



APPROVED
Board of Directors
PJSC Rostelecom
August 06, 2020

Minutes № 24 of August 06, 2020

**REGULATIONS ON THE STRATEGY COMMITTEE
OF THE BOARD OF DIRECTORS
PUBLIC JOINT STOCK COMPANY ROSTELECOM**

(edition № 4)

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1. General

- 1.1. These Regulations on the Strategy Committee (hereinafter the “Regulations”) shall be the principal document regulating operations of the Corporate Governance Committee (hereinafter the “Committee”) of the Board of Directors of PJSC Rostelecom (hereinafter the “Board of Directors”), and shall define its terms of reference, composition and functioning, rights and duties of the Committee members, reporting and support of the Committee activities, as well as Committee’s interaction with bodies and organizational units of PJSC Rostelecom
- 1.2. The Committee shall be an auxiliary body of the Board of PJSC Rostelecom (hereinafter the “Company”). The Committee shall not be a body of the Company, and the Company assumes no civil rights and obligations through the Committee.
- 1.3. The Committee shall be guided by the applicable Russian law, the Code of Corporate Governance as approved by the Bank of Russia, the Charter of PJSC Rostelecom, the Regulations on the Board of Directors of PJSC Rostelecom (hereinafter the “Regulations on the Board of Directors”), the Code of Corporate Governance of PJSC Rostelecom, the Code of Ethics of PJSC Rostelecom, these Regulations and other duly approved internal documents of the Company (hereinafter the “Internal Documents”).
- 1.4. For the purpose of these Regulations:
 - 1.4.1. terms “independent director” and “non-executive director” shall have the meanings defined in the Code of Corporate Governance of PJSC Rostelecom.

2. Purpose and Terms of Reference of the Committee

- 2.1. The purpose of the Committee shall be to improve efficiency and quality of operations of the Board of Directors through prior review of certain matters falling into authorities of the Board of Directors and issuing advice and recommendations to the Board of Directors within the Committee authority.
- 2.2. The Committee’s responsibilities shall include:
 - 2.2.1. identifying the strategic objectives of the Company operations, oversight of the Company strategy implementation, making recommendations to the Board of Directors on adjusting the Company existing development strategy;
 - 2.2.2. determination of the Company top priority lines of activity, oversight of implementation of the Company development plans for top priority lines of activities, including analysis of budget execution, execution of the Company business plans and development programs;
 - 2.2.3. approval of an internal framework document concerning dividend distribution on the Company shares;
 - 2.2.4. profit distribution recommendations, including the dividend amount payable on the Company shares, arrangements for making dividend payments, and losses distribution;
 - 2.2.5. evaluation of the Company performance on long-term basis;
 - 2.2.6. the Company’s participation and termination of participation in other commercial organizations (including direct and indirect acquisition and disposal of interest in charter capitals of organizations, encumbrances of shares and interest);
 - 2.2.7. determination of arrangements for relations with organizations where the Company has interest, and the Company subsidiary and affiliate management policies;
 - 2.2.8. assessing voluntary and mandatory offers of purchasing the Company securities;
 - 2.2.9. review of the Company financial model and business and business segment valuation model;
 - 2.2.10. reviewing matters related to the Company and its subsidiaries’ reorganization and liquidation;
 - 2.2.11. reviewing matters related to changes in the Company and its affiliates’ organizational charts;
 - 2.2.12. reviewing matters related to reengineering of the business processes in the Company and its affiliated legal entities;
 - 2.2.13. making changes in the Company Charter Capital;
 - 2.2.14. identifying appropriations of the Company reserves and other funds;
 - 2.2.15. approval (submission by the Board of Directors for a decision of the General Shareholders’ Meeting) of material transactions of the Company;

- 2.2.17. recommendations for submission by the Board of Directors for an approval by the General Shareholders' Meeting of related party transactions;
- 2.2.18. preparation of the report of the Committee activities to be included in the annual report and other internal documents of Company.

3. Establishment of the Committee

- 3.1. Establishment of the Committee, election of the Committee members and Chairperson, as well as and early termination of their powers shall be subject to a decision of the Board of Directors.
- 3.2. The Committee shall consist of at least three (3) Committee members.
- 3.3. The Board of Directors shall elect the Chairperson of the Committee to direct the Committee operations.

The Committee Chairperson shall be election from the Board members only. The Chairperson of the Board shall not serve as the Chairperson of the Committee.

- 3.4. Subject to a decision be the Board of Directors, a Deputy Chairperson of the Committee can be elected. If the Committee Chairperson is not available, the Deputy Chairperson shall perform all the duties of the Chairperson prescribed in these Regulations, and if the Deputy Chairperson is not available either, the Chairperson duties shall be performed by one of the Committee members elected by a majority of the Committee members taking part in the relevant meeting.
- 3.5. Education, professional expertise, experience gained in the sphere of activities of the Committee as well as specific knowledge required for serving on the Committee shall be considered when electing the Chairperson as well as members of the Committee.
- 3.6. No member of the Committee (including the Chairperson) shall be elected member of more than four (4) Committees of the Board of Directors.
- 3.7. The decision to establish the Committee, elect its members and Chairperson shall be made by the Board of Directors after its re-election.

The Board of Directors can change personal membership of the Committee at any time.

- 3.8. Duties of the Committee' Secretary shall be performed by the Corporate Secretary or, in his or her absence, the member of the Office of the Corporate Secretary and Corporate Legal Support appointed by the Corporate Secretary.

4. Meetings of the Committee

- 4.1. The Committee shall make its decisions at a physical meeting (including a video- or teleconference meeting) or by absentee voting.

A quorum to hold a valid meeting of the Committee shall be at least half of the elected membership of the Committee.

Any decision of the Committee shall require a majority of votes cast by members of the Committee participating the relevant meeting.

- 4.2. Meetings (absentee votings) of the Committee shall be held regularly according to the operational plan approved by the Committee, but not less than once in three (3) months. If required the Committee shall consider issues not included in its operational plan. The Committee's operational plan shall be approved the Committee based on the operational plan of the Board of Directors depending on whether the Committee's recommendations are required.
- 4.3. A meeting (absentee voting) of the Committee can be convened by the Chairperson of the Committee acting on his or her own initiative, upon a request of a member of the Committee, those entitled to demand convocation of a meeting of the Board of Directors, or following an instruction of the Board of Directors.
- 4.4. A request to convene a meeting (to hold absentee voting) of the Committee shall contain the following information:
 - 4.4.1. name of person or body or legal entity filing the request;
 - 4.4.2. number and type (class of shares) owned by a shareholder if the request was filed by a shareholder;
 - 4.4.3. form of making decisions (meeting or absentee voting);

- 4.4.4. either date of the requested meeting or the deadline for submitting votes by members of the Committee on the agenda issues for absentee voting;
- 4.4.5. agenda of the meeting (absentee voting);
- 4.4.6. list of documents (materials) to be provided to members of the Committee for the meeting (absentee voting).

Additionally, a request to convene a meeting (absentee voting) of the Committee can contain the following information:

- 4.4.7. meeting time and venue (in case of a meeting);
- 4.4.8. draft resolutions on the agenda issues and names of candidates for election (appointment) of bodies and officers, if issues of election (appointment) of such bodies and officers on the agenda;
- 4.4.9. other information provided at the discretion of the initiator of the request.

- 4.5. A notice of the Committee meeting (absentee voting) to be held shall be sent to each Committee member together with the necessary materials at least five (5) business days prior to the date of the meeting (or, in the event of absentee voting, prior voting deadline). Accelerated notification period can be applied for urgent matters, if none of the Committee members objects. Objections shall be presented in the form of a dissenting opinion submitted by a Committee member using one of the methods stipulated by this Article for notification of the meeting, if received not later than the date specified in such urgent notification.

If an accelerated meeting of the Committee (absentee voting) is required based on directions from the Board of Directors, notification and information send-out period must be accelerated.

Notification of the meeting (absentee voting) accompanied by relevant materials shall be sent to the Committee members by electronic mail or in any other form convenient to them (including mail service). Notification of the meeting shall contain information listed in subparagraphs 4.4.3-4.4.8 hereof and the address, fax, e-mail address of the Corporate Secretary to which the Committee members can send their opinions in writing or ballots for absentee voting. On the initiative of the bodies and persons entitled to request convocation of the Committee meetings (absentee voting), additional issues may be included in the agenda. Proposals to include additional issues on the agenda of a convened meeting (absentee voting) shall be made in writing and include wording of each issue, as well as information stipulated in subparagraphs 4.4.1, 4.4.2 and 4.4.6 hereof. Bodies and persons which requested a meeting or absentee voting (proposed to include an issue on the agenda) may withdraw their proposals at any time prior to finalizing the results of relative voting.

Should any circumstances occur rendering it impossible or cumbersome to hold the Committee meeting at the venue and/or at the time communicated to the Committee members, the meeting pursuant to the initial agenda may be held at a different place and/or at a different time. All Committee members shall be notified of changes of the place and/or time of the meeting in advance to ensure their timely arrival for the meeting given the traveling time, but at least one day in advance. Notification of such changes shall be given to the Committee members in any form that will guarantee receipt of such notification at the domicile or mailing address of any Committee member.

All Committee members shall be notified of changes in the meeting (absentee voting) agenda in accordance with the procedure used for giving notice of a meeting (absentee voting).

The first meeting of the Committee held on the same day as meeting the Board of Directors where Committee members were elected, can be held without a prior notice.

- 4.6. At Committee meetings Committee members attending the meeting shall express their opinion on the agenda issues by voting.

If a Committee member cannot attend the meeting in person, such Committee member may express his/her opinion on the agenda issues in writing.

- 4.7. Written opinion of a Committee member may be expressed as follows:

- 4.7.1. submission of a written opinion on the agenda items.

The written opinion shall indicate how the Committee member voted on each issue of the agenda on which he/she has the right to vote, using one of the following options: "YES", "NO" or "ABSTAINED".

Written opinion of the Committee member may contain:

- remarks on furnished materials (information) that require specific amendments to be introduced in such materials (information);
- comments on (interpretations of) furnished materials (information), descriptive or criticizing remarks that do not require specific amendments to such materials (information) as used for decision-making purposes;
- requests that the Company or the persons initiating consideration of the issue should furnish to the Committee member in question at his/her address some additional information, relevant to such issue but which is not necessarily required for his/her decision-making and does not affect his/her voting;
- application to the Company requesting provision to his/her address of copies of materials (information) stipulated by the Committee resolutions subject to passing such resolutions.

Written opinion submitted by a member of the Committee shall be attached to the relevant minutes of the Committee meeting as their integral part.

- 4.7.2. written survey of Committee members not intending to attend the meeting about draft resolutions on each issue on the agenda proposed in the notification of the meeting;
- 4.7.3. written survey of Committee members absent at the meeting about draft resolutions on each issue on the agenda proposed in the notification of the meeting.

Written surveys of the Committee members shall be conducted via questionnaires prepared by the Committee Secretary.

- 4.8. In the course of the procedure to convene the Committee meeting a member of the Committee intending not to attend the meeting but express his/her opinion in writing shall be entitled to provide a written opinion on the agenda issues or request the Corporate Secretary to prepare for the member in question a questionnaire containing draft resolutions on the agenda issues as proposed upon serving the notification of the meeting. Such questionnaire shall be prepared and sent to the relevant member of the Committee not later than one (1) business day after the date of receipt of the request.

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

If members of the Committee attending the meeting develop draft resolutions on the agenda items different from those contained in the written opinion of an absent member of the Committee, the Corporate Secretary shall poll the absent member in question on each of the issues proposed for voting. A relevant questionnaire shall be prepared and sent to such members of the Committee immediately upon the end of the relevant meeting of the Committee.

- 4.9. Written opinions of absent members of the Committee 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 Committee submitted prior to the end of the day on which the meeting is held shall be taken into account for finalizing the voting results. Otherwise, the relevant absent member of the Committee shall be deemed failed to vote on draft resolutions developed by attending members.

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

Voting ballot 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, fax number and e-mail address of the Company Corporate Secretary to send ballots;
- last name and initial letters of the name of the member of the Committee;

- the signature of the member of the Committee.

If a meeting of the Committee is held in the form of absentee voting, the Corporate Secretary shall distribute voting ballots to all members of the Committee. Members of the Committee whose signed ballots were submitted to the Corporate Secretary before the deadline specified in the ballot shall be deemed 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 Committee:
 - ballots not signed by a member of the Committee;
 - ballots not completed by a member of the Committee;
 - ballots submitted after the deadline for acceptance of ballots;
 - 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 for an agenda item.
- A member of the Committee is entitled to submit a written opinion on any agenda item put for absentee vote along with a completed voting ballot. A written opinion of a member of the Committee shall be attached to the minutes of the absentee voting of the Committee and deemed to be an integral part of such minutes.
- 4.11. Any member of the Committee shall have one vote.
- No assignment of a vote by any member of the Committee to any other person including any other member of the Committee, shall be allowed.
- 4.12. Minutes shall be taken at each Committee meeting (absentee voting).
- Minutes of a meeting (records of absentee voting) of the Committee shall be drawn up not later than within three (3) days following the date of the meeting (completion of voting by members of the Committee in the event of absentee voting).
- Such minutes 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 Committee;
 - persons who were present at the meeting: members of the Committee and invited attendees;
 - members of the Committee who submitted written opinions;
 - the meeting agenda;
 - draft resolutions on the agenda issues put to vote and voting results;
 - resolutions adopted.
- Minutes of a meeting of the Committee shall be signed by the meeting Chairperson and by the Corporate Secretary. Minutes of absentee voting of the Committee shall be signed by the Chairperson of the Committee and by the Corporate Secretary.
- 4.13. Copies of or excerpts from the minutes of the Committee meetings, at which decisions on recommendations to the Board of Directors were passed, shall be included in the materials to be provided to members of the Board of Directors for its meeting, in the agenda of which the issue requiring such Committee recommendation is included.
- Copies of or excerpts from the minutes of the Committee meetings, at which proposals to the Management Board were prepared, shall be submitted to the Management Board Chairperson.
- 4.14. The Committee Secretary shall store the minutes of the Committee meetings and provide access of the Board of Directors and Committee members to the minutes and materials reviewed at the Committee meetings.
- 4.15. Invitations to attend the Committee meetings can be sent to persons not serving on the Committee subject to prior consent of the Committee Chairperson.
- 4.16. Any information on the conflict of interests of the Committee member pertaining to the discussion of any issue must be disclosed at the Committee meeting and reported to the Board of Directors pursuant to the Corporate Governance Code and other internal documents of the Company.

- 4.17. The Committee may instruct any member of the Committee to thoroughly examine certain issue within the Committee's authority and report at a meeting of the Committee his/her conclusions drawn as a result of such examination

5. Joint Meetings of Committees

- 5.1. If an issue falls within responsibilities of two or more of Committees of Board of Directors joint meetings of members of such committees may be held (hereinafter the "joint meetings") to develop common recommendations to the Board of Directors.
- 5.2. Joint meetings of Committees shall be called by the Corporate Secretary at the request of a person or body who has the right to request Committee meetings.
- 5.3. A quorum at the joint meetings of Committees shall be constituted by more than a half of the elected members of each committee, with a member of one Committee who is also a member of another Committee, shall be counted only once for the quorum determination purpose.
- 5.4. At joint meetings any member of each Committee shall have one vote only for passing resolutions. If any Committee member serves on two or more Committees participating in the joint meeting, he/she shall have one vote.
- 5.5. Any decision taken at joint meetings shall be passed by a majority of votes of Committees' members participating in the meeting. No Committee member shall be entitled to delegate his/her voting right to another person, including another committee member.
- 5.6. Joint meetings shall be chaired by one of the Chairpersons of the committees to be appointed by a majority vote of committees' members participating in the meeting.
- 5.7. The duties of a joint meeting secretary shall be performed by the Corporate Secretary following a decision passed by a majority of committees' members participating in the meeting.
- 5.8. All other issues related to calling and conducting joint meetings shall be resolved according to procedure set out in Section 4 hereof.

6. Rights and Duties of the Committee Members

- 6.1. Members of the Committee shall have the right:
- 6.1.1. to request provision by the Company of information and documents relating to the Committee's authority;
- 6.1.2. to request that their opinions on agenda issues and resolutions be included in the minutes of the meeting;
- 6.1.3. to exercise other rights granted by these Regulations.
- 6.2. The duties of the Committee members shall include:
- 6.2.1. to participate in the decision-making of the Committee by voting on issues on the agenda of the Committee meetings;
- 6.2.2. to review the documents submitted before or at the Committee meetings;
- 6.2.3. not to disclose any information not in public domain which became known to him/her in the course of fulfilling his/her duties as the Committee member and with restricted access as stipulated by the applicable legislation and internal documents of the Company;
- 6.2.4. to avoid actions that are likely to damage the good standing of the Committee or cast doubts on the expertise of its members;
- 6.2.5. to behave judiciously and in good faith in pursuing the Company's interests;
- 6.2.6. to give a prompt notice to the Committee of any conflict of interests associated with any decision making;
- 6.2.7. to fulfill other duties as provided for in these Regulations.

7. Reports of the Committee

- 7.1. The Committee shall submit its reports regarding its operational plan to the Board of Directors every six month and at the request of the Board of Directors according to these Regulations.
- 7.2. The Committee shall review its report prior to its filing with the Board of Directors.

8. Arrangements for Committee Operations

- 8.1. The Company shall cover expenses associated with the Committee's activities, including reimbursement of all documentarily confirmed expenses related to exercising by the Committee's members of their functions, and shall pay remuneration for serving on the Committee as prescribed by the Regulations on the Board of Directors.
- 8.2. External advisors (experts, organizations) can be engaged to take part in the Committee activities. A decision to engage an external advisor shall be passed at a meeting of the Committee following a proposal put forward by any member of the Committee.
- 8.3. External advisors shall be engaged on a payable basis by making relevant Company's contracts with them, if the Company allocated required funds according to the procedure set forth in par. 8.6 hereof.
- 8.4. Special training (drilling) can be arranged for members of the Committee on matters referred to the Committee authority if the Company allocated required funds according to the procedure set forth in par. 8.6 hereof.
- 8.5. A decision on having the required training shall be passed at a meeting of the Committee following a proposal put forward by any Committee member.
- 8.6. The Company shall allocate funds to cover expenses related with fees payable for services of external advisors engaged in the Committee activities and arranging training of the Committee members. In such case the Committee shall submit for review by the Board of Directors the Committee's proposals regarding allocation of such funds in the Company budget within two months following its election.

9. Committee's Relations with the Company's Bodies

- 9.1. The Committee Secretary shall settle technical and procedural issues related to coordination of the Committee actions with other bodies of the Company.
- 9.2. Executive bodies of the Company shall inform the Committee of all material changes related to matters within the Committee authority.

10. Final Provisions

- 10.1. These Regulations shall be approved by the Board of Directors.
- 10.2. Any amendments and additions hereto shall only be made by the Board of Directors.
- 10.3. If, as a result of changes in the legislation of the Russian Federation, in the Company's Charter, the Regulations on the Board of Directors or other internal documents certain provisions of these Regulations fail to comply with such legal documents, these Regulations shall be applied to the extent they are in compliance with the legislation of the Russian Federation, the Company's Charter, the Regulations on the Board of Directors and other internal documents of the Company.
- 10.4. These Regulations and any amendments or modifications hereof shall be posted on the Company website identified in the Charter of PJSC Rostelecom ensuring a free public access to this information.