

REGULATIONS  
on the Committee of the Board of Directors  
for Personnel and Remuneration of  
Open Joint-Stock Company  
MOSTOTREST

## **1. General provisions**

1.1. The Regulations on the Committee of the Board of Directors for Personnel and Remuneration of Open Joint-Stock Company MOSTOTREST (hereinafter "the Regulations") have been developed in accordance with the legislation of the Russian Federation, the Articles of Association of OJSC MOSTOTREST (hereinafter "the Company"), the Regulations on the procedure for convening and holding meetings of the Board of Directors of OJSC MOSTOTREST.

1.2. The Committee of the Board of Directors for Personnel and Remuneration of OJSC MOSTOTREST (hereinafter "the Committee") is set up by decision of the Board of Directors of the Company and is a consultation and advisory body ensuring efficient fulfilment by the Board of Directors of the Company of its functions of exercising general management over the activities of the Company.

1.3. The Committee is not a body of the Company and is not entitled to act on behalf of the Company.

1.4. Decisions of the Committee are recommendatory in character for the Board of Directors and the executive body of the Company.

## **2. Objectives and tasks of the Committee**

2.1. The main objectives for which the Committee is set up are:

- To perform the functions of a centre for agreeing the positions of the shareholders and the management.

- To ensure efficient work of the Board of Directors of the Company in deciding matters included in its terms of reference.

2.2. The task of the Committee is to develop and present recommendations (conclusions) to the Board of Directors of the Company on the following spheres of activity of the Board of Directors:

- 1) Development of human resources policy, including Human Resource management strategy and development of personnel within OJSC MOSTOTREST, subsidiary and dependent companies of OJSC MOSTOTREST (hereinafter SDCs), branches and representative offices of OJSC MOSTOTREST.

- 2) Engagement of qualified managers and specialists to work in the Company and SDCs;

- 3) Development of motivation principles and systems for managers and specialists for the purpose of creating the requisite incentives for them to work successfully.

- 4) Formation and optimisation of the organisational structure of the Company, branches and SDCs of the Company.

- 5) Analysis and assessment of the activities of the General Director and of the managers of subdivisions of the executive apparatus of the Company.

## **3. Terms of reference of the Committee**

3.1. The terms of reference of the Committee include preliminary consideration, analysis and development of recommendations (conclusions) on the following matters:

- 1) Determination of the core spheres of activity and the strategy of the Company and SDCs in the area of HR policy, management development and staff motivation.

- 2) Determination of the principles and criteria for selecting candidates for the positions of general directors, deputy general directors, managers of structural subdivisions, branches and SDCs of the Company, elaboration of the terms of the contracts with the given persons, the principles and systems for appraising their activities, and preliminary assessment of the given candidates.

- 3) Controlling the course of implementation of programmes, projects and strategy adopted by the Company in the sphere of engagement, management, development and motivation of personnel, creation and optimisation of organisational structures (including the consideration of correspondent reports from the General Director of the Company).

- 4) Development of a methodology for analysing and appraising the activities of general directors and the management of the Company and SDCs.

- 5) Development of the principles and criteria for determining the remuneration of the

General Director of the Company, including a management organisation or manager, approval of the terms of the contract (including in relation to the term of the authority and size of the remuneration and compensation) concluded with a management organisation (manager), and amendment of the given contract.

6) Presentation for decision-making by the General Meeting of Shareholders of the Company the question of transferring the power of the sole executive body of the Company to a management organisation (manager) and of an early termination of the powers of the management organisation (manager), as well as the terms of engagement of the management organisation (manager).

7) Approval of internal documents of the Company relating to HR policy, management, development and motivation of personnel.

8) Imposition of disciplinary sanctions on the General Director of the Company and granting of incentives thereto in accordance with the labour legislation of the Russian Federation.

9) Nomination of the General Director of the Company for state awards for work services;

10) Regular appraisal of the activities of the person fulfilling the functions of the sole executive body (management organisation, manager), and preparation of proposals for the Board of Directors of the Company on the possibility of their reappointment.

11) Other matters connected with the above (apart from those falling within the terms of reference of other committees of the Company), and other matters on the instructions of the Board of Directors of the Company.

12) Preliminary approval of the collective bargaining agreement and other agreements concluded by the Company to regulate social and labour relations.

#### **4. Rights of the Committee**

4.1. For the purpose of fulfilling the functions allocated thereto, the Committee is empowered as follows:

1) To investigate matters falling within its terms of reference.

2) To request and receive the information and documents it requires for performing its activities from the General Director and officials of the Company.

3) To receive professional services from outside organisations or to engage third parties (including on a contractual basis) as experts (consultants) with special knowledge on matters falling within the terms of reference of the Committee, within the bounds of the Committee's budget. Agreements with persons engaged by the Committee for providing consulting services are concluded on the basis of a decision of the Committee by an authorised official of the Company or the Chairman of the Committee by power of attorney issued by the sole executive body of the Company.

#### **5. Obligations of the Committee**

5.1. The Committee shall:

1) Conscientiously fulfil the tasks allotted thereto.

2) Provide the Board of Directors with economically effective and legally justified recommendations.

3) Notify the Board of Directors of the Company in good time about any risks facing the Company.

4) Observe the requirements of confidentiality, not disclose information about the Company constituting a commercial and/or official secret.

#### **6. Members of the Committee and the procedure for forming it**

6.1. The number of members of the Committee is determined by a decision of the Board of Directors of the Company as at least 3 (three) and no more than 7 (seven) people.

6.2. The members of the Committee are elected in accordance with the terms of the Regulations for the period lasting until the first meeting of a newly elected Board of Directors.

6.3. The powers of any member of the Committee may be terminated early by decision of the Board of Directors of the Company.

6.4. The Chairman of the Committee and the members of the Committee may resign their

powers by serving notice to this effect on the Chairman of the Board of Directors of the Company and the Chairman of the Committee.

6.5. If the number of Committee drops below the quorum established by the Regulations for holding meetings of the Committee, the Chairman of the Board of Directors shall convene an extraordinary meeting of the Board of Directors to elect members of the Committee or include the item of electing members of the Committee on the agenda for the next planned meeting of the Board of Directors of the Company.

## **7. The Chairman of the Committee and the procedure for electing him**

7.1. Management of the Committee and organisation of its activities are the function of the Chairman of the Committee.

7.2. The Chairman of the Committee is elected by the Board of Directors of the Company from among the elected members of the Committee.

7.3. The person fulfilling the function of the sole executive body of the Company and persons who are member of the collegial executive body of the Company may not be elected Chairman of the Committee.

7.4. In the absence of the Chairman of the Committee, his duties are fulfilled by the Deputy Chairman of the Committee. The Deputy Chairman of the Committee is elected by the members of the Committee from among their number by a simple majority of their votes. The restrictions envisaged by clause 7.3. hereof also apply to the Deputy Chairman.

7.5. The Chairman of the Committee:

- 1) Convenes meetings of the Committee and chairs them.
- 2) Decides the form for holding meetings of the Committee and approves the meeting's agenda.
- 3) Determines the list of persons invited to participate in meetings in presentia of the Committee. Officials and/or employees of the Company are invited to attend Committee meetings by an invitation send in the name of the General Director of the Company<sup>1</sup>.
- 4) Is responsible for the official correspondence of the Committee, signs enquiries, letters and documents on behalf of the Committee.
- 5) Distributes duties among the members of the Committee.
- 6) Develops the work plan for the Committee and presents it for approval by the Committee, exercises control over fulfilment of the decisions and work plans of the Committee.
- 7) Fulfils other functions envisaged by the effective legislation, the Articles of Association of the Company, the Regulations and other internal documents of the Company.

## **8. The Secretary of the Committee**

8.1. The functions of the Secretary of the Committee are fulfilled by the Corporate Secretary of the Company unless a decision of the Committee envisages otherwise. If the Committee passes a decision to elect a different person as the Committee's Secretary, the Secretary of the Committee is elected by a majority of the votes of all the elected members of the Committee. If the candidate for the position is an employee of the Company, his candidature is agreed with the General Director of the Company.

8.2. The Secretary of the Committee provides technical (informational, documentary, protocol and secretarial) support for the day-to-day activities of the Committee.

The Committee's Secretary may be rewarded or compensated for expenses connected with fulfilment of his duties. The agreement with the Committee's Secretary is signed on behalf of the Company by the Chairman of the Board of Directors of the Company or a person authorised by the Board of Directors of the Company on the basis of a power of attorney issued by the General Director of the Company.

## **9. Committee meetings**

9.1. Committee meetings are convened by the Chairman of the Committee in accordance with the work plan approved at a meeting of the Committee (scheduled meetings), and also in

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<sup>1</sup> Except for invitations to Company employees who are members of the Committee.

other cases envisaged hereby (extraordinary meetings).

9.2. The Committee work plan is drawn up by the Chairman of the Committee in consideration of the approved work plan of the Board of Directors of the Company and proposals made by the Chairman of the Board of Directors of the Company, the members of the Committee and decisions of the Board of Directors of the Company.

9.3. The Committee work plan is approved at a meeting of the Committee, which should be held a maximum of 20 (twenty) days following the meeting of the Board of Directors of the Company that approved the work plan of the Board of Directors of the Company, or within a month of the Committee being set up.

9.4. Extraordinary meetings of the Committee are held:

- In accordance with a notice from the Secretary of the Board of Directors of the Company concerning a meeting of the Board of Directors of the Company the agenda for which includes an item (items) included by the Regulations within the terms of reference of the Committee.

- On the initiative of the Chairman of the Committee.

- By decision of the Board of Directors of the Company or by decision of the Committee.

- At the request of the Chairman of the Board of Directors of the Company or a member of the Committee.

9.5. A request from the Chairman of the Board of Directors of the Company or a member of the Committee to convene a meeting of the Committee is sent to the Chairman of the Committee in writing at least 10 (ten) days before the meeting and should contain the wording of the issue, a justification of the need to consider the issue at the meeting and accompanying materials and information. Copies of the request to convene a meeting of the Committee, together with all attachments, are to be sent to the Secretary of the Committee.

9.6. Within 1 (one) working day of submission of the request for convening an extraordinary meeting, the Chairman of the Committee adopts a decision on convening an extraordinary meeting of the Committee or to refuse to convene an extraordinary meeting of the Committee. A reasoned decision to refuse to convene an extraordinary meeting of the Committee is sent to the person or Company body that request that such a meeting be convened by the day following adoption by the Chairman of the Committee of the decision not to convene the meeting.

9.7. A decision by the Chairman of the Committee not to convene an extraordinary meeting of the Committee may be taken in the following cases:

1) The issue(s) proposed for inclusion on the agenda for the meeting of the Committee are not included by the Regulations on the Committee in its terms of reference.

2) The agenda item contained in the request to convene an extraordinary meeting of the Committee has already been included on the agenda for the next meeting.

3) The form, procedure and timeframe for submitting a request to convene a meeting set by these Regulations have not been observed.

9.8. The Chairman of the Committee has the right to include matters contained in the request to convene an extraordinary meeting of the Committee on the agenda for next scheduled meeting of the Committee.

9.9. The notice of holding a meeting of the Committee should include the agenda for the meeting, the form in which the meeting is to be held, the time, date and place of the meeting (the deadline for acceptance of ballot sheets for voting in absentia on the items on the agenda for the meeting). The notice of holding a meeting is executed by the Committee's Secretary and signed by the Chairman of the Committee or the Deputy Chairman of the Committee.

Persons invited to attend a meeting in presentia of the Committee are provided with the materials on the Committee meeting agenda items in the discussion of which they are to participate.

9.10. The notice and materials (information) on the agenda's items may be provided (forwarded) to the members of the Committee and persons invited to attend a meeting in presentia of the Committee either personally, by fax or by e-mail.

9.11. In cases specified in these Regulations and when the matters to be discussed at a meeting of the Committee are urgent, the timeline for convening a meeting and sending materials on the agenda's items for the given meeting may be shortened by decision of the Chairman of the Committee.

At a meeting of the Committee held in presentia, with the consent of the majority of the Committee members present (including the person chairing the meeting) matters not included on the meeting agenda may be considered.

## **10. Procedure for holding meetings of the Committee**

10.1. Meetings of the Committee may be held in the joint presence of the members of the Committee (in presentia) or, in exceptional cases, in the form of absentee voting on the meeting agenda items (in absentia).

10.2. In presentia and in absentia meetings of the Committee are legally competent (have a quorum) provided at least half the elected members of the Committee attend.

10.3. An in presentia meeting of the Committee is opened by the Chairman of the Committee or, in his absence, by the Deputy Chairman.

10.4. For the purpose of holding a Committee meeting in absentia, in conjunction with the materials (information) on the agenda's items for an extraordinary meeting, the members of the Committee are sent ballot sheets for voting on the meeting's agenda items executed in accordance with Appendix 1 hereto.

10.5. Decisions are taken at meetings of the Committee by a simple majority of the votes of the elected members of the Committee.

10.6. In the event of a tied vote, the Chairman of the Committee has the deciding vote.

10.7. Minutes of the meeting are drawn up by the Committee's Secretary within 2 (two) working days after the meeting of the Committee.

10.8. The Minutes of Committee meetings are signed by the Chairman and the Secretary of the Committee.

## **11. Confidentiality**

11.1. During the term of the authority of members of the Committee and for one year thereafter, current and former members of the Committee, the Committee Secretary and third parties engaged to work on the Committee shall observe the requirements of confidentiality in relation to non-public information they received in connection with their activities on the Committee.

11.2. Members of the Committee, the Committee's Secretary and third parties engaged to work on the Committee are entitled to receive the given information on the condition that they conclude an agreement with the Company on the use of the given information (Appendix 2 hereto).

## **12. Final provisions**

12.1. The Board of Directors of the Company has the right, at any time, to demand a report from the Committee on the current activities thereof. The timeframe for preparing and presenting such a report are determined by a decision of the Board of Directors.

12.2. The Chairman of the Committee is entitled to present to the Board of Directors of the Company individual reports on matters falling within the terms of reference of the Committee.

12.3. Information on the work of the Committee is to be included in the Annual Report of the Company.

12.4. These Regulations, as supplemented and amended, are approved by the Board of Directors of the Company.

12.5. Matters not covered by the Regulations are regulated by the Articles of Association of the Company, by the Regulations on the Board of Directors of the Company and other internal documents of the Company, the effective legislation and decisions of the Board of Directors of the Company.

COMMITTEE OF THE BOARD OF DIRECTORS ON PERSONNEL  
AND REMUNERATION OF OJSC MOSTOTREST

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**BALLOT SHEET**  
for voting on items on the agenda for the extraordinary meeting  
of the Committee of the Board of Directors,  
held on " \_\_\_\_ " \_\_\_\_\_ 201\_\_

**Question 1:** \_\_\_\_\_

**Draft decision:**

1. \_\_\_\_\_

**FOR**

**AGAINST**

**ABSTAINED**

*(do not strike out your version of the answer)*

**Question 2:** \_\_\_\_\_

**Draft decision:**

2. \_\_\_\_\_

**FOR**

**AGAINST**

**ABSTAINED**

*(do not strike out your version of the answer)*

The completed and signed ballot sheet should be sent by fax (\_\_\_\_) \_\_\_\_\_, or e-mail to \_\_\_\_\_, or in the original no later than \_\_ hours \_\_ minutes Moscow Time on " \_\_\_\_ " \_\_\_\_\_ 200\_\_.

A ballot sheet received after expiry of the above deadline for acceptance of ballot sheets is invalid and is not taken into account in determining the results of the voting.

The original of the ballot sheet should be sent to the following address:  
\_\_\_\_\_.

**Member of the Committee of the Board of Directors  
of OJSC MOSTOTREST** \_\_\_\_\_ / \_\_\_\_\_  
(signature) (full name)

THE BALLOT SHEET IS INVALID UNLESS SIGNED BY THE COMMITTEE MEMBER

## **CONFIDENTIALITY AGREEMENT**

Moscow

“\_\_” \_\_\_\_\_ 201\_.

Open Joint-Stock Company MOSTOTREST, hereinafter also referred to as “the Informing Party”, represented by its General Director \_\_\_\_\_, acting on the basis of the Articles of Association, and \_\_\_\_\_, hereinafter referred to as “the Counterparty”, jointly referred to as the Parties, have concluded this agreement on the following:

### **Recitals**

In connection with exercise of his rights and fulfilment of his duties as a member of the Committee of the Board of Directors<sup>2</sup> of OJSC MOSTOTREST the Counterparty obtains access to confidential information. Within the scope of this Agreement, the Parties agree on terms related to restrictions on use and disclosure of such information.

### **Confidentiality and restricted use**

1. For the purposes of this Agreement on observance of confidentiality, the concept of “Confidential Information” means all or part of any type of information, in verbal, written or electronic format, relating to OJSC MOSTOTREST and its business and commercial activities, technologies, clients and/or suppliers that is of actual or potential commercial value by virtue of being unknown to third parties, and provided by the Informing Party or other persons to the Counterparty in connection with performance thereby of its powers as a member of the Committee of the Board of Directors of OJSC MOSTOTREST, together with all archive notes or copies of the given information or excerpts therefrom contained on media of any kind.

The Counterparty shall store the Confidential Information using the same degree of security as he uses for storing his own confidential information, and such Confidential Information should not be used or reproduced or any references be made thereto by the Counterparty for any purposes, other than those related to the exercise by the Counterparty of its rights and fulfilment of its duties as a member of the Committee of the Board of Directors of OJSC MOSTOTREST. The Confidential Information should not be disclosed by the Counterparty to any third party, be it an individual or a legal entity.

2. The Counterparty does not have the right to provide the Confidential Information to other persons (including in the form of “advice” or otherwise) using it or with an opportunity to use it for purposes that entail or might entail its disclosure or other unlawful or prohibited by the effective legislation or this Agreement use, including use of such information for the purpose of personal enrichment or the enrichment of others, irrespective of whether they are affiliated with him or not.

If the Confidential Information is used for the above-mentioned purposes, the Counterparty shall immediately cease performing the given actions and OJSC MOSTOTREST is entitled to demand reimbursement of losses under the effective legislation.

The Counterparty shall notify the Board of Directors of OJSC MOSTOTREST of all transactions planned and/or performed thereby with securities of OJSC MOSTOTREST or of subsidiary or dependent companies of OJSC MOSTOTREST.

3. The Counterparty is liable under the effective legislation for the actions of its affiliated

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<sup>2</sup> Relevant amendments are made in the text of the Agreement when it is concluded with the Secretary of the Committee of the Company’s Board of Directors.



persons, including but not limited to his spouse, parents, children, full or half-siblings, adoptive parents or adopted children, or other persons recognised as being affiliated under the effective legislation, in relation to Confidential Information received from the Counterparty that entailed or might entail disclosure or other unlawful use, including use of such information for the purpose of personal enrichment or the enrichment of others, or causing OJSC MOSTOTREST to incur losses.

4. This Agreement should not be regarded as a document granting the Counterparty any licence rights or any other rights in relation to the Confidential Information and its subsequent use.

Unless otherwise agreed in a separate written agreement, signed between the Parties, all the Confidential Information remains the property of the Informing Party.

5. The obligations imposed by this Agreement on the Parties hereto should not constitute an impediment to the Informing Party transferring any Confidential Information to its financial, legal or other consultants or third parties working in the interests of the Informing Party and requiring the Confidential Information, provided they concluded a relevant confidentiality agreement in writing before transfer of the information.

Confidential Information received by the Counterparty from the Informing Party may be provided to third parties if the obligation to do so is established by the requirements of the legislation of the Russian Federation or the possibility of such disclosure is envisaged by this or another written agreement between the Parties.

The Confidential Information may be provided by the Counterparty to state authorities, other state or local government bodies only on the basis of a reasoned request, signed by an authorised official and containing the purposes and legal grounds for requesting the information. If such or any other request is received for provision of the Confidential Information, the Counterparty shall promptly notify the Informing Party to this effect in writing.

### **Return confidential information**

6. In accordance with a request from the Informing Party, all the Confidential Information or part thereof in any form that the Counterparty received from the Informing Party or for the Informing Party must be returned or, if this is not possible, be destroyed within 3 (three) days of receipt of the given request and no copies of such information or data relating thereto or excerpts therefrom in any form should remain with the Counterparty, and the Counterparty shall not, after this, use or reproduce such information entirety or partially for any purposes whatsoever.

### **Term and termination of the Agreement**

7. This Agreement on Confidentiality comes into effect when signed and remains in force for 360 (three hundred and sixty) days from the time of its conclusion.

Expiry of the term of the given Agreement does not release the Counterparty from fulfilment of the obligations imposed thereon by this Agreement in relation to the Confidential Information transferred or acquired by the Counterparty before expiry of the given Agreement, and such obligation survive expiry of the given Agreement for 2 (two) years.

### **Applicable law**

8. This Agreement on Confidentiality is regulated in accordance with the legislation of the Russian Federation.

Any claims or disagreements arising out of this Agreement or in connection herewith, or concerning this Agreement or the legal relations established hereby are to be referred by the Parties to the competent court at the location of OJSC MOSTOTREST.

### **Miscellaneous**

9. Beginning from its signing date, this Agreement on Observance of Confidentiality will constitute the full agreement between the Parties in relation to its subject matter and, after its conclusion, supersedes and nullifies any previous agreements, documents, protocols and the like

concluded both verbally and in writing between the Parties in relation to the subject matter of this Agreement.

Any amendments and/or addenda to this Agreement on Observance of Confidentiality are valid if made in writing and signed by both Parties.

This Agreement is made in two identical counterparts, one for each of the Parties.

**Agreement signing date, details and signatures of the Parties**