

Approved by the Bank of Russia
(Sole shareholder)

dd. _____, 2016 No. _____

REGULATION ON
the Reinsurance Board

Moscow

2016

1. General

1.1. This Regulation (hereinafter the Regulation) sets out the principal goals, competences and authorities of the Reinsurance Board of Joint-Stock Company National Reinsurance Company (NPK) (hereinafter the Board), and the setting-up and operating procedures of the Board.

1.2. The Board is a collegial consultative body of Joint-Stock Company National Reinsurance Company (NPK) (hereinafter the Company). The Board carries out its activities within its sphere of competence as determined by the Law of the Russian Federation «On the organization of insurance business in the Russian Federation», the Company Charter and this Regulation. The Board is not a management body of the Company according to the laws of the Russian Federation and the Company Charter.

1.3. The Board issues opinions and recommendations to the Supervisory Board of the Company with regard to the issues falling within its competence.

1.4. In carrying out its activities, the Board is guided by the laws of the Russian Federation, the Company Charter, this Regulation and other internal documents of the Company.

2. Competences and Powers

2.1. The priority business lines of the Company, the provision on the assessment and management of insurance risks, before their submission to the Company Supervisory Board, shall always be subject to prior consideration by the Reinsurance Board.

2.2. The Board develops the suggestions regarding the priority business lines of the Company, assessment and management of insurance risks of the Company.

2.3. The Board develops the suggestions regarding the internal regulations and documents of the Company and new reinsurance products, and defines the expectations from the Company activities in meeting the needs of reinsurance entities and building the national reinsurance capacity.

2.4. The Board is entitled to develop recommendations regarding other aspects of the Company activities.

2.5. The Board shall facilitate the development of the Company.

2.6. In carrying out its activities, the Board is subordinated to the Sole Shareholder of the Company and shall notify the latter and the Supervisory Board of the Company of each Board meeting by submitting the minutes of the meetings.

2.7. The Board shall timely inform the Sole Shareholder and the Supervisory Board of the Company of its reasonable apprehensions and any unusual circumstances which are not typical of the Company activities as may come to the knowledge of the Board in connection with the performance of its responsibilities.

3. Setting-up Procedures

3.1. The Board shall consist of no less than nine (9) and no more than fifteen (15) members.

3.2. The membership of the Board is decided by the Company Supervisory Board.

3.3. The Board tenure shall be two years.

3.4. The Board members shall include:

- representatives of insurance entities with a minimum ten-year experience in the field of insurance (reinsurance);
- representatives of insurance entities associations, including professional associations;
- representatives of the professional community involved in educational or scientific activities in the field of insurance;
- chief actuaries.

3.5. The Supervisory Board of the Company may, on its own initiative, relieve the Board as a whole or any member thereof of their duties. In this case, the Company Supervisory Board shall at the same meeting which passed the resolution on the relief from office elect the new Board or a new member of the Board, or may elect to reduce the membership of the Board.

3.6. Any member of the Board may resign from the Board before the end of his/her term of office and notify the Chairman of the Company Supervisory Board by giving a written notice at least one month before the expected date of resignation.

3.7. The management and organization of the Board activities shall be the responsibility of the Board Chairman elected by the Company Supervisory Board.

3.8. Where necessary, the Board members may, in the absence of the Board Chairman, elect the deputy Board Chairman by the majority of the votes cast by all members present at the meeting.

3.9. The Board Chairman performs the following functions:

- develops the procedures for operation of the Board;
- determines the priorities of the Board and develops the work plan;
- convenes and chairs the Board meetings;
- suggests the agenda for the Board meetings;

- fosters the open and constructive discussion of the issues on the agenda and development of well-balanced opinions and recommendations;

- reports where necessary the results achieved by the Board at the meetings of the Company Supervisory Board.

3.10. The Board members cannot be the employees or affiliates of the Company or employees of the Company's affiliates.

3.11. The Board members participate in its activities on a gratuitous basis.

4. Operating Procedures

4.1. The Board shall hold meetings on a regular basis, but no less than once each three months. Where necessary, the Board holds extraordinary meetings.

4.2. All meetings of the Board are held in person.

4.3. The Board Chairman determines the agenda and the duration of the Board meetings and ensures the efficient operation of the Board.

4.4. Regular (ordinary) meetings of the Board shall be held before the planned meetings of the Company Supervisory Board to allow for timely submission of resolutions and recommendations to the Company Supervisory Board.

4.5. Any Board member, as well as the Chairman of the Company Supervisory Board, may approach the Board Chairman suggesting to hold an extraordinary meeting of the Board.

4.6. The notice convening the Board meeting and indicating the agenda, place, time and date of the meeting shall be sent to each member of the Board and other persons to be present at the meeting. The notice shall be sent no later than five working days before the meeting. The documents necessary to prepare for, and participate in, the meeting shall be distributed among the Board members and other persons invited to the Board meeting together with the notice. The notice convening the Board meeting and the documents necessary to prepare for, and participate in, the meeting can be sent via telecommunication and other communication channels allowing for reliable identification of the sender, including by email.

4.7. The Board members shall be personally present at the Board meetings. No Board member may transfer his/her voting right to any other Board member.

4.8. The representatives of the Central Bank of the Russian Federation and federal executive authorities, members of the Company's management bodies and the Company's employees shall have the right to be present at the Board meetings.

4.9. Each member of the Board, including the Chairman, shall have one vote.

4.10. The Board passes its resolutions by simple majority of the votes, cast by all members present at the meeting. If the votes are divided equally, the Chairman shall have the casting vote.

4.11. The Board meeting is considered legally capable (having quorum) if at least half of the members is present. The quorum is determined by the Board Chairman when opening the meeting. In the absence of a quorum, the Chairman shall, for further conduct of the meeting, elect to adjourn the meeting with the same agenda or include the issues to be considered at the failed meeting in the agenda of the next planned meeting.

4.12. The results of the Board meetings are recorded in the meeting minutes.

4.13. The meeting minutes shall be submitted to the Company Supervisory Board and Management Board.

4.14. The Company Supervisory Board and Management Board shall consider the suggestions prepared and recorded in the minutes of the Board meetings. The results of the consideration of the Board suggestions shall be brought to notice of the Board members in the manner and within a period specified in the Company's internal documents.

4.15. The organizational and technical support of the Board activities shall be provided by the Company's employee.

5. Final Clauses

5.1. This Regulation shall become effective as approved by the Sole Shareholder of the Company and can be amended at any time following the same procedure.