CODE
of Corporate Governance
of KAMAZ Publicly Traded Company

1. INTRODUCTION

1.1. KAMAZ Publicly Traded Company (hereinafter referred to as the "Company") is a publicly traded company incorporated in compliance with the applicable law of the Russian Federation.

The Company is involved in the following types of key activities:

- Manufacture of trucks;
- Manufacture of internal combustion engines for vehicles;
- Manufacture of parts and accessories for vehicles and their engines;
- Manufacture of metallurgical products and metal products.

1.2. The Company adopts this Code of Corporate Governance (hereinafter referred to as the "Code"), whereby declaring its commitment to high standards of corporate governance.

1.3. In its activities, the Company ensures the efficient defense of rights and interests of its shareholders, fair treatment of shareholders, transparency of decisions made, professional and ethical responsibility of members of the Board of Directors of the Company, officials of the Company and shareholders of the Company, as well as high level of information transparency and ongoing improvement of corporate governance practices.

1.4. As used herein, corporate governance means a concept that covers the system of relationship between the executive bodies of the Company, the Board of Directors, shareholders and other stakeholders. Corporate governance is a tool used to set the goals of the Company and to determine means of attaining these goals, as well as to ensure the effective control over activities of the Company by shareholders and other stakeholders.

1.5 The main goals of the Company in terms of corporate governance include establishment of the efficient system for safeguarding the resources provided by the shareholders of the Company and their efficient use, increase of the investment attractiveness of the Company and value of its shares.

1.6. This Code is a set of principles in the field of corporate governance, taken into account by the Company in carrying out its business operations. The Code was developed in accordance with the applicable law of the Russian Federation, the Charter of the Company and the internal documents of the Company, taking into account the Code of corporate governance recommended by the Bank of Russia for adoption by joint stock companies with listed securities (Letter of the Central Bank of the Russian Federation No. 06-52/2463 dated April 10, 2014 "On the Code of Corporate Governance"), standards of business conduct and compliance.

1.7 The Code includes extra obligations in the field of corporate governance voluntarily taken by the Company and is focused on the following:

- to determine the principles and approaches, the compliance with which will make it possible to increase the investment attractiveness of the Company for investors;
- to take into account and to present the approaches and expertise that have been developed over the past years in the form of best practices;
- to reassure that the Company's intention is to strictly follow the regulations and requirements of the applicable law.

1.8. In the event of a collision between the provisions of the internal documents which regulate the activities of the Company's governing bodies and this Code, the provisions of the internal documents which regulate the activities of the Company's governing bodies shall apply.

2. PRINCIPLES OF CORPORATE GOVERNANCE

2.1. The trust relationship between all participants in the corporate governance process is the basis of efficient operations and investment attractiveness of the Company. The principles of corporate governance are aimed at creating and maintaining a climate of trust in relations arising in connection with the Company management.

2.2. The principles of corporate governance are the fundamentals underlying the formation, functioning and improvement of the corporate governance system of the Company.

2.3. The principles of corporate governance set forth in this chapter of the Code are the basis for the provisions contained in the subsequent chapters of the Code, as well as the fundamentals that should be followed in the absence of such provisions.

2.4 The company assumes the obligation to be guided by the following principles of corporate governance in its activities:

- Respect for the rights and legitimate interests of the corporate players;
- Equal and fair treatment of all shareholders during their exercise of the right to participate in the Company management, including profit sharing by means of distribution of dividends;
- Preventing shareholders from actions aimed at abuse of their rights, inflicting damage to the Company or other shareholders;
- Providing reliable and efficient procedures of asserting share rights for shareholders as well as opportunity of free and unhindered disposal of shares owned by them.
- Establishment of an efficient and professional management body of the Company, i.e. the Board of Directors of the Company, accountable to shareholders of the Company and acting in good faith and reasonably to the benefit of theCompany and its shareholders;
- Availability of efficiently functioning risk management and internal control system aimed at provision of reasonable assurance in attainment of goals set in the Company;
- Ensuring information and financial transparency, including disclosure of complete and reliable information about the Company, its financial standing, economic performances, ownership and management structure in order to enable the General Meeting of Shareholders and investors to make the informed decisions;
- Creating, maintaining and, if necessary, improving the system of appropriate procedures and controls to counter involvement of the Company in corrupt activities and unlawful use of the essential non-public (insider) information;
- Undertaking significant corporate actions based on reasonable and fair consideration of interests of stakeholders and ensuring the balance of their rights;
- Compliance with standards of business conduct;
- Following best corporate social responsibility practices.

3. RIGHTS OF SHAREHOLDERS AND EQUITABLE TREATMENT OF SHAREHOLDERS IN EXERCISE OF THEIR RIGHTS

3.1. The Company shall strive to create maximum favorable opportunities for shareholders for participation in the General Meeting of Shareholders of the Company, formulation of substantiated opinion on items of agenda of the General Meeting of Shareholders of the Company, coordination of their activities as well as for expression of their opinion on items under consideration.

3.2. The procedure for convening, preparing and holding the General Meeting of Shareholders of the Company is set forth in the Regulations on the General Meeting of Shareholders of the Company, posted on the official website of the Company.

3.3. The Company shall make arrangements for implementation of the proper procedure for sending notices to shareholders of the General Meeting of Shareholders of the Company and for

submission of materials for the General Meeting of Shareholders of the Company, which would enable the shareholders to properly and adequately prepare for participation in such a meeting.

3.4. The Company shall make arrangements for timely preparation and posting of materials for the General Meeting of Shareholders of the Company on the official website of the Company in Russian and English, thus, providing stakeholders with access to the materials.

During preparation for the General Meeting of Shareholders of the Company, the Company shall organize conduct and moderation of an Internet forum through which interaction with shareholders and other stakeholders is arranged concerning the issues considered by the General Meeting of Shareholders of the Company, and through which shareholders may exercise their rights.

3.5. When preparing the General Meeting of Shareholders of the Company, the Companyshall ensure inclusion in the notice of the meeting of sufficient information necessary for shareholders to decide on participation in the General Meeting and on the way of such participation, including the following:

– The exact venue of the General Meeting of Shareholders of the Company, including information about the premises where it will be held;

– Information about documents to be provided for admission to the premises where the General Meeting of Shareholders of the Company will be held;

– Other information, which, based on the subject matter of the issues on the agenda, may be important for shareholders to make decisions.

3.6. In preparing the General Meeting of Shareholders of the Company, the Company shallprovide necessary organizational and technical conditions enabling the shareholders to put questions to members of the executive bodies of the Company and the Board of Directors of the Company: in particular, the Company shall post on the official website a list of the most frequently asked questions of shareholders, as well as answers to them, post contact details of the Corporate Secretary of the Company and other persons responsible for interacting with shareholders of the Company on issues related to preparations for the General Meeting of Shareholders of the Company.

3.7. In order to increase reasonableness of decisions taken by the General Meeting of Shareholders, in addition to the statutory materials, the Company shall additionally provide the following materials to shareholders in cases where relevant issues are included on the agenda of the General Meeting of Shareholders of the Company:

– Information about the nominated auditor of the Company, sufficient to get an idea of its competency and independence, including the name of the self-regulatory organization of auditors, of which the nominated auditor is a member, description of procedures used in selecting an external auditor that ensure their independence and impartiality, as well as information on the proposed remuneration of the external auditor for audit and non-audit services (including information on compensation payments and other expenses arising fromengagement of the auditor) and other essential conditions of contracts entered into with the auditor of the Company;

– Opinion of the Board of Directors of the Company regarding the agenda of the General Meeting of Shareholders, as well as special opinions of members of the Board of Directors of the Company on each item on the agenda;

– Information on who proposed each issue on the agenda of the General Meeting of Shareholders of the Company;

– Details of the results of appraisal of the market value of assets contributed as payment for additional shares placed by the Company, as well as assets and/or shares of the Company, if such an appraisal was carried out by an independent appraiser, or other information enabling the shareholder to form a judgment about the real value of the said assets and changes in the value;

– When making decisions on increasing or decreasing the authorized capital, approving major transactions and related party transactions, the Company shall justify the need for making

relevant decisions and explanation ofconsequences for the Company and its shareholders in case of adoption such decisions;

– When making amendments to the Charter of the Company and its bylaws, the Company shall provide tables comparing text of the amendments with the text of the current version, justification of the need for making relevant decisions and explanation ofconsequences for the Company and its shareholders in case of adoption such decisions;

– When approving the related party transactions, the Company shall provide the list of persons recognized as related parties in the transaction, indicating the grounds on which such persons are recognized as related parties;

– Information sufficient to get an idea of personal and professional qualities of the nominated members of the Board of Directors of the Company and other bodies of the Company, including information on their experience and background, as well as on their compliance with the requirements for members of Company bodies, if such requirements are established by the applicable law of the Russian Federation. If an issue is considered about transfer of powers of the sole executive body of the Company to a management company or a manager, the Company shall provide relevant information about such management company (including information about its affiliation with persons controlling the Company) or manager;

– Recommendations given by the Board of Directors of the Company in respect of the size of dividends paid on shares of the Company and the procedure for their payment, justification of the proposed distribution of net profit and assessment of its compliance with the dividend policy adopted by the Company, also with regard to payment of dividends and allocation of net profit for the Company's own needs, providing explanations and economic justification of the need to allocate a certain part of the net profit for the Company's own needs;

– Information on corporate actions that resulted in impairment of the dividend rights of shareholders and/or dilution of their shares;

– Results of appraisal of the nominated members of the Board of Directors of the Company conducted by the HR and Remuneration Committee of the Board of Directors of the Company, information on compliance of candidates with independence criteria.

3.8. Proposals on inclusion of issues on the agenda of the annual General Meeting of Shareholders of the Company and on nomination of candidates to the Board of Directors and the Audit Committee of the Company shall be made by shareholders within 60 days after the end of the financial year. The number of candidates to be elected to each body in one proposal for nomination of candidates shall not exceed the number of members of the relevant body, determined in the manner prescribed by the Charter of the Company.

3.9. If there are typing mistakes or insignificant defects in the shareholder’s proposal with regard to issues to be included on the agenda of the annual General Meeting of Shareholders of the Company, in the proposal on nomination of candidates and/or in the request to study the materials for the General Meeting of Shareholders of the Company, this shall not be deemed to be an obstacle for inclusion of the proposed issue on the agenda or inclusion of the nominated candidate to the list of persons to be elected to relevant body of the Company, as well as for submission of materials, if content of the proposal/request make it possible to establish the will of the shareholder and verity its right to submit proposals, except as otherwise provided by law.

If there are significant defects in the shareholder’s proposal, the Company shall inform the shareholder in advance to provide him/her with an opportunity to correct them before the Board of Directors makes a decision on approval of the agenda of the General Meeting of Shareholders and of the list of candidates to be elected to relevant bodies of the Company.

3.10. The most favorable conditions shall be created for shareholders to participate, including registration, in the General Meeting of Shareholders of the Company. The Regulations on the

General Meeting of Shareholders of the Company provides for an exhaustive list of documents to be submitted to the Counting Board for registration.

3.11. The functions of the Counting Board of the Company shall be performed by the registrar (holder of register of shareholders of the Company), an organization, which is a professional securities trader with a license to conduct activities of keeping a register of securities owners).

3.12. The number of persons carrying out registration and the time allotted for registration shall be sufficient to allow all shareholders who wish to participate in the General Meeting of Shareholders of the Company to get registered.

3.13. When exercising the functions of the Counting Board, the registrar shall be guided by the applicable law, the Charter and the Regulations on the General Meeting of Shareholders of the Company.

The Company, together with the Registrar, shall create systems that enable remote participation in voting by electronic means.

3.14. Resolutions adopted by the General Meeting of Shareholders of the Company and the voting results shall be brought to the attention of persons included in the list of persons entitled to participate in the General Meeting of Shareholders of the Company in the form of a report on the voting results according to the procedure and on conditions established by the regulatory legal acts of the Russian Federation. The Company shall make arrangements to post the minutes of the General Meeting of Shareholders of the Company on the official website of the Company.

3.15. The General Meeting of Shareholders of the Company shall be held in such a way as to provide shareholders the opportunity to adopt informed and reasonable resolutions on all issues on the agenda. To this end, at the General Meetings of Shareholders held in the form of joint attendance, sufficient time shall be allowed for making reports on the agenda issues as well as time for discussion of such issues.

3.16. The Company shall make arrangements to ensure attendance by members of the executive bodies of the Company, members and nominated members of the Board of Directors of the Company, members and nominated members of the Audit Committee of the Company, representatives of Auditor of the Company, of the General Meeting of Shareholders of the Company, held in the form of joint presence, to the intent that such persons could answer the questions the shareholders may ask during the General Meeting of Shareholders of the Company.

3.17. Members of the General Meeting of Shareholders of the Company shall have the opportunity to freely communicate and consult with each other on voting at the General Meeting of Shareholders of the Company, without violating the procedure for conducting the General Meeting of Shareholders of the Company.

3.18. The Company shall use telecommunications facilities to provide remote access for shareholders to participate in the General Meeting of Shareholders of the Company by broadcasting the General Meeting of Shareholders of the Company on the official website of the Company on the Internet.

3.19. The procedure for determining and paying dividends is set forth in the internal document of the Company, i.e. the Regulations on Dividend Policy. This procedure makes it possible to determine the amount of dividends and their payment arrangement in a transparent manner. In case of making amendments to the Regulations on Dividend Policy, the Company shall provide shareholders with detailed explanations of the reasons and prerequisites for making such an amendment. The Company shall disclose the Regulations on Dividend Policy on the official website of the Company on the Internet.

3.20. The award of dividends enables the shareholder to receive comprehensive information regarding the amount of dividends paid on shares.

3.21. The Company shall provide conditions for fair treatment of every shareholder by management bodies and controlling parties of the Company, including conditions ensuring

inadmissibility of use of abusive practices by majority shareholders in relation to minority shareholders.

3.22. Protection of property of shareholders andprovision of guarantees for free disposal of shares owned by them are ensured by:

– The Company's choice of a reputable registrar,possessing well-established and reliable technologies that make it possible to organize registration of property rights and to ensure exercise of rights of the shareholders in the most efficient way;

– Carrying out of actions, together with the registrar, aimed at updating the information on shareholders contained in the register of shareholders.

4. BOARD OF DIRECTORS OF THE COMPANY

4.1. The Board of Directors of the Company shall carry out strategic management of the Company, determine the main principles and approaches to arrangement of risks management and internal control system in the Company, controls activities of executive bodies of the Company, and fulfill other key functions.

4.2. The Board of Directors of the Company shall ensure the establishment of efficiently operating executive bodies and a system of effective control over their activities, be responsible for making timely and reasonable executive bodies personnel decisions, including early termination of powers of their members.

4.3. In order to ensure preliminary preparation and a better and quicker consideration of issues submitted for consideration by the Board of Directors of the Company, to increase the efficiency of interaction with the Company management in the course of fulfillment of the assigned tasks, to monitor the implementation of decisions made, the Board of Directors of the Company shall establish the Budget and Audit Committee of the Board of Directors of the Company and the HR and Remuneration Committee of the Board of Directors of the Company.

4.4. The Board of Directors of the Company shall monitor the implementation of the Strategy and Business Plan of the Company by the executive bodies of the Company on a regular basis. The Board of Directors shall hold a meeting dedicated to issues of the Strategy, the status of its implementing and updating at least 1 (once) a year.

4.5. Members of the Board of Directors of the Company may participate in the development and updating of the Strategy of the Company, and, if necessary, also of the key initiatives (projects) of the Company.

4.6. The Board of Directors of the Company shall exercise control to ensure that the Strategy and Business Plan of the Company contain clear criteria, most of which shall be expressed by quantitatively measurable indicators, as well as interim performance benchmarks. The Board of Directors of the Company shall monitor the implementation of the Strategy and Business Plans on a regular basis in accordance with the specified criteria and indicators, the Business Plan of the Company, developed and submitted by the executive bodies of the Company on annual basis approve.

4.7. The Board of Directors of the Company shall establish the approaches and principles for organizing risk management in the Company, including by means of approving the Policy in the field of risk management and internal control of the Company.

4.8. The Management Board of the Company shall evaluate both financial and non-financial risks, and also determine an acceptable level of risks for the Company.

4.9 The Director Generalof the Company, at least once a year, shall report to the Board of Directors of the Company on the establishment and functioning of the risk management system and internal control system, and it shall be also responsible for its effective functioning.

4.10. The General Meeting of Shareholders of the Company shall determine the Company's policy on remuneration and/or reimbursement of expenses (payment of compensations) of members of the Board of Directors of the Company. The size and procedure for payment of remuneration and compensation to members of the Board of Directors of the Company shall be established by the General Meeting of Shareholders, taking into account personal contributions and the need to encourage members of the Board of Directors of the Company to achieve successful business performance.

4.11. In order to prevent corporate conflicts, the Company shall establish a system that ensures the identification of transactions of the Company made in a conflict of interest (in particular, for the personal benefit of shareholders, members of the Board of Directors of the Company, members of other bodies or employees of the Company).

4.12. The Board of Directors of the Company shall play an important role in the provision of the Company transparency, timeliness and completeness of information disclosed by the Company, free access of shareholders to the Company documents. The Corporate Secretary of the Company shall ensure the development and updating of the information policy of the Company in relation to the forms and scope of disclosed information on operations of the Company.

4.13. The Board of Directors of the Company shall ensure compliance with corporate governance principles, analyze the existing corporate governance practices of the Company, and develop proposals for their improvement.

The Corporate Secretary of the Company shall report to the Board of Directors of the Company on functioning of the corporate governance system in the Company at least once a year.

4.14. The Company shall disclose in the annual report of the Company information on the number of meetings/absentee balloting of the Board of Directors of the Company and its Committees held during the reporting year, indicating data on presence/participation of members of the Board of Directors of the Company, as well as information on the results of appraisal of performance of the Board of Directors of the Company.

4.15. Members of the Board of Directors shall have irreproachable business and personal reputation, knowledge, skills and experience required for decision-making within competencies of the Board of Directors and required for efficient implementation of their functions.

4.16. Board of Directors members shall be elected through a transparent procedure enabling shareholders to obtain information about nominated members (candidates) sufficient for getting an idea about their personal traits and competencies.

4.17. The Company shall take measures in order to timely receive a written consent from the nominated member of the Board of Directors of the Company to be elected to the Board of Directors of the Company and to act as a member of a Committee.

4.18. The materials for the General Meeting of Shareholders of the Company, which considers the election of members of the Board of Directors of the Company shall include information indicating which of the proposed candidates to be elected to the Board of Directors of the Company meets the substantive criteria of an independent member of the Board of Directors of the Company. Subject to the exceptions provided for in Clause 4.21 of this Code, a director which is not associated with the Company itself, a substantial shareholder (shareholders) of the Company, a substantial counterparty or a competitor of the Company, as well as with the government or local authorities, shall be deemed to be an independent member of the Board of Directors.Specific independence criteria are determined by the Listing Rules of Moscow Exchange PJSC.

4.19. The Board of Directors of the Company shall consist of executive, non-executive, as well as independent directors with necessary experience, knowledge and business skills to effectively perform their functions.

The Chairman of the Budget and Audit Committee of the Board of Directors of the Company is the senior independent director.

4.20. HR and Remuneration Committee of the Board of Directors of the Company, taking into account the information provided by the candidate, assesses the compliance of the nominated members of the Board of Directors of the Company with substantive independence criteria. The HR and Remuneration Committee of the Board of Directors of the Company shall also ensure regular monitoring of compliance of independent members of the Board of Directors with independence criteria and take measures to immediately disclose information on identification of circumstances due to which a member of the Board of Directors of the Company ceases to be independent. A member of the Board of Directors of the Company may be recognized as an independent director, despite the existence of any formal criteria for being related to the Company, a substantial shareholder of the Company, a substantial counterparty or a competitor of the Company, if such a connection does not affect the director's ability to make independent and reasonable decisions.

4.21. The Chairman of the Board of Directors of the Company shall ensure the efficient organization of activities of the Board of Directors of the Company and its interaction with other bodies of the Company. The Chairman of the Board of Directors of the Company shall be elected from among persons with unblemished reputation and significant experience in senior positions.

4.22. The Chairman of the Board of Directors of the Company shall make arrangements for development of a plan of activities of the Board of Directors of the Company, control the implementation of resolutions adopted by the Board of Directors of the Company, organize development of the agenda for meetings of the Board of Directors of the Company, coordinate activities of members of the Board of Directors of the Company with a view to developing the most effective decisions on issues on the agenda, and act as a guarantor of free discussion of these issues, and also ensure positive atmosphere during the meetings.

4.23. The Chairman of the Board of Directors of the Company, together with the Chairmen of the Committees shall ensure the effective performance of the Committees of the Board of Directors of the Company.

4.24. The Chairman of the Board of Directors of the Company shall ensure through the Corporate Secretary of the Company that members of the Board of Directors of the Company (Committees) are provided with all the information necessary for making informed decisions on the agenda items.

4.25. If there is a potential conflict of interest for a member of the Board of Directors of the Company, including if there is interest in entering into a transaction by the Company, such member of the Board of Directors of the Company shall notify the Board of Directors of the Company accordingly by sending a notice to the Chairman of the Board of Directors of the Company and the Corporate Secretary of the Company, based on the principle of prevailing of interests of the Company over its own interests, as well as abstain from voting on issues in relation to which it has a conflict of interest, or not be present at a meeting when this issue is discussed.

As used herein, a conflict of interest means any contradiction between the interest of the Company and personal interest of a member of the Board of Directors or the Management Board of the Company or the sole executive body of the Company, which is understood as any direct or indirect personal benefit or benefit of a third party, i.a. in view of its business, family relations, friendship or other ties and relations, holding of positions in another legal entity by it or its affiliated persons, possession of shares in another legal entity by it or its affiliated persons, contradictions between its obligations to the Company and obligations to another person.

4.26. The Company shall take measures to prevent any outside influence on a member of the Board of Directors of the Company, aimed at making such a member to commit actions (omission to act) or take a decision to the detriment of the Company. Members of the Board of Directors of the Company shall immediately inform the Chairman of the Board of Directors of the Company of the occurrence of the above circumstances.

4.27. The Company shall provide liability insurance for members of the Board of Directors of the Company to the extent required, to the effect that if losses are caused to the Company, shareholders or third parties by actions of members of the Board of Directors of the Company, such losses could be compensated.

4.28. Members of the Board of Directors of the Company shall not disclose or use confidential information about the Company and/or insider information for their personal benefit or for the benefit of third parties, which has come to their knowledge in their performance of the responsibilities as a Member of the Company's Board of Directors.

4.29. Members of the Board of Directors of the Company shall be allowed sufficient time to enable them to fulfill their duties as members of the Board of Directors of the Company, including its Committees, diligently and efficiently.

4.30. All members of the Board of Directors of the Company shall have equal right to accessdocuments of the Company (subject to restrictions provided by law).

4.31. The executive bodies and heads of the main business divisions of the Company who directlyreport to the Director General of the Company shall timely provide complete and reliable information on the issues on the agenda of meetings of the Board of Directors of the Company and at the request of any member of the Board of Directors of the Company. A member of the Board of Directors may also be provided with documents of subsidiaries of the Company on issues relevant for analysis of operations of the Company (subject to restrictions provided by law).

4.32. Members of the Board of Directors of the Company shall actively participate in meetings of the Board of Directors of the Company, including discussion of issues on the agenda of meetings and in voting on these issues, as well as in the performance of the Committees of the Board of Directors of the Company.

4.33. The Company shall provide the opportunity to hold meetings of the Board of Directors of the Company both by personal attendance and by absentee balloting. The most important issues that need detailed discussion and formulation of a balanced position of members of the Board of Directors of the Company shall be considered at meetings held by personal attendance.

4.34. Meetings/absentee balloting of the Board of Directors of the Company shall be held as necessary, as a rule, at least, 2 times a quarter and in accordance with the work schedule approved by the Board of Directors of the Company. The plan of activities of the Board of Directors of the Company contains dates and a list of planned issues to be considered during relevant meetings/absentee balloting.

4.35. The procedure for preparation and holding of meetings of the Board of Directors of the Company, enabling members of the Board of Directors of the Company to be properly prepared for the meeting, as well as the procedure for record of the written opinion on the agenda issues of a member of the Board of Directors of the Company who is absent at a meeting in presentia of the Board of Directors of the Company, shall be determined by the Charter and bylaws of the Company.

4.36. The Charter of the Company shall provide for a special procedure for adoption of resolutions by the Board of Directors of the Company on a number of key issues of the Company's activities (by special resolution, unanimous passage of a resolution).

The Chairman of the Board of Directors of the Company shall provide the opportunity to adopt resolutions taking into account the opinions of all members of the Board of Directors of the Company.

4.37. The Members of the Board of Directors may participate in the proceedings of the Board of Directors using conference call systems (audio or video conferencing facilities).

4.38The Board of Directors of the Company shall approve the internal documents defining the tasks of each Committee of the Board of Directors of the Company, its authorities, the procedure for their establishment and routine.The Company shall disclose information about the established Committees of the Board of Directors of the Company, and also make arrangements to take into the

account the recommendations adopted by the Committees when considering the relevant issues by the Board of Directors of the Company and, if necessary, it shall make a record about consideration of recommendations in the minutes of proceedings at the meeting of the Board of Directors of the Company.

4.39. The number and names of members of the Committees of the Board of Directors of the Company shall be determined in such a way as to provide the opportunity for a comprehensive discussion of previously discussed issues in order to develop effective solutions based on different opinions. The committees of the Board of Directors of the Company shall be established from among members of the Board of Directors of the Company. Regarding membership in the Committee of the Board of Directors of the Company, which is responsible for development of recommendations on audit matters, additional requirements exist to the presence of independent members of the Board of Directors of the Company.

4.40. The Chairpersons of the Committees of the Board of Directors of the Company shall inform the Chairman of the Board of Directors of the Company of the functioning of their Committees. The Chairpersons of the Committees of the Board of Directors of the Company shall act as co-speakers on the issues on the agenda of the meeting of the Board of Directors of the Company, which were the subject of preliminary consideration by the Committee of the Board of Directors of the Company. The Committees of the Board of Directors of the Company shall submit annual reports on their performance to the Board of Directors of the Company.

4.41.Assessment of performance of the Board of Directors of the Company, its Committees and members shall be carried out by the Board of Directors of the Company independently (self-assessment) in accordance with the procedure determined by the Board of Directors of the Company. Based on a decision of the Chairman of the Board of Directors of the Company, assessment of performance of the Board of Directors of the Company may be carried out with the assistance of third party consultants.

4.42.The costs of arrangement of proceedings of the Board of Directors of the Company, payment of remuneration and compensation to members of the Board of Directors of the Company shall be recognized in the budget of the Company.

If it is necessary to arrange an advanced training for a member of the Board of Directors of the Company, if there is a request of a member of the Board of Directors seeking professional advice on issues related to the competence of the Board of Directors of the Company, such an opportunity may be provided to a member of the Board of Directors of the Company by resolution adopted by the Board of Directors of the Company (based on a written request from a member of the Board of Directors of the Company addressed to the Chairman of the Board of Directors of the Company). Expenses related to financing ofprofessional advice shall be recognized as part of the costs allocated to support the activities of the Board of Directors of the Company.

4.43. A member of the Board of Directors of the Company, as well as its affiliated persons, shall not be entitled to accept gifts, other direct or indirect benefits aimed at inducing a member of the Board of Directors of the Company to make a specific economic decision.

4.44. A member of the Board of Directors of the Company shall inform the Board of Directors of the Company by notifying the Chairman of the Board of Directors of the Company and the Corporate Secretary of the Company of the number of securities of the Company, its subsidiaries and affiliates owned by the member of the Board of Directors of the Company, and its intention to conclude transactions with shares of the Company, its subsidiaries and affiliates, as well as the fact of acquisition (disposal) of such shares.

A member of the Board of Directors of the Company is not entitled to conclude transactions using insider information for personal benefit.

4.45. The agreements with members of the Board of Directors of the Company shall stipulate for their obligation not to disclose confidential or insider information of the Company within three years, respectively, after cessation of membership in the Board of Directors of the Company.

5. EXECUTIVE BODIES OF THE COMPANY

5.1. The executive bodies of the Company shall manage the day-to-day operations of the Company, they being accountable to and controlled by the Board of Directors and the General Meeting of Shareholders of the Company.

5.2. The executive bodies of the Company shall act for the benefit of the Company, that is, to manage the day-to-day operations of the Company in such a way as to ensure both the receipt of dividends by shareholders and the opportunity for development of the Company.

5.3. To achieve these goals, the executive bodies shall, first of all, be responsible for the day-to-day operations of the Company and its compliance with the Business Plan of KAMAZ PTC Group of Organizations and Strategy of the Company, as well as for the implementation of resolution adopted by the Board of Directors of the Company and the General Meeting of Shareholders, in a diligent, timely and efficient manner.

5.4 All issues of the day-to-day operations of the Company, with the exception of those falling within jurisdiction of the General Meeting of Shareholders and the Board of Directors of the Company.

5.5 The Director General and members of the Management Board of the Company may hold positions in the management bodies of other organizations only with the consent of the Board of Directors of the Company.

5.6 The Director General of the Company shall be vested with all necessary powers to carry out day-to-day management of the current activities of the Company and to resolve relevant issues that do not fall within the competence of the General Meeting of Shareholders, the Board of Directors or the Management Board of the Company.

5.7 The Director Generalshall present the point of view of the executive bodies at meetings of the Board of Directors and General Meetings of Shareholders of the Company.

5.8 The Company shall be the primary place of employment of the Director General.

5.9 The Director General and members of the Management Board of the Company, as well as their affiliated persons, shall not be entitled to accept gifts, other direct or indirect benefits aimed at inducing the Director General or member of the Management Board to make a specific economic decision.

5.10. If there is a potential conflict of interest for the Director General of the Company, including if there is interest in entering into a transaction by the Company, the Director General of the Company shall notify the Board of Directors of the Company accordingly by sending a notice to the Chairman of the Board of Directors of the Company and the Corporate Secretary of the Company, based on the principle of prevailing of interests of the Company over its own interests, as well as abstain from actions in relation to which it has a conflict of interest.

The Director General shall inform the Board of Directors of the Company by notifying the Chairman of the Board of Directors of the Company and the Corporate Secretary of the Company of the number of securities of the Company, its subsidiaries and affiliates owned by the Director General, and its intention to conclude transactions that involve shares of the Company, its subsidiaries and affiliates, as well as of the fact of acquisition (disposal) of such shares.

The Director Generalshall not be entitled to conclude transactions using insider information for personal benefit.

5.11. If there is a potential conflict of interest for the member of the Management Board of the Company, including if there is interest in entering into a transaction by the Company, such member

of the Management Board of the Company shall notify the Director General of the Company and the Corporate Secretary accordingly, based on the principle of prevailing of interests of the Company over its own interests, as well as abstain from actions in relation to which it has a conflict of interest.

Members of the Management Board of the Company shall inform the Director General of the Company and the Corporate Secretary of the Company on the number of securities of the Company, its subsidiaries and affiliates owned by the member of the Management Board of the Company, about its intention to conclude transactions that involve shares of the Company, its subsidiaries and affiliates, as well as about the fact of acquisition (disposal) of such shares.

A member of the Management Board of the Company shall be not entitled to conclude transactions using insider information for personal benefit.

5.12. The Corporate Secretary of the Company shall ensure that the Members of the Company's Board of Directors and the Compliance Service of the Company are informed of notifications of potential conflict of interest mentioned in Clauses 5.11 and 5.12 of this Code.

5.13. The agreements with Director Generals of the Company and members of the Management Board of the Company shall stipulate for their obligation not to disclose confidential and insider information of the Company within three years and one year, respectively, after the termination of employment for the Company/cessation of membership in the Management Board of the Company.

6. CORPORATE SECRETARY

6.1. There is a position of the Corporate Secretary in the Company, whose responsibilities shall include arrangement of ongoing interaction with shareholders, coordination of the Company's activities to protect the rights and interests of shareholders, support the effective work of the Board of Directors of the Company, its Committees, and the Management Board of the Company. The Corporate Secretary of the Company shall assist in build of trust in the Company on the part of shareholders, potential investors, business partners and other corporate players concerned.The basic principles of activity of the Corporate Secretary, as well as functions, appointment procedure, rights and obligations, responsibility to the Company and its management bodies shall be regulated by the Charter of the Company, the Regulations on the Corporate Secretary of the Company approved by the Board of Directors of the Company, and an agreement with the Corporate Secretary of the Company.

6.2. The Corporate Secretary of the Company shall possess knowledge, experience and qualification sufficient for performance of his/her duties as well as perfect reputation and shall be trustworthy for shareholders/Board of Directors of the Company.

6.3 In the course of performing the assigned functions, the Corporate Secretary of the Company shall be self-sustained and independent in relation to the executive bodies and senior officials of the Company, in its activities it reports directly to the Board of Directors of the Company.

6.4 A person aged 25 and over and below 65 years old, who has university legal or economic, or business education and at least two years of experience in corporate governance or management may be appointed the Corporate Secretary of the Company.

6.5 The Company shall disclose information on the Corporate Secretary of the Company on the official website of the Company on the Internet, as well as in the annual report of the Company.

6.6. In order to enable the Corporate Secretary of the Company to efficiently fulfill its duties, a special service shall be established in the Company, with the composition, structure and official duties of which determined by the Company bylaws.

6.7 The Corporate Secretary of the Company shall immediately inform the Chairman of the Board of Directors of the Company, the Director General of the Company about all facts that impede compliance with the procedures that fall within the competence of the Corporate Secretary of the Company (actions or omission to act of senior officials of the Company, the registrar of the Company, other facts that violate the procedure for preparing and holding the General Meeting of

Shareholders of the Company, meetings of the Board of Directors of the Company, disclosure (provision) of information, etc.).

7. SYSTEM OF REMUNERATION PAID TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE BODIES OF THE COMPANY

7.1. The Company shall develop an incentive program for members of the management bodies, which makes it possible to involve, encourage and ensure retention of persons who have necessary competencies, qualifications and level of professionalism.

7.2. The procedure, level and timeframe for accrual and payment of remuneration and compensation to members of the Board of Directors of the Company shall be determined by the General Meeting of Shareholders of the Company by individual decisions or as a standalone regulation.

The remuneration system for members of the executive bodies of the Company shall be established by a decision of the Board of Directors of the Company by individual decisions or as a standalone regulation. Members of the Management Board of the Company shall be deemed to be the key employees of the Company.

7.3. When creating a system of remuneration and compensation paid to members of the Board of Directors of the Company, it is necessary to take into account the complexity of the tasks facing the Company and the Board of Directors of the Company, as well as the existing trends in the field of encouragement of members of management bodies of peer public companies in Russia and foreign companies.

7.4. When developing and revising the remuneration system for members of the executive bodies of the Company, the HR and Remuneration Committee of the Board of Directors of the Company shall analyze each of the components of the remuneration system and provide appropriate recommendations to the Board of Directors of the Company.

7.5. Regulations of the Company in the field of remuneration shall contain transparent arrangements for determination of remuneration amount for members of the Board of Directors, executive bodies of the Company, as well as regulate all types of payments and compensations provided to the said persons.

7.6. Remuneration of members of executive bodies of the Company shall be determined so as to ensure a reasonable and grounded ratio between fixed and variable portion of the remuneration depending on the performance results of the Company and personal (individual) contribution of a member of the executive body into eventual outcome.

8. RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM

8.1 The Board of Directors of the Company shall determine principles and approaches to organization of the risk management and internal control system in the Company.

8.2. The Budget and Audit Committee of the Board of Directors of the Company shall assist the Board of Directors of the Company in the field of monitoring the effectiveness of the risk management system, developing recommendations for improving the internal procedures aimed at preventing and/or minimizing risks.

8.3. When creating the risk management system and the internal control system, the Company shall apply generally accepted concepts and practices in the field of risk management and internal control.

8.4. The executive bodies of the Company shall make arrangements in order to establish and maintain the efficient risk management system and the efficient internal control system in the Company, shall be responsible for implementing resolutions adopted by the Board of Directors in the

field of organizing a risk management system and an internal control system, and allocate powers, duties and responsibilities among the heads of the Company's divisions.

8.5 Tasks aimed at coordination of the risk management process shall be assigned to the Management Board of the Company.

8.6. The risk management system and the internal control system of the Company shall be intended to ensure unprejudiced, fair and clear representation of the current standing and prospects of the Company, integrity and transparency of the Company reports, reasonability and acceptability of risks taken by the Company.

8.7. Measures aimed at developing elements of the corporate culture, rules and procedures to ensure combatting corruption are determined by the internal document (documents) of the Company, approved by the decision of the Board of Directors.

8.8 As part of the risk management system and the internal control system, the Company shall arrange a safe, confidential and viable method of informing the Board of Directors, business divisions of the Company responsible for organizing and implementing the internal audit and functioning of the compliance system about violations of the law, internal procedures, and ethical standards by the Company's employees and third parties (“hot line”).

8.9. The Board of Directors of the Company shall consider the organization, functioning and efficiency of the risk management system and internal control system, as well as the compliance system at least once a year, and, if necessary, make recommendations for their improvement.

Information on the results of consideration by the Board of Directors of the Company of issues related to efficiency of the risk management system and the internal control system shall be provided to shareholders as part of the annual report of the Company.

8.10. The Company shall regularly monitor the efficiency of the implemented anti-corruption standards and procedures, as well as control of their implementation. When assessing the level of reliability of partners and counterparties, the degree of rejection by them of corruption in doing business shall be taken into account. Moreover, compliance with anti-corruption principles shall be considered as an important factor for entering into contractual relations.

8.11. To organize a systematic independent assessment of reliability and effectiveness of the risk management system, the internal control system and corporate governance, the Company has established a standalone business unit responsible for organizing and conducting internal audit.

The head of the business unit of the Company responsible for organization and implementation of the internal audit shall be functionally accountable to the Board of Directors of the Company.

9. DISCLOSURE OF INFORMATION ABOUT THE COMPANY, INFORMATION POLICY OF THE COMPANY

9.1. The Company has developed and implemented the information policy and other internal documents (hereinafter referred to as the “Internal Disclosure Documents”) aimed at ensuring the effective information interaction between the Company, shareholders, investors and other stakeholders.

9.2 The Internal Disclosure Documents of the Company shall determine the goals and principles ofdisclosure of information by the Company, establish the list of information, in addition to the information to be disclosed by virtue of the law, the Company undertakes to disclose, as well as the procedure for disclosing information (including information channels over which disclosure shall be organized, and forms of disclosure), the periods during which access to the disclosed information shall be provided, the procedure for communication of members of management bodies, officials and employees of the Company with shareholders and investors, representatives of the media, Company securities market operators and other stakeholders, as well as measures to ensure compliance with the established standards.

9.3 The Company shall disclose the following information about the corporate governance system of the Company:

- On organization and general principles of corporate governance adopted in the Company;
- On the executive bodies, their members, as well as background data (including information about their age, education, qualifications, experience) sufficient to get an idea of the personal trains and competencies of members of the executive bodies of the Company, information about positions they hold or held for at least last five years in the management bodies of other legal entities;
- On membership of the Board of Directors of the Company with an indication of the Chairman, as well as background data (including information about their age, education, qualifications, experience) sufficient to get an idea of the personal trains and competencies of members of the Board of Directors of the Company, information about membership in the Board of Directors of other companies,information on whether they are independent directors, as well as information on the positions they hold or held for at least five last years in the management bodies of other legal entities;
- On loss by a member of the Board of Directors of the Company of the status of an independent director;
- On composition of the Committees of the Board of Directors with indication of the Chairman and members of the Committees.

9.4. The Company shall disclose information according to the principles of regularity, consistency and timeliness as well as principles of accessibility, reliability, completeness and comparability of data which includes the following:

- Ensuring the continuity of the disclosure process. To this end, the Company shall have in place procedures that ensure coordination of operations of all departments and business units of the Company related to disclosure of information or whose activities may lead to the need for disclosure of information;
- The shortest possible timeframe for disclosure of information, which may significantly affect the Company's appraisal and the value of its securities;
- Prompt provision of information re: opinion of the Company in relation to rumors or inaccurate data that form a distorted view of appraisal of the Company and value of its securities, which jeopardizes the interests of shareholders and investors.

9.5 The official website of the Company on the Internet is the main channel for disclosure of information by the Company; therefore, the official website of the Company on the Internet shall contain information sufficient to form a fair view of the essential aspects of activities of the Company.

9.6 The company shall disclose basic information not only about its own operations, but also about operations of legal entities it controls, which are of significant importance to it. The Company shall also disclose basic information about the role played by each of the significant controlled entities, about the key business areas of each of such entities, about the functional relationship between the key companies of the group, and about the mechanisms that ensure accountability and controlled status within the group.

As used herein, legal entities controlled by the Company, which are of significant importance to it (significant controlled legal entities) include organizations controlled by the Company, with at least five percent of the consolidated value of assets or at least five percent of consolidated incomeaccounted for by each, determined based on the latest consolidated financial statements of the Company, as well as other entities controlled by the Company, which, in the opinion of the latter, have a significant impact on the financial standing, financial performance, and changes in the financial standing of the group of entities, which includes the Company and legal entities it controls.

9.7. In addition to the information to be disclosed by operation of the law, the Company shall disclose:

– Information about the main parameters of the strategy, corporate values, objectives of the Company, as well as policies adopted by the Company;

– Detailed data on the financial activities and financial standing of the Company with data analysis by senior officials of the Company;

– Information on the composition of capital of the Company;

– Information on activities of the Company in the field of corporate social responsibility of the Company.

9.8. The main forms for disclosure of information about activities of the Company are its annual report, quarterly reports and information on material facts (current disclosure), which are addressed to shareholders and investors to enable them to get a true picture of activities and development of the Company.

9.9. within addition to the information provided for by operation of the law, the following information about the Company and its performanceshall be included in the annual report:

– General information (including a brief history, organizational chart of the Company);

– Messages of the Chairman of the Board of Directors and the Director General of the Company addressed to shareholders containing an appraisal of Company activities for a year;

– Information about securities of the Company;

– Key performance indicators of the Company;

– Key indicators of the accounting (financial) statements of the Company;

– Information on the distribution of profits and its compliance with the dividend policy adopted by the Company;

– Investment projects and strategic objectives of the Company;

– Development prospects of the Company;

– A brief overview of the most significant transactions made by the Company and legal entities controlled by it (including related transactions made by the Company, one and/or several legal entities controlled by it) for the last year;

– Description of the corporate governance system in the Company, including information on appraisal of performance of the Board of Directors of the Company, the system of remuneration paid to members of the management bodies of the Company;

– Description of the system for risks management and internal control of the Company;

– Description of the personnel and welfare policies of the Company, social development, health care provided to employees, their professional training and measures aimed at ensuring occupational safety.

9.10. The information policy of the Company shall establish an easy procedure for providing shareholders with access to information and documents of the Company.

9.11. The Board of Directors of the Company shall approve the Regulations on Insider Information, which establish the key principles for disclosing insider information, impose a ban on insider trading and market manipulation, establish the procedure for providing access to insider information, rules for protecting privacy of insider information and monitoring compliance with the requirements of the Federal Law “On Combating Illegal Use of Insider Information and Market Manipulation and on Amendments to Individual Regulatory Acts of the Russian Federation” and the bylaws.The list of insider information of the Company shall be disclosed on the official website of the Company on the Internet.

10. SIGNIFICANT CORPORATE ACTIVITIES

10.1. Activities that significantly impact or may impact the equity holding structure and financial status of the Company and, respectively, the position of shareholders (significant corporate

activities), shall be implemented on fair conditions ensuring compliance with rights and interests of shareholders as well as other stakeholders.

10.2 Significant corporate activities shall primarily include:

- Reorganization of the Company;
- Acquisition of 30 or more percent of the Company's voting shares (takeover);
- Making by the Company of major and other material transactions that involve assets of the Company (hereinafter referred to as the "material transactions");
- Increase in the authorized capital of the Company;
- Listing and delisting of shares of the Company.

10.3 Taking into account the importance of significant corporate activities, the Company shall provide the shareholders with the opportunity to influence their implementation, as well as the opportunity to obtain an adequate level of protection of their rights at a time of their performance.

(I) Entering into material transactions by the Company

10.4. The Company shall enter into material transactions at fair prices and on transparent conditions.

10.5. Determination of value of property alienated or acquired under a major transaction or a related party transaction of the Company shall be made by the Board of Directors of the Company.

10.6. When the Company enters into a transaction where there are doubts re: its compliance with the criteria for a major transaction, the corporate procedures provided for in the rules for approving major transactions shall be applied.

10.7 The Company shall purchase and repurchase shares at a fair price determined by an independent appraiser with a recognized business reputation in the market and experience of appraisal of property in the relevant field.

(II) Reorganization of the Company

10.8 The Board of Directors of the Company shall be actively involved in determining the conditions for reorganization of the Company.

10.9 The Board of Directors of the Company shall adopt a resolution to put the issue of reorganization of the Company for consideration by the General Meeting of Shareholders of the Company only if the Board of Directors of the Company is sure that there is a need for reorganization and that the reorganization conditions are acceptable.

10.10 When considering the issue of reorganization, the Board of Directors of the Company shall evaluate the conditions of the reorganization from the point of view of their beneficial effects for the shareholders, including shareholders owning minor equity stakes, and determine fairness of swap ratios as a result of the reorganization.

10.11. Prior to approval by the Board of Directors of the Company of draft documents related to the reorganization and submission of the issue of reorganization for consideration by the General Meeting of Shareholders, the Board of Directors of the Company and its Committees shall make arrangements for the discussion of the documents concerned. If it is necessary to discuss the conditions of the reorganization in detail, the Board of Directors of the Company may decide to establish a provisional Committee of the Board of Directors with participation of representatives of key stakeholders to develop balanced recommendations on issues related toreorganization of the Company.

(III) Takeover of the Company

10.12 The Board of Directors of the Company shall monitor the procedures related to takeover of the Company, in particular, the Board of Directors of the Company shall monitor cases of indirect takeover.

10.13 The Board of Directors of the Company shall check the grounds for failure to send a binding offer, declared by the person carrying out the takeover, for their compliance with the law, taking into account the principles and recommendations set forth in this Code.

10.14 The Board of Directors of the Company shall also verify the conditions of a voluntary or mandatory offer sent to the shareholders of the Company, the grounds and conditions for the mandatory buyout by shareholders of the Company, including fairness of the purchase (buyout) price, the possibility to accept a public offer by shareholders. The Board of Directors of the Company shall notify shareholders of its opinion regarding the takeover of the Company and related procedures.

10.15 The Board of Directors of the Company shall make arrangements to make the person submitting the mandatory offer receive all the necessary permits and approvals for acquisition of the relevant equity stake of the Company in advance, to ensure that acceptance by the shareholders of the mandatory offer does not violate the requirements of the law on getting prior authorization and approval of acquisition of the equity stake of the Company.

10.16 The Board of Directors of the Company shall also ensure that the Company itself, when taking over another company, would comply with the requirements of the law, taking into accountprinciples and recommendations set forth in this Code.

(IV) Delisting of shares in the Company

10.17 When considering issues related to delisting of securities of the Company, the Board of Directors of the Company shall ensure full transparency of making the relevant decision, including submission of information to owners of the relevant securities of the grounds for making such a decision and risks of owners of securities related to delisting, and shall also provideprotection of their rights in connection with the delisting procedure.

10.18 The Company shall not perform actions that may result in forced delisting of its securities.

(V) Increase of the authorized capital of the Company, splitting, consolidation and conversion of shares

10.19 The Company may place additional shares to be paidwith in-kind contributions in exceptional cases. Only those appraisers who have a recognized business reputation in the market and experience in appraisal in the relevant field shall be engaged for appraisal of the relevant property.In such cases, issues related to increase in the authorized capital shall be considered, inter alia, by independent directors, who formulate an opinion on fairness of the conditions for the planned increase in the authorized capital.

10.20 Splitting, consolidation or conversion of shares by the Company shall be permitted only if the rights of shareholders are not impaired (in particular, splitting, consolidation or conversion of shares in order to redistribute (or to change the degree) of corporate control is prohibited, actions leading to impairment of dividend rights of shareholders or reduction of their share in the authorized capital of the Company unacceptable).

11. MONITORING COMPLIANCE WITH THE CODE

The Corporate Secretary of the Company shall be responsible for monitoring compliance with this Code and providing recommendations to the Board of Directors of the Company regarding amendments thereto, taking into account the emergence of new corporate governance standards in Russian and international practice, interests of shareholders, the Company, and other stakeholders.