

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 GENERAL DIRECTOR**

**of Public Joint-Stock Company
"Cherkizovo Group"
(version No.3)**

**Moscow,
2016**

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ARTICLE 1. GENERAL PROVISIONS

1.1. These Regulations on General Director (hereinafter referred to as the "Regulations") of Public Joint-Stock Company "Cherkizovo Group" (hereinafter referred to as "Company") have been developed according to the applicable legislation of the Russian Federation: Civil Code and Labour Code of the Russian Federation, Federal Law dd. 26.12.1995, No.208-FZ, "Joint-stock companies" (hereinafter referred to as Federal Law "Joint-stock companies"), Corporate Code of Governance, other regulatory legal acts of the Russian Federation and corporate regulations and bylaws of Company, to govern the activities of the Company's chief executive officer – General Director (hereinafter referred to as "General Director").

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:

"Official" — a person duly authorized to manage the affairs and business of the Company;

"Key officials" — the Company's General Director, members of the Company's Management Board, as well as the Company's employees who hold top positions in the Company's management and have a direct impact on financial and economic performance of Company. The list of persons (positions) falling into the category of the Company's top management executives shall be established by the Company's Board of Directors (hereinafter "the Board of Directors");

"Assignment" — a document that assigns a task on various issues of the Company's operations to officials (including top executives) and other employees of the Company;

"Order" — a legal instrument issued by General Director within his authorities pursuant to and in furtherance of laws and regulations of the Russian Federation on various issues of the Company's operations;

"Employee" — a person employed by Company;

"Directive" — a legal instrument issued by General Director within his authorities on issues of operation of Company, allocation of duties to the Company staff, etc.;

"Instruction" — a legal instrument issued by General Director for fulfilment of the orders, directives and other documents of General Director.

ARTICLE 3. PRINCIPAL PROVISIONS ON GENERAL DIRECTOR

3.1. Management of the Company's day-to-day operations is the responsibility of the Company's chief executive officer (General Director) and the Company's executive board (Management Board). General Director shall be the Chairman of Management Board.

3.2. The Company's executive bodies shall report to the Board of Directors and General Meeting of Company (hereinafter "General meeting of shareholders").

3.3. The mission of General Director is to ensure the profitability and competitive performance of the Company, its financial and economic sustainability, shareholder rights and benefits for the Company's staff.

ARTICLE 4. REQUIREMENTS TO GENERAL DIRECTOR

4.1. To perform his duties, General Director shall have professional skills required for managing the Company's day-to-day operations.

Nominations to General Director must meet the following criteria:

1) a nominee shall have a university degree in economics, awarded in the Russian Federation or abroad;

2) a nominee shall have at least five years' work experience at top management positions.

4.2. General Director shall have an impeccable unchallenged reputation, including within the investor community.

A person subject to disqualification by administrative sentence cannot hold the position of General Director.

ARTICLE 5. ELECTION AND REMOVAL OF GENERAL DIRECTOR

5.1. General Director shall be elected by the Board of Directors by a majority vote of the members of the Board of Directors who are present at the meeting and/or have sent in their voting forms, for a period up to 5 (Five) years. The election resolution must specify the term of office of the elected General Director.

The contract with General Director shall be signed on behalf of Company by the Chairman of the Board of Directors or a person authorized by the Board of Directors. The terms and conditions of the contract with General Director, including the provisions on remuneration and other payments and reimbursements, shall be subject to approval of the Board of Directors.

5.2. Nominees to the position of General Director shall be presented to the Board of Directors by members of the Board of Directors. A nominating member of the Board of Directors shall submit to other members of the Board of Directors the following details of a nominee:

- last name, first name and patronymic;
- date of birth;
- educational background (educational institution, graduation year, major);
- position at the primary place of employment as of the date of nomination;
- information on membership in management and supervisory bodies of other companies;
- the nominee's employers for the last 5 (Five) years, positions held;
- information on the nominee's nominations to management and supervisory bodies and appointments to other positions with other companies;
- the nominee's affiliates (including the last name, first name and patronymic, corporate name and the ground of affiliation to the nominee);
- 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;
- 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;
- the nominee's postal address and contact telephone number.

Written consent of the nominee for nomination and election to the position of General Director as well as confirmation of authenticity and completeness of the information provided shall be attached to the above documents.

5.3. At any moment the Board of Directors shall be entitled to make a resolution of early dismissal of General Director, including without limitation when General Director of Company cannot perform his duties on the grounds, prescribed by the legislation of the Russian Federation and the Articles of Association of the Company.

The Board of Directors is entitled to resolve to dismiss the Company's chief executive officer, i.e. General Director.

Concurrently with the above resolutions, the Board of Directors may make a resolution to set up a temporary executive body of Company

5.4. The Board of Directors shall be entitled to resolve to delegate the powers of the Company's chief executive officer to a business company (management company) or an individual businessman (manager), as well as to approve a management company or a manager and the terms and conditions of the contract with the management company or the manager.

5.5. In the event of delegation of powers of the Company's General Director to a management company or a manager, the provisions hereof shall apply to the management entity or the manager unless contradictory to the nature of current relations.

ARTICLE 6. COMPETENCE OF GENERAL DIRECTOR

6.1. The competence of General Director covers all issues of management of the Company's day-to-day operations, excluding issues within the competence of General Meeting, the Board of Directors and the Management Board of Company.

6.2. Chief executive officer shall ensure the implementation of resolutions of General Meeting, the Board of Directors and the Management Board of the Company.

6.3. General Director shall act on behalf of Company without a power of attorney, including:

- 1) perform day-to-day management of the Company's operations;
- 2) represent the Company's interests in the Russian Federation and abroad;
- 3) manage the Company's assets to enable its day-to-day operations within the limits set by the current legislation of the Russian Federation and the Articles of Association of the Company;
- 4) make transactions and other legally binding arrangements on behalf of the Company, as he thinks fit, or pursuant to a resolution of General Meeting, the Board of Directors or the Management Board of the Company, if prescribed by Federal Law "Joint-stock companies" and the Articles of Association of the Company;
- 5) ensure fulfilment of the Company's obligations to the third parties;
- 6) supervise the efficient and economical use of physical, human and financial resources of the Company;
- 7) sign all the documents on behalf of Company and specifically have the primary authority to sign the Company's financial documents;
- 8) open settlement, currency and other accounts of the Company with banks;
- 9) issue powers of attorney on behalf of Company, including assignable powers of attorney;
- 10) approve staff appointments, enter into employment contracts with the Company's employees, use incentives and impose penalties;
- 11) by resolution of the Board of Directors, appoint and dismiss Corporate Secretary and Head of Internal Audit Department;
- 12) issue orders, directives and instructions binding upon all employees of the Company;
- 13) ensure suitable and safe working environment for the Company's staff and enforce compliance with the applicable statutory labour regulations of the Russian Federation;
- 14) arrange meetings of the Company's executive board (Management Board) and sign the minutes of Management Board meetings;
- 15) arrange storage of the Company's records;
- 16) ensures keeping of accounting statements and reports of the Company;
- 17) ensures the implementation of the Company's information policy;
- 18) approve the list of the Company's insider information;
- 19) ensure the development and maintenance of the effective risk management and internal control system of the Company, be in charge for implementation of resolutions of the Board of Directors on risk management and internal control system and its effective operation;
- 20) perform any other functions, necessary for the purposes and regular operation of the Company in accordance with the employment contract, concluded between General Director and the Company, as well as with the applicable legislation of the Russian Federation and the Articles of Association and bylaws of the Company, excluding functions assigned by Federal Law "Joint-stock companies", the Articles of Association and bylaws of the Company to other management bodies of Company.

ARTICLE 7. RIGHTS AND DUTIES OF GENERAL DIRECTOR

7.1. The rights and duties of General Director in management of the Company's day-to-day operations are prescribed by Federal Law "Joint-stock companies", other regulatory acts of the Russian Federation and the contract, concluded between General Director and the Company.

7.2. General Director shall be entitled to:

- 1) access any and all of the Company's insider information;
- 2) request and receive quarterly and annual reports from the Company's Internal Audit Department;
- 3) receive remuneration for performance of his job duties in the amount, as and when, determined by the employment contract and resolutions of the Board of Directors;
- 4) convenient and safe working environment, meeting the requirements of the labour laws of the Russian Federation;
- 5) to all guarantees, reimbursements, benefits and personal allowances, prescribed by the applicable legislation of the Russian Federation legislation, the Articles of Association and bylaws of Company, as well as the employment contract, concluded between General Director and the Company;
- 6) receive from the Company's employees any information pertaining to the employee's job;
- 7) use incentives and impose penalties on the Company's employees on behalf of Company and bring them to other kinds of disciplinary liability;
- 8) exercise such other rights, prescribed by the applicable legislation of the Russian Federation, the Articles of Association and bylaws of the Company, as well as the employment contract, concluded between General Director and the Company.

7.3. General Director shall:

- 1) act in the best interests of the Company in good faith (i.e. in exercising his rights and performing his duties take due care and diligence as should be expected in common practice or exposure to standard business risks), in strict adherence to the applicable legislation of the Russian Federation, the Articles of Association and bylaws of the Company, as well as the employment contract, concluded between General Director and the Company;
- 2) take any necessary measures and use all available resources to boost the Company's development, improve its performance, profits, capitalization and investment appeal;
- 3) demonstrate unyielding loyalty to the Company's shareholders;
- 4) refrain from any actions that might lead to a conflict of interest between him and the Company, and specifically not to take part in approval and/or making transactions with the Company, which is an interested party transaction for General Director. In case of such conflict of interest, immediately disclose it to the Board of Directors;
- 5) not disclose and not use for personal private advantage and/or the third-party benefit confidential and insider information of the Company, the Company's securities and operations of its affiliates;
- 6) arrange the provision of information, documents and clarifications upon request of the Company's shareholders, members of the Board of Directors, Review commission, the auditor of the Company and competent regulatory and government authorities pursuant to the applicable legislation of the Russian Federation, the Articles of Association and bylaws of the Company;
- 7) perform any other duties, prescribed by the applicable legislation of the Russian Federation, the Articles of Association and bylaws of the Company, as well as the employment contract, concluded between General Director and the Company.

ARTICLE 8. DOCUMENTS OF GENERAL DIRECTOR

8.1. The decisions of General Director shall be documented in orders, directives, assignments, instructions, etc.

8.2. The orders and directives of General Director shall be issued in writing only.

The instructions and assignments of General Director to the Company's staff can be issued orally, except for instructions and assignments regarding the Company's property.

Otherwise, the decisions of General Director can be issued orally.

8.3. Access of the Company's shareholders, members of the Board of Directors, members of the Review Commission, the auditor of the Company and competent regulatory and government

authorities to the documents of General Director shall be subject to the current legislation of the Russian Federation, the Articles of Association and bylaws of the Company.

ARTICLE 9. LIABILITY OF GENERAL DIRECTOR

9.1. When exercising his rights and performing his duties, General Director shall act in the best interests of the Company, exercise his rights and perform his obligations to the Company in good faith.

An agreement of elimination or limitation of liability of General Director for bad faith and unreasonable behaviour shall be null and void.

9.2. General Director shall be liable to the Company for losses inflicted on Company by his wrongful acts (omissions) unless other grounds for liability are prescribed by the applicable legislation of the Russian Federation.

The Company or shareholder(s) jointly holding at least 1 (one) per cent of the outstanding ordinary shares of the Company are entitled to sue General Director for damages caused by wrongful acts (omissions) of General Director.

9.3. General Director is liable to the Company or shareholders for damages, caused by his wrongful acts (omissions) in violation of the procedure of acquisition of the Company's shares, prescribed by chapter XI.1 of Federal Law "Joint-stock Companies" (acquisition of more than 30 (Thirty) per cent of the shares in a public company).

Company or a shareholder are entitled to sue General Director for damages, caused by wrongful acts (omissions) of General Director in violation of the procedure of acquisition of the Company's shares, prescribed by chapter XI.1 of Federal Law "Joint-stock Companies" (acquisition of more than 30 (Thirty) per cent of the shares in a public company).

9.4. Ordinary course of business and other relevant circumstances shall be taken into account for determination of the grounds and extent of General Director's liability.

General Director is liable if it is proved that in exercising his rights and performing his duties he acted in bad faith or unreasonably, including, among other things, if his actions (omission to act) were inconsistent with ordinary course of business or standard business risks.

9.5. General Director is liable for wrongful disclosure of confidential and insider information to the extent and in the manner, specified by the applicable legislation of the Russian Federation.

9.6. At its own cost and expense the Company is entitled to insure liability of General Director, as provided for in the applicable statutes and regulations of the Russian Federation, herein, the Articles of Association and the contract, concluded between the Company and General Director.

ARTICLE 10. FINAL PROVISIONS

10.1. Amendments and additions hereto shall be subject to a resolution of General Meeting.

General Meeting can revoke these Regulations and adopt a new version of Regulations on General Director of PJSC "Cherkizovo Group".

10.2. If changes to the applicable legislation of the Russian Federation or to the Articles of Association should cause certain articles hereof to come into conflict therewith, the Regulations shall apply to the extent not inconsistent with the applicable legislation of the Russian Federation or to the Articles of Association.