

APPROVED BY
the General Meeting of Shareholders
of PIK Group Open Joint Stock Company
Minutes No. 2
dated June 30, 2015

REGULATIONS ON THE MANAGEMENT BOARD

PIK Group
Public Joint Stock Company

Moscow

1. GENERAL PROVISIONS

1.1 These Regulations on the Management Board (the “Regulations”) shall determine the time periods of and the procedure for calling and holding the Management Board meetings as well as the decision making procedure in accordance with the Civil Code of the Russian Federation, the Federal Law “On Joint-Stock Companies” and the Company’s Charter.

1.2 The Management Board shall be the Company’s collegial executive body that manages the Company’s day-to-day operations.

2. OBJECTIVE AND OPERATIONAL PRINCIPLES OF MANAGEMENT BOARD

2.1 The objective of the Management Board’s activities shall be to ensure the efficient operation of the Company.

2.2 In order to achieve the objective of its activities, the Management Board shall apply the following principles:

- making prompt objective decisions in the interests of the Company and its shareholders;
- bona fide, timely and effective execution of decisions made by the general meeting of shareholders and the Company’s Board of Directors.

3. CHAIRMAN OF MANAGEMENT BOARD

3.1 The functions of the Chairman of the Management Board shall be exercised by the person serving as the Company’s sole executive body.

3.2 The Chairman of the Management Board shall arrange the holding of the Management Board meetings, preside over them, sign all documents on behalf of the Company and minutes of the Management Board meetings, as well as act on behalf of the Company without a power of attorney in accordance with the decisions of the Management Board made within its competence.

3.3 In the absence of the Chairman of the Management Board, the person acting as the President of the Company shall arrange the Management Board meeting, preside over it and sign the minutes of the meeting in case there is an urgent need to make a decision on any issues.

4. SECRETARY OF MANAGEMENT BOARD

4.1 The Secretary of the Management Board shall be appointed by the Management Board members at the first meeting by a majority vote of the Management Board members in attendance at such meeting.

4.2 The Management Board may release the Secretary of the Management Board from duties at any time and appoint a new Secretary of the Management Board.

4.3 In case of absence of the Secretary of the Management Board, the performance of its duties shall be entrusted with another person by a majority vote of the Management Board members in attendance at the meeting.

4.4 The Secretary of the Management Board shall be entitled:

4.4.1 to demand the provision by the Company’s officers of the information and documents required for the preparation of materials related to the issues on the agenda of the Management Board meetings;

4.4.2 to receive remuneration for the performance of its duties as well as the compensation for the expenses associated with the performance of the functions of the Secretary of the Management Board in the amount and in the manner determined by a decision of the Management Board.

4.5 The Secretary of the Management Board shall be obliged:

4.5.1 to keep and draw up the minutes of the Management Board meetings;

4.5.2 to keep a record of and store incoming documents and copies of outgoing documents of the Management Board;

4.5.3 to inform the Management Board members of holding the Management Board meetings in the manner and within the time prescribed by these Regulations;

4.5.4 to provide the Management Board members with the materials required to examine the issues on the agenda of the Management Board meetings in the manner and within the time prescribed by these Regulations;

4.5.5 to perform other functions set forth in these Regulations.

5. MANAGEMENT BOARD MEETING

5.1 The Management Board meetings may be held in the form of joint presence (including with the use of teleconference) or absentee voting.

5.2 The Management Board meetings shall be held on a regular basis in accordance with the activity plan approved at the Management Board meeting. The Management Board shall examine the issues not included in the activity plan if necessary.

5.3 The Management Board meeting shall be called by the Chairman of the Management Board at its own initiative or at the request of one of the members of the Management Board.

5.4 The Secretary of the Management Board shall inform the Management Board members of calling the Management Board meeting, its form, place and time of holding (in case of holding a meeting in the form of joint presence), as well as the agenda at least 3 business days in advance of the meeting.

The specified time may be reduced if an urgent resolution of any issues is required.

The Management Board members shall be provided with all necessary materials related to the agenda issues along with a notice.

5.5 The quorum for holding the Management Board meetings shall be at least 2/3 of elected members of the Management Board.

In case the number of the Management Board members becomes less than the number making a quorum, the Company's Board of Directors shall make a decision on determining the quantitative composition of the Management Board and appointing its members.

5.6 During decision-making by the Management Board, the Management Board members in attendance at the meeting shall express their opinion on agenda issues by voting.

5.7 If the Management Board member cannot attend the meeting in person or in case of holding the meeting by absentee voting, the Management Board member shall express its opinion on agenda issues in writing.

In the event that the written opinion of the Management Board member contains its voting, it shall be taken into account when determining a quorum and voting results.

The written opinion shall be presented by the Management Board member before the Management Board meeting or, in case the meeting is held in the form of absentee voting, not later than the end date for accepting written opinions of the Management Board members.

The Chairman shall announce the written opinion of the Management Board member absent at the Management Board meeting prior to voting on the agenda issue with respect to which such opinion is presented.

5.8 Decisions at the Management Board meeting shall be passed by a majority vote of the Management Board members in attendance at the meeting.

5.9 During the resolution of issues at the Management Board meeting, each member of the Management Board shall have one vote.

The Management Board member may not transfer its right to vote to another person, including to another member of the Management Board.

The Chairman of the Management Board may not take part in voting.

5.10 The Secretary of the Management Board shall keep the minutes of the Management Board meeting.

The minutes of the Management Board meeting shall be drawn up within 3 days after the meeting.

The minutes of the meeting shall indicate:

- the form of the meeting;
- place and time of the meeting (in case of holding a meeting in the form of joint presence);
- the persons in attendance at the meeting;
- the form of participation of each of the members of the Management Board in the meeting held in the form of joint presence (personal presence at the meeting, participation in teleconference, execution of a written opinion);
- the meeting agenda;
- the issues put to the vote and the respective voting results;
- passed resolutions.

The minutes of the Management Board meeting shall be signed by the chairman of the meeting and the Secretary of the Management Board.

The Company shall keep the minutes of the Management Board meetings at the location of its executive body in the manner and within the time prescribed by the federal securities market agency. If such time is not prescribed, the Company shall keep the minutes of the Management Board meetings permanently.

The Company shall ensure that members of the Board of Directors and internal audit commission, as well as the external auditor and the shareholders holding, in aggregate, at least 25 percent of the Company's voting shares have access to the minutes of the Management Board meetings.

6. REMUNERATION TO MANAGEMENT BOARD MEMBERS AND COMPENSATION FOR EXPENSES ASSOCIATED WITH PERFORMANCE OF THEIR DUTIES

6.1 A decision of the Company's Board of Directors may provide for the payment of remuneration to the Management Board members during the period when they perform their duties, and (or) the compensation for the expenses connected with the performance of their duties. The amount of such remuneration and compensation shall be fixed by a decision of Company's Board of Directors.

7. PROCEDURE FOR APPROVAL AND AMENDMENT OF REGULATIONS

7.1 These Regulations shall be approved by the general meeting of shareholders by a majority vote of holders of the Company's voting shares.

7.2 These Regulations may be amended by the general meeting of shareholders by a majority vote of holders of the Company's voting shares.

7.3 If as a result of changes in the Russian Federation laws or the Company's Charter the individual articles of these Regulations come into conflict therewith, the Regulations shall apply insofar as they do not conflict with the applicable laws and the Company's Charter.