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**APPROVED BY**  
**Resolution of the General Shareholders' Meeting of**  
**PJSC SIBUR Holding**  
**dated 06th September 2019**  
**(Minutes No. 62)**

**B Y - L A W S**

**of the Board of Directors**  
**of Public Joint-Stock Company SIBUR Holding**

**(Version No. 19)**

**Tobolsk**  
**2019**

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These By-laws have been developed in accordance with the effective legislation of the Russian Federation, the Charter of Public Joint-Stock Company SIBUR Holding (hereinafter referred to as the “**Company**”) and other internal documents of the Company, and determines the procedure for election and the term of office of the Board of Directors, its competence, as well as its proceedings.

### **Article 1. General**

1.1. The Board of Directors is a collegial management body of the Company that performs general management of the Company's activities and makes decisions on all matters, except for reserved matters of the General Shareholders' Meeting, the Management Board and the Sole Executive Body.

1.2. In its activities, the Board of Directors is governed by the effective legislation of the Russian Federation, the Company's Charter, these By-laws and other internal documents of the Company related to dealing with its reserved matters.

### **Article 2. Election of the Board of Directors**

2.1. Members of the Board of Directors shall be elected by cumulative voting by the General Shareholders' Meeting for the period until the next annual General Shareholders' Meeting.

In case of a cumulative vote, the number of votes enjoyed by each shareholder shall be multiplied by the number of persons to be elected to the Board of Directors; a shareholder may cast all the votes thus received for one candidate or distribute them among two or more candidates. The candidates who received a majority of votes shall be deemed to have been elected to the Board of Directors.

If no annual General Shareholders' Meeting has been held within the established timelines, the powers of the Board of Directors shall be terminated, with the exception of powers to prepare, convene and hold an annual General Shareholders' Meeting.

2.2. The number of members of the Board of Directors shall be determined by a resolution of the General Shareholders' Meeting, but shall not be less than ten (10) directors. The resolution on this matter is termless. By a resolution of the General Shareholders' Meeting, members of the Board of Directors may be removed from office only en masse.

In the event that the number of members of the Board of Directors becomes less than the number required to ensure a quorum at its meetings, the Board of Directors shall pass a resolution to hold an extraordinary General Shareholders' Meeting to elect a new Board of Directors. The remaining members of the Board of Directors may pass resolutions only on matters related to the preparation and holding of such extraordinary General Shareholders' Meeting.

2.3. Only an individual may be a member of the Board of Directors. A member of the Board of Directors shall not be required to be a Company shareholder.

Persons elected to the Board of Directors may be re-elected an unlimited number of times.

Members of the Management Board may not constitute more than one-fourth of the Board of Directors. A Management Board member may not be the Chairman of the Board of Directors.

2.4. Members of the Board of Directors shall disclose information about the holding of the Company's securities, as well as about any sale and (or) purchase of the Company's securities in accordance with the Company's internal documents approved by the Board of Directors regulating the procedure for using information about the Company's activities and securities.

2.5. Shareholders (shareholder) holding in aggregate at least two (2) per cent of the Company's voting shares may nominate candidates for the Company's Board of Directors, the number of which shall not exceed the number of its members determined by a resolution of the General Shareholders' Meeting. Proposals regarding nomination of candidates shall be made in writing with indication of the name of shareholders (shareholder) that introduced them, the number and category (type) of shares held by them (him/her), and shall be signed by shareholders (shareholder).

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Such proposal shall be signed by the shareholder or his/her authorized representative. In the event that the proposal is signed by the shareholder's authorized representative, a power of attorney shall be necessarily attached thereto.

The following information on each candidate shall be attached to the proposals for nomination of candidates to the Board of Directors:

- name of the body, for the election to which the candidate is nominated;
- full name;
- year, month and day of birth;
- for Russian nationals – details of the identification document (series and/or number of document, date and place of issue, issuing authority and registration address);
- for non-residents – details of the identification document;
- education with indication of the educational institution, year of graduation and majors;
- places of work and positions that the candidate occupied during the last five (5) years, as well as positions that the candidate held in the management bodies of other legal entities over the last five (5) years; and
- mailing address, contact phone number, e-mail address.

2.6. The said proposals and information shall be sent to the Board of Directors within fifty (50) days after the end of the reporting year in writing in one of the following ways:

- by mail to the address (location) of the Sole Executive Body (to the address (location) of the permanent executive body of the managing organization);
- by way of hand delivery to the person performing the functions of the Sole Executive Body, to the Chairman of the Board of Directors or the Secretary of the Board of Directors.

If the specified proposal is sent using the postal service, the date of such proposal shall be the date indicated on the imprint of the calendar stamp confirming the date of sending the mail, and if the said proposal was hand-delivered to the person – the date of delivery.

Proposals on nomination of candidates to the Board of Directors sent by shareholders in accordance with the established procedure may be amended or withdrawn in full before the Board of Directors approves ballots for voting at the General Shareholders' Meeting.

### **Article 3. Competence of the Board of Directors**

3.1. The competence of the Board of Directors is determined by the Charter of the Company.

3.2. Reserved matters of the Board of Directors may not be referred to the Company's executive bodies.

3.3. As requested by the Chairman of the Management Board, the Board of Directors may consider other matters outside of its competence (except for reserved matters of the General Shareholders' Meeting) which may have a material effect on the Company's business.

### **Article 4. Committees of the Board of Directors**

4.1. For dealing with particular tasks facing the Company, the Board of Directors may create committees, including the audit committee, the human resources and remuneration committee, etc.

4.2. A committee of the Board of Directors shall act on the basis of the committee regulations approved by the Board of Directors.

4.3. Members of a Board of Directors committee shall be named by the Board of Directors.

4.4. A Board of Directors committee shall meet when necessary and in accordance with the committee regulations approved by the Board of Directors.

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4.5. Board of Directors committees may hold joint meetings.

#### **Article 5. Chairman of the Board of Directors and Deputy Chairman of the Board of Directors**

5.1. The Chairman of the Board of Directors shall be elected by members of the Board of Directors from among them by a majority vote of the total number of members of the Board of Directors.

Neither the Sole Executive Body nor any of the Management Board members may simultaneously act as the Chairman of the Board of Directors.

5.2. The Chairman of the Board of Directors shall organize and coordinate the Board of Directors' activities, convene, approve the agenda of and preside over the Board of Directors' meetings, arrange for keeping meeting minutes and preside over the General Shareholders' Meeting.

5.3. In the absence of the Chairman of the Board of Directors, his/her functions shall be carried out by Deputy Chairman of the Board of Directors.

5.4. The Deputy Chairman of the Board of Directors shall be a member of the Board of Directors elected by the majority of the entire Board of Directors for the same term as the Chairman of the Board of Directors.

#### **Article 6. Secretary of the Board of Directors**

6.1. The Secretary of the Board of Directors shall be appointed by the Board of Directors at the first meeting of the Board of Directors following the annual General Shareholders' Meeting. The powers of the Secretary of the Board of Directors shall be valid until the powers of the Board of Directors of this convocation are terminated.

6.2. The Secretary of the Board of Directors shall provide for arrangement and conducting of meetings of the Board of Directors, collection and systematization of materials for meetings, timely sending of meeting notices, meeting agendas and materials on the agenda items to members of the Board of Directors, keeping meeting minutes and preparation of draft resolutions of the Board of Directors, as well as interact with the Company's employees on issues of preparation for meetings.

6.3. The Secretary of the Board of Directors shall report to the Board of Directors on his/her activities. The Chairman of the Board of Directors shall directly supervise his/her activities.

#### **Article 7. Meetings of the Board of Directors**

7.1. The Board of Directors may pass resolutions either at an in-person meeting or by absentee voting (by ballot). Meetings of the Board of Directors shall be held in accordance with the work plan for the year approved at the meeting of the Board of Directors, and as necessary.

If during the meeting of the Board of Directors in the form of absentee voting no less than two (2) members of the Board of Directors send to the Chairman of the Board of Directors (with a copy to the Secretary of the Board of Directors) a written opinion regarding the need to review one or several issues included in the agenda of such meeting at a meeting held in the form of joint attendance, the Chairman of the Board of Directors shall pass a resolution to hold a meeting in the form of joint attendance and include such issue in the meeting agenda. The said written opinion shall be sent within one (1) business day of the date of sending datasheets for absentee voting to members of the Board of Directors.

7.2. Meetings of the Board of Directors may be convened by the Chairman of the Board of Directors at his/her initiative or at the written request of any member of the Board of Directors, the Audit Committee, the Company's auditor, the head of any business division of the Company or the Company's Managing Organization responsible for organization and performance of internal audit of the Company, the Sole Executive Body or the Management Board.

A written request shall contain:

- an indication of the meeting initiator;

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- wording of agenda items;
- the form of the meeting;
- reasons for including such issues on the agenda; and
- address, to which a response to the request shall be sent.

The request shall be signed by the meeting initiator.

In the absence of the Chairman of the Board of Directors, a meeting of the Board of Directors may be convened by Deputy Chairman of the Board of Directors with prior written consent of the Chairman of the Board of Directors; should the Deputy Chairman of the Board of Directors be absent, too, a meeting may be convened by any member of the Board of Directors with prior written consent of the Chairman of the Board of Directors. In this case, members of the Board of Directors present at the meeting shall elect one of the members to preside over the Board of Directors meeting who, for the purposes of such meeting, shall carry out all duties and exercise all rights of the Chairman of the Board of Directors.

7.3. The quorum for meetings of the Board of Directors shall be no less than half of the total number of the elected members of the Board of Directors. For the purposes of determining if the quorum is present and the outcome of the vote at a meeting of the Board of Directors, a written opinion expressed by an absent member of the Board of Directors shall be taken into account.

A written opinion submitted by a member of the Board of Directors shall unequivocally determine the position of the member of the Board of Directors on the issue and indicate whether that member votes “for” or “against” the proposed draft resolution, or “abstains” from passing a resolution.

A written opinion containing amendments and provisos on the proposed draft resolution shall not be taken into account when determining the quorum and the voting results.

A written opinion of the member of the Board of Directors shall be received by the Secretary of the Board of Directors before the opening of the meeting of the Board of Directors reviewing the issues, on which such written opinion was provided.

A member of the Board of Directors shall be deemed to be present at a meeting if he/she is participating by telephone or through video conferencing or is otherwise able to express real-time opinions and vote on issues being discussed at such meeting.

7.4. A member of the Board of Directors who did not participate in voting or voted against a resolution passed by the Board of Directors in violation of the procedure established by the effective legislation of the Russian Federation, the Company’s Charter and its other internal documents, shall be entitled to challenge the said resolution in court if this resolution infringes his/her rights and legal interests.

## **Article 8. Regulations for Convening and Holding Meetings of the Board of Directors**

8.1. The agenda of any meeting of the Board of Directors shall be generated by the Secretary of the Board of Directors and approved by the Chairman of the Board of Directors. The right to make proposals on the agenda of the meeting of the Board of Directors of the Company belongs to the Chairman of the Board of Directors, members of the Board of Directors, Chairman of the Management Board, members of the Management Board, the Sole Executive Body, the Chairman of the Audit Committee, and the auditor of the Company. In the absence of the Chairman of the Board of Directors, the meeting agenda shall be approved by the Deputy Chairman of the Board of Directors upon coordination with the Chairman of the Board of Directors.

8.2. A notice of the meeting of the Board of Directors in the form of joint attendance shall be sent to each member of the Board of Directors by e-mail at least five (5) business days before the date of the meeting.

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8.3. The text of the notice (in an e-mail message) about a meeting of the Board of Directors in the form of joint attendance shall contain information about the date, place and time of such meeting. The meeting agenda shall be attached to the notice.

8.4. If the meeting is held in the form of absentee voting, a notice shall be sent via e-mail at least three (3) business days before the date of submitting completed datasheets.

8.5. A notice of the meeting of the Board of Directors in the form of absentee voting shall contain information about the date and place of submitting completed datasheets, as well as the list of issues put to a vote.

A datasheet with an indication of the date of submitting completed datasheets shall be attached to the notice.

8.6. Completed datasheets personally signed by members of the Board of Directors shall be submitted to the Secretary of the Board of Directors. Datasheets submitted to the Secretary of the Board of Directors shall unequivocally determine the position of the member of the Board of Directors on the issue and indicate whether that member votes “for” or “against” the proposed draft resolution, or “abstains” from passing a resolution. Datasheets containing amendments and provisos on the proposed draft resolution shall not be taken into account when determining the quorum and the voting results.

Members of the Board of Directors whose completed and signed datasheets were received by the Board of Directors before the date indicated in the datasheet as the deadline for submitting completed datasheets shall be considered to have taken part in the meeting of the Board of Directors in the form of absentee voting.

8.7. Materials on the agenda of the meeting of the Board of Directors shall be provided to members of the Board of Directors at least five (5) business days before the date of the meeting, and if the meeting is held in the form of absentee voting – at least three (3) business days before the date of submitting completed datasheets.

8.8. On request of any member of the Board of Directors addressed to the Company in any form, materials related to any agenda items may be translated into English. Such translated materials shall be sent to the requesting member of the Board of Directors no later than the close of business on the day following the day of providing materials to be determined pursuant to Clause 8.7. In case of any discrepancies between such materials on agenda items in English and in Russian, the Russian version prevails. In addition, as requested by any member of the Board of Directors at the meeting held in the form of joint attendance, simultaneous interpreting from Russian into English may be arranged.

8.9. Issues requiring an urgent resolution by the Board of Directors may be put on the agenda of the meeting of the Board of Directors before the date of the meeting, but after the agenda is closed, only upon approval by the Chairman of the Board of Directors. Materials on such issues shall be sent to members of the Board of Directors as they become available.

8.10. Materials on the agenda items shall include an explanatory note containing a draft resolution of the Board of Directors and explanations on the issue, as well as other documents in accordance with the provisions of the Company's internal documents.

8.11. The Board of Directors may elect to announce a break in the meeting of the Board of Directors. Such break in the meeting of the Board of Directors may be announced for the period not exceeding five (5) business days.

In the event of a break, the Chairman of the Board of Directors shall notify the members of the Board of Directors of the date, time and place of resuming the meeting. Materials shall not be re-sent to members of the Board of Directors.

8.12. The Secretary of the Board of Directors shall keep minutes of meetings of the Board of Directors. The minutes of the meeting of the Board of Directors shall be generated by the Secretary of the Board of Directors at least within three (3) business days after the meeting or before the deadline for accepting completed datasheets.

8.13. The meeting minutes shall specify:

the place and time of holding the meeting in the event of its holding in the form of joint attendance, or the date and place of keeping the minutes in the event of holding the meeting in the form of absentee voting;

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the list of members of the Board of Directors present at the meeting and members of the Board of Directors who provided written opinions by the deadline, as well as the list of members of the Board of Directors, to whom datasheets were sent and who submitted signed datasheets by the deadline;

wording of the issues put to a vote;

results of voting on each issue; and

resolutions passed on each issue.

Minutes of the meeting of the Board of Directors held in the form of joint attendance shall be supplemented with the meeting agenda.

A notice of holding a meeting of the Board of Directors in the form of absentee voting shall be attached to the minutes of the meeting of the Board of Directors held in the form of absentee voting.

8.14. Minutes of any meeting of the Board of Directors shall be signed by the member presiding over such meeting and by the Secretary of the Board of Directors. Minutes of a meeting conducted by absentee voting (by ballot) shall be signed by the Chairman of the Board of Directors and the Secretary of the Board of Directors.

8.15. Minutes of the meeting of the Board of Directors shall be sent to members of the Board of Directors within three (3) business days of the date of execution of such minutes by the chairman of the meeting or the Chairman of the Board of Directors.

8.16. Resolutions passed by the Board of Directors shall be communicated to executives within three (3) business days from the date of signing the respective minutes of the Board of Directors meeting.

8.17. As and where necessary, extracts from the minutes of the Board of Directors meeting shall be signed by the Secretary of the Board of Directors and sent to interested parties upon their request made electronically no later than two (2) business days of receiving such request.

#### **Article 9. Resolutions of the Board of Directors**

9.1. Each member of the Board of Directors shall have one vote to transact any business put to a vote at the meeting of the Board of Directors. A member of the Board of Directors shall not transfer his/her vote to any other person, including any other member of the Board of Directors.

Written opinions submitted by members of the Board of Directors who are absent from a meeting of the Board of Directors shall be taken into account for the purposes of determining whether the meeting is quorate and the outcome of the vote.

9.2. The Board of Directors shall pass resolutions by the majority vote of its members participating in the meeting, unless a different procedure for passing resolutions is stipulated by the effective legislation of the Russian Federation or the Company's Charter.

9.3. If case of a tie, the Chairman of the Board of Directors shall have a casting vote for the purposes of passing a resolution.

A member of the Board of Directors presiding at the meeting of the Board of Directors shall not have a casting vote at meetings of the Board of Directors.

#### **Article 10. Liability of Members of the Board of Directors**

10.1. In exercising their rights and performing their duties, members of the Board of Directors shall act in the best interests of the Company, exercise their rights and perform their duties in relation to the Company in good faith and reasonably.

10.2. Members of the Board of Directors shall be liable to the Company for losses caused to the Company through their wrongful acts (omissions), unless other grounds and extent of liability are established by the effective legislation of the Russian Federation.

At the same time, members of the Board of Directors that voted against the resolution that caused losses to the Company or, acting in good faith, did not participate in voting shall not be held liable.

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10.3. When determining the grounds for and extent of liability of members of the Board of Directors, the usual terms and conditions of doing business and other circumstances relevant to the case shall be taken into account.

10.4. The Company shall, at its cost and expense, maintain liability insurance for each member of the Board of Directors in connection with their performance of the relevant duties (including in accordance with the internationally accepted D&O insurance).

The list of insured events, insurance limit (amount of coverage) and other material terms and conditions shall be determined by the D&O liability insurance policy to be entered into by and between the Company and the insurer.

#### **Article 11. Organizational, Technical and Financial Support of the Board of Directors**

11.1. To prepare for and hold meetings of the Board of Directors, the Sole Executive Body (managing organization) shall provide premises, technical facilities (including vehicles, communication means, office equipment), required materials and information.

11.2. Any costs associated with preparing for and holding meetings of the Board of Directors, as well as with participation of members of the Board of Directors in such meeting shall be paid by the Company.

11.3. By resolution of the General Shareholders' Meeting, members of the Board of Directors may be entitled to remuneration and/or reimbursement of expenses associated with their activities as members of the Board of Directors during the period of their service. The amount of such remuneration and reimbursement shall be determined by the General Shareholders' Meeting. The procedure for determining the amount of remuneration to members of the Board of Directors is provided in Attachment 1 to these By-laws.

#### **Article 12. Applicability of the By-laws of the Board of Directors**

12.1. These By-laws shall be approved by the General Shareholders' Meeting. Amendments, supplements and restatements of these By-laws shall be a reserved matter of the General Shareholders' Meeting.

12.2. These By-laws, as well as all amendments and supplements hereto shall enter into force upon approval by the General Shareholders' Meeting.

12.3. If any provisions of these By-laws contradict the effective laws of the Russian Federation and the Company's Charter, the provisions of the effective laws and the Company's Charter shall prevail.

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**ATTACHMENT 1**  
**to By-laws of the Board of Directors**  
**of PJSC SIBUR Holding**  
**approved by resolution**  
**of the General Shareholders' Meeting dated**  
**06th September 2019 (Minutes No. 62)**

**REGULATIONS**

**on Remuneration Payable to Members of the Board of Directors**  
**of PJSC SIBUR Holding for Performance of their Duties**  
**and Reimbursement of Expenses Related to their Performance of**  
**Functions of Members of the Board of Directors**  
**of PJSC SIBUR Holding**

## **Article 1. General.**

1.1. These Regulations have been developed in accordance with the Federal Law on Joint-Stock Companies, other effective regulations, the Charter of Public Joint-Stock Company SIBUR Holding (hereinafter referred to as the “**Company**”), and establish the amount and procedure for paying remuneration and compensation to members of the Board of Directors of the Company.

1.2. These Regulations were approved by the General Shareholders’ Meeting of the Company in accordance with the provisions of Clause 2 of Article 64 of the Federal Law on Joint-Stock Companies, and are used as the basis for accruing and paying remuneration and compensation to members of the Board of Directors of the Company.

1.3. The Company's profit shall be the source of remuneration and compensation payment unless there are changes to effective laws or interpretation by competent governmental authorities containing an unequivocally interpreted indication of other sources.

1.4. The Company shall independently determine, withhold and pay personal income taxes and other taxes related to payment of remuneration and compensation to members of the Board of Directors in accordance with the laws of the state of which the relevant member of the Board of Directors is a tax resident.

1.5. These Regulations shall not apply to the member of the Board of Directors who is the Sole Executive Body of the Company (the Sole Executive Body of the managing organization of the Company), as well as to members of the Board of Directors who are members of the Company's Management Board.

1.6. The period of calculating and paying remuneration and compensation to members of the Board of Directors shall be established from the date of the resolution to elect members of the Board of Directors adopted by the annual General Shareholders’ Meeting until the date of the next annual General Shareholders’ Meeting at which a new Board of Directors will be elected (hereinafter referred to as the “**Accounting Period**”).

1.7. Remunerations and compensations shall be paid in cash in the currency of the Russian Federation. Remuneration shall be paid within one (1) month of the date of holding the annual General Shareholders’ Meeting of the Company that approved the results of the Company's financial and economic performance in the reporting year, and the resolution to distribute the Company's profits.

Remuneration and other payments provided for by these Regulations may be made to members of the Board of Directors who are Russian non-residents (hereinafter referred to as “non-residents”) pursuant to currency laws of the Russian Federation under their application in writing in the relevant foreign currency at the exchange rate of the Bank of Russia on the date of such payment. The accrual and payment of remuneration and compensations to members of the Board of Directors in a foreign currency shall be subject to the limitations imposed by the effective legislation of the Russian Federation.

## **Article 2. Forms of Remuneration Payable to Members of the Board of Directors**

2.1. Remuneration to members of the Board of Directors of the Company consists of the following types of consideration:

- permanent part of remuneration;
- remuneration for participation in meetings of committees of the Board of Directors; and
- remuneration for presiding over the Board of Directors.

2.2. Members of the Board of Directors may participate in the incentive program for top managers of the Company or its managing organization based on obtaining the rights to purchase shares and/or other equity securities of the Company. The number of the Company's shares assigned to members of the Board of Directors shall be determined by a resolution of the Human Resources and Remuneration Committee of the Board of Directors in accordance with the Regulation on the Human Resources and Remuneration Committee of the Board of Directors.

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### **Article 3. Permanent Part of Remuneration Payable to Members of the Board of Directors**

3.1. A permanent part of remuneration is payable to a member of the Board of Directors for performance of his/her duties and amounts to twelve million (12 000 000) rubles for the Accounting Period.

3.2. In case of early termination of powers of a member of the Board of Directors and election of members of the Board of Directors at an extraordinary General Shareholders' Meeting of the Company, the permanent part of remuneration shall be payable in the amount proportionate to the actual term of office of the relevant member of the Board of Directors, and shall be determined as the product of the value of the permanent part of remuneration specified in Clause 3.1. of the Regulations and the value that is equal to the ratio of the actual term of office to the Accounting Period duration taken as being equal to 365 (366) days in accordance with the following formula:

$$S = V / 365 (366) * M, \text{ where}$$

S is the permanent part of remuneration payable to a member of the Board of Directors in the event of early termination of his/her powers;

V is the base amount of the permanent part of remuneration of one member of the Board of Directors payable for the full reporting year determined in accordance with Clause 3.1 of these Regulations;

365 (366) is the number of calendar days in the reporting year; and

M is the number of calendar days in the period, in which the person acted as a member of the Board of Directors in the reporting year.

### **Article 4. Remuneration for Participation in Meetings of Committees of the Board of Directors**

4.1. Members of the Board of Directors shall be paid an additional remuneration for performing the duties related to the proceedings of committees of the Board of Directors.

4.2. Members of the Board of Directors' committees shall be paid for their work in such committees an additional remuneration in the amount of three million (3,000,000) rubles for their participation in each meeting of the committee over the respective Accounting Period. If a member of the Board of Directors is a member of several committees, the amount of such additional remuneration shall be calculated separately for participation in each committee.

If no meeting of the committee was held during the relevant Accounting Period, no such additional remuneration shall be paid to members of the Board of Directors for contributing to proceedings of such committee.

The remuneration for participating in meetings of the committees of the Board of Directors is payable both for participation in a meeting of the committee of the Board of Directors held in the form of joint attendance and held in the form of absentee voting.

4.3. The amount of such additional remuneration is payable in proportion to the number of meetings of the relevant committee held in the Accounting Period, in which the member of the committee participated, in accordance with the following formula:

$$S = V \text{ add.} / M * N, \text{ where}$$

S is the amount of additional remuneration of a member of the Board of Directors who is a member of a committee, for participation in meetings of one committee over the Accounting Period;

V add. is the amount of additional remuneration of a member of the Board of Directors who is a member of a committee, for participation in all meetings of one committee over the Accounting Period;

M is the total number of meetings of the committee held in the Accounting Period; and

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N is the number of meeting of the committee, in which the member of the Board of Directors who is a committee member participated.

#### **Article 5. Remuneration for Chairing the Board of Directors**

5.1. In addition to the permanent part of remuneration, the Chairman of the Board of Directors shall be paid a remuneration for performing the functions of the Chairman of the Board of Directors in the amount of fifty percent (50%) of the permanent part of remuneration of a member of the Board of Directors established in Clause 3.1. of the Regulations.

5.2. Such additional payment for chairing the Board of Directors shall be calculated in proportion to the actual term of office.

#### **Article 6. Compensations Payable to Members of the Board of Directors**

6.1. Members of the Board of Directors shall be reimbursed for expenses specified in Clause 6.2. of these Regulations related to traveling to the venue of meetings of the Board of Directors and/or committees of the Board of Directors held outside their permanent residence/stay.

6.2. The Company shall compensate any expenses of traveling to the venue of the meeting as follows:

- air tickets or any other business class tickets – to the venue of the meeting and back;
- paying for transportation by public means of transport (including taxi) to the airport/terminal and back, as well from from the airport/terminal to the hotel and the venue of the meeting of the Board of Directors and/or its committees; and
- hotel accommodation – according to the actual costs.

The above expenses may be paid by the Company on its own or compensated to any member of the Board of Directors in the amount of actually incurred expenses pursuant to the documents confirming such expenses.

6.4. Compensations shall be paid within one (1) month after the end of the reporting quarter, during which the member of the Board of Directors was on a trip in connection with performance of his/her duties as a member of the Board of Directors.

6.5. Documented expenses (accommodation vouchers, fare payment slips, boarding passes, copies of railway tickets, etc.) shall be compensated by the Company in a cashless form by crediting the relevant amount to the bank account of the appropriate member of the Board of Directors pursuant to an application in writing with an indication of bank details for crediting cash funds. A non-resident member of the Board of Directors shall specify the details of his/her currency account for obtaining such compensation. Cash funds to be paid shall be converted into the required foreign currency at the exchange rate established by the Bank of Russia on the date of payment.

#### **Article 7. Final Provisions**

7.1. These Regulations shall enter into force upon approval by the General Shareholders' Meeting.

7.2. Any proposals regarding amendments and addenda to these Regulations shall be made in the manner prescribed by the Company's Charter for introducing proposals to the agenda of the annual or extraordinary General Shareholders' Meeting of the Company.

7.3. If certain provisions of these Regulations contradict the effective legislation of the Russian Federation and/or the Company's Charter, they shall lose their force, and the relevant provisions of the effective legislation of the Russian Federation law and/or the Company's Charter shall apply. Invalidity of certain provisions of these Regulations shall not invalidate any other provisions and the Regulations in general.

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