

AS APPROVED BY:

Annual General Meeting of Stockholders of  
OAO IDGC of Urals

Minutes No.16 dated as of 29 May 2020

A m e n d e d a n d R e s t a t e d  
R E G U L A T I O N S  
On the Board of Directors of  
OAO IDGC of Urals

Yekaterinburg  
2020

## 1. General Provisions

1.1. The present Regulations are developed pursuant to the Russian Civil Code, Federal Joint Stock Companies' Law, other statutory enactments and Charter of Open Joint-Stock Company Interregional Distribution Grid Company of Urals (hereinafter referred to as the Company).

1.2. The Regulations is a bylaw of the Company outlining convention and conduct of Board of Directors meetings.

1.3. The Board of Directors shall be a governing body, having overall charge of the Company and overseeing that governing bodies' performance, execution of GM resolutions and enforcement of legitimate interests of stockholders are in compliance with applicable laws.

1.4. Key goals and objectives of the Board shall be:

- Outline of Company's development strategy to maximize its market capitalization and investment prospects, earn maximum profit and accumulate assets;

- Promotion and protection of rights and legal interests of Company's stockholders as well as assistance in settlement of corporate conflicts;

- Promotion of integrity, reliability and neutrality of information about the Company distributed among stockholders and other stakeholders;

- Build-up of efficient internal instruments of control;

- Regular performance evaluation of the Company's executive bodies and management.

To achieve the abovementioned the Board shall strictly adhere to the tenets:

- Resolutions are passed upon authentic information on the Company's operations;

- Stockholder rights (participation in management of the Company, collection of dividends and access to information on the Company) are not restricted;

- Interests of various shareowners are balanced and the Board adopts the most intrinsic resolutions for the benefit of all stockholders.

1.5. Board's activities shall be governed by the Federal Joint-Stock Companies' Law, other statutory enactments, Charter and present Regulations.

## 2. Chairperson and Deputy Chairperson

2.1. Board's activities shall be administered by the Chair.

2.2. The Chairman shall be elected among the Board members by the majority of their votes.

A person, acting as the General Director, shall not serve simultaneously as the Board of Directors Chair.

2.3. The Board shall be entitled to elect a new Chairperson by the majority of votes at any time.

2.4. The Chairperson shall:

1) Administer the Board;

2) Convene Board meetings;

3) Specify meeting forms, factoring in importance of agenda items and recommendations, stated in Recommendation 168 of the Corporate Governance Code (recommended by the Central Bank of Russia for application by listed joint-stock companies) as well as in clause 6.12 hereof;

4) Form and approve meeting agendas;

5) List agenda materials (information) to be distributed among the Board members;

6) Take steps, required to distribute agenda materials (information), vital for decision-taking, among the Board of Directors in time;

7) List invitees for debates on agenda items during Board meetings;

8) Preside at Board meetings;

9) Sign meeting minutes, audit/inspection requests and other documents on behalf of the Board;

10) Arrange generation and oversee execution of the Board activity plan approved by the Board;

11) Represent the Board in its IR, GR and PR activities;

12) Maintain correspondence between the Board of Directors and stockholders, executive bodies, employees and other stakeholders;

13) Preside at General Meetings of Stockholders, announce agendas, forthcoming reports and presentations as well as perform other functions of the General Meeting Chair, stated by the Regulations on the General Meeting of Stockholders;

14) Arrange, on behalf of the Board, oversight of execution of General Meeting and Board resolutions, monitoring of execution of Board resolutions and discharge of executed Board resolutions;

15) Arrange generation of the most efficient solutions regarding agenda items and, if required, free discussion of such items as well as constructive vibes during meetings; assure the compliance of Board meetings with the laws, Charter, bylaws

of the Company and present Regulations;

16) Perform other functions stipulated by laws, Charter and Board resolutions.

2.5. If the Chair is absent, the duties shall be performed by a person elected among the Board members by the majority of votes (Deputy Chair).

A Board member, serving simultaneously as the General Director or a member of collegiate executive body, cannot be elected as the Deputy Chair.

### 3. Board members: Rights, Duties and Liability

3.1. The Board members, under the Board purview, shall be entitled to:

- 1) Acquire information about the Company, examine all documents of the Company (founding, regulatory, accounting, contractual, etc.) in a manner compliant with the laws and Company's bylaws;
- 2) Introduce written proposals to the Board activity plan;
- 3) Introduce items into agendas in a proper manner;
- 4) Call for a Board meeting;
- 5) Enjoy other rights set forth by the laws, Charter, bylaws of the Company and present Regulations.

3.2. A Board member shall be entitled to file written requests for documents and information, required for decision-making within the competence, directly both with the General Director (or a person acting as the sole executive body of the Company) and Corporate Secretary. Such information shall be presented to the requestor within 2 (Two) business days after the request.

3.3. Directors, elected to the Board for the first time ever, shall be granted an opportunity to get an insight about the Company's strategy; existing corporate governance practices and system of risk management and internal control; distribution of duties between the executive bodies of the Company; and other important information regarding production and financial performance of the Company.

3.4. The Board members may have remunerations and/or reimbursement of Board-related expenses in line with the procedure set forth by the Regulations on Remunerations and Compensations due to the Board of Directors, approved by the General Meeting of Stockholders.

3.5. The Board members, exercising rights and discharging duties, shall act in good faith and on reasonable grounds for the benefit of the Company.

A director with confidential access (incl. sensitive information) shall be obliged to keep the information confidential.

3.6. The Board members shall be liable to the Company for the losses caused by their misconduct (omissions) in line with laws.

Though the Board members, who voted against a loss-causing resolution or did not participate in the voting, shall not be held liable.

3.7. Members of the Board shall refrain from any actions that shall or may result in a conflict of interest among them and the Company.

Once a director encountered a potential conflict of interest, incl. interest in a Company's transaction, such director shall be obliged to inform the Board of Directors of that immediately and always put the interests of the Company before personal interests. The announcement shall always be made prior to the discussion of the item with a director's conflict of interest.

3.8. Within two months after they have or should have come to know of circumstances by virtue of which they may be acknowledged as interested in Company's transactions, the Board members shall notify the Company of:

- legal entities in which they, their spouses, parents, children, siblings and half-siblings, adoptive parents and adoptees and (or) their controlled firms, are controlling entities or entitled to instruct;
- legal entities in which government bodies are occupied by them, their spouses, parents, children, siblings and half-siblings, adoptive parents and adoptees and (or) their controlled entities;
- implemented or future transactions, known to them, in which they may be acknowledged as interested entities.

Should this information change, the Board members shall notify the Company of the changes within 14 days after they have or should have come to know of the changes.

3.9. The Board of Directors may consist of independent directors with sufficient level of expertise, experience and autonomy to form their position, able to provide objective and responsible judgments and independent of Company's executive bodies, certain stockholder groups or other stakeholders.

3.10. An independent director shall refrain from any activities that may ruin his/her independence. A member shall notify the Board of Directors of circumstances that cease his/her independence within 5 business days after such circumstances appear.

3.11. Exceptionally, the Board of Directors may acknowledge a member independent irrespective of his/her formal dependence criteria (affiliation with the Company, substantial stockholder, contractor and/or municipality), if such affiliation does not affect member's ability to provide independent, objective and responsible judgments.

The Company shall adhere to the PAO Moscow Exchange's Listing Rules in acknowledging a member independent,

evaluating compliance of nominees to be elected to the Board of Directors or directors with independence criteria.

3.12. If the Chair is not an independent director, the Board members shall be entitled to elect senior independent director among elected independent directors who shall:

- coordinate interaction between independent directors, both calling for meetings of independent directors and presiding at them, if required;
- in tandem with the Board of Directors Chair, assist in arranging Board activities in the most efficient manner, in building and maintaining a dialogue between members of the Board of Directors and stockholders;
- in conflict situations, specifically, in case of striking discrepancy between the Board members, take efforts to settle conflicts through dialogue with participants of such conflicts;
- play a key role in evaluating efficiency of the Chair of the Board of Directors performed by independent directors.

#### **4. Corporate Secretary.**

4.1. The Corporate Secretary, acting under the Charter, present Regulations, Regulations on the Corporate Secretary, other bylaws of the Company and at the direction of the Chairperson, shall administer Board activities providing all kinds of support (informational, documentary, protocolary and secretarial).

4.2. Corporate Secretary's status, functions, position specifications, appointment and removal, subordination and interaction with governance bodies and units of the Company as well as other aspects of Corporate Secretary's activities shall be specified by the Regulations on the Corporate Secretary of the Company, adopted by the Board of Directors.

#### **5. Administration**

5.1. Meetings shall be conducted in line with the approved activity plan as well as on demand, but at least once in six weeks, unless otherwise stated hereof.

5.2. If needed, the Chair may decide to arrange an unscheduled meeting, to reschedule a meeting, to include additional items into meeting agenda and to file revised agenda materials.

5.3. The activity plan of the Board.

5.3.1. The activity plan may be comprised of:

- Strategic development;
- Mid- and short-term planning;
- Administration of Board activities;
- Oversight of execution of Board and General Meeting resolutions.

5.3.2. The Board of Directors activity plan shall mandatorily be comprised of:

- 1) Items to be examined by the Board during the year (quarterly breakdown);
- 2) List of persons (governing bodies), liable for preparation of items to be examined by the Board (Board members, General Director, other persons);
- 3) Meeting form (ballot voting, mixed-type meeting or F2F meeting).

5.3.3. The activity plan shall factor in proposals from the Chair and members of the Board, Board of Internal Auditors, Executive Board, General Director and auditor in line with para 1, 2 of clause 6.4. hereof.

The proposals shall be filed with the Chair in writing, with relevant copies also forwarded to the Corporate Secretary.

5.4. Board of Directors meetings may be arranged through a specialized automated information system, designed to conduct Board of Directors meetings, incl. distribution of notices, materials (information) with regard to agenda items, voting of the members and tally of votes (hereinafter referred to as the automated information system).

5.5. The Board shall be entitled to evaluate performance of the Board of Directors every year unassisted (self-evaluation) or engaging independent outside agency (consultant) with a required expertise.

#### **6. Calling of a Meeting**

6.1. The first meeting of a newly elected Board shall be called by one of the Board members by communicating notice to the rest of the Board members and General Director.

The General Director shall assist and present all information, required to arrange the first meeting of a newly elected Board.

The first meeting shall mandatorily review the following items:

- Election of the Chairperson;
- Election of the Deputy Chairperson;

6.2. Next meetings shall be convened by the Chair, except for the case, stated in clause 2.5. hereof:

- In line with the schedule from the approved activity plan;

- Upon Chairperson's initiative;
- Upon a written request from a member of the Board of Directors, Board of Internal Auditors, head of Internal Audit unit of the Company (head of a Company's unit liable for the roll-out and conduct of internal audit or, if an external independent agency is engaged in internal audit, head of such agency), Executive Board, General Director and auditor.

6.3. Such request shall mandatorily contain:

- 1) Indication of an initiator;
- 2) Wording of agenda items;
- 3) Explanation why agenda items are proposed for consideration;
- 4) Information (materials) on agenda items;
- 5) Draft resolutions.

6.4. A request shall be prepared in writing and be signed by the initiator.

A request of the Board of Internal Auditors shall be signed by the Chair of the Board of Internal Auditors.

A request, supported by all required materials (information), shall be filed with the Board Chair, with a copy sent to the Corporate Secretary. Proposals of the Executive Board shall be signed by the Chair of the Executive Board to be forwarded to the Chairperson of the Board of Directors or in an individual manner, if the Chair of the Executive Board has not forwarded the relevant letter to the Board Chairperson within 7 (Seven) business days.

A request from the General Director and members of the Executive Board, containing items subject to preview by the Executive Board as stated by the relevant bylaw, shall be filed with the Board only after they are reviewed by the Executive Board and required recommendations are prepared.

6.5. The Chairperson shall review a delivered call for an extraordinary meeting and decide whether to convene such a meeting, waive the call or include proposed items into the agenda of a scheduled Board meeting (as stated in the approved activity plan of the Board of Directors). A motivated waiver shall be forwarded to the initiator.

Failure to comply with clauses 6.3., 6.4. hereof may be used to waive the call.

6.6. A meeting notice shall be prepared by the Corporate Secretary and signed by the Chair or Deputy Chair, as stated herein. A meeting notice may be filed by the Corporate Secretary with the Board members in any way, incl. in person, by facsimile or e-mailing to the addresses of Board members, known to the Corporate Secretary, and/or through the automated information system.

6.6.1. The Corporate Secretary shall forward a notice to each Board member within 5 (Five) business days prior to the meeting (or ballot deadline), unless otherwise stated hereof.

6.6.2. If the agenda includes items, to be previewed by the relevant Board Committee (if any) under the Regulations on Board Committees, a Committee meeting on such items shall be conducted within the terms set by the Regulations on relevant Board Committees.

6.7. The notice shall also be accompanied by agenda materials.

Agenda materials (information) shall contain:

- Draft resolutions on items included into the agenda of a meeting;
- An explanatory note to draft resolutions on items included into the agenda of a meeting;
- Draft documents to be validated or approved by the Board;
- Minutes of meetings of management bodies, resolutions (recommendations) of Board Committees and other special and *ad hoc* bodies and commissions (if any);
- Materials supporting information contained in draft resolutions and explanatory notes;
- Other materials with regard to agenda items.

6.8. Agenda materials (information) may be presented to the Board members in person, by fax or e-mailing to the addresses of Board members, known to the Corporate Secretary, and/or through the automated information system.

6.9. The Corporate Secretary shall file resolutions (recommendations) of the Executive Board and/or Board Committee with the Board members, if they are submitted to the Board of Directors, within 1 (One) calendar days prior to the meeting, except cases stipulated by clause 10.19. hereof. If no resolutions (recommendations) of the Executive Board and/or relevant Board Committee are presented or presented beyond the deadline, the Board of Directors shall be entitled to decide on the item ignoring such resolutions (recommendations).

6.10. The Board Chairperson shall be entitled to postpone the review of any item once, if the Committee failed to present required resolutions (recommendations) and the Committee Chairperson has forwarded a motivated postponement letter, having agreed it with the initiator of the item to be previewed by relevant Committee under the Regulations on a relevant Board Committee.

6.11. The Board Chairperson may decide to reduce the term for filing a meeting notice and materials (information) with the Board members.

6.12. A meeting form shall be specified by the Board of Directors Chair, factoring in importance of agenda items. The most important items shall be scrutinized on F2F meetings. The list of the most important items may include:

6.12.1. Specification of Company's priorities, incl. approval of the Company's development strategy, Innovation Development Program and relevant progress reports;

- 6.12.2. Adoption of the business plan (revised business plan), examination of quarterly reports on business plan completion (3M, 6M, 9M and 12M);
- 6.12.3. Adoption of the investment program, incl. its revisions, examination of quarterly reports on investment program completion (3M, 6M, 9M and 12M);
- 6.12.4. Convention of Annual and Extraordinary General Meetings of Stockholders, examination of calls for Extraordinary General Meetings, as well as adoption of other resolutions, required to convene and conduct General Meetings;
- 6.12.5. Preliminary approval of the Company's annual report;
- 6.12.6. Election and removal of the Board of Directors Chair;
- 6.12.7. Election and removal of the General Director, incl. decisions on early termination of the labor contract;
- 6.12.8. Determination of the quantitative composition of the Executive Board, election of the Executive Board, establishment of remunerations and compensations due to the Executive Board, early termination of their authorities;
- 6.12.9. Adoption of decisions on suspension of authorities of a management company (managing director);
- 6.12.10. Adoption of decisions on the assignment of the Acting General Director in cases specified in separate Board of Directors decisions, as well as disciplinary action against him/her;
- 6.12.11. Placement of items related to the restructuring of the Company or delegation of the SEB powers to a management company (managing director) before the General Meeting of Stockholders;
- 6.12.12. Adoption of decisions on authorization or approval of major transactions in cases, stipulated in Chapter X of the Federal Joint-Stock Companies' Law;
- 6.12.13. Adoption of decisions on authorization or approval of transactions, stipulated in Chapter XI of the Federal Joint-Stock Companies' Law;
- 6.12.14. Approval of the Company's registrar, terms of the registrar's contract, cancellation of the registrar's contract;
- 6.12.15. Specification of a Company's (representatives') position, incl. instruction to participate or ignore the voting on agenda items, to vote on decision drafts (FOR, AGAINST or ABSTAIN) on the following agenda items of the General Meetings and Board of Directors meetings of the affiliated companies:
  - restructuring, dissolution of the affiliated companies;
  - authorization or approval of major transactions of the affiliated companies;
- 6.12.16. Adoption of recommendations with regard to voluntary or mandatory offer, received by the Company;
- 6.12.17. Filing of an application on the listing of the Company's shares and/or emission securities, convertible into the Company's shares;
- 6.12.18. Examination of the outcomes of Board of Directors performance efficiency evaluation;
- 6.12.19. Approval of target (revised) KPIs and reports on KPI completion;
- 6.12.20. Approval of the Company's Risk Management Policy;
- 6.12.21. Approval of the Company's Dividend Policy.

## **7. Board Meeting Mechanics**

- 7.1. A meeting shall be opened by the Chairperson. The Chairperson shall be entitled to decide on arrangement of an in-presensia videoconference meeting (compresence meeting).
- 7.2. Board meetings shall be attended by the Board members and persons, invited to comment on items under review according to the list approved by the Chairperson.
- 7.3. The Corporate Secretary shall determine a quorum to open the meeting.  
To open a meeting a quorum shall mandatorily be over 50% of the Board composition, unless Russian laws and/or Charter of the Company stipulate other quorum sizes.
- 7.4. The Chairperson shall announce a quorum and meeting agenda for the attendees.
- 7.5. If a quorum is not constituted, the meeting shall be deemed unqualified. In this case the Chairperson shall choose one of the following alternatives:
  - 1) after consultations with the attending Board members the Chairperson shall fix the adjourning period;
  - 2) the Chairperson shall determine the date, time, form and agenda for a new meeting to be held instead of the failed one;
- 7.6. A Board meeting shall be comprised of:
  - 1) A report of a Board member or invited person on the agenda item;
  - 2) Discussion of the agenda item;
  - 3) Proposals with regard to the wording of the resolution on the agenda item;
  - 4) Polling;
  - 5) Counting and tally of votes;
  - 6) Announcement of voting results and resolutions.
- 7.7. A compresence meeting shall mandatorily review information of the Corporate Secretary on the execution of previous Board resolutions.

7.8. Resolutions shall be adopted by the majority of votes belonging to participating Board members, unless stated otherwise by the laws and Charter.

7.9. Each Board member shall have one vote during the polling.

In case of equality of votes a vote of the Chairperson shall be decisive.

Delegation of votes from one Board member to another one or other person shall be prohibited.

7.10. Once a director has a conflict of interest, the director shall be recommended to refrain from voting regarding items producing conflict of interests.

## 8. Mixed-type Meeting Mechanics (in-presentia/in-absentia meeting)

8.1. The Board Chairperson may decide to conduct a mixed-type meeting (in-presentia/in-absentia meeting), specifically by means of VC. A notice shall mandatorily contain such indication.

8.2. If at least 50% of the Board members attend the meeting, written votes of the absentees shall be accepted to determine the voting results in a manner stipulated hereof.

8.3. On the meeting day the Corporate Secretary, using voting results at the meeting, shall prepare a ballot (Appendix No.1) to be signed by the Board Chairperson and forwarded to the absentees by fax, e-mail or through the automated information system.

8.4. When a Board member completes the ballot, only one possible voting alternative (FOR, AGAINST, ABSTAIN) on each draft resolution shall be left uncrossed. A completed ballot should contain the signature of a Board member, surname and initials. The members of the Board of Directors shall also be able to vote on the proposed resolution drafts in the automated information system.

8.5. A Board member should forward a completed and signed ballot as well as special opinion on each agenda item (if any) to the Corporate Secretary in the original, by fax or e-mail, the original to be forwarded afterwards to the address on the ballot, within a day after the meeting.

8.6. A ballot, non-complying with clause 8.4. hereof, shall be deemed void (if only voting requirements are violated, it is deemed void only with regard to the relevant issue) and shall not be counted.

A ballot, received by the Company beyond the indicated deadline, shall not be counted and used for the tally of votes.

8.7. Using voting results, received ballots and information presented by the automated information system, the Corporate Secretary shall tally the voting and prepare Board minutes in a manner stipulated hereof.

8.8. Completed ballots of the absentees shall be attached to Board minutes.

## 9. Absentee Voting Mechanics

9.1. Upon resolution of the Board Chair resolutions on the agenda items may be adopted by absentee voting (ballots).

9.2. For in-absentia decision-making (by ballots) each Board member shall receive a notice, draft resolutions and materials (information) on the agenda items in a manner and within terms stipulated by clauses 6.6-6.11 hereof.

9.3. Such notice shall mandatorily contain:

- Full corporate name and domicile of the Company;
- Wording of agenda items;
- Absentee-voting reference;
- Ballot deadline (date, hour);
- List of information (materials) disseminated among Board members.

9.4. An absentee-voting ballot shall be forwarded to the Board members on or before one day prior to the deadline, indicated by the notice.

Board members shall receive the ballot and resolutions (recommendations) of the Executive Board and/or relevant Committees (if the Corporate Secretary has any).

9.5. Completing an absentee-voting ballot, a Board member should leave only one possible voting alternative uncrossed (FOR, AGAINST, ABSTAIN) on each draft resolution regarding each agenda item. A completed ballot should contain signature, surname and initials of the Board member. The members of the Board of Directors shall also be able to vote on the proposed resolution drafts in the automated information system.

9.6. A ballot, non-complying with clause 9.5. hereof, shall be deemed void (if only voting requirements are violated, it is deemed void only with regard to the relevant item) and shall not be accounted for a quorum, required for absentee decision-making, and vote count.

9.7. A Board member should forward a completed and signed ballot as well as special opinion on agenda items (if any) to the Corporate Secretary prior to the deadline, indicated in the ballot, in the original, by fax or e-mail, the original to be forwarded afterwards to the address on the ballot.

Board members shall be deemed to have voted, if their ballots are received by the Corporate Secretary in the original,

by fax or e-mail prior to the deadline indicated in the notice, and through the automated information system.

A ballot, received by the Company beyond the deadline, shall not be used for the vote count and tally of votes.

9.8. Voting results on items from the agenda of an in-absentia meeting shall be prepared upon completed and signed ballots, received by the Company prior to the deadline stipulated by the notice, and voting through the automated information system.

9.9. Using the ballots and information presented by the automated information system the Corporate Secretary shall prepare meeting minutes in a manner stipulated hereof.

9.10. Any Board of Directors member shall be entitled to propose alternative wordings of decision drafts on agenda items by forwarding them to the Corporate Secretary in writing by facsimile or e-mail, accompanied by the covering note, within 2 calendar days prior to the meeting or 1 day prior to the meeting, in case of shortened deadlines.

9.11. The wordings of decision drafts, proposed by the Board of Directors member, shall be subject to inclusion to the relevant agenda items of the ballots, disseminated among the Board of Directors members, with the need to vote on both decision drafts indicated. In light of alternating wordings of decision drafts, a resolution shall be deemed adopted with the wording receiving the highest number of "FOR" votes.

## **10. Convention and Conduct of a Board Meeting Related to the Establishment of Executive Bodies**

10.1. A Board meeting, related to the establishment of executive bodies (election, termination or suspension of authorities), shall be convened and conducted in line with general rules stipulated hereof, in light of specific features envisaged by the section.

10.2. The procedure, stated herein, shall be applied when:

- The General Director is removed and a new General Director (or Acting General Director) is to be elected;
- The General Director is to be elected, if earlier the Board of Directors has decided to remove the General Director and elect the Acting General Director and new General Director has not been elected yet;
- Authorities of a management company (managing director) are suspended and the Acting General Director is to be appointed.

10.3. Arrangement and conduct of a Board meeting with the agenda, comprising items stated in clause 10.2. hereof, shall undergo the following stages:

- Notification of the Board members on convention of a meeting with indication of a right to promote nominees to be elected as the General Director (or Acting General Director if suspension of authorities of a management company (managing director) is under way) or to be elected as a managing company (managing director) in cases stipulated hereof;
- Promotion of nominees to be elected as the General Director (Acting General Director, management company or managing director) by the Board members;
- Decision to remove General Director or suspend authorities of a management company (managing director);
- Decision to elect General Director (Acting General Director if suspension of authorities of a management company (managing director) is under way);
- Decision to elect the Acting General Director if the General Director's removal was decided upon but the voting has not ended in the election of a new General Director;
- Preparation of a Board's proposal on nominees to be elected as the management company by the General Meeting deciding on the delegation of authorities from the sole executive body to a management company (a managing director).

10.4. If a resolution on the suspension of authorities of a management company (managing director) and appointment of the Acting General Director is adopted, the Board of Directors shall have to call an Extraordinary General Meeting to settle the removal of the management company (managing director).

10.5. In the case, stipulated by clause 10.4. hereof, during a meeting deciding on the suspension of authorities of the management company (management director) and appointment of the Acting General Director, the Board of Directors shall mandatorily review nominees for the position of the management company (managing director) to pick up delegated authorities of the sole executive body as well as shall adopt other resolutions with regard to the suspension of authorities of a management company (managing director) and functioning of the Acting General Director till the General Meeting.

10.6. A notice on a Board meeting considering issues from clause 10.2. hereof shall be forwarded to Board members within 3 (Three) days prior to the meeting.

10.7. Unless otherwise stated by the Board, each Board member shall be entitled to propose one nominee for the position of the General Director (Acting General Director). A Board member shall also be entitled to propose a nominee for the position of the Acting General Director, if there is a resolution to remove the General Director but the voting does not end in the election of a new General Director. At the same time a Board member shall be entitled to propose the same nominee for the position of the General Director or Acting General Director.

10.8. If a Board meeting reviews the suspension of authorities of a management company (managing director), a Board member shall also be entitled to propose a nominee to prepare a Board proposal regarding delegation of authorities



from the sole executive body to a management company (managing director) for the General Meeting.

10.9. Nomination proposal (clauses 10.8. and 10.9. hereof) shall be in writing and shall be signed by the proposer.

10.10. A GD (Acting GD) nomination proposal shall mandatorily contain the following information:

- Name of the nominee;
- Date and place of birth;
- Information on credentials and qualifications;
- Information on academic degree;
- Information on working experience for the last 5 (Five) years;
- Quantity and categories (classes) of the Company's shares owned by the nominee.

10.11. A management company nomination proposal shall mandatorily contain the following information:

- Full company name;
- State registration date and location;
- Information on founders;
- Information on shareowners;
- Information on affiliated entities.

10.12. A managing director nomination proposal shall mandatorily contain information stipulated by clause 10.11. hereof as well as information on the nominee's sole proprietorship certificate.

10.13. Proposals related to nomination to the positions of the General Director (Acting General Director, management company or director) should be obtained by the Company in the original, by fax or e-mail, the original to be handed over during the meeting, within 2 (two) calendar days prior to the meeting.

10.14. Nomination proposals, forwarded by the Board members, shall be included into the voting list.

10.15. If none of the candidates wins required votes after voting, the Board of Directors shall be entitled to assign the Acting General Director. Should that be the case, the selection shall be made among the nominees proposed by the Board members under clause 10.8. hereof. If the Board members proposed no nominees under clause 10.8. hereof, the selection shall be made among the nominees that the Board members are entitled to nominate during the meeting.

10.16. The Board members shall be entitled to request additional information on nominees from the proposer.

10.17. GD (Acting GD, managing company or director) nomination proposals and nominee information provided by proposing Board members shall be forwarded by the Corporate Secretary to relevant Committee immediately after the receipt in a manner and by means ensuring immediate receipt by the Committee (fax, e-mail, etc.).

Resolutions (recommendations) of a Board Committee, if obtained by the Board of Directors prior to the meeting, shall be immediately forwarded by the Corporate Secretary to the Board members as well as disseminated among them during in-presentia or in-presentia/in-absentia meetings. If such resolutions (recommendations) are not presented, the Board of Directors shall be entitled to decide on items without such resolutions (recommendations).

10.18. If, as stated by the Charter, the General Director is elected by the General Meeting, clauses herein shall be applied in cases that do not contradict the Charter and laws.

10.19. If a collegiate executive body is formed, the election and termination procedure shall be governed by the relevant bylaw.

## 11. Board Minutes

11.1. The Corporate Secretary shall keep minutes of meetings.

11.2. The minutes shall be prepared within 3 (Three) days since the meeting (tally of votes on absentee-voting or mixed meeting).

11.3. The minutes shall contain:

- Full company name;
- Meeting form;
- Meeting location and date (tally of votes);
- Attending Board members (participants of in-absentia, mixed-type meeting) and invitees;
- Information on a quorum;
- Agenda;
- Items put to the vote and detailed voting results;
- Brief summary of reports and presentations;
- Resolutions;

The minutes shall be signed by the Chairperson and Corporate Secretary who shall be held liable for the accuracy of the minutes.

The minutes shall be also accompanied by received special opinions of the Board members, as an integral part of the minutes.

The Corporate Secretary shall validate all appendices to minutes, the Chairperson shall validate appendices to minutes

only if a document requires such validation.

11.4. Resolutions of the Board of Directors shall be brought to Board members' notice by a copy of minutes disseminated by the Corporate Secretary by e-mail, fax or through the automated information system within 3 (Three) days since the signing.

11.5. The Company shall keep minutes of the Board of Directors meetings at the principal executive offices.

11.6. Board minutes shall be mandatorily accessible to any Board member, member of the Board of Internal Auditors, auditor, General Director, official regulator representatives at the principal executive offices or any stockholder (-s), as stated by the Federal Joint-Stock Companies' Law.

## **12. Final Provisions**

12.1. To improve its performance the Board of Directors shall evaluate its performance on a regular basis. Frequency, criteria and other evaluation-related issues shall be determined by resolutions of the Board of Directors.

**BOARD OF DIRECTORS**  
Open Joint-Stock Company  
Interregional Distribution Grid Company of Urals

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**B A L L O T**

For voting on agenda items considered by the Board  
(in-presentia/in-absentia meeting) " \_\_\_\_ " \_\_\_\_\_ 20\_\_

Item:

1. \_\_\_\_\_

Resolution:

1. \_\_\_\_\_  
\_\_\_\_\_

FOR	AGAINST	ABSTAIN
-----	---------	---------

*(leave your variant uncrossed)*

Item:

2. \_\_\_\_\_

Resolution:

2. \_\_\_\_\_  
\_\_\_\_\_

FOR	AGAINST	ABSTAIN
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*(leave your variant uncrossed)*

A completed and signed ballot should be forwarded by fax \_\_\_\_\_, e-mail or in the original on or before  
\_\_\_\_\_  
*/date, hour/*

Late ballots shall not be counted in the voting and tally of votes (mixed meeting).

Please, forward the original to: \_\_\_\_\_  
\_\_\_\_\_

The Board member

\_\_\_\_\_/\_\_\_\_\_  
(signature) (Name)

The Chairperson

\_\_\_\_\_/\_\_\_\_\_  
(signature) (Name)

VOID IF NOT SIGNED BY THE CHAIRPERSON AND BOARD MEMBER

**BOARD OF DIRECTORS**  
Open Joint-Stock Company  
Interregional Distribution Grid Company of Urals

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**B A L L O T**

For absentee voting on agenda items

Item 1:

\_\_\_\_\_

Resolution:

\_\_\_\_\_

\_\_\_\_\_

FOR

AGAINST

ABSTAIN

*(leave your variant uncrossed)*

Item 2:

\_\_\_\_\_

Resolution:

\_\_\_\_\_

\_\_\_\_\_

FOR

AGAINST

ABSTAIN

*(leave your variant uncrossed)*

A completed and signed ballot should be forwarded by fax \_\_\_\_\_, e-mail or in the original on or before

\_\_\_\_\_  
*/date, hour/*

Late ballots shall not be counted in the voting and tally of votes (absentee voting).

Please, forward the original to: \_\_\_\_\_

The Board member

\_\_\_\_\_/\_\_\_\_\_  
(signature) (Name)

VOID IF NOT SIGNED