

Approved
on April 22, 2016
by the resolution
of Annual General meeting of shareholders
of Public Joint-Stock Company "Cherkizovo Group"
(Minutes No.22/046a dd. April 27, 2016)

**REGULATIONS
ON THE REVIEW COMMISSION**

**Public Joint-Stock Company
"Cherkizovo Group"
(version No.2)**

**Moscow,
2016**

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ARTICLE 1. GENERAL PROVISIONS

1.1. These Regulations on the Review Commission of Public Joint-Stock Company "Cherkizovo Group" (hereinafter referred to as the "Regulations"), developed in accordance with the current legislation of the Russian Federation: Civil Code of the Russian Federation, Federal law dd. 26.12.1995 No.208-FZ «Joint-stock companies», other laws and regulations of the Russian Federation, Corporate Code of Governance, the Articles of Association and other bylaws of Company, define the purposes and rules of procedure for the Company's Review Commission (hereinafter referred to as "Review Commission") and governs liaison with the Company's management bodies and subdivisions of the Company.

1.2. The Review Commission is the Company's permanent internal control body, providing regular monitoring of the Company's operations and finances, separate business units, management bodies and units of the Company for compliance with the legislation of the Russian Federation, the Articles of Association (hereinafter referred to as "the Articles") and Company's bylaws.

1.3. The Review Commission acts in the best interests of the Company's shareholders and reports to the Company's General meeting of shareholders (hereinafter referred to as "General meeting of shareholders").

1.4. In its activities, the Review Commission is independent of the Company's management bodies and the heads of units of the Company.

ARTICLE 2. TERMS AND DEFINITIONS

2.1. The terms and definitions used herein shall have the meaning ascribed to them in the laws and regulations of the Russian Federation governing joint-stock companies and the securities market, unless otherwise provided for herein.

2.2. For the purposes hereof, the following terms shall be used as defined below:

«**Meeting of the Review Commission**» — the meeting of the members of the Review Commission for discussion of issues, relation to its operation.

«**Agenda of the meeting of the Review Commission**» — a list of issues to be discussed at the meeting of the Review Commission.

«**Employee**» — a person employed by Company;

ARTICLE 3. PROCEDURE FOR NOMINATION TO THE REVIEW COMMISSION

3.1. The shareholders (shareholder), holding jointly at least 2 (Two) per cent of voting shares of the Company, are entitled to propose a nominee to the Review Commission at Annual General meeting of shareholders, the number of nominees shall not exceed the prescribed number of members in the Review Commission. Such proposals shall be received by the Company within 60 (Sixty) days from the end of a financial year.

A nominee proposal to the Review Commission can be included into the demand for convocation of Extraordinary General meeting of shareholders.

3.2. The Review Commission, consisting of 3 (three) members, shall be elected annually at Annual General meeting of shareholders for a term ending on the day of the next annual General Meeting.

3.3. Voting in the elections of the Review Commission members shall be held separately for each nominee. If there are more than 3 (three) nominees, the nominees who earn the most number of votes shall be deemed elected.

3.4. A nomination (self-nomination) proposal to the Review Commission shall contain the following details of the nominee:

- 1) last name, first name and patronymic;
- 2) date of birth;
- 3) educational background (educational institution, graduation year, major);
- 4) position at the primary place of employment as of the date of nomination;
- 5) information on membership in management and supervisory bodies of other companies;

- 6) the nominee's employers for the last 5 (Five) years, positions held;
- 7) information on the nominee's nominations to management and supervisory bodies and appointments to other positions with other companies;
- 8) the nominee's affiliates (including the last name, first name and patronymic, corporate name and the ground of affiliation to the nominee);
- 9) information on the nominee's relationships with the Company's major contractors;
- 10) information on restrictions (bans), if any, imposed by regulations and/or court orders, against positions in management and supervisory bodies of other commercial companies and (or) engagement in certain activities;
- 11) information on the nominee's holdings (if any), separately or jointly with his affiliate(s), of 20 (twenty) or more per cent of voting rights (shares, units) in business companies;
- 12) the nominee's postal address and contact telephone number

Written consent of the nominee for nomination as well as confirmation of authenticity and completeness of the information provided shall be attached to the nominee proposal.

3.5. General meeting of shareholders is entitled to invite nominees to the Review Commission to attend General meeting of shareholders to enable the Company's shareholders to ask them questions and evaluate the nominees

3.6. If no Review Commission is elected by Annual nominees for any reasons, its term of office shall be deemed to be expired and the Company shall convene an extraordinary General meeting of shareholders to elect a new Review Commission.

3.7. The shares held by members of the Company's Board of Directors ("the Board of Directors") or by persons holding positions on the Company's management bodies may not vote in the election of members of the Company's Review Commission.

3.8. A shareholder and any person nominated by a shareholder or the Board of Directors can become a member of the Review Commission.

3.9. Members of the Review Commission may be re-elected any number of times.

3.10. Some or all members of the Review Commission can be dismissed by the resolution of General meeting of shareholders.

3.11. In case of early dismissal or retirement of a member of the Review Commission, the other members of the Review Commission shall remain in office.

3.12. A member shall be considered retired from the Review Commission when he resigns from office, dies or is unable to perform his duties for other reasons.

3.13. A member of the Review Commission shall be deemed retired therefrom from the day following receipt of his letter of resignation by the Review Commission or from the date of his death or receipt by Company of documentary evidence of inability of the member of the Review Commission to perform his duties.

3.14. Should the number of members of the Review Commission become less than prescribed by the Articles of Association, the Board of Directors shall convene an extraordinary General meeting of shareholders to elect the Review Commission. The remaining members of the Review Commission shall remain in office until the new Review Commission is elected.

3.15. In case of early removal of the Review Commission, the new Review Commission shall remain in office until the election (re-election) of the Review Commission by the next Annual General meeting of shareholders.

ARTICLE 4. PURPOSES OF THE REVIEW COMMISSION

4.1. Major purposes of the Review Commission of the Company are as follows:

- 1) monitoring of the Company's operations and finances;
- 2) monitoring of compliance of the Company's financial and business transactions with the legislation of the Russian Federation and the Articles of Association;
- 3) independent assessment of information on the financial status of Company.

ARTICLE 5. POWERS OF THE REVIEW COMMISSION

5.1. When exercising its powers, the Review Commission shall comply with the requirements of the legislation of the Russian Federation, the Articles of Association, the resolutions of General meeting of shareholders as well as with these Regulations and other bylaws of the Company.

5.2. The scope of the Review Commission's monitoring authority covers the Company's operations, including the disclosure and assessment of the risks inherent in its financial and business transactions.

5.3. Powers of the Review Commission. The Review Commission shall:

- 1) conduct the inspection (review) of the Company's operations and finances and make a report, which shall contain:
 - confirmation of the authenticity of data, contained in the reports and other financial documents of the Company;
 - information on breaches of the Russian Federation statutory procedures for bookkeeping and accounting, as well as of legislative or regulatory acts of the Russian Federation in the course of financial and business transactions.
- 2) confirm the authenticity of the annual report and annual accounts (financial statements) of the Company;
- 3) check the financial statements of Company, take the asset inventory, check the report of the asset inventory committee, and compare the above documents with the figures in the primary accounting records;
- 4) check up the fulfillment of directives to remedy the prior breaches and faults, identified by the Review Commission;
- 5) check the cash and property of the Company, the efficiency of the Company's assets and other resources, identify the causes of non-production losses and expenses;
- 6) review business, tax and management and statistical accounts for compliance with the applicable regulations;
- 7) check financial transactions and business operations for compliance with the applicable rules and regulations;
- 8) review and analyze the financial situation of Company, its solvency, liquidity and debt ratio, the performance of internal control system and financial and operational risk management system, identify the reserves for improvement in the Company's economic status and develop recommendations for the Company's management bodies;
- 9) verify the Company's accounts and financial statements and the timeliness of their submission to the competent authorities;
- 10) prepare proposals/ recommendations for improvement of asset management and risk management and internal control system;
- 11) supervise the remedial actions and discharge of recommendations made in the reports on previous inspections (reviews).

5.4. In furtherance of its mission, the Review Commission shall be entitled to

- 1) in the course of inspection (review) request from the Company's management bodies and officials to provide the information (documents and materials), necessary for the inspection, as well as oral and written statements on issues arising during the inspection;
- 2) notify the Board of Directors and executive bodies on any non-compliance with the Review Commission's requirements to provision of necessary documents and on refusals to respond to the Review Commission's questions, on the part of the Company staff, including officials;
- 3) raise an issue to the Company's management bodies on financial liability and disciplinarily action against the Company's employees in case of violation of the Articles of Association, the Company's bylaws, duty regulations, as well as abuse of office/fraud;
- 4) as prescribed by the applicable legislation of the Russian Federation legislation, the Articles of Association and bylaws of the Company request the convocation of the Board

of Directors meetings and the convocation of an extraordinary General meeting of shareholders;

- 5) raise an issue to the Board of Directors and executive bodies on measures and terms for rectification of irregularities, identified by the Review Commission;
- 6) engage professionals in the appropriate fields (law, economics, finance, accounting, management, economic security, etc.), including specialist contractors.

ARTICLE 6. THE CHAIRMAN AND SECRETARY OF THE REVIEW COMMISSION

6.1. The Chairman of the Review Commission shall be elected by the members of the Review Commission with his consent from their number by a show of hands by a majority vote of the total number of elected members of the Review Commission. The members of the Review Commission shall be entitled at any time to re-elect the Chairman of the Review Commission by a majority vote of the total number of elected members of the Review Commission.

6.2. The Chairman of the Review Commission can resign from office, while remaining a member of the Review Commission, as of the receipt of his letter of resignation by the Review Commission.

6.3. For the duration of absence of the Chairman of the Review Commission, his duties will be temporarily performed by an interim Chairman of Review Commission, to be elected by the resolution of the Review Commission.

6.4. The Chairman of the Review Commission shall:

- 1) convene and preside at the meetings of the Review Commission;
- 2) approve the agenda for a meeting of the Review Commission and settle any issues of preparation for and holding of the Review Commission meeting;
- 3) manage the day-to-day activities of the Review Commission;
- 4) represent the Review Commission at General meeting of shareholders and the meetings of the Board of Directors;
- 5) sign the minutes of the Review Commission meeting and other outgoing documents of the Review Commission;
- 6) perform such other functions as provided for herein.

6.5. The Secretary of the Review Commission shall be elected by the members of the Review Commission from among them by a majority vote of the total number of elected members of the Review Commission. The members of the Review Commission shall be entitled at any time to re-elect the Review Commission Secretary by a majority vote of the total number of elected members of the Review Commission.

6.6. Secretary of the Review Commission shall

- 1) arrange for the minutes to be taken at the Review Commission meetings;
- 2) arrange timely notification of the Company's management bodies on the review findings and furnish copies of opinions (reports) of the Review Commission;
- 3) issue the minutes of the Review Commission meetings;
- 4) organize paperwork management, document flow and storage for the Review Commission (review reports, opinions, minutes of the Review Commission meetings and other documents of the Review Commission);
- 5) arrange notification of the Review Commission members on the Review Commission meetings and scheduled and unscheduled reviews of the Company's operations;
- 6) perform other functions as provided for herein.

6.7. The Chairman and Secretary of the newly elected Review Commission shall be elected at the first Review Commission meeting.

ARTICLE 7. RIGHTS AND OBLIGATIONS OF THE REVIEW COMMISSION MEMBERS

7.1. The members of the Company's Review Commission are entitled to:

- 1) as prescribed present for consideration of the Review Commission a proposal of conduct unscheduled inspection (review) of the Company's operations and finances, actions and decisions of the Company and its management bodies or officials;
- 2) express an individual opinion on the agenda items for the Review Commission meeting, demand that his individual opinion be recorded in the minutes of the Review Commission meeting and brought to the attention of the Company's management bodies;
- 3) in case of disagreement with the opinion/report of the Review Commission, prepare an individual opinion and demand its inclusion into the opinion/report of the Review Commission;
- 4) exercise other rights as provided for by the legislation of the Russian Federation, the Articles of Association and bylaws of the Company.

7.2. The Review Commission members shall:

- 1) provide regular monitoring of the Company's operations and finances;
- 2) act in good faith in exercising their rights and performing their duties for the benefit of Company;
- 3) be involved in compliance inspections (reviews) in furtherance of the resolutions of the Review Commission on the procedure of inspection (review);
- 4) record and fairly reflect in the Review Commission documents such non-compliances with regulatory legal acts, the Articles of Association and the Company's bylaws on the part of the Company staff as may be identified in the course of inspection (review);
- 5) timely bring to the attention of the Board of Directors, the Management Board and the Chairman of the Management Board of Company the findings of completed inspections and reviews of the Company's operations, the opinions of the Review Commission, recommendations for elimination of causes and conditions, leading to financial and operational irregularities, as well as suggestions for improvement of the internal control system and enhancement of efficiency of the Company;
- 6) not disclose the commercial and other confidential information of the Company;
- 7) perform such other duties as provided for by the legislation of the Russian Federation, the Articles of Association and hereby.

7.3. The members of the Review Commission may not simultaneously hold positions in the Company's Board of Directors or management bodies.

ARTICLE 8. PROCEEDINGS OF THE REVIEW COMMISSION

8.1. The Review Commission is required to conduct the review of the Company's annual reports and financial statements prior to the approval thereof by Annual General meeting of shareholders.

8.2. Review Commission meetings and reviews of the Company's operations shall be conducted as per the approved quarterly Work Schedule of the Review Commission, unless otherwise provided for herein. Drafting of the Work Schedule of the Review Commission and presentation thereof for approval to the Review Commission shall be the responsibility of its Chairman.

ARTICLE 9. REVIEW COMMISSION MEETINGS

9.1. Meetings of the Review Commission shall be conducted before the start of inspection (review) the Company's operations and finances and upon its completion, or at any other time, if necessary.

9.2. The meeting of the Review Commission shall be convened by the Chairman of the Review Commission of his own motion, on motion of members of the Review Commission or other parties, entitled to demand inspection of the Company's operations and finances.

9.3. The Chairman informs the members of the Review Commission on the date and place of the meeting. The resolution on convocation of the meeting of the Review Commission, signed by its

Chairman, the meeting agenda and the necessary documents shall be sent to each member of the Review Commission by mail, e-mail or by other communication means, guaranteeing authenticity of the message and documentary evidence of its receipt or served personally (at the discretion of the Chairman) at least 7 (Seven) business days before the meeting. Upon approval of all members of the Review Commission that term can be reduced.

9.4. At least 2 (Two) members of the Review Commission shall be present for a quorum at the meeting of the Review Commission.

The member of the Review Commission shall attend the meetings personally. They cannot assign their powers to the other parties, even by proxy.

The member of the Review Commission is deemed to be present at the meeting, if he expressed his decision on the agenda issues in writing (and the proper documents have been received by the Company before the meeting), provided that he read the draft resolution in advance.

9.5. Each member of the Review Commission has one vote for making resolution at the meeting of the Review Commission. Upon equality of votes the Chairman of the Review Commission has a casting vote. Vote transfer by a member of the Review Commission to another party, including another member of the Review Commission, is prohibited.

9.6. The resolution on agenda issues at the meeting of the Review Commission are made by show of hands by a majority vote of the total number of elected members of the Review Commission.

9.7. The resolution of the Review Commission shall be recorded in the minutes. The minutes contain:

- 1) time and place of the meeting;
- 2) participants of the meeting;
- 3) opinion of the members of the Review Commission, absent at the meeting, but providing their opinion on the agenda issue, provided that the member read the draft resolution in advance;
- 4) meeting agenda;
- 5) summary of discussion on each agenda issue;
- 6) the issue, put to vote, and voting results.

Materials, prepared (approved) by the Review Commission: conclusions, interim review reports and other documents, shall be attached to the meeting minutes.

9.8. In case of disagreement with the resolution of the Review Commission, the member of the Review Commission record in the minutes his individual opinion and bring it to the attention of General meeting of shareholders, the Board of Directors, Chief Executive Office and initiators of the meeting.

9.9. The minutes of the Review Commission meeting shall be made in a single copy within 5 (Five) business days from the meeting (vote counting of the absent voting) and signed by the Chairman of the Review Commission.

ARTICLE 10. REPORT OF THE REVIEW COMMISSION

10.1. Based on the findings of the review of the Company's operations and finances, the Review Commission shall issue the review report of the Review Commission, which shall be signed by the Chairman of the Review Commission.

10.2. The review report of the Review Commission shall contain:

- 1) the list of members and the date of election of the Review Commission, and the regulatory framework for its activities;
- 2) the period under review;
- 3) the date of the report of the Review Commission;
- 4) confirmation of the authenticity of the contents of the report and accounts (financial statements) of Company and other financial documents of the Company;
- 5) conclusions based on the findings of the review conducted;

10.3. The report of the Review Commission shall be issued in a single copy within 5 (Five) business days from the review completion and shall be signed at the post-review meeting of the Review Commission by the Chairman of the Review Commission.

10.4. Should there be any disagreements between the Review Commission members on any issue, the report of the Review Commission shall be signed with disagreements (comments), which can be set forth in the individual opinion of a Review Commission member.

The individual opinion, signed by a member of the Review Commission or an expert, shall be attached to the report of the Review Commission.

10.5. Company shall keep inspection acts and reports of the Review Commission and provide access to them upon request of shareholders of the Company.

ARTICLE 11. FINAL PROVISIONS

11.1. These Regulations and all amendments and additions hereto are subject to approval by General meeting of shareholders by a majority vote. These Regulations shall come into effect upon approval by General meeting of shareholders.

11.2. Should any provision hereof come into conflict with the laws of the Russian Federation and/or the Articles of Association, it shall become invalid and the relevant provisions of the laws of the Russian Federation and/or of the Articles of Association shall apply. The invalidity of any provision hereof shall not invalidate the other provisions or the Regulations as a whole.