

APPROVED  
as amended by the Extraordinary General  
Meeting of PJSC Acron  
(Minutes No. 63 dated 6 December 2021)

**REGULATION**  
**on PJSC Acron Board of Directors**

## **1 GENERAL PROVISIONS**

- 1.1 This Regulation on the Board of Directors of the Public Joint Stock Company Acron (the “Regulation”) was drafted in accordance with current Russian law and the Charter and bylaws of the Public Joint Stock Company Acron (the “Company”), as well as in compliance with the Listing Rules of PJSC Moscow Exchange, trade organiser at the Moscow Exchange, and with the recommendations of the Corporate Governance Code recommended for use at joint stock companies by the Bank of Russia (the “Corporate Governance Code”).
- 1.2 This Regulation defines the legal status of the Board of Directors (the “BOD”), the procedure for electing and terminating board members, the BOD’s terms of reference, the rights and obligations of BOD members and the procedure for convening and holding BOD meetings.
- 1.3 The BOD is a standing collegial governing body that controls the activity of the Company’s executive bodies and performs strategic management of the Company’s business, excluding matters reserved for the Company’s general meeting by the Federal Law *On Joint Stock Companies*; it also exercises other functions imposed on it by law and the Company’s Charter.
- 1.4 The BOD acts in accordance with the Company’s Charter, this Regulation, and other bylaws of the Company.

The BOD’s activity is governed by the requirements of current Russian Federation law, the Company’s Charter and bylaws, resolutions of the general meetings, and the listing rules of the trade organiser that admitted the Company’s securities to organised trading (the “Listing Rules”). It follows the recommendations of the Corporate Governance Code and best international and Russian practices for corporate governance at joint stock companies.

The BOD reports to the general meeting.

- 1.5 Information on the membership and activity of the Board of Directors and its committees is disclosed and submitted to the Company’s shareholders in accordance with the procedure stipulated by current Russian Federation law and the Company’s Charter and bylaws, including disclosure through publication of such information in the annual report and on the Company’s website, based on the recommendations of the Corporate Governance Code.

This Regulation is disclosed by the Company through publication on the Company’s website.

## **2 BOD MEMBERSHIP AND ELECTIONS**

- 2.1 The BOD consists of nine (9) members elected by the general meeting in accordance with the procedure established by the Federal Law *On Joint Stock Companies* for a term until the next annual general meeting.

The BOD elected pursuant to Clause 8.5. of the Charter as amended by resolution of the extraordinary general meeting on 29 November 2019 (Minutes No. 58 dated 3 December 2019) and consisting of seven (7) members is legitimate and shall proceed until the next general meeting, which will consider election of the BOD members.

If no shareholders meeting is held within the term stipulated by the Federal Law *On Joint Stock Companies* and the Charter, the powers of the BOD are terminated, except for its powers to prepare, convene and hold the annual general meeting.

- 2.2 BOD members may not be subject to an unexpired administrative penalty in the form of disqualification under the Russian Federation Administrative Violations Code.

Members of the Company’s collegial executive body may not account for more than  $\frac{1}{4}$  of the BOD members. The individual exercising the powers of the Company’s sole executive body may not serve concurrently as the Chairperson of the BOD.

Individuals may be re-elected to the BOD for an unlimited number of terms.

- 2.3 BOD members are elected from nominees proposed by the Company's shareholders and/or the BOD in accordance with the procedure stipulated by the Federal Law *On Joint Stock Companies*, the Company's Charter and the Regulation on the General Meeting.

The BOD must consider proposed nominees and adopt a resolution to include the nominees on the list of candidates to be put to a vote for election to the BOD or to refuse to include the nominees on this list, using the procedure stipulated by the Federal Law *On Joint Stock Companies*, the Company's Charter, and the Regulation on the General Meeting.

In addition to candidates proposed by shareholders, the BOD may, at its discretion, include other candidates on the list for the BOD election. The number of candidates proposed by the BOD may not exceed the number of BOD members.

The BOD (its Nomination and Remuneration Committee) determines the criteria for selecting and evaluating nominees to the BOD. The list of information (materials) made available during preparation for a general meeting at which the BOD will be elected includes the results of an evaluation of the nominees to the BOD (including an evaluation of nominee compliance with the independence criteria) prepared by the BOD (its Nomination and Remuneration Committee).

- 2.4. The BOD is elected by cumulative voting.

With cumulative voting, the number of votes held by each shareholder is multiplied by the number of persons to be elected to the BOD, and the shareholder may cast the resulting number of votes for a single candidate or distribute the votes between two or more candidates.

The candidates receiving the highest number of votes are deemed elected to the BOD.

Individuals elected to the BOD have the powers of BOD members upon the passage of a resolution by the general meeting electing them to the BOD.

- 2.5. BOD members' powers may be terminated early by resolution of the general meeting. A resolution on early termination of powers may only be adopted for all BOD members at once.

In the event of early termination, BOD members' powers are deemed terminated upon passage of a resolution by the general meeting terminating the BOD members' powers early.

### **3 INDEPENDENT DIRECTORS**

- 3.1 The number of independent directors must comply with requirements of the Listing Rules for including the Company's securities on a relevant listing level. An independent director must be independent enough to develop their own position and be able to give a non-biased and *bona fide* opinion independent of the influence of the Company's executive bodies, certain groups of shareholders or other stakeholders, and have sufficient professional expertise and experience ("independent director" or "independent BOD member").

A BOD member usually may not be an independent director if the member is

- a) Related to the Company
- b) Related to a material shareholder of the Company
- c) Related to a material counterparty of the Company
- d) Related to the Company's competitor
- e) Related to the state (the Russian Federation, a constituent entity of the Russian Federation) or a municipal entity.

Whether or not a director is independent is determined using the criteria for independence of BOD members established by the Listing Rules with due consideration for the recommendations of the Corporate Governance Code.

The BOD's Nomination and Remuneration Committee performs a preliminary evaluation of whether or not nominees to the BOD (elected BOD members) meet the independence criteria and submits its findings based on the results of such evaluation.

The BOD determines whether or not an elected BOD member is independent (adopts a resolution to recognise the director as independent) with due consideration for the relevant findings of the Nomination and Remuneration Committee.

In certain extraordinary cases, the BOD may recognise a BOD member as independent, taking into account the Listing Rules and/or the recommendations of the Corporate Governance Code, and based on the results of an evaluation, despite the fact that such director is formally related to the Company, the Company's material shareholder, the Company's material counterparty or the Company's competitor, if such relatedness does not affect the member's ability to provide independent, non-biased and *bona fide* opinions.

The BOD's Nomination and Remuneration Committee re-evaluates whether or not independent directors meet the independence criteria six months after their election by having the independent members complete questionnaires that are valid as of the date of the re-evaluation and using other information known to the Committee. The Company ensures prompt disclosure of relevant information in cases when circumstances are discovered that cause a BOD member to cease to be independent.

- 3.2 An independent director must refrain from actions that may cause such director to cease to be independent (cease to meet the independence criteria specified in Clause 3.1 hereof). If such circumstances arise after an independent director is elected to the BOD, such BOD member must immediately inform the BOD and its Nomination and Remuneration Committee in writing about such circumstances through the BOD secretary.

If the Nomination and Remuneration Committee of the BOD confirms that a BOD member has lost their status as an independent director, the BOD Chairperson ensures disclosure of information about the member's loss of independent status on the Company's website.

If the Nomination and Remuneration Committee of the BOD confirms that a BOD member has lost their independent status, the Strategic Planning and Corporate Governance Committee discusses the necessity and/or feasibility of the BOD resolving to hold an extraordinary general meeting in order to elect a new BOD and provides a recommendation to the BOD.

The BOD passes any resolution to hold an extraordinary general meeting to elect a new BOD with consideration for the recommendations of the Strategic Planning and Corporate Governance Committee, the requirements of the Listing Rules, and the time remaining until the upcoming annual general meeting.

- 3.3 When the Company takes significant corporate actions and other actions specified in Section 5.2 (37) of this Regulation, independent directors (who have no conflicts of interest in the matters) perform an advance review (before a resolution or recommendation for relevant actions is passed by the BOD) of the BOD resolutions, the fairness of the conditions and the consequences of the actions under review for shareholders and the Company, and the possibility of corporate conflicts arising within the Company as a result of the actions under review.

The results of this review and information about the independent directors' opinion (position) on material corporate actions and other actions, specified in Section 5.2 (37) of this Regulation are included in the information (materials) provided to the BOD meeting held to review the relevant matter.

- 3.4 Based on a proposal by the BOD Chairperson and/or independent BOD members, the Senior Independent Director is appointed from among the independent directors by a majority of votes of the total number of BOD members.

In order for the BOD to exercise its functions as effectively as possible, the Senior Independent Director coordinates the work of the independent directors and cooperates with the BOD Chairperson, including:

- Acting as an adviser to the BOD Chairperson on matters of organising effective performance of the BOD
- Coordinating cooperation between independent directors and cooperation of independent directors with the BOD Chairperson and the Company's executive bodies
- As necessary, convening meetings of independent directors on matters requiring the expression of a separate opinion (position) by each independent director and chairing such meetings
- Participating in assessing the effectiveness of the BOD and the BOD Chairperson's performance
- Participating in conflict resolution by cooperating with the BOD Chairperson, other BOD members, and the Company's shareholders if a conflict or significant disagreement arises within the BOD, or if the BOD Chairperson does not focus on matters whose review is required by multiple BOD members or other persons entitled to address the BOD

The Senior Independent Director must cooperate with the BOD Chairperson to:

- Ensure that independent BOD members receive the information they need in a timely fashion in order to pass resolutions on BOD agenda items
- Communicate with the Company's shareholders on general meetings, review the shareholders' requests delivered in writing or via email and communicate with the Company's shareholders in other ways as provided for in the Company's bylaws
- Inform the BOD Chairperson and/or other BOD members about the independent directors' position (opinion) on BOD agenda items

## **4 RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF BOD MEMBERS**

- 4.1 The rights, obligations, and responsibilities of BOD members are defined by current Russian laws and the Company's Charter and bylaws.

- 4.2 BOD members act reasonably and in good faith in the interests of the Company and its shareholders based on sufficient information awareness, with reasonable and due care compliant with civil-law transactions conditions and risks related to business and other economic activity.

A BOD member is liable if it is proved that while exercising their rights and discharging their obligations they did not act in good faith or acted unreasonably, including that their actions (omissions) did not comply with the ordinary conditions of civil-law transactions or ordinary business risk.

- 4.3 BOD members must be personally active in the proceedings of the BOD and its committees. This includes avoiding unreasonable absence from any BOD (committee) meeting held by personal attendance, participating in discussions and voting on agenda items of the BOD (committee) meetings, as well as timely submitting questionnaires for resolutions to be passed on agenda items of a BOD (committee) meeting held as absentee voting.

A BOD member must notify the BOD secretary in advance if they are unable to attend a BOD (committee) meeting and provide a reason for the absence. If a member is absent from a BOD meeting held in person, the member must provide their opinion on the agenda items in writing.

BOD members must participate in the assessment of the BOD's performance and the performance of its committees, Chairperson, and members.

- 4.4 BOD members must refrain from actions resulting or likely to result in a conflict of their interests and the interests of the Company.

A BOD member must immediately notify the BOD and its Audit Committee through its Chairperson or the BOD secretary or the Company's corporate secretary about a conflict of interest (or the possibility of such conflict) as well as about the grounds for the conflict to arise if the BOD member has a conflict of interest, including a potential conflict of interest, regarding any item on the agenda for a meeting of the BOD or its committee (any contradiction between Company's interests and the personal interests of the BOD member), including any interest in the making of a transaction by the Company. In all circumstances, such notification must be made prior to consideration of any item in which the relevant BOD member has (may have) a conflict of interest, by the BOD or its committee meeting attended by such BOD member.

A BOD member must refrain from voting on matters in which they have or may have a conflict of interest. Upon the recommendation of the BOD Chairperson, any BOD member who has a conflict of interest must refrain from attending the discussion of such matters at the BOD meeting when this is necessary due to the specific nature of the matter under discussion or the conflict of interest.

In order to avoid any potential conflicts of interest, BOD members and persons related to them must not accept any gifts from parties with an interest in resolutions to be passed by the BOD, nor may they use any direct or indirect benefits provided by such persons (except for token gifts received under general rules of courtesy and souvenirs from official events).

- 4.5 Immediately after election to the BOD and immediately after changes in relevant circumstances, BOD members must notify the Company (through the BOD secretary or the corporate secretary) of:

- Legal entities in which they, their spouses, parents, children, siblings and half-siblings, adoptive parents and adopted individuals, and/or entities under their control are controlling persons or may give mandatory orders
- Their intention to join the governing bodies of other legal entities (apart from entities controlled by the Company) and legal entities in whose governing bodies they, their spouses, parents, children, siblings and half-siblings, adoptive parents and adopted individuals, and/or persons under their control hold positions
- Completed or prospective transactions between the Company and controlled legal entities that are known to them and to which they or their related persons (spouses, parents, children, siblings and half-siblings, adoptive parents and adopted individuals, and/or entities under their control) may be recognised as related parties

- 4.6 BOD members must inform the Audit Committee and the Company's Securities Circulation Division through the BOD secretary or the Company's corporate secretary of the following in writing:

- Shares and other securities of the Company and its controlled legal entities that they hold directly or indirectly and any executed derivative contracts whose price is dependent on such shares and securities: no more than ten (10) calendar days after their election
- Their transactions with shares and other securities of the Company and its controlled legal entities: no more than five (5) calendar days after the date of such transactions, unless

another term is provided by law. For the purpose of this clause, transactions means any transactions with shares and other securities of the Company and its controlled legal entities for which the relevant BOD member is a beneficiary, intermediary, or representative.

- 4.7 BOD members may only use information that is considered a commercial secret of the Company, as well as other confidential information about the Company's activity and the activity of the Company's controlled legal entities, exclusively in the Company's interests and must prevent the disclosure of such information.

BOD members must observe the limitations on the use of inside information envisaged by current Russian laws and the Company's Regulation on the Use of Inside Information.

BOD members must, inform the Company and the Bank of Russia by the deadline set in the regulation of the Bank of Russia about transactions they make with the Company's securities and the execution of derivative contracts whose price is dependent on such securities.

- 4.8 BOD members may participate in BOD meetings if they have no conflicts of interest, including participation in discussion of agenda items and voting on such matters, and may sit on BOD committees of which they are members.

In order to ensure the efficient participation of BOD members in meetings and proper fulfilment of their obligations, BOD members may:

- Call for a meeting and make proposals for the creation of a BOD meeting agenda, express a specific opinion on agenda items and demand their inclusion in the minutes or the appendices to the minutes
- Review in advance the BOD work plan and the BOD meeting schedule, as well as opinions and recommendations on agenda items of the BOD and its committees and/or independent directors
- Receive all necessary information (materials) from the Company and its controlled entities in a timely fashion for the adoption of resolutions on agenda items, and request through the BOD Chairperson, BOD secretary or the Company's corporate secretary additional information necessary for BOD members to perform their other obligations in accordance with this Regulation and the recommendations of the Corporate Governance Code

The BOD secretary, the corporate secretary, executive bodies and other Company officers must cooperate with BOD members in obtaining the information (materials) stated herein.

The Company makes it possible for BOD members to receive, at the Company's expense, internal and external professional advisory services on matters related to the BOD's scope of authority. In order to receive such advisory services, a BOD member may apply to the BOD Chairperson indicating the matter on which advice is sought and providing the reason for such advice. After reviewing the BOD member's application, the BOD Chairperson submits a request to the CEO and other Company officers for the provision to the BOD (BOD members) of internal and external professional advisory services at the Company's expense on matters related to its scope of authority.

## **5 SCOPE OF BOD AUTHORITY**

- 5.1 The BOD performs general management of the Company's business, except for making decisions on matters reserved for the general meeting by the Federal Law *On Joint Stock Companies*.
- 5.2 The scope of the BOD's authority includes:

- 1) Determining priority segments for the Company's business, in particular approving the Company's financial and economic plan (budget), development strategy and business plans for core activities, determining criteria for evaluating the Company's key financial and economic performance indicators envisaged by its strategy and business plans, as well as monitoring implementation by executive bodies of the Company's financial and economic plan (budget), development strategy and business plans, including the review of reports by executive bodies
- 2) Convening annual and extraordinary general meetings, except for cases stipulated by the Federal Law *On Joint Stock Companies*
- 3) Approving general meeting agendas
- 4) Determining the record date for persons entitled to participate in a general meeting and other matters referred to the authority of the BOD by the Federal Law *On Joint Stock Companies* and related to the convening and holding of a general meeting, as well as appointing a secretary for a general meeting
- 5) Increasing the Company's charter capital by offering additional shares, within the limits of the authorised capital in terms of quantity and categories (types) of shares
- 6) Offering the Company's additional shares into which preferred shares of certain type placed by the Company are converted, convertible into ordinary shares or preferred shares of another type, provided such offering does not increase the Company's authorised capital, as well as offering the Company's bonds and equity securities other than shares
- 7) Determining the price (monetary value) of property and the offering price or the procedure for determining it and the redemption price of equity securities in cases stipulated by the Federal Law *On Joint Stock Companies*
- 8) Acquiring the Company's outstanding shares (except when the Company acquires a portion of outstanding shares to reduce their total number and reduce the authorised capital) and acquiring the Company's outstanding bonds and other securities in cases stipulated by the Federal Law *On Joint Stock Companies* or other federal laws
- 9) Establishing executive bodies of the Company and terminating their powers early; approving the terms and conditions of employment contracts with person acting as sole executive body and with members of the collegial executive body, including the terms of remuneration and other payments; imposing qualification requirements and remuneration amount for these persons; and representing the Company's interests, exercising its rights and performing its duties as employer in relations with the person acting as a sole executive body
- 10) Determining the amount of the auditor's fee
- 11) Providing recommendations on the amount of dividends and the procedure for their payment
- 12) Allocating the Company's reserve fund and other funds
- 13) Approving the Company's bylaws, except for bylaws reserved for the general meeting by the Federal Law *On Joint Stock Companies*, as well as other bylaws of the Company, the approval of which is reserved for the Company's executive bodies by the Company Charter
- 14) Establishing branches and representative offices of the Company
- 15) Consenting to the execution of or subsequent approving of major transactions in cases stipulated by the Federal Law *On Joint Stock Companies*
- 16) Consenting to the execution of or subsequent approving of related-party transactions in cases stipulated by the Federal Law *On Joint Stock Companies*



- 17) Approving the Company's Registrar and the terms and conditions of the agreement therewith, as well as termination of the agreement
- 18) Resolving on the Company's investing in and divesting of stakes in other entities (excluding organisations listed in Section 7.10 (17) of the Company's Charter)
- 19) Declaring the listing of the Company's shares and/or equity securities convertible into the Company's shares
- 20) Putting the matters stipulated by Section 7.10 (2, 6, 13 – 19) of the Company's Charter to the general meeting for resolution
- 21) Approving risk management and internal control regulations (policy), in particular determining key principles and approaches for creating the Company's risk management and internal control system, as well as monitoring compliance with this policy, including reviewing compliance reports and application practice, and evaluating effectiveness
- 22) Approving the internal audit policy (provisions), determining principles of and approaches to corporate risk management, internal control and internal audit, and monitoring compliance with this policy, including reviewing compliance reports and application practice, approving a nominee for the post of head of the team performing internal audit functions and terminating its powers, approving a work plan and budget for the internal audit team, reviewing its reports and evaluating its effectiveness, and setting the amount, terms and procedure for remuneration paid to the team's head
- 23) Electing the BOD Chairperson and deputy Chairperson
- 24) Appointing the BOD secretary
- 25) Evaluating compliance of BOD nominees (members) with independence criteria, passing resolutions on recognising them as independent BOD nominees (members), and choosing the Senior Independent Director from among independent directors
- 26) Approving resolutions on the issue (additional issue) of equity securities, the prospectus and reports on the results of an issue (additional issue) of the Company's equity securities, and amendments thereto
- 27) Resolving to establish or terminate BOD committees, approve and amend regulations on the BOD committees, and elect and terminate early the powers of members and heads of BOD committees
- 28) Approving the regulation on internal control to prevent, identify, and stop the misuse of inside information and/or market manipulation and the procedure for accessing the Company's inside information, and ensuring information confidentiality and monitoring compliance with the requirements of current Russian law on the protection and use of inside information
- 29) Approving the regulation on paying dividends based on the Company's performance (dividends policy)
- 30) Approving the regulation on disclosure of information about the Company and its activity (information policy) and monitoring compliance with the Company's information policy, including reviewing reports on compliance with the Company's information policy and its implementation
- 31) Approving the regulation on anti-corruption measures (anti-corruption policy) and monitoring compliance with the Company's anti-corruption policy, including reviewing reports on compliance with the Company's anti-corruption policy and its implementation

- 32) Approving the regulation (policy) on managing conflicts of interest and/or the Company's ethics code, as well as assessing the effectiveness of the policy on managing conflicts of interest and the Company's ethics code and monitoring compliance with this policy and the Company's ethics code, including reviewing reports on compliance and implementation
  - 33) Assessing the effectiveness of the corporate management system (operations) and making decisions on modernisation of the corporate management system (operation) at the Company and its subsidiaries, reviewing reports on the Company's compliance with the principles and recommendations of the Corporate Governance Code approved by the Bank of Russia and assessing the reasonability of implementation of the Code's specific recommendations, approving the Company's Corporate Governance Code and monitoring compliance with it, including reviewing reports on compliance and implementation
  - 34) Approving the remuneration and/or reimbursement (compensation) policy for BOD members, executive bodies and other key managerial employees and monitoring implementation and compliance with this policy; approving short and long-term incentive programmes for members of executive bodies and other key managerial employees, as well as assessing the performance (achievement of goals) of the Company's executive bodies and other key managerial employees based on annual results
  - 35) Determining the recruitment criteria and assessing compliance with such criteria for candidates to the Company's managing bodies, determining the criteria and conducting self-assessment and external assessment of the BOD and its committees
  - 36) Approving the regulation on the corporate secretary, approving the candidate for corporate secretary and terminating their powers, assessing the corporate secretary's performance, reviewing reports on their performance and determining the corporate secretary's remuneration amount, terms and payment procedure
  - 37) Determining the BOD's position, including the position of its independent directors, and providing the general meeting and/or other persons, as necessary, with recommendations related to the following significant corporate actions: corporate restructuring, an increase or decrease in the Company's authorised capital, listing or delisting of the Company's shares, acquisition of thirty (30) or more percent of the Company's voting shares (merger), major transactions (such as major transactions involving property valued more than fifty (50) percent of the book value of the Company's assets), as well as upon the recommendation of independent directors related to other actions possibly leading to a significant change in shareholders' rights or an infringement of their interests
  - 38) Matters requiring BOD resolutions according to the requirements of the rules of exchange trade conducted in accordance with Russian laws or the laws of a foreign country (including in accordance with the listing rules of the trade organiser that lists the Company's securities)
  - 39) Other matters stipulated by the Company's Charter and current Russian law
- 5.3 The matters reserved for the BOD's authority cannot be relegated for resolution by the Company's executive bodies.

## **6 BOD PROCEEDINGS**

- 6.1 The BOD Chairperson is elected from among the BOD members who are not the Company's sole executive body or members of the Company's collegial executive bodies.  
  
The BOD Chairperson is elected by BOD members by a majority vote of all BOD members. The BOD may re-elect its Chairperson at any time by a majority vote of all BOD members.
- 6.2 The BOD Chairperson organises the BOD's proceedings, ensures the most efficient performance of the functions vested in the BOD and its committees, and interacts on behalf of the BOD with other Company bodies and shareholders.

To ensure efficient operation, the BOD Chairperson performs the following functions:

- Convening and presiding over BOD meetings, identifying persons to be invited to BOD meetings, identifying the list of materials (information) to be provided to BOD members and persons invited to BOD meetings, ordering to keep minutes of BOD meetings and sign them, assuming responsibility for accurate and prompt recording of minutes
- Setting and approving the schedule for BOD proceedings, setting agendas for the BOD meetings, formulating the most efficient resolutions for items on the BOD meeting agenda
- Distributing duties among BOD members according to the approved BOD proceedings schedule
- Ensuring the efficient operation of BOD committees and independent members; in particular, proposing nominees for BOD committees and for the position of Senior Independent Director from among BOD members and proposing the approval of a nominee for the position of the corporate secretary
- Taking part in drafting work plans for BOD committees and reviewing reports and other memoranda concerning the BOD's performance
- Holding meetings with the Senior Independent Director and/or other independent directors to discuss the independent directors' positions (opinions) on the material corporate actions specified in sub-clause 37, Clause 5.2 hereof until they are approved, as well as other matters requiring independent directors' individual opinions (positions)
- Ensuring cooperation of and maintaining ongoing contacts with other bodies and officers of the Company in order to promptly receive the fullest and most reliable information required for the BOD to approve resolutions and ensure its effective cooperation with these bodies and shareholders of the Company
- Ensuring and/or exercising direct control over implementation of BOD resolutions
- Reviewing the results of self-evaluation or independent evaluation of the BOD and its committees, making proposals on improving their efficiency based on evaluation results
- Presiding over general meetings
- Approving annual BOD performance reports (including for BOD committees) and writing an address of the BOD Chairperson to the Company's shareholders containing an evaluation of the Company's performance for the year, to be included in the Company's annual report
- Approving an orientation programme for new BOD members to familiarise them with the Company's business and bylaws (including the Company's corporate governance system, risk management system and internal control system, distribution of duties between executive and other bodies of the Company, and other important information about the Company's operations)
- Directly supervising the corporate secretary and the BOD secretary
- Establishing temporary commissions formed of BOD members
- Performing other functions related to organising the BOD's proceedings.

When performing its functions, the BOD Chairperson:

- Ensures constructive and free discussion of items included on the agenda for BOD meetings

- Considers reports on existing conflicts of interest involving BOD members and the corporate secretary and takes steps to prevent ramifications from such conflicts; in particular, by recommending that they abstain from discussing and making decisions on matters in which they have a conflict of interest
- Takes all reasonable measures to provide BOD members with information (materials) concerning the Company and its controlled legal entities in a timely fashion in order to make decisions on agenda items and for BOD members to perform their other duties pursuant to this Regulation and the recommendations of the Corporate Governance Code

The BOD Chairperson may:

- Request from the Chief Executive Officer and other officers (employees) and controlled legal entities such documents regarding the activities of the Company and its controlled legal entities as are necessary to organise the BOD's work
- Instruct the corporate secretary and other officers (employees) to review messages from shareholders and other persons enjoying security holder rights and draft replies to them, and give instructions and take other measures to ensure the rights and lawful interests of shareholders and other persons enjoying security holder rights
- Address the Chief Executive Officer with a request to carry out an independent evaluation of the performance of the BOD and its committees, and request that the Chief Executive Officer and other officers provide the BOD (BOD members) with internal and third-party professional advice at the Company's expense on matters within its scope of authority.

6.3 The BOD Chairperson considers messages from shareholders and other persons exercising security holder rights related to the BOD's activities, ensuring the rights and lawful interests of shareholders and other persons enjoying security holder rights and existing conflicts of interest, that are addressed to the BOD Chairperson (showing the sender's name and return address):

- In writing, at the Company's address recorded in the Unified State Register of Legal Entities or
- By email specified in the general meeting notification or at the email address of the corporate secretary provided on the Company's website.

The BOD Chairperson and/or other persons on their instruction provide replies to the above messages from shareholders and other persons exercising security holder rights containing questions requiring answers within a reasonable time period and within the scope of their competence.

6.4 One or more Deputy BOD Chairpersons are elected from among the BOD members by a majority of votes of all BOD members.

Should more than one Deputy BOD Chairperson be elected, one of them may be elected Senior Deputy BOD Chairperson.

6.5 Should the BOD Chairperson be absent, their functions shall be performed by one of the BOD members chosen by the BOD.

6.6 The corporate secretary ensures that BOD proceedings comply with the requirements of current Russian law, the Company's Charter and bylaws protecting the rights and lawful interests of shareholders, ensures the efficient functioning of the BOD, and prepares proposals on ways to improve the Company's corporate governance practices.

The corporate secretary is appointed and removed from office by the Chief Executive Officer based on a BOD resolution.

The corporate secretary reports to the BOD. The BOD Chairperson exerts immediate supervision over the corporate secretary.

The corporate secretary promptly informs the BOD of any detected failure to comply with applicable laws, corporate governance requirements under listing rules applicable to the Company, and provisions of the Company's Charter and bylaws when compliance with such laws, requirements and provisions fall within the scope of authority of the corporate secretary.

The corporate secretary acts in compliance with the Regulation on the Company's Corporate Secretary as approved by the BOD with due consideration for the provisions of the Corporate Governance Code.

- 6.7 The BOD secretary, appointed by a BOD resolution, provides organisational and technical support for the day-to-day work of the BOD and its committees during their meetings and between them.

The BOD Chairperson exerts immediate supervision over the BOD secretary.

The BOD secretary acts in compliance with this Regulation and other Company bylaws.

To support the day-to-day work of the BOD and its committees, the BOD secretary performs the following functions:

- On instruction of the BOD Chairperson, organises familiarisation of new BOD members with the Company's business and its bylaws in accordance with the programme approved by the BOD Chairperson
- Informs BOD members and all parties concerned of approved work plans and the schedule of meetings of the BOD and its committees
- Ensures that meetings of the BOD and its committees are prepared and held in compliance with this Regulation and other Company bylaws
- Participates in identifying and preparing information (materials) to be provided to BOD members and persons invited to attend a meeting of the BOD and its committees
- Notifies BOD members and other parties concerned of BOD (committees) meetings, sends ballots for absentee voting and collects ballots filled out by BOD members
- Determines if quorum is present at a BOD meeting or absentee voting, tallies votes and determines voting results on each agenda item
- Ensures that information (materials) about the Company's business required for BOD members to perform their duties is provided to them upon their request or upon instruction of the BOD Chairperson
- Keeps minutes of meetings of the BOD and its committees and makes excerpts from minutes of meetings of the BOD and its committees
- Informs BOD members and other concerned parties about resolutions passed by the BOD and its committees, and, on the instruction of the BOD Chairperson or a committee chairperson, monitors implementation of the resolutions
- Together with the corporate secretary, drafts the annual BOD performance report (including for the BOD committees) to be included in the Company's annual report, with due consideration for the recommendations set forth in the Corporate Governance Code
- On instruction of the BOD Chairperson and committee chairpersons, provides organisational and technical support for the day-to-day work of the BOD and its committees.

The corporate secretary monitors compliance with current Russian law, the Company's Charter, and its bylaws when preparing and holding meetings of the BOD and its committees and, on request of the BOD secretary, assists them in any other way in performing their functions efficiently.

Other Company officers (employees) assist the BOD secretary in performing their functions within the scope of their powers and duties.

## **7 BOD MEETINGS AND ABSENTEE VOTING**

- 7.1 The BOD holds its meetings in accordance with its work plan and/or as necessary. Meetings of the BOD are convened by the BOD Chairperson at their discretion, or upon the request of a BOD member, an officer responsible for organising and performing internal audit (head of division responsible for organising and performing internal audit), upon request of the Company's executive bodies or the Company's auditor .

BOD meetings are held *in presentia* (joint presence of the BOD members to discuss agenda items and pass resolutions) or *in absentia* (absentee voting).

The format of a BOD meeting is determined by the BOD Chairperson depending on the importance of agenda items and other material events requiring BOD resolutions.

For BOD meetings held by voting in person, information and communication technologies (telephone and video conference calls) may be used to allow the BOD members to attend the BOD meeting virtually, discuss agenda items, and adopt resolutions on motions put to a vote without attending the BOD meeting in person.

The Chairperson's decision to convene and hold a BOD meeting is executed as an order of the BOD Chairperson and includes the following:

- Decision to convene and hold a BOD meeting (in the form of voting in person or absentee voting), as well as an indication that information and communication technologies (telephone and video conference calls) may be used
- Person requesting the BOD meeting
- Date, time and place of the BOD meeting (deadline for accepting completed ballots for absentee voting), as well as email address, telephone number or other technical means of communication and postal address to which BOD members not attending the BOD meeting may send their written opinions or ballots for absentee vote
- Wording of agenda items and proposed resolutions on them
- List of persons invited to attend the BOD meeting
- List of information (materials) to be provided to BOD members invited to attend the BOD meeting
- Instruction to the BOD secretary to notify BOD members of the meeting (*in presentia* or in the form of absentee voting) with ballots attached, and send information (materials) to be provided to BOD members and persons invited to the BOD meeting
- Date of the resolution on holding the BOD meeting.

The BOD secretary notifies BOD members of the upcoming meeting and its agenda. The meeting notification (*in presentia* or by absentee vote), ballots and information (materials) related to the agenda and provided to BOD members and invited persons is sent (provided) to these persons usually no less than five (5) calendar days in advance.

Meeting notices and other information and materials are sent to BOD members in writing to the mailing addresses provided by BOD members and/or as an electronic document to the email addresses provided by BOD members in a written application submitted to the BOD secretary.

7.2 The person requesting a BOD meeting must send such request in writing to the BOD Chairperson at the Company's address recorded in the Unified State Register of Legal Entities or as an electronic document to business email address of the BOD Chairperson or BOD secretary.

7.3 Requests to convene a BOD meeting must contain the following information:

- Name of the person requesting the BOD meeting
- Wording of agenda items and proposed draft resolutions
- Date and time for the BOD meeting
- Signature of the person requesting the BOD meeting.

7.4 Within five (5) business days of receipt of a duly executed request to convene a BOD meeting, the BOD Chairperson decides whether to convene the BOD meeting or send a substantiated refusal to the person requesting the BOD meeting.

The BOD Chairperson convenes a requested BOD meeting unless:

- The person requesting the BOD meeting is not eligible to request a BOD meeting
- The request to convene a BOD meeting does not comply with this Regulation
- The matter requiring a BOD meeting does not fall within the authority of the BOD and/or the proposed draft resolutions for this matter do not comply with the law and other legal requirements of the Russian Federation
- The matter requiring a BOD meeting has been addressed by the BOD and a resolution on this matter has been passed.

7.5 BOD meeting notices specify:

- The full name of the Company, its seat and registered address
- The form of the BOD meeting (*in presentia* or by absentee voting), as well as whether or not information and communication technologies (telephone and video conference calls) may be used
- The person requesting the BOD meeting
- The date, time and place of the BOD meeting (deadline for accepting completed ballots for absentee voting), as well as the email address, telephone number or other technical means of communication and postal address to which members absent from the meeting may send their written opinions or ballots for absentee voting
- Wording of agenda items and proposed draft resolutions
- List of persons invited to attend the BOD meeting
- List of information (materials) to be provided to BOD members and persons invited to attend the BOD meeting.

7.6 Draft documents that are to be considered or approved at a BOD meeting are attached to the notice for the meeting (absentee voting).

7.7 If a BOD meeting is convened at the request of a BOD member, the officer responsible for organising and performing internal audit (the head of the division responsible for organising and performing internal audit), at request of the Company's auditor or the Company's executive bodies, the BOD Chairperson may not make any changes to the wording of agenda items and proposed draft resolutions specified in the meeting request. The BOD Chairperson may propose items for the BOD meeting agenda in addition to the items contained in the request to convene the BOD meeting, provided that these additional items are subject to consideration by the BOD meeting after the items initially contained in the request to convene the BOD meeting have been considered.

7.8 A BOD meeting or absentee voting is duly constituted (has quorum) if attended by not less than half of the elected BOD members, unless otherwise provided for by current Russian law.

The written opinion of a BOD member who is absent from the BOD meeting is taken into account when calculating the quorum and voting results on agenda items at a BOD meeting *in presentia*.

7.9 BOD meetings, including those held by absentee voting, pass resolutions by a majority of votes of members attending the BOD meeting (absentee voting), unless a greater number of votes is required to pass a resolution by the Federal Law On *Joint Stock Companies*, the Company's Charter or this Regulation.

When transacting matters at a BOD meeting, each BOD member has one vote.

A BOD member may not delegate their voting power to any other person, including any other BOD member.

If voting results in a tie on a resolution to be adopted by the BOD, the BOD Chairperson has the casting vote.

7.10 Minutes are kept at every BOD meeting, including those held by absentee voting.

Minutes of BOD meetings are made within three (3) days of the date of a meeting *in presentia* or by the end date for accepting filled-out ballots for absentee voting.

BOD meeting minutes are signed by the BOD Secretary and Chairperson or, in their absence, by the BOD member acting for the Chairperson under a BOD resolution.

Minutes of the BOD meetings are made in writing and contain the following information:

- 1) Full name of the Company, its seat and address
- 2) Form of the meeting
- 3) Date, time and place of the meeting (deadline for accepting voting ballots for absentee vote)
- 4) Information about persons attending the meeting and quorum
- 5) Agenda
- 6) Items put to a vote
- 7) Voting results for each agenda item, including information about persons who voted AYE or NAY for a resolution or abstained from voting
- 8) Resolutions adopted
- 9) Information about the persons who tallied votes
- 10) Information about the persons who signed the minutes



BOD members may request that a dissenting opinion on agenda items be included in or attached to the minutes of the BOD meeting as an integral part of those minutes.

The BOD secretary notifies BOD members in writing of the resolutions passed within five (5) business days after executing the minutes of the BOD meeting held as an absentee vote.

A BOD member may request an excerpt from the minutes of a BOD meeting certified by the signature of the BOD secretary and/or of the BOD Chairperson and/or the corporate secretary.

7.11 The BOD may adopt resolutions by absentee vote.

In order to adopt a resolution by absentee vote, the BOD secretary, acting on instructions from the BOD Chairperson, sends the BOD members an absentee ballot specifying the deadline for accepting completed ballots, the wording of agenda items put to a vote and draft resolutions on the agenda items put to a vote, voting options for agenda items put to a vote (AYE, NAY, ABSTAIN), and any other information (materials) to be provided to BOD members.

When tallying the results of an absentee vote, ballots are counted if they are received before the deadline for accepting completed and signed ballots as specified on the ballot.

7.12 Any matters and documents discussed and addressed at meetings of the BOD and its committees, as well as information on resolutions passed by the BOD and its committees on matters within their scope of authority under the Company's Charter and/or federal laws, is classified as the Company's confidential information (including information constituting the Company's trade secrets) and may not be disclosed unless otherwise provided for by mandatory requirements of Russian Federation law (peremptory norms).

The Company may disclose the above information with due consideration for the Company's Corporate Governance Code and information policy.

## **8 BOD COMMITTEES AND COMMISSIONS**

8.1 For the preliminary consideration of key matters of the Company's operation within the BOD's scope of authority and to prepare motions on such matters, the BOD may establish an Audit Committee, Nomination and Remuneration Committee, Strategic Planning and Corporate Governance Committee, as well as other standing committees comprised of BOD members.

BOD committees act in compliance with the regulations on those committees approved by the BOD.

BOD committees act within the scope of authority defined by the regulations on those committees; specifically, they may perform certain BOD functions envisaged thereby that, under current law, do not require that a resolution be approved by the BOD meeting.

If the BOD passes a resolution contrary to the committee's recommendations, the BOD must provide reasons why the recommendations were not taken into consideration.

8.2 The chairperson of each committee manages the activities of each BOD committee.

Members of each standing BOD committee, including chairpersons, are elected by a BOD resolution upon the proposal of the BOD Chairperson.

A majority of the BOD members present at a BOD meeting must vote in favour of a resolution to elect members or a chairperson to a BOD committee in order for the resolution to be passed. Committee members may be elected for an unlimited number of terms.

No BOD member may chair more than two standing BOD committees. A BOD member may be elected to an unlimited number of committees.

8.3 The BOD may resolve to early terminate the powers of all members of a committee. A committee member may resign from a committee before the end of their term by giving the BOD Chairperson and the chairperson of the committee advance written notice.

#### 8.4. Audit Committee

The BOD establishes a standing Audit Committee in order to investigate matters related to monitoring the Company's business and to prepare recommendations for the BOD.

The Audit Committee consists of three (3) BOD members elected for a term of powers that is the same as their terms on the BOD.

The Audit Committee may only consist of independent directors; if this is impossible for objective reasons, the majority of the Audit Committee members must be independent directors and the remaining members may be BOD members who are not serving as the Company's sole executive body and/or as members of its collegial executive body.

The Audit Committee's activities are managed by the chairperson of the Audit Committee, who is elected from among the independent directors.

#### 8.5 Nomination and Remuneration Committee

The BOD establishes a standing Nomination and Remuneration Committee in order to investigate matters related to building efficient and transparent remuneration practices and matters related to human resource planning (continuity planning), occupational composition and efficient performance of the Company's management bodies.

The Nomination and Remuneration Committee consists of three (3) BOD members elected for a term of powers that is the same as their terms on the BOD.

The Nomination and Remuneration Committee may only consist of independent directors; if this is impossible for objective reasons, the majority of the Nomination and Remuneration Committee members must be independent directors and the remaining members may be BOD members who are not serving as sole executive body and/or as members of a collegial executive body of the Company.

The activities of the Nomination and Remuneration Committee are managed by the committee chairperson, who is to be elected from among the independent directors.

#### 8.6. Strategic Planning and Corporate Governance Committee

The BOD establishes a standing Strategic Planning and Corporate Governance Committee in order to investigate matters related to identifying priority business areas and development strategy for the Company, as well as matters related to improving the Company's corporate governance system and practices.

The Strategic Planning and Corporate Governance Committee consists of three (3) BOD members elected for a term of powers that is the same as their terms on the BOD.

Any BOD member may be elected to the Strategic Planning and Corporate Governance Committee.

The activities of the Strategic Planning and Corporate Governance Committee are managed by the committee chairperson, who is to be elected from among the BOD members.

8.7. The BOD Chairperson may establish temporary commissions comprised of BOD members in order to investigate specific matters related to the Company's specific financial and business activities and projects.

## **9 REMUNERATION FOR BOD MEMBERS**

- 9.1 The general meeting may resolve to remunerate BOD members and/or reimburse them for any expenses incurred in such capacity during their term of office.

The general meeting determines the amount of remuneration and reimbursements.

- 9.2 If the general meeting resolves to remunerate only independent directors (independent BOD members) for serving as BOD members, such remuneration is paid to the BOD members who satisfy the requirements stipulated by Clause 3.1 of this Regulation. If a BOD member ceases to satisfy the requirements stipulated by Clause 3.1, the remuneration established by decision of the general meeting is paid to the BOD member through the end of month when the member ceased to satisfy the requirements stipulated by Clause 3.1.

## **10 FINAL PROVISIONS**

- 10.1 Only the general meeting may resolve to approve, amend, or terminate this Regulation.
- 10.2 This Regulation enters into force upon its approval by the general meeting and remains in effect permanently until it is terminated or a new version is approved.
- 10.3 Should any clauses of this Regulation for any reason come into conflict with regulatory requirements imposed on the Company by Russian Federation law (imperative provisions), such clauses of the Regulation will become invalid, and the Company will be governed by current Russian law until corresponding changes are made to this Regulation.