

APPROVED

by the Decision of the General Meeting of Shareholders

Minutes No. 1 dated June 27, 2008

On behalf of the General Meeting of Shareholders
the Chairman of the General Meeting of Shareholders
Bank Vozrozhdenie

/signature/Y.M. Marinichev/
(signature)

Bank Vozrozhdenie Stamp

REGULATION

ON REMUNERATIONS AND COMPENSATIONS FOR MEMBERS OF THE BOARD OF DIRECTORS OF BANK VOZROZHDENIE

**Moscow
2008**

1. General provisions

1.1. The Regulation on remunerations and compensations paid to members of the Board of Directors of Bank Vozrozhdenie (hereinafter referred to as the Regulation) was developed in accordance with Federal Law "On joint-stock companies" (hereinafter referred to as the Law) and other regulations in force and stipulates the order of payment of remunerations and compensations to members of the Board of Directors of Bank Vozrozhdenie (hereinafter referred to as the Board of Directors and the Bank respectively).

1.2. This Regulation is approved by the General Meeting of Shareholders in accordance with standards set in article 64 paragraph 2 of the Law and is the basis for accrual and payment of remunerations and compensations to members of the Board of Directors of the Bank.

1.3. The source of payment of remunerations and compensations unless the current legislation of the Russian Federation changes or clarifications of the authorized governmental bodies are issued with a clear однозначно трактуемое reference to other sources is the Bank's profit after tax.

1.4. The amounts of remunerations and compensations are shown in the financial and business plan (budget) of the Bank.

1.5. The Bank on its own calculates, withholds and pays taxes on income of individuals (other similar taxes in accordance with the law of the country where a member of the Board of Directors is a resident and with intergovernmental treaties) arising in relation to payment of remunerations and compensations to members of the Board of Directors.

1.6. The duration term of authority of a member of the Board of Directors when he/she is paid remunerations and compensations in accordance with this Regulation is one year starting from the moment of electing members of the Board of Directors at the annual General Meeting of Shareholders and lasts until the moment of next annual General Meeting of Shareholders.

1.7. In case of early termination of the authority, or electing members of the Board of Directors at an extraordinary General Meeting of Shareholders, the amount of remuneration is calculated on the basis of actually elapsed time when the member of the Board of Directors executed his/her duties.

2. Terms and definitions

2.1. For the purposes of this Regulation the following terms are used:

2.1.1. *members of the Board of Directors* – individuals elected to the Board of Directors of the Bank in the order stipulated by the Law.

2.1.2. *executive director* – a member of the Board of Directors who is the Chairman of the Management Board or a member of the Management Board of the Bank;

2.1.3. *non-executive directors* – all other members of the Board of Directors;

2.1.4. *independent director* – a member of the Board of Directors:

- who has not been an official or an employee of the Bank for the recent 3 years;
- who is not an official of another entity where any official of the Bank is a member of the Human Resources and Remuneration Committee of the Board of Directors;

- who is not an affiliated person to an official of the Bank;
- who is not an affiliated person to the Bank (except for the membership in the Board of Directors) and an affiliated person to its affiliated persons;
- who is not a party in liabilities with the Bank which terms presuppose that he/she may acquire property (receive funds) with the value of not less than 10 percent of its total annual income, except for remuneration for its participation in the activity of the Board of Directors of the Bank;
- who is not a major counterparty of the Bank (a counterparty with the total amount of transactions between him/her and the Bank throughout the year of 10 or more percent of the balance sheet value of the Bank's assets);
- who has not been a member of the Board of Directors of the Bank for more than 5 years;
- who does not represent the government.

2.1.5. *remuneration to the member of the Board of Directors* – funds paid as remuneration for participation in the activity of the Board of Directors.

2.1.6. *compensations* – funds paid to members of the Board of Directors of the Bank in the order of compensation for their expenses incurred in relation to their participation in the activity of the Board of Directors:

- travel and accommodation costs if the session of the Board of Directors is held outside place of residence of the member of the Board of Directors;
- costs not related to participation in sessions but related to the activity of the Board of Directors (post service, courier service, phone communication costs, representation expenses и др.).

3. The amount of remuneration to members of the Board of Directors and the order of its payment

3.1. Members of the Board of Directors are paid remuneration for participation in the activity of the Board of Directors, as decided by the General Meeting of Shareholders. The amount of remuneration is defined with regard to personal contribution of each member of the Board of Directors in achievement of the Bank's development objectives, as well as the position occupied in the Board of Directors and additional duties of the member of the Board of Directors of the Bank.

3.1.1. Executive directors are not paid remuneration for participation in the activity of the Board of Directors.

3.1.2. The amount of remuneration paid to the Chairman of the Board of Directors shall not exceed USD 100,000 per annum.

3.1.3. The amount of remuneration paid to independent directors – chairmen of committees of the Board of Directors shall not exceed USD 50,000 per annum.

3.1.4. The amount of remuneration paid to other members of the Board of Directors shall not exceed USD 20,000 per annum.

3.2. The decision on payment of remunerations, the actual amount of remuneration paid to members of the Board of Directors and terms of payment of remuneration is taken by the annual General Meeting of Shareholders based on the report of the Board of

Directors of the Bank in accordance with recommendations of the Human Resources and Remuneration Committee of the Board of Directors.

3.3. In accordance with the decision of the General Meeting of Shareholders, payment of remuneration to members of the Board of Directors is made based on the annual performance results for the last completed financial year. When defining actual amount of remuneration the following is taken into account: the number of sessions of the Board of Directors and the relevant committees of the Board of Directors, personal participation in sessions of the Board of Directors, participation in the activity of committees of the Board of Directors, achievement of objectives in terms of profit for the then ended financial year as well as profit in the current financial year.

3.4. The total amount of remuneration actually paid to members of the Board of Directors for the period of their execution of their duties cannot exceed the maximum amount of remuneration set by the current Regulations.

3.5. The amount of remuneration is set in US dollars.

3.6. Members of the Board of Directors who are residents of the Russian Federation for tax purposes are paid remuneration in roubles at the exchange rate of the Bank of Russia as of the date of payment. Members of the Board of Directors who are not residents of the Russian Federation for tax purposes are paid remuneration in US dollars.

3.7. Payments to members of the Board of Directors are made by the Bank in a cashless form by transfer of funds to the bank account of the resident or non-resident member of the Board of Directors in an authorized credit institution in the Russian Federation or a foreign credit institution respectively. Remuneration can also be paid in cash through the Bank's cash desk.

3.8. This Regulation and the decision of the General Meeting of Shareholders of the Bank serve as the ground for payment of remuneration.

4. Compensations to members of the Board of Directors of the Bank

4.1. Compensations including expenses for travel to the place of session of the Board of Directors and back, accommodation costs and other expenses, as well as expenses not related to participation in sessions but arising in connection with the activity of the Board of Directors are paid in the amount of actually incurred and documented expenses.

4.2. Documents confirming actually incurred expenses are bills, invoices, receipts, tickets and other primary accounting documents.

4.3. Payment of compensations is made by the Bank's accounting office based on the advance report and documents (invoices, bills, receipts, tickets etc.) presented by the member of the Board of Directors confirming the actually incurred expenses, against their presentation.

4.4. Compensation of expenses incurred by members of the Board of Directors is paid by funds transfer to the bank account of the member of the Board of Directors or in cash via cash office of the Bank within 30 (thirty) days from the date of presentation of the confirming documents.

5. Final provisions

5.1. This Regulation comes into force since the date of its approval by the General Meeting of Shareholders of the Bank.

5.2. Amendments and alterations to this Regulation or approval of the Regulation in a new version are introduced based on the decision of the General Meeting of Shareholders.

5.3. If, as the result of change in law of the Russian Federation, certain articles of this Regulation conflict the requirements of the current law of the Russian Federation, such articles are considered null and void, and until the alterations are introduced to this Regulation, the Bank follows the laws and regulations of the Russian Federation.