

«APPROVED»

by NOVATEK's General Shareholders' Meeting

Resolution on 28 April 2010

Minutes № 110 of 29.04.2010

REGULATIONS
on Remuneration and Compensations
Payable to Members of
NOVATEK's Board of Directors

Moscow

2010

1. GENERAL PROVISIONS

1.1. These Regulations (the **«Regulations»**) are developed in accordance with the Federal Law «On Joint Stock Companies», the Charter of OAO NOVATEK (the **«Company»**), the Regulations on the Company's Board of Directors and other existing regulations.

1.2. These Regulations shall determine the size and procedure of paying remuneration and compensations to the members of the Company's Board of Directors.

1.3. The amounts of remuneration and compensations contemplated by the Regulations are exclusive of any taxes. The Company shall independently determine, deduct and pay taxes (within its competence) arising in connection with payment of remuneration and compensations to the members of the Board of Directors, as well as compensate the banks fee for the money transfer.

1.4. The period for calculation and payment of remuneration and compensations to the members of the Board of Directors shall commence on the date on which a decision is made by the annual general meeting of shareholders to elect the members of the Board of Directors until the next annual general meeting at which a new Board of Directors is elected (the **«Calculation Period»**).

1.5. A decision to pay remuneration and compensations to the members of the Board of Directors shall be taken at the same annual general meeting of shareholders at which they are elected. The annual general meeting of shareholders electing the new composition of the Board of Directors shall be entitled to decide on payment of additional remuneration to the members of the Board of Directors whose authorities have expired.

1.6. A member of the Board of Directors shall notify the Company of its banking details for the remuneration transfer, as well as other details required for the performance by the Company of its tax agent's functions before the commencement of the remuneration payment period established by these Regulations, as otherwise the period established by the Regulations for the payment of remuneration and compensations shall be calculated from the date on which the BoD member notifies the above details to the Company.

2. SIZE AND TYPES OF REMUNERATION TO THE BOD'S MEMBERS.

2.1. The size of remuneration to a member of the Board of Directors for the Calculation Period equals to RR 12,000,000 (**«Maximum Size of Remuneration»**).

2.2. Remuneration to members of the Company's BOD consists of the following types of remuneration:

- Permanent part of remuneration;

- Remuneration for attending the BOD meetings;
- Remuneration for attending the meetings of the committees (subcommittees) of the Board of Directors.

2.3. Apart from the maximum size of remuneration, the Chairman of the Board of Directors shall additionally be paid a remuneration for exercising the functions of Chairman of the Board of Directors in size of 50% of the permanent part of remuneration, set forth by clause 3.2. of the Regulations. The above mentioned additional remuneration shall be paid to the Chairman of the Board of Directors in the form and in the amount set forth by the clauses 3.3.-3.5. of the Regulations.

2.3. The maximum size of remuneration may be changed by resolution of the Company's general meeting of shareholders. In this case the permanent part of remuneration, the maximum size of remuneration for attending the meetings of the Board of Directors and the maximum size of remuneration for attending the meetings of the committees (subcommittees) of the Board of Directors established by the clauses 3.2., 4.1., and 5.1. of the Regulations accordingly shall be changed proportionately.

3. PERMANENT PART OF REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS

3.1. The permanent part of remuneration shall be paid to a BoD member for performing its duties.

3.2. The permanent part of remuneration to a BoD member equals to RR 8,000,000 for the Calculation Period.

3.3. The permanent part of remuneration shall be paid in equal portions 4 times within the Calculation Period: not later than 15 July, 15 October, 15 January and 15 April.

3.4. In the event of early termination of authorities of the BoD member and election of new BoD members at the extraordinary general meeting of shareholders, the permanent part of remuneration shall be paid in the size proportionate to the actual term of authorities of the BoD member and shall be determined as the size of the permanent part of remuneration specified in clause 3.2. of the Regulations multiplied by the actual term of exercising authorities and divided by the Calculation Period consisting of 365 (366) days.

3.5. In the event that the size of the permanent part of remuneration of the BoD member whose authorities have been terminated earlier is lower than the amount of remuneration paid to it earlier, such difference shall not be refunded.

4. REMUNERATION FOR ATTENDING THE BOD MEETINGS

4.1. The BOD members shall be paid a remuneration for attending the meetings of the Board of Directors. The maximum size of such remuneration equals to RR 2,000,000 for the Calculation Period.

4.2. Remuneration for attending the meetings of the Board of Directors shall be paid:

- for attending the meeting of the Board of Directors conducted in the form of joint attendance;
- for attending the meeting of the Board of Directors conducted in absentee form.

4.3. In the event of conducting the meeting in the form of joint attendance, a member of the Board of Directors who does not personally attend the meeting, though it sent its written opinion on the agenda items considered at the BoD meeting, shall not be paid a remuneration for attending such BoD meeting.

4.4. The size of remuneration for attending the meeting payable to the BoD member shall be calculated based on the following formula:

$$B3 = \frac{B \times 3}{K3}$$

where:

B3 – the size of remuneration to a BoD member for attending the BoD meetings;

B – maximum size of remuneration established by clause 4.1. of the Regulations;

3 – number of meetings of the Board of Directors during the Calculation Period attended by the BoD member (subject to clause 4.3. of the regulations);

K3 – number of the BoD meetings conducted during the Calculation Period.

4.5. Remuneration for attending the BoD meetings shall be accrued based on the memorandum of Secretary of the Board of Directors, which specifies the number and form of the BoD meetings conducted during the Calculation Period, details on participation of the BoD members in such meetings.

4.6. The memorandum specified in clause 4.5. of the regulations shall be submitted to the Company's Accounting Department not later than 3 business days after the end of the Calculation Period.

4.7. Remuneration for attending the meetings of the Board of Directors shall be paid not later than 15 business days after the end of the Calculation Period.

5. REMUNERATION FOR ATTENDING THE MEETINGS OF THE BOD'S COMMITTEES (SUBCOMMITTEES)

5.1. The BOD members shall be paid a remuneration for attending the meetings of the BoD's committees (subcommittees). The maximum size of such remuneration equals to RR 2,000,000 for the Calculation Period.

5.2. Remuneration for attending the meetings of the BoD's committees (subcommittees) shall be paid:

- for attending the meeting of the BoD's committee (subcommittee) conducted in the form of joint attendance;
- ✓ for attending the meeting of the BoD's committee (subcommittee) conducted in absentee form.

5.3. The size of remuneration for attending the meeting of the BoD's committee (subcommittee) payable to the BoD member shall be calculated based on the following formula:

$$B3K = \frac{B3_k \times 3}{K3_k}$$

where:

B3K – the size of remuneration to a BoD member for attending the meetings of the BoD's committee (subcommittee);

B3_k – maximum size of remuneration established by clause 5.1. of the Regulations;

3 – number of meetings of the BoD's committee (subcommittee) during the Calculation Period attended by the BoD member;

K3_k – number of meetings of the BoD's committees (subcommittees) to which a BoD member was elected.

5.4. Remuneration for attending the meetings of the BoD's committees (subcommittees) shall be accrued based on the memorandum of Secretary of the Board of Directors, which specifies the number and form of the conducted meetings of the BoD's committees (subcommittees) and details on participation of the BoD members in such meetings.

5.5. The memorandum specified in clause 5.4. of the Regulations shall be submitted to the Company's Accounting Department not later than 3 business days after the end of the Calculation Period.

5.6. Remuneration for attending the meetings of the BoD's committees (subcommittees) shall be paid not later than 15 business days after the end of the Calculation Period.

6. COMPENSATIONS TO THE MEMBERS OF THE BOARD OF DIRECTORS

6.1. Each member of the Board of Directors shall be compensated against the following expenses arising out of its participation in the meetings of the Board of Directors, committees (subcommittees) of the Board of Directors, negotiations, meetings, presentations and other events conducted by the Board of Directors («*Meetings*»):

6.1.1. Travelling expenses to and back from the place of the Meeting (including the insurance policy for mandatory personal passengers insurance, payment of services for issuing travel documents etc.) – in the amount of actual expenses confirmed by original travel documents but not higher than the cost of travel:

- ✓ by air transport – business class;
- ✓ by railway – business class;
- ✓ by sea and river transport – according to tariffs established by the carrier, but not higher than the cost of travel in the Suite accommodation with complex (end-to-end) servicing of passengers;
- ✓ by motor transport – a transfer from the nearest airport (railway station, sea or river port) to the place of the Meeting.

6.1.2. Rent payment – in the amount of actual expenses confirmed by original copies of the relevant documents but not more than [1,000 USD] per day or its equivalent in any other currency.

6.2. In order to compensate its expenses the BoD member shall send to the Secretary of the Board of Directors a written request with the attached original documents confirming such expenses.

6.3. The Secretary of the Board of Directors shall, not later than 5 business days following the receipt of the documents specified in clause 6.2. of the Regulations send to the Company's Accounting Department a memorandum on payment of compensation to a BoD member in connection with the conducted Meeting with attachment of documents received from the BoD member.

6.4. Compensations shall be paid not later than 15 business days from the date on which the Secretary of the Board of Directors receives the documents contemplated by clause 6.2. of the Regulations.