

4. Payment of remuneration to the members of the Board of Directors of the Company.

The members of the Board of Directors of the Company are entitled to receive a remuneration for their participation in the work of the Board in accordance with the Provision on Payment of Remunerations and Compensations to the Members of the Board of Directors of the Company adopted by the annual Shareholders General meeting of June 25, 2012 (Minute No. 12 dated June 27, 2012), hereinafter — the Provision.

The members of the Company's Board of Directors shall be remunerated for the participation in the work of the Company's Board of Directors in the amount calculated by the formula:

$$R_{\text{mbd}} = \frac{R_{\text{basic}} \times \left(0.7 \times \left(\frac{j}{m} \right) + 0.3 \times \left(\frac{n}{k} \right) \right) \times T}{12}$$

Where:

"R_{MBD}" means the amount of the remuneration paid to a member of the Company's Board of Directors;

"R_{basic}" means the basic part of the remuneration determined under the procedure established by this Provision;

"j" means the number of the Board of Directors' Meetings (held in absentia and in the form of joint attendance) in which the respective member of the Board of Directors took part;

"m" means the total number of the Board of Directors' Meetings (held in absentia and in the form of joint attendance) for the period from the date of the previous annual General Shareholders' meeting to the date of the annual General Shareholders' meeting at which the new Board of Directors was elected;

"n" means the number of the Board of Directors' Meetings held in the form of joint attendance in which the respective member of the Board of Directors took part;

"k" means the total number of the Board of Directors' Meetings held in the form of joint attendance for the period from the date of the previous annual General Shareholders' meeting to the date of the annual General Shareholders' meeting at which the new Board of Directors was elected (for k > 0);

"T" means the number of full calendar months of acting in the capacity of a member of the Board of Directors from the election date to the termination of powers based on the resolution of the Company's General Shareholders' meeting.

In accordance with cl. 2.2 of the Provision the amount of the basic part of the remuneration is RUB 3 mln.

In accordance with the formula, the amount of remuneration of each member of the Board of Directors depends on the number of meetings in which the respective member participated, as well as of the form of the meetings. In the event the member of the Board of Directors did not participate in any meetings held in the form of attendance, the amount of his remuneration shall be RUB 2.1 mln.

The remuneration of the Chairman of the Board of Directors shall be increased by 30 %, and the maximum amount of remuneration of the Chairman of the Board of Directors may be RUB 3.9 mln.

The maximum amount of remuneration of a member of the Board of Directors who is the Chairman of the Board of Directors shall be increased by 15 %, and may reach RUB 3.45 mln.

The maximum amount of remuneration of a member of the Board of Directors who is a member of a Committee of the Board of Directors shall be increased by 10 %, and may reach RUB 3.3 mln.

In the event the member of the Board of Directors is a member (the Chairman) of several committees the increments shall be added up.

Since as of the date of preparation of the present materials the corporate year is not yet finished, the exact calculation of the amounts of remunerations to be paid cannot be provided.

The calculation and the payment of the remunerations shall be executed in accordance with cl. 2.5 of the Provision no later than one calendar month after the holding of the annual Shareholders General meeting.

It is proposed that the Annual Shareholders General meeting approve the following resolution:

→ **On Item 4:**

Remuneration shall be paid to the members of the Board of Directors in the amount, within terms and according to the procedure established by the Regulation on payment of remunerations and compensations to members of the Company's Board of Directors.

