



**APPROVED**

by a resolution of the general meeting of the Investor Protection Association members

(minutes no. 4/SA12/12 as of December 13, 2012),

by a resolution of the general meeting of the Association of Institutional Investors members

(minutes no. 4/OSA/11/14 as of November 17, 2014, as

modified by the resolution of the general meeting of the Association of Institutional Investors members (minutes no. 2/OSA/08/16 as of August 5, 2016).

**MEMBERSHIP REGULATIONS  
of the Association of Institutional Investors**

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These Regulations establish the procedure and types of membership in the Association of Institutional Investors (hereinafter referred to as the “Association”), as well as the rights and obligations of its members.

Members of the Association operate in accordance with the effective Charter and the Membership Regulations of the Association of Institutional Investors approved by a general meeting of the Association members and binding for all members of the Association.

**1. Members of the Association**

1.1. Membership in the Association can be granted to organizations recognized as investors in accordance with the legislation of the Russian Federation, as well as other organizations by a resolution of the Association.

Any organizations carrying out investment activities or other activities in the Russian Federation can be admitted to membership in the Association.

1.2. The following membership levels are distinguished in the Association:

- standard membership;
- premium membership.

1.3. Standard membership in the Association is granted to any legal entities recognized as investors pursuant to the legislation of the Russian Federation, as well as other organizations, recognizing the Charter of the Association.

1.4. Premium membership in the Association is granted to any legal entities recognized as investors pursuant to the legislation of the Russian Federation recognizing the Charter of the Association.

## **2. Procedure for the admission to membership of the Association**

2.1. An organization seeking to become a member of the Association (hereinafter referred to as the “Applicant”) shall submit the following documents to the Executive Director of the Association: an application for membership (Annex 1), a brief description of the Applicant’s activities (Annex 2), with copies of the Applicant’s constituent documents and original documents certifying the signatory’s authority attached to them. All such documents shall be authenticated by the Applicant’s seal.

2.2 The Board of Directors gives a preliminary consideration to the membership application and makes a preliminary decision on admitting the applicant as a member of the Association.

The preliminary decision is entered in the minutes of the meeting of the Association Board of Directors.

The nearest general meeting of the Association members approves the preliminary decision of the Association Board of Directors on the admission to membership of the Association.

The resolution on the admission to membership of the Association is passed at the general meeting of the Association members by a majority vote of the Association members in attendance at the meeting.

2.3. The minutes of the general meeting of the Association members shall be provided to the new Association member within 5 days from the date of the resolution.

2.4. The entrance fee shall be payable within 30 days from the date of passing the resolution on the admission of the legal entity concerned as a member of the Association by the general meeting of the Association members.

2.5. The Applicant shall become a member of the Association provided that all the conditions below are met simultaneously:

- an application for membership is submitted to the Association;
- a related resolution is passed at a general meeting of the Association members;
- the membership fees stipulated by these Regulations are duly paid.

## **3. Rights and obligations of the Association members**

3.1. Members of the Association with different membership levels in accordance with clause 1.2. of these Regulations shall be vested with different rights and obligations pursuant to the effective Charter of the Association and these Regulations approved by a general meeting of the Association members.

Members of the Association sharing the same membership level in accordance with clause 1.2. of these Regulations shall have equal rights and obligations pursuant to the effective Charter of the Association and these Regulations approved by a general meeting of the Association members.

3.2. Standard-level members of the Association are entitled to the following:

1) participate in general meetings of the Association members and vote on agenda items of general meetings of the Association members, as provided for by the effective Charter and these Regulations approved by a general meeting of the Association members;

2) convene a meeting of the Board of Directors of the Association, put issues and draft resolutions on the agendas of meetings of the Association Board of Directors;

3) take part in the work of the committees of the Association Board of Directors formed by a resolution of the Association Board of Directors, as provided for by the effective Charter of the

Association and these Regulations approved by a general meeting of the Association members.

4) participate in annual and special events held by the Association (press conferences, round table meetings, conferences and other events aimed at the achievement of the Association's objectives);

5) submit documents to the Executive Director of the Association for preliminary examination and subsequent submission of Projects for consideration by the Board of Directors and/or a general meeting of the Association members, in accordance with the effective Charter;

6) exercise control over the implementation of the Association's Projects;

7) petition for postponement of the date of a general meeting of the Association members or the date of consideration by the Board of Directors of an issue concerning a member of the Association or submitted by the member for consideration of the Association Board of Directors;

8) submit their opinions in writing with regard to issues included in the agenda of a general meeting of the Association members in the event of inability to attend such a meeting in person;

9) participate in Projects and taskforces of the Association in accordance with the by-laws of the Association which govern the principles of involvement in Projects and taskforces;

10) receive from the Executive Director of the Association reports concerning the Association's activities, materials on all conducted general meetings of the Association members and the Board of Directors meetings, as well as information on the progress in implementing specific Projects and results of taskforces' activities, subject to limitations imposed by the law of the Russian Federation and the by-laws of the Association, other information stipulated by the effective Charter;

11) use the membership in the Association for the purposes and in the manner provided for by the by-laws of the Association, particularly referring to the membership in the Association in letters, materials, correspondence and other documents;

12) obtain information from databases, use the equipment of the Association as provided for by the Association Board of Directors;

13) make inquiries to the Association about the fulfillment by the Association of its goals and objectives stipulated by the Charter;

14) consult with members of the Association and the Executive Director of the Association on corporate governance at joint stock companies (including restructurings, buybacks, dividends, amendments to by-laws of joint-stock companies affecting interests of shareholders);

15) withdraw from the Association at their discretion.

3.3. Premium-level members of the Association shall have the same rights as standard-level members of the Association as provided for by clause 3.2. of these Regulations and be additionally entitled to the following:

1) put issues and draft resolutions on the agendas of general meetings of the Association members;

2) nominate candidates to the positions of Chairman of the Association Board of Directors, members of the Association Board of Directors and Executive Director of the Association;

3) take part in a meeting of the Association Board of Directors in an advisory capacity (without the right to vote on the agenda items of such a meeting) in case a representative of the premium-level Association member is not elected to the Board of Directors of the Association;

4) convene a general meeting of the Association members.

3.4. Members of the Association are entitled to use its services free of charge.

3.5. Members of the Association shall have the following obligations:

1) comply with federal laws and other statutory regulations of the Russian Federation, as well as with provisions of the constituent documents and resolutions of the Association's bodies made within the scope of their authorities;

2) avoid any abuse of membership in the Association and unfair practices;

- 3) timely provide the information required under the by-laws of the Association;
- 4) keep secret the confidential information on the Association's activity;
- 5) timely pay membership fees and other fees in the amount and manner provided for by the by-laws of the Association;
- 6) assume subsidiary liability for obligations of the Association to the extent and in the manner provided for by the effective Charter of the Association and the legislation;
- 7) notify the Executive Director of the Association in writing of any changes in its legal status, corporate name and location within 30 days from the date of such changes;
- 8) seek compliance with generally accepted international and Russian corporate governance standards.

3.6. In addition to the above rights and obligations, members of the Association shall assume the following rights and obligations related to conflicts of interests.

3.6.1. Members of the Association shall be obliged to notify the Executive Director of their material interests actually or potentially contradicting interests of other members of the Association as applied to issues included in the agenda of a forthcoming general meeting of the Association members, a forthcoming meeting of the Association Board of Directors in good time prior to such a meeting.

The above applies to a material interest generally inconsistent with interests of the Association members and potentially coming into conflict with material interests of other Association members.

3.6.2. Members of the Association shall notify the Executive Director of any such material interest in any Project prior to joining such a Project.

3.6.3. The Executive Director shall notify other members of the Association of an existing conflict of interests.

Absent such notification from the Executive Director, any member of the Association may notify other members of an existing or potential conflict of interests during the meeting or in other circumstances.

3.6.4. The Association member whose material interest actually or potentially contradicts interests of other Association members may participate in the consideration of issues on the agenda of a general meeting of the Association members and/or a meeting of the Association Board of Directors without the right to vote on them, unless otherwise decided by a majority vote of other members.

3.6.5. A member of the Association having such material interest may abstain from participating in the discussion of an issue related to such interest and/or in a related Project of the Association without consent of other members and without disclosing the substance of such interest.

#### **4. Termination of membership in the Association**

4.1. Any member of the Association shall have the right to withdraw from the Association at its sole discretion after the end of the financial year by submitting a withdrawal request addressing the Executive Director of the Association.

Besides, the withdrawing or expelled member of the Association shall be obliged to pay all outstanding entrance / membership fees and target contributions, if any, within 30 (thirty) days from the moment of withdrawal or exclusion from the Association.

The outstanding debt is calculated in proportion to the period of unpaid-for membership in the Association.

4.2. The member of the Association deciding to withdraw from the Association shall bear subsidiary liability for obligations of the Association in proportion to its contribution for a period of two years from the withdrawal pursuant to the legislation of the Russian Federation.

4.3. A member of the Association may be excluded from the Association by a resolution of the

Association Board of Directors approved at a general meeting of the Association members by a majority vote of the Association members present at the meeting.

Upon exclusion of a legal entity from the Association, the powers of its representatives in the management and control bodies of the Association shall be terminated.

Excluded Association members shall bear subsidiary liability for obligations of the Association in proportion to their respective contributions for a period of two years from the exclusion pursuant to the legislation of the Russian Federation.

4.4. A member of the Association can be excluded from the Association for the following reasons:

- non-compliance with the effective Charter, the Foundation Agreement and the by-laws of the Association approved by a general meeting of the Association members and the Association Board of Directors;

- non-payment of fees provided for by the by-laws of the Association in due time;
- inconsistency between the activities of the Association member and the goals and objectives of the Association;

- other factors the occurrence of which caused damage to the Association through the fault of the said Association member.

4.5. A petition for exclusion from membership may be submitted to the Executive Director of the Association by any member of the Association. Within 5 (five) working days upon receipt of the petition, the Executive Director shall submit a request for convening a meeting of the Board of Directors addressing the Association member's exclusion to the Chairman of the Association Board of Directors.

Upon consideration of this issue, the Board of Directors may decide to convene a general meeting of the Association members the agenda of which covers the Association member's exclusion, according to a procedure provided for by the Charter.

4.6. The member of the Association is deemed to be excluded from the Association at the moment a related resolution is passed at the general meeting of the Association members.

4.7. The fees paid and voluntary donations made prior to the moment of withdrawal (exclusion) shall not be paid back to the withdrawing (excluded) member of the Association.

## **5. 5. Fees payable by members of the Association**

5.1. The fees payable by the members of the Association are divided into:

- entrance fees;
- recurrent (annual) fees;
- target contributions.

Entrance and annual membership fees are used to maintain the executive office of the Association and to finance the Projects approved by the Board of Directors.

Target contributions are intended for financing specific activities, projects and programs of the Association not provided for by the current financial plan based on the entrance and annual fees paid by members of the Association.

The fees paid, contributions made and other assets transferred to the Association by its members shall not be returned to them either in case of their voluntary withdrawal or exclusion from the Association.

The membership fees shall be payable in cash. The payment of membership fees in securities, property and non-property rights with a monetary value is only possible by a resolution of the Board of Directors. The value of the contributed property is estimated in Russian rubles upon mutual agreement between the Association member and the Association Board of Directors.

Membership fees can be paid in Russian rubles or US dollars at the exchange rate of the Central Bank of the Russian Federation as of the date of issue of the fee invoice.

5.2. The amount of entrance fee for standard-level members of the Association is RUB 50,000

(fifty thousand rubles).

5.3. The amount of entrance fee for premium-level members of the Association is RUB 100,000 (one hundred thousand rubles).

5.4. The amount of annual fee for standard-level members of the Association is RUB 150,000 (one hundred and fifty thousand rubles).

5.5. The amount of annual fee for premium-level members of the Association is RUB 500,000 (five hundred thousand rubles).

5.6. The entrance fee shall be payable within 30 days from the date of passing the resolution to admit the legal entity concerned as a member of the Association at a general meeting of the Association members.

The annual membership fees shall be paid by the member throughout the whole period of membership in the Association.

The first annual membership fee shall be paid by each Applicant simultaneously with the entrance fee, unless otherwise provided by a resolution of the Association Board of Directors. The first annual membership fee shall be paid in proportion to the actual membership period calculated from the calendar month in which the member joined the Association to the end of the calendar year.

The second and any subsequent annual membership fees for supporting the activity of the Association shall be paid in full by each member of the Association during the first two calendar months of the year for which the membership fee is paid, unless otherwise provided by a resolution of the Association Board of Directors.

The resolution on making target contributions, including their size and timing, shall be made by the Board of Directors of the Association by agreement with the member of the Association interested in making such contributions.

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### **Procedure for making amendments and additions to these Regulations**

6.1. Amendments and additions to these Regulations shall be approved by a general meeting of the Association members by a majority vote of the Association members entitled to vote.

6.2. Amendments and additions to these Regulations shall not come into contradiction with the effective legislation and the Charter of the Association.