

APPROVED BY  
Resolution of NOVATEK's  
Annual General Meeting of Shareholders  
(Minutes dated "24" april 2015 N 122)

**REGULATIONS ON  
REMUNERATION AND COMPENSATIONS  
PAYABLE TO MEMBERS OF NOVATEK'S  
BOARD OF DIRECTORS**

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## **1. GENERAL PROVISIONS**

1.1. These Regulations (hereinafter referred to as the “Regulations”) have been developed in accordance with the Federal Law On Joint Stock Companies, the Charter of OAO NOVATEK (hereinafter referred to as the “Company”), the Regulations on the Company’s Board of Directors, other applicable regulations.

1.2. The Regulations establish the amount and manner of paying remuneration and compensations to the members of the Company’s Board of Directors.

1.3. The amounts of remuneration and compensation envisaged herein are specified exclusive of tax. The Company shall determine, withhold and pay taxes (within its competence) arising in connection with payment of remuneration and compensations to the members of the Board of Directors, and shall reimburse the commission charged by the bank for the funds transfer.

1.4. The period for calculation and payment of remuneration and compensation to members of the Board of Directors shall last from the date of adoption by the Annual General Meeting of Shareholders of a resolution on election of members of the Board of Directors through the date of the next Annual General Meeting of Shareholders convened to elect the new members of the Board of Directors (hereinafter referred to as the “Settlement Period”).

1.5. A resolution on payment of remuneration and compensations to members of the Board of Directors shall be adopted at the same Annual General Meeting of Shareholders at which they are elected.

1.6. Following the election of new members of the Board of Directors, the Annual General Meeting of Shareholders may decide to pay additional remuneration to members of the Board of Directors whose term of office has expired. Recommendations on the amount of such additional remuneration shall be provided by the Compensation and Nomination Committee of the Company’s Board of Directors.

1.7. Each member of the Board of Directors shall submit to the Company its bank account details for the transfer of remuneration, as well as other information required by the Company for the performance of tax agent functions, prior to the beginning of the remuneration payment period stipulated herein. Otherwise, the timelines established by these Regulations for paying remuneration and compensations shall be calculated from the date when a member of the Board of Directors provided the Company with the above information.

## **2. TYPES OF REMUNERATION PAYABLE TO MEMBERS OF THE BOARD OF DIRECTORS**

2.1. Remuneration payable to members of the Company’s Board of Directors consists of the following types:

- fixed part of remuneration;
- remuneration for attending the Board of Directors meetings
- remuneration for attending the meetings of the committees (subcommittees) of the Board of Directors.

2.2. Chairman of the Board of Directors shall be paid a fixed remuneration for the performance of functions of Chairman of the Board of Directors in the amount of Twenty Million (20,000,000) roubles (hereinafter referred to as the “Remuneration to Chairman”). Remuneration shall be payable to Chairman in equal portions 4 times during the Settlement Period: not later than July 15, October 15, January 15 and April 15.

In case of early termination of powers of the Board of Directors’ Chairman, Remuneration to Chairman shall be paid pro rata the actual term of office held by the Board of Directors Chairman.

## **3. FIXED PART OF REMUNERATION PAYABLE TO MEMBERS OF THE BOARD OF DIRECTORS**

3.1. The fixed part of remuneration shall be payable to a Board member for performing its duties.

3.2. The fixed part of remuneration to a Board member shall constitute 10 000 000 (ten million) roubles over the Settlement Period.

3.3. The fixed part of remuneration shall be payable in equal portions 4 times during the Settlement Period: not later than July 15, October 15, January 15 and April 15.

3.4. In the event of early termination of powers of the Board members and election of Board members at an extraordinary general meeting of shareholders the fixed part of remuneration shall be paid pro rata the actual term of office held by the Board member and be determined as a product of fixed part specified in clause 3.2. hereof and the ratio between the actual term of office and the Settlement Period duration equal to 365 (366) days.

3.5. In case the amount of fixed part of remuneration to the Board member whose powers have been early terminated appears to be less than the amount of remuneration paid to it earlier, then such excess amount shall not be subject to return.

3.6. The fixed part of remuneration shall not be payable to Chairman of the Board of Directors.

#### **4. REMUNERATION FOR ATTENDING THE MEETINGS OF THE BOARD OF DIRECTORS**

4.1. Members of the Board of Directors shall be paid remuneration for attending the meetings of the Board of Directors in the maximum amount of Three Million (3,000,000) roubles.

4.2. The amount of remuneration for attending the meeting payable to a member of the Board of Directors shall be determined by the formula:

$$RM = \frac{R}{NM} \times (GM + 0.75 \times MWO),$$

where

RM - the amount of remuneration payable to a member of the Board of Directors for attending the meetings of the Board of Directors;

R - the maximum amount of remuneration established by Clause 4.1. of the Regulations;

GM - the number of meetings of the Board of Directors during the Settlement Period attended by a member of the Board of Directors in person, as well as meetings of the Board of Directors held in the form of absentee voting, in which a member of the Board of Directors participated;

MWO - the number of meetings of the Board of Directors during the Settlement Period held in the form of voting in person, in which a member of the Board of Directors participated by sending a written opinion;

NM - the total number of meetings of the Board of Directors held during the Settlement Period.

4.3. The calculation of remuneration for attending the meetings of the Board of Directors shall be based on a memorandum prepared by Corporate Secretary specifying the number and form of the meetings of the Board of Directors held during the Settlement Period, information regarding the meetings attendance by members of the Board of Directors.

4.4. The memorandum mentioned in Clause 4.3. hereof shall be submitted to the Company's Accounting and Reporting Department within 3 business days following the end of the Settlement Period.

4.5. Remuneration for attending the meetings of the Board of Directors shall be paid not later than 15 business days following the end of the Settlement Period.

4.6. Remuneration for attending the meetings of the Board of Directors shall not be paid to Chairman of the Board of Directors.

#### **5. REMUNERATION FOR ATTENDING THE MEETINGS OF THE COMMITTEES (SUBCOMMITTEES) OF THE BOARD OF DIRECTORS**

5.1. Members of the Board of Directors shall be paid remuneration for attending the meetings of the committees (subcommittees) of the Board of Directors in the maximum amount of Two Million (2,000,000) roubles.

5.2. The amount of remuneration for attending the meetings of the committees (subcommittees) payable to a member of the Board of Directors shall be determined by the formula:

$$RMC = \frac{RC}{NMC} \times (GMC + 0.75 \times MCWO),$$

where

RMC - the amount of remuneration of a member of the Board of Directors for attending the meetings of the committees (subcommittees) of the Board of Directors

RC - the maximum amount of remuneration established by Clause 5.1. of the Regulations

GMC - the number of meetings of the committees held in the form of voting in person during the Settlement Period attended by a member of the Board of Directors in person, as well as meetings of the committees (subcommittees) of the Board of Directors held in the form of absentee voting, in which a member of the Board of Directors participated

MCWO - the number of meetings of the committees (subcommittees) of the Board of Directors during the Settlement Period held in the form of voting in person, in which a member of the Board of Directors participated by sending a written opinion

NMC - the maximum number of meetings of the committees (subcommittees) of the Board of Directors attended by a member of the Board of Directors during the Settlement Period.

5.3. Calculation of remuneration for attending the meetings of the committees (subcommittees) of the Board of Directors shall be based on a memorandum prepared by the Corporate Secretary and specifying the number and form of meetings of the committees (subcommittees) of the Board of Directors, information on such meetings attendance by the members of the Board of Directors.

5.4. The memorandum mentioned in Clause 5.3 hereof shall be submitted to the Company's Accounting and Reporting Department within 3 business days following the end of the Settlement Period.

5.5. Remuneration for attending the meetings of the committees (subcommittees) of the Board of Directors shall be paid not later than 15 business days following the end of the Settlement Period.

5.6. Remuneration for attending the meetings of the committees (subcommittees) shall not be payable to Chairman of the Board of Directors.

## **6. COMPENSATIONS PAYABLE TO MEMBERS OF THE BOARD OF DIRECTORS**

6.1. In view of attending the meetings of the Board of Directors, the meetings of the committees (subcommittees) of the Board of Directors, negotiations, meetings, presentations and other activities held by the Board of Directors (hereinafter referred to as the "Meeting"), each member of the Board of Directors shall be entitled to compensation of the following individual expenses:

6.1.1. Transportation to the place of the Meeting and back to the place of permanent residence or work (including an insurance policy for mandatory personal accident insurance for passengers in transport, payment for issuing travel documents, etc.) - in the amount of actual expenses confirmed by original travel documents, but not exceeding the cost of travelling by:

- air transport - business class tariff;
- railway transport - enhanced comfort car in business class (CB);
- sea and river transport - at the tariff established by the carrier, but not higher than the cost of travelling in a luxury cabin with comprehensive passenger service;
- road transport - a transfer from the airport located in the town where the Meeting shall be held, or the airport nearest to such a town (railway station, sea or river port) to the place where the Meeting shall be held.

6.1.2. Expenses for accommodation - in the amount of actual expenses confirmed by originals of the respective documents.

6.2. In order to reimburse the expenses incurred, a member of the Board of Directors shall submit to the Corporate Secretary a written application with attachment of original documents confirming such expenses.

6.3. Not later than 5 business days following the date of receiving the documents referred to in Clause 6.2. hereof, the Corporate Secretary shall submit to the Company's Accounting and Reporting Department a

memorandum on paying compensation to a member of the Board of Directors in view of the Meeting held with the attachment of documents received from such member of the Board of Directors.

6.4. Compensation shall be paid by the Company not later than 15 business days from the date of receiving by the Corporate Secretary the documents specified in Clause 6.2. of these Regulations.