

PRESIDENT AND MANAGEMENT BOARD OF MTS

A key role in the implementation of the selected strategy, organization of efficient implementation of resolutions of the Board of Directors, management of current operations of the Company is played by the Executive Bodies of the Company – the President (sole executive body) and Management Board (collegial executive body).

The executive bodies are accountable to the Board of Directors and General Meeting of Shareholders.

The executive bodies of the Company shall be established by the Board of Directors.

The President and Management Board act on the basis of the articles of association of MTS PJSC, Regulation on President of MTS PJSC² and Regulation on the Management Board of MTS PJSC.³

Executive bodies:

- › organize the Company's activities and are responsible for the results of these activities, and ensure the enforcement of decisions made by the General Meetings of Shareholders and by the Board of Directors;
- › ensure the establishment and maintenance of the operation of an efficient risk management and internal control system in the Company, and are responsible for the implementation of the resolutions of the Board of Directors in terms of organization of the risk management and internal control system;
- › are responsible for the effective economic, financial, scientific and technical and social policies of the Company.

The Board of Directors is entitled at any time to adopt a resolution on the early termination of a President's powers as well as on the termination of the powers of an individual member of the Management Board or all members of the Management Board and on establishment of new Executive Bodies.

During 2019 (from March 13, 2018), the functions of the president of MTS PJSC were performed by Aleksey V. Kornya.

COMPOSITION OF THE MANAGEMENT BOARD IN 2019

\\ MTS Management Boards in effect during 2019

	Inessa Galaktionova (on the board since 2019)
	Igor Nikolaevich Mishin (on the board since 2019)
	Ilya Valentinovich Filatov (on the board since 2019)
	Dmitry Aleksandrovich Khomchenko (on the board since 2019)
	Tatyana Sergeevna Chernysheva (on the board since 2019)
Aleksandr Evgenievich Gorbunov (on the board since 2018)	
Ruslan Sultanovich Ibragimov (on the board since 2007)	
Andrey Mikhailovich Kamensky (on the board since 2018)	
Aleksey Valerievich Kornya (on the board since 2008)	
Vyacheslav Konstantinovich Nikolaev (on the board since 2017)	
Maria Nikolaevna Golyandrina (on the board since 2018, powers terminated on November 22, 2019)	
Kirill Aleksandrovich Dmitriev (on the board since 2014, powers terminated on July 31, 2019)	
Igor Alfridovich Yegorov (on the board since 2016, powers terminated in 2019)	
Andrey Gennadievich Smelkov (on the board since 2013, powers terminated in 2019)	
Andrei Eduardovich Ushatsky (on the board since 2013, powers terminated in 2019)	
Valery Viktorovich Shorzhin (on the board since 2014, powers terminated in 2019)	

² <http://ir.mts.ru/about-mts/corporate-governance/company-documents/default.aspx>

³ <https://moskva.mts.ru/about/investoram-i-akcioneram/korporativnoe-upravlenie/dokumenti-pao-mts/polozhenie-opravlenii-paomts/>

\\ Information about the President and members of the Management Board as of December 31, 2019



Aleksey Valerievich Kornya

President, Management Board Chairman of MTS PJSC

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 2004 – 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 for 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, MTS Bank PJSC, RTC JSC, Sistema Capital MC LLC, Board Member of Sistema Charity Fund, member of the Board of GSM Association (GSMA).

Member of the Management Board of MTS PJSC since 2008.

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



Inessa Galaktionova

First Vice President
for Telecommunications – Management
Board member

She was born in 1974 in Vilnius.

In 1997 she graduated from Vilnius State University's Department of Economics.

Professional experience:

- > 1996–2009: PHILIPS LLC, Marketing Director, Chairman of the Brand Development Council of the Philips Representative Office in Russia, Director for Video and Television Business
- > 2009–2013: Tele2 Russia OJSC, Commercial Director
- > 2013–2019: FSUE Post of Russia, Deputy General Director
- > 2019–2019: FSUE Post of Russia, Advisor to the General Director
- > 2019 till present: MTS PJSC, First Vice President for Telecommunications Business, MTS PJSC Management Board Member

Board of Directors Member in MTS Bank PJSC, RTC JSC, MGTS PJSC, Cloud Retail LLC, and other companies.

Member of the Management Board of MTS PJSC since 2019.

As of December 31, 2019, she did not own shares in MTS PJSC (directly/indirectly).



Aleksandr Evgenievich Gorbunov

Management Board Member – Vice President for Strategy and Development of MTS PJSC

He was born in 1967 in Moscow.

In 1992 he graduated from Moscow Engineering Physics Institute with a specialty in Experimental Nuclear Physics and Plasma Physics.

In 1999 he earned an MBA from Harvard University.

Professional experience:

- > 2002–2003: NTP Intellect Telecom OJSC, Deputy General Director
- > 2003–2005: MTS OJSC, head of the Strategic Analysis Service, Chief Strategy Officer of the Strategic Analysis Department
- > 2005–2006: Sistema PJSC, head of the Corporate Development Department, Acting First Vice President and the Director of Strategy and Development Complex
- > 2006–2010: Komstar-OTS OJSC, Vice President for Strategy and Development
- > 2010–2012: Sitronics OJSC, Counselor of the President
- > 2010–2012: Sistema PJSC, Executive Vice President for Telecommunication Assets Development of “Basic Assets” Business Unit
- > 2012–2015: Sistema PJSC, Executive Vice President (Investment Portfolio)
- > 2015–2018: Sistema PJSC, Vice President, Manager of Telecommunication Assets
- > 2018 till present: MTS PJSC, Management Board Member, Vice President for Strategy and Development

Chairman of the Board of Directors of Sistema Smart Technologies Ltd., member of the Board of Directors of YOU DO WEB TECHNOLOGIES LIMITED, member of the Strategy and Risk Management Committee of MTS Bank PJSC.

Member of the Management Board of MTS PJSC since 2018.

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



Ruslan Sultanovich Ibragimov

Management Board Member – Vice
President for Government Relations
and Public Relations

He was born in 1963 in the town of Taldykorgan.

In 1986 he graduated from the faculty of law of Lomonosov
Moscow State University.

In 1992 he completed postgraduate studies in Lumumba RUDN
(Peoples' Friendship University of Russia), with a Ph.D. in Law.

Professional experience:

- > 1992–1996: he worked in commercial banks, headed legal services
- > 1996–2002: RSM Top Audit, took the office of the director of legal service, director-partner, deputy general director, head of the Department of Tax and Legal Advice, Director, Partner, Tax and Legal Consulting.
- > 2002–2004: he worked as a lawyer in various bar associations.
- > 2004–2006: Moscow Bar Association “Ibragimov, Kagan and partners,” associate.
- > 2006–2007: MTS PJSC, director of legal department, he was then transferred to the position of the chief legal officer.
- > 2007–2008: MTS PJSC, Vice President for Corporate and Legal Issues.
- > 2008–2019: MTS PJSC, Management Board Member, Vice President for Corporate and Legal Issues.
- > 2019 till present: MTS PJSC, Management Board Member, Vice President for Government Relations and Public Relations.

Management Board Member, Vice President of the Non-Profit Partnership “Association of Corporate Lawyers”, member of the All-Russian Public Organization “Association of Russian Lawyers,” Senior Director of the Association of Independent Directors, member of the Partnership of Antimonopoly Experts Association, Member of the Supervisory Board of the Autonomous Non-Profit Organization “Digital Economy,” Independent Director of Publishing House “Higher School” OJSC, Member of the Board of Directors of Doctor Ryadom LLC and Publishing House “Education” JSC, Member of the Corporate Governance Committee at the Board of Directors of MTS PJSC.

Member of the Management Board of MTS PJSC since 2007.

As of December 31, 2019, he owned ordinary registered shares in MTS PJSC in the amount of 241,989 shares.



Andrey Mikhailovich Kamensky

Management Board Member, Vice President for Finance

He was born in 1972, in Moscow.

In 1995 he graduated from the Moscow State University of Geodetics and Cartography and in 1999 – from the Financial Academy under the Government of the Russian Federation majoring in “Financial Credit.”

Professional experience:

- > 1997–2011: managerial positions in the field of finances in Trade House Perekrestok, SAN InBev, ING Bank (Eurasia).
- > 2011–2018: Sistema PJSC, Executive Vice President for Finance and Economics.
- > 2018–2019: MTS PJSC, Member of the Management Board – Vice President for Finance and Investment, Mergers and Acquisitions
- > 2018–2019: MTS PJSC, Management Board member – Vice President for Finance, Investment, Mergers and Acquisitions
- > 2019 till present: MTS PJSC, Management Board member, Vice President for Finance.

Member of the Board of Directors of MTS Bank PJSC, Sistema Capital MC LLC, Mobile TeleSystems JLLC, RTC JSC.

Member of the Management Board of MTS PJSC since 2018.

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



Igor Nikolaevich Mishin

Management Board member, Vice
President of MTS Media

He was born in 1962 in Yekaterinburg.

In 1985 he graduated from Gorky Ural State University, majoring in Sociology.

Professional experience:

- > 1991–2007: founder and President of Channel Four, the largest private regional media holding.
- > In 1995, he became one of the founders of the Independent Broadcasting System association of non-state regional television companies (REN-TV/NVS network).
- > 1997–2002: participated in creation of TNT-Teleset OJSC.
- > 2005–2007: founder and General Director of National Television Syndicate OJSC.
- > 2006–2007: General Director of Amedia CJSC.
- > In 2008, he became a shareholder of Media-1 company that became a part of YuTV Holding in 2010, where he took over the position of general producer of TV Service CJSC (Muz-TV channel).
- > 2011–2014: head of A-One Concept Media Inc.
- > 2014–2016: General Director of TNT-Teleset OJSC.
- > 2019 till present: MTS PJSC, Management Board member, Vice President of MTS Media.

Producer, Vice President of the Academy of Russian Television, Member of the European Film Academy, recipient of the Prize of the Russian Federation Government in Science and Technology, Chairman of the Board of Trustees of the Street Cinema Festival. From 2008 till present: film producer, developer of the author's methodology for public protection of film projects, a teacher in film schools.

Member of the Management Board of MTS PJSC since 2019.

General Director and member of the board of directors of MTS Media LLC, President of Gorodskoy Kvartal LLC, Chairman of the Board of Directors of the Non-commercial partnership of individual developers USOVO-3, General Director of Kinokompania MIG PIKCHERS LLC.

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



Vyacheslav Konstantinovich Nikolaev

First Vice President for Client Experience,
Marketing and Ecosystem Development,
Member of the Management Board

He was born in 1970 in Moscow.

In 1992 he graduated from the faculty of mathematics of computation and cybernetics of Lomonosov Moscow State University.

In 1994 he completed management training in the Kriebel Institute, Washington, DC.

Professional experience:

- > 1994–1999: international consulting company European Public Policy Advisers, Senior Adviser
- > 1999–2000: J'son and Partners (telecommunications consulting), Adviser
- > 2000–2003: investment bank Renaissance Capital, Telecommunications Analyst
- > 2003–2004: investment bank Trust, Vice President, Stock Market Research Department
- > 2004–2006: MTS PJSC, Director, Scheduling and Analysis Department, Sales and Subscriber Service Unit
- > 2006–2008: MTS PJSC, Director, Regional Management Department
- > 2008–2011: MTS PJSC, Deputy Director, Business Unit Russia for Regional Development and Operations Support
- > 2011–2017: MTS PJSC, Director, Consumer Market Marketing
- > 2017–2019: MTS PJSC, Management Board Member, Vice President for Marketing
- > 2019–2020: MTS PJSC, First Vice President for Customer Experience and Marketing, Management Board member
- > 2020 till present: MTS PJSC, First Vice President for Client Experience, Marketing and Ecosystem Development, Member of the Management Board

Board of Directors member in RTK JSC, MTS Armenia CJSC, MDTZK LLC, KS LLC, ORK JSC, MTS Bank PJSC.

Member of the Management Board of MTS PJSC since 2017.

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



Ilya Valentinovich Filatov

Management Board member, Vice
President for Financial Services

Born in 1976 in Klin.

In 1998 he graduated from the Moscow State Academy of Water Transport, in 2009 he received an MBA degree from the Higher School of International Business Economics at the Academy of National Economy under the Government of the Russian Federation.

Professional experience:

- > 2005–2014: BANK URALSIB PJSC, held managerial positions, incl. the position of Deputy Chairman of the Management Board of the Bank since 2008.
- > 2014–2015: MTS-Bank PJSC, First Deputy Chairman of the Management Board
- > 2015 till present: MTS-Bank PJSC, Chairman of the Management Board
- > 2019 till present: MTS PJSC, Management Board member, Vice President for Financial Services

Board of Directors member in MTS-Bank PJSC, RTK JSC, East-West United Bank SA and other companies.

Member of the Management Board of MTS PJSC since 2019.

As of December 31, 2019, he owned ordinary registered shares in MTS PJSC in the amount of 0.12% of the shares.



Valery Viktorovich Shorzhin

Management Board member, Vice President for Cloud and Digital Solutions (powers terminated on December 31, 2019)

He was born in 1963 in Ulyanovsk.

In 1986 he graduated from Bauman MSTU.

Professional experience:

- > 1993–1996: Tveruniversal Bank JSCB, Department of Bank Technologies Automation
- > 1996–2000: STsS Sovintel, Communication Engineer, Head of the Traffic Analysis and Control Group, Director of the Network Control and Development Department
- > 2000–2006: STsS Sovintel, IT Director
- > 2006–2008: Farlep-Invest (Ukraine), IT Director and Chief Technical Officer
- > 2008–2011: MTS PJSC, IT Director
- > 2011–2014: MTS PJSC, Director of the Procurement Department
- > 2014–2018: MTS PJSC, Management Board Member, Vice President for Procurement and Administration
- > 2018–2019: MTS PJSC, Management Board member, Vice President for Digital Business Solutions
- > 2019–2019: MTS PJSC, Management Board member, Vice President for Cloud and Digital Solutions

Board of Directors member in NVision Group JSC, IT-GRAD 1 CLOUD LLC.

He was elected in the Management Board of MTS PJSC for the first time in 2009; he was reelected in the Management Board in 2011.

As of December 31, 2019, he owned ordinary registered shares in MTS PJSC in the amount of 214,913 shares.



Dmitry Aleksandrovich Khomchenko

Management Board member, Vice
President for Information Technology

He was born in 1976 in the town of Svobodny, Amur Region.

In 1998 he graduated from Amur State University, majoring in Economics Information Systems.

Professional experience:

- > 2001–2004: ASS CJSC, head of IT Department
- > 2004–2011: MTS PJSC, head of IT operation divisions in the Macroregions of the Urals and the South
- > 2011–2014: MTS PJSC, Director for Information Technology Operations
- > 2014–2019: MTS PJSC, IT Director
- > 2019 till present: MTS PJSC, Management Board member, Vice President for Information Technology

Chairman of the Supervisory Board of NVision Chech Republic a.s., and NVision Chech Republic ICT a.s., Chairman of the Board of Directors in STS JSC.

Member of the Management Board of MTS PJSC since 2019.

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



Tatyana Sergeevna Chernysheva

Member of the Management Board — Vice-President, Human Resources

She was born in 1977 in St. Petersburg.

In 2000 she graduated from the Department of Management of St. Petersburg

Professional experience:

- > 2004–2016: held the position of HR Director in Russian representative offices and branches of the companies: Lamoda Group, Alliance Healthcare, Danone Group, and Johnson & Johnson.
- > 2016–2017: LSR Group PJSC, Deputy General Director for HR Policy and Organizational Development
- > 2016–2017: own projects in the field of HR consulting
- > 2017–2019: Spencer Stuart International, headed the practice of leadership development in the Moscow office of the consulting company
- > 2019 till present: MTS PJSC, Management Board member, Vice President for Human Resources

Member of the Management Board of MTS PJSC since 2019.

As of December 31, 2019, she did not own shares in MTS PJSC (directly/indirectly).

Events after the reporting date

1. Appointment of Dmitry Aleksandrovich Khalin as a member of the Management Board, Vice President for Cloud and Digital Solutions of MTS PJSC ¹.

On November 20, 2019, the Board of Directors of MTS PJSC decided to elect Dmitry Aleksandrovich Khalin to the position of a member of the Management Board, Vice President for Cloud and Digital Solutions of MTS PJSC from January 1, 2020.

By the Decision of the Board of Directors of MTS PJSC, the quantitative composition of the Management Board of MTS PJSC from January 1, 2020, was decided as 11 members as follows:

2. Aleksey Valerievich Kornya – Chairman of the Management Board, MTS PJSC
3. Inessa Galaktionova
4. Aleksandr Evgenievich Gorbunov
5. Ruslan Sultanovich Ibragimov
6. Andrey Mikhailovich Kamensky
7. Igor Nikolaevich Mishin
8. Vyacheslav Konstantinovich Nikolaev
9. Ilya Valentinovich Filatov
10. Dmitry Aleksandrovich Khalin
11. Dmitry Aleksandrovich Khomchenko
12. Tatyana Sergeevna Chernysheva

\\ Key Competences of the Management Board Members

Member of the Management Board	Duration of work as Management Board Member	Key competences								
		Strategy	Finance and Auditing	Industry Specialization (telecom)	Marketing	Legal Matters and Corporate Governance	Risk Management	Risk Management	M&A	GR/IR
A. V. Kornya	11 years (from September 2008)	●	●	●	●	●	●	●	●	●
I. Galaktionova	1 year (from February 2019)	●		●	●		●	●	●	●
A. E. Gorbunov	2 years (from April 2018)	●		●		●			●	
R. S. Ibragimov	12 years (from April 2007)	●		●		●	●	●	●	●
A. M. Kamensky	2 years (from April 2018)	●	●	●			●	●	●	●
I. N. Mishin	1 year (from September 2019)	●			●	●	●	●		●
V. K. Nikolaev	3 years (from July 2017)	●		●	●		●	●	●	●
I. V. Filatov	1 year (from August 2019)	●	●	●	●	●	●	●	●	●
V. V. Shorzhin	5 years (from March 2014)	●		●	●		●	●		
D. A. Khomchenko	1 year (from August 2019)	●		●			●	●		
T. S. Chernysheva	1 year (from August 2019)	●				●	●	●	●	

¹ <http://ir.mts.ru/about-mts/corporate-governance/company-documents/default.aspx>

WORK OF MANAGEMENT BOARD

Over the previous year, 2019, the Management Board held 24 meetings: 20 in-person meetings and 4 meetings in the form of absentee voting.

\\ Participation of Management Board Members in Meetings of the Management Board in 2019

Member of the Management Board	In-person meetings	In-absentia meetings
I. Galaktionova ¹	16/16	3/3
M. N. Golyandrina ²	15/19	3/3
A. E. Gorbunov	18/20	4/4
K. A. Dmitriev ³	10/12	2/2
I. A. Egorov ³	12/12	2/2
R. S. Ibragimov	14/20	4/4
A. M. Kamensky	16/20	4/4
A. V. Kornya	20/20	4/4
V. K. Nikolaev	19/20	3/4
I. N. Mishin ⁴	2/6	2/2
A. G. Smelkov ⁵	7/8	2/2
A. E. Ushatsky ⁶	7/12	2/2
I. V. Filatov ⁷	4/8	2/2
D. A. Khomchenko ⁷	8/8	2/2
T. S. Chernysheva ⁸	2/2	1/1
V. V. Shorzhin ⁹	17/20	4/4

* According to information available in the Company, in 2018 the members of the Management Board announced four situations of a conflict of interest (COI) – two situations of actual COI and two situations of potential COI. Currently, all situations are resolved in accordance with the Conflict of Interest Management Policy approved in the Company.

**The Company did not grant loans (credits) to the President and Management Board in 2019. No claims were raised against the president and management board members of the Company.

Significant Issues Considered at the Meetings of the Management Board of MTS PJSC in 2019

1. Preliminary consideration of materials for the meetings of the Board of Directors of MTS PJSC.
2. Controlling reports on MTS Group for the fourth quarter of 2018 and 2018, I–III quarters of 2019.
3. Review of reports on implementation of functional strategies of MTS Group for 2018 in the field of marketing, sales and services, technology and IT, personnel management, procurement, corporate security and regime, public relations, compliance, corporate social responsibility, and regulatory risk management.
4. Performance of MTS Group in 2018.
5. Results of the rating of MTS PJSC, subsidiaries and branches of MTS PJSC in 2018.
6. Strategy for MTS PJSC operation in the capital markets for 2019–2021.
7. Creation of a venture investment area in MTS PJSC.
8. Plan for MTS PJSC participation in the Digital Economy program and implementation of projects under the program.
9. System of bonuses for employees of MTS PJSC for 2019.
10. Corporate MBA program for MTS Group managers in 2019.
11. Approval of the Regulation on the branch of MTS PJSC in the Trans-Baikal Territory in new revision.
12. Approval of MTS IT LLC reorganization in the form of STS JSC acquisition.
13. IT-GRAD 1 Cloud LLC reorganization in the form of the acquisition of Enterprise Cloud LLC.

¹ She was elected a Management Board member on February 7, 2019.

² The powers of this Management Board member were terminated on November 22, 2019.

³ The powers of this Management Board member were terminated on July 31, 2019.

⁴ Elected a management board member on September 10, 2019.

⁵ The powers of this management board member were terminated on April 30, 2019.

⁶ The powers of this management board member were terminated on July 31, 2019.

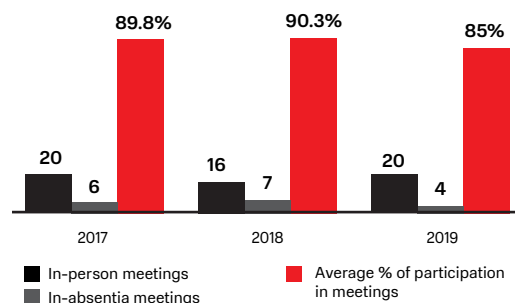
⁷ Elected a management board member on August 1, 2019.

⁸ Elected a management board member on November 27, 2019.

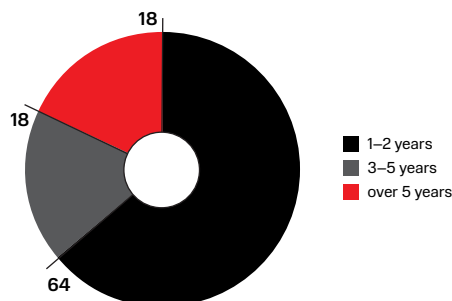
⁹ The powers of this management board member were terminated on December 31, 2019.

14. Termination of MTS PJSC participation in the RUSBRAND Association of Brand Manufacturers.
15. Participation of MTS PJSC in the “Donor Forum” Association of Grant Organizations.
16. Participation of MTS-Bank PJSC in non-commercial organizations.
17. Strengthening the strategic role of the Board of Directors of MTS PJSC: impact on the practices of the Management Board.
18. Approval of the technological strategy of MTS Group for 2020–2022.
19. Approval of the business plan of MTS Group for 2020 to 2022.
20. Approval of the work plan of the Management Board of MTS PJSC for 2020.

Statistics of the Management Board’s performance for 2017–2019



Duration of work in the Management Board, %



REMUNERATION OF MANAGEMENT BOARD MEMBERS AND TOP EXECUTIVE OFFICERS

PRINCIPLES OF REMUNERATION OF MANAGEMENT BOARD MEMBERS AND SENIOR OFFICIALS

A contract is entered into with every Management Board member, which defines labor terms, the procedure for deciding the amount of remuneration, terms of compensation of expenses connected with execution of duties of the Management Board member and contract termination procedure. The contract is signed on behalf of the Company by the Chairperson of the Board of Directors of the Company or by a person authorized by the Board of Directors. The Board of Directors is entitled at any time to terminate the contract with a member of the Company’s Management Board. The terms and conditions of the contract shall be approved by the Board of Directors of the Company.

Remuneration of senior officials is fixed and calculated based on the Policy for labor payment of employees of MTS PJSC and meets the following principles:

- > observation of fairness and competitiveness of remuneration;
- > connection of remuneration with personal contribution and final work results in the Company in general; and
- > motivation for achievement of target business development parameters in accordance with strategic development installations approved by the Board of Directors.

The system of remuneration to senior officials includes elements of base remuneration and variable premium part:

- > Base remuneration – monthly official salary.
- > Short-term motivation system is an annual premium paid for fulfilment of key performance indicators (“KPI”) fixed in general for the Company for a corresponding reporting period as well as for fulfilment of functional individual tasks defined by the Board of Directors.
- > The long-term material incentive program is aimed at increasing the Company’s shareholder value as well as preserving long-term labor and corporate relations between the Company and its management.
- > Variable part of remuneration is determined by the results of the Company’s business in the reporting period in accordance with the Company’s internal regulations and approved by the Company’s Board of Directors.