

# MAIL.RU GROUP LIMITED

## BOARD CHARTER

### 1. Purpose and introduction

The purpose of this Charter is to guide the Board of Directors (the “**Board**”) of Mail.ru Group Limited (“**Mail.ru**”) in fulfilling its corporate governance duties and strategic leadership of Mail.ru and its subsidiaries (the “**Group**”).

The Board is the focal point for and custodian of the corporate governance system. The Board is accountable and responsible for the performance and affairs of the companies. Delegating authority to Board committees or management does not in any way mitigate or dissipate the discharge by the Board of its duties and responsibilities.

The directors must act honestly and in good faith and, as a whole, the Board must act in the best interests of Mail.ru. In addition, each director must exercise his or her powers for a proper purpose and shall not act, or agree to Mail.ru acting, in a manner that contravenes BVI legislation or Mail.ru’s Memorandum of Association and Articles of Association. The directors appreciate that strategy, risk, performance and sustainability are inseparable.

The Board may be assisted by its committees in fulfilling its duties.

### 2. Composition of the Board

Mail.ru’s Board shall consist of 2 independent, non-executive directors lending a broader view to the Group’s activities, and executive directors, with their intimate knowledge of the business.

The majority of the Board consists of non-executive directors.

Non-executive directors classified as ‘independent’ undergo an evaluation of their independence by the remuneration committee prior to their re-election by the Board.

### 3. Responsibilities of the Board

The Board is responsible for:

- Determining Mail.ru’s vision, mission and key objectives.
- Determining the Group’s values and incorporating them into the code of ethics and code of conduct; ensuring that compliance with the codes is integrated into the operations of the Group.
- Providing Mail.ru with the strategic direction and adopting the strategic plans (such strategies and plans being expected to originate in the first instance from the management).
- Mail.ru’s social, environmental and financial performance.
- Identifying and monitoring compliance with key applicable laws, rules, codes and standards.

- Approving the annual business plan and budget compiled by management, for implementation by management taking cognisance of sustainability aspects in long-term planning.
- Retaining full and effective control over the Group and monitoring management in the implementation of the approved annual budget and business plan as amended from time to time.
- Appointing the Managing Director who is accountable to the Board, and the Chief Financial Officer, and ensuring that succession is planned.
- Overseeing the preparation of and approving (for adoption by shareholders) the Group's financial statements (as reviewed by the audit committee) and ensuring the integrity and fair presentation thereof.
- Assessing the viability of the companies and the Group on an on-going-concern basis, such evaluation to be properly recorded.
- Determining director selection (with due consideration to any shareholder arrangements) and orientation.
- Establishing committees of the Board with clear terms of reference and responsibilities, as and when appropriate.
- Defining levels of materiality and delegating specific matters with the necessary written authority to committees of the Board and management.
- Monitoring the non-financial aspects relevant to the business of the Group.
- Considering and, if appropriate, approving the declaration of dividends to shareholders (which are sanctioned by share owners when the annual financial statements are approved at the annual general meeting).
- Evaluating its own performance (as a whole), the performance and effectiveness of individual directors, management and committees of the Board.
- Determining the appropriate code of ethics to ensure the integrity of the business affairs of the companies.
- Appointing the chairman of the Board and its committees.
- Ensuring that the companies govern risk adequately through structured, appropriate and effective enterprise-wide risk management systems and processes which allow the Board to set tolerance levels from time to time.
- Ensuring that there is an effective risk-based internal audit, which allows the Board to report on the effectiveness of the companies' system of internal controls.

#### **4. Board leadership**

The Board provides effective leadership and vision aiming to enhance shareholder value and ensure long-term sustainable development and growth of the companies for the benefit of all shareholders and other stakeholders over time.

#### **5. The chairman**

The Board appoints from its directors a chairman. The chairman is appointed by the Board annually after evaluating his/her independence and considering factors that may impair his/her independence. With regard to the chairman sitting on other committees:

- The chairman may not be a member of the audit committee, but he may attend committee meetings by invitation.
- The chairman may not chair the remuneration committee, but may be a member of it.

The responsibilities of the chairman are as follows:

- Presides over shareholders' meetings. Presides over Board meetings and acts as a facilitator to ensure a sound flow of opinions. The chairman ensures that adequate time is scheduled for discussions and that they lead to logical and acceptable conclusions.

- Provides overall leadership to the Board without limiting the principle of collective responsibility for Board decisions, while at the same time being aware of individual duties of Board members.
- Is responsible for maintaining regular dialogue with the Group's chief executive on operational matters and consults on an on-going basis with other Board members on any matter of concern to him/her, including managing conflicts of interests.
- Participates in the selection of independent directors to the Board.
- Arranges for new directors appointed to the Board to be properly inducted and oriented.
- Reviews the Board's self-evaluation report prepared by the remuneration committee.
- Determines, in conjunction with the chief executive and Company Secretary, Board agendas.
- Acts as an informal link between the Board, chief executive and management.
- Ensures all directors play a full and constructive role in the affairs of Mail.ru.
- The chairman, assisted by the Board and its committees, ensures the integrity and effectiveness of the governance process.
- Monitors how the Board works together and how individual directors perform and interact at meetings. The chairman meets with directors annually to evaluate their performance.

In the absence of the chairman, or where he/she is unable to preside for whatever reason, a non-executive director, nominated by the Board, temporarily assumes all duties and responsibilities of the chairman.

The Board member appointed in this manner maintains close contact with the chairman, keeping him/her informed about relevant matters.

## 6. The Managing Director

The Board executes Mail.ru's governance functions through the Managing Director, subject to the limitations set forth in the Mail.ru's Memorandum of Association and Articles of Association. The Board appoints the Managing Director. The remuneration committee determines the conditions of his/her employment contract.

The Managing Director implements the policies and strategies adopted by the Board. He/she is accountable to the Board for the execution of the risk management process. All Board authority conferred on management is delegated through the Managing Director, in line with the approved levels of authority for the Group. The Managing Director is required to act within the levels of authority delegated to him/her by the Board.

The Board, in conjunction with the Managing Director, agrees about actions required to achieve Mail.ru's goals. This will usually take the form of the approved annual business plan and budget for the Group.

Decisions by the Board are binding on the Managing Director. The Managing Director reports to the Board on the achievement of the Mail.ru's goals. The Managing Director will consult with the chairman of the Board about the appropriateness of taking directorships outside of the Group.

The functions and responsibilities of the Managing Director include:

- Developing the Group's strategy for consideration and approval by the Board.
- Developing and recommending to the Board yearly business plans and budgets that support the Group's long-term strategy.
- Monitoring and reporting to the Board about the performance of the Group.
- Establishing an organisational structure for the Group, which is necessary to enable execution of its strategic

planning.

- Recommending/appointing the executive team and ensuring proper succession planning and performance appraisals take place.
- Ensuring that the Group complies with relevant laws, corporate governance principles, business ethics and appropriate best practice and if not, that the failure to do so is justifiably explained.

## 7. Meetings

The Board meets regularly, at least three times a year and more frequently as circumstances require. If required, non-executive directors have access to management through the chairman. The Board has unrestricted access to company's information, records, documents and property, unless otherwise is explicitly provided by the applicable law. Directors must be informed properly and promptly about meetings.

## 8. Conflicts of interest

Board members and members of the committees of the Board must recuse themselves from discussions and decisions in which they have an interest. For the avoidance of doubt and without prejudice to the relevant provisions of the Articles of Association of the Company, no agreement or transaction between Mail.ru and one or more of its directors or any person in which any director has a financial interest or to whom any director is related (including as a director of that other person) shall be void or voidable for this reason only or by reason only that the director is present at the meeting of directors or at the meeting of the committee of directors that approves the agreement or transaction or that the vote or consent of the director is counted for that purpose, provided that the material facts of the interest of each director in the agreement or transaction and his interest in or relationship to any other party to the agreement or transaction are disclosed in good faith or are known by the other directors.

## 9. Levels of authority

The Board determines and approves from time to time the levels of authority for the Managing Director, subject to the provisions of Mail.ru's Memorandum of Association and Articles of Association. The audit committee of the company monitors compliance with these levels of authority.

## 10. Remuneration

Directors are reimbursed for travelling, subsistence and other expenses properly incurred by them in the execution of their duties in connection with the business of the company. Directors are not allowed to have personal loans with Mail.ru.

## 11. General

In case of any discrepancies between the Company's Memorandum of Association and Articles of Association and this Charter, provisions of the Memorandum of Association and Articles of Association shall prevail.