

APPROVED BY
the Resolution of the Board of Directors of
Mobile TeleSystems Public Joint Stock
Company

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**REGULATIONS
ON THE CORPORATE GOVERNANCE DEPARTMENT
OF MOBILE TELESYSTEMS
PUBLIC JOINT STOCK COMPANY**

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1. GENERAL PROVISIONS

1.1. These Regulations on Corporate Governance Department of Mobile TeleSystems Public Joint Stock Company (hereinafter, the “Regulations”) have been developed in accordance with Russian legislation, the Corporate Governance Code (approved by the Board of Directors of the Bank of Russia on March 21, 2014; recommended for use by the Letter of the Bank of Russia dated April 10, 2014 No. 06-52/2463) and the Articles of Association of Mobile TeleSystems Public Joint Stock Company (hereinafter, the “Company”).

1.2. The Regulations establish and determine the functions of the Corporate Governance Department, the candidacy requirements, the procedure for appointment and termination of office, accountability, status, rights and obligations, remuneration terms and procedure, the competence of the Corporate Governance Director and the procedure for interaction with the governance bodies, external organizations, subsidiaries and structural units of the Company.

1.3. The Regulations are approved by the Board of Directors and may be amended, supplemented or revoked only by a decision of this body.

1.4. The Corporate Governance Director is an officer heading the Corporate Governance Department and accountable to the Board of Directors.

1.5. The Corporate Governance Department is a special function of the Company’s Corporate and Legal Affairs Unit, acting as the Company’s Corporate Secretary in charge of ensuring the effective interaction with the shareholders, the co-ordination of the Company’s activities aimed to protect the rights and interests of the shareholders, and the support for the effective performance of the Board of Directors.

1.6. In its activities, the Corporate Governance Department is guided by Russian and other applicable legislation, the Company’s Articles of Association, resolutions of the General Meeting of Shareholders, the Board of Directors, the instructions and orders of the President and the Management Board, a Member of the Management Board – Vice-President for Corporate and Legal Affairs and the Corporate Governance Director, other regulatory documents, rules and procedures established by the Company and hereby.

2. APPOINTMENT AND TERMINATION OF OFFICE OF THE CORPORATE GOVERNANCE DIRECTOR

2.1. The Corporate Governance Director is appointed and dismissed by the Company’s President of the Company with consent of the Board of Directors¹.

2.2. The President and the Member of the Management Board – Vice-President for Corporate and Legal Affairs can nominated a candidate for the Corporate Governance Director.

2.3. A candidate for Corporate Governance Director is pre-approved by the Remuneration and Nomination Committee of the Board of Directors (hereinafter, the RNC). The RNC makes recommendations in respect of the nominated candidate for submission thereof to the Board of Directors.

2.4. The Company’s President executes on behalf of the Company the employment contract with the Corporate Governance Director.

2.5. The Corporate Governance Director may be dismissed at the initiative of the President and the Member of the Management Board – Vice-President for Corporate and Legal Affairs after Corporate Governance Director’s dismissal is reviewed by RNC and approved by the Board of Directors.

3. ACCOUNTABILITY OF THE CORPORATE GOVERNANCE DIRECTOR AND INTERACTION WITH THE COMPANY’S GOVERNANCE BODIES AND FUNCTIONS

3.1. The Corporate Governance Director is accountable to the Board of Directors and reports to the

¹ The employment contract with the Corporate Governance Director may be terminated on its own initiative without the relevant decision by the Board of Directors

Member of the Management Board – Vice-President for Corporate and Legal Affairs.

3.2. The Corporate Governance Director acts in close contact and coordination with the Company's governance bodies, functions and employees.

3.3. The Corporate Governance Director cooperates with the Company's governance bodies, functions and employees to the extent necessary for the proper exercise of its functions.

3.4. The Company's governance bodies, functions and employees are obliged to provide the requested information within their competence and to assist the Corporate Governance Director in the implementation of the Corporate Governance Department's functions.

4. THE ELIGIBILITY CRITERIA FOR THE CORPORATE GOVERNANCE DIRECTOR

4.1. A candidate for the Corporate Governance Directors shall meet the following criteria:

- a law degree;
- at least five-year experience in corporate governance and management;
- knowledge of corporate law, the law on the securities market, including the rules of disclosure by the issuers on the securities market and the procedure for operation of the professional securities market participants (the Company's registrar, stock exchanges, etc.);
- knowledge of the regulations reflecting best national and international practices of corporate governance;
- computer proficiency;
- negotiation skills;
- personal traits and skills: independence of thought, the ability to defend personal opinion;
- no previous convictions or disqualification in accordance with the RF Code of Administrative Offences;

4.2. An affiliate of the Company, a person related to the Company's controlling entity or executive management cannot be appointed the Corporate Governance Directors.

5. FUNCTIONS OF THE CORPORATE GOVERNANCE DEPARTMENT

5.1. Participation in improvement of the corporate governance and system practice.

As part of this function, the Corporate Governance Department, inter alia:

- exercises the actions to support the Company's corporate governance system;
- organizes the procedures aimed at the development and quality evaluation of the Company's corporate governance system;
- monitors the exercise of corporate actions in the Group companies including monitoring the voting process in shareholder meetings and on board meetings and implementation of the corporate governance projects in the Company as part of the functions performed by the Corporate Governance Department;
- interacts with the Corporate Secretaries of the Group companies, promotes the development of corporate governance systems in the Group companies.

5.2. Participation in organizing the preparation and holding of the Company's General Meetings of Shareholders.

As part of this function, the Corporate Governance Department, inter alia:

- prepares the agenda and decision-making plan for the Company's governance bodies on the issues relating to the preparation, convening and holding the General Meeting of Shareholders;
- receives and processes the proposals and requests of the shareholders regarding the agenda and the decisions of the General Meeting of Shareholders;
- obtains consent for the election of persons nominated to the Board of Directors and the Audit Committee of the Company;
- organizes the preparation of the information and materials to be submitted for preparation and holding of the General Meeting of Shareholders.

5.3. Support for the operation of the Board of Directors and Committees of the Board of Directors.

As part of this function, the Corporate Governance Department, inter alia:

- plans the meetings of the Board of Directors and Committees of the Board of Directors;
- prepares and supports the meetings of the Board of Directors and Committees of the Board of Directors;
- arranges for recording the Board of Directors' decisions and exercises control over their execution;
- arranges for recording the decisions of the Committees of the Board of Directors;
- interacts with the members of the Board of Directors;
- provides the members of the Board of Directors with the resources required for the exercise of their powers;
- assists the Chairman of the Board of Directors in organizing the operations of the Board of Directors.

5.4. Participation in the implementation of the Company's disclosure policy and arranging the storage of the Company's corporate documents.

As part of this function, the Corporate Governance Department, inter alia:

- organizes and controls the compliance with the disclosure requirements of the Russian legislation;
- controls the organization of storage of the Company's corporate documents;
- organizes the shareholders' access to the Company's documents in accordance with the current legislation;
- registers and maintains the rights of the Company in relation to other companies' stock or charter capital;
- keeps records and protects the Company's intellectual property rights.

5.5. Ensuring the interaction of the Company with its shareholders and participation in the prevention of corporate conflicts.

As part of this function, the Corporate Governance Department, inter alia:

- organizes the interaction between the Company and its shareholders;
- deals with requests and inquiries from the shareholders, arranges for the preparation of responses within its competence, ensures the compliance with the shareholders' requirements in the cases stipulated by the current legislation;
- prevents the abuse of the rights by all participants of the corporate relations;
- provides for early identification of emerging corporate conflicts and adoption of prevention and resolution measures.

5.6. Control over the implementation of the procedures prescribed by the legislation and the Company's internal documents to ensure the exercise of the shareholders' rights and legitimate interests, and monitoring their execution.

As part of this function, the Corporate Governance Department, inter alia:

- established and maintains contacts with the shareholders and ensures the protection of rights and legitimate interests of the Company's shareholders;
- monitors the compliance by the Company's bodies and officials with the corporate governance rules and procedures, legal requirements and internal documents that guarantee the exercise of the rights and interests of the Company's shareholders.

5.7. Ensuring the interaction of the Company with the regulators, trade organizers o, the registrar and other professional participants of securities market within the powers assigned to the Corporate Secretary.

As part of this function, the Corporate Governance Department, inter alia:

- interacts with the Tabulation Commission, registrars and depositories for the purposes of voting by the shareholders and distribution of dividends;
- participates in the preparation of responses to corporate governance inquiries.

5.8. Timely notification of the Board of Directors of the revealed violations of the law and the Company's internal documents, the compliance with which falls within the competence of the Corporate Governance Department.

As part of this function, the Corporate Governance Department, inter alia:

- controls the compliance by the Company's units and officials with the standards and requirements of Russian corporate law, the Company's Articles of Association and internal documents;
- reports to the Board of Directors all violations revealed.

6. RESPONSIBILITY OF THE CORPORATE GOVERNANCE DIRECTOR

6.1. Corporate Governance Director is responsible for:

- proper and timely exercise of the basic tasks and functions assigned to the Corporate Governance Department;
- recruitment and allocation of the functions between the Department employees according to their skills and qualification;
- organization of effective interaction with other functions of the Company.

6.2. Corporate Governance Director is responsible for non-fulfillment or improper fulfillment of its obligations and commitments prescribed by the employment contract, the Company's local regulations and Russian legislation.

7. RIGHTS AND POWERS OF THE CORPORATE GOVERNANCE DIRECTOR

7.1. In performing its duties and functions in accordance with the current legislation and the Company's internal documents, the Corporate Governance Director is empowered to:

- request and receive from the Company's governance bodies, functions, employees and affiliates any information necessary for the Corporate Governance Department to perform its duties and functions, including confidential information (in accordance with applicable regulations and procedures), to request and receive unrestricted access to any documents, to make and receive copies thereof;
- obtain adequate and comprehensive explanations in oral and/or written form from any employees and heads of the Company's functions and affiliates concerning the issues submitted to the Company's governance bodies for consideration;
- as instructed by the management, represent the Company in any organizations on the issues related to the competence of the Corporate Governance Department (in agreement with the Company's management);
- engage on a contractual basis the consulting and other firms and specialists to perform the functions and tasks of the Corporate Governance Department, including to provide the members of the Board of Directors with the resources and expertise (in accordance with applicable regulations and procedures);
- access the Company's information resources, necessary to exercise the functions assigned to the Corporate Governance Department;
- submit the issues to the Company's governance bodies within its competence;
- monitor the compliance by the Company's officers and employees with the Company's Articles of Association and internal documents with regard to the issues relating to the functions of the Corporate Governance Department;
- interact with other functions, the Chairman of the Board of Directors and the Chairmen of the Board of Directors' Committees in accordance with the internal regulations.

7.2. The Corporate Governance Director is entitled to:

- initiate the establishment of working groups and standing committees to resolve the problems facing the Corporate Governance Department;
- assign the tasks to the subordinate employees according to their qualifications and position, and to involve them in the exercise of additional assignments necessary to perform the functions of the Corporate Governance Department.

8. OBLIGATIONS OF THE CORPORATE GOVERNANCE DIRECTOR

8.1. The Corporate Governance Director is obliged to:

- strictly observe in its activities the rules and requirements of the Russian legislation;
- in resolving the emerging issues, draw on the presumption of compliance with the shareholders' interests;
- fulfill the instructions of the Chairman of the Board of Directors;
- notify the Chairman of the Board of Directors of a conflict of interest upon occurrence thereof;

- communicate to the members of the Board of Directors the information about the conflict of interests of the Board of Directors' members on the agenda of the meeting of the Board of Directors (in case such a conflict of interest occurs);
- communicate to the members of the Board of Directors having a conflict of interest on the agenda of the meeting of the Board of Directors the information about such members' obligation to refrain from voting on the issues subject to a conflict of interest;
- if the members of the Board of Directors have a conflict of interest on any agenda item of the meeting of the Board of Directors, ensure that such information about a conflict of interest is recorded in the minutes of the meeting of the Board of Directors;
- immediately report to the Chairman of the Board of Directors on all revealed infringements of the standards and requirements of the Russian corporate law, the Company's Articles of Association and internal documents by the Company's functions and officials;
- submit to the Member of the Management Board – Vice-President for Corporate and Legal Affairs for consideration and to the Board of Directors for approval with prior review by the Corporate Governance Committee an annual performance report no later than the first quarter of the year following the reporting year.

9. TERMS OF AND PROCEDURE FOR REMUNERATION OF THE CORPORATE GOVERNANCE DIRECTOR

9.1. The terms, amount and procedure for remuneration, and the principles of awarding the Corporate Governance Director are established by the employment contract executed by and between the Corporate Governance Director and the Company.

9.2. The terms, amount and procedure for remuneration to the Corporate Governance Director set out in accordance with the decision of the Board of Directors and the Company's local regulations, establishing the rules of the Company's incentives system, which includes the basic salary (Basic Remuneration), as well as bonuses, other incentives and payments based on the Company's performance during the same calendar year or other reporting period (Variable Compensation). The Basic Remuneration is paid for the performance of the Corporate Governance Director's functions. The terms, amount and procedure for payment of Variable Compensation are determined based on the compliance with the key performance indicators and in accordance with applicable local regulations.

9.3. The Board of Directors (based on the proposals by the RNC) determines the amount of the Basic Remuneration and Corporate Governance Director awarding procedure.

9.4. A Member of the Management Board – Vice-President for Corporate and Legal Affairs determines the list and the numerical value of the Corporate Governance Director's key performance indicators and evaluates the compliance therewith.

9.5. The Corporate Governance Director's Basic Remuneration is adjusted in accordance with the Company's local regulations.

9.6. The adjusted salary of the Corporate Governance Director requires the approval of the Board of Directors (to be pre-approved by the RNC). The adjustment of the Corporate Governance Director's salary is proposed by the Member of the Management Board – Vice-President for Corporate and Legal Affairs.

9.7. The Board of Directors also approves any decision on payment of additional remuneration to the Corporate Governance Director (in addition to the Variable Compensation and compensation under the long-term incentive program, pre-approved by the Board of Directors).