

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

REGULATIONS  
FOR THE MANAGEMENT BOARD  
OF PJSC ROSSETI  
(restated version)

Moscow  
2018

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## **1. GENERAL**

1.1. These Regulations for the Management Board of PJSC ROSSETI (hereinafter, the "Regulations") are an internal document of PJSC ROSSETI (hereinafter, the "Company") and define the procedure for forming the Management Board of the Company, the time and procedure for convening and holding meetings of the Management Board, and the procedure for adopting its decisions and supervising their implementation.

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

1.3. The Management Board of the Company is a collegial executive body of the Company, acts to the benefit of the Company's shareholders, follows decisions of the General Meeting of Shareholder and the Board of Directors of the Company, and acts in accordance with the laws of the Russian Federation, the Articles of Association of the Company, other internal documents of the Company, and these Regulations.

## **2. PROCEDURE FOR FORMING THE MANAGEMENT BOARD**

2.1. The number of the members of the Management Board shall be determined by the decision adopted by the Company's Board of Directors at the suggestion of the Company's Director General.

2.2. The Director General of the Company shall submit any nomination for a member of the Management Board for review by the Board of Directors, except for his/her own nomination.

2.3. The members of the Management Board, including the Director General, are elected and their powers are terminated earlier by the Board of Directors of the Company.

2.4. The Chairman of the Board of Directors of the Company or the person authorized by the Board of Directors of the Company shall define the terms and conditions of employment contracts, including the term of office, exercise the employer's rights and perform the employer's obligations on behalf of the Company with respect to the Director General of the Company and the members of the Management Board of the Company.

2.5. The Board of Directors of the Company may at any time terminate the powers of any member of the Management Board and terminate the employment contract with such member.

2.6. If any member of the Management Board of the Company also holds another position on the staff of the Company, then the termination of his/her powers as a member of the Management Board shall not entail dismissing him/her from his/her position on the staff.

2.7. If the number of the members of the Management Board of the Company becomes smaller than half of the elected members of the Management Board, the Director General shall submit for review by the Board of Directors new nominations for the members of the Management Board to replace the exiting members or shall put forward a motion to reduce the number of the members of the Management Board to the number necessary for the meeting to have a quorum.

2.8. Any member of the Management Board of the Company may, at his/her discretion, withdraw from the Management Board by applying for the early termination of his/her powers as a member of the Management Board to the Director General of the Company. In this connection, his/her powers will be terminated after the Board of Directors of the Company makes a decision on such termination.

2.9. The Director General of the Company and the members of the Management Board of the Company shall be on the staff of the Company's executive arm.

## **3. RIGHTS, OBLIGATIONS, AND LIABILITY OF THE MEMBERS OF THE MANAGEMENT BOARD**

### **3.1. MEMBERS OF THE MANAGEMENT BOARD**

3.1.1. The rights and obligations of the members of the Management Board shall be defined by the laws of the Russian Federation, the Articles of Association of the Company, the employment contract between each member and the Company, and these Regulations.

3.1.2. The members of the Management Board shall have the following rights:

3.1.2.1. On the strength of membership in the Management Board of the Company, resolve issues in relation to managing the Company's day-to-day activities;

3.1.2.2. Obtain the necessary information about the Company's activities, acquaint themselves with constitutive documents, bylaws, accounts, reports, orders, and other documents of the Company;

3.1.2.3. Submit letters of information, make statements, put forward proposals regarding items on the agenda of any meeting of the Management Board;

3.1.2.4. Put forward written proposals with respect to formulating the Action Plan for the Management Board and the agenda of a meeting of the Management Board;

3.1.2.5. Make a written request to convene a meeting of the Management Board of the Company;

3.1.2.6. Express disagreement in writing over decisions of the Management Board and make such disagreement known to the Director General of the Company and the Management Board of the Company;

3.1.2.7. Exercise other rights provided for in the laws of the Russian Federation, the Articles of Association of the Company, the employment contract between each member and the Company, and these Regulations.

3.1.3. The members of the Management Board shall have the following obligations:

3.1.3.1. Participate in meetings of the Management Board of the Company;

3.1.3.2. Implement decisions and carry out instructions of the General Meeting of Shareholders, the Board of Directors, and the Management Board of the Company, comply with the requirements set forth in the Articles of Association and internal documents of the Company;

3.1.3.3. Act to the benefit of the Company and perform their obligations to the Company in good faith and reasonably;

3.1.3.4. Provide the Company with written information about their ownership of the Company's securities and disclose information about their transactions related to such securities;

3.1.3.5. Provide the Company with information within two (2) months after the day when they learn or should learn that circumstances have occurred by virtue of which they can be recognized as related parties in the Company's transactions:

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

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

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

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

3.1.3.6. Keep confidential the Company's proprietary and privileged information;

3.1.3.7. Monitor the preparation and timely submission of materials for meetings of the Management Board as related to the issues supervised by the member.

3.1.4. The members of the Management Board may not simultaneously hold office in other organizations' management bodies without the consent of the Company's Board of Directors.

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

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

3.1.6. The position of the Management Board at meetings of the Board of Directors and at the General Meetings of Shareholders of the Company shall be communicated by the Director General or any other person appointed by the Director General of the Company.

### 3.2. DIRECTOR GENERAL

3.2.1. The Director General of the Company shall organize the work of the Management Board.

3.2.2. The Director General of the Company shall:

3.2.2.1. Perform the functions of the Chairman of the Management Board of the Company;

3.2.2.2. Submit for review by the Board of Directors of the Company proposals for nominees for the members of the Management Board and for the termination (early termination) of the powers of the members of the Management Board;

3.2.2.3. Approve the plans of meetings of the Management Board;

3.2.2.4. Convene meetings of the Management Board:

- set the date, place, and time of meetings of the Management Board;

- approve the agendas of meetings;

- determine who reports and co-reports on each issue;

- make the list of persons invited to attend meetings of the Management Board;

- define the form and text of a ballot (in the case of voting in absentia).

3.2.2.5. Preside at meetings of the Management Board;

3.2.2.6. Sign the minutes of meetings of the Management Board;

3.2.2.7. Ensure compliance with the requirements set forth in the laws of the Russian Federation, the Articles of Association of the Company, and these Regulations;

3.2.2.8. Do other acts provided for in these Regulations.

3.2.2.9. If the Director General of the Company is temporarily absent, his/her functions in relation to organizing the activities of the Management Board shall be performed by a member of the Management Board as instructed by the Director General.

## 4. EXECUTIVE SECRETARY OF THE MANAGEMENT BOARD

4.1. The Executive Secretary of the Management Board shall perform the functions in relation to providing organizational and information support for the work of the Management Board of the Company.

4.2. The Executive Secretary of the Management Board shall be appointed and dismissed by the Director General of the Company.

4.3. The Executive Secretary of the Management Board shall:

4.3.1. At the suggestion of members of the Management Board, develop drafts of the Action Plans for the Management Board;

4.3.2. Formulate the agendas of meetings of the Management Board to be approved by the Director General of the Company;

4.3.3. Ensure that materials are formulated and prepared for review by meetings of the Management Board;

4.3.4. As and when necessary, submit proposals to clarify the Action Plan for the Management Board;

- 4.3.5. Notify the members of the Management Board of each meeting of the Management Board;
- 4.3.6. Provide organizational and information support for meetings of the Management Board;
- 4.3.7. Define the format of materials in hard copy and electronic form to be submitted for review by meetings of the Management Board;
- 4.3.8. Keep administrative records of the Management Board;
- 4.3.9. Monitor the implementation of decisions adopted by the Management Board as instructed by the Chairman of the Management Board of the Company;
- 4.3.10. Take the minutes of meetings of the Management Board;
- 4.3.11. Inform members of the Management Board of the decisions adopted by the Management Board;
- 4.3.12. Inform the heads of the Company's divisions of the decisions adopted by the Management Board by sending signed extracts from the minutes of meetings of the Management Board;
- 4.3.13. Prepare information for the Director General of the Company about any failure by responsible persons to meet the deadline for submitting proposals for the Action Plan for the Management Board and materials for meetings of the Management Board and information about the implementation of the decisions adopted by the Management Board;
- 4.3.14. Do other acts provided for in these Regulations.
- 4.4. The Executive Secretary of the Management Board shall have the following rights:
- 4.4.1. Include in the draft of the agenda of any meeting of the Management Board the issues defined by the approved plan and proposed by the Director General and members of the Management Board of the Company;
- 4.4.2. Request that the persons responsible for preparing materials for meetings of the Management Board provide all necessary materials within the prescribed period;
- 4.4.3. Return for revision by the originator the drafts of decisions and materials for meetings of the Management Board that have been prepared in conflict with the procedure set forth in internal documents, regulations, or orders of the Company;
- 4.4.4. Request that the responsible persons provide information about the implementation of the decisions adopted by the Management Board.
- 4.5. The Executive Secretary of the Management Board shall be responsible for the accuracy of any minutes of meetings of the Management Board, any extracts from minutes of meetings of the Management Board and for the performance of other duties provided for in these Regulations.

## **5. ORGANIZATION OF THE WORK OF THE MANAGEMENT BOARD**

- 5.1. Meetings of the Management Board shall be held in accordance with the Action Plan and as and when necessary, but at least once a month.
- 5.2. The Action Plan for the Management Board shall take account of decisions of the General Meeting of Shareholders, the Board of Directors, the Internal Audit Commission, and the Auditor and proposals of the Director General and members of the Management Board of the Company.
- 5.3. The Action Plan for the Management Board shall include:
- time (dates) of meetings of the Management Board;
  - issues for review by meetings of the Management Board;
  - a list of persons responsible for preparing issues for review by meetings of the Management Board;
  - time (deadlines) for submitting materials for review by meetings of the Management Board.
- 5.4. The Action Plan for the Management Board shall be approved by the Director General of the Company on a quarterly basis.

5.5. The approved Action Plan for the Management Board shall be distributed to the members of the Management Board and the heads of divisions of the Company's executive arm.

5.6. The performance report of the Management Board shall be submitted for review by the Board of Directors of the Company on a quarterly basis.

5.7. The agenda of any meeting of the Management Board shall be formulated by the Executive Secretary of the Management Board and approved by the Director General of the Company.

5.8. The Director General of the Company may, at his/her own discretion or on the initiative of any member of the Management Board, amend and supplement the approved agenda of any meeting and the Action Plan for the Management Board.

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

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

## **6. PROCEDURE FOR CONVENING AND HOLDING MEETINGS OF THE MANAGEMENT BOARD**

6.1. Meetings of the Management Board shall be convened by the Director General of the Company:

- in accordance with the Action Plan for the Management Board;
- on the initiative of the Director General;
- on the initiative of any other member of the Management Board;
- pursuant to the decision of the General Meeting of Shareholders and the Board of Directors of the Company.

6.2. The Management Board of the Company may preliminarily review, develop, and submit to the Board of Directors recommendations regarding the issues falling within the competence of the Board of Directors. The list of issues with respect to which the Management Board may prepare recommendations for the Board of Directors shall be defined by the decision of the Management Board.

6.3. As decided by the Director General of the Company, meetings of the Management Board are held by members of the Management Board in person to discuss and decide on agenda items (in-person meetings) or in absentia (by completing ballots, including in the automated information system), and the Management Board of the Company may also hold visiting meetings.

6.4. Any meeting of the Management Board shall be legally qualified (shall have a quorum) if attended by at least half of the total number of the elected members of the Management Board.

6.5. All decisions of the Management Board shall be adopted by a simple majority of votes of the participating members of the Management Board.

6.6. For the purposes of deciding on any issue, each member of the Management Board shall have one vote.

No member of the Management Board may appoint any other member of the Management Board or any other person to vote on his/her behalf.

In the event of any equality of votes of members of the Management Board, the Director General of the Company shall have a casting vote.

6.7. If any member participating in a meeting of the Management Board disagrees with any decision adopted with respect to any item(s) on the agenda of such meeting, such member

may state his/her position in writing, and such statement shall be attached as an appendix to the minutes of the meeting of the Company's Management Board.

6.8. If any meeting of the Management Board is held, the Executive Secretary of the Management Board shall, at least two (2) business days prior to the date of the meeting of the Management Board, distribute to the members of the Management Board the agenda of the meeting signed by the Director General of the Company, specifying the place, date, and time of the meeting, and the materials related to the meeting of the Management Board of the Company.

As decided by the Director General of the Company, the deadline for distributing the agenda of any meeting of the Management Board and materials related to such meeting may be changed.

6.9. Meetings of the Management Board shall consider the issues included on the agenda of the meeting of the Management Board.

In exceptional circumstances, in-person meetings of the Management Board may consider the issues not included on the agenda if this is approved by a majority of the participating members of the Management Board.

6.10. Persons invited to attend meetings of the Management Board may not take part in discussion, put forward proposals, make comments on the discussed materials, or submit letters of information regarding items on the agenda of the meeting of the Management Board of the Company without the permission of the Presiding Officer.

6.11. The list of materials provided for a meeting of the Management Board and the procedure for reviewing such materials shall be subject to the Company's internal documents, regulations, and orders approved by the Director General.

Materials for the meeting of the Management Board shall be delivered to the Executive Secretary of the Management Board in the form specified in the Company's internal documents, regulations, and orders approved by the Director General.

6.12. The procedure and period for agreeing materials for the meeting of the Management Board shall be subject to the Company's internal documents, regulations, and orders approved by the Director General.

6.13. The timely submission of materials for the meeting of the Management Board shall be monitored by the Executive Secretary of the Management Board.

If any materials for the meeting of the Management Board are not submitted within the period prescribed in internal documents, regulations, or orders of the Company and/or if this procedure for submitting materials is not complied with, then the relevant issue shall be excluded from the agenda of the meeting of the Management Board pursuant to the decision of the Director General, and the responsible persons may be held disciplinarily liable.

6.14. The items on the agenda of the in-person meeting of the Management Board shall be considered in the following order:

- a member of the Management Board, the head of a division of the executive arm, or an invitee reports on the item on the agenda of the meeting;
- the speaker answers the questions asked by members of the Management Board;
- the item on the agenda of the meeting is discussed;
- motions are put forward with respect to the draft of the decision under review;
- the decision is put to a vote, the votes are counted, and the voting results are tabulated;
- the voting results and the decision adopted with respect to the items on the agenda of the meeting are announced.

6.15. The time for giving a report at any meeting of the Management Board is limited to 10 minutes; for giving a co-report and taking part in discussion of an item on the agenda, 5 minutes; and for communicating reference information, 3 minutes.

6.16. As decided by the Presiding Officer, the period for giving reports, giving co-reports, taking part in discussion, and communicating reference information may be changed.

6.17. Determining whether the in-person meeting of the Company's Management Board has a quorum shall take into account the personal participation of members of the Company's



Management Board, their participation in the meeting via conference calls and videoconferences, the written opinions received from members of the Company's Management Board who are not present at the meeting prior to the meeting, and the votes cast in the automated information system prior to the meeting.

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

If, in the course of discussion at any in-person meeting of the Management Board, any draft decisions on items on the agenda are changed, then ballots containing changed draft decisions based on the discussed items on the agenda shall be sent to the members of the Management Board who are absent from such meeting and provide their written opinions in accordance with the prescribed procedure or vote prior to the meeting of the Company's Management Board in the automated information system. Such completed and signed ballots shall be sent (including via the automated information system) by such members of the Management Board to the Executive Secretary of the Management Board within one (1) business day after the receipt thereof.

6.18. Any decision of the Management Board of the Company with respect to the issues falling within its competence may be adopted by absentee voting.

6.19. For the purposes of adopting any decision of the Management Board through absentee voting, a ballot and materials regarding the issues included on the agenda shall, within the period specified in paragraph 6.8 of these Regulations, be distributed to each member of the Management Board to vote in absentia on the items on the agenda.

6.20. When completing a ballot, a member of the Management Board shall leave only one possible variant of voting ("for," "against," or "abstained") uncrossed. Each completed ballot shall be signed by the member of the Management Board, stating his/her initials and family name.

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

6.21. Each completed and signed original ballot shall be delivered to the Executive Secretary of the Management Board within the period specified in the ballot.

6.22. Any ballot received from a member of the Management Board after the expiration of the prescribed voting period or completed in violation of the requirements shall not be taken into account for the purposes of counting the votes and tabulating the absentee voting results.

6.23. Along with the members of the Management Board who vote on the proposed drafts of decisions in the automated information system, the members of the Management Board shall be deemed to have taken part in absentee voting if their ballots are received by the Executive Secretary of the Management Board not later than the deadline for receiving ballots.

6.24. Based on the received ballots and the votes cast in the automated information system, the Executive Secretary of the Management Board shall tabulate the absentee voting results with respect to the items on the agenda and draw up the minutes of the meeting of the Management Board in accordance with the procedure set forth in these Regulations and the Company's internal documents, regulations, and orders approved by the Director General.

6.25. The materials provided at a meeting for members of the Management Board and invitees shall, after the meeting, be returned to the Executive Secretary of the Management Board, or the receiving person shall be responsible for destroying such materials.

6.26. Materials for meetings of the Management Board of the Company and minutes of meetings of the Management Board of the Company may be confidential or contain proprietary information of the Company. In such event, access to meetings of the Management Board of the Company, preparation of materials and minutes of meetings shall be in accordance with the Company's confidentiality requirements.

6.27. Information about the decisions adopted by the Management Board of the Company may be disclosed to the mass media by the Director General of the Company or members of the Management Board of the Company acting on the instructions of the Director General of the Company.

## **7. MINUTES OF THE MEETING OF THE MANAGEMENT BOARD**

7.1. The minutes of any meeting of the Company's Management Board shall be prepared by the Executive Secretary of the Company's Management Board in prescribed form, signed by the Executive Secretary, and submitted for signature by the Director General of the Company within five (5) business days after the date of the meeting of the Management Board of the Company.

7.2. The minutes of the meeting of the Management Board shall contain:

- the full corporate name of the Company;
- information about the place, date, and time of the meeting (with voting in person or in absentia);
- a list of the members of the Management Board present at and participating in the meeting (with voting in person or in absentia);
- a list of the persons invited to attend the meeting;
- the agenda of the meeting;
- the issues put to a vote and the voting results with each voting member's votes to be specified (the voting results are not specified in the minutes of the meeting if any decision is approved unanimously);
- the contents of any dissenting opinion expressed in the course of discussing the issue to be recorded in the minutes of the meeting below the text of the decision adopted with respect to such issue.

7.3. After they are signed by the Director General of the Company, the minutes of the meetings of the Management Board shall be registered by the Executive Secretary of the Management Board and put on the database.

7.4. Upon the expiration of a period of two years, the minutes of the meetings of the Company's Management Board shall be placed for permanent storage at the Company's Archive.

7.5. The decisions adopted by the Management Board of the Company shall be made known to the responsible persons in the form of extracts from the minutes of the meeting of the Company's Management Board to be signed by the Executive Secretary of the Management Board.

7.6. The minutes of any meeting of the Management Board may be provided for members of the Board of Directors, the Internal Audit Commission, and the Auditor of the Company at their written request to be sent to the Director General of the Company.

7.7. The minutes of the meetings of the Company's Management Board shall be stored in the office of its executive body in accordance with the procedure and within the period required by the Bank of Russia.

7.8. The Director General of the Company shall be responsible for the safety of the minutes of the meetings of the Management Board.

## **8. SUPERVISION OF THE IMPLEMENTATION OF THE DECISIONS ADOPTED BY THE MANAGEMENT BOARD**

8.1. The implementation of the decisions adopted by the Management Board shall be supervised in accordance with decisions of the Company's Management Board and the Company's internal regulations and orders approved by the Director General of the Company, and such supervision includes the following functions:

- 8.1.1. monitor and register instructions;
- 8.1.2. keep a register of supervision instructions;
- 8.1.3. collect implementation reports for instructions and keep a register of them;
- 8.1.4. notify supervisors of the forthcoming implementation of instructions;

8.1.5. send requests to implement delayed instructions;

8.1.6. tabulate the implementation results for instructions.

8.2. The period for implementing any instructions of the Management Board may be extended by the Director General of the Company, provided that a reasonable request therefor is made at least five (5) business days prior to the expiration of the period prescribed for implementing such instructions.

8.3. With respect to each delayed implementation of instructions of the Management Board, the responsible person shall provide a written explanation in accordance with the procedure set forth in the Company's regulations and orders.

## **9. FINAL PROVISIONS**

9.1. The Regulations for the Management Board shall be approved by the General Meeting of Shareholders of the Company.

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

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