruption legislation, as well as with MTS Policies and Codes.
 - 6.2.5. Cooperate with the Company in providing information and investigating the circumstances of any non-compliance with the principles and rules set out in this Policy.
 - 6.2.6. Provide assistance to the Company in order to conduct, at the request and at the expense of the Company, information and educational training

for the Shareholder, its managers and employees in the field of anticorruption and corporate legislation, corporate conduct and ethics, and other applicable programs in the area of the Company's corporate governance.

7. COMPANY POLICIES AND CONTROLS

7.1. MTS has or will introduce certain procedures and controls to ensure:

- 7.1.1. Ability to timely inform the Company's Governing Bodies when issues submitted to the Governing Bodies for decision-making are resulting from Shareholder Involvement.
- 7.1.2. Inclusion of sufficient information, including possible risks, related to Shareholder Involvement in materials prepared for the Company's Governing Bodies, thereby ensuring that members of the Company's Governing Bodies are aware of such factors when making decisions.
- 7.1.3. Right of members of the Company's Governing Bodies to initiate requests for expert opinions from the Company's functional divisions about issues submitted to the Governing Bodies for decision-making that include Shareholder Involvement, and the right to submit such issues to the Committees of the Company's Board of Directors for consideration.

8. ADVICE ON THE APPLICATION OF THE POLICY

8.1. In case any Shareholders, members of the Governing Bodies or employees of the Company have any questions about principles and rules set out in this Policy, other MTS Policies and Codes, or requirements of the anticorruption and corporate legislation, they may seek advice:

- 8.1.1. From the Corporate Governance Department in the Corporate & Legal Affairs Block of MTS PJSC by e-mail at shareholder@mts.ru;
- 8.1.2. From the Business Ethics & Compliance Department of MTS PJSC by e-mail at compliance@mts.ru.

9. REPORTS ON NON-COMPLIANCE WITH PRINCIPLES AND RULES SET OUT IN THE POLICY

9.1. Shareholders, members of the Governing Bodies and employees of the Company, and other persons who became aware of a failure to comply with the principles and rules set out in the Policy, shall report this in any of the ways listed below, as convenient:

- 9.1.1. To the Company's Unified Hotline: hotline@mts.ru;

- 9.1.2. To their immediate supervisor or, if the report concerns such immediate supervisor, to their senior manager (for the Company's employees – in any form);
 - 9.1.3. To a member of the Business Ethics & Compliance Department of the Company (for the Company's employees – in any form);
 - 9.1.4. Via the electronic form of the Unified Hotline on the Pulse Corporate Portal (for the Company's employees – either anonymously or indicating their name);
 - 9.1.5. Via the Our MTS Application (for the Company's employees – either anonymously or indicating their name);
 - 9.1.6. By phone: +7 985 765 00 02.
- 9.2. The Company provides an independent and comprehensive review of all reports of violations of the Policy requirements pursuant to the local normative acts.

The Company prohibits any form of prosecution (retaliation) against any persons who reported a violation in good faith, assisted in investigations and refused to participate in the activities contradicting the principles or requirements hereof and of the Code of Business Conduct and Ethics.

Any person who has violated the requirements of the Policy and the Code of Business Conduct and Ethics may be subject to retaliation up to dismissal and (or) termination of contracts in accordance with the provisions of these contracts and applicable legislation.

10. LIABILITY

- 10.1. The Company may conduct internal investigations of alleged non-compliance or facts of non-compliance with the Policy, local regulatory acts adopted in furtherance thereof, and the anticorruption and corporate legislation of the Company by members of the Governing Bodies and employees of the Company, as well as claim compensation for damages caused to the Company as a result of the above actions (or omissions) from the parties at fault in the manner prescribed by the current legislation.
- 10.2. For violations of principles and rules set out in the Policy and the Company's local regulatory acts adopted in furtherance thereof, members of the Governing Bodies and employees of the Company may be brought to disciplinary, administrative, civil and/or criminal liability in case their actions (or omissions) satisfy relevant corpus delict.

- 10.3. Persons who have committed corruption offences shall bear criminal, administrative, civil and disciplinary liability in accordance with currently applicable legislation and/or the Company's local regulatory acts.
- 10.4. Individuals who have committed a corruption offence may be deprived of the right to occupy certain positions in the state and municipal bodies by a court decision in accordance with the applicable law of the Russian Federation.

11. FINAL PROVISIONS

- 11.1. This Policy shall not replace or supersede the requirements established by law, including the anticorruption and corporate legislation, however, it may establish additional rules and requirements. If applicable laws, by-laws and/or rules issued by the regulatory institutions and exchanges establish mandatory requirements that are more stringent and/or differ from those set out in the Policy, such more stringent and/or different requirements shall be honoured.
- 11.2. Any amendments and supplements to the Policy shall be approved by the decision of the Board of Directors of the Company and come into force from the date of their approval, unless otherwise provided by the decision.
- 11.3. The Company's local regulatory acts adopted in pursuance of the Policy shall not be contrary to the provisions of the Policy. In case of any contradictions between the Policy and relevant local regulatory acts of the Company, the Policy shall prevail.
- 11.4. If, as a result of amendments made to law or regulatory requirements and rules applicable to the Company, some clauses of the Policy come into conflict therewith, such clauses shall be applied having regard to the current requirements of the law and orders of regulatory institutions or become invalid, and the Policy shall remain in effect to the extent consistent with the current laws, regulatory requirements and rules. Until the relevant changes are made to the Policy, all Shareholders, members of the Governing Bodies and employees of the Company, as well as other persons specified in the Policy, shall be guided by the laws, regulatory requirements and rules as in force for the time being.

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