

APPROVED
By resolution of the Sole Shareholder of
SUEK
(Resolution dated “16” October 2017)

REGULATIONS ON THE BOARD OF DIRECTORS

Siberian Coal Energy Company,
a Joint Stock Company

MOSCOW, RUSSIA 2017

1. GENERAL PROVISIONS

- 1.1. These Regulations on the Board of Directors (hereinafter referred to as the “Regulations”) of Siberian Coal Energy Company, a Joint Stock Company (hereinafter referred to as the “Company”) have been drawn up in accordance with the Civil Code of the Russian Federation, Federal Law “On joint-stock companies”, (hereinafter, the ‘Law’), other statutory and legal regulations of the Russian Federation and the Company’s Charter (hereinafter referred to as the “Charter”). These Regulations determine operating principles of the Company’s Board of Directors (hereinafter referred to as the “Board”), its status, procedures for forming the Board, authorities and responsibilities of the Board members, procedure for convening and holding the Board’s meetings and formalizing its resolutions.
- 1.2. The Board is a collective management body of the Company, conducting general management of its activity, except for issues qualified as falling within the competence of the General Meeting of Shareholders (hereinafter referred to as the “General Meeting of Shareholders”) by Federal Laws and the Charter, of Chief Executive Officer (hereinafter referred to as the “CEO”) and the Company’s Management Board (hereinafter referred to as the “Management Board”).
- 1.3. The Board acts in accordance with the laws of the Russian Federation, the Charter, these Regulations, other internal documents of the Company and resolutions of the General Meeting of Shareholders.
- 1.4. The Board shall act in the best interests of the Company and its shareholders and report to the General Meeting of Shareholders.

2. TERMS AND DEFINITIONS

- 2.1. In these Regulations the following terms and definitions are used:
 - “Company Official” – the person having organizational and management functions or administrative functions in legal entity and being in employment or civil law relations with the legal entity, including members of the Board.
 - “Executive Director” – a member of the Board being the Company Official.
 - “Company’s Entities” – legal entities established in accordance with the laws of the Russian Federation, the decisions of which can be influenced by the Company by means of dominant participation in their share capital or under an agreement with such legal entity or otherwise.
 - “Independent Director” – member of the Board who meets the requirements for independence, established by law, in accordance with the Company’s Code of Corporate Governance.
 - “Non-Executive Director” – member of the Board, who is not the Company’s Official.

3. OBJECTIVES, OPERATING PRINCIPLES AND TASKS OF THE BOARD

- 3.1. The objectives of the Board are to ensure the long-term increase of value of the Company’s assets, to protect rights and legitimate interests of the shareholders and ensure completeness, integrity and objectivity of the Company’s public information.
- 3.2. In order to achieve its objectives, the Board shall apply the following principles:
 - making decisions based on reliable and complete information on the Company’s activity;
 - impermissibility of restriction of rights of shareholders to participate in the management of the Company and to receive dividends and information on the Company;
 - making decisions by the Board as objectively as possible, in the best interests of all shareholders of the Company.
- 3.3. The Board performs its tasks within its competence and in accordance with the Charter and the current laws of the Russian Federation.
- 3.4. Any inevitable ambiguity of rules established by legislative acts and other regulations be interpreted by the Board in favor of rights and legitimate interests of the Company’s shareholders.

4. MEMBERS OF THE BOARD

- 4.1. Only individuals may become members of the Board. A Board member may not necessarily be the Company’s shareholder.
- 4.2. Members of the Board may not act as members of the Company’s Auditing Commission (hereinafter referred to as the “Auditing Commission”).

- 4.3. Members of the Management Board may not constitute more than one quarter of members of the Board.
- 4.4. Members of the Board are elected by the General Meeting of Shareholders for the period until the next Annual General Meeting of Shareholders. If the Annual General Meeting of Shareholders was not held within the time limits specified by the Charter, the authorities of the Board shall be terminated except for the authorities to prepare, convene and hold the Annual General Meeting of Shareholders.
- 4.5. In case of withdrawal of a member of the Board or loss of his/her status by the Independent Director, the authorities of the Board shall not be terminated, unless the number of the Board members becomes less than the required quorum.
- 4.6. The authorities of all members of the Board may be terminated early by resolution of the General Meeting of Shareholders.
- 4.7. The number of members of the Board is determined by resolution of the General Meeting of Shareholders, but may not be less than five.
- 4.8. A member of the Board has the right to:
 - get familiar with regulatory, accounting, reporting, financial and other documents and materials of the Company, necessary for reviewing issues that fall within the competence of the Board and for exercising functions of the Board member;
 - request a meeting (absentee voting) of the Board to be convened;
 - get familiar with the minutes of the Board, Committees of the Board (hereinafter referred to as the “Committees”) and the Management Board meetings, and receive copies of these documents;
 - demand his/her special opinion on matters of the agenda and taken resolutions to be entered into the Board minutes;
 - voluntarily surrender his/her authorities, having preliminarily notified the Company of such intention in writing at least 30 (thirty) calendar days before the intended date of surrender, and the authorities of said Board member shall be considered terminated from the date of decision on termination of the Board authorities and election of the new Board on the General Meeting of Shareholders;

The Board members also have other rights in accordance with the Charter and the current laws of the Russian Federation.

- 4.9. A member of the Board is obliged to:
 - be loyal to the Company, that is to not to use position in the Company in his/her own interests or interests of a third party, be equally reasonable to all shareholders and the Company and properly consider their needs and interests;
 - act within the scope of his/her authorities in accordance with objectives and operating principles of the Board;
 - act reasonably and in good faith with regard to the Company;
 - contribute adequate amount of time for proper performance of his/her duties;
 - not to disclose nor use confidential information about the Company in his/her own interests or interests of a third party during his/her term as a member of the Board and for 10 years after this term is over;
 - participate in taking decisions by the Board by means of voting on the Board’s agenda items, by means of absentee voting or by means of a written opinion;
 - make reasonable decisions after becoming familiar with all necessary information and materials;
 - evaluate the risks and possible negative consequences during the decision-making process;
 - timely inform the Company of holding shares (stakes, participatory interests) in the Company and other legal entities;
 - timely inform the Board, the Auditing Commission and the Auditor of the legal entities in which he/she holds a position in management bodies;
 - inform the Board on material obligations, that could affect his/her work as the Board member, and of all subsequent changes of such obligations;
 - refrain from voting on issues in which the Board member holds personal interest;
 - refrain from actions that could result or potentially result in conflict of interests between the Board member and the Company;
 - perform the duties of the Board member, imposed on him/her by the laws of the Russian Federation, the Charter and the Company’s internal documents reasonably and in good faith;
 - act in the interests of the Company as a whole, and not in the interests of particular persons;
 - participate in meetings with the Company’s major shareholders upon their request.

- 4.10. Independent Directors shall refrain from any actions, which could result in the loss of their independent status, and promptly inform the Company of any changes of their status.
- 4.11. The activities of a Board member are continuous and are not limited to participation in the Board's decision making process.
- 4.12. If the Independent Director, elected to the Board, no longer satisfies the requirements for Independent Directors, he/she shall promptly inform the Company in writing of the loss of his/her status of the Independent Director, with indication of events that led to such occurrence.

5. CHAIRMAN OF THE BOARD

- 5.1. The Chairman of the Board is elected from among the members of the Board by a majority of the total number of votes of the Board members. The Board has the right to reelect the Chairman of the Board at any time.
- 5.2. The person performing the functions of the Company's sole executive body may not be the Chairman of the Board at the same time.
- 5.3. In the absence of the Chairman of the Board, all his/her functions (including the right to sign documents) shall be performed by one of the members of the Board upon the Board's decision taken by a majority of votes of the Board members taking part in the voting process.
- 5.4. The Chairman of the Board:
 - Organizes the Board's work, ensures the effective organization of activities of the Board and its Committees;
 - determines the form of the Board's meetings;
 - convenes the Board's meetings (requests absentee voting);
 - organizes timely and proper notification of the Board members of meetings of the Board;
 - forms the agenda of the Board and ensures timely circulation of agenda to all members of the Board;
 - ensures effective cooperation between the Board and the Company's shareholders;
 - ensures familiarizing of newly elected members of the Board with their rights and obligations and the procedures of the Board's work;
 - facilitates collaboration and maintains contacts with other management bodies and officials of the Company in order to promptly receive of maximum amount of complete and accurate information required for the Board to be able to make decisions and ensure effective cooperation between these bodies and officials, and third parties;
 - takes all necessary measures for timely submission of information required for taking decisions on agenda items to the Board members, determines the list of materials (information) on items of the Board's agenda, provided to the Board members;
 - chairs the Board's meetings, ensures compliance with the Board's meeting procedures, including the official opening and closing of meetings, and takes measures in order to postpone a meeting in the absence of quorum;
 - ensures that the Board members have the opportunity to voice their opinion on the issues under discussion, ensures a constructive and friendly atmosphere at the Board's meetings, and facilitates the search for agreed decision by the Board members in the interests of the Company;
 - organizes the preparation of the most effective decisions possible on agenda items;
 - organizes preparation of the Board minutes, signs them, holds responsibility for integrity and timeliness of the Board minutes;
 - oversees the activities of the Corporate Secretary (hereinafter referred to as the "Corporate Secretary");
 - chairs the General Meeting of Shareholders, performing functions, prescribed by the Charter and the Law;
 - organizes monitoring of implementation of resolutions of the General Meeting of Shareholders and the Board on behalf of the Board;
 - oversees the compliance with the requirements of these Regulations by members of the Board, the Board's Committees and the Corporate Secretary;
 - performs other functions as set out in the current laws of the Russian Federation and the Charter.
- 5.5. If the Company's shareholders declare an opinion on an issue considered by the Board, the Chairman of the Board shall disclose that opinion on the Board's meeting, on which this issue is reviewed, or otherwise bring that opinion to knowledge of each member of the Board.

- 5.6. The Chairman of the Board holds consultations with the Company's major shareholders on issues concerning the Company's corporate governance and strategy, in order to clarify their position towards such issues.
- 5.7. The Chairman of the Board has the right to sign extracts from the Board minutes and authenticate the copies of the Board minutes.

6. CORPORATE SECRETARY

- 6.1. The Corporate Secretary is the Company's Official, who ensures the Company's compliance with the procedural requirements which guarantee and uphold the rights and legitimate interests of the Company's shareholders, including access to information about the Company.
- 6.2. The Corporate Secretary facilitates preparation and holding of meetings and absentee voting by the Board in accordance with the requirements of the current laws of the Russian Federation, the Company's Charter and the Company's internal documents, including the provision of organizational and informational support of the Board's work.
- 6.3. The Corporate Secretary is appointed by a resolution of the Board. The candidate for a position of the Corporate Secretary is proposed by the Chairman of the Board. The Corporate Secretary may be appointed both from among the Board members and from among individual persons, who are not the Board members.
- 6.4. The Corporate Secretary is appointed for an unspecified period of time. The Board has the right to relieve the Corporate Secretary of his/her duties at any time and appoint the new Corporate Secretary.
- 6.5. In the absence of the Corporate Secretary at the Board meeting, his/her functions are imposed on another person upon decision by a majority of votes of the Board members taking part in that meeting.
- 6.6. The Corporate Support Department is formed to facilitate the Board's work and provides assistance to the Corporate Secretary. The Corporate Secretary has overall charge of the Corporate Support Department. The Corporate Secretary and the Corporate Support Department carry out their activities at the Company's expense.
- 6.7. The Corporate Secretary:
 - ensures the Company's bodies and officials' compliance with regulations and procedures of corporate governance, established by the Russian and the Charter, as well as those prescribed by the Company's internal documents, which guarantee and uphold the rights and legitimate interests of shareholders of the Company;
 - facilitates effective cooperation between the Company, its shareholders and the Board; takes measures for prevention or settlement of conflicts between the Company's shareholders and/or management bodies;
 - ensures the Company's proper and timely review of appeals from shareholders; receives notifications of conclusion of shareholders agreements, submitted to the Company, and compiles the lists of persons who concluded such agreements;
 - facilitates preparation and holding of the Board's meetings and absentee voting by the Board in accordance with the requirements of the current laws of the Russian Federation, the Charter, these Regulations, and the Company's internal documents, including:
 - a) notifying the Board members of the Board's meetings (absentee voting) within the time limits set out by these Regulations, and if necessary, ensures preparation and submission (delivery) of voting ballots to the Board members, collection of written opinions of the Board members who were absent at the Board's meeting, collection of completed voting ballots of the Board members, their consolidation and processing;
 - б) organizes circulation of materials necessary for reviewing the Board's agenda items to the Board members, in accordance with the procedure and within the time limits, set out by these Regulations;
 - в) prepares the results of voting on agenda items;
 - г) keeps and prepares the Board minutes, makes and provides copies of the Board minutes and extracts from the Board minutes upon request;
 - д) ensures the storage of the Board minutes, as well as voting ballots, sent by the Board members during absentee voting by the Board, and written opinions of the Board members, who were absent at the meeting;

- facilitates preparation and holding of the General Meetings of Shareholders in accordance with the current laws of the Russian Federation, the Charter and the Company’s internal documents, upon the Board’s decision on convening the General Meeting of Shareholders;
 - ensures effective communication both between the Board and its Committees, and between the key managers and the Non-executive Directors;
 - provides assistance in initiation of new members of the Board, familiarizes them with the state of affairs and the Company’s internal documents; explains the current internal procedures, legislative and corporate requirements;
 - provides recommendations to the Board members and organizes consultations on corporate governance matters;
 - oversees implementation of the Board’s resolutions; informs the Chairman of the Board of all facts preventing from acting in compliance with procedures, which fall within the Corporate Secretary’s duties;
 - ensures registration and storage of incoming documentation and copies of outgoing documentation of the Board,;
 - provides assistance to the Board members in receiving information, required for their work;
 - ensures preparation of requests and replies to letters, enquiries, petitions, etc. on behalf of the Board;
 - performs other functions set out by these Regulations, the Charter and assignments of the Chairman and the Board.
- 6.8. The Company’s management and supervision bodies, as well as the Company Officials shall provide assistance to the Corporate Secretary in performing his/her duties.
- The Company Officials are obliged to provide complete information and materials to the Board members of the Corporate Secretary within the time limits specified in the request, and if it is impossible to provide such information within the specified time limits, they shall request the extension of time limits or justify the impossibility to fully or partly provide the materials.
- 6.9. In order to be able to perform his/her duties, the Corporate Secretary has the following authorities:
- forthwith inform the Board of all revealed violations of the laws and the provisions of the Company’s internal documents, ensuring compliance with which is a function of the Corporate Secretary;
 - control compliance by the Company’s officers and employees with the Company’s Charter and internal documents to the extent it is related to his/her functions;
 - directly address the Company’s registrar and depository to receive explanations concerning the shareholders complaints;
 - participate in the meetings of the Company’s management bodies, within his/her terms of reference, submit items to be reviewed by the Company’s management bodies; ;
 - request and receive from the Company Officials necessary information (materials) and reports on implementation of resolutions of the Board and the General Meeting of Shareholders;
 - with the consent of the CEO or managers of the Company’s relevant subdivisions, involve the Company’s experts in resolving issues that arise in the process of performance of his/her duties by the Corporate Secretary.

7. MEETINGS (ABSENTEE VOTING) OF THE BOARD

- 7.1. Meetings (absentee voting) of the Board shall be held as necessary.
- At least one meeting during the period of a year from the election of the Board and until the next Annual General Meeting of Shareholders shall be held in person (joint presence of the Board members to discuss agenda items and take relevant decisions).
- For the purposes of medium-term and short-term planning of the Company’s activities, the Board may approve the Board schedule.
- 7.2. The rules of procedure of the Board meetings, so far as it is not provided for in these Regulations, shall be determined by the Board.

Convocation of the Board meeting (absentee voting)

- 7.3. Except for cases provided for by clause 7.4 of these Regulations, the Board meeting (absentee voting) is convened by the Chairman of the Board, at his own initiative, upon request by a member of the Board, the Auditing Commission, the Auditor or the CEO.

- 7.4. If the Chairman of the Board has an objective reason, including illness or business trip, and cannot convene a meeting (absentee voting), then such meeting (absentee voting) shall be convened by a member of the Board upon request of persons, specified in clause 7.3 of these Regulations.
- 7.5. Request to convene a meeting of the Board should contain the following information:
- the name of the person requesting a meeting, or the name of the body or legal entity, submitting such request;
 - the meeting (absentee voting) agenda;
 - draft resolutions for said agenda items;
 - the date of the meeting, or, in case of absentee voting, the last day for accepting the completed voting ballots of the Board members for the agenda items;
 - a list of information (materials), provided to the Board members.

Besides, a request to convene a meeting of the Board may contain the following information:

- time and place of holding of a meeting of the Board;
 - form of resolution (in person or absentee voting);
 - other information at the discretion of the person requesting a meeting.
- 7.6. The decision on holding a meeting should contain:
- date, time and place of a meeting, or, in case of absentee voting, the last day of acceptance of completed voting ballots of the Board members for the agenda items;
 - the Board's agenda;
 - a list of information (materials), provided to the Board members.

Reviewing requests to convene a meeting of the Board

- 7.7. The Chairman of the Board cannot reject a Board's meeting, unless:
- a request for convening a meeting does not comply with the Charter or these Regulations;
 - the person requesting a meeting is not entitled to do so;
 - none of the items proposed for inclusion in the agenda of the Board's meeting falls within the Board's competence.
- 7.8. The Chairman of the Board shall review the submitted request and take a decision within 5 (five) business days from the date of request either on including the proposed issues into the agenda of the next meeting of the Board or on convening the Board's meeting within 5 (five) days from the date of such decision. If there are grounds specified in clause 6.7 of these Regulations, the Chairman of the Board has the right to reject reviewing this issue (issues) by the Board.
- 7.9. The Chairman of the Board shall notify the persons requesting a meeting of the decision taken within no more than 3 (three) business days from the date of such decision in writing.
- 7.10. The Board has no right to decide on issues which were not specified in the request for convening a meeting, unless such decisions are taken unanimously by all elected members of the Board, at that, the votes of exiting members of the Board shall not be counted.

Mandatory Convocation of the Board meeting

- 7.11. The Chairman of the Board is obliged to convene the Board meeting for resolving the following issues:
- convening of the Annual General Meeting of Shareholders and taking decisions necessary for it to be convened and held, which are set out in clause 1 of article 54 of the Law;
 - preliminary approval of the annual report of the Company according to clause 4 of article 88 of the Law, and recommendations regarding dividends amount and payment procedure;
 - reviewing of proposals from shareholders on including issues into the agenda of the Annual General Meeting of Shareholders and nomination of candidates into the Company's bodies in accordance with the procedure, set out in clauses 1 and 2 of article 53 of the Law, as well as taking decisions on including issues, proposed by shareholders, into the Annual General Meeting of Shareholders agenda, and including the list of candidates for election into the Company's bodies;
 - convocation of the General Meeting of Shareholders in the instance set out in clause 2 of article 68 of the Law, as well as in other instances, provided for by the laws of the Russian Federation and the Company's internal documents;
 - other cases, provided for by the Charter, these Regulations or the laws of the Russian Federation.

If the Board meeting is not convened by the Chairman of the Board in order to resolve issues specified in this clause within a reasonable time, then such meeting of the Board shall be convened by any member of the Company's Board.

Notifying the Board members of an upcoming Board meeting

- 7.12. The notice of the Board meeting is signed by the Chairman of the Board and is sent to each Board member along with necessary materials no later than 7 (seven) calendar days before the date of the meeting, or, in case of absentee voting, no later than 7 (seven) calendar days before the last day for accepting the completed voting bulleting of the Board members.
- 7.13. In exceptional cases the time provided for in clause 7.12 of these Regulations, may be shortened as decided by the Chairman of the Board.
- 7.14. The first meeting of the newly elected Board, the agenda of which must contain the item on election of the Chairman of the Board, may be convened by any member of the newly elected Board.
- 7.15. Notification of an upcoming Board meeting (absentee voting) shall be sent to the Board members in writing.
- 7.16. Notification of an upcoming Board meeting (absentee voting) shall contain information on date, time and place of the upcoming meeting, and in case of absentee voting – the last day for accepting the completed ballots of the Board members, agenda items and materials on the agenda items, as well as the way the Board members submit their written opinions and completed ballots.

Change of place and time of a meeting of the Board

- 7.17. If circumstances arise that make it impossible or difficult to hold a meeting of the Board at the place or at the time of which the Board members were informed, the meeting with the planned agenda may be held at another place or at another time.
- 7.18. All members of the Board shall be notified in advance of a changed place or time of the Board meeting so that that they have sufficient time to attend the meeting.

Voting at the Board meetings (absentee voting)

- 7.19. When making resolutions of the Board the Board members attending the meeting (completed the ballots) shall express their opinion on the agenda items by voting..
- 7.20. When resolving on the Board agenda each member of the Board shall have one vote.
- 7.21. Transferring the right to vote by a member of the Board to another person, including another member of the Board, is not allowed.
- 7.22. If votes are divided equally the Chairman of the Board shall have a casting vote. If functions of the Chairman of the Board are performed by a member of the Board in accordance with paragraph 5.3 of the Regulations, the latter does not have a casting vote.
- 7.23. The meeting (absentee voting) quorum of the Board shall be determined in accordance with the Charter but shall not be less than half of elected members of the Board.

Holding the Board meetings via telephone conference

- 7.24. The Board meetings in presentia in exceptional cases may be held via telephone conference between members of the Board provided that each of the participants of the conference can communicate with all other participants.
- 7.25. The place of meeting of the Board held via telephone conference is the place in which the majority of members of the Board were present.

By resolution of the Chairman of the Board a meeting held via telephone conference can be held using ballots. Within one day after the end of such meeting, each member of the Board that participated in the telephone conference shall send his or her completed ballot with the voting results to the Corporate Secretary.

Taking into account a written opinion of the Board member that was absent at the meeting

- 7.26. If a member of the Board cannot personally attend the meeting or participate in the telephone conference, this member of the Board has the right to express his or her opinion on the agenda in writing. In case of absentee voting a member of the Board expresses his or her opinion on the agenda items by filling a ballot indicating his or her individual opinion, if necessary.
- 7.27. If the ballot or written opinion of a member of the Board contains information about his or her vote on all or several items on the agenda, it will be counted in terms of the quorum and voting results.
- 7.28. The written opinion of the Board member absent at the meeting shall be submitted before the date of the Board meeting to the Corporate Secretary or the Chairman of the Board.
- 7.29. The person chairing the meeting of the Board shall announce the written opinion of a Board member absent at the Board meeting before summing up voting results on the agenda item for which this opinion was made.

Resolutions of the Board

- 7.30. Resolutions of the Board are made:
- at a Board meeting, including those meetings where written opinions of absent members of the Board are taken into account when determining a quorum and voting results or those that in exceptional cases were held by telephone conference;
 - through absentee voting.
- 7.31. The Chairman of the Board resolves on holding absentee voting.
- 7.32. A resolution of the Board taken at a Board meeting shall enter into force from the date of announcement of voting results on the issue.
- 7.33. A resolution of the Board taken by absentee voting shall enter into force on the date when the minutes are executed.
- 7.34. Resolutions taken by the Board, and voting results are communicated to all members of the Board within seven (7) calendar days after signing the Board minutes by sending scanned copies of the said minutes by e-mail.
- 7.35. In case of absentee voting ballots shall be sent to members of the Board in advance.
Ballots contain the following information:
- wording of the issue (agenda);
 - wording of a draft resolution on each of the issues on the agenda;
 - basic voting options - "for", "against", "abstained";
 - an indication that only one of basic voting options may be duly completed on each item;
 - how to complete the relevant voting option (underline as applicable, cross out as applicable, etc.);
 - an indication that the ballot shall be signed by a member of the Board;
 - an indication of the period during which completed ballots may be submitted;
 - an indication of the ways to submit completed ballots;
 - "Individual Opinion" paragraph (to be completed when selecting "against" or "abstain").
- 7.36. Completed ballots on agenda of absentee voting of the Board shall be submitted to the Corporate Secretary.
Ballots received from members of the Board shall be processed in accordance with the instructions of the Chairman of the Board by the Corporate Secretary.
- 7.37. In addition to the Minutes of the Board meeting the Company may prepare extracts from the Board Minutes containing information on all or some of resolutions taken by the Board and other information about such meetings of the Board. The information included in the relevant extract from the Board Minutes shall be determined based on the purpose of preparing an extract from the Minutes of the Board.
- 7.38. An extract from the Minutes of the Board shall be signed by the Chairman of the Board or the Corporate Secretary. Requirements stipulated by the Law, the Charter and these Regulations applicable to the Minutes of the Board do not apply to extracts from the Board Minutes.
- 7.39. The Board resolutions are communicated to parties concerned in the form of extracts from the Minutes of the Board meeting.

Minutes of the Board

- 7.40. Minutes of the Board meetings shall be maintained by the Corporate Secretary, and in case of its absence - by any other person according to resolution taken by the majority of the Board members participating in the meeting (absentee voting)
- 7.41. Minutes of the Board meeting shall include:
- the place, date and time of the meeting or, in case of absentee voting, the place where the Minutes were executed and the last date of receipt of completed ballots of members of the Board;
 - the agenda of the meeting;
 - information on the persons who were present at the meeting (in case of holding a meeting) / information on the persons who sent ballots(if it was an absentee voting);
 - issues put to vote and voting results on them;
 - resolutions;
 - information on the persons who submitted a written opinion on agenda items;
 - information on the persons who voted against the resolution of the meeting and required to record it in the Minutes;

- information on the persons who signed the Minutes.
- 7.42. The Board Minutes shall be drawn up in two (2) copies within three (3) days after the meeting. In case of absentee voting, the Corporate Secretary shall execute the Board Minutes in two (2) copies within three (3) days following the last day of receipt of ballots from the Board members based on the content of ballots received from the Board members.
- 7.43. The Board Minutes shall be signed by the Chairman of the Board or other person performing functions of the Chairman of the Board, and the Corporate Secretary or other person performing functions of the Corporate Secretary in accordance with these Regulations.
- 7.44. If written opinions received from the Board members are counted for the purpose of quorum and voting results on the agenda items such written opinions shall be attached to the Minutes as annexes.
- 7.45. The Company shall keep the Minutes of the Board, notices, ballots, written opinions received from the members of the Board, at the location of its executive body.
- 7.46. The Company shall provide access to the Minutes of the Board, notices, ballots, written opinions received from the members of the Board to the Board members, the Auditing Commission, the Auditor, and to shareholders in the manner prescribed by applicable law.

8. CONFLICT OF INTERESTS OF A BOARD MEMBER WITH THE COMPANY'S INTERESTS

- 8.1. If a member of the Board intends to become or is a member / shareholder of legal entities competing with the Company, he shall promptly notify the Board thereof in writing.
- 8.2. The Board member may not participate or have an interest in the authorized (share) capital of legal entities competing with the Company, and to hold positions in legal entities competing with the Company, unless otherwise provided for by the Charter or an appropriate consent of the thereto is received.

9. REMUNERATION OF THE BOARD MEMBERS

- 9.1. The amount and procedure of remuneration payment to the Board members, as well as procedure for reimbursement of expenses incurred by members of the Board in connection with performance of their functions shall be determined by the Regulations on remuneration of the Board members, approved by the General Meeting of Shareholders.
- 9.2. The Nomination and Compensation Committee of SUEK Board (hereinafter, the “Nomination and Compensation Committee”) provides recommendations to the Board on remuneration of the Board members and reviews its recommendations when preparing to the Annual General Meeting of Shareholders. When performing this obligation the Nomination and Compensation Committee is guided by the following principles:
 - the remuneration shall be a fair compensation to the Board members for the work required by the Company;
 - when determining the remuneration interests of the Board members shall be coordinated with long-term interests of shareholders of the Company;
 - remuneration structure shall be simple, transparent and easy to understand for the Company's shareholders.
- 9.3. The Board has the right to give the General Meeting of Shareholders recommendations regarding the remuneration of the members of the Board. These recommendations are not binding for the General Meeting of Shareholders.
- 9.4. The Company represented by the Chief Executive Officer and the Management Board provides necessary funding, organizational and technical support to the Board.

10. COMMITTEES OF THE BOARD

- 10.1. To improve efficiency of its activities and preliminary consideration of certain issues that require further study, the Board establishes committees. The Committees are not bodies of the Company and cannot exercise functions of Board, the Company does not assume any civil rights and obligations through the Committees.
- 10.2. The number of permanent committees and their functions are determined by the Board. The Company shall have the following permanent committees:

- Audit Committee;
 - Nomination and Compensation Committee;
 - Strategy Committee.
- 10.3. Each Committee shall have its own Regulations stating the key objective and competences of the Committee, as well as procedure for appointing members of the Committee and termination of their powers, structure and functions of the Committee, and procedure for providing reports on activities of the Committee to the Board.
- 10.4. Members of the Audit Committee and the Nomination and Compensation Committee may include only Independent Directors, and if this is not possible for objective reasons, only Independent Directors and / or Non-Executive Directors.
- 10.5. Members of the Committees and chairman of the Committees shall be appointed by the Board by the majority of votes of all elected members of the Board (without taking into account votes of exiting members of the Board) based on recommendations of the Nomination and Compensation Committee, after consultation with candidates.
- 10.6. Rotation of chairmen and members of the Committees is made by the Board on the basis of recommendations of the Nomination and Compensation Committee.
- 10.7. The Chairman of each Committee as agreed with the members of the Committee shall determine the frequency and duration of meetings of the Committee.
- 10.8. The Chairman of each Committee as agreed with the members of the relevant Committees determines the agenda of the Committee meeting. The agenda for each meeting of the Committee is sent to all members of the Board in advance. Each member of the Board, including the Chairman of the Board shall be entitled to attend any meeting of any Committee, whether he or she is a member of the Committee, or not except when a meeting of the Nomination and Compensation Committee considers remuneration, compensation and evaluation of activities of this Board member.
- 10.9. A member of a Board Committee may be elected as a member of another Committee with the following restrictions:
- A Board member may be a member of 2 (two) Committees or less at the same time;
 - A Board member may not be a chairman of 2 (two) Committees at the same time.
- 10.10. Each Committee shall notify the Board of its activities on an annual basis through submission to the Board of a report on activities of the Committee in the form approved by the Board.
- 10.11. Each Committee shall submit an annual report to the Board on implementation of the relevant tasks assigned to the Committee. Annual Reports of the Committee, except for confidential information, shall be included in the materials to be provided to the persons entitled to participate in the Annual General Meeting of Shareholders, when preparing to the General Meeting of Shareholders.
- 10.12. If necessary, the Committees may engage experts and consultants with necessary expertise to provide services within the competence of a specific Committee at the expense of the Company.
- 10.13. To ensure activities of the Committees the budget of the Company may provide for financing of each of existing or newly established Committees.

11. FINAL PROVISIONS

- 11.1. Any communication, request, suggestion or other document (hereinafter, the "Document") under these Regulations shall be made in writing and delivered by any of the following methods:
- a) personally against a signature (a Document sent personally against a signature, shall be deemed received at the time of delivery to the addressee, and putting the appropriate signature of the recipient);
 - b) by a courier (a Document sent by a courier shall be deemed received at the time of delivery to the addressee);
 - B) by fax (a Document sent by fax shall be deemed received at the time of printing of an automatic answer of the sender's fax machine. In accordance with these Provisions the original Document sent by fax shall be sent to the recipient by mail, by a courier or delivered personally against signature. If the original Documents sent by fax is not received by the addressee by mail, by a courier or delivered personally against signature within 5 (five) calendar days after the date of sending by fax, this Document will not be deemed properly received by the addressee);
 - r) by e-mail (a Document sent by e-mail shall be deemed received at the time of receiving an automatic notification of the e-mail receipt by software). In accordance with these Provisions the original Document sent by e-mail shall be sent to the recipient by mail, by a courier or delivered personally against signature. If the original Documents sent by e-mail is not received by the

addressee by mail, by a courier or delivered personally against signature within 5 (five) calendar days after the date of sending e-mail, this Document will not be deemed properly received by the addressee);

д) by postal service.

- 11.2. These Regulations shall be approved by the General Meeting of Shareholders by a majority of votes of the shareholders holding voting shares of the Company and participating in the General Meeting of Shareholders, as proposed of the Board.
- 11.3. These Regulations may be supplemented and amended by the General Meeting of Shareholders by a majority of votes of the shareholders holding voting shares of the Company and participating in the General Meeting of Shareholders, as proposed of the Board.
- 11.4. If provisions of these Regulations are in conflict with provisions of the Charter, provisions of the Charter shall prevail, and these Regulations shall be brought into conformity with the Charter.
- 11.5. If as a result of changes in the laws of the Russian Federation or the Charter individual provisions of these Regulations come into conflict with these changes, these provisions become void, and the Board members shall be guided by the current laws of the Russian Federation or the Charter until these Regulations are amended.
- 11.6. Recognizing certain clauses (in full or in part) of these Regulations as void does not cause invalidity of other provisions and clauses of these Regulations and of the Regulations as a whole.