

APPROVED
By the General Meeting of Shareholders
of OJSC Polyus Gold

Minutes No. _____ dated _____

**REGULATIONS
ON THE BOARD OF DIRECTORS
OF OJSC POLYUS GOLD**

1. GENERAL PROVISIONS

- 1.1. The Regulations herein define a procedure for the activities of the Board of Directors of OJSC Polyus Gold (hereinafter referred to as the Board of Directors).
- 1.2. The activities of the Board of Directors shall be guided by the legislation of the Russian Federation, the Charter of OJSC Polyus Gold (hereinafter referred to as the Company), the Regulations herein as well as by the decisions of the General Meeting of Shareholders of the Company (hereinafter referred to as the Shareholders' Meeting).
- 1.3. The competence of the Board of Directors shall be defined by the legislation of the Russian Federation and the Charter of the Company.
- 1.4. The Chairman of the Board of Directors shall:
 - organize activities of the Board of Directors, call and chair its meetings or organize absentee voting;
 - organize the keeping of the minutes at the meetings of the Board of Directors;
 - chair the Shareholders' Meeting.

In the event of the absence of the Chairman of the Board of Directors its duties shall be fulfilled by Deputy Chairman of the Board of Directors or one of the members of the Board of Directors upon the decision of the Board of Directors.

- 1.5. The members of the Board of Directors shall:
 - fulfill their duties properly;
 - be loyal to the Company;
 - not disclose confidential information about the Company's activities, which they have become aware of, and not disclose insider information.

The members of the Board of Directors are not entitled to establish organizations or participate in the organizations that compete with the Company without the consent of the Board of Directors.

- 1.6. The members of the Board of Directors are entitled:
 - to receive remunerations and compensations in the amounts established by the Shareholders' Meeting;
 - to receive all information related to the Company's activities, in all divisions and offices of the Company;
 - to receive the conclusions of independent consultants on the items of the agenda of the meeting of the Board of Directors.

In the event that it is necessary to obtain a conclusion of an independent consultant on an issue of the item of the agenda of the Board of Directors, a member of the Board of Directors shall submit a written request to the Chairman of the Board of Directors of the Company.

The Secretary of the Company shall ensure entrance into an agreement with the independent consultant in compliance with the existing procedure for entrance into agreement established by the Company upon the decision of the Chairman of the Board of Directors.

- 1.7. The Secretary of the Company (hereinafter referred to as the Company Secretary) shall fulfill his duties imposed on him by the Board of Directors.

The Company Secretary shall be appointed by the Board of Directors.

The procedure for the activities of the Company Secretary shall be defined by the Regulations on Company Secretary approved by the Board of Directors.

- 1.8. The Board of Directors is entitled to establish Committees of the Board of Directors among its members (Audit Committee, Remuneration and Human Resources Committee etc.) for making decisions on the most important issues for the purpose of the preliminary review of these issues and the preparation of recommendations for the Board of Directors. Audit Committee of the Board of Directors shall be headed by an Independent Director and consist only of those members of the Board of Directors, who are not the sole executive body and (or) collective executive body of the Company.
- 1.9. The Board of Directors shall be entitled to make a decision on the appointment of the Secretary of the Board of Directors, who keeps the minutes of the Board of Directors.
- 1.10. The Secretary of the Board of Directors shall be appointed by the Board of Directors for the term and on the conditions that the Board of Directors will think reasonable.

2. MEMBERSHIP AND STRUCTURE OF THE BOARD OF DIRECTORS

- 2.1. The Board of Directors shall consist of 9 (nine) persons. The Board of Directors may recommend to the Shareholders' Meeting to amend the Charter so as to change the number of the members of the Board of Directors.
- 2.2. With the exception of cases when an "independent director" is defined for the purposes of approving interested party transactions in accordance with Article 83 of the Federal Law, a member of the Board of Directors is recognized as an Independent Director who meets the following criteria:
 - (a) at the time of election and within 1 year prior to election shall not be an officer or an employee of the issuer (manager);
 - (b) shall not be an officer of another business company, in which any officers of the Company is a member of the Remuneration and Human Resources Committee of the Board of Directors;
 - (c) shall not be marital partners, parents, children, brothers or sisters of the officers (manager) of the issuer (an officer of the management company of the issuer);
 - (d) shall not be a person affiliated with the issuer, apart from being a member of the Board of Directors of the issuer;
 - (e) shall not be a party under a contract with the issuer, pursuant to the conditions of which he/she may acquire property (receive cash) with the value of 10 percent or more of his/her total annual income, in addition to the remuneration for participating in the activities of the Board of Directors of the Company;
 - (f) shall not be a representative of the state, i.e. a representative of the Russian Federation or the subjects of the Russian Federation in the Board of Directors of joint stock companies regarding which a decision to exercise the golden share right was made, or a person elected to the Board of Directors from the number of candidates nominated by the Russian Federation or a subject of the Russian Federation or a municipal formations, if such Board Members must vote on the basis of written directives (instructions) of a subject of the Russian Federation, respectively, or a municipal formations.

If a member of the Board of Directors who meets the aforementioned criteria services as a member of the Board of Directors for a period of seven years, upon expiry of this term such a Board Member is no longer recognized as an Independent Director for such purposes.

- 2.3. The efficient fulfillment of duties by the Board of Directors including representation of shareholders' interests is based on the independence of the members of the Board of Directors. To increase the independence of the Board of Directors the Company shall attract independent directors to the Board of Directors.
- 2.4. At the decision of the Shareholders' Meeting, members of the Board of Directors during the term of performing their duties may be remunerated and compensated for the

expenses incurred while performing their duties as the members of the Board of Directors. The amount of such remunerations and compensations shall be established by the decision of the Shareholders' Meeting upon the recommendations of the Board of Directors.

3. MEETINGS OF THE BOARD OF DIRECTORS OF THE COMPANY

- 3.1.1. Meetings of the Board of Directors (hereinafter referred to as meetings) shall be held as often as necessary, but no less than once per six weeks.
- 3.1.2. Issues set out by items 6.1.4., 6.3.3.1, 6.3.3.3., 6.3.3.4., 6.3.3.6, 6.3.3.10., 6.3.3.20 of the Charter of the Company as well as issues on reorganization or liquidation of the Company, approval of the wording and form of the voting ballot at the Shareholders' Meeting, approval of the report of the Board of Directors expressing a motivated standpoint regarding the items of the agenda of the Shareholders' Meeting shall be considered by the Board of Directors only at the formal meetings of the Board of Directors.
- 3.2. The meetings are called by the Chairman of the Board of Directors at his own initiative, upon the request of a member of the Board of Directors, of a member of the Audit Commission or Auditor of the Company, General Director, as well as the shareholders holding a total of no less than 10 (ten) percent of common shares of the Company (or their representatives), stated in written form with an outline of reasons for the meeting.
- 3.3. The request for calling the meeting shall contain:
 - The legal name (name) of the initiator of convocation;
 - The proposed agenda of the meeting with the reasons to submit these items to the meeting indicated;
 - The form of the meeting;
 - The signature of the initiator of the convocation.
- 3.4. The request shall be made in writing, addressed to the Chairman of the Board of Directors and submitted to the Company by any means allowing to register the fact of its sending (including sending by mail, telegram, teletype, facsimile, etc.)
- 3.5. The date of submission of the request to call a meeting shall be the date of registration of this request by the Company Secretary.
- 3.6. The decision to refuse to call a meeting may be made by the Chairman of the Board of Directors only if:
 - The item (items) proposed for the agenda of the meeting is (are) not within the competence of the Board of Directors;
 - The initiator of the call for the meeting is not authorized to require a call for the meeting by the Federal Law on Joint Stock Companies and the Charter of the Company;
 - The requirements specified by Clause 3.3 of these Regulations are observed.
- 3.7. The Chairman of the Board of Directors shall make a decision to hold a meeting of the Board of Directors either in the form of joint attendance or in the form of absentee vote.
- 3.8. The notification of the meeting shall be sent to each member of the Board of Directors by any means allowing to register the fact of sending or shall be delivered personally no later than 5 (five) calendar days prior to the meeting's date.

The notification shall specify:

- The date, place and time of the meeting (in the event that a decision to hold an absentee vote is made the notification shall specify the date and the acceptance deadline for the voting ballots as well as the address for the filled-in voting ballots to be sent);
- The agenda of the meeting;
- The form of the meeting.

All the necessary materials (information) related to the agenda of the meeting shall be attached to the notification.

The members of the Board of Directors shall have a possibility to review the conclusion of the Committees of the Board of Directors prior to the consideration of the items, which were previously discussed by the respective Committees of the Board of Directors.

In the event that a decision to hold an absentee vote is made a voting ballot (ballots) shall be delivered to each member of the Board of Directors.

3.9. Invited persons shall be entitled to attend the meeting of the Board of Directors upon the decision of the Chairman of the Board of Directors.

3.10. A Board of Directors' meeting has quorum if at least no less than one half of all elected members of the Board of Directors attend the meeting. In the event if the Board of Directors meeting agenda includes issues set out by items 6.3.3.1, 6.3.3.12, 6.3.3.15 and 6.3.3.26 of the present Charter, as well as issues involving reorganization or liquidation of the Company, increase or decrease of the Company Charter Capital, the Board of Directors' Meeting is deemed to have quorum in the presence of no less than two-thirds of the total number of elected members of the Board of Directors attend the meeting, provided that at least one Independent Director is present at the Meeting, if such a member of the Board of Directors has been elected and is not considered to have withdrawn from the Board of Directors.

A member of the Board of Directors, who is absent at the meeting of the Board of Directors due to any reasons may participate in making decisions regarding the considered items by expressing an opinion stated in writing and delivered by any means allowing to register the fact of its sending or delivered to the Company Secretary by a courier. This written opinion shall be weighed in the event that the meeting has quorum and results of voting on the items of the agenda are defined, if this opinion has been received prior to the start of the meeting of the Board of Directors.

In the event that the meeting of the Board of Directors is held in the form of the joint attendance, the Board of Directors shall be entitled to change the agenda of this meeting by the majority of votes of the members of the Board of Directors participating in the meeting (to consider additionally and make decisions on the items not included in the agenda previously).

Upon the request of the members of the Board of Directors the officers of the Company must submit to them the additional information necessary to make decisions.

3.11. The decisions of the Board of Directors shall be adopted by the majority vote of the members of the Board of Directors participating in the meeting unless the legislation of the Russian Federation or the Charter of the Company provide otherwise.

Each member of the Board of Directors has one vote while voting at the meeting.

The transfer of the voting right to another party including that to another member of the Board of Directors by a member of the Board of Directors is not admissible.

In the event that the decision of the Board of Directors is made by absentee vote the ballot filled-in and signed by a member of the Board of Directors shall be submitted to the Company Secretary (by any means allowing to register the fact of sending or shall be delivered personally).

If the votes of members of the Board of Directors are split equally, the Chairman of the Board of Directors shall have the deciding vote.

A member of the Board of Directors, who does not agree with the decision that was made with regard to the items under discussion, shall be entitled to express his/her special opinion in writing.

3.12. The minutes of the meeting of the Board of Directors shall specify:

- The place and time of the meeting;
- The persons attending it;
- The agenda of the meeting;
- The issues put to a vote and the results of the voting with the names of the members of the Board of Directors, who have voted for, against or abstained, indicated;
- The decisions made.

3.13. The minutes of the meeting of the Board of Directors shall be prepared no later than **ten (10) days** after the meeting and shall be signed by the director chairing the meeting, who shall be held liable for the accuracy of preparation of the minutes, and by the Secretary of the Board of Directors. If the decision is adopted by absentee vote the voting ballots as well as the opinions of the members of the Board of Directors expressed in writing and signed by their hand shall be attached to the minutes.

4. CLOSING PROVISIONS

4.1. The members of the Board of Directors shall not be entitled to receive gifts from persons interested in the decisions adopted by the Board of Directors as well as to make any direct or indirect benefits provided by these persons.

The members of the Board of Directors shall inform the Board of Directors about a conflict of interests via the Company Secretary in writing and refrain from voting on those items of the agenda of the meeting of the Board of Directors, in which they are personally interested.

The members of the Board of Directors shall inform the Board of Directors about an intention to conclude transactions with the Company's securities via the Company Secretary in writing prior to the conclusion of such transactions.

4.2. A member of the Board of Directors must submit to the Company information allowing to establish whether the member of the Board of Directors is the shareholder's affiliated party and/or the Company's counterparty in accordance with the existing law of the Russian Federation upon the request of the Company Secretary.