

ANNEX 2
to the Regulation on the API Interaction with candidates
to the Boards of Directors (Supervisory Boards) of
Russian Issuers and with independent directors
supported by the API

Independent Director Independence Criteria

1) the candidate to / member of the Board of Directors and/or his/her affiliates* are not affiliated with the Issuer, particularly including the following:

- they are not and, for the last three years, were not members of executive bodies or employees of the Issuer or any subsidiary of the Issuer;

- they do not sit on the Board of Directors of the legal entity controlling the Issuer, a subsidiary or management company of such a legal entity;

- for the last three years, they did not receive any remuneration and/or other material benefits from the Issuer and/or its subsidiaries in the amount exceeding half of the fixed annual fee payable to a member of the Issuer's Board of Directors, except for payments and/or compensations received as remuneration and/or refund of expenses arising from the performance of duties as a member of the Board of Directors of the Issuer and/or its subsidiary, including the cost of insurance against their liability in that capacity, as well as the income and other payments on the securities of the Issuer and/or its subsidiary;

- they do not (beneficially) own shares of the Issuer accounting for more than one percent of the Issuer's authorized capital or the total number of the Issuer's voting shares, or shares with a market value exceeding the annual fixed fee of a member of the Issuer's Board of Directors more than 20 times;

- they are not employees and/or members of executive bodies of a legal entity if their remuneration is determined (considered) by the remuneration committee of the Board of Directors (or by the Board of Directors) of this legal entity and any employee and/or member of the Issuer's executive bodies is a member of this remuneration committee (or of the Board of Directors);

- they do not provide consulting services to the Issuer, the owner of the Issuer and the Issuer's subsidiary legal entities; nor are they members of governance bodies of the companies providing such services to the Issuer or the said legal entities, nor are they employees of such companies directly involved in the provision of such services;

- for the last three years, they did not provide valuation, tax consulting, audit or accounting services to the Issuer or the Issuer's subsidiary legal entities, nor were they members of governance bodies of the companies providing such services to the Issuer or the said legal entities, or the rating agency which rated the Issuer; nor were they employees of such companies or such a rating agency directly involved in the provision of such services to the Issuer.

- the candidate did not hold the position of a member of the Board of Directors of the Issuer for more than seven years in aggregate.

2) the candidate and/or his/her affiliates are not affiliated with a substantial shareholder of the Issuer entitled, whether directly or indirectly (through controlled persons/entities), whether individually or jointly with other persons/entities (affiliated with this substantial shareholder by virtue of a discretionary property management contract and/or a simple partnership contract and/or a commercial mandate agreement and/or a shareholders' agreement and/or another agreement for the exercise of rights attached to shares / equity stakes in the Issuer), to exercise control over five or more percent of the votes attributable to the voting shares constituting the authorized capital of the Issuer, particularly including the following:

- they are not employees and/or members of executive bodies of a substantial shareholder

of the Issuer (a legal entity operating within the same group of companies as the Issuer's substantial shareholder);

- for the last three years, they did not receive any remuneration and/or other material benefits from a substantial shareholder of the Issuer (a legal entity operating within the same group of companies as the Issuer's substantial shareholder) in the amount exceeding half of the fixed annual fee payable to a member of the Issuer's Board of Directors, except for payments and/or compensations received as remuneration and/or refund of expenses arising from the performance of duties as a member of the Board of Directors (a committee of the Board of Directors) of the substantial shareholder of the Issuer (a legal entity operating within the same group of companies as the Issuer's substantial shareholder), including the cost of insurance against their liability in that capacity, as well as the income and other payments on the securities of the Issuer's substantial shareholder (a legal entity operating within the same group of companies as the Issuer's substantial shareholder);

- they are not members of the Board of Directors at more than two legal entities controlled by a substantial shareholder of the Issuer or a person/entity exercising control over a substantial shareholder of the Issuer.

3) the candidate and/or his/her affiliates are not affiliated with a competitor or any significant counterparty of the Issuer, a party to a contract (or contracts) with the Issuer entailing liabilities equal to or exceeding two percent of the book value of the Issuer's assets or two or more percent of the revenues (income) earned by the Issuer (including the group of its subsidiaries) or by this significant counterparty of the Issuer (or the group that includes the Issuer's significant counterparty), particularly including the following:

- they are not employees and/or members of the governance bodies of a significant counterparty or competitor of the Issuer, as well as of the legal entities exercising control over a substantial counterparty or competitor of the Issuer or its subsidiaries;

- they do not (beneficially) own shares / equity stakes in a significant counterparty or competitor of the Issuer accounting for more than five percent of the authorized capital or the total number of voting shares;

4) the candidate is not affiliated with the Government (the Russian Federation, a federal subject of the Russian Federation) or a municipal entity, or a foreign government, particularly including the following:

- the candidate does not and, for a period of one year preceding the date of filling in the Independent Director's Declaration, did not serve as a government or municipal employee, hold positions at government authorities or at the Bank of Russia;

- the candidate does not represent the Russian Federation, a federal subject of the Russian Federation or a municipal entity on the Board of Directors of the Issuer in respect of which a decision is made to exercise the special management right (the "golden share");

- the candidate is not obliged to vote on one or more issues within the competence of the Board of Directors of the Issuer according to an instruction issued by the Russian Federation, a federal subject of the Russian Federation or a municipal entity;

- the candidate is not and, for a period of one year preceding the date of filling in this Declaration, was not a member of executive body or any executive employee of an organization controlled by the Russian Federation, a federal subject of the Russian Federation or a municipal entity, or an employee of any state or municipal unitary enterprise or institution.

- (*applies to non-Russian residents or Russian citizens also possessing a foreign citizenship*) the candidate does not and, for a period of one year preceding the date of filling in this Declaration, did not act in the foreign state in the capacity of a public official (by holding positions directly provided for by the law for exercising executive, legislative, judicial and public justice functions), a state or municipal employee, a military service member, an employee of an organization (legal entity) fully owned by or being under executive control of the government,

including the government bodies (persons) authorized to act on behalf of the government. Throughout this paragraph, the term “government” also refers to its administrative constituents (territorial units, municipalities, etc.).

5) the candidate does not hold a position at a company operating a trading facility (whether in Russia or abroad) where the Issuer’s securities or derivative financial instruments are trading.

6) the candidate does not qualify as affiliated with the Issuer on any of the affiliation criteria provided for by the Russian Law on Joint-Stock Companies^{***}, except for the membership in the Board of Directors of the Issuer.

The failure of a candidate to meet any of the above-stated independence criteria entails the forfeiture of the status of independent director.

* In what follows, the “Board of Directors” also means the Supervisory Board of the Issuer (if any).

** the term “affiliates of the candidate” refers to the following persons: spouse (husband or wife), parents, children, adoptive parents, adoptees, siblings and half-siblings, grandparents and any other person permanently living together and sharing housekeeping with the candidate.

*** The affiliation criteria are provided in Annex 3 to the Regulation.