

APPROVED  
by the decision of the Annual General Meeting of  
Shareholders of PJSC ROSSETI  
June 29, 2018  
(Minutes of June 29, 2018)

REGULATIONS  
FOR THE BOARD OF DIRECTORS  
OF PJSC ROSSETI

(RESTATED VERSION)

Moscow  
2018

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## **1. General**

1.1. These Regulations are formulated in accordance with the Federal Law "On Joint-Stock Companies," other legal regulations of the Russian Federation, and the Articles of Association of PJSC ROSSETI (hereinafter, the "Company").

1.2. These Regulations are an internal document of the Company that defines the procedure for convening and holding meetings of the Board of Directors of the Company (hereinafter, the "Board of Directors").

1.3. The Board of Directors shall be the Company's management body in charge of the general management of the Company's activities except for any issues that, in accordance with the Federal Law "On Joint-Stock Companies" and the Articles of Association of the Company, fall within the competence of the General Meeting of Shareholders.

1.4. The principal objectives and tasks of the activities of the Board of Directors shall be as follows:

- define the Company's development strategy aiming to enhance its market capitalization and appeal to investors, achieve the maximum profit, and increase the Company's assets;
- ensure the exercise and protection of the rights and legitimate interests of the Company's shareholders and contribute to resolving corporate conflicts;
- ensure that the information about the Company disclosed to shareholders and other stakeholders is complete, reliable, and unbiased;
- create effective internal control mechanisms;
- evaluate the performance of the Company's executive bodies on a regular basis.

In order to achieve the objectives and fulfill the tasks specified above, the Board of Directors shall adhere to the following principles:

- make decisions based on reliable information about the Company's activities;
- ensure that shareholders' rights are observed with respect to participating in the management of the Company and receiving dividends and information about the Company;
- achieve the balance of the interests of different shareholder groups and ensure that the Board of Directors makes as unbiased decisions as possible to the benefit of all shareholders of the Company.

1.5. The activities of the Board of Directors shall be governed by the Federal Law "On Joint-Stock Companies," other legal regulations of the Russian Federation, the Articles of Association of the Company, and these Regulations.

## **2. Chairman of the Board of Directors**

2.1. The work of the Board of Directors shall be organized by the Chairman of the Board of Directors of the Company (hereinafter, the "Chairman of the Board of Directors").

2.2. The Chairman of the Board of Directors shall be a member of the Board of Directors of the Company who is elected by a majority of votes of all members of the Board of Directors.

The person performing the functions of the sole executive body may not simultaneously hold office of the Chairman of the Board of Directors.

2.3. The Board of Directors may at any time reelect the Chairman of the Board of Directors by a majority of votes of all members of the Board of Directors of the Company.

2.4. The Chairman of the Board of Directors shall:

- 2.4.1. organize the work of the Board of Directors;
- 2.4.2. convene meetings of the Board of Directors;
- 2.4.3. determine the form of a meeting of the Board of Directors with due regard to the importance of agenda items and subject to the recommendations provided for in paragraph 168 of the Corporate Governance Code recommended by the Bank of Russia for use by joint-stock companies whose shares are admitted to regulated trading;
- 2.4.4. approve the agendas of meetings of the Board of Directors;
- 2.4.5. make a list of the materials (information) with respect to the items on the agenda of the meeting to be provided for the members of the Board of Directors;
- 2.4.6. make a list of the persons invited to take part in discussing specific issues on the

agendas of meetings of the Board of Directors;

2.4.7. preside at meetings of the Board of Directors;

2.4.8. sign the minutes of meetings of the Board of Directors, requests to conduct audits (inspections) of the Company's financial and economic activities, and other documents on behalf of the Board of Directors;

2.4.9. supervise the implementation of the Action Plan for the Board of Directors approved by the Board of Directors;

2.4.10. represent the Board of Directors before the Company's shareholders, governmental authorities, public organizations, and the mass media;

2.4.11. conduct correspondence of the Board of Directors with shareholders, executive bodies, and employees of the Company and with other organizations;

2.4.12. preside at the General Meeting of Shareholders of the Company, announce the agenda, announce the forthcoming reports and accounts, and perform other functions of the Chairman of the General Meeting of Shareholders of the Company as provided for in the Regulations for the General Meeting of Shareholders of the Company;

2.4.13. on behalf of the Board of Directors, organize supervision of the implementation of the decisions adopted by the General Meeting of Shareholders and the Board of Directors;

2.4.14. ensure that meetings of the Board of Directors comply with the requirements set forth in the laws of the Russian Federation, the Articles of Association of the Company, other internal documents of the Company, and these Regulations;

2.4.15. perform other functions provided for in the laws of the Russian Federation, the Articles of Association of the Company, and decisions of the Board of Directors.

2.5. If the Chairman of the Board of Directors is absent, the Chairman's functions shall be performed by a member of the Board of Directors.

### **3. Members of the Board of Directors, Their Rights, Obligations, and Liability**

3.1. Within the competence of the Board of Directors, the members of the Board of Directors shall have the following rights:

- obtain information about the Company's activities, acquaint themselves with all constitutive documents, bylaws, accounts, reports, contracts, and other documents of the Company in accordance with the laws of the Russian Federation and internal documents of the Company;

- put forward written proposals for formulating the Action Plan for the Board of Directors;

- include items on the agenda of the meeting of the Board of Directors;

- request in writing that a meeting of the Board of Directors be convened;

- exercise other rights provided for in the laws of the Russian Federation, the Articles of Association of the Company, other internal documents of the Company, and these Regulations.

3.2. Any member of the Board of Directors may in writing request, whether directly or through the Corporate Secretary of the Company, that the Director General of the Company (or any other person performing the functions of the Company's sole executive body) provide the documents and information necessary to decide on the issues falling within the competence of the Board of Directors.

3.3. Such documents and information of the Company shall be made available to the members of the Board of Directors not later than five (5) business days after receipt of the request therefor.

3.4. The members of the Board of Directors may be entitled to remuneration and/or compensation for expenses in connection with the performance by the members of the Board of Directors of their functions in accordance with the procedure set forth in the Regulations for Remuneration and Compensation for Members of the Board of Directors to be approved by the General Meeting of Shareholders of the Company.

3.5. In exercising their rights and performing their obligations, the members of the Board of Directors shall act to the benefit of the Company and exercise their rights and perform their obligations to the Company in good faith and reasonably.

Acting reasonably and in good faith means that the members of the Board of Directors make decisions taking into account all available information, without conflicts of interest, with due

consideration to the equitable treatment of the Company's shareholders, and with the normal entrepreneurial risk.

The members of the Board of Directors shall not do any acts that will or may lead to a conflict between their interests and the interests of the Company and, in the event of the existence or occurrence of such conflict, shall disclose information on the conflict to the Board of Directors. If any member of the Board of Directors of the Company has a potential conflict of interest, including being a related party in the Company's transaction, such member of the Board of Directors shall promptly notify the Board of Directors of the Company thereof on the basis of the precedence of the Company's interests over such member's own interests and shall also forbear from voting on issues in relation to which such member has a conflict of interest and shall not to be present at the meeting discussing such issues.

3.6. The members of the Board of Directors shall be liable to the Company for losses incurred by the Company due to their faulty acts (omissions) in accordance with the applicable laws.

However, the members of the Board of Directors who vote against any decision resulting in losses incurred by the Company or its shareholders or do not participate in voting shall not be held liable.

3.7. The members of the Board of Directors shall, within two months after the day when they learn or should learn that circumstances have occurred by virtue of which they can be recognized as related parties in the Company's transactions, provide the Company with information:

- about the corporate entities in relation to which they, their spouses, parents, children, full and half brothers and sisters, adoptive parents and adopted children, and/or their controlled entities are the controlling persons or have the right to issue binding instructions;

- about the corporate entities in whose management bodies they, their spouses, parents, children, full and half brothers and sisters, adoptive parents and adopted children, and/or their controlled entities hold office;

- about the existing or contemplated transactions known to any member, which transactions may be deemed to be his/her related party transactions.

If any information specified above is changed, the members of the Board of Directors of the Company shall notify the Company thereof within 14 days after the day when they learn or should learn that such information is changed.

3.8. The Board of Directors of the Company may include independent directors who have sufficient professionalism, experience, and independence to form their own position, are able to make unbiased and bona fide judgments independent of the influence of the Company's executive bodies, certain groups of shareholders, or other stakeholders.

3.9. An independent director shall forbear from any acts resulting in such director's ceasing to be independent. Any member of the Board of Directors shall notify the Board of Directors of the Company of the circumstances resulting in such director's ceasing to be independent within 5 business days after the date when such circumstances occur.

3.10. In exceptional cases, the Board of Directors of the Company may recognize a member of the Board of Directors as an independent director although he/she meets formal criteria for being dependent (affiliation with the Company, a substantial shareholder of the Company, a substantial counterparty or competitor of the Company, the government and/or a municipal entity) if such affiliation does not influence his/her ability to make independent, unbiased, and bona fide judgments.

In recognizing a member of the Board of Directors as an independent director, assessing the compliance by nominees for the Board of Directors or the members of the Board of Directors with the independence criteria, the Company shall fulfill the requirements set forth in the Listing Rules of the Moscow Exchange.

3.11. If the Chairman of the Board of Directors of the Company is not an independent director, the members of the Board of Directors from among the elected independent directors may elect the senior independent director, who shall:

- coordinate interaction among the independent directors, including convening meetings of the independent directors when necessary and presiding at such meetings;

- together with the Chairman of the Board of Directors, facilitate the efficient organization of the work of the Board of Directors, the establishment and maintenance of a dialog between the

members of the Board of Directors and shareholders of the Company;

- in conflict situations, specifically in the event of substantial disagreements among the members of the Board of Directors, make efforts to resolve such conflicts by communicating with the parties thereto;

- play a key role in the evaluation made by the independent directors in relation to the effectiveness of the Chairman of the Board of Directors of the Company.

#### **4. Support for the Day-to-Day Activities of the Board of Directors of the Company**

4.1. Technical (information, document, protocol, secretary) support for the day-to-day activities of the Board of Directors shall be provided by the Corporate Secretary of the Company (hereinafter, the "Corporate Secretary") acting in accordance with the Articles of Association of the Company, these Regulations, the Regulations for the Corporate Secretary, and other internal documents of the Company and on the instructions of the Chairman of the Board of Directors.

4.2. The Corporate Secretary shall perform the following functions in relation to support for the day-to-day activities of the Board of Directors:

- 1) develop and submit to the Chairman of the Board of Directors the draft of the agenda of the next meeting of the Board of Directors in accordance with the Action Plan for the Board of Directors and the proposals received from members of the Board of Directors, the Director General of the Company, the Internal Audit Commission, and the Auditor of the Company;

- 2) arrange for the preparation and distribution of the documents (materials) necessary to organize and hold the meeting of the Board of Directors (notice of the meeting, the drafts of the decisions related to the items on the agenda of the meeting, the drafts of the documents for preliminary familiarization, etc.);

- 3) provide organizational and technical support for the meeting of the Board of Directors;

- 4) arrange for the interaction of the Board of Directors with the Company's executive bodies, the Committees of the Board of Directors, the Company's Auditor, the Company's Internal Audit Commission, and the Company's divisions;

- 5) arrange for the preparation and provision of documents (information) at the request of any member of the Board of Directors;

- 6) prepare requests for information and replies to letters received by the Board of Directors to be signed by the Chairman of the Board of Directors;

- 7) collect ballots completed by members of the Board of Directors;

- 8) prepare the drafts of the minutes of meetings of the Board of Directors and extracts from the minutes of meetings of the Board of Directors;

- 9) distribute documents approved by the Board of Directors;

- 10) develop and keep administrative records of the Board of Directors;

- 11) systematize and archive documents and materials of the Board of Directors;

- 12) arrange for supervision of the implementation of the decisions adopted by the Board of Directors;

- 13) prepare requests for information (materials) with respect to the items on the agenda of the meeting of the Board of Directors to the Company's divisions;

- 14) verify the reliability of received information and the accuracy of documents submitted for review and approval by the Board of Directors;

- 15) as instructed by the Chairman of the Board of Directors, prepare the drafts of specific documents and decisions of the Board of Directors, including the draft of the Action Plan for the Board of Directors;

- 16) arrange for the electronic recording of meetings of the Board of Directors pursuant to the decision of the Chairman of the Board of Directors;

- 17) perform any other functions provided for in these Regulations, the Regulations for the Corporate Secretary, and the instructions issued by the Chairman and members of the Board of Directors.

4.3. The status of the Corporate Secretary, his/her functions, the requirements applicable to his/her nomination, the procedure for appointing and dismissing the Corporate Secretary, his/her subordination, the procedure for interaction with the Company's management bodies and divisions, and other issues related to the activities of the Corporate Secretary of the Company shall be defined by the

Regulations for the Corporate Secretary of the Company approved by the Board of Directors of the Company.

## **5. Organization of the Work of the Board of Directors**

5.1. Meetings of the Board of Directors shall be held in accordance with the approved Action Plan for the Board of Directors and as and when necessary, but at least once every six weeks.

5.2. If necessary, the Chairman of the Board of Directors may decide to hold an unscheduled meeting of the Board of Directors or reschedule a scheduled meeting of the Board of Directors.

5.3. Action Plan for the Board of Directors.

5.3.1. The Action Plan for the Board of Directors shall include:

1) the issues to be discussed at meetings of the Board of Directors in the current year (at least once every six weeks);

2) the schedule of meetings of the Board of Directors;

3) a list of the persons responsible for preparing issues for review by meetings of the Board of Directors (members of the Board of Directors, the Director General of the Company, the Chairman of the Internal Audit Commission of the Company, the Chairmen of the Committees of the Board of Directors of the Company and other persons).

5.3.2. The Action Plan of the Board of Directors shall be formulated at the suggestion of the Chairman and members of the Board of Directors, the Internal Audit Commission of the Company, the Director General of the Company, and the Auditor of the Company in accordance with the requirements set forth in the first and second subparagraphs of paragraph 6.4 of these Regulations.

Any such suggestion shall be in writing and sent to the Chairman of the Board of Directors with a copy thereof to be sent to the Corporate Secretary.

5.4. Meetings of the Board of Directors may use a special automated information system designed to hold meetings of the Board of Directors of the Company, including the distribution of notices, materials (information) related to the items on the agenda, the voting of members of the Board of Directors of the Company, and the announcement of the results (hereinafter, the "automated information system").

5.5. The Board of Directors may annually perform evaluation in relation to the effectiveness of its work independently (self-assessment) or engage an independent external organization (consultant) duly qualified for such evaluation.

## **6. Convocation of Meetings of the Board of Directors**

6.1. The first meeting of the new members of the Board of Directors shall be convened by one member of the Board of Directors by notice of the meeting to all of the other members of the Board of Directors and to the Company to be addressed to the Director General of the Company.

The Director General of the Company shall render assistance and provide all information necessary to organize the first meeting of the new members of the Board of Directors.

6.2. Subsequent meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors (except where otherwise provided for in paragraph 2.5 of these Regulations):

- in accordance with the schedule of meetings of the Board of Directors as approved by the Action Plan for the Board of Directors;

- at the discretion of the Chairman of the Board of Directors;

- at the written request of any member of the Board of Directors, the Internal Audit Commission of the Company, the Director General of the Company, or the Auditor of the Company.

6.3. Any request to convene the meeting of the Board of Directors shall state:

1) information about the convening person;

2) the text of the items on the agenda;

3) reasons to include the issues on the agenda;

4) the drafts of the decisions with respect to the items on the agenda.

Any such request shall be accompanied by information (materials) related to the items on the agenda.

6.4. Any request to convene a meeting of the Board of Directors shall be in writing and signed by the convening person.

Any request of the Internal Audit Commission of the Company to convene a meeting of the Board of Directors shall be signed by the Chairman of the Internal Audit Commission.

Any request to convene the meeting of the Board of Directors, accompanied by all necessary materials (information), shall be sent to the Chairman of the Board of Directors with a copy thereof to be sent to the Corporate Secretary. In this connection, proposals of members of the Company's Management Board sent to the Chairman of the Board of Directors shall be signed by the Director General of the Company.

Any request of the Director General of the Company to convene the meeting of the Board of Directors, which request contains the issues that shall be preliminarily reviewed by the management Board of the Company in accordance with the Company's internal document governing the operating procedure of the Management Board of the Company, shall be sent to the Board of Directors only upon its review by the Management Board of the Company and upon development of the recommendations in relation therewith.

6.5. The Chairman of the Board of Directors shall consider the received request to convene an extraordinary meeting of the Board of Directors and make the decision to convene such meeting, refuse to convene it, or include the issues contained in such request on the agenda of the scheduled meeting of the Board of Directors (in accordance with the approved Action Plan for the Board of Directors) not later than five (5) business days after receipt of such request.

The substantiated decision of the Chairman of the Board of Directors to refuse to convene an extraordinary meeting of the Board of Directors shall be sent to the person requesting such meeting within three (3) business days from the time when such decision is made.

Failure to comply with the requirements set forth in paragraphs 6.3 and 6.4 of these Regulations may be grounds to refuse to satisfy any request to convene a meeting of the Board of Directors.

6.6. Notice of the meeting of the Board of Directors shall be prepared by the Corporate Secretary and signed by the Chairman of the Board of Directors (where provided for in these Regulations).

6.6.1. Notice of the meeting of the Board of Directors shall be distributed by the Corporate Secretary to each member of the Board of Directors at least ten (10) days prior to the date of the meeting of the Board of Directors (the deadline for receiving ballots).

6.7. Notice of the meeting of the Board of Directors to the members of the Board of Directors shall be accompanied by the materials (information) related to the items on the agenda of the meeting.

The materials (information) related to the items on the agenda of the meeting shall include:

- the drafts of the decisions of the Board of Directors with respect to the issues included on the agenda of the meeting of the Board of Directors;
- explanatory notes related to the drafts of the decisions of the Board of Directors with respect to the issues included on the agenda of the meeting of the Board of Directors;
- the drafts of the documents submitted for approval, agreement, or consent by the Board of Directors;
- the minutes of the meetings of management bodies, the decisions (recommendations) of the Management Board, the Committees of the Board of Directors, and other special bodies and commissions of the Company with respect to the preliminarily reviewed issues (if any);
- the materials in support to the information contained in the drafts of the decisions and explanatory notes;
- other information materials with respect to the issues included on the agenda of the meeting of the Board of Directors.

6.8. Notices and materials (information) with respect to the items on the agenda of the meeting of the Board of Directors shall be electronically delivered to members of the Board of Directors by electronic mail or by providing access in the automated information system.

6.9. Pursuant to the decision of the Chairman of the Board of Directors, the period for sending to the members of the Board of Directors notice of the meeting of the Board of Directors and for providing materials (information) may be reduced.

6.10. Meetings of the Board of Directors are held by members of the Board of Directors in person to discuss and decide on agenda items (in-person meetings) or in absentia (by completing ballots, including in the automated information system).

6.11. The form of a meeting of the Board of Directors is determined by the Chairman of the



Board of Directors of the Company with due regard to the importance of agenda items. The most important issues shall be discussed at in-person meetings. Such issues include as follows:

6.11.1. Determine the priority areas of the Company's activities, the Company's development strategy, including approving the long-term development program, the Company's innovative development program, and reports on their implementation;

6.11.2. Review the ROSSETI Group's business plan, the Company's budget, and reports on their implementation;

6.11.3. Review the consolidated investment program of the ROSSETI Group;

6.11.4. Convene the Annual and Extraordinary General Meetings of Shareholders, review requests to convene the Extraordinary General Meeting of Shareholders, and decide on other issues necessary to convene and hold the General Meeting of Shareholders of the Company;

6.11.5. Give prior approval to the annual report of the Company;

6.11.6. Decide on the election (reelection) of the Chairman of the Board of Directors of the Company;

6.11.7. Decide on the election (appointment) of the Company's Director General and the members of the Company's Management Board and on the early termination of their powers;

6.11.8. Decide on the suspension of the powers of a management organization (manager);

6.11.9. Submit to the General Meeting of Shareholders the issues related to the reorganization of the Company or related to the transfer of the powers of the Company's sole executive body to a management organization (manager);

6.11.10. Decide to give consent or subsequent approval to major transactions as specified in Chapter X of the Federal Law "On Joint-Stock Companies";

6.11.11. Decide to give consent or subsequent approval to transactions as specified in Chapter XI of the Federal Law "On Joint-Stock Companies";

6.11.12. Give prior approval to decisions to enter into transactions involving the Company's noncurrent assets constituting from ten (10) percent to twenty-five (25) percent of the book value of such assets according to the accounting (financial) statements as of the latest reporting date;

6.11.13. Give prior approval to decisions on the Company entering into transactions (including several associated transactions) in connection with the disposal or possible disposal of the property that is capital assets, intangible assets, and construction-in-progress facilities intended for the generation, transmission, dispatching, and distribution of electricity and heat in the instances (to the extent) determined by separate decisions of the Board of Directors of the Company;

6.11.14. Give prior approval to decisions on the Company entering into transactions (including several associated transactions) in connection with the disposal or possible disposal of the property that is capital assets, intangible assets, and construction-in-progress facilities not intended for the generation, transmission, dispatching, or distribution of electricity and heat in the instances (to the extent) determined by separate decisions of the Board of Directors of the Company;

6.11.15. Approve the Company's registrar and the terms and conditions of the contract therewith and the termination thereof;

6.11.16. Define the position of the Company (representatives of the Company), including instructions to participate or not participate in voting on the items on the agenda, vote for or against or abstain from voting, on the following items on the agendas of general meetings of shareholders (members) of subsidiaries and dependent companies ("SDCs") and meetings of boards of directors of SDCs:

- reorganize or liquidate SDCs;

- decide to give consent or subsequent approval to major transactions entered into by SDCs.

6.11.17. Accept recommendations with respect to any voluntary or mandatory proposal received by the Company;

6.11.18. Increase the authorized capital of the Company by means of the Company's placement of additional shares where specified in the Articles of Association of the Company (including determining the value (money value) of the property and the offering price, or the procedure for determining the offering price, and the buyback price of issue-grade securities where specified in the Federal Law "On Joint-Stock Companies");

6.11.19. Make an application for the listing of the Company's shares and/or the Company's issue-grade securities convertible into its shares;

6.11.20. Review the results of the performance evaluation of the Board of Directors of the Company;

6.11.21. Approve the technique for calculating and evaluating the key performance indicators (KPI) of the Director General of the Company, their target values (adjusted values), and reports on their attainment;

6.11.22. Approve the risk management policy of the Company;

6.11.23. Approve the dividend policy of the Company.

6.12. As decided by the Chairman of the Board of Directors, the members of the Board of Directors who are not present at the venue of a meeting of the Board of Directors may be enabled to remotely participate in the discussion of the agenda items and voting via conference calls and videoconferences.

## **7. Procedure for Holding an In-Person Meeting of the Board of Directors**

7.1. Any meeting of the Board of Directors shall be declared open by the Chairman of the Board of Directors.

7.2. The meetings of the Board of Directors shall be attended by members of the Board of Directors and the persons invited to the meeting with respect to each item on the agenda in accordance with the list approved by the Chairman of the Board of Directors.

7.3. The Corporate Secretary shall determine whether the meeting of the Board of Directors has a quorum.

7.4. The meeting of the Board of Directors shall have a quorum if attended by at least half of the elected members of the Board of Directors. Determining whether the in-person meeting of the Company's Board of Directors has a quorum shall take into account the personal participation of members of the Company's Board of Directors, their participation in the meeting via conference calls and videoconferences, the written opinions received from members of the Company's Board of Directors who are not present at the meeting prior to the meeting, and the votes cast in the automated information system prior to the meeting.

7.5. The Chairman of the Board of Directors informs the persons present at the meeting whether the meeting of the Board of Directors has a quorum and announces the agenda of the meeting of the Board of Directors.

7.6. If the meeting fails to have a quorum, it is declared legally unqualified. In such event, the Chairman of the Board of Directors shall make one of the following decisions:

1) through consultation with the members of the Board of Directors who are present at the meeting, determine the time until which the meeting shall be postponed, but not more than for a period of two hours;

2) set the date for a new meeting with the same agenda to replace the meeting that fails to take place;

3) include the items on the agenda of the meeting that fails to take place on the agenda of the next scheduled meeting of the Board of Directors.

7.7. Any meeting of the Board of Directors shall be held in the following order:

1) a member of the Board of Directors or an invitee reports on an item on the agenda;

2) the item on the agenda is discussed;

3) motions are put forward to formulate the decision with respect to the item on the agenda;

4) the item on the agenda is put to a vote;

5) the votes are counted, and the voting results are tabulated;

6) the voting results and the decision adopted with respect to the item on the agenda are announced.

7.8. The decisions of the meeting of the Board of Directors shall be adopted by a majority of votes of the members of the Board of Directors participating in the meeting except where otherwise provided for in the laws of the Russian Federation and the Articles of Association of the Company.

7.9. For the purposes of deciding on any issue at the meeting of the Board of Directors, each member of the Board of Directors shall have one vote.

In the event of any equality of votes of members of the Board of Directors, the Chairman of the Board of Directors shall have a casting vote.

No member of the Board of Directors may appoint any other person, including any other member

of the Board of Directors, to vote on his/her behalf.

7.10. Tabulating the voting results with respect to any item on the agenda of the meeting of the Company's Board of Directors shall take into account the votes of the members of the Company's Board of Directors who are present at the meeting and participate in the meeting via conference calls and videoconferences, the written opinions received from members of the Company's Board of Directors who are not present at the meeting prior to the meeting, and the votes cast in the automated information system prior to the meeting.

7.11. Based on the voting results relating to the meeting or the automated information system and on the written opinions received from members of the Board of Directors, the Corporate Secretary shall tabulate the voting results with respect to the items on the agenda and draw up the minutes of the meeting of the Board of Directors in accordance with the procedure prescribed in these Regulations.

The written opinions of the members of the Company's Board of Directors who are not present at the meeting of the Board of Directors shall be attached as an appendix to the minutes of the meeting of the Board of Directors.

## **8. Procedure for Holding an Absentee Meeting of the Board of Directors**

8.1. Any decision of the Board of Directors with respect to the items on the agenda may be adopted by absentee voting (by ballot).

8.2. For the purposes of adopting any decision of the Board of Directors through absentee voting (by ballot), notice of absentee voting on the items on the agenda, the drafts of the decisions related thereto, and materials (information) related to the issues included on the agenda shall be distributed to each member of the Board of Directors in accordance with the procedure and within the period set forth in paragraphs 6.6.1 and 6.7–6.9 of these Regulations.

8.3. Any notice of a meeting with absentee voting shall contain:

- the full corporate name of the Company and its registered address;
- information that the meeting is held in absentia with voting by ballot;
- the date of absentee voting.

8.4. A ballot and a list of information (materials) distributed to the members of the Board of Directors shall be accompanied by notice of the absentee meeting.

8.5. The Corporate Secretary shall prepare a ballot as agreed by the Chairman of the Board of Directors.

8.6. When completing a ballot, a member of the Board of Directors shall leave only one possible variant of voting ("for," "against," or "abstained") uncrossed with respect to each draft of the decision on each issue. Each completed ballot shall be signed by the member of the Board of Directors, stating his/her initials and family name.

The members of the Board of Directors may also vote on the proposed drafts of decisions in the automated information system.

8.7. Any ballot completed in violation of the requirements set forth in paragraph 8.6 of these Regulations shall be deemed invalid (if such violation relates to completing the voting variants, such ballot shall be deemed invalid only with respect to the relevant item on the agenda), shall not be taken into account for the purposes of determining whether such meeting with absentee voting has a quorum, and shall not be taken into account for the purposes of counting the votes.

8.8. Any completed and signed ballot shall be delivered by a member of the Board of Directors to the Corporate Secretary within the period specified in the ballot in the form of the original or by facsimile transmission or electronic mail to be followed by delivery of the original at the address specified in the ballot.

Along with the members of the Board of Directors who vote on the proposed drafts of decisions in the automated information system, the members of the Board of Directors shall be deemed to have taken part in absentee voting if their ballots are received by the Corporate Secretary in the form of the original or by electronic mail or facsimile transmission not later than the deadline for receiving completed ballots as specified in the ballots.

Any ballot received by the Company after the expiration of the period specified in such ballot shall not be taken into account for the purposes of counting the votes and tabulating the absentee voting results.

8.9. The results of voting on the items on the agenda of any absentee meeting shall be tabulated based on the ballots completed and signed by members of the Board of Directors and received by the Company by the deadline specified in the ballots and on the votes cast by members of the Board of Directors in the automated information system.

8.10. Based on the received ballots and information contained in the automated information system, the Corporate Secretary shall draw up the minutes of the meeting of the Board of Directors in accordance with the procedure set forth in these Regulations.

## **9. Minutes of the Meeting of the Board of Directors**

9.1. The Corporate Secretary shall take the minutes of any meeting of the Board of Directors.

At an in-person meeting of the Board of Directors, verbatim reports are also prepared, or other methods of keeping records are used (audio recordings).

9.2. The minutes of the meeting of the Board of Directors shall be drawn up not later than three (3) days after the date of the meeting (tabulation of the absentee voting results).

9.3. The minutes of the meeting shall specify:

- the full corporate name of the Company;
- the form of the meeting;
- the place and time of the meeting (tabulation of the voting results);
- the members of the Board of Directors participating in voting (participating in absentee voting) and invitees;
- information about whether the meeting has a quorum;
- the agenda of the meeting;
- the issues put to a vote and the voting results with each voting member's votes to be specified;
- the adopted decisions.

The minutes of the meeting of the Board of Directors shall be signed by the Chairman of the Board of Directors and the Corporate Secretary, who shall be responsible for the accuracy of the minutes.

Dissenting opinions received from the members of the Board of Directors shall be incorporated into and made part of the minutes of the meeting of the Board of Directors.

9.4. The decisions adopted by the Board of Directors shall be made known to the members of the Board of Directors through the distribution of copies of the minutes of the meeting of the Board of Directors by the Corporate Secretary by electronic mail or facsimile transmission or via the automated information system.

9.5. The minutes, verbatim reports, and audio recordings of the meetings of the Board of Directors shall be stored by the Company in the office of the Company's executive body.

9.6. Members of the Board of Directors of the Company, members of the Internal Audit Commission of the Company, the Auditor of the Company, the Director General of the Company, and official representatives of federal supervisory authorities, along with the Company shareholder(s) specified in the Federal Law "On Joint-Stock Companies," shall have access to the minutes of the meetings of the Board of Directors in the office of the Company's executive body.

## **10. Committees**

10.1. In order to assist the Board of Directors of the Company in fulfilling its tasks, the Board of Directors may set up its Committees.

10.2. The Committees shall ensure the preliminary review of the most important issues falling within the competence of the Board of Directors.

10.3. Decisions of the Committees shall be deemed to be recommendations to the Board of Directors. The Board of Directors may take account of any decision of the Committee in relation to the relevant item on the agenda of the meeting.

10.4. The members, competence, and operating procedure of any Committee shall be determined by the decisions adopted by the Board of Directors of the Company in accordance with the requirements set forth in the applicable laws.

## **11. Final Provisions**

11.1. These Regulations may be amended and supplemented by the General Meeting of Shareholders of the Company.

11.2. If, as a result of any change in the laws and regulations of the Russian Federation, any provisions of these Regulations come into conflict therewith, such provisions shall become null and void, and the activities of the Board of Directors shall, until these Regulations are amended, be governed by the laws and regulations of the Russian Federation and the Articles of Association of the Company.