

APPROVED:
by the decision of the annual General
Shareholders Meeting of Public Joint Stock
Company "Rosseti South"
Minutes of Meeting No.22 of June 02, 2020

Chairperson of the Annual General Shareholders
Meeting of Public Joint Stock Company "Rosseti
South"

_____ O.A. Sergeeva

REGULATION
on the Board of Directors
of Public Joint-Stock Company
Rosseti South
(new edition)

1. General provisions

1.1. This Provision was developed in accordance with the Civil Code of the Russian Federation, the Federal Law "On stock companies", other regulatory acts of the Russian Federation and the Articles of Association of the Public Joint-Stock Company "Rosseti South" (hereinafter referred to as the "Company").

1.2. This Provision is an internal document of the Company, establishing the procedure of convening and conduct of meetings of the Board of the Company Directors.

1.3. The Board of Directors is a management body of the Company, performing general control over the Company activities, controlling the activity of the executive bodies of the Company, and performance of decisions of the General Company's Shareholders Meeting and provision of legal interests of the Company shareholders in accordance with the requirements of legislation of the Russian Federation.

1.4. The main objectives and tasks of activity of the Board of Directors of the Company are:

- determination of the Company development strategy, aimed at increase of its market capitalization and investment attractiveness, achievement of maximal profit and increase in the Company assets;
- provision of implementation and protection of rights and legal interests of the Company shareholders, and contribution to corporate conflicts resolution;
- provision of completeness, reliability and objectivity of disclosure of the Company information for the shareholders and other interested parties;
- creation of efficient internal control mechanisms;
- regular evaluation of activities of the Company executive bodies and the management work.

For implementation of the set objectives and tasks, the Board of Directors is obliged to be governed by the following principles:

- making decisions based on reliable information on the Company activities;
- exclusion of limiting the shareholders' rights for participation in the Company management, receipt of dividends and information on the Company;
- achieving the balance of interests of various groups of shareholders and adoption of maximally objective decisions in favor of all the Company shareholders by the Board of Directors.

1.5. In its activities, the Board of Directors shall be governed by the Federal Law "On stock companies", other regulatory acts of the Russian Federation, the Articles of Association, and this Provision.

2. Chairperson and Deputy Chairperson of the Board of Directors of the Company

2.1. Deputy Chairperson of the Board of Directors of the Company shall organize the activities of the Board of Directors.

2.2. The Chairperson of the Company's Board of Directors is elected by the Company Board of Directors members among them by a majority of votes of the total number of members of the Board of Directors.

A person performing the functions of an acting Director General, cannot be the Chairperson of the Board of Directors at the same time.

2.3. The Board of Directors is entitled at any time to re-elect the Chairperson of the Board of Directors by a majority of votes of the total number of members of the Company's Board of Directors.

2.4. The Chairperson of the Board of Directors shall:

- 1) organize the activities of the Board of Directors;
- 2) convene the meetings of the Board of Directors;
- 3) determine the meeting format of the Board of Directors with regard of importance of the agenda issues, recommendations, provided for by clause 168 of Corporate Governance Code, recommended by the Bank of Russia to application by joint-stock companies, the shares of which were admitted to on-exchange trading, and clause 6.12 of this Provision;

- 4) form and approve agendas of meetings of the Board of Directors;
- 5) determine the materials (information) for the agenda issues of meetings, provided to the members of the Board of Directors;
- 6) take the required measures for timely submission of information, required for adopting decisions for the agenda issues, to the members of the Board of Directors;
- 7) determine the list of persons invited for participation in discussion of individual issues on the agenda of the Board of Directors;
- 8) chair the meetings of the Board of Directors;
- 9) sign the minutes of meetings of the Board of Directors, the request to conduct a check (revision) of the financial and economic activities of the Company and other documents on behalf of the Board of the Company Directors;
- 10) organize the development and perform control over the implementation of the business plan of the Board of Directors, approved by the Board of Directors;
- 11) represent the Board of Directors when interacting with the shareholders of the Company, in government agencies, non-governmental organizations, media;
- 12) keep correspondence of the Board of Directors with shareholders, executive bodies and the members of the Company labor collective, other organizations;
- 13) chair at the General Meetings of the Company Shareholders, announce the agenda, notify on further statements and reports, and perform other functions of the Chairperson of the General Company's Shareholders Meeting, provided for by the Provision on the General Company's Shareholders Meeting;
- 14) in behalf of the Board of Directors, organize control over the implementation of decisions of the General Shareholders Meeting and the Board of Directors, establish the official control over the implementation of decisions of the Board of Directors and decontrol the implementation of decisions of the Board of Directors;
- 15) organize development of the most efficient decisions for the agenda issues and, if required, free discussion of these issues, and positive atmosphere of meetings conduct, provide compliance with the requirements of legislation of the Russian Federation, the Articles of Association, other internal documents of the Company and of this Provision in the process of conducting the meeting of the Board of Directors;
- 16) perform other functions, provided for by the legislation of the Russian Federation, the Articles of Association and decisions of the Board of the Company Directors.

2.5. In case if the Chairperson of the Board of the Company Directors is absent, its functions shall be performed by a person, elected from the composition of members of the Board of Directors by the majority of votes of the members of the Board of the Company Directors (Deputy Chairperson of the Board of Directors).

The member of the Board of Directors, who is simultaneously the CEO or a member of the Company collective executive body, cannot be elected the Deputy Chairperson of the Board of Directors.

3. Members of the Board of Directors, their rights, liabilities, and responsibility

3.1. Members of the Board of Directors, within the competence of the Board of Directors, shall have the right to:

- 1) receive information on the Company activities, including that making up the trade secret of the Company, familiarize with all statutory, regulatory, accounting, reporting and other documents of the Company in accordance with by the legislation of the Russian Federation and internal documents of the Company;
- 2) make written proposals on forming the Business Plan of the Board of Directors;
- 3) enter issues to the agenda of meetings of the Board of Directors in he prescribed manner;
- 4) require convening the meeting of the Board of the Company Directors;
- 5) exercise other powers, provided for by the legislation of the Russian Federation, the Articles of Association, other internal documents of the Company, and this Provision.

3.2. The member of the Board of Directors can request in writing the documents and information, required for adopting a decision on issues of competency of the Board of Directors,

both directly from the CEO (other person performing the functions of the single executive body of the Company) and through the Company Corporate Secretary.

The Company documents and information should be submitted to the member of the Board of Directors not later than in 2 business days since the date of the respective request receipt.

3.3. Directors who were elected to the composition of the Board of Directors for the first time, should receive a possibility to get a notion of the Company strategy, the corporate management system, adopted in the Company, the risk management and internal control system, distribution of liabilities between the executive bodies of the Company, and other important information on production and financial and economic activities of the Company.

3.4. remuneration and (or) reimbursement of expenses, related to performance by the members of the Board of Directors of their functions, according to the procedure, established by the Provision on payment of remunerations and compensations to the members of the Board of Directors, approved by the Company's Shareholders General Meeting, can be paid to the members of the Board of Directors.

3.5. When exercising their rights and fulfilling their duties, members of the Board of Directors shall act in the interests of the Company, exercise their rights and fulfill their obligations in respect of the Company reasonably and in good faith. The member of the Board of Directors, who was granted access to the Company confidential information, including that making trade secret, is obliged to keep it confidential.

3.6. The members of the Board of Directors shall be held liable to the Company for expenses incurred by the Company as the result of their faulty actions (omissions) in accordance with the current legislation.

At the same time, members of the Board of Directors who voted against a decision that caused losses to the Company or did not participate in the vote are not liable.

3.7. Members of the Board of Directors should abstain from actions that will or can cause the emergence of a conflict between their interests and the Company interests.

At the emergence of a potential conflict of interests in the member of the Board of Directors, including the situation when interests exists in executing a transaction by the Company, such member of the Board of Directors is obliged to immediately notify the Board of the Company Directors on this and, in any case, put the Company interests over his/her own interests. In any case, such notification shall be made before the start of discussion under the issue, under which such member of the Board of Directors has the conflict of interests, at the meeting of the Board of Directors.

3.8. Members of the Board of Directors within 2 (two) months since the day when the circumstances, under which they can be recognized as interested in execution of transactions by the Company, became known or had to become known to them, are obliged to notify the Company:

- on legal entities, in relation to which they, their spouses, parents, children, siblings or half-siblings, adoptive parents and adoptees and (or) their controlled entities are controlling parties or those entitled to give binding instructions;
- on legal entities, in managing bodies of which they, their spouses, parents, children, siblings or half-siblings, adoptive parents and adoptees and (or) their controlled entities hold posts;
- on executed or implied transactions, known to them, in which they may act as interested parties.

In case of changing the data specified, the members of the Board of the Company Directors are obliged to notify the Company on such data change within 14 calendar days from the days when such changes became or had to become known to them.

3.9. The Board of the Company Directors may include independent directors, who have the sufficient professionalism, experience, and independence for forming their own position, able to make objective and detail-oriented judgments, independent on impact of the executive bodies of the Company, separate shareholders' groups or the other interested parties.

3.10. The independent director should abstain from performing actions due to which he/she may cease being independent. The member of the Board of Directors is obliged to inform the Board of the Company Directors on circumstances, due to which he/she ceases to be independent, within 5 business days from the date of such circumstances emergence.

3.11. In extraordinary circumstances, the Board of the Company Directors may recognize the member of the Board of Directors independent, in spite of the present dependence criteria of this member (connectedness with the Company, substantial shareholder of the Company, substantial counterparty or competitor of the Company, the state and/or municipal formation), in case if such connectedness has no impact on the ability of the respective member of the Board of Directors to make independent, objective, and detail-oriented judgments.

At recognition of the member of the Board of Directors an independent director, evaluation of conformity of candidates to members of the Board of Directors or members of the Board of Directors to the independence criteria, the Company shall be governed by the requirements of the Listing Rules of Moscow Currency Exchange, PJSC.

3.12. In case if the Chairperson of the Board of the Company Directors is not an independent director, Members of the Board of Directors from the composition of elected independent directors shall have the right to elect the Chief independent director, who shall:

- coordinate interaction between independent directors, inter alia, convene, whenever required, meetings of independent directors and chair at them;
- jointly with the Chairperson of the Board of Directors contribute to efficient organization of work of the Board of Directors, establishing and keeping the dialogue between the members of the Board of Directors and the Company shareholders;
- in conflict situations, in particular, in case of substantial discrepancies between the members of the Board of Directors, shall make efforts on the conflict resolution by interaction with its parties;
- play the key role in the process of efficiency evaluation of the Chairperson of the Board of the Company Directors, carried out by independent directors.

4. Corporate Secretary

4.1. Technical (information, documentary, protocol, secretarial) provision of current activities of the Board of Directors shall be carried out by the Company Corporate Secretary, acting under the Articles of Association of the Company, this Provision, provision on the Company Corporate Secretary, other internal documents of the Company, and in accordance with instructions of the Chairperson of the Board of Directors.

4.2. The status of the Corporate Secretary, his functions, the requirements for his candidacy, the procedure for the appointment and termination of the powers of the Corporate Secretary, his subordination and the procedure for interaction with the management bodies and structural divisions of the Company, as well as other issues of the activities of the Corporate Secretary, are determined by the Regulation on the Company Corporate Secretary approved by the Board of Directors of the Company.

5. Organization of activities of the Board of Directors

5.1. Meetings of the Board of Directors shall be conducted in accordance with the approved Business Plan of the Board of Directors, and whenever required, but at least once in six weeks, unless otherwise established by this Provision.

5.2. If required, the Chairperson of the Board of Directors can adopt a decision on conducting an unscheduled meeting of the Board of Directors, changing the date of the meeting of the Board of Directors, including additional issues into the agenda of the meeting of the Board of Directors, and sending the updated materials for the agenda issues of the meeting of the Board of Directors.

5.3. Business plan of the Board of Directors.

5.3.1. Business plan of the Board of Directors may be formed under the following main directions:

- the Company strategic development;
- medium-term and routine planning of the Company activities;
- organization of activities of the Board of Directors;

– control over fulfillment of decisions of the Board of Directors and the General Shareholders Meeting.

5.3.2. Business plan of the Board of Directors should include:

- 1) issues subject to consideration at the meetings of the Board of Directors in the current year (on a quarterly basis);
- 2) the list of persons (the Company managing bodies), responsible for preparation of issues for consideration at the meetings of the Board of Directors (members of the Board of Directors, the CEO, other persons);
- 3) meeting form (vote in absentia, physical meeting or meeting in person and in absentia).

5.3.3. Business plan of the Board of Directors shall be formed based on offers of the Chairperson and the members of the Board of Directors, the Company Revision Committee, the Company CEO, the Board member, the Company Auditor, with conformity to the requirements set by the first and the second paragraphs of clause 6.4. of this Provision.

The specified offers shall be sent to the Chairperson of the Board of Directors in writing with the simultaneous submission of the offers copy to the Corporate Secretary.

5.4. Meetings of the Board of Directors may be conducted with the use of the specialized automated data system, designated for the conduct of the meetings of the Board of Directors, including mailing of notifications, materials (information) on the agenda issues, voting of the members of the Board of the Company Directors and vote counting (hereinafter referred to as the "automated data system").

5.5. The Board of Directors shall have the right to evaluate the efficiency of the Board of Directors work each year independently (self-evaluation) or with involvement of an independent external organization (consultant) that has the required qualification for conducting such evaluation.

6. Convening of the meeting of the Board of Directors

6.1. The first meeting of the Board of Directors, elected in the new composition, shall be convened by one of the members of the Board of the Company Directors by sending a notification on convening the meeting to all the other members of the Board of Directors, and to the Company for the CEO.

The CEO is obliged to assist and to provide all information, required for organization of the first meeting of the Board of Directors, elected in the new composition.

The following issues shall be considered at the first meeting of the Board of Directors in a mandatory manner:

- on election of the Chairperson of the Board of Directors;
- on election of the Deputy Chairman of the Board of Directors.

6.2. The subsequent meetings of the Board of Directors shall be convened by the Chairperson of the Board of Directors (except for the case, provided for by clause 2.5. of this Provision):

- in accordance with the meeting schedule of the Board of Directors, approved by the Business Plan of the Board of Directors;
- by own initiative of the Chairperson of the Board of the Company Directors;
- by written request of the member of the Board of Directors, of the Revision Committee of the Company, head of the Internal Audit of the Company (the head of the structural subdivision of the Company, liable for organization and implementation of the Internal Audit, and in case of involving an external independent organization for the Internal Audit implementation, the head of the specified organization), the Company CEO, the Board member, the Company Auditor.

6.3. The requirement on convening the meeting of the Board of Directors should contain:

- 1) indication of the meeting conduct initiator;
- 2) the agenda issues formulation;
- 3) motives of putting the agenda issues to vote;
- 4) information (materials) for the agenda issues;
- 5) draft decisions for the agenda issues.

6.4. The requirement on convening the meeting of the Board of Directors should be executed in writing and signed by a person requiring its convening.

The requirement of the Revision Committee of the Company on convening the meeting of the Board of Directors shall be signed by the Chairperson of the Revision Committee.

The requirement on convening the meeting of the Board of Directors with the attachment of all required materials (information) shall be sent to the Chairperson of the Board of Directors with the simultaneous sending of a copy of offers to the Corporate Secretary. At this, offers of the members of the Company Board shall be sent to the Chairperson of the Board of Directors signed by the Chairperson of the Company Board, or independently in case, if the Chairperson of the Company Board failed to send the respective letter to the Chairperson of the Board of Directors within 7 business days.

The requirement of the CEO and the members of the Company Board on convening the meeting of the Board of Directors, containing issues subject to pre-consideration by the Company Board in accordance with the internal document of the Company, governing the operating procedures of the Company Board, shall be sent to the Board of Directors only after their consideration by the Company Board and developing the respective recommendations for them.

6.5. The Chairperson of the Board of Directors is obliged to consider the received requirement on convening the unscheduled meeting of the Board of the Company Directors and adopt a decision on convening such meeting, refusal for its convening, or inclusion of issues, contained in the request, into the agenda of the planned (in accordance with the approved Business Plan of the Board of Directors) meeting of the Board of Directors.

The motivated decision of the Chairperson of the Board of Directors on refusal in convening the unscheduled meeting of the Board of Directors shall be sent to a person who requires the convening of this meeting.

Non-compliance with the requirements set by clauses 6.3., 6.4. of this Provision, may give rise to refusal in satisfaction of the requirement on convening the meeting of the Board of Directors.

6.6. Notification on carrying out the meeting of the Board of Directors shall be prepared by the Corporate Secretary and signed by the Chairperson or the Deputy Chairperson of the Board of Directors (in cases, provided for by this Provision).

A notification on conduct of the meeting of the Board of Directors may be sent by the Corporate Secretary to the members of the Board of Directors by all means, including in person, by fax, by sending a notification to e-mails of members of the Board of Directors known to the Corporate Secretary, and/or through the automated data system.

6.6.1. Notification on conduct of the meeting of the Board of Directors shall be sent by the Corporate Secretary to each member of the Board of Directors not later than in 5 calendar days before the date of the meeting of the Board of Directors (end date of the feedback forms for voting acceptance), except for cases, provided for by this Provision.

6.6.2. In case of including issues which, in accordance with provisions on the Committees of the Board of Directors, should be preliminarily considered by the respective Committee of the Board of Directors (in case if created), into the agenda of the meeting of the Board of Directors, the meeting of the Committee of the Board of Directors for such issues shall be conducted in terms established by the respective provision on the Committee of the Board of Directors.

6.7. At the same time with the notification on conducting the meeting of the Board of Directors, materials (information) for the meeting agenda issues shall be sent to the members of the Board of Directors.

Materials (information) on the agenda issues shall contain:

- draft decisions of the Board of Directors for issues included into the agenda of the Board of Directors;
- a memorandum to drafts of the Board of Directors for issues included into the agenda of the Board of Directors;
- draft documents to be brought for approval, coordination, or adoption of the Board of Directors;

- minutes of meetings and conferences of the managing bodies, decisions (recommendations) the Committees of the Board of Directors and other designated bodies and committees of the Company for preliminary consideration of issues (if any);
- materials, confirming the data set forth in draft decisions and memorandums;
- other information materials for issues included into the agenda of the meeting of the Board of Directors.

6.8. Materials (information) for the agenda issues may be provided to the members of the Board of the Company Directors in person, by fax, by sending a notification to e-mails of members of the Board of Directors known to the Corporate Secretary, and/or by granting access the automated data system.

6.9. Decisions (recommendations) of the Company Board and/or the Committee of the Board of Directors shall be sent by the Corporate Secretary of the Company to the members of the Board of Directors in case if they were received by the Board of Directors not later than in 1 calendar day before the meeting of the Board of Directors, except for a case provided by clause 10.17. of this Provision. In case if decisions (recommendations) of the Board and/or the respective Committee were not submitted (or submitted with the breach of the terms specified), the Board of Directors shall have the right to adopt a decision under the issue without regard of such decisions (recommendations).

6.10. The Chairperson of the Board of Directors shall have the right, by agreement with an initiator of bringing the issue for consideration by the Board of Directors, which, in accordance with the provision on the Committee of the Board of Directors, should be preliminarily considered by the respective Committee of the Board of Directors, reschedule the consideration of the issue specified one time in case, if the Committee failed to provide the required decisions (recommendations), and the Committee Chairperson sent a letter with a motivated request on such rescheduling.

6.11. By decision of the Chairperson of the Board of Directors, the term for sending the notification on conduct of the meeting of the Board of Directors and provision of materials (information) to the members of the Board of Directors, may be reduced.

6.12. The meeting format of the Board of Directors shall be determined by the Chairperson of the Board of the Company Directors with regard of importance of the agenda issues. The most important issues should be solved at physical meetings. Such issues may include the following:

6.12.1. determination of the priority areas of the Company's activities, including approval of the Company's development strategy, the Company's innovative development program and reports on their implementation;

6.12.2. approval of the business plan (adjusted business plan) and consideration of the quarterly report on the implementation of the business plan (for the first quarter, first half, nine months, reporting year);

6.12.3. the investment program approval, including amendments to it, and a quarterly report on the results of its implementation (for the first quarter, first half, nine months, reporting year);

6.12.4. convening the annual and unscheduled General Company's Shareholders Meetings, consideration of requirements on the unscheduled General Company's Shareholders Meeting, and adoption of other decisions, required for convening and conduct of the General Company's Shareholders Meetings;

6.12.5. preliminary approval of the Company annual report;

6.12.6. election of the Company Board of Directors' Chairman and early termination of his/her powers;

6.12.7. election of the Company's CEO and early termination of his/her powers, including the decision on early termination of the employment contract with him/her;

6.12.8. determination of the quantitative composition of the Company's Managing Board, election of the Management Board members, establishment of remuneration and compensation paid to them, early termination of their powers;

6.12.9. adoption of a decision on the suspension of the managing organization's (manager) power;

- 6.12.10. adoption of a decision on the appointment of an Acting General Director of the Company in cases determined by individual decisions of the Board of Directors, as well as bringing him to disciplinary liability;
- 6.12.11. putting of issues on reorganization of the Company or on transfer of powers of the single executive body of the Company to the managing organization (manager) to decision of the General Company's Shareholders Meeting;
- 6.12.12. adoption of decisions on consent to conclude transactions or on subsequent approval of major transactions in cases provided for by Chapter X of the Federal Law "On Joint-Stock Companies";
- 6.12.13. adoption of decisions on consent to conclude transactions or on subsequent approval of transactions provided for by Chapter XI of the Federal Law "On Joint-Stock Companies";
- 6.12.14. approval of the Company's registrar, the terms of the contract, as well as termination of the contract with him/her;
- 6.12.15. determination of the Company's position (representatives of the Company), including an instruction to vote or not to vote on agenda items, vote on draft decisions "for", "against" or "abstained", on the following items on the agendas of the General Meetings of Shareholders (participants) subsidiaries and affiliates (hereinafter referred to as subsidiaries and affiliates), and meetings of the boards of directors of subsidiaries and affiliates:
- on the reorganization, liquidation of subsidiaries and affiliates;
 - on consent to the conclusion or subsequent approval of major transactions made by subsidiaries and affiliates;
- 6.12.16. adopting recommendations with regard of a voluntary or mandatory offer submitted to the Company;
- 6.12.17. filing an application for listing the shares of the Company and (or) equity securities of the Company convertible into shares of the Company;
- 6.12.18. consideration of the results of evaluation of the performance of the Company's Board of Directors;
- 6.12.19. approval of target values (adjusted values) of key performance indicators (KPIs) of the Company and reports on their implementation;
- 6.12.20. approval of the Company policy in the risk management area;
- 6.12.21. approval of the Company dividend policy.

7. Procedure of the meeting of the Board of Directors

7.1. The meeting of the Board of Directors shall be opened by the Chairperson of the Board of Directors. The Chairperson of the Board of Directors shall have the right to adopt a decision on conducting the meeting of the Board of Directors by personal attendance (as a physical meeting) via videoconferencing.

7.2. Members of the Board of the Company Directors, and persons invited to the meeting under each issue considered, shall participate in meetings of the Board of Directors, according to the list approved by the Chairperson of the Board of Directors.

7.3. The Corporate Secretary shall determine the presence of a quorum for conducting the meeting of the Board of Directors.

The quorum for conducting the meeting of the Board of Directors shall be at least one half from the number of elected members of the Board of the Company Directors, unless a different quorum is established by the legislation of the Russian Federation and (or) the Articles of Association.

7.4. The Chairperson of the Board of Directors shall inform the attendees on the presence of the quorum for conducting the meeting of the Board of Directors and announce the agenda of the meeting of the Board of Directors.

7.5. At the quorum absence, the meeting shall be announced preterlegal. At this, the Chairperson of the Board of Directors shall adopt one of the following decisions:

- 1) by consultations with the present members of the Board of Directors, determine the time of rescheduling of a meeting;
- 2) determine the date, time, form, agenda for a new meeting conducted instead of he cancelled one.

- 7.6. Meeting of the Board of Directors shall include the following stages:
- 1) statement of the member of the Board of Directors or an invitee with the agenda issue report;
 - 2) discussing of the agenda issue;
 - 3) proposals for wording of decision on the agenda issue;
 - 4) voting under the agenda issue;
 - 5) vote count and tally of votes;
 - 6) announcement of the voting results and the decision adopted under the agenda issue.
- 7.7. Information of the Corporate Secretary on performing the earlier adopted decisions of the Board of Directors shall be listened at the meeting of the Board of Directors, carried out as a physical meeting of its members, in a mandatory manner.
- 7.8. Decisions made at a meeting of the Board of Directors of the Company shall be taken by a majority of votes of the members of the Board of Directors of the Company participating in the meeting of the members of the Board of Directors, with the exception of cases provided for by the Russian Federation legislation and the Articles of Association.
- 7.9. When resolving issues at the meeting of the Board of Directors, each member of the Board of Directors shall have one vote.
In case of tie vote, the vote of the Chairperson of the Board of Directors shall be deciding.
- Vote transfer by one member of the Board of the Company Directors to the other member of the Board of the Company Directors or person shall not be permitted.
- 7.10. In case if the member of the Board of Directors has the conflict of interests, he/she is recommended to abstain from voting under the issues, under which such member has the conflict of interests.

8. Procedure of conduct of the meeting of the Board of Directors in person and in absentia

- 8.1. By decision of the Chairperson of the Board of Directors, the meeting of the Board of Directors may be conducted in person and in absentia (including videoconferencing). Information on this should be specified in the notification on conduct of the meeting.
- 8.2. In case if less than half of the members of the Board of Directors are present at the meeting, written opinions of the members of the Company Board of Directors, absent at the Board of Directors Meeting, shall be taken into account when determining the voting results on the agenda issues, according to the procedure established by this Provision.
- 8.3. On the day of the meeting of the Board of Directors, the Corporate Secretary based on the voting results at the meeting shall execute the feedback form (Annex 1) to be signed the Chairperson of the Board of Directors, which shall be sent by fax, e-mail, or the automated data system to the members of the Board of the Company Directors, who were absent at the specified meeting.
- 8.4. When completing the feedback form, the member of the Board of Directors should leave not crossed out only one of possible voting options ("for", "against", "abstain") under each draft decision for each issue. The completed feedback form should be signed by the member of the Board of Directors with his/her last name and initials specified.
The members of the Company Board of Directors may also vote under the proposed draft decisions in the automated data system.
- 8.5. The completed and signed feedback form, and the individual opinion of the member of the Board of Directors under each agenda issue (if any) shall be sent by the member of the Board of Directors not later than on the next day after the meeting to the Corporate Secretary as an original copy, by fax or e-mail, with the subsequent sending of hard copies of the specified documents to the address specified therein.
- 8.6. The feedback form, completed with breach of the requirements specified in cl. 8.4. of this Provision, shall be deemed invalid (in case of breach of the requirements to filling in the vote options, it shall be deemed invalid only in the part of the respective issue) and shall be ignored at vote counting.

The feedback form, received by the Company upon the expiry of the term specified therein shall be ignored at vote counting and tally of votes.

8.7. Based on the results of voting at the meeting and those received from the members of the Board of Directors of the feedback forms and information, displayed in the automated data system, the Corporate Secretary shall sum up the voting results for the agenda issues and execute the minutes of the Board of Directors according to the procedure, established by this Provision.

8.8. The completed feedback forms of members of the Board of the Company Directors, absent at meetings of the Board of Directors, should be attached to minutes of meeting of the Board of Directors.

9. Absentee voting procedure

9.1. By decision of the Chairperson of the Board of Directors, decisions of the Board of the Company Directors for the meeting agenda issues can be adopted by voting in absentia (by poll).

9.2. For adoption of a decision by the Board of Directors by virtue of absentee voting (by poll), each member of the Board of Directors shall receive a notification on conducting the absentee voting for the agenda issues, the draft decisions under them and materials (information) on issues, included into the agenda according to the procedure and in terms, established by clauses 6.6-6.11 of this Provision.

9.3. Notification on the absentee voting conduct should contain:

- full company name and location of the Company;
- the agenda issues formulation;
- indication at the absentee voting conduct by filling in the feedback form;
- the ending date and time of the sign-off sheets acceptance period;
- the ending date and time of the feedback forms for absentee voting acceptance period;
- list of information (materials), provided to the members of the Board of Directors.

9.4. The feedback form for absentee voting (Annex 2) shall be sent to the members of the Board of Directors not later than on the date of the feedback forms for absentee voting acceptance period, specified in the notification on the absentee voting conduct.

Along with the feedback form, decisions (recommendations) of the Board and/or the respective Committees (in case if they were received by the Corporate Secretary of the Company) shall be sent to all members of the Board of Directors

9.5. When completing the feedback form, the member of the Board of Directors should leave not crossed out only one of possible voting options ("for", "against", "abstain") under each draft decision for each issue. The completed feedback form should be signed by the member of the Board of Directors with his/her last name and initials specified.

The members of the Company Board of Directors may also vote under the proposed draft decisions in the automated data system.

9.6. The feedback form, completed with breaching off the requirements, specified in clause 9.5. of this Provision, shall be deemed invalid (in case of breach of the requirements to filling in the vote options, it shall be deemed invalid only in the part of the respective issue) and shall not take part in determination of a quorum required for adoption of a decision by absentee voting, and shall be ignored at vote counting.

9.7. The completed and signed feedback form, and the individual opinion of the member of the Board of Directors under agenda issues (if any) shall be sent by the member of the Board of Directors within the term specified in the feedback form to the Corporate Secretary as an original copy, by fax or e-mail, with the subsequent sending of hard copies of the specified documents to the address specified in the feedback form.

Members of the Board of Directors, whose feedback forms were received by the Corporate Secretary as original copies, by fax or by e-mail not later than on the end date of the feedback forms acceptance, specified in the notification, and members of the Board of Directors, who voted under the offered draft decisions in the automated data system, shall be deemed the members who participated in the absentee voting.

The feedback form, received by the Company upon the expiry of the term specified therein shall be ignored at vote counting and tally of votes at absentee voting.

9.8. Voting results for the agenda issues of the meeting, conducted by virtue of absentee voting, shall be summed up based on feedback forms, completed and signed by the members of the Board of Directors, and received by the Company within the term established in the notification on the absentee voting conduct, and based on voting by the members of the Board of Directors in the automated data system.

9.9. Based on the received the feedback forms and information, displayed in the automated data system, the Corporate Secretary shall execute the minutes of the Board of Directors according to the procedure, established by this Provision.

9.10. Any of the members of the Board of Directors shall have the right to offer alternative wording of draft decisions for the agenda issues by sending them to the Corporate Secretary in writing, by fax, or by e-mail with an accompanying letter not later than in 2 calendar days before the date of the meeting of the Board of the Company Directors, and in case of consideration in reduced terms, not later than in 1 calendar day before the date of the meeting of the Board of the Company Directors.

9.11. Wordings of draft decisions, offered by the member of the Board of Directors, should be included into the respective items of the agenda of the feedback forms, sent to the members of the Board of Directors with the specified need to vote under both draft decisions. If alternative wording of draft decisions are available, the decision shall be deemed adopted with a wording that has the most "FOR" votes.

10. Convening and conduct of the meeting of the Board of Directors, related to formation of the Company executive bodies

10.1. Convening and conduct of the meeting of the Board of Directors, related to formation of the Company executive bodies (election, termination, suspension of powers), shall be performed in accordance with general rules, established by this Provision, with regard of peculiarities, established by this section.

10.2. The procedure determined by the section shall be applied in the following cases:

- termination of powers of the CEO and election of the new CEO (or the acting Director General);
- election of the CEO (in case, if the Board of Directors earlier adopted a decision on termination of powers of the CEO and on electing the acting Director General, and no new CEO of the Company was elected);
- the suspension of the managing organization (manager) powers and the appointment of the Acting Director General of the Company;

10.3. Preparation and conduct of the meeting of the Board of Directors, the agenda of which includes issues, specified in clause 10.2. of this Provision, shall include the following stages:

- notification the members of the Board of Directors on convening the meeting with the specified right to nominate a candidacy for the post of the CEO (or the acting Director General in case of putting an issue on suspension of powers of the managing organization (manager)) or a candidacy of the managing organization (manager), in cases, provided for by this section;
- nominating candidacies for the post of the CEO (of the acting Director General, of the managing organization (manager)) by the members of the Board of Directors;
- adoption of decision on termination of powers of the CEO or on suspension of powers of the managing organization (manager);
- adoption of decision on electing the CEO (of the acting Director General in case of putting an issue on suspension of powers of the managing organization (manager));
- adoption of decision on electing the acting Director General, in case if a decision was adopted on termination of powers of the CEO, but a decision was made on election of the new CEO at voting;
- forming an offer of the Board of Directors under the candidacy(ies) of the managing organization (manager) for voting at the General Company's Shareholders Meeting under the issue

of transfer of powers of the single executive body of the Company to the managing organization (manager).

10.4. In case of adopting a decision on suspension of powers of the managing organization (manager) and appointment of the acting Director General, the Board of Directors is obliged to adopt a decision on convening the unscheduled meeting of the General Company's Shareholders Meeting for solving an issue on early termination of powers of the managing organization (manager).

10.5. In case, provided for by clause 10.4. of this section, at a meeting, at which the decision is adopted on suspension of powers of the managing organization (manager) and appointment of the acting Director General, the Board of Directors is also obliged to consider an issue on the candidacy (candidacies) of the managing organization (manager), to which it is offered to transfer powers of the single executive body of the Company, and adopt other decisions, related to suspension of powers of the managing organization (manager) and performance by the acting Director General of its functions before conducting the General Company's Shareholders Meeting.

10.6. Notification on conduct of the meeting of the Board of Directors, the agenda of which contains issues, provided for by clause 10.2. of this Provision, shall be sent to the members of the Board of Directors not later than in 3 calendar days before the date of the meeting of the Board of Directors.

The specified meeting of the Board of Directors may be held in any form.

10.7. Unless otherwise is established by decision of the Board of Directors, each member of the Board of Directors shall have the right to nominate not more than one candidate for the post of the CEO (of the acting Director General). The member of the Board of Directors shall have the right to nominate a candidate for the post of the acting Director General in case of adopting a decision on termination of powers of the CEO, but no decision is made on appointing the new CEO following the voting. At this, the member of the Board of Directors shall have the right to nominate the same person both for the post of the CEO and for the post of the acting Director General.

10.8. In case including an issue on suspension of powers of the managing organization (manager) into the agenda of the meeting of the Board of the Company Directors, the member of the Board of the Company Directors shall also have the right to nominate a candidacy of the managing organization (manager) for forming an offer of the Board of Directors to the Company's Shareholders general Meeting under the issue of transferring powers of the single executive body of the Company to the managing organization (manager).

10.9. The proposal for the candidate nomination (clauses 10.7. and 10.8. of this Provision) shall be made in writing and signed by the member of the Board of Directors who nominated the candidate.

10.10. The proposal for the candidate nomination for the post of the CEO (of the acting Director General) should contain the following data:

- name of the proposed candidate;
- date and place of birth;
- information on education, specialty, and qualification;
- data on the science degree;
- data on labor activity for the last 5 years;
- number and categories (types) of the Company shares belonging to a candidate.

10.11. Offer on nominating the candidacy of the managing organization should contain the following data:

- full corporate name of the organization;
- data on the date and place of the state registration;
- data on the organization founders;
- data on the organization shareholders (members);
- data on the organization affiliates.

10.12. Offer on nominating the candidacy of the manager should contain the data, provided for by clause 10.10. of this Provision, and data if the candidate has a certificate of state registration of individual entrepreneur.

10.13. Offers for nominating candidates for the post of the CEO (of the acting Director General, of the managing organization (manager)), should be submitted to the Company as original

copies, by fax (with the subsequent presentation of the original copy at the meeting) or by e-mail not later than in 2 calendar days before the meeting of the Board of Directors.

10.14. Offers for nominating candidacies, received from the members of the Board of the Company Directors, should be included into the voting list.

10.15. If, following the voting(s) results under the issue of electing the CEO, neither candidacy collects the required number of votes, the Board of Directors shall have the right to appoint the acting Director General. In this case, voting is conducted for those candidacies for posts of the acting Director General that were nominated by the members of the Board of Directors in accordance with clause 10.7. of this section. In case if neither member of the Board of Directors nominated a candidate for the post of the acting Director General under clause 10.7. of this section, the voting should be performed under candidacies that can be nominated by the members of the Board of Directors at the meeting of the Board of Directors.

10.16. Members of the Board of Directors shall request additional information from the member of the Board of Directors on a candidate nominated.

10.17. Offers for nominating candidacies for the post of the CEO (of the acting Director General) or the managing organization of the Company and data on them, received from the members of the Board of Directors, shall be sent by the Corporate Secretary of the Company to the respective Committee of the Board of Directors immediately after their delivery according to the procedure and by means providing their receipt by the Committee as soon as possible (by fax, e-mail, etc.).

Decisions (recommendations) of the Committee of the Board of Directors in case if submitted to the Board of Directors before the meeting of the Board of Directors shall be immediately sent by the Corporate Secretary to the members of the Board of the Company Directors, and submitted to the members of the Board of Directors directly at the meeting of the Board of Directors at the meeting conduct in person, in person and in absentia voting. In case if decisions (recommendations) of the respective Committee were not submitted to the Board of Directors, the Board of Directors shall have the right to adopt a decision under the issue without regard of such decisions (recommendations).

10.18. In case if, in accordance with the Articles of Association, the CEO is elected by the General Shareholders Meeting, provisions of this section shall apply in the part not contradictory to the Articles of Association and the legislation of the Russian Federation.

10.19. In case of forming the collective executive body in the Company, the procedure of election and termination of powers of its members shall be established by the Company internal document, regulating the activities of such body.

11. Minutes of meeting of the Board of Directors of the Company

11.1. The minutes are kept at a meeting of the Board of Directors of the Company by the Corporate Secretary.

11.2. The minutes of meeting of the Board of the Company Directors shall be executed not later than in 3 calendar days after its conduct (tally of votes for in absentia voting, in person and in absentia voting).

11.3. The minutes shall specify:

- full corporate name of the Company;
- meeting format;
- time and place of the meeting conduct (tally of votes);
- Members of the Board of Directors, attending the meeting (who participated in absentia voting, in person and in absentia voting), and the invitees;
- information on the meeting quorum presence;
- the meeting agenda;
- issues put to a vote and nominal results of voting on them;
- generalized transfer of reports and statements of persons participating in the meeting;
- decisions made;

The minutes of meeting of the Board of the Company Directors shall sign by the person chairing the meeting and by the Corporate Secretary, who shall be held liable for validity of the minutes completion.

The received individual opinions of the members of the Board of Directors, forming an integral part of the minutes, shall be attached to the minutes of meeting of the Board of Directors.

The Corporate Secretary shall be validated all attachments to the minutes of meeting of the Board of the Company Directors (the Chairperson of the Board of Directors shall validate annexes to the Minutes of Meeting of the Board of the Company Directors in case if provided by the document format).

11.4. Decisions adopted by the Board of Directors shall be brought to notice of the Board of Directors by sending by the Corporate Secretary a copy of the minutes of meeting of the Board of Directors by e-mail, fax, or the automated data system not later than in 3 calendar days after signing the minutes of meeting of the Board of Directors.

11.5. The Company is obliged to keep the minutes of meeting of the Board of Directors at the offices of the Company executive body.

11.6. The Minutes of Meeting of the Board of the Company Directors should be available for familiarization at the offices of the Company executive body to any member of the Board of Directors, member of the Revision Committee, the Company auditor, the Company CEO, official representatives of federal controlling bodies, and the Company shareholder (shareholders) in accordance with the requirements of the Federal Law "On stock companies".

12. Final provisions

12.1. For the purposes of improving its work, the Board of the Company Directors is obliged to carry out regular evaluation of its activities' efficiency.

Regularity, evaluation criteria and other issues related to evaluation of efficiency of the Board of the Company Directors, shall be determined by individual decisions of the Board of the Company Directors.

BOARD OF DIRECTORS
of Public Joint-Stock Company
Rosseti South

FEEDBACK FORM

**for voting for the agenda issues of the meeting
of the Board of Directors of PJSC Rosseti South,
conducted in person and in absentia " _____ " _____ 20____**

Question 1: _____

Decision (adopted at the meeting): _____

FOR

AGAINST

ABSTAIN

(please leave your answer option not crossed out)

Question 2: _____

Decision (adopted at the meeting): _____

FOR

AGAINST

ABSTAIN

(please leave your answer option not crossed out)

The completed and signed feedback form shall be sent by fax _____, e-mail _____ or as an original copy not later than on _____.
/date, time/

The feedback form, delivered to the Company upon the expiry of the term specified therein shall be ignored at vote counting and tally of votes in person and in absentia.

Please send the original feedback form to: _____

**Member of the Board of Directors
Rosseti South PJSC**

_____/_____
(signature) (FULL NAME)

Chairman of the Board of Directors

_____/_____
(signature) (FULL NAME)

THE FEEDBACK FORM IS NOT VALID UNLESS SIGNED BY THE CHAIRPERSON AND THE MEMBER OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS
of Public Joint-Stock Company
Rosseti South

FEEDBACK FORM

**for the absentee voting on the agenda issues of the meeting of the Board of Directors
of
Rosseti South, PJSC**

Question 1: _____

Resolution _____

FOR

AGAINST

ABSTAIN

(please leave your answer option not crossed out)

Question 2: _____

Decision: _____

FOR

AGAINST

ABSTAIN

(please leave your answer option not crossed out)

The completed and signed feedback form shall be sent by fax _____, e-mail
_____ or as an original copy not later than on _____.
/date, time/

The feedback form, delivered to the Company upon the expiry of the term specified above,
shall be ignored at vote counting and tally of votes in absentia.

Please send the original feedback form to: _____

Member of the Board of Directors
Rosseti South PJSC

_____/_____
(signature) (FULL NAME)

**THE FEEDBACK FORM IS NOT VALID UNLESS SIGNED BY THE CHAIRPERSON AND THE MEMBER OF THE BOARD OF
DIRECTORS**