

APPROVED BY:
Resolution of the General
Meeting of Shareholders, Transneft, PJSC
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REGULATIONS

on the Board of Directors
of Transneft
Public Joint-Stock Company
(new edition)

Moscow

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Article 1. General Provisions

- 1.1 These regulations (hereinafter referred to as the Regulations) have been developed in accordance with the Civil Code of the Russian Federation, the Federal Law *On Joint-Stock Companies*, other normative legal acts of the Russian Federation and the Charter of the Public Joint-Stock Company Transneft (hereinafter, the “Company”).
- 1.2 These Regulations establish the procedure for forming and terminating the powers of the Board of Directors of the Company (hereinafter, the “Board of Directors”), determines the rights, duties and responsibilities of the members of the Board of Directors, the procedure for convening, conducting and summarizing the meetings, the procedure for passing resolutions by the Board of Directors, and regulates other issues related to the activities of the Board of Directors.
- 1.3 The terms and definitions used in these Regulations are applied in the sense in which they are used in the Company's Charter.
- 1.4 The Board of Directors is the executive body of the Company, it exercises strategic management of the Company’s activities within the competence defined by the Federal Law *On Joint-Stock Companies*, other federal laws and the Company's Charter.
- 1.5 The Board of Directors carries out its activities on the basis of the laws of the Russian Federation, the Company's Charter, these Regulations and other internal documents of the Company.
- 1.6 The rights, duties and responsibilities of the members of the Board of Directors are determined by the Federal Law *On Joint-Stock Companies*, other legal acts of the Russian Federation, the Charter and contracts concluded between members of the Board of Directors and the Company, as well as these Regulations.
- 1.7 The Board of Directors shall be guided by resolutions of the General Meeting of Shareholders of the Company (hereinafter - the General Meeting of Shareholders) passed in accordance with its competence. The Board of Directors is accountable to the General Meeting of Shareholders.

Article 2. Formation of the Board of Directors

2.1 Formation of the Board of Directors

- 2.1.1 Members of the Board of Directors shall be elected by the General Meeting of Shareholders. The number of members of the Board of Directors is determined by the Charter of the Company. Persons elected to the Board of Directors may be re-elected an unlimited number of times.
- 2.1.2 The Board of Directors may include independent members of the Board of Directors (independent directors).
- 2.1.3 Members of the executive bodies of the Company may not constitute more than one-fourth of the Board of Directors.
- 2.1.4 The Board of Directors shall be headed by its Chairman.

2.2 Independent Directors

- 2.2.1 A member of the Board of Directors shall be considered an independent director, when:
- he is not associated with the Company;
 - he is not associated with an effective shareholder (shareholders) of the Company;
 - not associated with a major counterparty or competitor of the Company;
 - not associated with the state (the Russian Federation, a subject of the Russian Federation) or a municipal body.
- 2.2.2 Specific criteria for independence are determined by the Listing Rules of the trade organizer, in which the Company's securities were listed to circulation.
- 2.2.3 An independent director must refrain from committing acts, as a result of which he may cease to be independent. Should after election to the Board of Directors, circumstances arise in the result of which the independent director ceases to be such, such director shall promptly notify the Board of Directors of such circumstances. The information about this should be disclosed on the Company's website.
- 2.2.4 In exceptional cases, the Board of Directors has the right to recognize a member of the Board of Directors (a candidate to the Board of Directors) as an independent one, despite having any formal criteria of association with the Company, a substantial shareholder of the Company, a counterparty of the Company, a competitor of the Company, the state or municipal body, if such association does not affect the ability of the person concerned to make independent, objective and diligent judgments.
- 2.2.5 The Board of Directors is entitled to identify a senior independent director from among independent members of the Board of Directors. In the event that the Board of Directors appoints a senior independent director, his powers shall include:
- coordination of activities among the independent directors;
 - organization and participation in the assessment of the effectiveness of the Chairman of the Board of Directors;
 - Participation in discussions on planning consistency in the activities of the Chairman of the Board of Directors;
 - participation in conflict resolution among members of the Board of Directors, shareholders of the Company.

2.3 Committees under the Board of Directors

- 2.3.1 To implement its functions, the Board of Directors shall form standing committees (hereinafter, the "Committees"). The committees carry out preliminary consideration of the most important issues within the competence of the Board of Directors and prepare recommendations to the Board of Directors for making decisions on such matters.

- 2.3.2 Committees are formed by the Board of Directors from the members of the Board of Directors who have relevant professional experience and knowledge.
- 2.3.3 Each Committee shall be composed of not less than three members.
- 2.3.4 One member of the Board of Directors may not be in more than two Committees. Chairmen of Committees are elected by the Board of Directors from among the members of each Committee.
- 2.3.5 The Board of Directors shall approve the regulations for the Committees under the Board of Directors.
- 2.3.6 Committees are not the governing bodies of the Company and do not have the right to act on behalf of the Board of Directors.
- 2.3.7 If necessary, experts from among the Company's employees and other persons with the necessary professional knowledge may be involved in the work of the Committees. The composition of the experts of the Committees is approved by the Board of Directors. Experts do not have the right to vote when making decisions within the competence of the Committees.
- 2.3.8 Committees shall report to the Board of Directors on their work on an annual basis.

Article 3. Rights, Duties and Responsibilities of the Members of the Board of Directors

3.1 Rights of the members of the Board of Directors

A member of the Board of Directors has the right to:

- 3.1.1 call for a meeting of the Board of Directors;
- 3.1.2 propose issues for inclusion in the work plan of the Board of Directors;
- 3.1.3 discuss the Company's activities at the meetings of the Board of Directors, submit proposals and vote on all items on the agenda of the meeting of the Board of Directors (except for approval of transactions of the Company in which he may be interested in if, in accordance with the Federal Law *On Joint-Stock Companies* and (or) by the Charter of the Company he is recognized as a person having an interest in the Company's execution of the said transactions);
- 3.1.4 propose for consideration by the Board of Directors additional issues not included in the work plan of the Board of Directors, in accordance with the procedure specified in Article 5.1.3;
- 3.1.5 require for his special opinion on the issues of the agenda and the resolutions passed to be included in the minutes of the meeting of the Board of Directors. An oral dissenting opinion of a member of the Board of Directors shall be recorded in the minutes of the meeting, a written dissenting opinion of a member of the Board of Directors shall be attached to the minutes of the meeting of the Board of Directors and shall be an integral part of it;
- 3.1.6 send his written opinion on the agenda of the meeting of the Board of Directors, which he is not in a position to attend;

- 3.1.7 get acquainted with the minutes of the meetings of the Board of Directors and the ones of the Committees under the Board of Directors and receive extracts from them;
- 3.1.8 request the executive bodies of the Company and receive information and documents on the activities of the Company and the organizations of the Transneft system necessary for the performance of their duties in connection with addressing items on the agenda of the Board of Directors. At the same time, information and documents regarding the activities of the organizations of the Transneft system shall be presented to the same extent as the Company itself has access to relevant information and documents;
- 3.1.9 receive remuneration and /or compensation for the expenses related to the performance of the functions of a member of the Board of Directors, if this is not prohibited by the legislation of the Russian Federation, in accordance with the decision of the General Meeting of Shareholders and the Regulations on Remuneration of Members of the Board of Directors of Transneft, PJSC;
- 3.1.10 exercise other rights provided for by the laws of the Russian Federation, the Company's Charter, these Regulations, other internal documents of the Company, and in the event of a contract with the Company, by such an agreement.

3.2 Obligations of the Members of the Board of Directors

A member of the Board of Directors shall:

- 3.2.1 participate in the work of the Board of Directors and the Committees, to which he is a member;
- 3.2.2 attend meetings of the Board of Directors and the Committees, to which he is a member;
- 3.2.3 timely notify of the impossibility to attend meetings of the Board of Directors or the Committees to which he is a member, with an indication of the reasons;
- 3.2.4 comply with the requirements of the legislation of the Russian Federation, the Charter of the Company and its internal documents, implement the decisions of the General Meeting of Shareholders and the Board of Directors;
- 3.2.5 in exercising his rights and performing his duties, act in the interests of the Company, exercise his rights and perform his duties with respect to the Company in good faith and reasonably, act in the interests of the Company as a whole, and not in the interests of individual shareholders, officials and other persons;
- 3.2.6 do not commit actions that are knowingly aimed at causing harm to the Company;
- 3.2.7 not disclose or use in private interests and /or in the interests of third parties the confidential information, including insider information of the Company and organizations of the Transneft system, received in accordance with the procedure stipulated in the contract concluded with the Company and the Company's internal documents;

- 3.2.8 conclude an agreement with the Company on information exchange and confidentiality of information;
- 3.2.9 whenever third parties are involved in the processing of information, take measures to prevent the disclosure of confidential information;
- 3.2.10 provide the Company with a list of persons involved in the processing of confidential information;
- 3.2.11 timely notify the Board of Directors:
- (i) on legal entities where he, his spouse, parents, children, brothers and sisters and half-blood brothers and half-blood sisters, adoptive parents and adopted children and /or their controlled organizations are the controlling persons or have the right to give mandatory instructions and notify of any changes in this information;
 - (ii) on legal entities in the management bodies where he holds positions, and on changes in this information, as well as on the intention to take a position in the management bodies of a legal entity and immediately after the election (appointment) to such a position notify of such election (appointment);
 - (iii) on legal entities in the management bodies of which his spouse, parents, children, brothers and sisters and half-blood brothers and half-blood sisters, adoptive parents and adopted persons and /or controlled by them persons hold positions and about any changes in this information;
 - (iv) about any known transactions that are or are being made, in which he can be recognized as an interested person;
 - (v) about the intention to make transactions with securities of the Company or organizations of Transneft system in accordance with the internal documents of the Company;
- 3.2.12 timely provide information required by the Company to have an idea of his personal and professional qualities, including his curriculum vitae (complete with the information about the age, education, current place of work, qualifications, experience), as well as the information on the positions held for at least the last five years, including in the management bodies of legal entities, direct or indirect ownership of shares and shares in other legal entities. The obligation stipulated by this article also applies to candidates to the Board of Directors;
- 3.2.13 not participate in passing by the Board of Directors resolutions on the approval of transactions in which there is an interest of this member of the Board of Directors, and on other issues in the event of a conflict between the interests of this member of the Board of Directors and the interests of the Company;
- 3.2.14 perform other duties provided for by the legislation of the Russian Federation, the Company's Charter, this Regulation, and in the event of a contract with the Company, such an agreement.

3.3 Responsibility of Members of the Board of Directors

- 3.3.1 The Members of the Board of Directors are liable to the Company for damages caused to the Company by their guilty actions (inaction), unless other grounds for liability are established by the legislation of the Russian Federation.
- 3.3.2 The liability of the members of the Board of Directors depends on whether they acted in a reasonable and conscientious manner in the performance of their duties, whether they showed due care and diligence, and whether they took all the necessary measures for proper discharge of their duties.
- 3.3.3 The Members of the Board of Directors who voted against a decision that caused losses to the Company or who did not take part in voting cannot be held liable for causing losses to the Company.
- 3.3.4 The Company shall have the right to apply to the court with a claim against a member of the Board of Directors for compensation of losses caused to the Company in cases provided for by the Federal Law *On Joint-Stock Companies*.
- 3.3.5 The Company may, at its own expense, insure the liability of the members of the Board of Directors.

3.4 Provision of information to the members of the Board of Directors

- 3.4.1 The Company shall ensure the provision of copies of the Company's Charter, internal documents of the Company regulating the procedure for the Board of Directors to each newly elected member of the Board of Directors.
- 3.4.2 The executive bodies of the Company are obliged to provide to a member of the Board of Directors, at his request, information and documents on the activities of the Company, the organizations of the Transneft system necessary for the performance of his duties when addressing the issues on the agenda of the Board of Directors. The relevant information constituting a state or other secret protected by law is provided to the members of the Board of Directors in accordance with the procedure provided for by the legislation of the Russian Federation and internal documents of the Company. At the same time, information and documents regarding the activities of the organizations of the Transneft system are presented to the same extent as the Company itself has access to relevant information and documents.
- 3.4.3 In case of impossibility to provide the information requested by a member the Board of Directors, the executive bodies of the Company are obliged to issue a written reasoned refusal.

3.5 Identification and prevention of conflicts of interests of the members of the Board of Directors

- 3.5.1 The Members of the Board of Directors should refrain from actions that will or may lead to a conflict of interest ¹.

¹ Any conflict between the interests of the Company and the personal interests of a member of the Board of Directors, which means any direct or indirect personal interests or interests in favor of a third party, including due to his business, friendly, family or other ties and relations, holding by him

- 3.5.2 In the event of a potential conflict of interest with a member of the Board of Directors, including when he is interested in a transaction, such a member of the Board of Directors must notify the Board of Directors by sending a notice to the Chairman of the Board of Directors and to the Secretary of the Board of Directors. The notification should contain information about the very fact of the existence of a conflict of interest, as well as the reasons for its occurrence. Information on the conflict of interests, including the interest in the transaction, shall be included in the materials provided at the meeting to the members of the Board of Directors. The said information must in any case be provided prior to the beginning of the discussions, where such a member of the Board of Directors participates, of the issue in which a member of the Board of Directors has a conflict of interest at a meeting of the Board of Directors or its Committee.
- 3.5.3 The Chairman of the Board of Directors, in cases when the nature of the issue under discussion or the specifics of the conflict of interests so require, may suggest that a member of the Board of Directors having a corresponding conflict of interest does not attend the discussions of such a matter at the meeting.
- 3.5.4 The Members of the Board of Directors and the persons associated with them shall be prohibited from accepting gifts from parties interested in making decisions, as well as using any other direct or indirect benefits provided by such persons (with the exception of symbolic signs of attention in accordance with generally accepted rules of courtesy or souvenirs at official events).
- 3.5.5 The Members of the Board of Directors must notify the Board of Directors of their intention to take up a position / nomination for the position in the management bodies of other organizations as well as immediately after election (appointment) to the management bodies of other organizations. The notice must be sent to the Chairman of the Board of Directors and the Secretary of the Board of Directors within a reasonable time before the date when the member of the Board of Directors agreed to his election (appointment) to the management body of another organization and after the date of his election (appointment) to the management body of another organization.

Article 4. Chairman of the Board of Directors and Secretary of the Board of Directors

4.1 Chairman of the Board of Directors and his deputy

- 4.1.1 The Chairman of the Board of Directors of the Company and his deputy are elected by the members of the Board of Directors from among them by a majority of votes of the total number of members of the Board of Directors. The Board of Directors has the right at any time to re-elect the Chairman and

or related persons positions in another legal entity, his participation or participation of related persons in the authorized capital of another legal entity, the contradiction between his duties in relation to the Company and the duties in relation to another person. Conflicts of interest, in particular, can result in the conclusion of transactions in which the person concerned is directly or indirectly interested, the acquisition of shares (stakes) of legal entities competing with the Company, holding of positions in such legal entities, concluding contractual relations with them.

/or the Deputy Chairman of the Board of Directors by a majority vote of the total number of members of the Board of Directors.

- 4.1.2 The person performing the functions of the sole executive body cannot simultaneously be the Chairman of the Board of Directors.
- 4.1.3 The Chairman of the Board of Directors shall ensure an effective organization of the activities of the Board of Directors and its interaction with other management bodies and bodies of control of the Company.
- 4.1.4 In the absence of the Chairman of the Board of Directors, his functions shall be exercised by the Deputy Chairman of the Board of Directors, and in the absence of the latter by a member of the Board of Directors, as decided by the Board of Directors.

4.2 Functions of Chairman of the Board of Directors

The Chairman of the Board of Directors shall:

- 4.2.1 organize the work of the Board of Directors;
- 4.2.2 organize the development of the work plan of the Board of Directors;
- 4.2.3 develop the agenda of the meeting of the Board of Directors;
- 4.2.4 ensure timely provision of the information (materials) necessary for making decisions on the agenda issues to the members of the Board of Directors;
- 4.2.5 convene meetings of the Board of Directors and preside over them;
- 4.2.6 organize keeping minutes at the meetings of the Board of Directors;
- 4.2.7 ensure control over the implementation of the resolutions passed by the Board of Directors;
- 4.2.8 ensure effective work of the Committees under the Board of Directors;
- 4.2.9 exercise other powers provided by the legislation, the Company's Charter, these Regulations and other internal documents of the Company.

4.3 Secretary of the Board of Directors

- 4.3.1 The Board of Directors shall appoint the Secretary of the Board of Directors on the recommendation of the Chairman of the Board of Directors and terminate his powers. The Secretary of the Board of Directors is an employee of the Company and is not a member of the Board of Directors.
- 4.3.2 The Secretary of the Board of Directors is accountable to the Board of Directors of the Company.

4.4 Functions of the Secretary of the Board of Directors

The Secretary of the Board of Directors shall:

- 4.4.1 meets the requirements for convening meetings of the Board of Directors;
- 4.4.2 develop a draft work plan for the Board of Directors;

- 4.4.3 draft a notification of members of the Board of Directors on meetings, collect and manage the necessary materials for the Board of Directors;
- 4.4.4 inform the members of the Board of Directors in advance, in accordance with these Regulations and other internal documents of the Company, of the meetings of the Board of Directors, send to the members of the Board of Directors the notices, information and materials required for the meeting of the Board of Directors;
- 4.4.5 send ballots to the members of the Board of Directors (in the case of a meeting of the Board of Directors in the form of absentee voting);
- 4.4.6 provide technical and organizational assistance in preparing agenda items and materials for the meeting of the Board of Directors;
- 4.4.7 keep the minutes of meetings of the Board of Directors;
- 4.4.8 draw up extracts from the minutes of the meetings of the Board of Directors and certifies them with his signature;
- 4.4.9 collect the voting ballots and summarize the results of voting on decisions taken by the poll (in the form of absentee voting);
- 4.4.10 archive the minutes of the Board of Directors and their annexes, including voting ballots, written and special opinions of the members of the Board of Directors;
- 4.4.11 organize on an annual basis an assessment of the effectiveness of the work of the Board of Directors and Committees under the Board of Directors, including with the involvement of external consultants, in accordance with the procedure determined by the Board of Directors;
- 4.4.12 perform other functions stipulated by these Regulations, other internal documents of the Company and instructions of the Chairman of the Board of Directors.

Article 5. Meetings of the Board of Directors

5.1 Convocation of meetings of the Board of Directors

- 5.1.1 Meetings of the Board of Directors shall be held in accordance with the approved work plan of the Board of Directors, but at least twice a quarter.

The work plan of the Board of Directors is formed on the basis of resolutions by the General Meeting of Shareholders, the Board of Directors, written proposals of the members of the Board of Directors, the Management Board, the President of the Company, assignments from federal executive bodies.

The work plan is drawn up for a year covering the period between annual general meetings of shareholders, and provides for consideration by the Board of Directors the matters attributed to the competence of the Board of Directors by the legislation and / or the Charter of the Company. The work plan is subject to approval by the Board of Directors.

- 5.1.2 When necessary, the Chairman of the Board of Directors shall convene unscheduled meetings on his own initiative or at the request of a member of the Board of Directors, the President, the Company's Management Board, the Audit Commission or the Company's auditor. The procedure for filing and reviewing the request is established by article 5.2 of these Regulations.
- 5.1.3 If necessary, a member of the Board of Directors shall have the right to propose for consideration an additional issue of the Company's activities that the legislation of the Russian Federation and /or the Company's Charter refers to the competence of the Board of Directors and not included in the work plan of the Board of Directors, as well as to submit to the Board of Directors the issue in pursuance of the instruction by the authorized federal executive body. The proposal of a member of the Board of Directors to consider an additional issue shall be sent to the Chairman of the Board of Directors and should contain the wording of the issue suggested to be included on the agenda of the meeting.
- 5.1.4 when making a decision to convene a meeting of the Board of Directors, the Chairman of the Board of Directors shall determine:
- date, place and time of the meeting;
 - the form of the meeting;
 - the agenda of the meeting.
- 5.1.5 The Meetings of the Board of Directors shall be held in the format of personal attendance (joint attendance of members of the Board of Directors) or in the form of absentee voting (by poll).

5.2 Requirements to convene a meeting of the Board of Directors

- 5.2.1 The request to convene a meeting of the Board of Directors shall be submitted in writing to the Chairman of the Board of Directors and shall contain the following information:
- indication of the initiator of the meeting of the Board of Directors;
 - items on the agenda proposed for consideration at the meeting of the Board of Directors;
 - justification of the need to consider unscheduled issues.
- 5.2.2 The request to convene a meeting of the Board of Directors must be signed by the initiator of the meeting. In the event that a request is submitted by the Management Board or the Audit Commission of the Company, it must be signed by the Chairman of the Management Board or the Chairman of the Company's Audit Commission (persons who act in their names) on the basis of a decision of the Management Board or the Audit Commission of the Company to convene a meeting of the Board of Directors.
- 5.2.3 The Chairman of the Board of Directors is obliged to review the request and decide whether to convene a meeting of the Board of Directors or to refuse to convene it within 5 days from the date of the request. In case of a decision to convene a meeting of the Board of Directors, it must be held within 25 days from the date of the request.

- 5.2.4 The Chairman of the Board of Directors has the right to decide on refusal to convene a meeting of the Board of Directors in cases when:
- a request to convene a meeting of the Board of Directors was filed by a person who does not have the right to demand the convocation of the Board of Directors;
 - the requirements specified in paragraphs 5.2.1, 5.2.2 of these Regulations are not met;
 - the issues proposed for consideration are not within the competence of the Board of Directors.
- 5.2.5 The Chairman of the Board of Directors is obliged to notify the initiator of the meeting about the decision taken within 5 days from the date of the decision.
- 5.2.6 The format of the meeting of the Board of Directors shall be determined by the Chairman of the Board of Directors taking into account the importance of the issues on the agenda. The most important issues are resolved primarily at meetings held in the format of personal attendance.

5.3 Information on the meeting of the Board of Directors

- 5.3.1 All members of the Board of Directors should be notified of the convening of a meeting of the Board of Directors.
- 5.3.2 The Secretary of the Board of Directors shall notify the members of the Board of Directors about holding a meeting / absentee voting within a period not later than 7 calendar days before the appointed date of the meeting / deadline for collecting the voting ballots by handing the appropriate notice personally against signature or sending it via e-mail through secure communication channels or via other types of communication.
- In exceptional cases that are urgent, the deadline for notifying members of the Board of Directors about a meeting of the Board of Directors may be shortened.
- 5.3.3 A notification of a meeting of the Board of Directors must contain the following information:
- the date and place of the meeting;
 - the time of the meeting (in case of a meeting in the format of personal attendance);
 - the deadline for collecting the voting ballots, as well as the address for sending the ballots (in case of an absentee voting);
 - the format of the meeting of the Board of Directors;
 - the agenda of the meeting of the Board of Directors.
- 5.3.4 The information (materials) necessary for making decisions shall be attached to the notification, as well as a voting ballot (in absentee voting).

- 5.3.5 In the event of changes in the place and / or time of the meeting of the Board of Directors, all members of the Board of Directors shall be notified in advance of such changes.

5.4 Quorum for the meeting

- 5.4.1 The quorum for holding a meeting of the Board of Directors shall be half of the number of elected members of the Board of Directors (except in cases where a larger quorum is not required in accordance with the legislation of the Russian Federation and /or the Company Charter). When determining the quorum, the former members of the Board of Directors shall not be taken into account.
- 5.4.2 When determining the quorum and counting the votes on the agenda items of the meeting of the Board of Directors held in person, written opinions of members of the Board of Directors absent from the meeting shall be taken into account.
- 5.4.3 The quorum of the meeting of the Board of Directors held in the form of absentee voting is determined on the basis of the received ballots.

5.5 The meetings of the Board of Directors in personal attendance

- 5.5.1 Discussions of items on the agenda of the meeting of the Board of Directors shall be held according to the following procedure:
- opening of the meeting;
 - key note speaker's report on the agenda;
 - discussions of the agenda items;
 - proposals on the wording of the resolution on the agenda items;
 - voting on the agenda items;
 - counting of votes, summing up and announcement of voting results;
 - closing of the meeting.
- 5.5.2 The meetings of the Board of Directors consider issues included in the agenda of the meeting. At meetings of the Board of Directors held in personal attendance, issues not included in the agenda may be considered, with the consent of the majority of the members of the Board of Directors, if all members of the Board of Directors are present at the meeting.
- 5.5.3 Persons who are not members of the Board of Directors may be invited to the meeting of the Board of Directors, such as the President, members of the Management Board, other employees of the Company, members of the Company's Audit Committee, representatives of the Company's auditor, experts, consultants and other persons. The invited persons may submit proposals, give comments, provide references and other information on the issues discussed, only with the permission of the Chairman of the Board of Directors.
- 5.5.4 In case of impossibility of a member of the Board of Directors to attend a meeting of the Board of Directors, he is entitled to provide a written opinion.

Written opinion must be submitted or sent by the member of the Board of Directors to the Chairman / Secretary of the Board of Directors via postal, electronic or other types of communication, where there is an opportunity to identify the sender, before the meeting of the Board of Directors begins and it shall be included in the information (materials) provided to the members of the Board of Directors at the meeting.

- 5.5.5 A written opinion of a member of the Board of Directors may contain his vote both on all items on the agenda of the meeting, and on some items only.
- 5.5.6 If a copy of the written opinion of a member of the Board of Directors was not provided to the members of the Board of Directors before the meeting, then the Chairman of the Board of Directors at the meeting is required to disclose the written opinion of a member of the Board of Directors who is absent at the meeting of the Board of Directors, before voting on the agenda item on which such an opinion was submitted.
- 5.5.7 If a member of the Board of Directors is present at a meeting of the Board of Directors, his written opinion received prior to the meeting is not disclosed at the meeting, and not included in the information (materials) provided to the members of the Board of Directors at the meeting and nor shall it be taken into account when determining the quorum and voting results.
- 5.5.8 The written opinion of a member of the Board of Directors shall not be taken into account in determining the quorum and counting the votes if such written opinion:
- was received after the meeting of the Board of Directors began;
 - was not signed by the member of the Board of Directors;
 - has no indication of the member of the Board of Directors who prepped it;
 - does not allow to unequivocally determine the decision of a member of the Board of Directors on an agenda item (the proposed draft decision) or is based on an inaccurate formulation of the proposed draft decision.
- 5.5.9 If technically possible, the members of the Board of Directors who are not at the venue of the meeting are entitled to take part in the discussions of the agenda items and vote on them using conference and video conference calls.

5.6 Absentee voting of the Board of Directors

- 5.6.1 A resolution of the Board of Directors may be passed by absentee voting by ballots.
- 5.6.2 Voting ballots shall be sent or handed to the members of the Board of Directors along with the notice of the meeting in the manner specified in paragraph 5.3 of these Regulations.
- 5.6.3 The voting ballot shall contain:
- the name of the Company;

- the deadline for submitting the ballots;
- the last name, first name and middle name of the member of the Board of Directors;
- the address to where the ballots shall be submitted;
- the wording of each item of the agenda and the resolutions put to the vote;
- voting options (Yes - No - Abstain).

5.6.4 When filling out the ballot, only one of the possible voting options for each draft resolution put to the vote should be left uncrossed by the member of the Board of Directors. The filled-out ballots shall be signed by a member of the Board of Directors with indication of his surname and initials after each item of the agenda.

5.6.5 The voting ballot of a member of the Board of Directors is not taken into account when determining the quorum and vote counting, if the ballot:

- was received after the submission deadline;
- was not signed by a member of the Board of Directors;
- does not allow unequivocally to determine the decision of a member of the Board of Directors on the agenda item (proposed draft resolution).

If there are several items in the ballot put to the vote, the invalidity of the ballot in part of voting on one or several items does not entail recognition of the ballot invalid, as a whole.

5.6.6 A filled-out and signed ballot shall be provided by a member of the Board of Directors to the Secretary of the Board of Directors within the time specified in the ballot or it shall be sent via e-mail or other types of communication, followed by sending the original of the ballot. The members of the Board of Directors, whose ballots were received no later than the submission deadline shall be considered to have taken part in voting.

5.6.7 Based on the ballots received, the Secretary of the Board of Directors shall summarize the results of voting on the agenda items and draw up the minutes of the meeting of the Board of Directors in accordance with the procedure established by these Regulations.

5.7 Resolutions by the Board of Directors

5.7.1 The resolutions of the Board of Directors shall be passed by a majority of votes of the members of the Board of Directors of the Company, participating in the meeting and /or of those who provided their written opinion, and in the case of an absentee voting of more than half of the members of the Board of Directors who took part in voting, except for cases stipulated by the legislation of the Russian Federation and /or the Charter of the Company

5.7.2 When resolving issues at a meeting of the Board of Directors, each member of the Board of Directors shall have one vote. Transfer of voting rights by a member of the Company's Board of Directors to another person, including

another member of the Board of Directors of the Company, shall not be allowed.

- 5.7.3 In case of a tie, the vote of the Chairman of the Board of Directors shall be decisive. The right of a decisive vote of the Chairman of the Board of Directors may not be used by the Deputy Chairman of the Board of Directors or by another member of the Board of Directors acting in his name in the absence of the Chairman of the Board of Directors.

Article 6. Minutes of the Board of Directors

6.1 Drawing up minutes of the meeting of the Board of Directors

6.1.1 Minutes shall be kept at meetings of the Board of Directors. The minutes of the meeting of the Board of Directors shall be drawn up by the Secretary of the Board of Directors no later than 3 days after the meeting (the ballot submission deadline, when in absentia).

6.1.2 The minutes of the meeting of the Board of Directors shall specify:

- the name of the Company;
- the reference number;
- the format of the meeting;
- the date, time and place of the meeting;
- the date of the minutes;
- the ballot submission deadline (in absentia);
- the persons who participated in the meeting of the Board of Directors, including invited persons (when in the format of personal attendance);
- the members of the Board of Directors who submitted a written opinion on the agenda items (when in the format of personal attendance);
- the members of the Board of Directors who submitted ballots (in absentia);
- the quorum on the agenda of the meeting;
- the agenda of the meeting;
- the issues put to a vote;
- the resolution passed;
- the results of voting on each issue;
- the information on the received special opinions;
- other information.

6.1.3 Documents passed and /or approved at a meeting of the Board of Directors, as well as written and dissenting opinions of members of the Board of Directors

and the ballots shall be included in the minutes of the meeting of the Board of Directors in the form of attachments.

6.1.4 The minutes of the meeting of the Board of Directors shall be signed by the Chairman and Secretary of the Board of Directors. Upon signing the minutes, the Secretary of the Board of Directors shall prepare and distribute to the persons responsible for the implementation of the passed resolutions the extracts from the minutes of the meeting of the Board of Directors.

6.1.5 An audio recording of the meeting may be taken at the meeting of the Board of Directors, as well as other ways of documenting the progress of the meeting, including a video recording or taking a shorthand.

6.2 Archiving and access to the minutes of meetings of the Board of Directors

6.2.1 Archiving and access to the minutes of meetings of the Board of Directors shall be carried out in accordance with the legislation.

6.2.2 Copies of the minutes of meetings of the Board of Directors (extracts from the minutes) shall be distributed to the members of the Board of Directors in the event of a written request from their side.

Article 7. Execution of Resolutions passed by the Board of Directors

7.1 Resolutions of the Board of Directors shall be mandatory for execution by members of the Board of Directors, executive bodies and employees of the Company.

7.2 Control over the implementation of resolutions of the Board of Directors shall be exercised by the Chairman of the Board of Directors.

7.3 The Secretary of the Board of Directors shall collect information on the execution of resolutions of the Board of Directors. The Secretary of the Board of Directors has the right to request information from responsible persons concerning the execution of resolutions of the Board of Directors.

7.4 The Secretary of the Board of Directors shall inform the Chairman of the Board of Directors of all cases of violation of the deadlines set for the execution of resolutions passed by the Board of Directors.

Article 8. Termination of Powers of the Members of the Board of Directors

8.1 Members of the Board of Directors shall be elected by the General Meeting of Shareholders for the period until the next annual General Meeting of Shareholders.

If the annual General Meeting of Shareholders was not held within the time limits established by the Charter of the Company, the powers of the members of the Board of Directors are terminated, except for the authority to prepare, convene and hold the annual General Meeting of Shareholders.

8.2 By decision of the General Meeting of Shareholders, the powers of all members of the Board of Directors may be terminated early, at any time before the expiry of the term of office. The powers of the Board of Directors shall be terminated from the date of passing

by the General Meeting of Shareholders the resolution on termination of the powers of the Board of Directors.

- 8.3 In the event of early termination of the powers of the Board of Directors, the powers of the new Board of Directors elected at the extraordinary General Meeting of Shareholders shall be valid until the next annual General Meeting of Shareholders.
- 8.4 The Board of Directors shall recognize a member of the Board of Directors as exiting in the event of his death, his recognition by the court as deceased or missing. In this case, the date of termination of the powers of a member of the Board of Directors shall be the date of death (in the event of death of a member of the Board of Directors) or the date specified in the court decision on recognizing a member of the Board of Directors as deceased or missing.

Article 9. Final Provisions

- 9.1 Decisions on amendments to these Regulations or approval of the Regulations in a new wording shall be made by the General Meeting of Shareholders on the proposal of the Board of Directors.
- 9.2 If, as a result of changes in the legislation of the Russian Federation or the Company's Charter, certain provisions of this document conflict with the laws of the Russian Federation or the Company's Charter, these provisions become invalid and shall not be applicable. Until the relevant amendments are made to the Regulations, the legislation of the Russian Federation and the Charter of the Company.