



APPROVED BY:

Resolution of the Board of
Directors of
Unipro PJSC 22.09.2021
Minutes No. 305 dated 23.09.2021

**Regulation on the Appointment and Remuneration
Committee of the Board of Directors of
Unipro PJSC**

Version 2.1

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1. Purpose and Scope

- 1.1. This Regulation has been developed in accordance with the applicable laws, Articles of Association of Unipro PJSC, Code of Corporate Governance of Unipro PJSC, Code of Conduct of Unipro PJSC, and other internal documents of Unipro Public Joint-Stock Company (hereinafter referred to as the Company).
- 1.2. This Regulation establishes the main objectives of the activity, competence, powers, and responsibilities of the Appointment and Remuneration Committee of the Board of Directors (the Committee), as well as the procedure for establishing the Committee and operation thereof.

2. References

- 2.1. Letter of the Central Bank of Russia No. ИИ-015-42/66 "On Regulations on the Board of Directors and Committees of the Board of Directors of a Public Joint-Stock Company" dated 15 September 2011,
- 2.2. Letter of the Central Bank of Russia No. 06-52/2463 "On the Code of Corporate Governance" dated 10 April 2014,
- 2.3. Articles of Association of Unipro PJSC,
- 2.4. Code of Corporate Governance of Unipro PJSC,
- 2.5. Code of Conduct of Unipro PJSC,
- 2.6. Regulation on the Board of Directors of Unipro PJSC.

3. Terms and Abbreviations

- 3.1. This Procedure uses the following abbreviations:

PJSC – Public Joint-Stock Company.

- 3.2. This Procedure uses the following terms:

- 3.2.1. **CEO** – the sole executive body managing the current activities of the Company.
- 3.2.2. **Other Key Executives** – Deputy CEO of the Company, Head of Internal Audit Department.
- 3.2.3. **Executive Bodies** – the bodies managing the current activities of the Company (CEO (managing organization, managing director) and Management Board).
- 3.2.4. **Corporate Secretary** – the unit of the Company performing the functions of the corporate secretary of the Company (Corporate Policy Department).
- 3.2.5. **Local Regulation** – the document establishing internal rules for the organisation of activities that are binding on the employees of the Company.
- 3.2.6. **Company** – Unipro Public Joint Stock Company (Unipro PJSC).
- 3.2.7. **Management Board** – the collegial executive body of the Company managing the current activities of the Company.
- 3.2.8. **Board of Directors** – the collegial management body of the Company carrying out general management of the activities of the Company, except for the matters referred to the competence of the General Meeting of Shareholders of the Company.
- 3.2.9. **Secretary of the Board of Directors** – the Corporate Secretary of the Company supporting the effective work of the Board of Directors, including coordinating the work of the Board of Directors (organisational, informational and documentary support) in connection with the preparation and conduct of meetings of the Board of Directors, as well as between the meetings.

4. General Provisions

- 4.1. The Committee constitutes a collegial deliberative body established in order to assist the Board of Directors in strengthening its professional composition and work efficiency, as well as in considering issues associated with the development of efficient and transparent remuneration practices for members of the Board of Directors, Executive Bodies, and Other Key Executives of the Company.
- 4.2. The Committee is not a Company management body. The Company shall not assume civil rights and duties via the Committee.
- 4.3. The Committee is governed by the applicable laws of the Russian Federation, Code of Corporate Governance recommended by Letter of the Central Bank of Russia No. 06-52/2463 dated 10.04.2014, Articles of Association of Unipro PJSC, Regulation on the Board of Directors of Unipro PJSC, Code of Corporate Governance of Unipro PJSC, Code of Conduct of Unipro PJSC, and other internal documents of the Company.
- 4.4. The Committee reports to the Board of Directors and does not have the right to act on behalf of the same.
- 4.5. The Committee's resolutions are non-binding for the Board of Directors.
- 4.6. The Committee may instruct the Company's management within its competences.

5. Committee's Objectives and Competences

5.1. The main objectives of the Committee shall include:

- 5.1.1. improvement of the efficiency and quality of the work of the Board of Directors by strengthening its professional composition and work efficiency and assisting the Board of Directors in considering issues associated with the development of efficient and transparent remuneration practices for members of the Board of Directors, Executive Bodies, and Other Key Executives;
- 5.1.2. preparation and development of recommendations to the Board of Directors for making resolutions on the issues falling within the competence of the Committee;
- 5.1.3. preview of other items brought before the Committee by shareholders or the Board of Directors.

5.2. The competencies of the Committee shall include:

- 5.2.1. development and periodic review of the Company's policy for remuneration of members of the Board of Directors, Executive Bodies, supervision of its implementation,
- 5.2.2. preliminary assessment of the work of the Executive Bodies at the end of the year in accordance with the Company's remuneration policy,
- 5.2.3. development of the terms and conditions for early termination of employment contracts with members of the Management Board and the CEO, including all financial obligations of the Company and the conditions for their provision,
- 5.2.4. annual detailed formalised self-assessment of the performance of the Board of Directors and its members, as well as committees of the Board of Directors, identification of priority areas for strengthening the composition of the Board of Directors, as well as the organisation of an external assessment of the performance of the Board of Directors and members thereof, committees of the Board of Directors within the time periods specified in the local regulations of the Company, preparation of a report on the results of self-assessment or approval of an external assessment report for inclusion thereof in the annual report of the Company,

- 5.2.5. interaction with the shareholders of the Company that should not be limited to the largest shareholders, in order to formulate recommendations to the shareholders with regard to voting during the election of candidates to the Board of Directors,
- 5.2.6. planning of staff appointments, including the ensuring of the succession of activities of the members of the Board of Directors, Management Board and the CEO,
- 5.2.7. determination of the terms of the tender and acting as the tender committee when selecting an independent consultant on remuneration of members of the Executive Bodies,
- 5.2.8. development of an introductory (adaptation) course program for newly elected members of the Board of Directors aimed at introducing new directors to the key assets of the Company, its strategy, business practices adopted by the Company, the organisational structure of the Company, as well as the working procedures of the Board of Directors; supervision of the practical implementation of the introductory course,
- 5.2.9. **preliminary consideration and preparation of recommendations, preparation of draft resolutions of the Board of Directors on the following issues at the request of the Board of Directors:**
 - 5.2.9.1. on the amount of remuneration and compensation paid to members of the Board of Directors in case if it is planned by the General Meeting of Shareholders of the Company to resolve to pay remuneration to members of the Board of Directors,
 - 5.2.9.2. on election of the CEO and (or) early termination of its powers, including the determination of the terms of the employment contract with the CEO and the early termination of the employment contract therewith,
 - 5.2.9.3. on granting consent for combining of positions in the management bodies of other organisations by the CEO, as well as members of the Management Board,
 - 5.2.9.4. on determining the quantitative composition of the Management Board, electing members of the Management Board, early termination of their powers, including determining the terms of employment contracts with them and deciding on early termination of said employment contracts,
 - 5.2.9.5. on disciplinary actions against the CEO and members of the Management Board and their stimulation,
 - 5.2.9.6. on establishment of committees of the Board of Directors, approval of the initial versions of the regulations on the newly formed committees of the Board of Directors, determination of the composition of committees,
 - 5.2.9.7. on election of the Chairman of the Board of Directors and early termination of its powers, and on the election of the Deputy Chairman of the Board of Directors and early termination of its powers,
 - 5.2.9.8. on the election of a Senior Independent Director and the early termination of his powers;
 - 5.2.9.9. on determination of candidates for the position of the Corporate Secretary and members of the Management Board of the Company and Other Key Executives,
 - 5.2.9.10. on early termination of powers of the Corporate Secretary, on approval of the Regulation on the Corporate Secretary,
 - 5.2.9.11. on determination of the amount of remuneration and bonus payment principles for the Corporate Secretary, and on a preliminary assessment of the work of the Corporate Secretary for the year and on the bonus payment to the Corporate Secretary,

- 5.2.9.12. on the creation, reorganisation and liquidation of the Internal Audit unit of the Company.

The Chairman of the Board of Directors may entrust the Committee with the preparation of draft resolutions on other issues within the competence of the Board of Directors.

The Committee, at the request of the Chairman of the Board of Directors, may give recommendations to the Executive Bodies on the personnel matters referred to the competence of the relevant bodies.

- 5.3. The Committee, at the request of the Board of Directors, shall assess the activities of the CEO and members of the Management Board and submit the conclusions on such assessment to the Board of Directors.
- 5.4. The Executive Bodies shall provide the Committee with the information necessary for the performance of its functions and for the execution of instructions of the Board of Directors, ensure the completeness of this information and the timeliness of its provision, taking into account the restrictions established by legal regulations of the Russian Federation, the Articles of Association of Unipro PJSC, and the local regulations of the Company.
- 5.5. Members of the Committee shall not participate in making resolutions on the assessment of their own activities and in determination of their remuneration.
- 5.6. At the request of the Board of Directors, the Committee submits a report on the results of its activities for consideration by the Board of Directors.

6. Composition of the Committee. Establishment of the Committee

- 6.1. The quantitative and personal composition of the Committee shall be determined by a resolution of the Board of Directors following the election of a new composition of the Board of Directors, while the number of members of the Committee cannot be less than three.
- 6.2. If all members of the previous Committee are elected to the new composition of the Board of Directors, the current composition of the Committee shall act until the termination of the powers of the Committee members and the election of a new composition of the Committee by the Board of Directors.
- 6.3. The term of office of members of the Committee shall not exceed the term of powers of the Board of Directors, from which members of the Committee are elected.
- 6.4. The Committee shall consist of independent directors, i.e. the directors meeting the criteria of independence imposed by the listing rules of the stock exchange trading in the Company securities, and in case it is impossible for objective reasons, the majority of the Committee members shall consist of independent directors, and other members of the Committee may be selected from the members of the Board of Directors except for the CEO and/or the members of the Management Board.
- 6.5. The Board of Directors may, on the basis of its resolution, terminate the authority of any member of the Committee or of all members of the Committee at any time.
- 6.6. The activities of the Committee shall be managed by the Chairman of the Committee appointed and dismissed by the resolution of the Board of Directors. The Chairman of the Committee shall be an independent director.
- 6.7. The Chairman of the Committee shall:
- determine the priorities in the Committee's activities and develop its work plan for the current corporate year and submit it for approval at the first meeting of the newly convened Committee or after the corporate year, and also amend the same,

- establish the working procedure of the Committee,
 - approve the agenda of meetings of the Committee,
 - convene the Committee meetings and preside over them,
 - determine the list of the persons invited to participate in the Committee meeting,
 - contribute to open and constructive discussion of the agenda items and to the development of agreed conclusions and recommendations,
 - arrange for keeping of the minutes of the Committee meetings and sign the minutes of the Committee meetings,
 - represent the Committee when interacting with the Board of Directors, other Committees of the Board of Directors, the Executive Bodies, managers of subdivisions, and other employees,
 - regularly, but at least once a year, report on the work of the Committee to the Board of Directors,
 - sign requests, letters, and documents on behalf of the Committee,
 - interact with the Secretary of the Committee on the activities of the Committee.
- 6.8. The functions of the Committee Secretary shall be performed by the Secretary of the Board of Directors, unless any other person is appointed by the Committee. The Secretary of the Committee shall be elected and dismissed on the basis of the resolution of the Committee.
- 6.9. When joining the Committee, functions and authority of the members of the Committee must be explained in detail to them. Members of the Committee must be given the opportunity, if necessary, to undergo the training necessary for them to perform their functions at any time.

7. Meetings of the Committee

- 7.1. Meetings of the Committee shall be held in accordance with the work schedule thereof approved by the Committee. If necessary, the Committee shall hold extraordinary meetings.
- 7.2. The meeting shall be convened by the Committee Chairman:
- at his or her own initiative,
 - at the initiative of a member of the Committee,
 - at the initiative of the CEO or the Management Board.
- 7.3. The agenda of the Committee meeting shall be determined by the Chairman of the Committee. Issues proposed by the members of the Committee, the CEO, or the Management Board must be included into the agenda of the Committee. The agenda may be amended and supplemented via a decision adopted by a majority vote of the Committee members participating in the meeting.
- 7.4. The Committee meeting shall be arranged for the Secretary of the Committee under the supervision of the Chairman of the Committee. The notice of the meeting of the Committee must contain:
- information on the date, time, and place of the meeting of the Committee,
 - form of the meeting of the Committee,
 - agenda of the Meeting.
- 7.5. The notice shall be sent to the members of the Committee and invited persons, if any, not later than 5 business days prior to the date of the meeting, and if such a period is not possible, within a different reasonable period, but not later than 3 days prior to the date of the meeting of the Committee.
- If necessary, notably in the event of urgent matters arising in the course of the current activities of the Company, the Chairman of the Committee may establish a shorter period

- for notification of meetings of the Committee, while the notification period cannot be less than 24 hours prior to the date of the meeting of the Committee. If all the members of the Committee attend the meeting and agree to refuse from complying with the deadline for the notification of the Committee meeting, the notification shall be unnecessary.
- 7.6. The necessary materials on the items on the agenda shall be submitted to the members of the Committee along with the notice of the meeting to be held by the Committee so that they could prepare themselves for the discussion thereof.
 - 7.7. The notice of the Committee meeting, as well as the documents required for the preparation for and participation in the meeting, shall be sent to the Committee members by the Secretary of the Committee in any manner agreed upon with the members of the Committee, including by email or by using remote technologies.
 - 7.8. The Committee meetings shall be either physical, or the members of the Committee shall fill in written questionnaires (in the form of an absentee vote).
 - 7.9. The quorum for holding a meeting of the Committee shall be at least half of the number of elected members of the Committee. The Chairman shall determine whether the quorum is present. For the purposes of determining a quorum, the Committee member, who has sent the Chairman a written opinion on the agenda items before the meeting, or the Committee member, who is communicating with the other members of the Board of Directors via a conference call or video conference (or by any other technical means featuring oral two-way communication), shall be deemed to be present in person at the Committee meeting.
 - 7.10. By resolution of the Chairman, the Committee may hold meetings via video- or teleconference. The Chairman may request the Committee to make a resolution on the documents under consideration by exchanging messages via email, fax, and post.
 - 7.11. Any information on the personal interest of a member of the Committee in the consideration of any given matter shall be disclosed and communicated to the Committee at the Committee meeting.
 - 7.12. The Committee shall adopt resolutions by the majority of votes of the Committee members participating in the meeting. In case of the equality of votes for different resolutions, the vote of the Committee Chairman shall be casting.
 - 7.13. The Committee Chairman shall preside over the Committee meeting. Following the results of the Committee meeting, the minutes of the meeting, and (if necessary) the recommendation or findings of the Committee (that shall constitute an annex to the minutes) shall be drawn up. The minutes of the meeting and/or the recommendation (findings) shall be submitted to the Board of Directors considering the corresponding matter. The minutes of the meeting shall reflect the opinion of the Committee generally. If opinions of the Committee members do not coincide, the dissenting opinions shall be mentioned in the minutes of the meeting, and if the dissenting opinions are provided in writing, they shall be attached to the minutes.
 - 7.14. The minutes of the Committee meeting (signed by the Committee Chairman) shall be drawn up and signed within 5 business days from the date of the Committee meeting and kept by the Committee Secretary.
 - 7.15. Upon the request of any member of the Committee, the Committee Chairman shall provide a copy of the minutes of the meeting.

8. Responsibilities of the Committee Members

- 8.1. The Committee members must:

- participate in the meetings of the Committee and take an active part in the discussion of the agenda issues,
- study the documents and information provided prior to and during the meetings of the Committee,
- immediately inform the Committee of the personal interest in the adoption of any decision,
- avoid any actions that may compromise the competence of the Committee or question the professionalism of its members,
- comply with local regulations of the Company.

9. Final Provisions

- 9.1. This Regulation, as well as any amendments hereto, shall be approved by the Board of Directors.
- 9.2. The Committee shall annually consider the need for amendments to the Regulation.
- 9.3. All and any issues not regulated hereby shall be governed by the Articles of Association of Unipro PJSC, the Regulation on the Board of Directors of Unipro PJSC, other local regulations of the Company, and the applicable laws of the Russian Federation.
- 9.4. If certain clauses of this Regulation conflict with the laws and regulations of the Russian Federation as a result of any changes thereto, such clauses shall be deemed null and void, and the Committee members shall be guided by the applicable laws of the Russian Federation until amendment hereof.