APPROVED
by the decision of KAMAZ PTC Board of Directors,
dated 12.02.2019, (Minutes No.1)

TERMS OF REFERENCE
on the Human Resources and Remunerations Committee of the Board of Directors of KAMAZ Publicly Traded Company

1. General

1.1. The Terms of Reference on the Human Resources and Remunerations Committee of the Board of Directors of KAMAZ Publicly Traded Company (hereinafter referred to as the Terms of Reference) shall determine the status, the procedure of creating, aims and tasks of the Human Resources and Remunerations Committee of the Board of Directors of KAMAZ Publicly Traded Company (hereinafter referred to as the Company), the rights and obligations of its members, the procedure of convening and holding the meetings of the Human Resources and Remunerations of the Board of Directors (hereinafter referred to as the Committee), the procedure of it taking and executing its decisions.

1.2. The Terms of Reference have been developed pursuant to the law of the Russian Federation, the Terms of Reference on the Company's Board of Directors and shall be approved by the Company's Board of Directors.

1.3. In its activities, the Committee shall be guided by the law of the Russian Federation, Charter of the Company, the present Terms of Reference and other internal documents of the Company.

1.4. The Committee shall be a working consulting body of the Company's Board of Directors which is set up for preliminary review of the matters referred by the present Terms of Reference to the Committee's remit of competence, and preparation of the recommendations for the Company's Board of Directors for decisions to be taken with regard to the matters referred to the remit of competence of the Company's Board of Directors.

1.5. The Committee shall be answerable to the Company's Board of Directors, shall not be the Company's body. Through the Committee, the Company shall not assume any civil rights or obligations.

1.6. The Committee shall not take part in the operations of the Company, shall not duplicate the functional obligations of the Company's structural divisions or employees.

2. Aims and Tasks of the Committee

2.1. The Committee shall be established for the purpose of assisting in effective performance by the Company's Board of Directors of its functions by way of preliminary review of the matters bearing on the following:

- effective performance of the Company's Board of Directors and its committees, members of the Company's executive bodies;
- putting in place at the Company an effective and transparent system of remunerating the members of the Company's Board of Directors, members of the executive bodies;
- system of planning continuity of the governing bodies' members, executive bodies' members;
- other matters by the resolution of the Company's Board of Directors within the remit of is competence.

2.2. Referred to the functions of the Committee shall be:

2.2.1.In the area of putting in place an effective practice of remuneration:

– development and periodically updating the Company's Policy on remuneration of the members of the Company's Board of Directors, the members of the Company's

Management Board and the General Director of the Company, supervision or oversight over its introduction and implementation;
- selection of independent consultants in such matters as remunerations for the members of the Company's executive bodies and other key management team executives;
– preliminary assessment of the performance of the Company's Management Board and the Company's General Director based on the year end results pursuant to the Company's Remunerations Policy;
– developing terms and conditions of early termination of employment contracts with the members of the Company's Management Board and the Company's General Director;
– developing the recommendations for the Board of Directors on determination of the amount of remuneration and principles of rewarding the Company's Corporate Secretary as well as preliminary assessment of the Company Corporate Secretary's performance based on the year end results and the proposals on rewarding the Company's Corporate Secretary.
- supervision over disclosure of the information about the policy and practice of remuneration as well as ownership of shares in the Company by the members of the Board of Directors, the members of the executive bodies and other key management team executives in the annual report and at the corporate web site of the Company in the Internet.

2.2.2. In the area of planning human resources:
– annual assessment of the Company Board of Directors' performance and its members' performance, including assessment of the composition of the Company's Board of Directors from the point of professional specialization, experience, independence and its members' involvement in the operation of the Company's Board of Directors, identification of priority activities aimed at reinforcing the composition of the Company's Board of Directors;
– annual conduct of detailed formalized procedure of self-appraisal and external assessment of the Company's Board of Directors and the Committees of Company's Board of Directors from the perspective of their performance efficiency as a whole as well as the individual contribution by the directors to the operation of the Board of Directors and its Committees, development of the recommendations to the Company's Board of Directors with respect to improving the procedures of the Company's Board of Directors' operation and its Committees' operation;
- defining the methodology of self-assessment and proposals relating to selection of independent consultants to have assessment conducted of the performance of the Company's Board of Directors;

- analysis of professional qualifications and independence of all the candidates nominated to the Company's Board of Directors based on all the information available to the Committee;
- interaction with shareholders in the context of selecting candidates for the Company's Board of Directors; establishing and brining to the knowledge of the shareholders the recommendations with respect to voting on the agenda item of electing candidates to the Company's Board of Directors;
– establishing a program of introductory course for newly elected members of the Company's Board of Directors aimed at making them familiar with the key assets, strategy, business practice, organizational chart, key members of the Company's management team as well as the procedures and documents of the Company's Board of Directors, oversight over implementation and timely updating of such an introductory course;

- description of individual responsibilities assigned to Directors and Chairman of the Board of Directors;

– formulation of the program for training and refresher training for the members of the Board of Directors;

- planning appointments including those subject to ensuring continuity of activities, members of the Company's Management Board and the General Director of the Company, establishing the recommendations for the Company's Board of Directors with regard to candidates for the position of the Company's Corporate Secretary, the members of the Company's Management Board and the General Director of the Company.

- analyzing current and expected needs of the company relating to professional qualifications of the Company executive bodies' members and other key management team executives;

- regular analysis of conformity of independent members of the Board of Directors of the Company to the independence criteria and ensuring immediate disclosure of the information about discovery of the circumstances due to which the Director has ceased to be independent.

2.2.3. Preparing the report to the Board of Directors on the Committee's work results for the year.

2.2.4. Preparing relevant information to be included into the annual report and other documents of the Company.

2.2.5. Control over performance of the decisions of the Board of Directors on the matters within the remit of competence of the Committee.

2.2.6. Other tasks by the resolution of the Company's Board of Directors within the Committee's remit of competence.

3. Composition of the Committee and Duration of Its Members' Powers

3.1. The Committee shall be set up by the resolution of the Company's Board of Directors, pursuant to the Terms of Reference on the Company's Board of Directors. The Chairman and the members of the Committee shall be appointed for the period until the next Company Shareholders' Annual General Meeting.

3.2. The Committee shall be composed of no fewer than 3 (three) members.

3.3. The Committee shall be made up of the majority of the Company's independent Directors, and if this is impossible due to objective reasons, the Committee members can be members of the Company's Board of Directors who possess qualifications and experience necessary for the aims of the Committee's activities to be achieved.

Determination of the Committee members' independence shall be made in accordance with the Criteria for determination of the board of directors' (supervisory board's) independence, envisaged by the Listing Regulations of Moscow Stock Exchange Publicly Traded Company (hereinafter referred to as Criteria for determination of independence).

3.4. The Company's Board of Directors shall be entitled to independently decide to terminate the powers of one, several or all the members of the Committee, to change the quantitative composition of the Committee and to elect new members of the Committee.

3.5. Any member of the Committee, including the Chairman of the Committee, shall be

entitled to withdraw from its composition by sending a written notification to the Company's Board of Directors. In this case, the powers of such a member of the Committee shall be terminated from the day of receipt by the Company's Board of Directors of such a notification.

4. **Chairman of the Committee**

4.1. The Chairman of the Committee shall be elected by the Company's Board of Directors by the majority of votes from among the members of the Company's Board of Directors.

4.2. The Chairman of the Committee may be re-elected an infinite number of times.

4.3. The Chairman of the Committee shall carry out the general management of the Committee's activities, including the following:

- he or she shall organize the Committee's proceedings;
- shall call the meetings of the Committee or organize absentee vote; -
- shall preside over the meetings of the Committee;
- shall organize the keeping of the minutes of the Committee meeting;
- shall report to the Company's Board of Directors on the Committee's activities no less than once a year;
- shall discharge other responsibilities foreseen by the present Terms of Reference.

4.4. In his absence the Chairman of the Committee shall be obliged to entrust the performance of the Chairman's duties to one of the members of the Committee.

4.5. In the case of equality of the votes cast by the members of the Committee "in favor" and "against" on the draft resolution under consideration by the Committee meeting, the version of the decision for which the Chairman of the Committee has voted, shall be considered as having been approved.

5. Supporting the Operation of the Committee, Remunerations and Compensations Payable To the Committee Members

5.1. In order to execute the documents and to attend to the Committee's affairs, at the recommendation of the Corporate Secretary of the Company the Committee shall appoint the Secretary of the Committee.

5.2. The Secretary of the Committee shall provide technical support of the Committee's activities. The Secretary of the Committee shall arrange for the conditions and environment necessary for the members of the Committee to perform their functions, shall organize provision of the premises for Committee meetings, transportation, accommodations for non-resident members of the Committee, passes for admission.

5.3. The Secretary of the Committee shall make sure that the minutes of the Committee meetings are kept on file and are registered.

5.4. The Secretary of the Committee shall provide informational support of the Committee's operation, including:

- dissemination of the materials in advance of the meeting (absentee vote) of the Committee;
- briefing the Chairman of the Committee as to existence of the quorum for the Committee meeting to be held;

- formulation of the Committee's work plan;
- bringing the decisions adopted by the Committee to the knowledge of the Company's officers;
- making sure that the minutes of the Committee and the materials for the meetings (absentee votes) of the Committee are kept on file;
- sending the members of the Committee voting ballots in case the Committee decisions are passed by way of absentee voting;
- summing up the voting results on the matters the decisions on which shall be passed by absentee vote;
- count of votes cast by the Committee members;

- keeping and executing the minutes of the meetings (absentee votes) and Committee paperwork management.

5.5. The members of the Committee during the period in which they perform their responsibilities can be paid remunerations and their expenses connected with their participation in the Committee's activities can be compensated for. The amount of such remunerations and compensations shall be determined pursuant to the terms of reference approved by the Company Shareholders' General Meeting.

6. The Meetings of the Committee

6.1. The meetings of the Committee shall be held on planned basis. The work plan shall be drawn up for a corporate year and shall foresee items as per proposals advanced by the Committee members. All the items included into the work plan of the Company's Board of Directors and belonging to the competence of the Committee shall, on mandatory basis, be given preliminary review at the meetings of the Committee. The Committee's work plan shall be approved by the resolution of the Committee.

The corporate year shall be considered to be a period of time from the date of holding the Company Shareholders' Annual General Meeting to the date of the next Company Shareholders Annual General Meeting.

6.2. On the basis of the resolution of the Company's Board of Directors, at his own initiative or at the request of the Committee's members, the Chairman of the Committee shall be entitled to call unscheduled (special) meetings of the Committee for consideration of urgent matters.

6.3. Any member of the Committee shall be entitled to initiate incorporation into the agenda of an additional matter within the framework of the Committee's competence.

6.4. The date, place and time of holding the Committee meeting shall be determined in the decision of the Chairman of the Committee to hold a meeting.

The list of the issues to be incorporated into the agenda of the Committee meeting shall be drafted by the Secretary of the Committee based on the work plan of the Committee and the proposals submitted.

The agenda of the meeting shall be approved by the Committee directly at the meeting. The agenda of the Committee meeting must contain a complete list of specific items being placed before the Committee for discussion.

6.5. A notice of the calling of the Committee meeting shall be sent to each member of the Committee in written form (via fax, e-mail, registered mail or by courier, but in any case with acknowledgement of receipt by each member of the Committee), no later than 10 calendar days before setting up the date of the meeting.

The notice shall contain particulars about the date, place and time of the meeting and the list of the items proposed for consideration at the meeting. Attached to the notice shall be an explanatory note on the items proposed for consideration at the meeting of the Committee, as well as the materials necessary for preliminary review by the Committee members and drafts of the corresponding decisions of the Committee.

English translations of the notice, explanatory note and all the materials as well as draft resolutions of the Committee shall be sent to all the members of the Committee who do not speak Russian, by e-mail with acknowledgement of receipt by each such a member of the Committee no later than 7 calendar days before the date of holding the Committee meeting.

6.6. Participating in the meetings of the Committee shall be the members of the Committee and other persons invited to the meeting of the Committee on each of the items under consideration based on the decision of the Chairman of the Committee.

7. Quorum and the Procedure of Decision Making

7.1. The quorum of the Committee meeting shall be determined by the Chairman of the Committee when opening the meeting.

The meeting of the Committee (absentee vote by the members of the Committee) shall be considered to be valid and competent, if participating in it are no less than half of the total number of the Committee members.

7.2. When passing decisions on the matters at hand at the meetings of the Committee, each member of the Committee shall have one vote.

It shall not be allowed for a member of the Committee to pass the right of vote to another person including another member of the Committee.

Members of the Committee shall be allowed to take part in the proceedings of the Committee meetings by using conferencing facilities (audio or video conferencing).

The votes of the Committee members participating in the proceedings of the Committee meeting in such a fashion, shall be taken into consideration in determination of the quorum at the meeting and in voting on the agenda items of the meeting.

Written opinions of the Committee members, absent from the Committee meeting, on the agenda items, shall be taken into consideration in determination of whether the quorum is in existence and in summing up voting results on the agenda items of the meeting.

7.3. The Committee's decisions shall be made by the majority of votes cast by the members of the Committee attending the meeting or taking part in the absentee vote.

8. Absentee Vote by the Members of the Committee

8.1. The decision of the Meeting can be passed by absentee vote.

8.2. The decision to conduct absentee vote shall be taken by the Chairman of the Committee.

The above mentioned decision shall specify:

- the wording of the agenda items and resolutions put before the Committee for consideration;
- the list of the information (materials), submitted to the members of the Committee;
- date of providing to the members of the Committee ballots for voting and (or) other

information (materials);

- final date for acceptance of absentee voting ballots;
- the person who has filed a request in case the absentee vote is being conducted by request.

8.3. Considered as having taken part in the absentee vote shall be those members of the Committee whose ballots were delivered to the Company no later than the appointed date for ballot acceptance.

Recognized as having taken part in the vote shall be also the ballots signed by the members of the Committee and sent before the appointed final date for acceptance of the ballots via facsimile provided that such facsimile copy allows identification of the voting option chosen by the member of the Committee and his or her signature.

The facsimile message containing the absentee vote ballot must be sent to fax No. specified in the ballot and shall have been received by the Company no later than the quitting time officially established in the Company as at the final date for acceptance of the ballots.

The original ballot, in this case, shall be simultaneously sent by the voting member of the Committee by post or by other method.

8.4. Absentee vote can be completed before the final date for acceptance of absentee vote in case all the members of the Committee have voted before the appointed date. The completion date of the absentee vote in this case shall be determined by the date of the Company's receipt of the last ballot or its facsimile copy.

8.5. A copy of the minutes of the absentee vote by the members of the Committee shall be sent to the members of the Committee no later than 7 days from the time of signing the minutes of the absentee vote by the members of the Committee.

9. Minutes of the Committee Meeting

9.1. At the meeting of the Committee, minutes shall be kept as well as an audio recording shall be made.

9.2. Minutes of the Committee meeting shall be prepared no later than 3 days after it has been held. The minutes shall specify:

- place and time of holding the meeting;
- persons attending the meeting;
- agenda of the meeting;
- issues put to vote and voting results on them;
- decisions taken.

The minutes of the Committee shall be signed by the Person Presiding Over the Meeting and the Secretary of the Committee.

9.3. The opinions of the members of the Committee expressed in written form and signed in their personal hand as well as the ballots for voting, in the case of absentee vote by the members of the Committee, shall be attached to the minutes.

10. Rights, Obligations and Liability of the Members of the Committee

10.1. The Committee shall be entitled:

10.1.1. by way of initiative or at the instructions of the Company's Board of Directors, to consider any matters relating to the competence of the Committee pursuant

to its work plan.

10.1.2. to propose including the matter within the remit of the Committee's competence into the agenda of the Company's Board of Directors, to initiate the holding of the unscheduled (special) meeting of the Company's Board of Directors.

10.1.3. to involve in its activities the persons who are not members of the Committee.

10.2. The Committee shall be obliged:

10.2.1. to carry out its activities in the interests of the Company and its shareholders.

10.2.2. to inform the Company's Board of Directors about its activities.

10.2.3. no less than once a year, to submit for approval to the Company's Board of Directors a report on the results of its activities.

10.3.A member of the Committee shall have the right:

10.3.1. on behalf of the Committee and within the framework of its competence, to request the executive bodies, employees of the Company and other persons for information and documents necessary for the aims of the Committee's activities to be attained.

10.3.2. to initiate inclusion of the agenda item into the agenda of the Committee meeting, to demand holding a special meeting of the Committee.

10.3.3. to participate in the meeting to vote on all the issues under consideration.

10.3.4. in case it is not possible to take part personally in the proceedings of the Committee, to send written opinion with respect to the issues under consideration.

10.3.5. to demand that his or her special written opinion be included into the minutes of the Committee meeting.

10.3.6. to receive remuneration for participation in the activities of the Committee as well as compensations for the expenses connected with the activities pursuant to the terms of reference approved by the Company Shareholders' General Meeting.

10.4. A member of the Committee shall be obliged:

10.4.1. to participate in the proceedings of the Committee and to attend all its meetings, to facilitate effective and constructive discussion of the agenda items of the meeting.

10.4.2. to act in the interests of the Committee and its shareholders, to exercise his or her rights and carry out the obligations with respect to the Company diligently and reasonably.

10.4.3. to avoid passing unjustifiable decisions or recommendations, to abstain from voting on the matters with respect to which a member of the Committee has not formed a justified position.

10.4.4. to inform the Chairman of the Committee of his or her interestedness in a certain decision regarding an issue being put before the Committee for consideration, to abstain from participation in the voting on such an issue.

10.4.5. to ensure that the information which has become available to him or her in connection with his or her performance of the obligations as a member of the Committee is kept confidential.

10.4.6. to inform the Company's Board of Directors of any change in his or her

independent status, i. e. failure to conform to the Criteria for Determination of Independence.

10.5. Members of the Committee, including the Chairman of the Committee, shall bear personal liability for divulging details which constitute commercial secrets as well as divulgence of other information of confidential nature which has become known to them due to their performance of their responsibilities as members of the Committee.

10.6. The requirements laid down by Clause 10.5 of the present Terms of Reference shall be extended to the persons invited to the Committee meeting or involved in the Committee's activities.

11. Operation of the Terms of Reference. Procedure of Introducing Amendments and Addenda into the Terms of Reference

11.1. Amendments and addenda to the present Terms of Reference can be introduced by the resolution of the Company's Board of Directors.

The Company's Board of Directors may terminate the operation of the present Terms of Reference on the Human Resources and Remunerations Committee of the Company's Board of Directors and adopt the new Terms of Reference on the Human Resources and Remunerations Committee of the Company's Board of Directors.

11.2. In the case of contradictions between the norms of the law of the Russian Federation and the present Terms of Reference the norms of the existing law of the Russian Federation shall prevail.