

(Translation from Russian)

Approved by the resolution of the Annual General
Shareholders Meeting of PJSC "RusHydro"

(Minutes of June 27, 2017, №16)

REGULATIONS

on the Procedure for Convening and Holding Meetings
of the Board of Directors of Public Joint-Stock Company Federal
Hydro-Generating Company – RusHydro
(PJSC RusHydro)

1. General Provisions

1.1. These Regulations are elaborated in accordance with the legislation of the Russian Federation and the Articles of Association of PJSC RusHydro (hereinafter referred to as "Company").

1.2. These Regulations shall be an internal document of the Company that set out the procedure for convening and holding the meetings of the Company's Board of Directors.

1.3. The Board of Directors shall be the Company's governing body that which defines the priorities of the Company's activities, approves the Company's development strategy, defines the basic principles and approaches to the organization in the Company of internal control system and risk management, controls the activity of Company executive bodies, as well as perform other key functions.

1.4. In its activity, the Board of Directors is guided by the legislation of the Russian Federation, the Company's Articles of Association, and these Regulations.

2. STRUCTURE OF THE BOARD OF DIRECTORS

2.1. The Board of Directors structure includes:

- Members of the Board of Directors;
- Independent Directors;
- Chairman of the Board;
- Deputy Chairman of the Board of Directors;
- Senior Independent Director;
- Board of Directors Committees.

3. Chairman and Deputy Chairman of the Company's Board of Directors

3.1. The Chairman of the Company's Board of Directors shall organize work of the Company's Board of Directors.

3.2. The Chairman of the Company's Board of Directors shall be elected by members of the Company's Board of Directors from among their number by a majority of votes of all elected members of the Board of Directors.

A person acting as the sole executive body of the Company may not simultaneously be the Chairman of the Company's Board of Directors.

3.3. The Board of Directors may at any time re-elect the Chairman of the Company's Board of Directors by a majority of votes of all elected members of the Board of Directors.

3.4. Chairman of the Board of Directors shall:

- 1) organize work of the Board of Directors including the development of the work plan of the Board of Directors;
- 2) form the agenda of meetings, convene meetings of the Board of Directors and determine the form of holding meetings of the Board of Directors;
- 3) chair meetings of the Board of Directors;
- 4) supervise the implementation of decisions of the Board of Directors;
- 5) participate in the development of the most effective decisions on the agenda of the meeting of the Board of Directors;
- 6) provide a free discussion and constructive atmosphere during Board of Directors' meetings;
- 7) provide comprehensive discussion of the issues on the agenda and the recommendations of the Board of Directors' Committees;
- 8) maintain permanent contacts with other bodies and officers of the Company for the purpose of timely obtaining the most comprehensive and accurate information needed for decision-making by the Board of Directors;
- 9) provide effective work of the Board of Directors' Committees;
- 10) take all necessary measures for the timely provision of information to members of the Board of Directors for decision-making on the agenda;

11) sign the minutes of Board of Directors' meetings, the requirements of the audit of financial and economic activities of the Company and other documents on behalf of the Board of Directors;

12) chair the General Shareholders' Meetings of the Company, announce the agenda, report on upcoming speeches and reports, as well as perform other functions of the chairman of the General Meeting of Shareholders of the Company under the Regulations on the procedure of convening and holding the General Meetings of Shareholders;

13) provide during the meeting of the Board of Directors the compliance with Russian Federation legislation, the Articles of Association of the Company, other internal documents of the Company and this Regulation;

14) interact with the shareholders of the Company;

15) perform other functions stipulated by the legislation of the Russian Federation, the Articles of Association of the Company and decisions of the governing bodies of the Company.

3.5. In the absence of Chairman of the Board of Directors, his functions shall be performed by Deputy Chairman of the Board of Directors to be elected from members of the Company's Board of Directors by a majority of votes of all elected members of the Company's Board of Directors.

A member of the Company's Board of Directors being at the same time Chairman of the Management Board – General Director or member of the Management Board of the Company may not be elected the Deputy Chairman of the Company's Board of Directors.

4. INDEPENDENT DIRECTORS AND SENIOR INDEPENDENT DIRECTOR

4.1. An independent director is a person, who meets the following criteria¹:

1) not associated with the Company;

2) not associated with a significant shareholder of the Company;

3) not associated with a significant counterparty or competitor of the Company;

4) not associated with the state (the Russian Federation, the Russian Federation entity) or a municipal entity.

4.2. Senior Independent Director coordinates the interaction of independent directors, contributes to the effective work organization of the Board of Directors. Senior Independent Director is elected from the independent directors and approved by the Nomination and Remuneration Committee of the Board of Directors. In case the Chairman of the Board of Directors is an independent director, he performs the functions of the Senior Independent Director.

4.3. The Senior Independent Director shall:

1) organize the meetings of Independent Directors, chair it and form minutes of such meetings;

2) clarify the role, functions and tasks of independent directors and senior independent director to the Board of Directors;

3) ensure the continuity planning procedures of Chairman of the Board of Directors;

4) organize the settlement of conflicts in the Board of Directors;

5) interact with the Company's shareholders.

4.4. In order to implement his powers, Senior Independent Director has the right to:

1) convene meetings of Independent Directors;

2) request information on the Company's activity in the manner and under conditions stipulated by the internal documents of the Company.

4.5. Independent Director, in case of loss of his status of independent director, shall notify the Board of Directors of that fact. Such notice shall be addressed to the Chairman of the Board of Directors and Corporate Secretary not later than 7 (seven) days from the date when the independent director learned about the loss of his independent status. The loss of independent director's status means inability to meet the independence criteria established by this Regulation, except cases when the Board of Directors recognizes the independence of the member of the Board of Directors, despite his formal criteria of association with the Company, a significant shareholder of the Company, a significant counterparty or competitor of the Company.

¹The independence criteria is indicated in accordance with the Corporate Governance Code, approved by Decision of the Board of Directors (Minutes of 22/06/2015 no. 218).

4.6. In case when following the results of evaluation by the Board of Directors (Nomination and Remuneration Committee) of the circumstances giving rise to the loss of the independent status, the Board of Directors recognizes the loss by its member of the independent status, the Company shall ensure the disclosure of information on the loss by the Board of Directors' member of the independent status not later than 7 (seven) business days from the date of signing the protocol in the manner prescribed by the local regulatory documents of the Company.

5. Members of the Board of Directors, their Rights, Duties, and Responsibility

5.1. Members of the Board of Directors may within their competence:

1) receive information about the Company's activities, including the information that constitutes the Company's commercial secret, review all foundation, regulatory, recording, accounting, contracting, and other documents of the Company in accordance with the legislation of the Russian Federation and internal documents of the Company;

2) submit written proposals on preparation of business schedule of the Board of Directors;

3) submit issues into the agenda of meetings of the Board of Directors in accordance with the established procedure;

4) demand convocation of a meeting of the Company's Board of Directors;

5) exercise other rights as set out by the legislation of the Russian Federation, the Company's Articles of Association, other Company's internal documents, and these Regulations.

5.2. A member of the Board of Directors may request in writing directly the Chairman of the Management Board – General Director of the Company and also the Corporate Secretary for documents and information necessary for adopting a resolution on issues within the competence of the Board of Directors.

The Company's documents and information shall be provided to a member of the Board of Directors within five (5) business days upon receipt of the relevant request.

5.3. If necessary, the Company shall ensure translation of draft resolutions and materials related to the issues on the agenda for members of the Board of Directors, as well as ensure presence of an interpreter at the physical meetings of the Board of Directors. The said expenses shall be borne by the Company.

5.4. Members of the Board of Directors may be paid remuneration and/or compensation for their expenses related to performing of their functions as members of the Board of Directors in accordance with the procedure set out in the Regulations on Payment of Remuneration and Compensation to the Members of the Board of Directors approved by the Company's General Shareholders' Meeting.

5.5. While exercising their rights and performing their duties, members of the Board of Directors shall:

1) act in a fair and reasonable manner, perform their duties with due care and discretion for convenience of the Company and all of its shareholders, achieve sustainable and successful development of the Company;

2) Independent Director shall refrain from taking actions as a result of which he can cease to be independent;

3) when making decisions, take into account the interests of other stakeholders, including employees, creditors, counterparties of the Company. Taking into account the social responsibility of the Company, the Board of Directors shall make decisions in compliance with the environmental and social standards;

4) strive to the utmost for active participation in the work of the Board of Directors and of the Board of Directors' Committees, and in case of inability to participate, notify the Board of Directors (through the Chairman of the Board of Directors) and Corporate Secretary of the reasons;

5) in those cases when the Board of Directors' decisions may have different implications for different

1) on the legal entities in respect of which he or she, his or her spouse, parents, children, brothers, sisters, half-brothers, half-sisters and/or their subsidiaries/affiliates are controlling persons or have the right to give obligatory instructions;

2) on the legal entities in the managing bodies of which he or she, his or her spouse, parents, children, brothers, sisters, half-brothers, half-sisters and/or the persons being under their control hold the offices;

3) on the carried-out or participated transactions which are known to him or her and regarding which he or she can be recognized interested person.

groups of shareholders, the Board of Directors must treat all shareholders fairly;

6) notify the Board of Directors of the intention to take a position as part of governing bodies of other organizations, and after the election (appointment) to other organizations' governing bodies, immediately notify of such election (appointment);

7) Member of the Board of Directors, which has a conflict of interest, shall immediately inform the Board of Directors (Chairman of the Board of Directors and the Corporate Secretary of the Company) about both the very fact of having a conflict of interest and the basis of its occurrence;

8) Senior Independent Director, together with the Chairman of the Board of Directors, should be available for communication with the shareholders of the Company through a private office and / or the Corporate Secretary of the Company and / or other accessible and not burdensome for them way;

9) maintain the confidentiality of the information provided, including a commercial secret;

10) not disclose and not use information that could cause damage to the Company and its shareholders.

11) the member of the Board of Directors should notify the Company within 2 (Two) months since the then when he or she found out or should have found out occurrence of circumstances because of which he or she may be deemed interested in carrying-out the transactions about the following:

In case of change of the information specified in Clauses 1-3, Sub-clauses 11 of Clause 5.5, after the Company received the respective Notice, the member of the Board of Directors should notify the Company of change of this information within 14 days from the day when he or she found out or should have find out its change.

5.6. Members of the Board of Directors shall bear responsibility to the Company for losses inflicted on the Company by their faulty acts (omission), unless other grounds and amount of responsibility are stipulated by the legislation of the Russian Federation.

However, no responsibility shall be borne by the members of the Board of Directors who voted against the resolution which resulted in the Company's losses or who did not take part in voting acting in good faith.

6. Corporate Secretary of the Company

6.1. The Corporate Secretary performs functions related to organizational and informational support of the Company's Board of Directors.

6.2. The Corporate Secretary shall be elected by members of the Company's Board of Directors by a majority of votes of its members participating in the meeting.

The Board of Directors may at any time re-elect the Corporate Secretary.

The candidate for the position of Corporate Secretary shall be proposed by the Chairman of the Company's Management Board – General Director of the Company subject to agreement with the Chairman of the Board of Directors.

6.3. The functions of the Corporate Secretary shall include:

1) Preparation and arrangement of signing of the agenda of a regular meeting of the Board of Directors in accordance with the Business Schedule of the Board of Directors and proposals received from members of the Board of Directors, Internal Audit Commission, the Company's Auditor, Management Board, and Chairman of the Company's Management Board –

General Director of the Company

2) Ensuring of preparation and sending of documents (materials) required for organization and holding of a meeting of the Board of Directors (notice of meeting, draft resolutions on issues of the meeting's agenda, draft documents for preliminary review, etc.)

3) Arrangement of preparation and provision of documents (information) at the requests of members of the Board of Directors

4) Preparation of requests and responses in respect of letters on behalf of the Company's Board of Directors

5) Collection of questionnaires completed by members of the Company's Board of Directors and written opinions submitted by them

6) Drawing up of minutes of meetings of the Board of Directors and signing of extracts from minutes of meetings of the Board of Directors

7) Provision of access to the documents approved by the Board of Directors

8) Keeping of the Board of Directors' file registers

9) Monitoring of the progress of the Company's Board of Directors and the Company's General Shareholders' Meeting resolutions fulfillment

10) Preparation of requests for information (materials) on issues on the agenda of meetings of the Board of Directors addressed to the Company's units

11) Control over accuracy of submitted information and correctness of issued documents submitted for consideration and approval of the Board of Directors

12) Arrangement of audio and video recording of the meetings of the Board of Directors, including recording thereof on magnetic media

13) Performance of other functions as provided for by these Regulations, orders of the Chairman, and members of the Board of Directors

6.4. The Corporate Secretary shall ensure coordinated and efficient work of members of the Board of Directors together with the Company's shareholders and their representatives, the Company's executive bodies, heads and employees of the Company's units to ensure efficient performance of the Board of Directors.

6.5. The Board of Directors shall approve the Regulations on the Company's Corporate Secretary to govern the procedure for his election and his activity.

7. Organization of Work of the Board of Directors

7.1. Meetings of the Board of Directors shall be held in accordance with the approved Business Schedule of the Board of Directors and also as required but at least once in two (2) months.

If necessary, the Chairman of the Board of Directors may decide to hold an extraordinary meeting of the Board of Directors.

7.2. Business Schedule of the Board of Directors

7.2.1. The Business Schedule of the Board of Directors shall be prepared based on proposals from members of the Board of Directors, Internal Audit Commission, Auditor, Management Board, and Chairman of the Management Board of the Company – General Director of the Company.

7.2.2. The Board of Directors' Business Schedule shall include:

1) Issues for consideration at the meetings of the Company's Board of Directors in the current corporate year

2) Dates and form of meetings of the Board of Directors

3) List of persons (the Company's governance bodies) responsible for the preparation of issues for consideration at meetings of the Board of Directors

The format of the meeting of the Board of directors shall be determined taking into account importance of the issues of the agenda. The most important issues shall be resolved on the meetings held in the form of joint presence (in face-to-face form). The list of such issues shall be determined by the Chairman of the Board of Directors of the Company, including taking into account the recommendations of the Corporate Governance Code (the Letter of the Central Bank of Russia as of April 10, 2014, No. 06-52/2463).

7.3. The first meeting of the new Board of Directors shall be convened by one of

the members of the Company's Board of Directors by sending a notice of convocation of the meeting to all other members of the Board of Directors, as well as to the Company addressed to the Chairman of the Management Board – General Director of the Company.

The Chairman of the Management Board – General Director of the Company shall provide assistance and all information that is necessary for arrangement of the first meeting of the new Board of Directors.

The following issues shall be considered at the first meeting of the Board of Directors:

- Election of the Chairman of the Board of Directors
- Election of the Deputy Chairman of the Board of Directors
- Approval of the Business Schedule of the Board of Directors for a period until the next annual General Shareholders' Meeting of the Company
- The formation of the Board of Directors' Committees and election of chairmen of the committees.

7.4. A meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors (or Deputy Chairman of the Board of Directors in cases stipulated hereby) in accordance with the Business Schedule of the Board of Directors on his own initiative, at the request of a member of the Company's Board of Directors, Internal Audit Commission, the Company's Auditor, Chairman of the Management Board – General Director of the Company, and Management Board of the Company.

7.5. A request for convocation of a meeting of the Board of Directors shall contain:

- 1) Indication of the initiator of holding the meeting
- 2) Wordings of issues on the agenda
- 3) Rationale for putting issues on the agenda
- 4) Information (materials) on issues on the agenda
- 5) Draft resolutions on issues on the agenda

7.6. A request for convocation of a meeting of the Board of Directors shall be in writing and signed by the person requesting its convocation. A request of the Company's Internal Audit Commission for convocation of the meeting of the Board of Directors shall be signed by the Chairman of the Internal Audit Commission, a request of the Management Board shall be signed by the Chairman of the Management Board – General Director of the Company.

A request for convocation of a meeting of the Board of Directors together with all required materials (information) shall be submitted to the Company's department responsible for receipt of the Company's correspondence simultaneously with sending of copies of all documents to the Chairman of the Board of Directors and the Corporate Secretary of the Company.

7.7. Members of the Board of Directors, Internal Audit Commission, Management Board, Chairman of the Management Board – General Director of the Company, or the Company's Auditor may make proposals on the agenda of the meeting of the Board of Directors.

The said proposals shall be sent in writing to the Chairman of the Board of Directors simultaneously with sending of copies of proposals to the Chairman of the Management Board – General Director of the Company and the Corporate Secretary.

The Chairman of the Board may include the received proposals into the agenda of the regular meeting of the Board of Directors or convene an extraordinary meeting.

7.8. The Corporate Secretary shall control the deadline for submission of proposals to include issues into the agenda of the Board of Directors (including draft resolution of the Board of Directors, supporting materials), as well as compliance of the form of a draft resolution of the Board of Directors with the standards (forms) of information submission.

7.9. The Corporate Secretary shall inform the Chairman of the Board of Directors about violation of the deadline for submission to him or her of proposals to include issues into the agenda of the Board of Directors (including draft resolution of the Board of Directors, supporting materials).

7.10. A notice of the meeting of the Board of Directors shall be prepared by the Corporate Secretary of the Company and shall be signed by the Chairman or Deputy Chairman of the Board of Directors (in cases stipulated hereby).

A notice of the meeting of the Board of Directors shall contain:

- Trade name of the Company
- Wordings of issues on the agenda

- Format of the meeting (physical meeting, absent voting)
- Date and place of the meeting (final date and time for acceptance of questionnaires for absent voting and e-mail address or fax number for sending filled questionnaires for absent voting);
- Date, email address or fax number and time of the deadline for receiving written opinions during the meeting of the Board of Directors through joint attendance.

7.11. A notice of the meeting of the Board of Directors shall be sent by the Corporate Secretary to each member of the Board of Directors at least eleven (11) business days prior to the date of the meeting of the Board of Directors (deadline for acceptance of questionnaires for voting).

Together with a notice of the meeting of the Board of Directors, members of the Board of Directors shall be sent with materials (information), including draft resolutions on issues on the meeting's agenda.

Notice of a meeting of the Board of Directors and the materials are sent to the Board of Directors' members by fax or e-mail.

7.12. By decision of the Chairman of the Board of Directors, a period for sending of a notice of the meeting of the Board of Directors and submission of materials (information) to members of the Board of Directors may be decreased.

8. Procedure for Holding of Meeting of the Board of Directors

8.1. A meeting of the Board of Directors shall be opened by the Chairman of the Board of Directors.

8.2. The Corporate Secretary shall determine the presence of quorum for holding the meeting of the Board of Directors.

The quorum necessary for holding the meeting of the Board of Directors shall be at least a half of the elected members of the Company's Board of Directors.

8.3. The Chairman of the Board of Directors shall inform persons that are present at the meeting that the meeting is quorate and shall declare the agenda of the meeting of the Board of Directors.

8.4. The meeting of the Board of Directors shall include the following stages:

- 1) Report of a member of the Board of Directors or an invited person on an issue on the agenda
- 2) Discussion of an issue on the agenda
- 3) Proposals on wording of a resolution for an issue on the agenda
- 4) Voting on an issue on the agenda
- 5) Counting of voices and drawing of the voting results
- 6) Declaring of the voting results and the resolution adopted on the issue on the agenda

8.5. Resolutions at meetings of the Board of Directors shall be passed by a majority of votes of members of the Board of Directors present at the meeting, save as provided otherwise by the legislation of the Russian Federation and the Company's Articles of Association.

8.6. When determining presence of a quorum and results of voting on issues on the agenda, account shall be made of the written opinion of a member of the Board of Directors of the Company being absent at the meeting of the Board of Directors of the Company. The written opinion shall be submitted by a member of the Board of Directors to the Chairman of the Board of Directors or the Corporate Secretary in writing by fax or e-mail (by e-mail address or fax number specified in the notice of meeting of the Board of Directors), or delivered in person.

In case of sending a written opinion by fax or e-mail, the original of written opinion shall be submitted to the Company not later than 7 (seven) days from the date of the meeting of the Board of Directors.

8.7. When making decisions at the meeting of the Board of Directors, each member of the Board of Directors has one vote.

In the event of a tied vote, the Chairman of the Board of Directors shall have the casting vote.

No transfer of vote by one member of the Company's Board of Directors to another member of the Company's Board of Directors or another person shall be permitted.

8.8. Members of the Internal Audit Commission, the Company's Auditor, the Company's employees, and other persons may be invited to the meetings of the Board of Directors.

8.9. At the meeting of the Board of Directors audio (video) recording may be taken.

9. Procedure for Adopting Resolutions through Voting In Absentia

9.1. Resolutions of the Company's Board of Directors on issues in its competence may be adopted by voting in absentia (by poll).

9.2. For adoption of resolutions of the Board of Directors by voting in absentia (by poll), a notice of voting in absentia on issues on the agenda, materials (information), and draft resolutions on issues tabled on the agenda shall be sent to each member of the Board of Directors at least eleven (11) business days prior to the deadline for acceptance of questionnaires for voting in absentia.

9.3. Members of the Board of Directors may submit their proposals and/or comments on the proposed draft resolutions of the Board of Directors on the issues tabled for voting in absentia at least five (5) days prior to the deadline for acceptance of questionnaires for voting specified in the notice of voting in absentia.

9.4. A questionnaire for voting in absentia shall be prepared by the Corporate Secretary taking into account proposals submitted prior to the deadline for sending questionnaires for voting and/or comments on the proposed draft resolutions of the Board of Directors on the issues tabled for voting in absentia in accordance with the form of Appendix 2 hereto.

9.5. A questionnaire for voting in absentia shall be sent to members of the Board of Directors at least two (2) business day prior to the deadline for acceptance of questionnaires for voting in absentia specified in the notice of voting in absentia.

9.6. When completing a questionnaire for voting in absentia, a member of the Board of Directors may leave undeleted only one possible voting option ("for," "against," or "abstained"). The completed questionnaire shall be signed by a member of the Board of Directors specifying his/her name and initials.

A questionnaire completed with violation of the said requirements shall be deemed invalid, shall not be taken into account when determining a quorum required adopting the resolution by voting in absentia, and shall not be taken into account when counting votes. In the event of violation of the requirements for completion of voting options for the issue, a questionnaire shall be deemed invalid with regard to the relevant issue only.

9.7. A member of the Board of Directors shall send the completed and signed questionnaire to the Corporate Secretary within the period specified in the questionnaire in the original or by fax or e-mail (scanned questionnaire) with subsequent sending of the original questionnaire to the address specified therein.

Members of the Board of Directors whose questionnaires were received by the Corporate Secretary in the original or by fax or e-mail not later than the end date for acceptance of questionnaires specified in the notice shall be deemed as participating in the voting in absentia.

A questionnaire received by the Company after the end of the deadline specified therein shall not be counted when counting votes and determining results of voting in absentia.

9.8. The voting results on issues on the agenda of the meeting held by voting in absentia shall be determined based on the questionnaires completed and signed by members of the Board of Directors, received by the Company within the period specified in the notice of voting in absentia.

9.9. Based on the received questionnaires, the Corporate Secretary shall draw up the minutes of the Board of Directors in accordance with the procedure set out herein.

10. Minutes of Meeting of the Company's Board of Directors

10.1. The Corporate Secretary shall keep minutes at the meeting of the Board of Directors.

10.2. Minutes of the meeting of the Company's Board of Directors shall be prepared within three (3) days of its holding.

10.3. Minutes shall specify:

- Trade name of the Company

- Form of the meeting
- Place and time of meeting (vote counting)
- Members of the Board of Directors present at the meeting (participating in voting in absentia) as well as invited persons
- Information on the presence of quorum for a meeting
- Agenda of the meeting
- Issues put to a vote and individual voting results
- Summaries of reports and speeches of persons attending the meeting
- Justification of the reasons for which were not taken into account the recommendations of one or another Committee;
- Resolutions adopted

The minutes of the meeting of the Company's Board of Directors shall be signed by the chairman of the meeting and the Corporate Secretary who shall be responsible for the accuracy of the minutes.

Individual opinions of members of the Board of Directors and recommendations of the Board of Directors' Committees on the agenda of the meeting of the Board of Directors shall also be attached to the minutes.

10.4. Resolutions of the Company's Board of Directors shall be made known to performers thereof in the form of extracts from the minutes of the meeting separately for each issue.

Extracts from the minutes of the meeting of the Board of Directors shall be prepared and signed by the Corporate Secretary and sent to the performers within two (2) days upon signing of the minutes.

10.5. The Company shall keep minutes of meetings of the Board of Directors at the location of the Company's executive body.

Together with the protocols, the Company keeps the audio (video) records of the Board of Directors' meetings (if available).

11. JOB EVALUATION OF THE BOARD OF DIRECTORS

11.1. To determine the degree of an overall performance of the Board of Directors and of the Board of Directors' Committees, the level of involvement of members of the Board of Directors into the development and implementation of the strategy, the Company shall provide carrying out activities on job evaluation of members of the Board of Directors by one of the following methods:

- Independently by the Board of Directors (self-esteem)

or

- By engaging an independent consultant at least once every (3) three years.

11.2. The procedure and method of evaluation and the criteria providing evaluation of professional and personal qualities of the members of the Board of Directors, their independence, coordinated work and the degree of personal involvement, as well as other factors affecting the overall performance of the Board of Directors, shall be determined by Nomination and Remuneration Committee.

Nomination and Remuneration Committee shall develop a methodology for self-esteem and give suggestions on choosing an independent consultant for job evaluation of the Board of Directors.

11.3. The results of such an evaluation are subject to consideration at in-person meeting of the Board of Directors in order to develop recommendations for improving the overall performance of the Board of Directors and its individual members.

Following the results of an individual evaluation, may be given recommendations on improving the skills of individual members of the Board of Directors.

