

APPROVED BY
the decision of the Foundation
Board (Minutes No. 14/09/2022
dated September 14, 2022)

**REGULATION
ON THE COUNCIL FOR THE ENDOWMENT
USE
OF THE VLADIMIR POTANIN FOUNDATION**

1. GENERAL PROVISIONS

1.1 This Regulation defines the procedure for the work of the Council for the Endowment Use of the Vladimir Potanin Foundation (hereinafter, the Council, the Foundation).

1.2. The activities of the Council are governed by the laws of the Russian Federation, the charter of the Foundation, the Principles and Guidelines for Conducting Charitable Activities and Risk Management of the Foundation (hereinafter, the Code of Ethics), this Regulation and the decisions of the Foundation Board (the highest collegial executive body of the Foundation).

1.3. The Council is a collegial body of the Foundation and is established when the Foundation forms endowments. If the Foundation forms several endowments, the councils for the endowment use may be created for each endowment. The decision on the necessity of establishing a Council for the Endowment Use in each case shall be taken by the Foundation Board.

2. COMPETENCE OF THE COUNCIL

2.1. In accordance with Federal Law No. 275-FZ On Procedure of Establishment and Use of Endowment for Designated Purpose by Non-Commercial Organizations dated December 30, 2006 (hereinafter, the Endowment Law), and the Charter of the Foundation, the following issues fall within the competence of the Council:

2.1.1. to preliminarily approve the financial plan for the use of revenues from the endowment of the Foundation (hereinafter, the financial plan for the use of the endowment) and amendments thereto;

2.1.2. to determine the purpose and goals of using the revenues from the endowment, the amount, the procedure and frequency of payments, unless the donation agreement or the will specify these conditions;

2.1.3. to preliminary approve the standard form of the donation agreement concluded with donors during the public fund-raising to form the endowment or to replenish the formed endowment;

2.1.4. to approve the internal document defining the procedure for monitoring the implementation of the financial plan for the use of the endowment, including the procedure and timing for the consideration of incoming complaints, appeals and applications, forms and deadlines for the submission of reporting documents;

2.1.5. to prepare proposals on the powers of the Council for the use of the endowment and to submit them to the Foundation Board for approval;

2.1.6. to monitor the implementation of the financial plan for the use of the endowment and to prepare proposed amendments thereto;

2.1.7. to approve:

a) a donation agreement, on the basis of which securities and immovable property are transferred to replenish the endowment;

b) a decision to accept an inheritance, which includes the transfer of securities and immovable property under the will to replenish the endowment;

2.1.8. to prepare proposals to increase the performance of the Foundation in respect of the formation, replenishment, dissolution and use of revenues from the endowment, to ensure the reduction of financial and operational risks, to improve the internal control system over the use of income from the endowment;

2.1.9. to make decisions on the use for the intended purpose and for the goals of using the revenues from the endowment of not more than five (5) percent of the amount of donations received for the formation / replenishment of the endowment, before their transfer to the management company in accordance with clause 8.2 of Article 6 of the Endowment Law;

2.1.10. to determine the procedure for the use of assets constituting the endowment if the endowment is dissolved, unless otherwise determined by the donation agreement or the will;

2.1.11. to determine the procedure for the use of assets constituting the endowment in the event of liquidation of the Foundation, unless otherwise determined by the donation agreement or the will;

2.1.12. to preliminarily approve the decisions of the Foundation Board on the management of the assets constituting the endowment if the endowment is dissolved (unless prior to the dissolution of the endowment, such procedure is directly determined by the donation agreement or the will, in the cases established by the laws of the Russian Federation and the decisions of the Council).

2.2. The Council does not have the authority to review the results of tenders (open or on a pre-qualification basis) and the conditions for their holding when considering issues related to determining the purpose and goals for the use of revenues from the endowment, the amount, the procedure and frequency of payments.

2.3. The General Director of the Foundation shall inform the members of the Council at the next (upcoming) meeting of the Council about the transaction made and/or the decision taken on the issues specified in clause 2.1.7 of this Regulation.

2.4. In order to monitor the implementation of the financial plan for the use of the endowment, the Council has the right to conduct appropriate inspections.

2.5. At the request of a member of the Council, the General Director of the Foundation and other employees of the Foundation shall provide documents on the activities of the Foundation related to the endowment, including minutes of meetings of the Foundation Board and/or extracts therefrom, reports from the management companies of the relevant endowments, decisions of the General Director of the Foundation, audit reports based on the results of the mandatory audit and/or other documents necessary for the exercise of the powers of members of the Council, within a reasonable time, during which the requested documents (information) can be provided.

3. RIGHTS AND OBLIGATIONS OF THE MEMBERS OF THE COUNCIL

3.1. Members of the Council shall:

3.1.1. share the mission and values of the Foundation;

3.1.2. comply with the Principles and Guidelines for Conducting Charitable Activities and Risk Management of the Vladimir Potanin Foundation and the Anti-Corruption Policy of the Foundation published on the official website of the Foundation and available at <https://www.fondpotanin.ru/about/documents/>;

3.1.3. facilitate the work of the Foundation within the limits of existing powers;

3.1.4. conduct their activities as members of the Council in good faith;

3.1.5. not disclose confidential information about the Foundation and its activities without the prior written consent of the Foundation and not disclose information received as part of their activities as members of the Council, both during and after the term of office of the Council member;

3.1.6. not use for personal purposes any data or information received in connection with the role in the Foundation as members of the Council;

3.1.7. refrain from receiving gifts from persons interested in decisions of the Council;

3.1.8. refrain from any action (inaction) that may cause any harm to the activities of the Foundation and/or its subscribers.

3.2. Members of the Council shall be entitled to:

3.2.1. familiarize themselves with the Foundation's documents and receive information related to the Foundation's activities, which is necessary to perform the duties of members of the Council;

3.2.2. receive all necessary information and materials on the agenda of meetings of the Council;

3.2.3. participate in meetings of the Foundation Board and/or the Supervisory Board with the right of an advisory vote on issues related to the use of the endowment.

3.3. The Council carries out its activities on a voluntary basis by holding regular (at least once (1) a year) meetings of the Council. The members of the Council shall not be entitled to receive any remuneration for the performance of their duties.

3.4. Information on the number and composition of the Council shall be published on the Foundation's website.

3.5. If a member of the Council has an interest in approving a transaction and/or a decision specified in clause 2.1.7 hereof, as well as in the event of any other conflict between his/her personal interests and the Foundation with respect to any issue considered at a meeting of the Council:

- a) he/she must declare his/her interest; and
- b) abstain from voting on such issue.

4. COMPOSITION OF THE COUNCIL

4.1 The Council is formed from among representatives of the Foundation: the owner of the endowment, representatives of recipients of revenues from the endowment, donors (their representatives), individuals and representatives of legal entities that are of merit to the society, have authority and/or achievements in the field of activities corresponding to the goals of the Foundation.

4.2. The Council may not consist of two (2) or more persons who are representatives of the same legal entity or representatives of different but affiliated legal entities. This limitation does not apply to representatives of the Foundation. Representatives of the Foundation may not be more than one third (1/3) of the total number of the Council.

4.3. A donor whose donation amounts to more than ten percent (10%) of the carrying amount of the assets constituting the endowment as of the last reporting date has the right to demand to include him or his representative in the Council.

In this case, the Foundation Board shall decide whether or not to include such a donor or its representative in the Council within one month from the receipt of the donor's request, provided that such inclusion is not in conflict with clause 4.2 of this Regulation.

The Secretary of the Council shall notify the donor of the decision taken.

4.4. The criterion for the evaluation of candidate members of the Council is merit to the company, authority and/or achievements in the field of activities corresponding to the goals of the Foundation, provided that such inclusion is not in conflict with clause 4.2 of this Regulation.

4.5. The Council shall be composed of not less than three (3) members. The General Director may be a member of the Foundation Board. The candidate for the Council expresses his/her written consent to the invitation of the Foundation Board to become a member of the Council. A member of the Council may simultaneously be a member of several councils for the endowment use if several endowments are formed by the Foundation.

4.6 Members of the Council may include:

- a) individuals (fully capable individuals);
- b) legal entities (through their authorized representatives).

The Council may not include the Chief Accountant of the Foundation.

4.7. Members of the Council shall personally exercise the powers granted to them.

A member of the Council may resign from the Council by sending a resignation notice simultaneously to the Chairman of the Council and the General Director of the Foundation.

The members of the Council who are legal entities shall participate in the Council meeting through their representatives acting under a power of attorney in accordance with the laws of the Russian Federation.

In case of replacement of a representative of a member of the Council who is a legal entity, the latter shall submit to the Chairman of the Council and the General Director of the Foundation a notice accompanied by a power of attorney for the new representative. The voting right to of the member of the Council may not be transferred.

4.8. The Chairman of the Council (hereinafter, the Chairman) shall preside over the Council and shall be elected by a qualified majority of at least two-thirds (2/3) of the votes of the members of the Council for the entire term of his/her term of office. The Chairman of the Council has the right to attend meetings of the Foundation Board, Supervisory Board of the Foundation with the right of advisory vote¹.

If the Chairman is not present at a meeting of the Council, a chairman shall be elected from among the members present at the meeting.

4.9. The Council shall appoint a Secretary of the Council (hereinafter, the Secretary) who shall be responsible for taking and keeping the minutes of the meetings of the Council. The Secretary shall be the secretary of the meetings of the Council and shall count the votes.

The Secretary shall be elected from among the members of the Council or appointed by the Council from among the employees of the Foundation on the nomination of the General Director of the Foundation for the duration of the term of office of the Council.

The Secretary, who is not a member of the Council, shall be present at meetings of the Council without the right to cast a decisive and advisory vote.

4.10. The term of office of the Council shall be determined by the Foundation Board when the composition of the relevant Council is formed. The members of the Council may be re-elected an unlimited number of times.

The powers of the Council member shall be terminated in the following cases:

- at the request of such a person to be removed from the composition of the Council;
- if such a person is recognized as having limited or no legal capacity;
- if such a person dies or is recognized as missing or dead in accordance with the established procedure;
- if such a person is sentenced to a term of imprisonment;
- in the event of the reorganization or liquidation of the legal entity represented by such a person;

¹For the purposes of this Regulation, the “right of advisory vote” shall mean the right to participate in the discussion of items on the agenda of meetings of the Foundation’s bodies, but not to vote on them.

– if removed from the Council by the decision of the Foundation Board, taking into account the opinion of the Council.

The powers of the members of the Council shall commence on the date specified in the relevant decision of the Foundation Board (if the decision to approve a new composition of the Council does not specify such a date, then from the day after the expiration of the powers of the previous composition of the Council), and shall last until:

- a) expiration of the term of office in the Council;
- b) adoption of a decision by the Foundation Board on the early termination and appointment of a new composition of the Council;
- c) adoption of a decision by the Foundation Board on the resignation of a member of the Council;
- d) circumstances occur related to the termination of the powers of the Council member.

5. MEETINGS OF THE COUNCIL

5.1. Meetings

5.1.1. Meetings of the Council shall be convened from time to time on the initiative of:

- the Chairman;
- at least one third (1/3) of the members of the Council;
- the Chairman of the Foundation Board;
- at least two (2) members of the Foundation Board;
- any member of the Supervisory Board;
- the General Director of the Foundation in the manner prescribed by the charter of the Foundation.

The first meeting of the Council shall be held on the initiative of the General Director of the Foundation after approval of the personal and quantitative composition of the Council by the Foundation Board. At the first meeting of the Council, the Chairman of the Council shall be elected from among its members and the Secretary shall be elected (appointed).

Meetings of the Council may be held together with meetings of the Foundation Board and/or the Supervisory Board when the Foundation Board or the Supervisory Board consider Foundation matters related to the endowment, including approval of the financial plan for the use of the endowment and amendments thereto, issues of conflicts of interest, violations identified during the monitoring of the implementation of the financial plan for the use of the endowment, and upon the invitation of the Foundation Board or the Supervisory Board.

5.1.2. A meeting of the Council is deemed duly constituted (has a quorum) if more than a half of the members of the Council attend the meeting. When determining the presence of the quorum and the results of the voting on the agenda items, it is allowed to take into account the written opinion of the Council member who is not present at the meeting of the Council.

5.1.3. Audio and video recordings may be made at the meeting as may be decided by the Council with the note made in the minutes of the meeting.

5.1.4. Members of the Foundation Board and members of the Supervisory Board with the right of advisory vote, as well as invited persons, shall be entitled to participate in the Council meetings.

5.1.5. The decisions of the Council shall be adopted by voting of its members, each of whom shall have one (1) vote. Decisions of the Council shall be adopted by an open vote of qualified majority being at least two-thirds (2/3) of the votes of the members participating in this meeting.

5.1.6. All meetings of the Council shall be held at the location of the Foundation with the personal attendance by the Council members. It is allowed to hold a meeting of the Council by personal attendance in a mixed form (video-conferencing combined with physical presence at the meeting venue), if such a form provides equal opportunities for members of the Council

to participate in the discussion of issues on the agenda and voting, as well as the opportunity for a member of the Council participating in the meeting of the Council by video-conferencing to see and hear other members of the Council and to express his/her position on agenda issues. It is also allowed to hold meetings of the Council when all members of the Council are in different premises and are connected to each other by means of videoconferencing or other communication equipment that allows for remote participation of the Council members in the meeting, including reliable identification of the person participating in the meeting. All persons participating in the meetings of the Council in the manner set forth in this clause shall be deemed to be attending the meeting of the Council in person.

If a member of the Council wishes to participate remotely via video-conference he/she must notify the General Director in advance by e-mail in order to ensure that communication is technically feasible. Members of the Council participating in a meeting of the Council via video-conference shall be provided with the opportunity to have a continuous access to the meeting and to freely participate in the discussion of items on the agenda, and the necessary links and access keys ensuring access to participation in the meeting of the Council via video-conference shall be sent to members of the Council before the date of the relevant meeting by e-mail.

The written opinion of the member of the Council non-attending the meeting of the Council shall be sent to the General Director before the date of the meeting of the Council, and such opinion shall be sent to the members of the Council for information, but in any case shall be announced at the meeting of the Council.

5.2. Notice of Meetings

The General Director shall provide organizational support for the convening of the Council meeting. The General Director shall inform the members of the Council of the planned meeting of the Council, indicating the agenda of the meeting and the method/venue and time of the meeting in advance, but not later than the start time of the meeting.

The notice shall include the following information about the meeting:

- 1) the date, method/venue and time of the meeting;
- 2) the proposed agenda of the meeting;
- 3) copies of all necessary information or materials related to the agenda of the meeting, or the procedure for obtaining the specified information or materials by the members of the Council and the address(es) at which the specified information or materials can be reviewed or copied.

Notices of meetings may be given in person, sent by courier, fax, by Russian Post or e-mail, as well as sent using social networks.

In the event of changes (additions) to the agenda of the scheduled meeting, the General Director shall notify all members of the Council of such changes in advance, but not later than the start time of the meeting. If the date, place and time of the scheduled meeting change, the General Director shall notify all members of the Council of such changes.

5.3. Inclusion of items to the agenda of the meeting

Any member of the Council has the right to send proposals to the General Director for the inclusion of additional issues to the agenda of the meeting in advance, but not later than the start time of the relevant meeting.

5.4. Statement of disagreement in writing (opinion)

A member of the Council who disagrees with a decision taken shall be entitled to express his or her personal opinion in writing and to annex it to the minutes and decisions kept by the Secretary.

5.5. Minutes

5.5.1. The decisions of the Council shall be recorded in the minutes drawn up by the Secretary and signed by the Chairman and the Secretary or by another person chairing the meeting and the secretary of the meeting. The minutes shall contain, inter alia:

- a) date, time, method/venue of the meeting and the number of the minutes;
- b) surnames, names, patronymics and positions of the persons participating in the meeting;
- c) number of attending members of the Council;
- d) presence of a quorum for holding a meeting;
- e) agenda of the meeting;
- e) highlights of the statements made by the persons participating in the meeting;
- g) items put to the vote;
- h) voting results;
- i) decisions made based on the voting results;
- j) information about persons who have counted votes, if counting of votes has been entrusted to certain persons;
- k) information about persons who have voted against the adopted decision at the meeting and demanded to make such record in the minutes;
- l) information on the conduct of the meeting or on the voting process, if the Council members present at the meeting require it to be recorded in the minutes;
- m) information about persons who signed the minutes.

5.5.2. The minutes of the meeting shall be prepared within five (5) business days after the meeting. The minutes of the meeting of the Council shall be accompanied by the materials that served as the basis for the adoption of the relevant decisions by the Council. When written opinions are submitted by members of the Council, such written opinions shall be annexed to the minutes of the Council meeting. All minutes and decisions of the Council shall be kept by the Secretary at the Foundation's address on a permanent basis.

5.5.3. The members of the Council shall have the right to familiarize themselves with the minutes of the Council meeting and submit their written comments on it.

6. FINAL PROVISIONS

6.1. If improper willful acts (omission) of the members of the Council in the performance of their duties led to damage to the Foundation (including, but not limited to, damage to the reputation of the Foundation), the Foundation Board has the right to demand from such persons (including in court) compensation in full for the damage caused to the Foundation by such acts (omission).

6.2. This Regulation shall take effect from the date of its approval by the Foundation Board.

6.3. This Regulation shall be amended and supplemented by the decision of the Foundation Board.