



APPROVED BY

Resolution of the Board of Directors
of PJSC 'PIK Group'

on August 27, 2015

Minutes No. 5 dated August 27, 2015

**REGULATIONS
ON HR AND REMUNERATION COMMITTEE
OF THE BOARD OF DIRECTORS
OF PJSC 'PIK GROUP'**

Regulations

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1. General Provisions.

1.1. These Regulations on HR and Remuneration Committee (the "Regulations") shall be the basic document that regulates the activities of the Board of Directors' HR and Remuneration Committee of PJSC 'PIK Group' (the "Committee") and determines the questions of its competence, the composition formation procedure and its operation.

1.2. The Committee shall be the Board of Directors' subsidiary body established for the purpose of preliminary consideration of the matters reserved by the Company's Articles of Association to the Board of Directors. The Committee shall not be the Company's body, and the Company shall not assume civil rights and obligations through the Committee.

1.3. In its activities, the Committee shall be guided by the applicable laws of the Russian Federation, the Company's Articles of Association, the Regulations on the Company's Board of Directors and these Regulations. The issues of the Committee's activities, which are not covered by these Regulations and other regulatory documents binding on the Company, shall be resolved in accordance with the recommendations of the Corporate Governance Code approved by the Board of Directors of the Bank of Russia on March 21, 2014.

1.4. For the purpose of these Regulations, any references to the Company shall be references to PJSC 'PIK Group', any references to the Articles of Association and the Regulations on the Company's Board of Directors shall be references to the current version of the Articles of Association of PJSC 'PIK Group' and the current version of the Regulations on the Board of Directors of PJSC 'PIK Group', any references to the Board of Directors shall be references to the Board of Directors of PJSC 'PIK Group', any references to the Company's internal documents shall be references to duly adopted and valid regulations binding on PJSC 'PIK Group'.

2. Purpose and Competence of the Committee.

2.1 The primary purpose of the Committee shall be to enhance the efficiency and quality of work of the Board of Directors by means of preliminary consideration of individual questions falling within the competence of the Board of Directors and preparation of recommendations to the Board of Directors concerning the questions of the Committee's competence.

The Committee shall facilitate the determination of the Company's policy for engagement of qualified specialists in the management of the Company and creation of necessary incentives for their successful work.

2.2 The key functions of the Committee shall be:

2.2.1 to develop and regularly revise the Company's remuneration policy for members of the Board of Directors, members of the Management Board and the President of the Company, as well as to supervise its introduction and implementation;

2.2.2 to pre-assess the work of members of the Management Board and the President of the Company based on the results of the year in accordance with the Company's remuneration policy;

2.2.3 to develop the conditions of early termination of employment agreements with members of the Management Board and the President of the Company, including all material obligations of the Issuer and the conditions of their provision;

2.2.4 to prepare recommendations to the Board of Directors for determination of the amount of remuneration and the principles of paying bonuses to the Corporate Secretary (the head and employees of the structural subdivision serving as the corporate secretary) of the Company;

2.2.5 to carry out on an annual basis the detailed formal procedure for self-evaluation or external evaluation of the Board of Directors and the Board of Directors' committees in terms of efficiency of their work in general, as well as the individual contribution of directors to the work of the Board of Directors and its committees, to develop recommendations to the Board of Directors with respect to improvement of the work procedures of the Board of Directors and its committees, to prepare a report on the results of self-evaluation or external evaluation for inclusion in the Company's annual report;

2.2.6 to determine priority areas for strengthening the composition of the Board of Directors;

2.2.6 to interact with shareholders (and not just major shareholders) for the purpose of preparing recommendations to shareholders with respect to voting on the issue of electing the candidates to the Issuer's Board of Directors;

2.2.7 to plan staff appointments, including taking into account the continuity of activities, of members of the Management Board and the President, to prepare recommendations to the Board of Directors concerning candidates to the position of the Corporate Secretary (the head of the structural subdivision serving as a corporate secretary), members of the Management Board, the President of the Company and other key employees.

Other issues may also be placed for consideration to the Committee by a decision of the Board of Directors.

3. Composition of the Committee.

3.1 The Committee shall consist of at least two members.

3.2 The Committee shall consist of independent directors only; however, if it is impossible due to objective reasons, the majority of the Committee members shall be independent directors, while the remaining members of the Committee may be represented by members of the Board of Directors who are neither the President nor members of the Company's Management Board.

3.3 The Board of Directors shall elect Chairman of the Committee to administer the operation of the Committee. The main objective of the Chairman of the Committee shall be to ensure the objectivity in making recommendations to the Company's Board of Directors.

3.4 The Committee shall be headed by an independent director.

3.5 The persons who are not members of the Committee but have the necessary professional knowledge may be engaged in the work of the Committee as experts.

The Chairman and any member of the Committee may request the engagement of a specialist (company) as an expert, on behalf of the Committee, within the budget approved by the Board of Directors for the purpose of payment of external experts, regarding public (non-confidential) issues. Personal interest in the engagement of a certain specialist (company) as an expert shall not be allowed.

3.6 The President of the Company, members of the Company's Board of Directors, members of the Company's Management Board, members of the Company's Internal Audit Commission, other officers and employees of the Company may be invited to attend the Committee meetings.

3.7 The Corporate Secretary or another person (the Committee member or the Company's employee) may be appointed as Secretary of the Committee by a decision of the Committee.

4. Formation of the Committee.

4.1 A decision on establishing the Committee, its personal composition and electing the Chairman of the Committee shall be taken by the Board of Directors and shall remain in force until the election of new members of the Board of Directors.

When the Board of Directors takes a decision to establish the Committee, the information on the work of committees of the former composition of the Board of Directors shall be communicated to the members of the Board of Directors.

Changes to the composition of the Committee may be made by the Company's Board of Directors at any time at the suggestion of any of the members of the Board of Directors.

4.2 The following shall be taken into account when electing the Chairman and members of the Committee: their education, professional training, experience in

the Committee's line of activity, documents management skills and other special skills necessary for the exercise by the Committee members of their powers. The Committee members may be provided with an opportunity to get and improve the knowledge necessary for the exercise of their functions by means of training (trainings, seminars).

5. Meetings of the Committee.

5.1 The Committee meetings shall be held in accordance with the activity plan approved at the Committee meeting as well as when required but not less than every three months.

The Committee's activity plan shall be formed based on the approved activity plan of the Company's Board of Directors, suggestions of the Committee members and shall constitute an annex to the Board of Directors' activity plan.

5.2 The agenda of the meeting shall be determined by the Chairman of the Committee. Furthermore, any member of the Committee shall have the right to add an additional agenda item falling within the competence of the Committee. Upon mutual consent of the Committee members, the agenda may be amended. As and when necessary, the Committee may abandon matters determined in the agenda of the current meeting in favor of other matters which are of higher priority in the opinion of the Committee members.

Members of the Board of Directors who are not members of the Committee, the President of the Company, members of the Company's Internal Audit Commission, as well as experts engaged by the Committee may apply to the Chairman of the Committee with a proposal to consider any matter falling within the competence of the Committee. Such matter may be considered either at the nearest planned meeting of the Committee or, if the matter is of particular importance and its consideration cannot be delayed, at a specially called meeting of the Committee.

5.3 The decision on the calling of any meeting of the Committee, the date, time and place of the meeting and the matters to be included on the agenda, as well as the decision on the list of persons invited to attend the meeting shall be made by the Chairman of the Committee at his/her own initiative or at the request of the Committee member.

5.4 Notifications of any meeting of the Committee and provision of the required materials to members of the Committee shall be made by the Secretary of the Committee within a reasonable period prior to the beginning of a meeting in such manner as may be agreed upon by the Committee members. The invitation of the President of the Company, members of the Company's Management Board, members of the Company's Internal Audit Commission, other officers and employees of the Company to the Committee meeting, as well as engagement of experts for work in a meeting shall be carried out in such a way that those invited had reasonable and sufficient time to prepare for the Committee meeting.

5.5 The Committee meetings may be held either in the form of joint presence or by written poll of the Committee members. Communication facilities (conference calls) may be used for holding the Committee meetings. Persons invited to attend the

meeting, including members of the Committee, may present their opinions on agenda items in writing.

5.6 A meeting shall be deemed duly constituted (have a quorum) if it is attended by the majority of the Committee members (written opinions are received by the beginning of a meeting). The absence of a quorum shall lead to the adjournment of the Committee meeting.

5.7 All resolutions of the Committee shall be passed by majority vote of the Committee members participating in the meeting. Each member of the Committee shall have one vote. The transfer of voting rights by the Committee member to other persons, including to other members of the Committee, shall not be allowed. In the event of an equality of votes of the Committee members, the Chairman of the meeting shall be entitled to a casting vote.

5.8 Any member of the Committee who has a conflict of interest relating to the consideration of a certain issue by the Committee meeting shall disclose such interest.

5.9 The Committee may direct any member(s) of the Committee to study in detail a specific issue falling within the competence of the Committee and report to the Committee about the results of such study.

5.10 The Chairman of the Committee shall preside at the Committee meeting. In the event of his/her absence at the meeting, members of the Committee shall elect one of their number to be chairman of the meeting.

The minutes of the meeting shall be kept by the Secretary of the Committee and signed by the Chairman of the Committee responsible for the accuracy of execution of the minutes. The opinions presented by the Committee members and persons invited to attend the Committee meeting shall be heard and reflected in the minutes (attached to the minutes) during the meeting.

5.11 The minutes of the Committee meeting shall be prepared by the Secretary of the Committee in two copies not later than 3 business days after the holding of the Committee meeting.

One copy of the minutes shall be kept by the Secretary of the Committee who shall provide an access to the Committee minutes as well as the materials considered at the Committee meetings to all members of the Committee.

The second copy of the minutes shall be kept by the Corporate Secretary who shall provide an access to the Committee minutes as well as the materials considered at the Committee meetings to members of the Board of Directors who are not members of the Committee.

The following shall be set forth in the minutes of the Committee meeting:

- date and place of the meeting or date of the absentee voting;
- the list of the Committee members who participated in the consideration of agenda issues at the Committee meeting, specifying the form of participation, as well as the list of the persons invited to the Committee meeting;
- the agenda;
- any proposals of the Committee members on the agenda issues;
- issues put to a vote and the respective voting results;
- resolutions passed.

5.12 Based on the results of the Committee meeting, the recommendation of the Committee (the “Recommendation”) may be prepared. The Recommendation shall be presented at a meeting of the Board of Directors where the relevant issue is considered. The Recommendation shall reflect the opinion of the Committee in general. If opinions of the Committee members do not coincide, dissenting opinions shall be specified in the Recommendation separately.

5.13 The Recommendation shall be signed by the Chairman of the Committee. The Recommendation may be accompanied by the materials considered at the Committee meeting. The Chairman of the Committee shall be liable for bringing the Recommendation to the notice of the Corporate Secretary in a timely manner. The Recommendation considered at a meeting of the Board of Directors shall be attached to the minutes of the relevant meetings of the Committee and the Board of Directors.

5.14 Where possible, the Committee shall prepare the Recommendation to the Board of Directors prior to sending the board packs to the members of the Board of Directors.

In case it is not possible, the Chairman of the Committee shall, upon receipt of the information on the agenda of the forthcoming meeting of the Board of Directors, notify the Corporate Secretary that the Recommendation will be prepared with respect to a certain issue on the agenda of the meeting of the Board of Directors.

The Corporate Secretary shall, in its turn, communicate such information to all members of the Board of Directors so that to provide the opportunity to those members of the Board of Directors who intend to vote in absentia to take the Committee’s Recommendations into account.

6. Rights and Obligations of the Committee Members.

6.1 The Committee members shall:

- 6.1.1 comprehensively and thoroughly participate in the work of the Committee;
- 6.1.2 review documents submitted for consideration at a meeting of the Committee;
- 6.1.3 promptly inform the Committee of their own interest in taking a certain decision;
- 6.1.4 avoid any acts which might discredit the Committee or question the professionalism of its members;
- 6.1.5 not disclose any confidential information about the Company’s operations that became known to them.

6.2 The Committee members may:

6.2.1 request the Board of Directors, the Management Board, the President of the Company, the Internal Audit Commission the information and documents pertaining to the questions of the Committee’s competence;

6.2.2 participate in meetings with representatives of the business community within the competence of the Committee.

7. Remuneration of the Committee Members.

7.1 A decision of the General Meeting of Shareholders may provide for the payment of remuneration to the Committee members during the period when they perform their duties, and (or) the compensation for the expenses connected with the performance of their duties. The amounts of such remuneration and compensations shall be stipulated by a decision of the Company's General Meeting of Shareholders.

8. Interaction of the Committee with the Company's Bodies.

8.1 Members of the Company's executive bodies, heads of the Company's structural subdivisions, as well as other employees of the Company shall provide full and reliable information and documents concerning the questions of the Committee's competence within reasonable time and according to the existing procedure. The request to provide information and documents shall be executed in writing and signed by the Chairman of the Committee. The Committee's requests shall be sent and the information and documents requested by the Committee shall be provided through the Secretary of the Committee.

8.2 The Company's executive bodies shall inform the Committee of any considerable changes related to the questions of the Committee's competence.

8.3 The Committee shall provide the Company's Board of Directors with the Committee's annual performance statement for the purpose of its inclusion in the Company's annual report and shall send it to the Corporate Secretary not later than 2 days before sending the board packs for the meeting of the Board of Directors at which the Company's annual report is considered. This performance statement of the Committee shall be included in the Company's annual report in the section devoted to the work of the Board of Directors' Committees.

9. Final Provisions.

9.1 These Regulations shall be approved by the Board of Directors. Any amendments to these Regulations shall be made by the Board of Directors.

Record of Changes

No. of change	Change description	Date	Person Responsible	Signature
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