

# THE COMPANY

## has the Remuneration Committee of the Board of Directors in place

The members of the Remuneration Committee are:

- ▶ Vladimir Grubenko (Independent Director) – Chairman;
- ▶ Joel Lautier (Independent Director).

### THE COMMITTEE HAS THE FOLLOWING FUNCTIONS:

- ▶ developing and periodical updating the Company's policy on remuneration of the members of the Board of Directors, executive bodies, or other key executives of the Company, including setting the parameters of short-term and long-term incentives for the members of executive bodies and other key executives of the Company;
- ▶ supervising introduction and implementation of the Company's policy on remuneration and incentive programs;
- ▶ preliminary evaluating the performances of the executive bodies and other key executives of the Company based on criteria of remuneration policy, preliminary evaluating achievement of set goals in the scope of long-term incentive program;
- ▶ developing the terms of early termination of labour contracts with the members of executive bodies and other key executives of the Company, including all material obligations of the Company and appropriate conditions;
- ▶ selecting an independent consultant on the issues of remuneration for the members of executive bodies and other key executives of the Company, and if the Company's policy provides for mandatory tendering, defining the tender terms and acting as a tender committee;
- ▶ developing the recommendations to the Board of Directors on the amount of remuneration of, and bonus scheme for, the Corporate Secretary, as well as preliminary evaluating the Secretary performance by the end of the year and making proposals on Secretary's bonus;
- ▶ preparing a report on implementation of policy of remuneration for the members of the Board of Directors, executive bodies, and other key executives of the Company for introducing into Annual Report and other documents.

### THE COMMITTEE IS OBLIGED TO IMPLEMENT THE FOLLOWING FUNCTIONS:

- ▶ the Committee provides for the policy adopted by the Company for remuneration to ensure transparency of all material gains by clear explanation of used approached and principles and detailed information disclosure on all types of payments, benefits, and privileges provided for the members of the Board of Directors, executive bodies, and other key executives of the Company for their duties;
- ▶ while establishing and updating the remuneration scheme for the members of executive bodies and other key executives of the Company, the Committee shall analyse and give recommendations to the Board of Directors on each component of the remuneration scheme, as well as on their proportional correlation, to obtain a rational balance between the short-term and long-term performances. Herein, we understand short-term performances as ones for the period below three years, and long-term performances as ones for the period above five years;
- ▶ the Committee supervises disclosure of information on remuneration policy and practice, on the Company's shares held by the members of the Board of Directors, executive bodies, and other key executives of the Company in Annual Report and on website used by the Company for information disclosure;
- ▶ the Committee shall assist in making the amount of remuneration paid by the Company sufficient to engage, motivate, and retain persons with the competencies and skills necessary for the Company;
- ▶ the Committee shall assure that the system for remuneration for the members of the Board of Directors ensures convergence of the directors' financial interests and the long-term financial interests of the shareholders;
- ▶ the Committee shall assure that the system for remuneration for the members of executive bodies and other key executives of the Company ensures dependence of the amount of remuneration on the performance of the Company and their personal contribution to achieving the performances;
- ▶ the Committee shall inform the Board of Directors on time about its reasonable concerns and any abnormal circumstances of the Company's activities being known to the Committee due to its powers;
- ▶ the Committee is accountable to the Company's Board of Directors and shall report to the Board on each Committee's meeting held.