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**APPROVED**  
**by the Resolution made by the Annual**  
**General Meeting of Shareholders**  
**of OAO (Open Joint Stock Company)**  
**SIBUR Holding**  
**(Minutes № 43 dd. April «25», 2014)**

**REGULATIONS**  
**regarding the Board of Directors of Open Joint Stock Company**  
**SIBUR Holding**

**(Revised Version № 13)**

**city of Saint Petersburg**  
**2014**

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These Regulations were developed subject to the current law of the Russian Federation, the Articles of Association of Open Joint Stock Company SIBUR Holding (hereinafter referred to as **the Company**) and other Company's internal documents, and shall determine the procedure of the Board of Directors election and the term of its powers, the matters within its responsibility and its rules and procedures

### **Article 1. General Terms**

1.1. The Board of Directors shall be the Company's management body performing overall supervision for the Company's affairs and making resolution on all matters except those referred to the responsibility of the General Meeting of Shareholders, Management Board and Sole Executive Body.

1.2. Fulfilling its obligations the Board of Directors shall act subject to the current law of the Russian Federation, the Company's Articles of Association and other Company's internal documents insofar as they refer to the matters within its responsibility.

### **Article 2. Election of the Board of Directors**

2.1. The members of the Board of Directors shall be elected by the General Meeting of Shareholders by cumulative voting for the term up to the next annual General Meeting of Shareholders holding.

In the course of cumulative voting the number of votes owned by each shareholder shall be multiplied by the number of persons to be elected to the Board of Directors; each shareholder shall be entitled to cast such votes wholly for one candidate or allot them between two or among several candidates. The candidates receiving the highest number of votes shall be elected as the members of the Board of Directors.

In case the General Meeting of Shareholders was not held within the fixed terms, the authorities of the Board of Directors shall cease except for the authority to prepare, convene and hold the annual General Meeting of Shareholders.

2.2. The number of the Board of Directors members shall be determined by the General Meeting of Shareholders however it shall have no less than 7 (seven) members. The resolution as to this matter shall have no fixed term. Subject to the resolution made by the General Meeting of Shareholders only the whole members of the Board of Directors may be early terminated.

In case the members of the Board of Directors shall not comprise the number required to make a quorum at its meetings, the Board of Directors shall make a resolution to convene an extraordinary General Meeting of Shareholders in order to elect new members to the Board of Directors. The remaining members of the Board of Directors shall be entitled to make resolutions only on the matters regarding such extraordinary General Meeting of Shareholders preparation and holding.

2.3. Only natural persons shall be elected as members of the Board of Directors. The members of the Board of Directors may not be the Company's shareholders as well.

The persons elected as members of the Board of Directors may be re-elected any number of times.

The number of the Management Board members elected to the Board of Directors shall not exceed one forth of its members.

2.4. The members of the Board of Directors shall disclose the information as to their holding the Company's securities and selling and (or) purchasing thereof subject to the Company's internal documents approved by the Board of Directors governing the procedure of using the information on the Company's affairs and securities.

2.5. Shareholder(s) jointly holding at least 2 (two) per cent of the Company's voting shares shall be entitled to recommend persons to be elected to the Board of Directors whose number shall not exceed the number determined for its members by the General Meeting of

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Shareholders. The proposal recommending candidates shall be executed in writing specifying the name(s) of shareholder(s) suggesting them and the number and category (type) of shares held by them and shall be signed by such shareholder(s).

Such proposal shall be signed by a shareholder or his proxy. In case the proposal is signed by a proxy, it is necessary to attach a power of attorney.

The following information on each candidate shall be enclosed to each proposal recommending candidates to be elected to the Board of Directors:

- name of the body the candidate shall be elected to;
- his first name, patronymic and surname,;
- month, date, year and place of birth;
- for Russian citizens the data of the identification document (i.e. its series and (or) number, date and place of issue, issuing authority, address of registration);
- for non-residents the data of the identification document;
- education stating the educational institution, the year of graduation and specialty received;
- the place of work and positions the candidate held during the previous 5 (five) years and positions the candidate held in other legal persons management bodies during the previous 5 (five) years;
- postal address, contact phone number and e-mail address.

2.6. The aforementioned proposals and data shall be sent to the Board of Directors not more than 30 (thirty) days after each financial year ending executed in writing by one of the following means:

- by mail service to the address (place of location) of the Sole Executive Body (to the address (place of location) of permanent executive body of management company);
- delivering to the person performing the functions of the Sole Executive Body, Chairman or Secretary of the Board of Directors.

In case the aforementioned proposal is sent by mail service the date of such proposal making is the date written on the calendar mark impression confirming the date of such postal item sending, and in case the aforementioned proposal is delivered in person – the date of delivery.

The proposals recommending candidates to be elected to the Board of Directors made by shareholders subject to the aforementioned procedure may be amended or they may be withdrawn in full up to the moment of voting ballots to be used at the General Meeting of Shareholders approval by the Board of Directors.

### **Article 3. Responsibility of the Board of Directors**

3.1. The Board of Directors shall be responsible for:

- 1) the Company's priority areas determination;
- 2) confirmation of the Company's long-term plans and principal activity programs, its annual and long-term business plans as well as the Company's annual investment program;
- 3) reviewing the reports on the Company's annual and long-term business plans and its annual investment program performance;
- 4) convening the annual and extraordinary General Meetings of Shareholders, confirmation of the agenda for the General Meeting of Shareholders, determination of the date for making the list of persons entitled to be present at the General Meeting of Shareholders and other matters referred to the responsibility of the Board of Directors regarding the General Meeting of Shareholders preparation and holding except as otherwise provided by Federal Act "About Joint Stock Companies";

5) allotment by the Company of Additional Shares received by converting the Company's allotted preferred shares of a certain type convertible into ordinary or preferred shares of other types in case such allotment does not refer to the Company's Authorized Capital increasing as well as allotment by the Company of bonds or any other issue-grade securities excluding the shares;

6) estimation of the property price (money value) (including in the course of making a resolution by the Board of Directors or General Meeting of Shareholders regarding a major transaction(s) approval if there is the interest in making thereof), the price for allotment or the procedure of its fixing and the price for issue-grade securities redemption in the cases provided by the current law of the Russian Federation and the Company's Articles of Association;

7) acquisition of the Company's allotted shares, bonds and other securities in the cases provided by the current law of the Russian Federation and the Company's Articles of Association;

8) forming the Company's executive bodies (including the collective executive body being the Company's Management Board) including determination (changing) the number of the Management Board members, election and early termination of office by the Management Board members and Sole Executive Body; approval of provisions included to the agreement to be made with the Sole Executive Body;

9) fixing the remuneration for the Management Board members;

10) suggestions to the General Meeting of Shareholders as to the Sole Executive Body authorities transfer under the agreement to a management company or manager;

11) making a resolution to suspend the authorities of a management company or manager;

12) preliminary approval of the Company's annual statement;

13) suggestions to the General Meeting of Shareholders regarding the remuneration and compensation amounts to be paid to the Review Committee members and fixing the amount of payment for the Company's auditor services;

14) suggestions to the General Meeting of Shareholders regarding the dividends amount to be paid on the Company's shares, the procedure and terms for their payment, fixing the date when the persons are determined entitled to receive dividends on the Company's shares;

15) using the Company's surplus and other funds;

16) the Company's internal documents approval excluding those whose approval is referred by Federal Act "About Joint Stock Companies" to the responsibility of the General Meeting of Shareholders and any other internal documents whose approval is referred by the current law and these Articles of Association to the responsibility of the Management Board or Sole Executive Body;

17) the Company's branches establishment and liquidation, its representative offices opening and closing;

18) major transactions approval in the cases provided by the current law of the Russian Federation;

19) transactions approval if there is the interest in making thereof in the cases provided by the current law of the Russian Federation;

20) the Company's Registrar and the provisions of the agreement to be made with him approval and making a resolution to terminate such agreement;

21) ratification of the Regulations on the Company's structural division whose authorities include internal auditing of financial and economic activity;

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22) approval of a candidate to be appointed as the Company's structural division manager whose authorities shall include internal auditing of financial and economic activity, as well as approval of the provisions to the agreement (contract) to be made with such structural division manager and approval of his dismissal at the Company's discretion;

23) approval of transactions regarding acquisition, alienation, charging or proposed alienation of the assets in the form of other companies shares, stocks, equities (including by business companies establishment) made between any third parties and the Company, legal persons whose financial statement is consolidated with the Company's financial statement under the international standards (hereinafter referred to as SIBUR Group), the Company's subsidiary and affiliate companies, subsidiary and affiliate companies of such companies excluding the cases when such transactions shall be approved by the Board of Directors and the General Meeting of Shareholders as transactions where there is the interest or as major transactions;

24) making amendments to the Company's Articles of Association regarding the branches establishment and liquidation, its representative offices opening and closing;

25) approval of a transaction or a series of related transactions in connection with investments raising (including loans, credits, charge, payment guarantee) or any property acquisition, alienation or any proposed alienation by the Company directly or indirectly in case such investment amount or cost of such property shall be equal to at least 5 (five) per cent of the Company's assets book value determined in accordance with the data of its accounting records as for the last reporting date excluding the transactions made in the course of the Company's ordinary course of business, the cases when such transactions shall be approved or agreed by the Board of Directors and the General Meeting of Shareholders as otherwise provided by the current law and the Company's Articles of Association (including such transactions approval as transactions where there is the interest or as major transactions or as transactions approved subject to Subparagraph 23 hereof) and excluding transactions to be made by legal persons comprising SIBUR Group;

26) making resolutions to confirm the documents regarding the Additional Shares or other issue-grade securities issuing including the decision to issue the shares or other issue-grade securities, shares or other issue-grade securities prospects and reports on the results of shares or other issue-grade securities issuing by the Company;

27) suggestion for consideration by the General Meeting of Shareholders the matter on major transactions approval having the cost of 25%-50% of the Company's assets balance cost in the cases provided by Chapter X of Federal Act "About Joint Stock Companies";

28) Board of Directors committees establishment; determination of the number of their members and personal composition and approval of the Regulations regarding the Committees of Directors; annual reports and other reports reviewing regarding their activity subject to the Regulations regarding the Committees of Directors;

29) approval of key figures for the performance contract to be made with the Management Company and the report on their fulfillment;

30) making resolution as to submitting the application regarding the Company's shares and (or) issue-grade securities listing convertible into the Company's shares;

31) dealing with any other matters referred by the current law of the Russian Federation and the Company's Articles of Association to the responsibility of the Board of Directors.

3.2. The matters referred to the responsibility of the Board of Directors shall not be transferred to be considered by the Company's executive bodies.

3.3. The Board of Directors on the suggestion of the Chairman of the Management Board shall be entitled to consider the matter not falling within its responsibility (excluding

the matters referred to the responsibility of the General Meeting of Shareholders), resolutions on which may substantially influence the Company's affairs.

#### **Article 4. Committees of the Board of Directors**

4.1. In order to achieve certain goals set by the Company the Board of Directors shall be entitled to establish committees including the Committee for Auditing, Committee for Personnel and Remuneration and any other.

4.2. Any Committee of the Board of Directors shall act subject to the Regulations regarding such Committee approved by the Board of Directors.

4.3. The members of any Committee of the Board of Directors shall be appointed by the Board of Directors.

4.4. Any Committee of the Board of Directors shall be entitled to meet when they think fit and subject to the Regulations regarding such Committee approved by the Board of Directors.

4.5. Committees of the Board of Directors shall be entitled to hold joint meetings.

#### **Article 5. Chairman of the Board of Directors and Vice-Chairman of Board of Directors**

5.1. The Chairman of the Board of Directors shall be elected by members of the Board of Directors among them by the majority of the votes from the total number of the members thereof.

The Sole Executive Body may not act as the Chairman of the Board of Directors at the same time.

5.2. The Chairman of the Board of Directors shall manage its work, convene the meetings of the Board of Directors, approve their agenda and preside at the meetings of the Board of Directors, arrange minutes taking at the meetings, preside at the General Meeting of Shareholders.

5.3. In case the Chairman of the Board of Directors fails to be present, his functions shall be performed by the Vice-Chairman of Board of Directors.

5.4. The Vice-Chairman of Board of Directors shall be elected by members of the Board of Directors among them by the majority of the votes from the total number of members thereof for the same term with the Chairman of the Board of Directors.

#### **Article 6. Secretary of the Board of Directors**

6.1. The Secretary of the Board of Directors shall be appointed by the Board of Directors at its first meeting following the annual General Meeting of Shareholders. The authorities of the Secretary of the Board of Directors shall cease together with the powers termination of the Board of Directors appointing him.

6.2. The Secretary of the Board of Directors shall provide the preparation and holding of the meetings of the Board of Directors, materials collection and systematization for the meetings, notices proper sending to the members of the Board of Directors on meetings holding, their agenda, materials on the agenda matters, meeting minutes keeping and preparation of resolutions drafts to be made by the Board of Directors, and shall cooperate with the Company's employees regarding the matters of meetings preparation.

6.3. The Secretary of the Board of Directors shall report on the results of its activity to the Board of Directors. His activity shall be directly supervised by the Chairman of the Board of Directors.

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### **Article 7. Meetings of the Board of Directors**

7.1. The Board of Directors shall be entitled to make resolutions at meetings held in the form of members joint presence and as absentee voting (by poll). The meetings of the Board of Directors shall be held in accordance with the annual plan approved at the meeting of the Board of Directors or as and when necessary.

In case when a meeting of the Boards of Directors is held as absentee voting, at least 2 (two) members thereof send the Chairman of the Board of Directors with a copy to the Secretary of the Board of Directors a written opinion on the necessity to consider one or several matters included to the agenda of such meeting at the meeting to be held in the form of members joint presence, the Chairman of the Board of Directors shall make a resolution to hold such meeting in the form of members joint presence and to include such matter to its agenda. The aforementioned written opinion shall be sent within 1 (one) working day as the date of voting ballots sending to the members of the Board of Directors for the absentee voting.

7.2. The meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors at his own discretion and on a written demand of a member of the Board of Directors, Review Committee, the Company's auditor, Sole Executive Body, Management Board.

Such written demand shall:

- state the person initiating such meeting;
- enlist the matters of the agenda;
- determine the form of such meeting holding;
- reasons for including such matters to the agenda;
- address where the answer to the demand shall be sent.

Such demand shall be signed by the person initiating such meeting holding.

In case the Chairman of the Board of Directors fails to be present, the meeting of the Board of Directors may be convened by the Vice-Chairman of the Board of Directors on prior written approval of the Chairman of the Board of Directors, and in case the Vice-Chairman of the Board of Directors also fails to be present – by any member of the Board of Directors also on prior written approval of the Chairman of the Board of Directors. In this case the members being present at such meeting shall elect a chairman of the meeting of the Board of Directors among them who shall fulfill any and all obligations and exercise rights vested on the Chairman of the Board of Directors at such a meeting.

A member of the Board of Directors performing functions of the chairman at a meeting of the Board of Directors shall not be entitled to cast a deciding vote at the meetings of the Board of Directors.

7.3. The quorum for the meetings of the Board of Directors holding shall be at least a half of the elected members of the Board of Directors. When deciding as to the quorum and voting results at the meeting of the Board of Directors an opinion executed in writing by the member failing to be present at the meeting shall be taken into consideration.

The written opinion submitted by the member of the Board of Directors shall precisely state his position regarding the matter and determine if such member has voted for or against the suggested resolution draft or if he has abstained from voting.

Any written opinion containing amendments and provisos regarding the suggested resolution draft shall not be taken into account in the course of quorum and voting results counting.

Any written opinion executed by the member of the Board of Directors shall be received by the Secretary of the Board of Directors at least at the time appointed for the meeting of the Board of Directors starting dealing with the matters such written opinion refers to.

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A member of the Board of Directors shall be deemed to be present at the meeting in case he participates by telephone or video conference or in any other way may effectively share his opinion during the meeting and vote on the matters being discussed.

7.4. Any member of the Board of Directors failing to take part in voting or having voted against the resolution made by the Board of Directors in violation of the procedure established by the current law of the Russian Federation, the Company's Articles of Association and its other internal documents shall be entitled to appeal to court in case this resolution has breached his rights and legal interests.

### **Article 8. Regulations for Meetings of the Board of Directors Convening and Holding**

8.1. The agenda of any meeting of the Board of Directors shall be prepared by the Secretary of the Board of Directors and approved by the Chairman of the Board of Directors. The Chairman of the Board of Directors, its members, the Chairman of the Management Board, its members, the Sole Executive Body, the Chairman of the Review Committee and the Company's auditor shall be entitled to make proposals on the matters to be included to the agenda. In case the Chairman of the Board of Directors fails to be present, the agenda of the meeting shall be approved by the Vice-Chairman of the Board of Directors after confirmation by the Chairman of the Board of Directors.

8.2. A notice on the meeting of the Board of Directors holding in the form of members joint presence shall be sent to each member of the Board of Directors by e-mail at least 5 (five) working days before its holding.

8.3. The text of such notice (in the electronic message body) on the meeting of the Board of Directors holding in the form of members joint presence shall contain the information on the date, place and time of such meeting holding. The meeting's agenda shall be attached to the notice.

8.4. In case of the meeting holding as absentee voting the notice on it shall be sent by e-mail at least 3 (three) working days before the date of completed voting ballots delivery.

8.5. The notice on the meeting of the Board of Directors holding as absentee voting shall contain the information on the date and place of completed voting ballots delivery and the list of matters to be put to vote.

A voting ballot shall be attached to such notice fixing the date of completed voting ballots delivery.

8.6. The voting ballots completed and signed in person by the members of the Board of Directors shall be delivered to the Secretary of the Board of Directors. The voting ballot submitted to the Secretary of the Board of Directors shall precisely state the position of the member of the Board of Directors regarding the matter and determine if such member of the Board of Directors has voted for or against the suggested resolution draft or if he has abstained from voting. Any voting ballots containing amendments and provisos regarding the suggested resolution draft shall not be taken into account in the course of quorum and voting results counting.

The members of the Board of Directors shall be deemed as having participated in the meeting of the Board of Directors held as absentee voting in case their completed and signed voting ballots shall be received by the Board of Directors on or before the date fixed in the voting ballot for completed voting ballots delivery.

8.7. Materials on the matters of the agenda of the meeting of the Board of Directors shall be submitted to the members of the Board of Directors at least 5 (five) working days before the meeting holding and in case of a meeting holding as absentee voting at least 3 (three) working days before the date fixed for completed voting ballots delivery.

8.8. Any and all urgent matters to be considered by the Board of Directors may be included to the agenda of the Board of Directors before the date of its holding and in case of agenda closing only after consultation with the Chairman of the Board of Directors. The

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materials regarding such matters shall be sent to the members of the Board of Directors when completed.

8.9. Any and all materials regarding the agenda matters shall include an explanatory note with the draft of a resolution to be made by the Board of Directors and clarifications regarding the matter and any other documents provided by the Company's internal documents.

8.10. The Board of Directors shall be entitled to take a recess for its meeting. Such recess may be declared for the term up to 5 (five) working days.

In case of a recess declaring the Chairman of the Board of Directors shall inform the members of the Board of Directors of the date, time and place for such meeting resumption. No materials shall be resend to the members of the Board of Directors.

8.11. The Secretary of the Board of Directors shall keep the minutes of its meetings. The minutes of any meeting of the Board of Directors shall be executed by the Secretary of the Board of Directors within 3 (three) working days after holding thereof or after the closing date for completed voting ballots accepting.

8.12. The minutes of any meeting shall state:

the place and time of its holding in case of a meeting holding in the form of the members joint presence or the date and place of minutes execution in case the meeting was held as absentee voting;

the list of members of the Board of Directors being present at the meeting and the list members of the Board of Directors having submitted their written opinions before the fixed date and the list of members of the Board of Directors whom voting ballots were sent and who submitted the signed voting ballots before the fixed date;

matters wording to be put to vote;

voting results for each question;

resolutions made regarding each matter.

The agenda of the meeting and written opinions on the matters of the agenda submitted by the members having failed to be present at such meeting of the Board of Directors shall be attached to the minutes of the meeting of the Board of Directors held in the form of the members joint presence.

A notice on holding the meeting of the Board of Directors as absentee voting shall be attached to the minutes of the meeting of the Board of Directors held as absentee voting.

8.13. The minutes of the meeting of the Board of Directors shall be signed by the person presiding such meeting and the Secretary of the Board of Directors. The minutes of the meeting held as absentee voting (by poll) shall be signed by the Chairman of the Board of Directors and the Secretary of the Board of Directors.

8.14. The minutes of the meeting of the Board of Directors shall be sent to the members of the Board of Directors within 3 (three) working days as of its signing by the person presiding such meeting or the Chairman of the Board of Directors.

8.15. Resolutions made by the Board of Directors shall be brought to attention of the executives within 3 (three) working days as of a respective minutes of the meeting of the Board of Directors signing.

8.16. Where applicable any and all extracts from the minutes of the meeting of the Board of Directors shall be signed by the Secretary of the Board of Directors and sent to the parties concerned at their demand made in electronic form within 2 (two) working days as of such demand receiving.

## **Article 9. Resolution made by the Board of Directors**

9.1. When dealing with the matters at the meeting of the Board of Directors each member of the Board of Directors shall have one vote. No member of the Board of Directors

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shall be entitled to transfer its voting right to any person including to the other member of the Board of Directors.

The opinions executed in writing by the members of the Board of Directors failing to be present at the meeting of the Board of Directors held in the form of members joint presence shall be taken into consideration when determining the quorum and voting results.

9.2. The resolutions at the meeting of the Board of Directors shall be made by the majority of the votes being present at the meeting except as the current law of the Russian Federation or the Company's Articles of Association provide for some other procedure for resolutions making.

9.3. In case of a tie the Chairman of the Board of Directors shall have a casting vote to make a resolution.

### **Article 10. Liability of the Members of the Board of Directors**

10.1. The members of the Board of Directors when exercising their rights and performing their obligations shall act for the benefit of the Company, exercise their rights and perform obligations regarding the Company reasonably and in good faith.

10.2. The members of the Board of Directors shall be liable to the Company for any and all losses caused to the Company by their willful acts (omission) except as the other grounds and amount of liability is provided by the current law of the Russian Federation.

In this case the members of the Board of Directors having voted against the resolution that caused the losses incurring by the Company or those having failed to vote shall be exempt from liability.

10.3. When determining the grounds and amount of liability for the members of the Board of Directors the ordinary course of business shall be taken into consideration as well as any other circumstances of any importance for the situation.

### **Article 11. Organization, Technical and Financial Support of the Board of Directors' Activity**

11.1. The Sole Executive Body (management company) shall provide premises, technical facilities (including motor vehicles, communication means, office machines), all required materials and information in order to prepare and hold meetings of the Board of Directors.

11.2. Any and all expenses in connection with meetings of the Board of Directors preparation and holding and its members' presence thereon shall be made at the expenses of the Company.

11.3. Subject to the resolution made by the General Meeting of Shareholders the members of the Board of Directors while performing their obligations shall be entitled to receive remuneration and (or) to be reimbursed for the expenses in connection with their fulfillment of functions of the members of the Board of Directors. Such remuneration and reimbursement amounts shall be determined by the General Meeting of Shareholders. The procedure for remunerations determination to be paid to the members of the Board of Directors shall be attached as Appendix No. 1 hereto.

### **Article 12. Validity of the Regulations regarding the Board of Directors**

12.1. These Regulations shall be ratified by the General Meeting of Shareholders. Any amendments, annexes thereto, any revised versions thereof passing shall be the responsibility of the General Meeting of Shareholders.

12.2. These Regulations and any amendments and annexes hereto shall come into effect as of the moment of their approval by the General Meeting of Shareholders.

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12.3. In case there are any discrepancies between the provisions hereof and the current law of the Russian Federation and the Company's Articles of Associations, the Company shall be governed by the provisions of the current law and the Company's Articles of Associations.

**APPENDIX № 1  
to the Regulations  
regarding the Board of Directors of Open  
Joint Stock Company  
SIBUR Holding  
ratified  
by the Resolution made by the Annual  
General Meeting of Shareholders  
on April 25, 2014  
(Minutes No. 43)**

**REGULATIONS**

**regarding the remuneration of the members of the Board of  
Directors of OJSC SIBUR Holding for their obligations performing  
and expenses reimbursement in connection with their fulfillment of  
functions of the members of the Board of Directors of OJSC SIBUR  
Holding**

**city of Saint Petersburg  
2014**

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## **Article 1. General Terms.**

1.1. These Regulations were developed subject to Federal Act “About Joint Stock Companies”, other effective standard acts, the Articles of Association of Open Joint Stock Company SIBUR Holding (hereinafter referred to as **the Company**) and shall determine the amount and payment procedure of remuneration and reimbursement to the members of the Company’s Board of Directors.

1.2. These Regulations were ratified by the General Meeting of the Company’s Shareholders subject to Paragraph 2 Clause 64 of Federal Act “About Joint Stock Companies” and shall be the grounds for remunerations and reimbursement accrual and payment to the members of the Company’s Board of Directors.

1.3. The source for remunerations and reimbursement payment up to making amendments to the current law or explanations coming from authorized state administrative agencies giving a precise indication on any other sources shall be the Company’s profit.

1.4. The Company shall independently assess, withhold and pay the personal income tax and any other taxes subject to the law of the state whose tax resident a respective member of the Board of Directors is due to remunerations and reimbursement payment to the members of the Board of Directors.

1.5. The provisions hereof shall not apply to any member of the Board of Directors being the Company’s Sole Executive Body (sole executive body of the Company’s management company) and any members of the Board of Directors being the members of the Management Board as well.

1.6. The term for remunerations and reimbursement estimation and payment to the members of the Board of Directors shall be fixed as from the date of a resolution making by the General Meeting of Shareholders regarding electing the members of the Board of Directors up to the date of the next annual General Meeting of Shareholders holding where new members to the Board of Directors shall be elected (hereinafter referred to as the Settlement Term).

1.7. Remunerations and reimbursement payment shall be made in monetary form in the currency of the Russian Federation. The remuneration shall be paid within 1 (one) month as of the annual General Meeting of the Company’s Shareholders holding where the results of the Company’s financial and economic activity for the financial year shall be approved and a resolution shall be made regarding the Company’s profit allocation.

## **Article 2. Forms of Remuneration Paid to the Members of the Board of Directors**

2.1. The remuneration to members of the Company’s Board of Directors shall include the components as follows:

- Remuneration constant component;
- Remuneration for being present at the meetings of the Committees of the Board of Directors;
- Remuneration for presiding the Board of Directors.

2.2. The members of the Board of Directors shall be entitled to participate in the Incentive Program for the Company’s Managers or its management company based on receiving rights to acquire the Company’s shares and/or other issue-grade securities. The number of the Company’s shares assigned for the members of the Board of Directors shall be determined by the resolution of the Committee for Personnel and Remuneration of the Board of Directors.

## **Article 3. Constant Component of Remuneration to be Paid to the Members of the Board of Directors**

3.1. Remuneration constant component shall be paid to the member of the Board of Directors for his obligations performing and makes 8,000,000.00 (eight million) rubles for the Settlement Term.

3.2. In case of early termination of powers of the member of the Board of Directors and election of the members to the Board of Directors at an extraordinary General Meeting of the Company's Shareholders, the remuneration constant component shall be paid in the amount pro rata the actual term when such member of the Board of Directors had powers and shall be estimated by multiplying the remuneration constant component aforementioned in Paragraph 3.1. hereof by the amount equal to the ratio of the actual term when he had powers to the Settlement Term duration taken equal to 365(366) days in accordance with the following formula:

$$S = V / 365 (366) * M, \text{ where}$$

S is the remuneration constant component to be paid to the member of the Board of Directors in case of early termination of his powers;

V is the basic amount of the remuneration constant component paid to one member of the Board of Directors for the whole reporting financial year determined subject to Paragraph 3.1. hereof;

365 (366) is the number of calendar days in a reporting financial year;

M is the number of calendar days falling within the term when the person performed the functions of a member of the Board of Directors in the reporting financial year.

#### **Article 4. Remuneration for being present at the meetings of the Committees of the Board of Directors**

4.1. The members of the Board of Directors shall be paid additional remuneration for their obligations performing in connection with their work in the committees of the Board of Directors.

4.2. For their work in the committees of the Board of Directors the members of such committees shall be paid additional remuneration in the amount of 2,000,000.00 (two million) rubles for being present at each meeting of the committee during a respective Settlement Term. In case any member of the Board of Directors shall be elected to several committees, the amount of his additional remuneration shall be estimated for the presence in each committee.

The remuneration payment for being present at the meetings of the committees of the Board of Directors shall be made:

- for being present at the meeting of the committee of the Board of Directors held in the form of members joint presence;
- for being present at the meeting of the committee of the Board of Directors held as absentee voting.

4.3. The additional remuneration shall be paid pro rata the number of meetings of a respective committee held in the Settlement Term where the member of the committee was present in accordance with the following formula:

$$S = V \text{ ad.} / M * N, \text{ where}$$

S is the amount of additional remuneration to be paid to the member of the Board of Directors elected as the member of any committee for being present at the meetings of one committee within the Settlement Term;

V ad. is the amount of additional remuneration to be paid to the member of the Board of Directors elected as the member of any committee for being present at all meetings of one committee within the Settlement Term;

M is the total number of meetings of the committee held within the Settlement Term;

N is the number of meetings of the committee where the member of the Board of Directors elected to the committee was present.

### **Article 5. Remuneration for presiding the Board of Directors**

5.1. The Chairman of the Board of Directors in addition to the remuneration constant component shall be paid the remuneration for the functions performing of the Chairman of the Board of Directors in the amount making 50 (fifty) % of the remuneration constant component paid to the member of the Board of Directors determined subject to Paragraph 3.1. hereof.

5.2. The additional payment for presiding the Board of Directors shall be estimated pro rata the actual term of his powers fulfillment.

### **Article 6. Reimbursement for the Members of the Board of Directors**

6.1. The members of the Board of Directors shall be reimbursed the costs incurred to reach the place of the meeting of the Board of Directors holding and costs for accommodation.

6.2. Costs reimbursement for travel documents acquiring when arriving to the place of the meeting of the Board of Directors holding and coming back shall be made as follows:

- by air service – for a business class ticket;
- by railway service – for the ticket in a sleeping coach of fast premium service trains;
- by motor vehicle (except taxi and motor car renting) – at the transport fare established for the area.

Costs reimbursement for booking and renting a suite in a hotel shall be made due to the actual rates.

6.4. Reimbursement payment shall be made within 1 (one) month as of the reporting quarter ending when a member of the Board of Directors had a trip due to his performing the obligations of the member of the Board of Directors.

### **Article 7. Miscellaneous**

7.1. These Regulations shall come into effect as of the moment of their approval by the General Meeting of Shareholders.

7.2. Any suggestions to make amendments and annexes hereto shall be made subject to the procedure provided by the Company's Articles of Association to make suggestions to the agenda of the annual or extraordinary General Meeting of the Company's Shareholders.

7.3. In case separate rules hereof shall be in conflict with the law of the Russian Federation and/or the Company's Articles of Association, they become invalid and respective standards of the law of the Russian Federation and/or the Company's Articles of Association shall apply. Invalidity of separate rules hereof shall not invalidate their other rules and the Regulations as a whole.

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