

## BOARD OF DIRECTORS

A high-quality corporate governance system and an efficiently operating Board of Directors are the most important prerequisites for long-term sustainable development in a modern company.

In companies aimed at long-term successful development, the role of the Board of Directors increases dramatically since the Board of Directors have to act reasonably and in good faith for the benefit of the company and its shareholders.

The Board of Directors is a strategic management body, whose main objective is the implementation of general (directing) management of the company's activities, as well as the execution of supervisory and overseeing functions. First of all, its competences include the most important issues of the Company's management, such as strategy definition, investment and budget planning, developing management motivation and assessment system, as well as supervision of the company's assets, reliability and effectiveness of risk management systems, internal control, internal audit and corporate governance system.

The Board of Directors of MTS PJSC exercises general governance over the Company's activities in accordance with the provisions of the Company's Charter, Regulation on the Board of Directors of MTS PJSC,<sup>1</sup> and the requirements of the legislation of the Russian Federation.

The main purposes of the Board of Directors are:

- > development and analysis of general corporate strategy, control over its implementation;
- > providing for the control over executive bodies and chief executives of the Company, and assessment of their activities;
- > increasing the capitalization of the Company, expanding its market positions, achieving and preserving the Company's competitiveness;
- > maintenance of a stable financial standing, increasing revenues and profitability; and
- > protection of rights and lawful interests of the Company's shareholders.

## COMPOSITION OF THE BOARD OF DIRECTORS

The composition and structure of the Board of Directors affects its performance, and thus performance of the entire Company; this being said, the important aspect is the balance of the composition in terms of qualifications of its members, their experience, knowledge and business qualities. A member of the Board of Directors should, first of all:

- > be able to communicate effectively with people
- > participate efficiently in a discussion,
- > understand the difficult situation based on the information prepared by management, relying on his experience and ability to quickly analyze information, checking responses to the questions asked.

The quantitative composition of the Company's Board of Directors is permanent. The Board of Directors was elected at the annual General Meeting of MTS PJSC Shareholders on June 27, 2019, and for the duration of 2019 it consisted of 9 members. Such number of members of the Board of Directors makes it possible to form the composition, which is balanced from the point of view of professional qualification, experience and business skills of the members of the Board of Directors, to provide high efficiency of work and fully meets the needs of the Company and interests of the shareholders. Issues related to the needs of the Board of Directors in the field of professional qualification, experience and business skills of the members of the Board of Directors, and also to the quantitative composition, were considered within the framework of the procedure for assessment of the Board of Directors' work (in more detail – section "Assessment of the Performance of the Board of Directors").

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<sup>1</sup> <https://moskva.mts.ru/about/investoram-i-akcioneram/korporativnoe-upravlenie/dokumenty-pao-mts/polozhenie-osovete-direktorov-paomts/>.

Independent directors should be included in the composition of the Board of Directors for effective implementation of its functions and making informed, grounded decisions, ensuring control over management in the interests of the company's owners. Independent directors allow to ensure a reasonable balance of interests of all the parties concerned: the Company itself, its shareholders and other concerned parties. For the independent directors to be able to influence the decisions taken by the Board of Directors, their number must be equal to at least one third of the total composition of the Board of Directors. In this regard, the number of independent directors in our Board of Directors is over one third.

In June 2015, the number of independent directors in the Board of Directors was increased to four. The increase of the independent directors' number allows the independent standpoint within the Board of Directors to exercise greater influence on the business decisions taken, on the Company's corporate policy and strategy.

Criteria of independence of the Board of Directors' members are defined in the Regulation on the Board of Directors of MTS PJSC<sup>1</sup> and correspond to state-of-the-art international practices of corporate governance.

NYSE listing also adds additional obligations for us related to the composition of the Board of Directors: the Company is required to have at least one member of the Board of Directors (in the Audit Committee) with expertise in accounting or relevant financial management experience (financial expert). The Audit Committee of the Board of Directors is headed by Thomas Holtrop, who has experience and knowledge in the preparation, analysis, assessment, and audit of financial statements.

According to recommendations of the Code, the key committees (Audit, Remuneration and Nomination) are formed exclusively from independent directors. Other committees include at least two independent directors.

For key projects, the Board of Directors establishes Special Committees, which also include independent directors. For example, a committee like this, consisting only of independent directors, was established in 2018 for the project envisioning MTS PJSC's share increase in the authorized capital of MTS Bank PJSC.

An important factor for the company is the professional experience and reputation of its independent directors. As a rule, it is the care for reputation and professionalism of a person that help him take very seriously the work in the Board of Directors, observe the principles of absence of conflicts of interests, carefully study the materials and make informed decisions when voting at meetings of the Board of Directors.

From the moment the Board of Directors included independent members their role and contribution to representation of interests of our Company got stronger.

Independent Directors participate in strategic sessions for discussing the Company's strategy update with participation of the Board of Directors members, representatives of the majority shareholder and managers of the Company. Following the strategic sessions results, the matter of update of the Company's strategy and development plan shall be presented to the Board of Directors for consideration.

Independent Directors are actively involved in preliminary discussions of many related-party transactions which are important for the Company. The Company has also implemented a practice of preliminary review of a series of related-party transactions, including transactions with companies in AFK Group (a majority shareholder), at meetings of the Audit Committee under the Board of Directors consisting only of Independent Directors. As common practice shows, this noticeably facilitates the work of independent Board of Directors members as to approval of and agreeing upon transactions.

Our Independent Directors are professional managers, whose experience and knowledge make a significant contribution to the development of the Company's corporate governance system. Mastering of the best practices, great managerial experience, understanding of business needs and HR management specifics, proactive approach, strategic thinking, openness in discussions: all this makes an invaluable contribution not only to the results of the activity of the Board of Directors, but also to those of the Company in general.

### Boards of Directors' Compositions Effective in 2019

From June 28, 2018, to June 27, 2019

From June 27, 2019, to December 31, 2019

**Ron Sommer** – Chairman of the Board of Directors

**Feliks Vladimirovich Yevtushenkov**  
Chairman of the Board of Directors

**Artyom Ivanovich Zasursky** – Non-executive Director

**Aleksey Borisovich Katkov** – Non-executive Director

**Aleksey Valerievich Kornya** – Executive Director

**Stanley Miller** – Independent Director

**Antonios Theodosiou Antoniou**  
Independent Director

**Vsevolod Valerievich Rozanov** – Non-executive Director

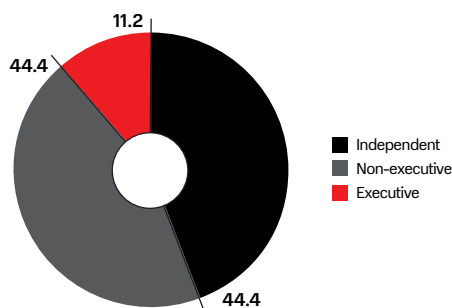
**Regina Dagmar Benedicta von Flemming** – Independent Director

**Thomas Holtrop** – Independent Director

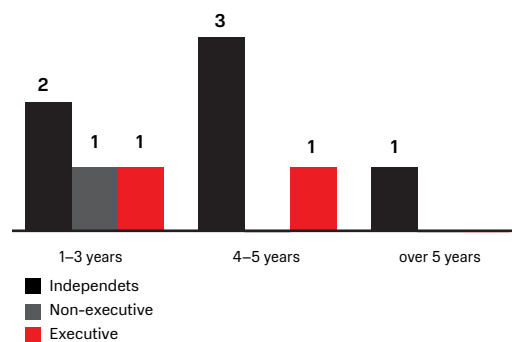
**Wolfgang Schussel** – Independent Director

**Valentin Borisovich Yumashev**  
Independent Director

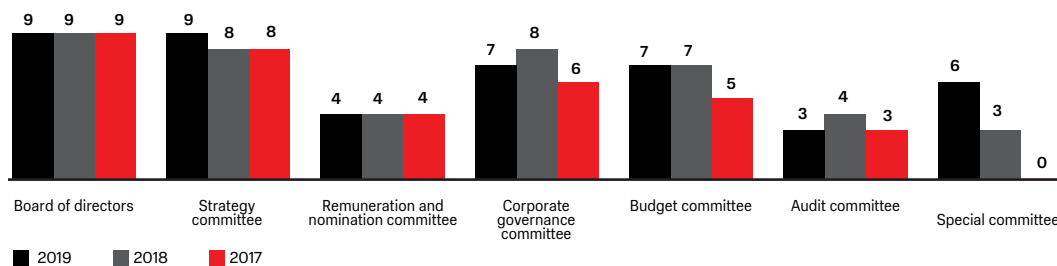
### Composition of the Board of Directors as of December 31, 2019, %



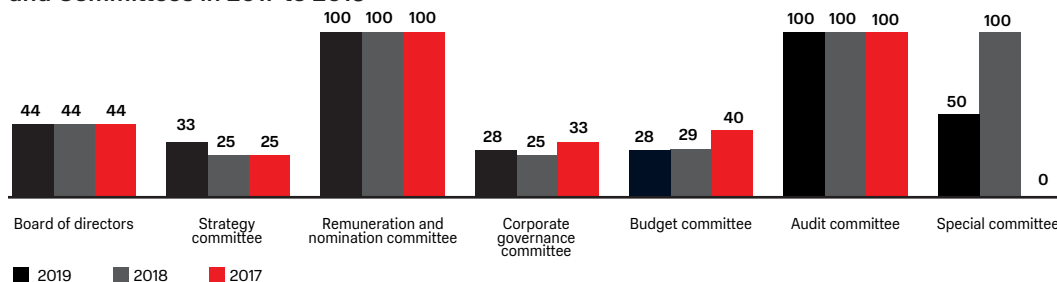
### Duration of work in the Board of Directors



### Numerical composition of the Board of Directors and Committees in 2017 to 2019



### Share of Independent Directors in the Composition of the Board of Directors and Committees in 2017 to 2019



**11%**

Share of Female Directors in the Composition of the Board of Directors in 2017 to 2019

## Information on Members of the Board of Directors as of December 31, 2019



### Antonios Theodosiou Antoniou

Independent Director

Member of the Remuneration  
and Nomination Committee  
under the Board of Directors

Member of the Audit Committee  
under the Board of Directors

Member of the Corporate Governance  
Committee under the Board of Directors

Member of the Strategy Committee  
under the Board of Directors

Member of the Special Committee  
under the Board of Directors  
for Compliance

He was born in 1958, in London.

In 1979 he graduated from the University of Bristol (UK),  
as a Bachelor of Science.

#### Professional experience:

- > 1979–1993: Employee at the PwC UK Compliance Team.
- > 1993–2008: Partner at PwC Russia.
- > 2007–2010: Senior Advisor, Chairman of the PwC Partner Admission Committee.
- > 2010–2011: Independent Non-executive Director, Chairman of the Audit Committee of TransCreditBank OJSC.
- > 2011–2013: Independent Non-executive Director, Chairman of the Audit Committee of International Petroleum Limited.
- > 2016 till present: Non-executive Director of Polyus Gold International Limited.

Member of the Institute of Chartered Accountants in England  
and Wales (ICAEW), member of the Institute of Internal Auditors.

Citizenship: United Kingdom

He was elected as a member of MTS PJSC Board of Directors  
for the first time at the General Meeting of Shareholders on June  
27, 2019.

**As of December 31, 2019, he didn't own shares in MTS PJSC  
(directly/indirectly).**



## Feliks Vladimirovich Yevtushenkov

Non-Executive Director  
Chairman of the Board of Directors

He was born in 1978, in Moscow

In 2000 he graduated from the Griboedov Institute of International Law and Economics, majoring in Law.

### Professional experience:

- > 1999–2000: Assistant to the President of Sistema-Invest CJSC, Executive Director of the Industry Department of Sistema PISFC.
- > 2000–2006: Deputy General Director, General Director of Sistema-Gals CJSC.
- > 2006–2008: President of Sistema-Gals OJSC.
- > 2008–2011: Vice President, Head of the Consumer Assets Business Unit of Sistema PISFC.
- > 2011–2012: First Vice President, Head of the Basic Assets Business Unit of Sistema PISFC.
- > 2012–2018: First Vice President of Sistema PISFC.
- > 2018 till present: Chairman of the Board of Sistema Charitable Fund.
- > 2018 till present: Director of Sistema PISFC.

Citizenship: Russian Federation.

Member of the Board of Directors of MTS PJSC in 2011 to 2012.

He was reelected as a member of MTS PJSC Board of Directors at the General Meeting of Shareholders on June 27, 2019.

**As of December 31, 2019, he didn't own shares in MTS PJSC (directly/indirectly).**



## Artyom Ivanovich Zasursky

Non-Executive Director

Chairman of the Strategy Committee  
under the Board of Directors<sup>1</sup>

Member of the Corporate Governance  
Committee under the Board of Directors

Member of the Special Committee  
under the Board of Directors  
for Compliance

He was born in October 1979, in Moscow.

In 2005 he graduated from the fellowship of the Faculty  
of Journalism in Lomonosov Moscow State University.

In 2001 he graduated from the Lomonosov Moscow State  
University with a degree in “Social and Economic Geography  
of Foreign Countries, Translator/Interpreter.”

### Professional experience

- > 2002–2003: Director, Directorate of Development Department,  
Crossmedia Solutions LLC.
- > 2003–2005: founder of several companies in the field of digital  
services and content.
- > 2005–2006: Executive Director of Game Territory, LLC.
- > 2007–2011: General Director, Dragonara LLC.
- > 2011–2011: Development Director, Stream LLC.
- > 2012–2013: Vice President, Development, SMM OJSC.
- > 2013–2016: General Director, Stream LLC.
- > 2016–2018: Vice President, Head of the Strategy Complex  
of Sistema PJSFC.
- > 2018 till present: Vice President for Strategy of the Strategy  
Department of Sistema PJSFC.

Member of the Board of Directors of Medsi Group of Companies  
JSC, Sistema Asia Capital PTE, LTD, Sistema Vostok Invest LLC

Citizenship: Russian Federation

He was elected as a member of MTS PJSC Board of Directors  
for the first time at the General Meeting of Shareholders on June  
29, 2017.

**As of December 31, 2019, he didn't own shares in MTS PJSC  
(directly/indirectly).**

<sup>1</sup> A new composition of the Strategy Committee was elected by the decision of the Board of Directors of MTS PJSC dated April 9, 2020. Up-to-date information is presented on the website <https://moskva.mts.ru/about/investoram-i-akcioneram/rukovodstvo/komitetu/>.



## Aleksey Borisovich Katkov

Non-Executive Director

Chairman of the Budget Committee under the Board of Directors<sup>1</sup>

Member of the Strategy Committee under the Board of Directors<sup>2</sup>

He was born in 1977, in Moscow.

In 1999 he graduated from the Academy of the National Economy Under the Government of the Russian Federation, Moscow.

### Professional experience:

- > 2000–2015: Sales Director, Vice President and Commercial Director, Director for International Development of Mail.RU LLC.
- > 2015–2016: member of the Management Board – First Vice President – Operations Director, SMM JSC.
- > 2016 till present: President, member of the Board of Directors of Sistema Venture Capital JSC.
- > 2016 till present: President, SVK Fund LLC.
- > 2018 till present: Managing Partner, Member of the Management Board, Sistema PJSFC.

Member of the Board of Directors of Detsky Mir PJSC, Sitronics JSC, Sistema-Consult LLC, SVK Fund LLC, Ozone Holding LLC and other companies.

Citizenship: Russian Federation.

He was elected as a member of MTS PJSC Board of Directors for the first time at the General Meeting of Shareholders on June 28, 2018.

**As of December 31, 2019, he didn't own shares in MTS PJSC (directly/indirectly).**

<sup>1</sup> By decision of the Board of Directors of MTS PJSC dated April 9, 2020, the Budget Committee was abolished.

<sup>2</sup> A new composition of the Strategy Committee was elected by the decision of the Board of Directors of MTS PJSC dated April 9, 2020. Up-to-date information is available on the website <https://moskva.mts.ru/about/investoram-i-akcioneram/rukovodstvo/komitetu>



## Aleksey Valerievich Kornya

President, Chairman of the Management Board of MTS PJSC

Executive Director

Member of the Corporate Governance Committee Under the Board of Directors

Member of the Strategy Committee Under the Board of Directors<sup>3</sup>

He was born in 1975, in Bryansk.

In 1998 he graduated from St. Petersburg State University of Economy and Finance.

### Professional experience:

- > 2000–2000: PricewaterhouseCoopers Audit CJSC, consultant-auditor.
- > 2000–2004: North-West Telecom OJSC, chief financial consultant, chief specialist on financial consultation.
- > 2004–2007: MTS PJSC, in July 2004 – financial director of the branch of MTS PJSC of Urals macroregion; in October 2007 – director of the Financial Planning and Analysis Department of the Financial Unit of MTS Group.
- > 2007–2008: MTS PJSC, controlling director of the Finance and Investment Unit.
- > 2008–2009: MTS PJSC, deputy of the vice-president for finance and investments, acting vice-president for finance and investments
- > 2010–2013: MTS PJSC, vice-president for finance and investments.
- > 2013–2016: MTS PJSC, member of the Management Board – Vice President, Finance and Investments.
- > 2016–2018: MTS PJSC, Member of the Management Board – Vice-President for Finance and Investment, Mergers and Acquisitions.
- > 2018 till present: MTS PJSC, President, Management Board Chairman.

Member of the Board of Directors of Mobile TeleSystems JLLC, Council MTS Bank PJSC, RTC JSC, Sistema Capital MC LLC, Member of Sistema Charity Fund, member of the Board of GSM Association (GSMA).

Citizenship: Russian Federation.

He was elected as a member of MTS PJSC Board of Directors for the first time at the General Meeting of Shareholders on June 28, 2018.

**As of December 31, 2019, he owned ordinary registered shares in MTS PJSC in the amount of 345,889 shares.**

<sup>3</sup> A new composition of the Strategy Committee was elected by the Decision of the Board of Directors of MTS PJSC dated April 9, 2020. Up-to-date information is available on the website <https://moskva.mts.ru/about/investoram-i-akcioneram/rukovodstvo/komitetu>





## Regina Dagmar Benedicta von Flemming

Independent Director

Chairman of the Remuneration and Nomination Committee under the Board of Directors

Member of the Budget Committee under the Board of Directors

Member of the Audit Committee under the Board of Directors

Member of the Strategy Committee under the Board of Directors

Member of the Special Committee under the Board of Directors for Compliance

She was born in 1965, in Lubeck.

In 1992 she graduated from the Free University of Berlin with a specialty in Political Science, and from the Institute for Political Studies (Paris).

In 1993 she was a fellow of INSEAD Business School (Paris), and also completed a refresher course at the German Development and Trade Institute (Germany).

### Professional experience

- > 1996–1999: CEO of Krone Russia.
- > 1999–2000: CEO of Ehrmann AG.
- > 2000–2003: Vice President of the American-Russian Investment Fund “Delta Capital.”
- > 2003–2009: founder and owner of the consulting company Flemming & Partner GmbH Berlin.
- > 2005–2015: CEO of Axel Springer Russia Publishing House.
- > 2014–2018: Advisor to ANK company.
- > 2018–2020: Advisor to the General Director of ACCENTURE LLC.
- > 2020 till present: Weinstube LLC, Marketing Director

Member of the Board of Directors of Sovcombank PJSC, Chairman of the Audit Committee, Member of the ESG Committee, Member of the Board of Trustees of the Russian Standard Charitable Fund, Member of the Board of Trustees of the German-Russian Forum in Berlin, member of the board of the Russian-German Chamber of Commerce, member of the Board of Trustees of the specialized fund for managing the endowment of a private cultural institution “Jewish Museum and Tolerance Center.”

Citizenship: Germany.

She was elected as a member of the MTS PJSC Board of Directors for the first time at the General Meeting of Shareholders on June 25, 2015.

**As of December 31, 2019, she owned ordinary registered shares in MTS PJSC in the amount of 20,305 shares.**



## Vsevolod Valerievich Rozanov

Non-Executive Director

Chairman of the Corporate Governance Committee under the Board of Directors

Member of the Budget Committee under the Board of Directors<sup>2</sup>

Member of the Strategy Committee under the Board of Directors

Member of the Special Committee under the Board of Directors for Compliance

He was born in 1971, in Moscow.

He graduated from the Economic Department of Moscow State University n.a. M. V. Lomonosov with a specialty in “Economics of Foreign Countries.”

### Professional experience

- > 1993–2001: various consulting positions in Bain & Company in Moscow, London, and Stockholm.
- > 2002–2004: Deputy CEO for Economics and Finances in MTU-Inform CJSC.
- > 2004–2006: Deputy CEO for Economics and Finances in KOMSTAR – UTS OJSC.
- > 2006–2008: Vice President for Finance and Investments, Management Board member of MTS OJSC.
- > 2008–2013: President of SISTEMA SHYAM TELESERVICES LIMITED (India).
- > 2013–2018: Senior Vice President, Head of the Finance and Investments Complex, Management Board Member at Sistema PJSFC.
- > 2018 till present: Managing Partner, Member of the Management Board, Sistema PJSFC.

Board of Directors Chairman of MTS Bank PJSC, Sistema Capital MC LLC, Member of the Board of Directors of EAST-WEST UNITED BANK SA, Sistema Asia Pte, Sistema Vostok Invest LLC, Fortenova Grupa d.d., Council Member of Sistema Charitable Foundation.

Citizenship: Russian Federation.

He was elected as a member of MTS PJSC Board of Directors for the first time at the General Meeting of Shareholders on June 27, 2012.

**As of December 31, 2019, he owned ordinary registered shares in MTS PJSC in the amount of 72,792 shares.**

<sup>2</sup> By decision of the Board of Directors of MTS PJSC dated April 9, 2020, the Budget Committee was abolished.



## Thomas Holtrop

Independent Director

Chairman of the Audit Committee under the Board of Directors

Member of the Budget Committee under the Board of Directors<sup>1</sup>

Member of the Remuneration and Nomination Committee under the Board of Directors

Member of the Corporate Governance Committee under the Board of Directors

Chairman of the Special Compliance Committee under the Board of Directors

Finance Expert

He was born in 1954, in Dortmund.

He studied psychology in University of Freiburg and business administration with a specialty in economics and production organization at the German Academy of Civil Employees.

### Professional experience

- > 1990–1999: Vice President of American Express International Inc. in New York, Frankfurt and London, member of the Board of Directors in Bank 24 AG and Deutsche Bank 24 AG.
- > 2001–2004: President of T-Online International AG.
- > 2002–2004: member of Deutsche Telekom AG Board of Directors.
- > 2005–2006: Chief Executive Officer of Thomas Cook AG.
- > 2005–2011: member of the Supervisory Board of Gruner + Jahr Publishing House (Hamburg).
- > 2009–2011: member of Komstar-OTS OJSC Board of Directors, Chairman of Audit Committee, Strategy Committee and Remuneration and Nomination Committee under the Board of Directors of Komstar-OTS OJSC.

Citizenship: Germany.

He was elected as a member of MTS PJSC Board of Directors for the first time at the General Meeting of Shareholders

on February 14, 2013.

**As of December 31, 2019, he owned ordinary registered shares in MTS PJSC in the amount of 16,338 shares.**

<sup>1</sup> By Decision of the Board of Directors of MTS PJSC dated April 9, 2020, the Budget Committee was abolished.



## Valentin Borisovich Yumashev

Independent Director

Member of the Remuneration  
and Nomination Committee  
under the Board of Directors

Member of the Strategy Committee  
under the Board of Directors<sup>2</sup>

He was born in 1957, in Perm.

In 1984 he graduated from Lomonosov Moscow State University,  
Faculty of Journalism.

### Professional experience:

- > 1987–1995: Member of the editorial board, editor of department, deputy chief editor, general director of the magazine Ogoniok.
- > 1996–1997: Advisor to the President of the Russian Federation on interaction with the media.
- > 1997–1998: Head of the Administration of the Russian Federation President.
- > 1998 till present: Advisor to the President of the Russian Federation on a voluntary basis.
- > 2006 till present: Millhouse LLC, General Director's Office, Advisor.

In 2000 he became one of the founders of the Fund of the first Russian president B. N. Yeltsin, currently called the Yeltsin Presidential Center Foundation, or the Yeltsin Center.

He is an adviser to the Fund and since 2009 he has been a management board member of the Yeltsin Presidential Center.

Acting State Advisor of the Russian Federation, Class I (1997).

He was twice honored with Commendation by the President of the Russian Federation (1996, 1997).

Citizenship: Russian Federation.

He was elected as a member of MTS PJSC Board of Directors for the first time at the General Meeting of Shareholders on June 27, 2019.

**As of December 31, 2019, he didn't own shares in MTS PJSC (directly/indirectly).**

<sup>2</sup> A new composition of the Strategy Committee was elected by the Decision of the Board of Directors of MTS PJSC dated April 9, 2020. Up-to-date information is available on the website <https://moskva.mts.ru/about/investoram-i-akcioneram/rukovodstvo/komitetu/>.

## Key Competences of the Board of Directors Members

Member of the Board of Directors	Duration of work on the Board of Directors	Key competences							
		Strategy	Finance and Auditing	Industry Specialization (telecom)	Legal Matters and Corporate Governance	Risk Management	HR management	M&A	GR/IR
A. Antoniou	1 year (from June 2019)		○		○		○		
F. V. Yevtushenkov	1 year (from June 2019)	○	○	○	○	○	○	○	○
A. I. Zasursky	3 years (from June 2017)	○	○	○	○	○	○	○	○
A. B. Katkov	2 years (from June 2018)	○				○		○	
A. V. Kornya	2 years (from June 2018)	○	○	○	○	○	○	○	○
V. V. Rozanov	7 years (from June 2012)	○	○	○	○	○	○	○	○
Regina von Flemming	4 years (from June 2015)	○	○		○	○			○
T. Holtrop	7 years (from February 2013)	○	○	○	○	○	○	○	
V. B. Yumashev	1 year (from June 2019)	○			○	○	○		○

\* According to information available to the Company, in the reporting year there were no conflicts of interest among the members of the Board of Directors, including those related to the participation of these persons in the management bodies of competitors of MTS PJSC.

\*\* Board of Directors members did not make transactions with the Company's shares in the reporting year.

\*\*\* None of the Board of Directors members received loans (credits) from the Company in 2019. Claims were not brought against members of the Board of Directors by the Company.

## CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors of MTS PJSC bears the main responsibility for ensuring the implementation of the rights and interests of the shareholders and achieving a balance between the short-term financial result and the long-term strategic positioning of the business. In terms of the personal qualities of the chairman, this means the ability to combine pragmatism and specificity in solving tactical issues with the role of a strategist and visionary who deeply understands the processes occurring in the company and has a clear vision of the local market situation. The Chairman of the Board of Directors has the highest level of personal responsibility for the long-term sustainability of the business and strives to ensure the growth of shareholder value.



**Feliks Vladimirovich Yevtushenkov was elected Chairman of the Board of Directors of MTS by unanimous decision of the MTS Board of Directors on June 27, 2019.**

The Chairman of the Board of Directors is not an independent director, a senior independent director is not defined. Thus, one of the recommendations of the Bank of Russia Corporate Governance Code is not respected. At the same time, the expanded Corporate Governance Committee of the MTS Board of Directors (with participation of all independent directors) regularly analyzes the recommendations of the Bank of Russia Corporate Governance Code that are not respected by the Company and assesses the possibility of their implementation. This non-respected recommendation was considered at all past meetings, including at the last meeting on December 18, 2019: the directors did not consider its implementation appropriate.<sup>1</sup> The level of corporate governance of the Company and the atmosphere of constructive discussion formed by the previous chairman of the MTS board of directors do not currently require, according to members of the board of directors, the implementation of this recommendation of the Bank of Russia Corporate Governance Code and the appointment of another chairman, albeit formally meeting all independence criteria.

<sup>1</sup> Detailed information is presented in the appendix to this report, "Report on Compliance with the Bank of Russia Corporate Governance Code".

The Board of Directors is a well-coordinated mechanism, a single team, in which everyone contributes to the management decision-making process. Within the MTS Board of Directors there is a strong independent block of directors, and four places out of nine have been occupied by independent directors for the last four years. The Board of Directors is balanced both from the point of view of quantitative composition and from the point of view of experience and qualification of its members. Each member of the board is a professional of the highest level, a carrier of industry knowledge and business experience, a generator of advanced ideas. The chairman is the leader, the central figure of the board whose main task is to make his team of professionals work as productively as possible. While forming a businesslike, dynamic, positive atmosphere in the board of directors, he moderates the discussion so that each participant can show their best qualities but the result of discussions is a unified, balanced, justified, and specific managerial decision.

## CORPORATE SECRETARY<sup>2</sup>

The Corporate Secretary ensures effective current interaction with the shareholders, coordinates actions of the Company for protection of rights and interests of shareholders, and supports effective work of the Board of Directors.

The functions of the Corporate Secretary in MTS PJSC are performed by a special structural subdivision – the Corporate Governance Department, the main functions, rights and obligations of which are defined in the Regulations on Corporate Governance Department.<sup>3</sup>

The Functions of the Corporate Governance Department at MTS PJSC include:

- > participation in the improvement of the Company's corporate governance system and practice;
- > participation in the organization of the preparation and holding of the Company's General Meetings of shareholders;
- > ensuring the effective work of the Board of Directors and Committees of the Board of Directors of the Company;
- > participation in the realization of the Company's policy on information disclosure, and also

provision of Company's corporate documents storage;

- > provision of interaction of the Company with its shareholders and participation in the prevention of corporate conflicts;
- > ensuring 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 use;
- > ensuring 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; and
- > immediate notification of the Board of Directors of all identified violations of the law and internal documents of the Company, observance of which is within the functions of the Corporate Governance Department.

The Corporate Governance Department is headed by the Corporate Governance Director, an officer of the Company reporting to the Board of Directors of the Company.

The Corporate Governance Director of MTS PJSC is also responsible for:

- > preparation and conducting of meetings with the shareholders of MTS PJSC;
- > management of subsidiaries of MTS Group;
- > ensuring the timely disclosure of information in accordance with the requirements of the securities market legislation;
- > development of Corporate Governance System of MTS Group;
- > integrated management of intangible assets; and
- > other functions.

The Board of Directors approves the nominated Corporate Governance Director as the manager of the unit serving as the Corporate Secretary.

The Director of Corporate Governance Department in the reporting period was Corporate Governance Director of MTS PJSC, Maxim Aleksandrovich Kalinin.

<sup>2</sup> <https://moskva.mts.ru/about/investoram-i-akcioneram/korporativnoe-upravlenie/departament-korporativnogo-upravleniya/>  
<sup>3</sup> [http://static.mts.ru/uploadmstk/contents/1655/Regulations\\_on\\_MTS\\_CG\\_Department-rus.pdf](http://static.mts.ru/uploadmstk/contents/1655/Regulations_on_MTS_CG_Department-rus.pdf)

## BOARD OF DIRECTORS SECRETARY

Main purpose of the Board of Directors Secretary of MTS PJSC is to ensure compliance by the Company's management bodies with the requirements of legislation and internal regulatory documents of the Company, which guarantee the enforcement of rights and interests of its shareholders.

Regulatory base for implementation of Board of Directors Secretary's functions, besides the Charter, is the Regulation on MTS PJSC Board of Directors.

Board of Directors Secretary:

- > carries out an instatement of newly elected members of the Company's Board of Directors;
- > informs members of the Board of Directors and invited persons on forthcoming meetings of the Board of Directors;

- > sends to members of the Board of Directors materials on issues of the Board of Directors agenda;
- > upon request, provides to members of the Board of Directors an additional information on Company's activities;
- > calculates the votes on issues put to a vote and keeps record of the Board of Directors meetings;
- > ensures storage of the Board of Directors' documents;
- > controls implementation of the Board of Directors' decisions;
- > assists the Chairman of the Board of Directors in planning for activities of the Board;
- > ensures communication of members of the Board of Directors with management; and
- > assists in solving organizational and technical issues.

The Board of Directors Secretary since 2005 has been the Corporate Governance Director of MTS PJSC, Maxim Aleksandrovich Kalinin



### Maksim Aleksandrovich Kalinin

He was born in 1972, in Moscow.

In 1997 he graduated from Lomonosov Moscow State University with a specialty in law.

Before coming to the Company, he worked in private business with foreign participation where was responsible for legal support in the sphere of corporate management, real estate and contractual work.

In June 2001, he joined MTS. He worked in the Investments and Securities Department: was responsible for projects of mergers and acquisitions in the territory of the Russian Federation and CIS, supported the reorganization of MTS Group subsidiaries, and was responsible for corporate governance in MTS and subsidiaries. He went from legal counsellor to deputy director of the department.

From 2005 to the present day, he has been exercises the powers of the Board of Directors Secretary of MTS PJSC.

In 2010 he won the fifth national "Director of the Year" awards in the nomination "Corporate Governance Director – Corporate Secretary."

In recent years he was regularly included in the rankings of the 25 best Corporate Governance Directors and Corporate Secretaries during the ceremony of the national "Director of the year" awards.

He is a member of the Council of Corporate Secretaries National Association (CSNA), which allows MTS to exchange experience in the corporate governance sphere and promotes a development of the institute of corporate secretaries in general.

Citizenship: Russian Federation.

He owns (directly/indirectly) neither MTS PJSC shares nor stocks or shares in MTS PJSC subsidiaries; he is not a relative of any persons who are members of management and/or control bodies overseeing financial and business activities of MTS PJSC.

According to information available to the Company, the Board of Directors Secretary had no conflicts of interest in the reporting year, including those related to his participation in the management bodies of competitors of MTS PJSC.

## ORGANIZATION OF THE BOARD OF DIRECTORS' ACTIVITIES

At least six in-person meetings are conducted each year in accordance with the approved plan of meetings of the Board of Directors. If necessary, it is possible to participate in a joint meeting through video conferencing. Extraordinary meetings are convened to take decisions on urgent matters. Meetings in the form of absentee voting are conducted to vote on issues on which members of the Board of Directors do not have significant qualms.

The plan for the Board of Directors' activities for the next year is approved in December of the current year. Dates, periods, and locations of meetings shall be determined according to the schedules of activities of the Board of Directors members in order to provide for participation of all the directors.

Traditionally the plan of activities includes the main issues of Company's operation: strategy, finances, budget and risks, and HR matters. Such plan shall be prepared with regard to the suggestions of the Board of Directors members and Company's managers. All issues of the Board of Directors meeting agenda shall normally be reviewed by dedicated committees, allowing to discuss and draw up recommendations for a final decision by the Board of Directors.

In-person meetings of the Board of Directors are usually held in Moscow headquarters. First

meeting of the newly elected Board of Directors shall be held with personal attendance, on the day of the General Meeting of Shareholders which decided on election of the Board of Directors.

To hold the meeting in the headquarters, it is necessary to plan and approve the schedule of activities for two days: meetings of committees under the Board of Directors, briefing with Board of Directors members (PreBoard), the meeting of the Board of Directors, and to make all practical arrangements: on provision of simultaneous translation, services on hotel booking, transfers, catering, etc.

The Chairman of the Board of Directors holds monthly meetings/consultations with representatives of shareholders and/or managers of the Company. Main topic of such meetings is a matter of the management of strategic changes. This allows to initiate global strategic changes outside of routine management and to change the focus of a common perception of Company's systems and processes.

The Company believes it is a good practice allowing to share ideas and observations from our experience of working with other companies and businesses, which at the end of the day enriches our discussions in the Board of Directors and forms a strong base for right decisions of the executives.