

**APPROVED as amended
by the Annual General Meeting of JSC Acron on
May 26, 2011 (Minutes No. 39 dated May 31,
2011)**

**REGULATION ON JSC ACRON
BOARD OF DIRECTORS**

2011

1 General

- 1.1 The Regulation on the Board of Directors of the Joint Stock Company Acron (hereinafter "*Regulation*" and "*Company*," respectively) is elaborated in accordance with the current Russian law and the Company's Charter and bylaws, as well as in compliance with the recommendations of the Corporate Code of Conduct developed by the Federal Commission for the Securities Market.
- 1.2 The purpose of this Regulation is to establish the procedure for forming the Board of Directors of the Company (hereinafter "*Board of Directors*") and regulating its activity.
- 1.3 The Board of Directors is a governing body of the Company carrying out general management of the Company's business, excluding matters reserved for the Company's general shareholder meeting by current Russian law and by the Company's Charter.

The activities of the Board of Directors shall be carried out in accordance with the provisions of the Federal Law On Joint Stock Companies, the Company's Charter and this Regulation.

The Board of Directors shall report to the general shareholder meeting of the Company and ensure the implementation of its resolutions.

- 1.4 The main objective of the Board of Directors shall be determining priority segments for the Company's business and ensuring effective control of financial and business activities of the Company and its executive bodies in order to secure the rights and legitimate interests of the Company's shareholders and increase the Company's profits.

2 Members of the Board of Directors

- 2.1 The Board of Directors shall consist of seven (7) members elected by a general shareholders meeting for a term until the next annual shareholders meeting. Persons elected to the Company's Board of Directors may be re-elected for an unlimited number of terms.

If no shareholders meeting is held within the term stipulated by the Federal Law On Joint Stock Companies and the Charter, the powers of the Board of Directors shall be terminated, excluding their powers to prepare, convene and hold the annual shareholders meeting.

- 2.2 Only those individuals eligible under the applicable law to serve as members of a legal entity's board of directors and who are not members of the Company's Internal Audit Team may be members of the Board of Directors.

Members of the Company's collegial executive body may not account for more than $\frac{1}{4}$ of the total number of members of the Board of Directors.

- 2.3 There shall be at least one (1) independent director on the Board of Directors, who shall meet the following criteria:
 - He (she) is not an officer or employee of the Company at the moment of his (her) election and has not been an officer or employee of the Company for one (1) year prior to the election;
 - He (she) is not an officer of any company in which any officer of the Company is a member of the Board of Directors nomination and remuneration committee;
 - He (she) is not a spouse, parent, son, daughter, brother or sister of any officer of the Company;

- His (her) spouse, parents, children, full or half brothers and sisters, adoptive parents or adoptees are not officers in the governing bodies of the Company;
- He (she) is not affiliated with the Company aside from membership in the Board of Directors;
- He (she) is not a party (beneficiary) to the Company's obligations whose conditions envisage that he (she) may acquire any property (receive cash) the value of which equals ten (10) percent or more of the aggregate annual income of the specified person, excluding remuneration for service on the Board of Directors;
- He (she) must not be representative of the government, defined as a person representing the Russian Federation, its political subdivisions or municipalities on the board of directors of companies with respect to which a resolution to use the special right ("golden share") is adopted; or persons elected to the board of directors from among candidates nominated by the Russian Federation, its political subdivisions or municipalities, if such members of the board of directors must vote on the basis of written directives (instructions) of the Russian Federation, its political subdivisions or municipalities.

3 Formation of the Board of Directors

3.1 Members of the Board of Directors shall be elected from among the candidates nominated by the Company's shareholders in the manner prescribed by the Federal Law On Joint Stock Companies and the Company's Charter.

3.2 A shareholder (shareholders) holding in aggregate at least 2 (two) percent of voting shares of the Company may nominate candidates to the Board of Directors of the Company; the number of such nominees may not exceed the total number of members of the Company's Board of Directors.

Such proposals for the agenda of the Company's annual meeting must be submitted to the Company no later than thirty (30) days after the end of the fiscal year; in the event of an extraordinary general meeting whose agenda includes an item on electing the Board of Directors of the Company, such proposals must be received at least thirty (30) days before the date of such extraordinary general meeting.

3.3 Proposals to nominate candidates to the Board of Directors must be signed by the Company shareholder(s).

3.4 A proposal to nominate candidates to the Board of Directors must contain:

- (a) Name of the shareholder(s) nominating candidates and the number and category (type) of the Company's shares held by such shareholder(s);
- (b) Statement that proposed candidates are nominated to the Board of Directors;
- (c) Information about each candidate:
 - Full name
 - Date of birth
 - Details of candidate's identification document (series and/or number of the document, date and place of issue, issuing authority)
 - Education (name of educational establishment, date of graduation, qualification)

- Places of employment for the last five years (name of organisation(s), position(s) and dates of employment)
- Details of participation in governing bodies of other legal entities (name of legal entity, name of governing body, position in the governing body)
- Details on the candidate's compliance with the eligibility criteria listed in Clauses 2.2 and 2.3 hereof

Written consent of the candidates nominated to the Board of Directors shall be attached to the proposal to nominate candidates to the Board of Directors.

- 3.5 Within five (5) days after the expiration of the term stipulated in Clause 3.2 hereof, the Board of Directors shall examine the proposals received and adopt a resolution either to include the nominated candidates in the list of candidates for election to the Board of Directors or to refuse to include them in the list.
- 3.6 The Board of Directors may refuse to include nominated candidates in the list of candidates for election to the Board of Directors if:
- The shareholder(s) failed to comply with the term stipulated in Clause 3.2 hereof
 - The shareholder(s) does not hold the number of voting shares envisaged by Clause 3.2
 - The proposal does not comply with the requirements stipulated by Clause 3.3 and Clause 3.4 hereof
- 3.7 A reasoned resolution from the Board of Directors denying the proposed candidate inclusion in the list of candidates for election to the Board of Directors shall be sent to the shareholder(s) who nominated the candidate within three (3) days of the passing of the resolution.
- 3.8 Should there be no proposals to nominate candidates, or if shareholders propose an insufficient number of candidates for election to the Board of Directors, the Board of Directors may include candidates in the list at its discretion.
- 3.9. Members are elected to the Board of Directors by cumulative vote.

At cumulative vote, the number of votes held by each shareholder is multiplied by the number of persons to be elected to the Board of Directors, and the shareholder may cast the resulting number of votes for one candidate or distribute the votes between two or more candidates.

The candidates who receive the most votes shall be deemed elected to the Board of Directors.

Persons elected to the Board of Directors shall obtain the powers of a member of the Board of Directors upon approval by the general shareholders meeting of a resolution on the election of members of the Board of Directors.

- 3.10 The general shareholders meeting may resolve to terminate the powers of all members of the Board of Directors before the members' terms are up. A resolution by a general shareholders meeting to terminate the powers may only be adopted with respect to all members of the Board of Directors.
- 3.11 Should the members' powers be terminated, the powers of members of the Board of Directors shall be deemed terminated upon the approval by a general shareholders meeting of a resolution terminating the powers of members of the Board of Directors.

4 Rights, Obligations and Responsibilities of Members of the Board of Directors

- 4.1 The rights and obligations of members of the Board of Directors shall be defined by current Russian law and the Company's Charter and bylaws, including this Regulation.
- 4.2 Members of the Board of Directors shall act in the Company's interests, exercise their rights and fulfil their obligations to the Company in good faith and with due care, and retain loyalty to the Company.
- 4.3 Members of the Board of Directors shall be liable to the Company for damage incurred by the Company through any wrongful acts (failure to act) on their part, unless federal law provides otherwise.
- 4.4 Members of the Board of Directors must provide the Audit Committee of the Board of Directors, the Company's Internal Audit Team and the Company's auditor with the following information:
- Legal entities in which they hold independently or jointly with an affiliate(s) 20 or more percent of voting shares (stakes, interests)
 - Legal entities in whose governing bodies they hold positions
 - Past or prospective transactions which are known to them and in which they may be recognised as a related party
- 4.5. Members of the Board of Directors must provide the Audit Committee of the Board of Directors with information about any interest on their part (or on the part of their spouses, parents, children, full or half brothers and sisters, adoptive parents, adoptees and/or their affiliated persons) in the adoption of resolutions by the Board of Directors or in any transactions by the Company.
- 4.6. Members of the Board of Directors shall inform the Audit Committee of the Board of Directors in writing about:
- Shares and other securities of the Company and/or its subsidiaries or affiliates they hold and any derivatives contracts whose price is dependent on such shares and securities: no more than ten (10) calendar days after their election
 - Their transactions with shares and other securities of the Company and/or its subsidiaries or affiliates: no more than ten (10) calendar days after the date of such transactions. It is understood that "transactions" mean any transactions with shares and other securities of the Company and/or its subsidiaries or affiliates in which the relevant member of the Board of Directors is a beneficiary, intermediary or representative.
- 4.7. Members of the Board of Directors must inform the Company and the federal executive agency regulating the financial markets about any transactions with the Company's securities and the conclusion of derivatives contracts whose price is dependent on such securities. Members of the Board of Directors must send the notification stipulated by this Clause in the manner and according to the terms set forth by the federal law On Counteracting Improper Use of Insider Information and Market Manipulation and on Amendments to Several Legal Acts of the Russian Federation, as well as by regulatory legal acts of the federal executive agency regulating the financial markets.
- 4.8. Members of the Board of Directors must make conscientious and reasonable use of any information that is considered a commercial or official secret of the Company, as well as other insider information of the Company, exclusively in the Company's interests, to perform the Company's financial and business activities and to prevent the information's disclosure.

Members of the Board of Directors must observe the limitations on the use of insider information envisaged by the Company's Regulation on the Use of Insider Information.

4.9. An independent director (independent Member of the Board of Directors) must immediately inform the Company of any circumstances that cause him (her) to no longer meet the requirements stipulated by Clause 2.3 hereof and the date such circumstances arose.

5 Scope of Authority

5.1 Pursuant to the Company's Charter, issues concerning the general management of the Company's business shall be within the scope of authority of the Board of Directors, except for issues referred by Russian law and the Company's Charter to the competence of the general shareholders meeting.

5.2 The following issues shall be included in the scope of authority of the Board of Directors:

5.2.1 Determining priority segments for the Company's business

5.2.2 Convening annual and extraordinary general meetings of the Company, except for cases stipulated by the Federal Law On Joint Stock Companies

5.2.3 Approving the agendas of general shareholders meetings

5.2.4 Determining the record date for persons entitled to participate in a general shareholders meeting and other issues referred to the competence of the Board of Directors of the Company by the Federal Law On Joint Stock Companies and related to the convening and holding of general shareholders meetings

5.2.5 Increasing the Company's charter capital by offering additional shares within the limits of the authorised capital in terms of quantity and categories (types) of shares

5.2.6 Offering the Company's bonds and other equity securities as provided by the Federal Law On Joint Stock Companies

5.2.7 Determining the price (monetary value) of property and the offering and redemption price of equity securities in cases stipulated by the Federal Law On Joint Stock Companies

5.2.8 Acquiring the Company's outstanding shares (excluding redemption of a portion of outstanding shares to reduce their total number, thus reducing authorised capital) and acquiring outstanding Company bonds and other securities in cases stipulated by the Federal Law On Joint Stock Companies

5.2.9 Forming executive bodies of the Company and early termination of their powers; approval of the terms and conditions of labour contracts with the person acting as sole executive body and with members of collegial executive body, including the terms of remuneration and other payments; and also representing of the Company's interests as employer in relation to the person acting as sole executive body and members of the collegial executive body who have labour contracts with the Company

5.2.10 Providing recommendations on the amount of remuneration and compensation paid to members of the Company's Internal Audit Team and determining the amount of the auditor's fee

5.2.11 Providing recommendations to the general shareholders meeting on the amount of dividends and the procedure for their payment

- 5.2.12 Allocating the Company's reserve fund and other funds
- 5.2.13 Approving the Company's bylaws, except for bylaws reserved for the general shareholders meeting by the Federal Law On Joint Stock Companies, as well as other bylaws of the Company, the approval of which is reserved for the Company's executive bodies by the Charter of the Company
- 5.2.14 Establishing subsidiaries and opening the Company's representative offices
- 5.2.15 Approving major transactions in cases stipulated by the Federal Law On Joint Stock Companies
- 5.2.16 Approving interested transactions in cases stipulated by the Federal Law On Joint Stock Companies
- 5.2.17 Approving the Company's Registrar and the terms and conditions of the agreement therewith, as well as the termination of the agreement
- 5.2.18 Resolving on the Company's investing in and divesting of stakes in other organisations (excluding organisations listed in sub-clause 18, Clause 10.4 of the Company's Charter)
- 5.2.19 Delegating issues stipulated by sub-clauses 2, 6, 14-19, Clause 10.4 of the Company's Charter to the general shareholders meeting
- 5.2.20 Approving procedures for control over the Company's financial and economic activities and determining the Company department responsible for monitoring the procedures of internal control over the Company's financial and economic activities
- 5.2.21 Controlling the system of risk management
- 5.2.22 Electing the Chair of the Board of Directors and Deputy Chair of the Board of Directors;
- 5.2.23 Appointing the Secretary of the Board of Directors
- 5.2.24 Approving decisions on the issue (additional issue) of issuable securities, issue prospectus and report on the results of an issue (additional issue) of issuable securities of the Company
- 5.2.25 Making decisions to establish or dismiss committees of the Board of Directors, to approve and amend the regulations for committees of the Board of Directors; on the election and early termination of the powers of members and heads of committees of the Board of Directors
- 5.2.26 Bringing up for the decision of the Company's general meeting those issues related to approval, amendments and addenda to the Regulations on the Company's general meeting, Board of Directors, Managing Board or Internal Audit Team
- 5.2.27 Approving the list of the Company's insider information, approving the procedure for accessing the Company's insider information, ensuring information confidentiality and monitoring compliance with the requirements of current Russian law on the protection and use of insider, as well as appointing the Company department (officer) responsible for monitoring compliance with the requirements of current Russian law on the protection and use of insider information
- 5.2.28 Other matters stipulated by current Russian law and the Company's Charter.

6 Proceedings of the Board of Directors

6.1 The work of the Board of Directors shall be organised by the Chair of the Board of Directors, who shall be elected by members of the Board of Directors from their number by a majority of votes of all members of the Board of Directors. The chief executive officer of the Company may not simultaneously serve as the Chair of the Board of Directors.

6.2 The Chair of the Board of Directors shall:

- Convene meetings of the Board of Directors and preside over them, order the recording of meeting minutes, sign them and be responsible for the accurate and prompt recording of minutes
- Take all necessary measures to promptly provide members of the Board of Directors with the information (materials) required for adopting resolutions on agenda items
- Preside over general shareholder meetings, excluding cases stipulated by the Company's Charter
- Ensure the co-operation of and maintain contacts with other bodies and officers of the Company in order to promptly receive the fullest and most reliable information required for the Board of Directors to approve resolutions and ensure effective cooperation of these bodies and officers and with any third parties
- Request from the chief executive officer of the Company such documents regarding the Company's activities that are necessary for organising the work of the Board of Directors of the Company
- Establish temporary commissions comprised of members of the Board of Directors
- Perform other functions related to support for the activities of the Board of Directors

6.3 One or more Deputy Chairs of the Board of Directors shall be elected from among the members of the Board of Directors by a majority of votes of all members of the Board of Directors.

Should more than one Deputy Chair of the Board of Directors be elected, one of them shall be elected Senior Deputy Chair of the Board of Directors.

6.4 Should the Chair of the Board of Directors be absent, his/her functions shall be performed by one of the members of the Board of Directors chosen by the Board of Directors.

6.5 A Secretary of the Board of Directors appointed by resolution of the Board of Directors shall organise and ensure the convening and holding of meetings of the Board of Directors, take the minutes and monitor implementation of resolutions of the Board of Directors.

7 Board of Directors Meetings and Absentee Votes

7.1 Meetings of the Board of Directors shall be held as necessary. Meetings of the Board of Directors of the Company shall be convened by the Chair of the Board of Directors of the Company at his/her discretion, as well as upon request of a member of the Board of Directors, the Company's Internal Audit Team, the Company's auditor, the Company's Chief executive Officer or the Company's Managing Board.

The Chair's decision to hold a meeting (to conduct absentee voting) of the Board of Directors shall be filed as an order of the Chair of the Board of Directors and include the following:

- Decision to hold a meeting (absentee voting) of the Board of Directors
- Name of the individual initiating the meeting of the Board of Directors
- Date, time and place of the meeting of the Board of Directors (for absentee voting: the last date for absentee ballot submission), as well as a phone number and information on other technical means of communication and a postal address to which absent members of the Board of Directors can send their written opinions or absentee ballots
- Wording of the meeting's agenda items and proposed draft resolutions
- Instruction to the Secretary of the Board of Directors to send Board members notices about the meeting of the Board of Directors (absentee voting), census-papers and any other materials required for the Board's of Directors to make decisions
- Date that the decision was adopted to hold the meeting (absentee voting) of the Board of Directors

The Secretary of the Board of Directors shall notify all members of the Board of Directors in advance of the upcoming meeting and its agenda by sending them notification of the Board of Directors meeting (absentee votes), absentee ballots and other materials required for the Board of Directors members to make decisions.

7.2 A person requesting a meeting of the Board of Directors shall send such request by registered mail to the Company, to the attention of the Chair of the Board of Directors.

7.3 All requests to convene a meeting of the Board of Directors shall contain the following information:

- Name of the person requesting a meeting of the Board of Directors
- Wording of agenda items and proposed draft resolutions
- Date and time for the meeting
- Signature of the person requesting a meeting of the Board of Directors

7.4 Within 5 (five) days of receipt of a request to convene a meeting of the Board of Directors, the Chair of the Board of Directors must decide whether or not to convene a meeting of the Board of Directors and instruct the Secretary of the Board of Directors to immediately send notices about the meeting to all members of the Board of Directors by registered mail, E-mail with delivery confirmation, or hand delivery.

7.5 The Board of Directors meeting notice must specify:

- The full name of the Company and its domicile
- The date, place and time for the meeting, a telephone number or other technical means of communication, and a postal address to which members absent from the meeting may send their written opinions
- The wording of agenda items and proposed draft resolutions

7.6 Draft documents that are to be considered or approved at a meeting of the Board of Directors shall be attached to the meeting notice.

7.7 Should a meeting of the Board of Directors be convened at the request of a member of the Board of Directors, the Company's Internal Audit Team, the Company's auditor, the Company's CEO or the Company's Managing Board, the Chair of the Board of Directors may not make any changes to the information specified in the meeting request. The Chair of the Board of Directors may propose items for the agenda of the Board of Directors meeting in addition to the items contained in the request to convene a meeting, provided that the items proposed by the Chair shall not change the items initially proposed in the request, and provided that the items proposed by the Chair shall be considered at the meeting of the Board of Directors after the items initially contained in the request to convene a meeting of the Board of Directors.

7.8 The Board of Directors meeting shall be deemed constituted (have a quorum), if not less than half of the elected members of the Board of Directors participate in it, unless otherwise provided for by current Russian law.

The written opinion of a member of the Board of Directors of the Company who is absent from the meeting of the Board of Directors shall be taken into account when calculating the quorum and voting results on agenda items at the meeting of the Board of Directors.

7.9 Resolutions at meetings of the Board of Directors shall be adopted by a majority of votes of participating members unless otherwise provided for by Russian Federation law and the Company's Charter.

When transacting matters at a meeting of the Board of Directors, each member of the Board of Directors shall have one vote.

If voting results in deadlock on a resolution to be adopted by the Board of Directors, the Chair shall cast the deciding vote.

No member of the Board of Directors may delegate his/her voting rights to any other persons, including other members of the Board of Directors.

7.10 Upon resolution of the Chair of the Board of Directors, Company employees may be invited to attend a meeting of the Board of Directors if the issues to be discussed at the meeting are directly related to such employees' job duties; other persons whose participation is expedient for other reasons may also be invited.

7.11 Minutes of meetings of the Board of Directors are to be recorded and executed within three (3) days of the date of the meeting and signed by the Chair of the Board of Directors or, in his/her absence, by the acting Chair.

7.12 A member of the Board of Directors may request an excerpt from the minutes of a meeting of the Board of Directors certified by the signature of the Secretary of the Board of Directors.

7.13 The Board of Directors may adopt resolutions by absentee vote.

7.14 In order to adopt a resolution by absentee vote, the Secretary of the Board of Directors, acting on instructions from the Chair of the Board of Directors, shall send members of the Board of Directors an absentee ballot specifying the issue put to vote and the voting options on the issue, as well as other materials required for adopting a resolution.

7.15 When tallying the results of an absentee vote, any absentee ballots received after the admission deadline specified on the absentee ballot shall not be counted.

- 7.16 A majority of all elected members of the Board of Directors must participate in an absentee vote in order to adopt a resolution.

At absentee vote, a resolution shall be deemed adopted by the Board of Directors if the majority of members of the Board of Directors participating in the absentee vote voted in favour of it.

- 7.17 Following the adoption of a resolution by absentee vote, the minutes shall be executed and signed by the Chair of the Board of Directors within three (3) days after tallying the results of the absentee vote.
- 7.18 Within five (5) business days after the Chair of the Board of Directors signs the minutes of a meeting of the Board of Directors held in the form of an absentee vote, the Secretary of the Board of Directors shall notify members of the Board of Directors in writing of the adopted resolutions.
- 7.19 All the issues and documents discussed by the Board of Directors, excluding information and materials that must be available to the Company's shareholders and other related parties pursuant to Russian Federation law, shall be deemed confidential information comprising the Company's trade secrets.

8 Committees and Commissions of the Board of Directors

- 8.1 In order to investigate key matters within the scope of the Board of Directors' authority and to prepare motions on such matters, the Board of Directors may establish standing committees comprised of members of the Board of Directors.
- 8.2 The chair of each committee shall manage the activities of each permanent committee of the Board of Directors.
- 8.3 Members of each permanent committee of the Board of Directors, including chairs, shall be elected by a resolution of the Board of Directors upon a proposal of the Chair of the Board of Directors.
- 8.4 A resolution to elect members or a chair to a Board of Directors committee shall be adopted by a majority of the members of the Board of Directors participating in the meeting of the Board of Directors. Committee members may be elected for an unlimited number of terms.
- 8.5 No member of the Board of Directors may chair more than two permanent committees of the Board of Directors. Each member of the Board of Directors may be elected to an unlimited number of committees.
- 8.6 The Board of Directors may, by its resolution, at any time terminate the power of all members of a committee. A committee member may resign from a committee before the end of his/her term by giving the Chair of the Board of Directors and the chair of the committee advance written notice.
- 8.7 Committees of the Board of Directors shall operate in accordance with the regulations on committees approved by the Board of Directors.

8.8. *Audit Committee*

- 8.8.1 In order to investigate and prepare recommendations to the Board of Directors on matters within the scope of the Board of Directors' authority and related to risk management, internal control and audit, or revision of the Company's financial statements, the Audit Committee shall operate on a permanent basis under the Board of Directors. Its exclusive functions shall include the assessment of candidates applying for the position of Company

auditor, evaluation of the report by the Company's auditor, evaluation of the performance of the Company's internal controls and preparation of proposals to improve such controls.

8.8.2 The Audit Committee shall consist of three (3) members of the Board of Directors elected for a term of powers that is the same as their terms on the Board of Directors.

8.8.3 The Audit Committee may only consist of members of the Board of Directors who satisfy the criteria listed in Clause 2.3 hereof, or members of the Board of Directors who are not simultaneously members of the collegial executive body of the Company and/or do not serve as the chief executive officer of the Company.

8.8.4 The Chair of the Audit Committee, elected from among the members of the Board of Directors and satisfying the requirements stipulated by Clause 2.3 hereof, shall manage the activities of the Audit Committee.

8.9 *Strategic Planning and Corporate Governance Committee*

8.9.1 In order to investigate and prepare recommendations for the Board of Directors on the matters within the scope of the Board of Directors' authority and related to strategic planning, corporate governance, the handling of corporate conflicts, economics, finances, and the Company's credit and dividend policies, the Strategic Planning and Corporate Governance Committee shall operate on a permanent basis under the Board of Directors.

8.9.2 The Strategic Planning and Corporate Governance Committee shall consist of three (3) members of the Board of Directors elected for a term of powers that is the same as their terms on the Board of Directors.

8.9.3 Any member of the Board of Directors may be elected to the Strategic Planning and Corporate Governance Committee.

8.9.4 The Chair of the Strategic Planning and Corporate Governance Committee, elected from among the members of the Board of Directors, shall manage the activities of the Strategic Planning and Corporate Governance Committee.

8.10 *Nomination and Remuneration Committee*

8.10.1 In order to investigate and prepare recommendations for the Board of Directors on the matters within the scope of the Board of Directors' authority and related to the Company's priority business segments in the field of HR policy, the Company's policy and standards for recruiting personnel for positions in the Company's governing bodies aimed at involving qualified experts in the Company's management, issues of paying remuneration to members of managing bodies and the Company's Internal Audit Team, the Nomination and Remuneration Committee shall operate on a permanent basis under the Board of Directors.

8.10.2 The Nomination and Remuneration Committee shall consist of three (3) members of the Board of Directors elected for a term of powers that is the same as their terms on the Board of Directors.

8.10.3 The Nomination and Remuneration Committee may consist only of members of the Board of Directors meeting the criteria listed in Clause 2.3 hereof, or members of the Board of Directors who are not simultaneously members of the collegial executive body of the Company and/or do not serve as the chief executive officer of the Company.

8.10.4 The Chair of the Nomination and Remuneration Committee, elected from among the members of the Board of Directors and satisfying the requirements stipulated by Clause 2.3 hereof, shall manage the activities of the Nomination and Remuneration Committee.

8.11 In order to investigate specific areas of financial and business activities and projects of the Company, the Chair of the Board of Directors may establish temporary commissions comprised of members of the Board of Directors.

9 Remuneration for Members of the Company's Board of Directors

9.1 The Company's general shareholder meeting may resolve to remunerate members of the Board of Directors and/or reimburse them for any expenses incurred in such capacity during their term of office.

9.2 The amount of remuneration and reimbursements shall be determined by the general shareholder meeting.

9.3 If the Company's general shareholder meeting resolves to remunerate only independent directors (independent members of the Board of Directors) for acting as members of the Company's Board of Directors, such remuneration shall be paid to the members of the Board of Directors who satisfy the requirements stipulated by Clause 2.3 hereof. In this case, if a member of the Board of Directors ceases to satisfy the requirements stipulated by Clause 2.3 hereof, the remuneration established by decision of the Company's general shareholder meeting shall be paid to the member of the Board of Directors through the end of month when this member ceased to satisfy the requirements stipulated by Clause 2.3 hereof.

10 Final Provisions

10.1 The resolution to approve this Regulation, as well as any resolution to introduce changes and addenda to this Regulation and any resolution to terminate it, shall be passed by a general shareholder meeting upon the proposal of the Board of Directors.

10.2 This Regulation shall enter into force upon its approval by a general shareholder meeting of the Company.

10.3 Should any clauses of this Regulation for any reason come into conflict with the regulatory requirements imposed on the Company by Russian Federation law (imperative provisions), such clauses of the Regulation shall become invalid, and until corresponding changes are introduced to this Regulation, the Company shall be governed by current Russian law.