



APPROVED  
by Annual General Shareholders' Meeting  
of PJSC Rostelecom held on June 18, 2018

Minutes No. 1 dated June 20, 2018

**REGULATIONS ON THE BOARD OF DIRECTORS OF  
PUBLIC JOINT-STOCK COMPANY "ROSTELECOM"**

(version No. 16)

Moscow  
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**1. GENERAL PROVISIONS**

- 1.1. These Regulations on the Board of Directors of PJSC Rostelecom (hereinafter these "Regulations") shall, in accordance with the Civil Code of the Russian Federation, the Federal Law "On Joint-Stock Companies" No 208-FZ dated December 26, 1995 (hereinafter the "Federal Law on Joint-Stock Companies") and the Charter of PJSC Rostelecom, govern the procedure to convene and hold meetings of the Board of Directors of PJSC Rostelecom (hereinafter the "Board of Directors"), the amount and procedure for payments of remuneration and compensations to members of the Board of Directors.
- 1.2. The Board of Directors shall be a collegial governing body of PJSC Rostelecom (hereinafter the "Company") which carries out general management activities except for the issues referred by the Federal Law On Joint-Stock Companies to the powers of the general shareholders' meeting.

**2. PURPOSES AND PRINCIPLES OF OPERATION OF THE BOARD OF DIRECTORS**

- 2.1. The purposes of the Board of Directors activities shall be the procurement of maximum profits and increase of assets of the Company, protection of rights and legitimate interests of shareholders and provision of complete, accurate and objective public information about the Company.
- 2.2. In order to accomplish its purposes the Board of Directors shall adhere to the following principles:
- making decisions on the basis of reliable information about the Company's activities;
  - exclusion of restrictions of shareholders' rights to participate in the management of the Company's activities and receive dividends and information on the Company;
  - striking a balance between interests of different groups of shareholders and making decisions of the Board of Directors in an objective manner for the benefit of all shareholders of the Company.
- 2.3. Any irreconcilable ambiguity between rules, stipulated in the applicable Russian Law and internal documents shall be interpreted by the Board of Directors in favor of expanding rights and legitimate interests of the shareholders.

**3. RIGHTS AND DUTIES OF A MEMBER OF THE BOARD OF DIRECTORS; PROCEDURE OF THEIR EXECUTION**

- 3.1. A member of the Board of Directors shall have the right:
- to request from of the Company as provided for in Par. 3.4 of these Regulations any available from the Company information and documents on the Company's activities and those of entities controlled by the Company, required for performance of his/her duties, with all members of the Board of Directors having equal rights to access above-mentioned documents;
  - to receive compensation of expenses related to performance of functions of a member of the Directors according to the procedure specified in this Regulations, provided that they are not prohibited from paid participation in a governing body of a commercial organization pursuant to applicable Russian Law; to receive remuneration for performance of his or her duties as a member of the Board of Directors as stipulated herein; or to perform functions of a member of the Company's Board of Directors free of charge;
  - to demand that his/her dissenting opinion on agenda items and approved decisions be recorded in the minutes of the meeting (absentee voting) of the Board of Directors;
  - to get an adequate idea of the Company strategy, corporate governance system implemented in the Company, risk management and internal control frameworks, distribution of responsibilities among executive bodies of the Company and other essential information about the Company's activities, as stipulated in the Regulations on the Corporate Secretary and Office of the Corporate Secretary of the Company.
- 3.2. A member of the Board of Directors shall:
- be loyal to the Company, i.e., refrain from using his/her position in the Company for the benefit of other persons;
  - act within the scope of his/her authorities in accordance with the purposes and principles of operation of the Board of Directors;

- act reasonably and in good faith, perform with due care and prudently his/her duties in the best interests of the Company and its shareholders, ensure sustainable and successful development of the Company;
  - not disclose non-public and confidential information on the Company activities which became known to him/her in the course of fulfilling his/her duties as a member of the Board of Directors where access to such information is restricted according to applicable Russian Law and internal documents of the Company;
  - initiate meetings or absentee voting by the Board of Directors in order to decide urgent matters;
  - participate in the decision-making of the Board of Directors by voting on agenda items of meetings or by absentee voting;
  - make reasonable decisions and for this purpose review all necessary information (materials);
  - in the course of decision-making evaluate risks and consequences adverse for Company;
  - timely notify the Company about his/her intention to take a position in governing bodies of other organizations, and report information about associated persons and information as required according to Article 82 of the Federal Law On Joint-Stock Companies, and on any changes in such information;
  - notify in writing the Corporate Secretary of the Company (hereinafter the “Corporate Secretary”) and the relevant structural unit of the Company responsible for due compliance with requirement of the law and those of organizers of trading on securities market as applicable to control of insider information movements, about any possession and completed deals involving securities of the Company or their derivatives, within the timelines and according to procedures approved by a relevant internal document of the Company regulating matters related to protection of and access to the Company’s insider information;
  - inform the Company in writing about prohibition set or lifted for his/her participation in a governing body of a commercial organization as required by applicable Russian Law;
  - inform the Company in writing about his/her intention to perform functions of a member of the Board of Directors free of charge;
  - refrain from committing any acts that result or could result in creating a conflict of interests between his/her interests and those of the Company, where by a “conflict of interests” is meant any contradiction between the Company’s interests and personal interests of a member of the Board of Directors: any direct or indirect personal interests or interests beneficial to a third party, including those attributed to his/her business, friendly, family and other relations and relationships, or to holding by him/her or by persons associated with him/her an office in other legal entity, or to possessing by him/her or by persons associated with him/her shares in other legal entity, or conflicts between his/her duties toward to the Company and those in respect of other person;
  - in the event that any conflict of interests is created, notify the Board of Directors through the Chairman of the Board of Directors, or the Corporate Secretary, both about the conflict of interests itself and the reasons for the conflict creation, immediately but not later than the start of discussion at a meeting of the Board of Directors of the issues in respect of which such member of the Board of Directors has the created conflict of interests;
  - not take part in taking decision on issues where such member of the Board of Directors has an existing conflict of interests.
- 3.3. Activities of a member of the Board of Directors shall be continuous and shall not be limited to participation in decision-making of the Board of Directors.
- 3.4. The Company shall, following a written request of a member of the Board of Directors submitted to an executive body of the Company or the Company’s Corporate Secretary, provide him/her with documents stipulated in Par. 3.1 hereof.

The requested documents shall be provided for review to the requesting member of the Board of Directors within 5 (five) business days from the moment when such request was made or within another period agreed upon with the member of the Board of Directors who made such request.

If requested documents contain any confidential information including trade secrets the member of the Board of Directors to whom such documents were provided shall keep their confidentiality and provide the Company with a relevant confirmation.

The Company shall, at a relevant request of a member of the Board of Directors, provide him/her with copies of the requested documents.

Responsible persons shall be held liable as stipulated by applicable Russian Law for a failure to provide relevant documents.

#### **4. CHAIRMAN OF THE BOARD OF DIRECTORS**

- 4.1. The Chairman of the Board of Directors shall be elected by and from among members of the Board of Directors by a majority of votes of the members of the Board of Directors at the first meeting following their election by the general shareholders' meeting.
- 4.2. The person performing functions of the sole person executive body of the Company shall not at the same time hold the office of the Chairman of the Board of Directors.
- 4.3. The Board of Directors may at any time elect another Chairman of the Board of Directors.
- 4.4. Members of the Board of Directors shall have the right to elect a Deputy Chairman of the Board of Directors. In the absence of the Chairman of the Board of Directors, all of his/her functions (including the right to sign documents) shall be performed by the Deputy Chairman and, in the absence of the latter, by one of the members of the Board of Directors authorized by a decision of the Board of Directors adopted by a majority of votes of its members.
- 4.5. The Chairman of the Board of Directors shall organize the work of the Board of Directors, convene its meetings and arrange absentee voting, take any measures required for timely provision of members of the Board of Directors with information required for decision-making on agenda items, chair the meetings, if necessary, undertake drafting decisions on agenda items under consideration, arrange for keeping minutes at the meetings and records of absentee voting of the Board of Directors.
- 4.6. The Chairman of the Board of Directors may not delegate his or her functions to another person.

#### **5. INDEPENDENT DIRECTOR; SENIOR INDEPENDENT DIRECTOR**

- 5.1. A member of the Board of Directors having adequate expertise, experience and independency so that to formulate his/her own position, capable of making sound and good faith judgments free from influence of executive bodies of the Company, certain groups of shareholders or other stakeholders and meeting the independence criteria specified in the Code of Corporate governance as approved by the Board of Directors of the Bank of Russia (hereinafter – the "Code of Corporate Governance") can be recognized an independent director pursuant to a procedure established by internal documents of the Company.

In some exceptional cases the Board of Directors may recognize as independent a candidate (member of the Board of Directors) that does not meet the independence criteria.

- 5.2. An independent director shall refrain from committing acts that may result in his/her ceasing to be an independent director if such failure to meet the criteria does not influence the ability of a relative person to make independent, unbiased and honest judgments.

If after an independent director was elected to the Board of Directors, circumstances arise resulting in his/her ceasing to an independent director, such member of the Board of Directors within 2 (two) business days after he/she became aware of occurrences of such circumstances shall notify the Board of Directors thereof by sending a written notice to the Corporate Secretary of the Company, with such notice to be reviewed by the Board of Directors at its next meeting.

- 5.3. If the Chairman of the Board of Directors is not an independent director, members of the Board of Directors who are independent directors shall elect the Senior Independent Director among themselves.
- 5.4. The Senior Independent Director shall coordinate liaisons between independent directors, and in particular convene from time to time meetings of independent directors and chair such meetings; jointly with the Chairman of the Board of Directors facilitate establishing and maintaining a dialog between members of the Board of Directors and shareholders, and in particular, in the event of

significant differences between members of the Board of Directors undertake efforts to resolve the differences by way of negotiations with the conflict parties.

- 5.5. Evaluation of performance of the Chairman of the Board of Directors shall be chaired by the Senior Independent Director.

In the event of a negative evaluation of the performance of the Chairman of the Board of Directors, the Senior Independent Director shall initiate a meeting of the Board of Directors at which the Senior Independent Director shall be entitled to suggest another candidate among the existing members of the Board of Directors to take the office of the Chairman of the Board of Directors.

## **6. CORPORATE SECRETARY**

- 6.1. Activities of the Board of Directors shall be supported by the Corporate Secretary. The duties of the Corporate Secretary shall be stipulated by the Regulations on the Corporate Secretary and office of the Corporate Secretary as approved by the Board of Directors.

## **7. MEETING OF THE BOARD OF DIRECTORS**

- 7.1. Decisions of the Board of Directors may be taken at meeting held in the form of joint presence (including video- or teleconferencing) or by absentee voting.
- 7.2. Issues, which in compliance with the Code of Corporate Governance must be dealt with at meetings to be attended in person shall be considered by the Board of Directors at a meeting.
- 7.3. Meetings (absentee voting) of the Board of Directors shall be held regularly in accordance with the schedule of work approved by the Board of Directors, but at least once every three months. If so required, the Board of Directors shall consider issues that are not included in the schedule of work.
- 7.4. A meeting (absentee voting) of the Board of Directors shall be convened (announced) by the Chairman of the Board of Directors on his or her own initiative, at the request of a member of the Board of Directors, a committee of the Board of Directors, the Audit Commission of the Company, the external auditor of the Company, the sole person or collegial executive body of the Company, the head of the internal control unit, or at the request of a shareholder (shareholders) holding in aggregate not less than 2 percent of the Company voting shares.

The agenda of the meeting to be convened (absentee voting) shall be determined by the Chairman of the Board of Directors subject to the approved schedule of work of the Board of Directors and received requests of the persons listed in the first paragraph of this subsection 7.4.

One of the elected members of the Board of Directors shall be entitled to convene a meeting (absentee voting) of the Board of Directors after a new membership of the Board of Directors was elected but the Chairman of such new Board of Directors is not elected yet, as well as when the Chairman is not available for other reasons.

- 7.5. A request to convene a meeting (absentee voting) of the Board of Directors shall contain the following information:
- 7.5.1. name of the person initiating the meeting or the name of the body or the legal entity making the request;
- 7.5.2. if the request for convocation of a meeting is submitted by a shareholder, the request shall indicate the number and category (type) of shares owned;
- 7.5.3. the form of decision-making (by joint presence or by absentee voting);
- 7.5.4. the date of the meeting or, in the event of absentee voting, the date of completion of voting by members of the Board of Directors on the agenda items;
- 7.5.5. agenda of the meeting (absentee voting);
- 7.5.6. list of information (materials) to be furnished to the members of the Board of Directors for the meeting (absentee voting).

In addition, a request to convene a meeting (to have an absentee voting) of the Board of Directors may contain the following information:

- 7.5.7. time and venue of the meeting (in case of a meeting);

- 7.5.8. draft resolutions on agenda items and, if such items involve election (appointment) of members of official bodies and other persons, information on candidates to such bodies and such persons;
- 7.5.9. other information at the discretion of the party initiating the convocation.

7.6. A notice of a meeting of the Board of Directors (absentee voting) shall be given to each member of the Board of Directors together with the necessary materials not less than 10 (ten) business days prior to the date of the meeting (or, in the event of absentee voting, prior to completion of voting). The said advance period may be reduced if it is required to decide urgently on any issues, provided that none of the members of the Board of Directors objects. By objections shall be meant any opinion of a member of the Board of Directors delivered to the Company by using one of the methods stipulated in this paragraph for notification of holding a meeting (having an absentee voting) and received not later than the deadline specified in such notification for giving notices to members of the Board of Directors of urgent decision-making.

If a meeting of the Board of Directors (absentee voting) must be held at a shorter notice in accordance with applicable Russian Law, the notice period for delivery of notification and necessary materials must be reduced.

A notice of a meeting (absentee voting) together with the meeting materials shall be sent to members of the Board of Directors by e-mail or by any other means convenient to them (including regular mail). A notice of a meeting (absentee voting) shall contain the information listed in paragraphs 7.5.3-7.5.8 hereof and specify the address and fax number to which members of the Board of Directors can send their written opinions or voting ballots. On the initiative of the bodies and persons entitled to demand convocation of a meeting of the Board of Directors (absentee voting), agenda of a meeting of the Board of Directors (issues for absentee voting) may include additional issues. Proposals to include additional items into the agenda of a meeting to be convened (absentee voting to be held) shall be made in writing and include wording of such items and information listed in Paragraphs 7.5.1, 7.5.2 and 7.5.6 hereof. Bodies and persons that initiated convocation of a meeting or absentee voting (inclusion of an item into the agenda of the meeting or for absentee voting) may revoke their proposal at any time before the voting results on such an item are finalized.

Should there arise circumstances which make it impossible or difficult to hold a meeting of the Board of Directors in the place and/or at the time notified to the members of the Board of Directors, the meeting on the original agenda may be held in a different place and/or at a different time. All members of the Board of Directors shall be notified of changes in the place and/or time of the meeting in advance to ensure their attendance. Notification of such changes shall be given to members of the Board of Directors in any form that can guarantee receipt of such notification at the location or mailing address of each member of the Board of Directors.

All members of the Board of Directors shall be notified of changes in the agenda of the meeting (absentee voting) in accordance with the procedure used for notification of convocation of the meeting (absentee voting).

No advance notification shall be needed for the first meeting of the Board of Directors conducted on the day of the general shareholders' meeting at which the Board of Directors was elected (provided that the decision on the election of the Board of Directors and the results of voting thereon are announced at the general shareholders' meeting at which the voting is held).

7.7. In the course of making decisions at a meeting of the Board of Directors, members of the Board of Directors who are present at the meeting must express their opinion on the agenda items by voting.

If a member of the Board of Directors cannot attend a meeting in person such member of the Board of Directors may express his/her opinion on the agenda items in writing.

7.8. A member of the Board of Directors may express a written opinion using one of the following methods:

7.8.1. submission of a written opinion on the agenda items.

A written opinion shall indicate the voting option the member of the Board of Directors selected for voting on each agenda item on which he/she has the right to vote by selecting one of the following options: "YES", "NO" or "ABSTAINED".

The written opinion of the member of the Board of Directors main contain:

- remarks on furnished materials (information) which require that specific amendments be made to such materials (information);

- comments on (interpretations of) furnished materials (information), descriptive and critical remarks which do not require that specific amendments be made to such materials (information) which are used for decision-making purposes;
- requests that the Company or persons initiating consideration of the issue on the agenda furnish additional information which is related to such issue but is not necessarily required for decision-making purposes and does not affect his/her voting;
- requests that the Company furnish copies of materials (information) specified in resolutions of the Board of Directors in the event of their approval.

A written opinion of a member of the Board of Directors shall be attached to the minutes of the Board of Directors and treated as an integral part of such minutes.

- 7.8.2. Conducting a written poll of members of the Board of Directors intending to be absent from the meeting, regarding draft resolutions on agenda items proposed in the notice of the meeting.
- 7.8.3. Conducting a written poll of members of the Board of Directors absent from the meeting, regarding draft resolutions on agenda items as formulated by the members of the Board of Directors attending the meeting.

Written polls of the members of the Board of Directors shall be conducted by completing questionnaires prepared by the Corporate Secretary.

- 7.9. Prior to the meeting, any member of the Board of Directors intending to be absent from the meeting and express his/her opinion in writing shall be entitled to submit his/her written conclusion on the agenda items or request that the Corporate Secretary prepare for him/her a questionnaire containing draft resolutions on the agenda items proposed in the notice of the meeting. Such questionnaire shall be prepared and delivered to such member of the Board of Directors within one (1) business day following the date of receipt of such request.

The Chairman of the meeting shall voice a written opinion of a member of the Board of Directors who is absent from the meeting including remarks on furnished materials (information) contained in such written opinion.

If members of the Board of Directors attending the meeting develop draft resolutions on the agenda items different from those contained in the written opinion of an absent member of the Board of Directors, the Corporate Secretary shall request the absent member of the Board of Directors to express his/her opinion thereon. Such questionnaire shall be prepared and sent to such members of the Board of Directors immediately after the end of the relevant meeting of the Board of Directors.

- 7.10. Written opinions of absent members of the Board of Directors submitted prior to the start time of the meeting shall be taken into consideration for the purpose of quorum determination.

Only duly filled out questionnaires of absent members of the Board of Directors submitted prior to the end of the day on which the meeting is held shall be taken into account in finalizing the voting results. Otherwise, the absent member of the Board of Directors shall be deemed failed to vote on draft resolutions developed by the attending members of the Board of Directors.

- 7.11. If a meeting of the Board of Directors is held in the form of absentee voting, decisions shall be adopted by voting of members of the Board of Directors on the draft resolutions provided in the ballot.

A ballot for a vote by a member of the Board of Directors shall contain the following:

- wording of issues put to vote;
- draft resolutions on issues put to vote;
- voting options on each issue: “YES”, “NO”, “ABSTAINED”;
- deadline for submission of the voting ballots;
- postal address and fax number to send ballots;
- last name and initial letters of the name of the member of Board of Directors;
- the signature of the member of the Board of Directors.

If a meeting of the Board of Directors is held in the form of absentee voting, the Corporate Secretary shall distribute voting ballots to all members of the Board of Directors. Members of the Board of Directors whose signed ballots were submitted to the Corporate Secretary before the deadline specified in the ballot shall be considered to be taking part in the meeting.

The following ballots shall not be taken into account in the quorum determination and in the voting at a meeting of the Board of Directors:

- not signed by a member of the Board of Directors;
- not completed by a member of the Board of Directors;
- submitted after the deadline for acceptance of ballots;
- where more than one of the voting options are ticked for voting on one and the same agenda item or no voting options are ticked on an agenda item.

A member of the Board of Directors is entitled to submit a written opinion on any agenda item put for absentee vote along with the voting ballot. A written opinion of a member of the Board of Directors shall be attached to the minutes of the absentee vote and deemed to be an integral part of such minutes.

7.12. When voting on an issue previously considered by committees of the Board of Directors, members of the Board of Directors shall be given an opportunity to review recommendations issued by the relevant committees.

7.13. In case an issue presented for consideration by the Board of Directors, can be simultaneously referred to responsibilities of the Board of Directors based on different grounds stipulated in the Company's Charter, such issue shall be considered resolved on the basis of all relevant grounds.

7.14. When the Board of Directors takes a decision on an agenda item, each member of the Board of Directors shall have one vote.

A member of the Board of Directors may not delegate his or her voting right to another person, including another member of the Board of Directors.

In the event of a tie vote of members of the Board of Directors the Chairman of the Board of Directors shall have the casting vote.

No vote of members who left the Board of Directors shall be taken into account for passing a decision. Deceased members, those members who are subject to a valid effective court decision of their disqualification as a form of their administrative punishment, and members in other circumstances specified in the applicable Russian Law shall be deemed to have left the Board of Directors.

7.15. Minutes shall be kept at any meeting (of absentee voting) of the Board of Directors.

Minutes of a meeting (records of absentee voting) of the Board of Directors shall be drawn up within 3 days following the date of the meeting (completion of voting by members of the Board of Directors in the event of absentee voting).

The minutes of a meeting (records of absentee voting) shall specify:

- place and time of the meeting or, in the event of absentee voting, place where the records were drawn up and the date of completion of voting by the members of the Board of Directors;
- persons who were present at the meeting: members of the Board of Directors (with an indication of whether they have the right to vote on agenda items) and invited attendees;
- members of the Board of Directors who submitted written opinions on the agenda items (with an indication of whether they have the right to vote on agenda items);
- the agenda;
- draft resolutions on the issues put to the vote and voting results;
- resolutions adopted.



Minutes of a meeting of the Board of Directors shall be signed by the meeting Chairman and by the Corporate Secretary. The minutes of absentee voting of the Board of Directors shall be signed by the Chairman of the Board of Directors and by the Corporate Secretary.

If a meeting (absentee voting) of the Board of Directors was invalid, because the number of the members of the Board of Directors taking part in it was insufficient to pass a resolution on any of the agenda items, minutes of an invalid meeting (absentee voting) shall be prepared.

Minutes of an invalid meeting (absentee voting) of the Board of Directors shall be drawn up no later than the following day after the invalid meeting (absentee voting) of the Board of Directors and specify:

- place and time of the meeting or, in the event of absentee voting, date of voting completion by members of the Board of Directors, specified in the notice of the invalid meeting (absentee voting);
- agenda of the meeting specified in the notice of the invalid meeting (absentee voting) of the Board of Directors;
- number of elected members of the Board of Directors;
- members of the Board of Directors who took part in the invalid meeting (absentee voting), if any.

Minutes of an invalid meeting (absentee voting) of the Board of Directors shall be signed by the Corporate Secretary.

## **8. REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND COMPENSATION FOR EXPENSES RELATED TO PERFORMANCE OF THEIR FUNCTIONS**

8.1. For the period of performance by members of the Board of Directors of their duties, the Company shall remunerate them and compensate costs connected with performance by members of the Board of Directors of their functions.

8.2. Members of the Board of Directors shall be paid a fixed annual remuneration.

8.3. The annual remuneration payable to each member of the Board of Directors shall be RUB4,000,000 (four million rubles). Remuneration payable to the Chairman of the Board of Directors shall be equal to that of an ordinary member multiplied by a factor of 1.5.

Remuneration of a member of the Board of Directors may be reduced by:

- 10%, in the case of his/her missing at less than 25% (inclusive) of the held meetings and meetings by absentee voting of the Board of Directors;
- 30%, in the case of his/her missing at more than 25% and less than 50% (inclusive) of the held meetings and meetings by absentee voting of the Board of Directors;
- 100%, in the case of his/her missing at more than 50% of the held meetings and meetings by absentee voting of the Board of Directors.

In order to compute possible reduction of the remuneration amount, the number of the meetings (meetings by absentee voting) in which the relevant member of the Board of Directors failed to take part shall be taken into account except the meeting of the Board of Directors held on the day of the general shareholders' meeting at which the Board of Directors was elected.

If during the period from the moment of election of the Board of Directors by the annual general shareholders' meeting until the next annual general shareholders' meeting there were changes in the personal membership of the Board of Directors and/or changes in the basis of performance of functions by a member of the Board of Directors (paid/free of charge) the remuneration shall accrue and be paid pro rata to the period of time during which the member of the Board of Directors performed his/her functions on a paid basis.

8.4. The annual remuneration of a member of the Board of Directors shall be paid not later than 1 month after the general shareholders' meeting for the year when he or she was elected to the Board of Directors.

8.5. The annual amount of RUB400,000 (four hundred rubles) shall be accrued and paid to the members of the Board of Directors who also serve as members of the Audit Committee for performance of functions of members of the Audit Committee. The Chairman of the Audit Committee shall receive annual payment with a coefficient of 1.25.

The annual payment equal to RUB320,000 (three hundred and twenty thousand rubles) shall be accrued and paid to the members of the Board of Directors who also serve as members of other committees of the Board of Directors for performance of functions as members of the respective committees. The Chairmen of such Committees of the Board of Directors shall receive annual payment with a coefficient of 1.25.

If during the year there had been changes in the composition of a Committee, the remuneration shall accrue and be paid in proportion to the period of time during which the member of the Committee performed his/her functions.

- 8.6. No annual remuneration shall be payable to a member of the Board of Directors who is an employee (officer) of the Company.
- 8.7. A member of the Board of Directors shall receive reimbursement for his/her expenses related to performing their functions (including travel and accommodation expenses, telecom expenses, visa support, etc.) in accordance with the limits set for grade 10 employees of the Company.
- 8.8. Members of the Board of Directors who are public officials shall perform their duties on a non-paid basis.
- 8.9. Members of the Board of Directors may not receive remuneration or compensation for expenses for the performance of their duties in any kind or manner for making decisions by the Board of Directors or other bodies of the Company, or for exercising their rights and performance of their duties as members of the Board of Directors, other than remuneration and compensation for expenses received in accordance with these Regulations or the decision of the General Shareholders Meeting expressed by another way.

## **9. APPROVAL OF THESE REGULATIONS; AMENDMENTS AND MODIFICATIONS**

- 9.1. These Regulations shall be approved at the general shareholders' meeting by a majority of votes cast by holders of voting shares of the Company taking part in the meeting.
- 9.2. These Regulations shall be amended or modified at a general shareholders' meeting by a majority of votes cast by holders of voting shares of the Company taking part in the meeting.
- 9.3. If, as a result of any changes in applicable Russian Law or the Company's Charter, certain provisions of these Regulations became inconsistent therewith, such provisions shall be deemed null and void, and pending approval of the requisite amendments to these Regulations, members of the Board of Directors shall be guided by provisions of applicable Russian Law and the Company's Charter.