

## Annex No. 2

### Information on Compliance with the Corporate Code of Conduct of JSC NIAEP

As a result of the performed analysis, it is stated that the existing activity practice of administrative bodies mostly complies with Corporate Code of Conduct (as for key points). Some provisions of the Code can not be applied because of availability of one shareholder.

Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
<b>the General Shareholders Meeting</b>		
Notification of the shareholders on summon of the General Shareholders Meeting at least 30 days prior to its conduction despite of the issues of agenda, if otherwise not stipulated by the law	Not applicable	Availability of the sole shareholder governs specific decision-making.
Possibility for the shareholders to get aware of list of people having a right to participate in the General Shareholders Meeting s beginning from the day of notification on the General Shareholders Meeting to the closing day of attendee the General Shareholders Meeting, and in case of absentee meeting, until the end of acceptance of voting bulletins	Not applicable	Availability of the sole shareholder results in specific decision-making.
Possibility for the shareholders to recognize the information (materials) to be provided with when preparing for the General Shareholders Meeting by electronic means, including by Internet	Complied	
Possibility for the shareholder to include an item in the agenda of the General Shareholders Meeting or to request for summon of the General Shareholders Meeting without providing with an extract from the shareholder register, if his shares rights are subject to be recorded in the recording system of the shareholder register, and in case his shares right is recorded at the depot account, it is sufficient to get extract from depot account to execute the said rights.	Complied	
Availability of requirement in the Charter and other internal documents of the Joint Stock Company for mandatory attendance of sole executive body, members of the Management Board, members of the Board of Directors, members of the Auditing Committee, and auditor of the Joint Stock Company at the General Shareholders Meeting	Not applicable	Availability of the sole shareholder results in specific decision-making.
Mandatory attendance by the candidates at the General Shareholders Meeting when considering election of the members of the Board of Directors, sole executive body, Members of the Management Board, members of the Auditing Committee, as well as when approving an auditor of the Joint Stock Company	Not applicable	Availability of the sole shareholder results in specific decision-making.
Availability in the internal documents of the Joint Stock Company of attendees' registration procedure in respect of the General Shareholders Meeting	Not applicable	Availability of the sole shareholder results in specific decision-making.
<b>The Board of Directors</b>		
Availability of the right of the Board of Directors in the JSC Charter to approve annually financial and economic plan of the Joint Stock Company	Complied	Item 33, Sub-Clause 13.2 of JSC Charter
Availability of procedure of risk management in JSC approved by the Board of Directors	Not complied	
Availability of the right of the Board of Directors in the JSC Charter to adopt a decision on suspension of powers of sole executive body to be appointed by the General Shareholders Meeting	Complied	Item 28, Sub-Clause 13.2 of JSC Charter



Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
Availability of the right of the Board of Directors in the JSC Charter to set requirements to qualification and amount of remuneration for sole executive body, members of the Management Board, and Heads of the main departments of the JSC	Complied	Clause 14, Sub-Clause 14.7 of JSC Charter
Availability of the right of the Board of Directors to approve terms and conditions of the Agreements with single-person executive body and members of the Management Board	Complied	Clause 14, Sub-Clause 14.7 of JSC Charter
Availability in the Charter or internal documents of JSC of a requirement that when approving terms and conditions of the Agreements with the sole executive body (managing organization or managing director) and members of the Management Board, votes of members of the Board of Directors being a sole executive body and members of the Management Board are not taken into account when counting voices	Not complied	
Availability in the Board of Directors of the JSC at least 3 independent directors corresponding to requirements of Corporate Code of Conduct	Not complied	The Board of Directors is determined upon a decision of sole shareholder of the Company.
Absence in the Board of Directors of the Joint Stock Company of people guilty of economic crimes or crimes against state authorities, interests of public service and service in the local self-government authorities, or those to whom administrative penalties for entrepreneurship or financial, fiscal or security market infringements were applied	Complied	Applied in practice.
Absence in the Board of Directors of the Joint Stock Company of people being a participant, general director (managing director), member of the Management Board or employee of legal entity competing with the Joint Stock Company	Complied	Applied in practice.
Availability in the Charter of the Joint Stock Company a requirement to elect the Board of Directors by cumulative voting	Not applicable	Due to availability of sole shareholder.
Availability in the internal documents of the Joint Stock Company of a duty of members of the Board of Directors to refrain from actions that lead or may lead to a conflict of interests between them and the Joint Stock Company, and in case of conflict, a duty to disclose information about this conflict to the Board of Directors	Complied	Sub-Clause 3.5 of Regulations on the Board of Directors of the Company
Availability in the internal documents of the Joint Stock Company of a duty of the Board of Directors to notify in written about intention to enter into transactions with securities of the Joint Stock Company which the Board of Directors they are members of, or its subsidiaries or affiliates, as well as to disclose information about transactions with securities which they have made	Not applicable	Members of the Board of Directors do not own Company's shares.
Availability in the internal documents of the Joint Stock Company of a requirement to conduct meetings of the Board of Directors at least once per six week	Complied	Sub-Clause 5.1 of Regulations on the Board of Directors of the Company
Conduction of meetings of the Board of Directors of the Joint Stock Company during a year of annual report of the Company at least once per six weeks	Complied	Applied in practice.
Availability in the internal documents of the Joint Stock Company of a procedure to conduct meetings of the Board of Directors	Complied	Sub-Clauses 13.4, 13.5, It.13 of the Company's Charter; Section 7 of Regulations on the Board of Directors of the Company
Availability in the internal documents of the Joint Stock Company of a provision about necessity to approve transactions in amount of 10 and more per cents of assets of the Company by the Board of Directors, except for transactions made in the course of routine business activity	Complied	Item 1, sub-clause 3.1 of Regulation on the Board of Directors of the Company

Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
Availability in the internal documents of the Joint Stock Company of a right of the Board of Directors members to receive from executive bodies and heads of main departments of the Company an information necessary to fulfill its functions and responsibilities for failure to submit such information	Complied	Sub-Clause 1 It. 3.1 of Regulation on the Board of Directors of the Company
Availability of the Strategic Planning Committee of the Board of Directors or transferring functions of the said committee to other committee (except for Audit Committee and staff and remuneration committee)	Not complied	Currently the committees of the Board of Directors are not established.
Availability of committee of the Board of Directors (Audit Committee) that recommends an auditor of the Joint Stock Company to the Board of Directors and interacts with it and the internal audit commission	Not complied	Currently the committees of the Board of Directors are not established.
Availability of only independent and non-executive directors in the Audit Committee	Not applicable	Currently an Audit Committee is not established.
Management of Audit Committee by independent director	Not applicable	Currently an Audit Committee is not established.
Availability in the internal documents of the Joint Stock Company of an access right for all members of Audit Committee to all documents and information of the Joint Stock Company on the basis of non-disclosure of confidential information	Not applicable	Currently an Audit Committee is not established.
Set-up of the committee of the Board of Directors (Staff and Remuneration Committee) whose duty is to determine the criteria for the Board of Directors candidates selection and work out policy of the Joint Stock Company in view of remuneration	Not complied	Currently the committees of the Board of Directors are not established.
Management of the Staff and Remuneration Committee by an independent director	Not applicable	Currently the Staff and Remuneration Committee is not established.
Absence of officials of the Joint Stock Company in the Staff and Remuneration Committee	Not applicable	Currently the Staff and Remuneration Committee is not established.
Set-up of the Risks Committee of the Board of Directors or transferring functions of this committee to other committee (except for the Audit Committee and the Staff and Remuneration Committee)	Not complied	Currently the committees of the Board of Directors are not established.
Set-up of the committee of the Board of Directors for settlement of corporative conflicts or transferring duties of this committee to other committee (except for Audit Committee and Staff and Remuneration Committee)	Not complied	Currently the committees of the Board of Directors are not established.
Absence of officials of the Joint Stock Company in the Committee for Settlement of Corporate Conflicts	Not applicable	Currently the Committee for Settlement of Corporate Conflicts is not established.
Management of the committee for settlement of corporative conflicts by independent director	Not applicable	Currently the committee for settlement of corporative conflicts is not established.
Availability of the internal documents approved by the Board of Directors of the Joint Stock Company which stipulate a procedure of forming and activities of committees of the Board of Directors	Not complied	Currently the committees of the Board of Directors are not established.
Availability in the Charter of the Joint Stock Company of a procedure how to determine a quorum of the Board of Directors which enables to provide mandatory participation of independent directors in the meetings of the Board of Directors	Not complied	The Board of Directors has no independent members.



Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
<b>Executive bodies</b>		
Availability of the collective executive body (of management) of the Joint Stock Company	Not complied	Sub-Clause 11.1 of the Company's Charter stipulates only availability of a sole executive body of the Company, namely the President
Availability in the Charter or internal documents of the Joint Stock Company of a provision about necessity to approve by the Management Board of real estate transactions and receiving of loans, if transactions hereto are not considered as large-scale transactions and their closing does not refer to routine business activity of the Joint Stock Company	Not applicable	The Company's Charter does not stipulate availability of collective executive body.
Availability in the internal documents of the Joint Stock Company of a procedure for approving operations beyond financial and economic plan of the Joint Stock Company	Not complied	
Absence in the executive bodies of people being participants, general director (executive manager), member of the Management Board or employee of the legal entity competing with the Joint Stock Company	Complied	Applied in practice.
Absence in the executive bodies of the Joint Stock Company of the people guilty in economic crimes or crimes against state authorities, interests of public service and service in the local self-government authorities, or those to whom administrative penalties for entrepreneurship or financial, fiscal or security market infringements were applied. If functions of the sole executive body are fulfilled by managing organization or by managing director, it corresponds to general director and members of managing organization or managing director subject to requirements to general director and members of the Management Board of the Joint Stock Company	Complied	Applied in practice.
Availability in the Charter or internal documents of the Joint Stock Company of a prohibition for the managing organization (managing director) to perform similar functions in the competing company, and to have property relations with the Joint Stock Company in addition to rendering of services by managing organization (managing director)	Not complied	
Availability in the internal documents of the Joint Stock Company of a duty of executive body to restrain from actions that lead or may lead to a conflict between their interests and interests of the Joint Stock Company, and in case of the conflict, a duty to notify the Board of Directors	Complied	Clause 14, Sub-Clause 14.8 of the Company's Charter
Availability in the Charter and internal documents of the Joint Stock Company the criteria to select the managing organization (managing director)	Not complied	
Representation by the executive bodies of the Joint Stock Company of monthly reports on the work done to the Board of Directors	Complied	Clause 13, Sub-Clause 13.2, Item 32 of the Company's Charter
Stipulating of a responsibility for infringement of provisions on use of confidential and insider information in the agreements entered into by the Joint Stock Company with general director (managing organization, managing director) and members of the Management Board	Complied	

Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
<b>Secretary of the Company</b>		
Availability in the Joint Stock Company of special official (Secretary of the Company) in purpose of providing compliance by the bodies and officials of the Joint Stock Company with procedural formalities which guarantee execution of rights and legal interests of the Joint Stock Company	Complied	The Company has a Secretary of the Board of Directors.
Availability in the Charter or internal documents of the Joint Stock Company of the Company's Secretary appointment procedure and duties of the Company's Secretary	Complied	Sub-Clause 4.2 of Regulations on the Board of Directors of the Company
Availability in the Charter of the Joint Stock Company of the requirements to a candidate of the Company's Secretary	Complied	Sub-Clause 4.7 of Regulations on the Board of Directors of the Company
<b>Material Corporate Actions</b>		
Availability in the Charter or internal documents of the Joint Stock Company of a requirement to approve large-scale transaction prior to its closing	Complied	Clause 12, Sub-Clause 12.1, Item 15, Clause 13, Sub-Clause 13.2, Item 15 of the Company's Charter
Mandatory attraction of an independent appraiser for assessment of market value of the property being a subject of the large-scale transaction	Not complied	Assessment is performed in accordance with Articles 77-78 of Federal Law on Joint Stock Companies
Availability in the Charter of a prohibition for taking any action, when purchasing major stock of shares of the Joint Stock Company (merger), aimed at the protection of interests of executive bodies (member of these bodies) and members of the Board of Directors of the Company, as well as shareholders making position of other shareholders worse in comparison with the present position (in particular, prohibition to take a resolution by the Board of Directors before the end of expected term of purchasing shares on emission of additional shares, on emission of securities transferred to shares, or securities granting the right to purchase shares of the Company, even if the Charter gives him the right for such decision)	Not applicable	Sole shareholder in the Company.
Availability in the charter of the Joint Stock Company of a requirement on mandatory attraction of an independent appraiser for assessment of current market value of shares and possible variation of their market value as a result of the merger	Complied	Clause 13, Sub-Clause 13.2, Item 5 of the Company's Charter
Absence in the Charter of the Joint Stock Company of the liberation for the buyer from obligation to suggest to shareholders selling their ordinary shares of the Company (issuable securities transferred to ordinary shares) during merger	Not applicable	
Availability in the Charter or internal documents of the Joint Stock Company of a requirement on mandatory attraction of an independent appraiser for determining ratio of conversion of shares while reorganization	Not complied	



Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
<b>Disclosure of information</b>		
Availability of the internal document approved by the Board of Directors determining rules and approaches of the Joint Stock Company regarding disclosure of information (Regulation for information policy)	Not complied	The Company discloses information in accordance with acting Law on Joint Stock Companies, requirements of Order of FFMS No. 11-46 of 04.10.2011.
Availability in the internal documents of the Joint Stock Company of a requirement on disclosure of information, about purposes of shares disposal, about people, who intend to purchase shares under distribution, including the major stock of shares, and whether senior officials of the Joint Stock Company will participate in the acquisition of the shares under distribution	Not applicable	100% of the Company's shares belong to the sole shareholder .
Availability in the internal documents of the Joint Stock Company of a list of information, documents, and materials to be submitted to shareholders for resolution of issues being put into agenda of the General Shareholders Meeting	Not applicable	100% of the Company's shares belong to the sole shareholder.
Availability of web-site in Internet which belongs to the Company and regular disclosure of information about the Joint Stock Company at this web-site	Complied	Page address on web-site: <a href="http://www.e-disclosure.ru/portal/company.aspx?id=19054">http://www.e-disclosure.ru/portal/company.aspx?id=19054</a> Web-site of JSC NIAEP: <a href="http://www.niaep.ru">http://www.niaep.ru</a>
Availability in the internal documents of the Joint Stock Company of a requirement on disclosure of information about transactions of the Joint Stock Companies with people referred pursuant to the Charter to senior officials of the Joint Stock Company, as well as on transactions of the Joint Stock Company with organizations, where 20 or more per cents of the equity capital belong to senior officials of the Company or those who such people can materially influence on	Not complied	
Availability in the internal documents of the Joint Stock Company of a requirement on disclosing of information about all transactions that can affect market value of Company's shares	Not applicable	100% of the Company's shares belong to the sole shareholder.
Availability of the internal document approved by the Board of Directors on use of material information about activity of the Joint Stock Company, shares and other securities of the Company and transactions with them, which is not public and disclosing of that information may materially affect the market value of shares and other securities of the Joint Stock Company	Not applicable	
<b>Control of financial and economic activity</b>		
Availability of the procedures approved by the Board of Directors for internal control for financial and economic activity of the Joint Stock Company	Not complied	The Board of Directors did not approve internal control procedures.
Availability of special department of the Joint Stock Company providing compliance with internal control procedures (internal auditing service)	Complied	Special department (Internal Audit Department) is established in the Company.
Availability in the internal documents of the Joint Stock Company of a requirement on determining a structure and content of internal audit department of the Joint Stock Company by the Board of Directors	Complied	Provision on Internal Audit Department.

Provision of Corporate Code of Conduct	Complied/ Not complied	Remarks
Absence in the Internal Audit Department of people guilty in economic crimes or crimes against state authorities, interests of public service and service in the local self-government authorities, or those to whom administrative penalties for entrepreneurship or financial, fiscal or security market infringements were applied	Complied	Applied in practice.
Absence in the Internal Audit Department of people being members of executive bodies, as well as people being participants, general director (managing director), member of the Management Board or employee of the legal entity competing with the Joint Stock Company	Complied	Applied in practice.
Availability in the internal documents of the Joint Stock Company of a term for representing to the Internal Audit Department of documents and materials for assessment of financial and economic operation, as well as responsibility of officials of the Joint Stock Company for failure to represent documents and materials within the determined term	Complied	Applied in practice.
Availability in the internal documents of the Joint Stock Company of a duty of Internal Audit Department to notify about the revealed infringements to Audit Committee, and in case of its absence, to the Board of Directors of the Joint Stock Company	Not complied	
Availability in the Charter of the Joint Stock Company of a requirement on preliminary assessment by the Internal Audit Department of reasonability of operations not stipulated by financial plan of the Joint Stock Company (non-standard operations)	Not complied	
Availability in the internal documents of the Joint Stock Company of a procedure to approve a non-standard operation by the Board of Directors	Not complied	
Availability of the internal document approved by the Board of Directors determining a procedure of financial and economic activity checks by the internal Audit Committee	Complied	Section 7 of Provision on audit commission of the Company
Assessment by Audit Committee of audit statement prior to its presentation to the shareholders at the General Shareholders Meeting	Not applicable	Currently the committees of the Board of Directors are not established.
<b>Dividends</b>		
Availability of the internal document approved by the Board of Directors which should be used by the Board of Directors when making decisions on dividends amount (Regulation on dividend policy)	Not applicable	The Company has no approved provision on dividend policy.
Availability in the Regulation on Dividend Policy of a procedure for determination of minimal share of net profit of the Joint Stock Company for dividends payment, and conditions, when privileged shares dividends are not paid or paid partially, and which size is determined in the Charter of the Joint Stock Company	Not applicable	The Company has no approved dividend policy.
Publication of information on dividend policy of the Joint Stock Company and amendments in the periodicals stipulated by the Charter of the Joint Stock Company for publication of information on the General Shareholders Meeting s, and publication of information hereto on the web-site of the Joint Stock Company in Internet	Not applicable	The Company has no approved dividend policy.

