



APPROVED
by the decision of the Board of Directors
of PJSC Enel Russia
(Minutes N 10/19 dd.26/06/2019)

The Chairperson of the Board of Directors

_____ Stephane Zweguintzow

**ORGANIZATIONAL REGULATION
ON COMMITTEES OF THE BOARD OF DIRECTORS
of Public Joint-Stock Company Enel Russia**

Moscow, 2019

1. GENERAL PROVISIONS

1.1. The Organizational Regulation on Committees of the Board of Directors of Public Joint-Stock Company Enel Russia (hereinafter referred to as the «Regulation») has been developed in accordance with the legislation of the Russian Federation, the Charter of Public Joint-Stock Company Enel Russia (hereinafter referred to as the «Company», PJSC Enel Russia), Regulation on Procedure for Convening and Holding of Meetings of Board of Directors of PJSC Enel Russia, applicable Listing Rules of stock exchange, on which the securities of the Company are traded (hereinafter referred to as the «Listing Rules») and recommendations of the Corporate Governance Code approved by the Bank of Russia.

1.2. The Committees of the Board of Directors of PJSC Enel Russia (hereinafter referred to as the «Committees») are established by the decisions of the Board of Directors of the Company and being consulting bodies are not entitled to act on behalf of the Company or its Board of Directors.

1.3. The Board of Directors establishes the following standing Committees:

- Audit and Corporate Governance Committee;
- HR and Remuneration Committee;
- Strategy Committee;
- Related Party Transaction Committee.

1.4. Each Committee shall be composed of at least 3 (three) members, 1 (one) of whom shall act as a Chairperson.

1.5. The Audit and Corporate Governance Committee, the HR and Remuneration Committee and the Related Party Transaction Committee are composed of Board of Directors' members who are independent directors as per applicable Listing Rules. A member of the Board of Directors cannot be considered to be an independent director if he/she is:

- associated with the Company;
- associated with a substantial shareholder of the Company;
- associated with a significant counterparty of the Company;
- associated with a competitor of the Company;
- associated with the State (the Russian Federation, a constituent entity of the Russian Federation) or a municipal entity.

If, for objective reasons, the Audit and Corporate Governance Committee and the HR and Remuneration Committee cannot be formed exclusively of independent directors, both Committees shall be formed of independent and non-independent directors, provided that they do not serve as the Company's General Director and/or as members of the Company's Executive Board. In this case, a majority of both Committees' members should be independent directors.

1.6. If, for objective reasons, the Related Party Transaction Committee cannot be formed exclusively of independent directors, non-independent director(s) nominated by non-controlling shareholders can be elected.

1.7. The Strategy Committee is composed of Board of Directors' members.

1.8. Independent director should be elected as a Chairperson of the Audit and Corporate Governance Committee. As a rule, the Chairpersons of the Committees are also appointed among independent directors.

1.9. The Chairpersons and other members of the Committees are elected/removed by the Board of Directors of the Company by a simple majority of votes of all elected Board members.

1.10. The Committees' Chairpersons submit quarterly reports on their Committees' activity to the Board of Directors.

1.11. The Committees (both Chairpersons and members) shall be entitled to access all the

corporate information and corporate functions necessary for the performance of their duties. The Committees may avail themselves of external consultants, which have specific knowledge of issues within the competence of the Committee, at the Company's expense within the Committees' budgets. The Committees' budget shall be subject to approval by the Board of Directors. The contracts with the persons engaged by the Committee for consulting services shall be executed in accordance with the procedure set by the Company's internal documents, on the basis of the corresponding decision of the Committee, by an authorized Company's official as advised by the Chairperson of the Committee, or by the Chairperson of the Committee on the basis of the power of attorney granted by the General Director of the Company.

1.12. The Corporate Secretary of PJSC Enel Russia acts as the Secretary of the Committees.

2. DUTIES OF AUDIT AND CORPORATE GOVERNANCE COMMITTEE

2.1. The Audit and Corporate Governance Committee has the task of assisting the Board of Directors in the promotion of efficient functioning of the Board of Directors of the Company as regards the issues connected with the control over finance and business activities, as well as development and improvement of the Company's corporate governance system and practice.

As part of such task, the Committee shall be entrusted, in particular, with the following duties:

2.1.1. Preliminary examination, analysis of the Company's annual report and the annual financial statement of the Company;

2.1.2. Control over completeness, accuracy, and reliability of the Company's accounting (financial) statements;

2.1.3. Selection of the candidates to the Company's external Auditor and setting of size of payment for the services;

2.1.4. Assessment of the external Auditor's independence and the absence of conflicts of interests, as well as of the quality of the audit of the accounting (financial) statements;

2.1.5. Ensuring the independence and objectivity of external and internal audit, as well as ensuring effective interaction of the external Auditor with the Company;

2.1.6. Ensuring the Company's internal audit, including review of a work-plan internal audit and preliminary appointment (dismissal) of the head of the internal audit department;

2.1.7. Control over the efficiency and reliability of the internal control and risk management system;

2.1.8. Establishment and enforcement of effective risk management and internal control procedures including consideration of policies related to risk management and internal control;

2.1.9. Preventing, detecting and mitigating conditions conducive to the emergence of financial and operational risks;

2.1.10. Ensuring that the Company complies with the requirements of the laws and the stock exchange rules, as well as ethical standards, rules, procedures of the Company and of the national and international best practices in relation to corporate governance;

2.1.11. Reviewing the Company's corporate governance system, assessing the corporate governance practices and developing recommendations on improvement of the corporate governance system;

2.1.12. Contributing to the establishment of the organizational conditions within the Company in order to prevent bad faith actions on the part of the company's employees and third parties;

2.1.13. Control over special investigations relating to potential fraud or misuse of insider or confidential information;

2.1.14. Approval of Committee's budget prepared as per the management's conclusion on the possibility to finance the proposed budget.

2.1.15. Other issues related to the abovementioned paragraphs (excluding those within the competence of the other Committees of the Company), as well as other issues assigned by the Company's Board of Directors.

3. DUTIES OF HR AND REMUNERATION COMMITTEE

3.1. The HR and Remuneration Committee has the task of supporting the Board of Directors of the Company in assuring effective and transparent Company's HR policy, succession planning, creating an efficient remuneration system for the Board of Directors' members, the Executive Board's members, the Corporate Secretary and the key managers of the Company, as well as an effective evaluation of the Board of Directors' and its Committees' performance.

As part of such task, the Committee shall be entrusted, in particular, with the following duties:

3.1.1. Evaluation of the professional qualification and independence of candidates nominated to the Board of Directors, forming opinions on their independence and professionalism;

3.1.2. Interaction, as appropriate, with shareholders, which should not be limited to the largest shareholders only regarding election of candidates to the Board of Directors;

3.1.3. Assessment of the independence of the Board of Directors' members;

3.1.4. Carrying out annual detailed and formalized self-evaluation/external evaluation, also with the support of an external consultant from time to time, of the Board of Directors, the Board of Directors' members and its Committees in terms of their composition and functioning, determining priority areas for strengthening the Board of Directors;

3.1.5. Determination of the criteria for selecting candidates for the Board of Directors;

3.1.6. Development of training/induction programs for the Board of Directors' members;

3.1.7. Succession planning, including continuity of activity, for members of the Executive Board, General Director, Corporate Secretary and other key managers, providing advice to the Board of Directors on candidates for the Corporate Secretary's position, Executive Board's members, General Director and other key managers;

3.1.8. Development and periodic review of the Company's policies on remuneration due to the members of the Board of Directors, its Committees, Executive Board's members, General Director and control over its implementation and actualization;

3.1.9. Development of terms for early termination of contracts with Executive Board's members of the Company and the Company's General Director, including all crucial obligations of the Company and the conditions for their provision;

3.1.10. Preliminary evaluation of the Executive Board's members' and General Director's performance of the Company at the end of the year in line with the Policy on remuneration and reimbursement of expenses (compensations) of the members of the executive bodies and other key managers;

3.1.11. Approval of Committee's budget prepared as per the management's conclusion on the possibility to finance the proposed budget.

3.1.12. Preparation, consideration and providing advice to the Board of Directors on the following:

- any matters regarding election and performance of the General Director and the Executive Boards' members;
- any matters regarding the transfer of the powers of the General Director to the managing company;
- remuneration of the Board of Directors' and its Committees' members;
- any issue addressed by the Policy on remuneration and reimbursement of expenses (compensations) of the members of the executive bodies and other key managers;

- setting a size of remuneration and the awarding principles the Company's Corporate Secretary;
 - recognition of the members of the Board of Directors or candidates to the Board of Directors as independent, based on the self-declarations of the same;
 - proposal/submission of candidates for certain positions of Company's key managers.
- 3.1.13. Other issues related to the abovementioned paragraphs (excluding those within the competence of the other Committees of the Company), as well as other issues assigned by the Company's Board of Directors.

4. DUTIES OF STRATEGY COMMITTEE

4.1. The Strategy Committee has the task of assisting the Board of Directors in the assessments and decisions relating to the strategy issues of the Company by carrying out preparatory work for the purpose of making proposals and providing advice. As part of such task, the Committee shall be entrusted, in particular, with the duty of preparation, consideration and providing advice on the following:

- 1) Any matters in relation to reorganization and liquidation of the Company and its subsidiaries;
- 2) Split or consolidation of the Company's shares;
- 3) Increasing/decreasing the Company's share capital;
- 4) Significant transactions (except for transactions made in the ordinary course of business) and major transactions;
- 5) Company's participation in investment projects;
- 6) Determining priority areas and strategic goals of the Company's business, control over implementation of its strategy (and any amendments thereof);
- 7) Approval of business plans (and any amendments thereof);
- 8) The Company's dividend policy;
- 9) Evaluation of the long-term efficiency of the Company's performance;
- 10) Evaluation of voluntary (obligatory) offers to purchase the Company's shares, obtained by the Company;
- 11) Assistance to the Board of Directors to ensure that the rights and interests of the shareholders as well as of the rights of other stakeholders are protected in case of performance of significant corporate actions by the Company;
- 12) Review of the Sustainability plan and related documents (policies, strategies) of the Company, inclusive of ESG KPIs;
- 13) Analysis of regular management reports on management of sustainability issues in the Company;
- 14) Compliance with GRI reporting standards and verification of ESG reporting;
- 15) Company's performance against selected external sustainability indexes;
- 16) Sustainability-related issues in connection with the Company's business and the interaction dynamics between the latter and its stakeholders;
- 17) Approval of the Committee's budget prepared as per the management's conclusion on the possibility to finance the proposed budget;
- 18) Other issues related to the abovementioned paragraphs (excluding those within the competence of the other Committees of the Company), as well as other issues assigned by the Company's Board of Directors.

5. DUTIES OF RELATED PARTY TRANSACTION COMMITTEE

5.1. The Related Party Transaction Committee has the task of assisting the Board of Directors in the assessments and decisions relating to related party transactions, conflicts of interest and significant corporate actions.

As part of such task, the Committee shall be entrusted, in particular, with the following duties:

5.1.1. Ensuring that a proposed related party transaction is based on terms such as

could have been obtained in a transaction with an external party, in which each side bargained knowledgeably and freely, unaffected by any relationship between them, i.e. at arm's length;

5.1.2. Assistance to the Board of Directors in identifying and averting conflicts of interest;

5.1.3. Preparation, consideration and providing advice to the Board of Directors on the following:

- 1) Approval of the related party transactions, except:
 - exemptions specified in the Federal Law "On Joint Stock Companies", such as transactions made in the ordinary course of the company's business activities; transactions connected with placement of the Company's shares or securities convertible into the company's shares or share buyback; transactions made under state tariffs, market-equivalent or standard terms etc.;
 - any transaction with value below 10 MRUR apart from finance one;
 - any finance transaction (including loans and equity contributions in cash or in kind) with value below 50 MRUR;
 - payments made in favor of the Board of Directors' members under remuneration and compensation regulation approved by General Shareholders' Meeting;
 - payments made in favor of General Director and Executive Board members in line with their labor agreements, policy on remuneration, compensation or any incentive plan adopted by the Board of Directors;
 - 2) Overlapping of the mandates of General Director and/or members of the Executive Board with the mandates held by the same persons in other organizations;
 - 3) Recommendations to the Company's representatives at the General Shareholders' Meetings of subsidiaries on the issues on the agenda that fall within the competence of the Committee;
- 5.1.4. Approval of Committee's budget prepared as per the management's conclusion on the possibility to finance the proposed budget;
- 5.1.5. Other issues related to the abovementioned paragraphs (excluding those within the competence of the other Committees of the Company), as well as other issues assigned by the Company's Board of Directors.

6. CONVOCATION, PROCEDURES AND MINUTES OF THE MEETINGS

6.1. The Committees shall meet as often as necessary to properly perform their duties.

6.2. As a rule, the meeting notification – specifying the day, time, and place of the meeting and the list of the matters to be discussed – shall be sent by e-mail or by specialized software for corporate governance to the members of the Committee by the Committee's Secretary, upon instructions from the Chairperson, at least 3 (three) business days prior to the day set for the meeting. In cases of urgency, the notice time may be shorter, but, in any case, no shorter than 24 hours. The Secretary shall send the notification of the meeting also to other persons, if any, invited by the Chairperson of the Committee to participate in the meeting.

6.3. Jointly with the notification about the holding of a Committee's meeting the Committee's members and persons invited to the Committee's meeting receive materials (information) on the list of matters. The materials of the Committee's meeting shall contain drafts of decisions on the list of the matters. The issue (preparation) of the drafts is organized by the Chairperson of the Committee in coordination with the Committee's Secretary. The materials on the Committee's meeting shall be both in Russian and English. The persons, who are invited to the meeting of the Committee, shall receive, if needed for the effectiveness of their participation in the meeting, the materials on those list of matters, in the discussion of which they are supposed to participate.

6.4. The Committee's meetings shall be chaired by the Chairperson or, if the latter is absent or impeded, by the oldest member.

6.5. The Committee's meetings can be held in the form of joint presence of Committee members (meeting in praesentia), or in the form of absentee voting (meeting in absentia).

6.6. The Committee may also hold its meetings through telecommunications, provided that all the participants can be identified and such identification is acknowledged in the related minutes and that they are able to follow and participate in the discussion of the matters concerned in real time, if need be exchanging documents.

6.7. The participation of a simple majority of the Committee's members shall be necessary for the meetings (in both forms: in praesentia and in absentia) to be valid.

6.8. On the day of the meeting of the Committee in praesentia, the Secretary issues ballots based on the results of discussion of the agenda issues and voting of the present members of the Committee, and sends them to the absent Committee members by courier mail, e-mail or by specialized software for corporate governance.

6.8.1. The Committee member should submit a completed and signed ballot to the Secretary, vote by email (message containing one of the possible options for a vote ("for", "against", "abstained") on each issue included in the ballot) or vote by specialized software for corporate governance, in the time and manner set in the ballot.

6.9. The voting results are drawn after the deadline for the receipt of the ballots.

6.10. For the Committee's meeting in absentia, the Committee's members receive the materials (information) on the list of matters and absentee ballots for voting on the agenda issues. The Committee member should submit a completed and signed ballot to the Secretary, vote by email on each issue included in the ballot or vote by specialized software for corporate governance, in the time and manner set in the ballot.

6.11. The ballot and email voting message may be executed in Russian and/or English depending on the choice of the Committee's member.

6.12. The Committees shall make their decisions by simple majority of the members, in case of a tie, the vote of the person chairing the meeting shall be decisive.

6.13. The Committee's meetings shall be documented by minutes signed by the meeting's Chairpersons and the Secretary and kept by the latter in chronological order. In case of video or audio recording of the meeting, the file containing video or audio recording of the meeting is considered to be part of the minutes of the Committee's meeting. The Secretary shall draw up the minutes of the Committee meeting not later than 3 (three) business days after the meeting.

7. MISCELLANEOUS

7.1. In case the Board of Directors overrides the negative recommendation of the Committee, the Board of Directors will be required to indicate the reasons why it chose to ignore such opinion. Such explanations shall be included in the minutes of the corresponding Board of Directors' meeting. The minutes of the Board of Directors' meeting shall refer to the recommendations made, if any, by the relevant Committee on the issues of the agenda belonging to the competence as per this Regulation.

7.2. The Committees shall periodically review the adequacy of the present Regulations and submit to the Board of Directors any proposals of amendments or integrations thereto.