

APPROVED  
by the Annual General Meeting of Shareholders  
of PJSC "Aeroflot" of June 27, 2016  
Minutes No. 38 dated June 30, 2016

REGULATIONS  
ON THE BOARD OF DIRECTORS  
OF PUBLIC JOINT STOCK COMPANY  
"AEROFLOT – RUSSIAN AIRLINES"  
(Revision No. 7)

**Moscow, 2016**

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The Board of Directors of Public Joint Stock Company "Aeroflot - Russian Airlines" (the "Company") shall be set up pursuant to the legislation of the Russian Federation and the Company's Articles of Association. In its activities, the Board of Directors shall be governed by the laws and regulations of the Russian Federation, the Company's Articles of Association, resolutions of the General Meeting of Shareholders and these Regulations.

The Board of Directors is the supreme governing body of the Company during the period between the General Meetings of Shareholders.

## **Article 1. Goals and Objectives of the Company's Board of Directors**

1.1. The Board of Directors shall carry out general management of the Company's business, except making decisions on matters that fall within the competence of the General Meeting of Shareholders.

1.2. The Board of Directors shall pursue the following main objectives:

1.2.1. Determining the Company's policy aimed at increasing profits from its business activities.

1.2.2. Working for the benefit of shareholders, controlling implementation of corporate programs.

1.2.3. Implementing the Company's development programs as approved by shareholders.

1.2.4. Exercising control over activities of the Company's Executive Board and General Director.

1.2.5. Informing shareholders of the results of the audit of the Company's financial situation.

1.2.6. Submitting to shareholders for approval decisions on matters falling within the competence of the General Meeting under the Federal Law "On Joint Stock Companies" No 208-FZ of December 26, 1995 (hereinafter referred to as "Federal Law "On Joint Stock Companies") and the Company's Articles of Association.

1.2.7. Reviewing and approving the Company's business plans.

1.2.8. Determining procedures for distributing profits and covering losses.

1.2.9. Forming the Company's dividend policy, determining and submitting proposals to the General Meeting of Shareholders on the amount of dividends on Company shares and dividend payout procedure.

1.2.10. Approving and supervising execution of the Company's annual budget.

1.2.11. Reviewing and preliminarily approving drafts of annual reports, annual financial statements, and profit and loss accounts of the Company.

1.2.12. Reviewing auditor's reports, reports of the Audit Commission, and submitting documents on the results of audits conducted by the auditor and the Audit Commission to the Company's shareholders.

1.2.13. Making proposals to the General Meeting of Shareholders on the appointment of the Auditor of the Company.

1.2.14. Determining the Company's securities policy.

1.2.15. Approving a specialized Registrar of the Company, the terms and termination of the agreement therewith.

## **Article 2. Election and Composition of the Company's Board of Directors**

2.1. Members of the Board of Directors shall be elected by the General Meeting of Shareholders in accordance with the procedure set forth in the Federal law "On Joint Stock Companies" and the Company's Articles of Association for the period until the next Annual General Meeting of Shareholders in the number of 11 (eleven) persons.

2.2. If the Annual General Meeting of Shareholders is not held within the time frame set forth in paragraph 16.1, Article 16 of the Company's Articles of Association, the powers of the Board of Directors shall be terminated, except the authority to prepare, call and hold the Annual General Meeting of Shareholders.

2.3. Persons elected to the Board of Directors may be re-elected unlimited number of times.

2.4. Members of the Board of Directors shall be natural persons only. A member of the Board of Directors may not be a shareholder of the Company.

2.5. Members of the Company's Board of Directors shall be elected by cumulative voting.

2.6. During cumulative voting, the number of votes held by each shareholder shall be multiplied by the number of persons to be elected to the Company's Board of Directors, and the shareholder may give all of the resulting votes for one candidate or distribute them among two or more candidates as he/she/it sees fit.

2.7. Candidates who have received the largest number of votes shall be considered elected to the Board of Directors.

2.8. The powers of any member of the Board of Directors may be terminated early by resolution of the General Meeting of Shareholders.

2.9. Members of the Company's Executive Board shall not make up more than one-fourth of the total membership of the Company's Board of Directors and any of them cannot be the Chairman of the Company's Board of Directors.

2.10. The representatives of the Russian Federation in the Board of Directors, elected by the General Meeting of Shareholders, shall act in compliance with the laws and regulations of the Russian Federation governing activities of representatives of the Russian Federation in governing bodies of open joint stock companies.

2.11. The activity of the Board of Directors shall be managed by the Chairman of the Board of Directors elected by the Board of Directors from among its members by a majority vote of the total membership.

2.12. The Board of Directors shall be entitled to re-elect its Chairman at any time by a majority vote of the total membership.

### **Article 3. Quorum and Decision-Making Process of the Company's Board of Directors**

3.1. A quorum for Board of Directors meetings shall consist of at least one-half of the elected members of the Company's Board of Directors. If the number of members of the Board of Directors becomes less than the number required for the specified quorum, the Board of Directors shall make a decision to call an Extraordinary General Meeting of Shareholders to elect a new Board of Directors. The remaining members of the Board of Directors shall be only authorized to make a decision to call the Extraordinary General Meeting of Shareholders for the above purpose.

3.2. The Company's Board of Directors shall make its decisions by a majority vote of the Board of Directors members present at the meeting unless otherwise provided by the Federal Law "On Joint Stock Companies" and the Company's Articles of Association.

The most important agenda items shall be considered by the Board of Directors at physical meetings.<sup>1</sup>

A member of the Board of Directors who disagrees with a decision thus made on any item on the agenda shall be entitled to express his/her special opinion in writing, which shall be recorded in the relevant meeting's minutes and attached thereto.

3.3. A written opinion of a Board of Directors member absent from the Board meeting shall be taken into account when determining the quorum and voting results on the agenda items.

3.4. The decision on election of the General Director shall be made by a simple majority vote of the total number of the Board of Directors members.

3.5. The decision on the approval of a transaction referred to in subparagraph 20, paragraph 19.2, Article 19 of the Articles of Association shall be made by all members of the Board of Directors unanimously, with votes of any retired members of the Board being disregarded. If the Board of Director does not reach a unanimous decision on the approval of such a transaction, the Board may decide to bring this issue to the General Meeting of Shareholders. In such a case the decision on the approval of the transaction shall be taken by the General Meeting by a majority vote of the holders of voting shares present at the meeting.

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<sup>1</sup> The most important agenda items include items specified in subparagraphs 4.2.1,4.2.3,4.2.6,4.2.14,4.2.31, 4.2.32,4.2.33,4.2.34, paragraph 4.2, Article 4 of these Regulations.

3.6. The decision on the approval of an interested party transaction shall be made by a majority vote of independent directors who do not have an interest in the transaction. If all the Board of Directors members are regarded as having an interest in the transaction and/or are not independent directors, the transaction may be approved by a resolution of the General Meeting of Shareholders in accordance with the procedure set forth in paragraph 4, Article 83 of the Federal Law "On Joint Stock Companies".

3.7. The decision to increase the authorized capital of the Company by placing additional shares within the number of authorized shares shall be taken by the Board of Directors of the Company unanimously (disregarding the votes of retired members of the Board), unless otherwise provided by law. If the Board of Directors does not reach a unanimous decision on the increase of authorized capital by placing additional shares, the Board may decide to submit the matter of increasing the authorized capital by placing additional shares to the General Meeting of Shareholders.

3.8. When making decisions at the Board of Directors meetings each member of the Board shall have one vote. In the event of a tie, the Chairman of the Board of Directors shall have a casting vote.

3.9. A member of the Board of Directors may not delegate his/her vote to another person, including another member of the Board.

3.10. Resolutions of the Board of Directors may be taken by absentee voting (by poll). The absentee voting (poll) procedure is described in "The Rules of Procedure and Proceedings of the Company's Board of Directors Meetings" as approved by the Company's Board of Directors.

#### **Article 4. Competence of the Company's Board of Directors**

4.1. The competence of the Company's Board of Directors includes deciding on matters relating to general management of the Company, except matters falling within the competence of the Company's General Meeting of Shareholders.

4.2. The following matters shall fall within the competence of the Board of Directors:

4.2.1. determining the Company's priority business areas;

4.2.2. calling Annual and Extraordinary General Meetings of Shareholders, except cases set forth in paragraph 18.7, Article 18 of the Company's Articles of Association;

4.2.3. approving agendas of the General Meetings of Shareholders;

4.2.4. setting the record date for the General Meeting and deciding on other matters within the competence of the Board of Directors related to the preparation and holding of the General Meeting of Shareholders;

4.2.5. submitting matters provided for in subparagraphs 2, 6, 12 to 18, 21 of paragraph 16.8, Article 16 of the Company's Articles of Association to the General Meeting for decision.

4.2.6. increasing the Company's authorized capital by placing additional shares within the number of authorized shares, placing bonds and other equity securities by the Company and making a decision to file an application for the listing of the Company's shares and (or) equity securities convertible into shares of the Company;

4.2.7. determining the price (monetary value) of assets, offering and redemption price for securities in cases provided by the Federal Law "On Joint Stock Companies";

4.2.8. redemption of shares, bonds and other securities placed by the Company in cases provided in the Federal Law "On Joint Stock Companies" and the Company's Articles of Association;

4.2.9. electing the General Director of the Company and early termination of his/her powers;

4.2.10. determining the number and the term of office of the members of the Company's Executive Board;

4.2.11. determining the amount of remuneration and compensations payable to the General Director and members of the Executive Board; approval of the terms and conditions of employment contracts concluded with them;

4.2.12. appointing members of the Executive Board and approving candidates proposed by the General Director to serve as Deputy General Directors and early termination of their powers;

4.2.13. recommending the amount of remuneration and compensations payable to members of the Company's Audit Commission and Board of Directors and the fee payable to the auditor;

4.2.14. recommending the amount of dividends on shares and the dividend payout procedure;

4.2.15. utilization of the Reserve Fund and other funds of the Company;

4.2.16. approving internal documents of the Company that regulate activities of the Company's Board of Directors and its Committees, except the Regulations on the Board of Directors of PJSC "Aeroflot", as well as the general risk management and internal control policy of the Company, and defining the principles of and approaches to creating a risk management and internal control system in the Company;

4.2.17. making decisions on the Company's participation in subsidiaries and other organizations except in cases provided for in subparagraph 18, paragraph 1, Article 48 of the Federal Law "On Joint Stock Companies";

4.2.18. approving major transactions (including borrowings, credits, pledges, guarantees) or a series of related transactions involving Company's assets amounting to 25 (twenty five) to 50 (fifty) percent of the book value of the Company's assets recorded in the financial statements as at the latest reporting date in accordance with the procedure set forth in Article 79 of the Federal Law "On Joint Stock Companies";

4.2.19. approving transactions referred to in Chapter XI of the Federal Law "On Joint Stock Companies";

4.2.20. approving a transaction or series of related transactions (including borrowings, credits, pledges, guarantees) other than transactions made in the ordinary course of business of the Company related to the acquisition, disposal or potential disposal by the Company, directly or indirectly, of assets worth more than US\$100,000,000 (one hundred million U.S. dollars) (or the equivalent of this amount as at the date of the decision on approving the transaction) and amounting to less than 25 (twenty five) percent of the book value of the Company's assets recorded in the financial statements at the latest reporting date.

4.2.21. approving transactions involving the sale and purchase of aircraft, financial lease (leasing) of aircraft, long-term(over 1 year) lease of aircraft, aircraft mortgage as security for financing and refinancing of loans other than transactions that are subject to approval as interested or related party transactions;

4.2.22. approving the Registrar of the Company, the terms and conditions and termination of the agreement therewith;

4.2.23. approving the plan of business, commercial, financial and economic operations, the budget, including Company's capital investment expenditures;

4.2.24. approving the Company's organizational structure;

4.2.25. deciding whether the General Meetings of Shareholders may be attended by guests, mass media representatives and other persons;

4.2.26. setting up permanent and ad hoc committees in accordance with Article 11 hereof, approving the total number and remuneration of committee members;

4.2.27. determining the position of the Company and its representatives during consideration by governing bodies of its subsidiaries of an acquisition of shares (participatory interests) in other business entities, including at their establishment, if the transaction price is equal to or greater than 15 percent of the book value of the assets of the subsidiary according to its financial statements as at the latest reporting date;

4.2.28. determining the position of the Company and its representatives during consideration by governing bodies of subsidiaries of approval of a transaction or a series of related transactions to be concluded by subsidiaries (including loan, credit, mortgage, guarantee), except for transactions made in the ordinary course of business related to the acquisition, disposal or potential disposal by a subsidiary, directly or indirectly, of assets worth more than US\$100,000,000 (one hundred million US dollars) (or its equivalent) as at the date of the decision on the approval of the relevant transaction;

4.2.29. taking decisions on alienation of treasury shares and quasi-treasury shares;

4.2.30. giving recommendations to executive bodies of the Company on any matters related to the Company's activities;

4.2.31. submitting matters relating to reorganization or liquidation of the Company to the General Meeting of Shareholders;



4.2.32. submitting matters regarding increase or reduction of the Company's authorized capital, determination of the price (monetary valuation) of the property contributed in payment for additional shares placed by the Company to the General Meeting of Shareholders;

4.2.33. submitting matters relating to amendment of the Company's Articles of Association, listing and delisting of Company shares and (or) securities convertible into shares of the Company to the General Meeting of Shareholders;

4.2.34. accepting recommendations regarding a voluntary or mandatory offer received by the Company;

4.2.35. other matters provided for in the Federal Law "On Joint Stock Companies" and the Company's Articles of Association;

4.3 Matters falling within the competence of the Board of Directors may not be delegated to the Company's executive bodies for decision.

4.4. Decisions on matters specified in sub-paragraphs 4.2.1, 4.2.3, 4.2.6, 4.2.9, 4.2.14, 4.2.31, 4.2.32, 4.2.33, 4.2.34, paragraph 4.1., Article 4 of these Regulations shall be adopted by a simple majority vote of the members of the Board of Directors.

4.5. In exercising control over transactions made by legal entities controlled by the Company, the Company's Board of Directors shall assess possible signs of interest in such transactions on the part of members of the Company's governing bodies or persons controlling the Company.

4.6. In case of valuation of the property to be disposed of or acquired in a transaction provided for in subparagraph 4.2.18, paragraph 4.2., Article 4 hereof, or an interested party transaction provided for in subparagraph 4.2.19, paragraph 4.2., Article 4 hereof, the Board of Directors may retain an appraiser with an impeccable reputation in the market place and appraisal experience in the relevant field or provide the reasons for not retaining an appraiser.

## **Article 5. Meetings of the Company's Board of Directors**

5.1. The Board of Directors meetings shall be held as the need may be, but at least once a month. One of the meetings of the Board of Directors (annual meeting) shall be held at least 30 days prior to the date of the Annual General Meeting of Shareholders to review the draft of the Company's annual financial statements, profit and loss account, distribution of profit (losses), Auditor's report and report of the Audit Commission on the results of the previous year.

5.2. Meetings of the Board of Directors shall be called by the Chairman of the Board at his/her own initiative or a person authorized thereby. Meetings of the Board of Directors may be called at the request of a member of the Company's Board of Directors, Audit Commission, Executive Board, General Director, Auditor of the Company and shareholders holding in the aggregate at least 10% of the Company's voting shares.

5.3. A notice of a Board of Directors meeting, together with the agenda and materials on all items of the agenda, shall be sent to the members of the Board at least

10 (ten) days prior to the date of the meeting, and in exceptional cases, as well as in the case provided in paragraph 18.5 of Article 18 of the Company's Articles of Association, at least 4 (four) days before the meeting. The notice shall contain the agenda of the meeting.

5.4. Materials pertaining to items on the agenda of the Board of Directors meeting containing commercial or business secrets, other confidential information shall be reviewed by the Board of Directors members directly at the meeting of the Board. The Board members (their authorized representatives) shall be given an opportunity to familiarize themselves with such materials in advance in the office of the Board of Directors.

5.5. As a rule, the Board of Directors meetings shall be held at the Company's location. The date, time, venue and preliminary agenda of the Board of Directors meeting shall be determined in a decision made at the previous Board meeting.

5.6. Each member of the Board of Directors shall be entitled to invite to the meeting specialists or experts without the right to vote.

5.7. The Board of Directors shall review the reports of the Board of Directors members on the work done according to the instructions of the Board of Directors on behalf of the Company.

## **Article 6. Agenda and Minutes of the Company's Board of Directors Meetings**

6.1. The agenda of the Board of Directors meeting shall include the items proposed by shareholders holding in the aggregate at least 2% of the shares, members of the Company's Board of Directors, Audit Commission, Executive Board, Auditor and General Director. The Board of Directors shall consider items submitted by Board members only provided that the member on whose initiative the item was placed on the agenda is personally present at the meeting.

The agenda of the Board of Directors meeting shall be compiled by the Executive Secretary of the Board of Directors subject to the approval by the Chairman of the Board of Directors or the Board of Directors members authorized thereby.

6.2. Minutes shall be kept of all Board of Directors meeting. Minutes shall be signed by the Chairman of the meeting, who shall be responsible for ensuring that the minutes are done correctly, and the Secretary of the meeting. The minutes of all the Board of Directors meetings shall be available to any Company shareholder for inspection.

6.3. After the minutes of the previous Board meeting have been drawn up, the Executive Secretary of the Board of Directors shall send them to the members of the Board who participated in voting on the agenda items at that meeting. Members of the Board shall have the right to make comments concerning the potential inconsistency of the draft resolution with the applicable legislation or regulations of the Company, as well as possible ambiguities and/or distortions of the meaning of resolutions adopted at the Board of Directors meeting. Such comments shall be submitted to the Executive Secretary of the Board of Directors before the end of the following working day. If the Executive Secretary does not receive comments from a member of the Board within the

above said time the proposed minutes of the meeting shall be deemed agreed by that member of the Board.

6.4. The minutes of the Board of Directors meeting shall be drawn up no later than 3 (three) days after the meeting, and as soon as it is signed a copy thereof shall be delivered to each member of the Board of Directors.

6.5. The minutes shall contain the following details:

- the place, date and time of the meeting ;
- the persons who attended the meeting;
- the agenda of the meeting;
- the issues put to vote and voting results;
- the resolutions adopted.

## **Article 7. Competence of the Members of the Company's Board of Directors**

7.1. The Chairman of the Board of Directors shall be an official and authorized representative the Company's Board of Directors in all authorities. For the period of his/her absence the Chairman of the Board may assign another member of the Board of Directors to carry out his/her respective duties.

7.2. The members of the Board of Directors shall be entitled to act on behalf of the Board of Directors only provided there is an appropriate assignment recorded in the minutes of the Board of Directors meeting.

7.3. The members of the Board of Directors shall not be entitled to act on behalf of the Company without special authorization. Authorization to act on behalf of the Board of Directors shall be granted by the Board of Directors. The decision on granting such authorization shall be public and shall be taken by a majority vote of the Directors and recorded in the minutes of the meeting.

7.4. The Company's Board of Directors shall have its own letterhead indicating its full name. The right to sign documents on the Board of Directors' letterhead shall be vested in the Chairman of the Board or a person authorized thereby and the Executive Secretary of the Board of Directors as concerns the issuance of extracts from the approved minutes of the Company's Board of Directors meetings.

## **Article 8. Rights, Duties and Responsibility of the Members of the Company's Board of Directors**

8.1. In exercising their powers, the members of the Board of Directors shall act in the best interests of the Company, exercise their rights and discharge their duties in relation to the Company in good faith and reasonably.

8.2. Any member of the Board of Directors shall:

- assess the potential risks and unfavorable impacts of decisions being made with due care;
- not make copies of or extracts from materials that are confidential except when it is permitted by the Board of Directors;
- not commit any actions that may result in the disclosure of confidential information;
- not release confidential information to mass media;
- not make public comments about the contents of resolutions and outcomes of meetings of the Board of Directors till an official publication of relevant press releases is made;
- not disclose by whatever means or make use of either in his/her private interests or in any third parties' interests any insider or confidential information belonging to the Company or about the Company, which became known to him/her, including information containing commercial, state or any other secrets protected by Law;
- not use his/her position as a member of the Board of Directors either in his/her personal or third parties' interests.
- immediately notify the Company of his/her election to governing bodies of other organizations.

8.3. Members of the Company Board of Directors shall not disclose information of commercial or business nature, other confidential information contained in materials on items of agendas of the Board of Directors meetings until relevant resolutions based on such information are taken. Members of the Board of Directors shall ensure that comprehensive measures are taken to exclude any possibility of public disclosure of the said information by their subordinates who have access to the materials related to agendas of the Board of Directors meetings.

8.4. Members of the Company's Board of Directors shall keep confidential the data (materials) containing confidential information made available to them both during and after their term of office as members of the Company's Board of Directors.

8.5. In case of any failure by members of the Board of Directors to comply with the treatment of confidential information as provided herein, such members may be held accountable in accordance with the legislation of the Russian Federation.

8.6. Any member of the Board of Directors shall have the right to:

- require that his/her dissenting opinion be recorded in the minutes of the meeting;
- request to call a meeting of the Board of Directors.

8.7. Members of the Board of Directors shall be liable to the Company for any damages caused to the Company through their wrongful acts (inaction). The members of the Board of Directors who voted against or who did not participate in the vote on the resolution that caused damages to the Company shall not be held liable.

8.8. When assessing the grounds and the extent of liability of members of Board of Directors, common business practices and other relevant circumstances shall be taken into account.

8.9. If several persons are liable pursuant to the provisions of this Article, their liability to the Company shall be joint and several.

8.10. Members of the Board of Directors shall be liable to the Company to the full extent of damages caused to the Company if they are interested parties in a transaction as defined in the Company's Articles of Association and failed to comply with prescribed procedures when entering into the transaction.

8.11. Representatives of the State or a municipal entity in the Board of Directors shall bear liability as provided in this Article along with other members of the Board of Directors.

8.12. An independent director must refrain from actions as a result of which he/she can cease to be independent;

8.13. If, after the election of an independent director to the Board of Directors, any circumstances arise as a result of which he/she ceases to be independent, such member of the Board of Directors shall notify these circumstances to the Board of Directors;

8.14. The Board of Directors shall ensure the disclosure of information about the loss of the status of independent director by a member of the Board of Directors.

8.15. In case a member of the Board of Directors loses his/her status as an independent director, the Human Resources and Remuneration Committee shall, at its next meeting, consider the issue regarding the composition of the Board, namely, whether there is a sufficient number of independent directors in terms of compliance with the requirements of the Listing Rules of the Moscow Stock Exchange and the provisions of the Corporate Governance Code.

## **Article 9. Remuneration and Compensations Payable to Members of the Company's Board of Directors**

9.1. During the term of their office, the members of the Board of Directors shall be entitled to receive compensation for expenses incurred in the performance of their duties as Board of Directors members and be paid remuneration in the amount determined by the Company's General Meeting of Shareholders. Expenses incurred in connection with the discharge of duties by representatives of the Russian Federation in the Company's Board of Directors may be reimbursed to the extent not in conflict with the Federal Law "On the Foundations of Public Service in the Russian Federation".

9.2. The Company's General Meeting of Shareholders shall approve the "Regulations on Remuneration and Compensations Payable to Members of the Board of Directors of PJSC "Aeroflot" governing the procedure and time limits for the payment of remuneration.

## **Article 10. Secretariat of the Company's Board of Directors**

10.1. The Board of Directors, by a majority vote of the total Board, shall appoint the Executive Secretary, who shall be responsible for ensuring the preparation and holding of meetings of the Board of Directors, management of affairs of the General Meetings of Shareholders and the Board of Directors meetings and keeping minutes of the General Meetings of Shareholders and meetings of the Board of Directors.

10.2. The General Director shall, on behalf of the Company, sign an employment contract with the Executive Secretary the terms and conditions of which are subject to approval by the Board of Directors.

10.3. Affairs of the Board of Directors shall be managed by the Board of Directors Office headed by the Executive Secretary of the Board of Directors. The Board of Directors shall approve the number of staff members at the Board of Directors Office and the remuneration payable thereto.

10.4. The appointment to the position of the Executive Secretary of the Board of Directors and the staff of the Board of Directors Office shall be made by a relevant order of the General Director issued in conformity with the staff schedule of the Company.

10.5. In his/her work, the Executive Secretary of the Board of Directors shall be governed by the legislation of the Russian Federation, the Company's Articles of Association, these Regulations and other documents of the Company.

10.6. Financing the Office of the Board of Directors and activities carried out by the Board of Directors shall be made from the Company's funds.

10.7. In case the Executive Secretary of the Board of Directors has a conflict of interest, he/she shall immediately inform the Chairman of the Board of Directors.

## **Article 11. Committees of the Company's Board of Directors**

11.1. The Board of Directors may set up permanent or ad hoc committees from its members or other employees of the Company, or specially recruited persons.

11.2. The following permanent committees are mandatory: the Strategy Committee, the Audit Committee, the Human Resources and Remuneration Committee.

11.3. Any committee shall be composed of the committee head and a certain number of members. The Committee Head shall be elected from the members of the Board of Directors who are not Company's full-time employees by a majority vote of all Board of Directors members.

11.4. The head of any committee shall be entitled to use the entire infrastructure of the Company for the purpose of accomplishing the tasks assigned to the committee.

11.5. In the committees that are mandatory, the number of specially recruited persons who are not Company employees shall be at least one-third of the total membership of the committee.

11.6. The total number of members of a committee and the amount of remuneration payable to committee members shall be approved by the Board of Directors.