

Approved by Resolution  
of the Board of Directors  
of Open Joint Stock Company  
Polyus Gold  
dated 21 May, 2008  
Minutes № 08-08/СД

## **STATUTE**

**on Strategy Committee  
of the Board of Directors  
of OJSC Polyus Gold**

## Contents

|   |   |
|---|---|
| 1. General .....  | 3 |
| 2. Goals and Tasks of the Strategy Committee .....  | 3 |
| 3. Terms of Reference of the Strategy Committee .....                                       | 3 |
| 4. Rights of the Strategy Committee .....   | 4 |
| 5. Obligations of the Strategy Committee .....  | 4 |
| 6. Make-Up Procedure for the Strategy Committee .....                                       | 5 |
| 8. Organization of the Strategy Committee's Work .....                                      | 6 |
| 9. Procedure for Holding Strategy Committee's meetings.....                                 | 7 |
| 10. Decision-Making Procedure for the Strategy Committee .....                              | 7 |
| 11. Procedure for Making Changes in, and Addenda to, the Statute on Strategy Committee..... | 8 |

## 1. General

1.1. The Statute on the Strategy Committee of the Board of Directors of OJSC Polyus Gold (“**Statute**”) is prepared pursuant to RF Law, the Charter of OJSC Polyus Gold (“**Company**”), Statute on the Board of Directors and other internal documents of the Company. The Statute regulates issues relating to tasks, organization and activities of the Strategy Committee of the Company’s Board of Directors.

1.2. The Strategy Committee of the Company’s Board of Directors (“**Committee**”) is a consultative body of the Company’s Board of Directors, is established pursuant to the decision of the Company’s Board of Directors and is governed in its activities by current law, the Company Charter, Statute on the Company’s Board of Directors, this Statute and other internal documents of the Company.

1.3. The Committee is a standing working body of the Company’s Board of Directors and reports to the Board of Directors.

1.4. All the issues that are included in the Board of Directors’ work plan and lie within the scope of the Committee shall be first considered at Committee’s meetings.

1.5. Decisions made by the Committee have a status of draft resolutions of the Board of Directors and shall be approved by the Company’s Board of Directors at its meetings.

1.6. The Committee may not act on behalf of the Company’s Board of Directors.

## 2. Goals and Tasks of the Strategy Committee

2.1. The goal of the Committee is to make an in-depth analysis of issues that lie within the scope of the Board of Directors in the sphere of strategic management of the Company, work out necessary recommendations for the Company’s Board of Directors and General Director, and enforce decisions of the Board of Directors within the terms of reference of the Committee.

2.2. The task of the Committee is to prepare and provide recommendations (conclusions) for the Company’s Board of Directors along the following lines:

- determination of the Company’s priority lines of activities, its development concept and strategy, and implementation methods;
- preparation, approval and updating of the Company’s strategic development plans, its long-term financial model and key parameters;
- implementation and improvement of a strategic planning procedure as a permanently functioning managerial technology;
- enforcement of the Company’s approved development plans, appraisal of efficiency of the Company’s performance and risks it is exposed to; and
- analysis of the Company’s structure and management system for compliance with its strategic goals and tasks.

## 3. Terms of Reference of the Strategy Committee

3.1. The Committee’s terms of reference includes preliminary evaluation, analysis and preparation of recommendations (conclusions) for the Company’s Board of Directors on issues related to the approval and subsequent enforcement of decisions on the Company development, including, but not limited to:

- the Company's mission, long-term goals and tasks;
- the Company's strategic development plans, planning of its financial and economic activities, and checking of its financial and economic plan for compliance with strategic goals;
- updating of the Company's dividend policy;
- evaluation of market risks;
- improvement of the Company's long-term competitiveness and strengthening of its market positions, *inter alia*, within the framework of preparation and implementation of the following programs:
  - internal restructuring and development of the Company;
  - reorganization of the Company;
  - increase of the Company's charter capital;
  - placement, by the Company, of convertible equity securities;
  - participation of the Company in holding companies, financial and industrial groups, associations, etc.; and
  - establishment of subsidiaries and affiliates, their reorganization and winding-up.
- the Company's investment program; and
- the Company's regulatory base defining its organizational structure and management system.

3.2. The Committee's terms of reference may also include other functions vested in it by decisions of the Company's Board of Directors.

## **4. Rights of the Strategy Committee**

4.1. The Company's Board of Directors shall vest the Committee with the following rights:

- to investigate the issues that lie within its scope;
- to participate in procedures for ensuring compliance with decisions and instructions of the Company's Board of Directors on issues pertaining to its activities, *inter alia*, pursuant to individual instructions (decisions) of the Board of Directors;
- to request and obtain information and documents required for its activities from the Company's officials and Secretary of the Board of Directors;
- to invite, if needed, the Company's General Director, members of the Auditing Committee and other persons to attend meetings of the Strategy Committee; and
- to prepare, if needed, draft changes in, and addenda to, this Statute and submit them to the Company's Board of Directors for approval.

## **5. Obligations of the Strategy Committee**

5.1. The Committee shall:

- perform the functions vested in it pursuant to this Statute, RF Law, the Charter and internal documents of the Company;
- provide conclusions on issues included in the agenda of the Company Board of Directors' meetings that lie within its scope within no later than ten (10) calendar days from the date of submission of a relevant issue and necessary materials to the Committee for review;

- furnish the Board of Directors with economically viable and legally substantiated recommendations (conclusions) on issues that lie within its scope;
- duly inform the Board of Directors about risks the Company is exposed to;
- report its performance to the Company's Board of Directors as the latter may require; and
- not disclose information about the Company, which constitutes a trade and/or official secret.

## **6. Make-Up Procedure for the Strategy Committee**

6.1. The Committee consists of three members one of which should be an independent director. For purposes of this Statute independent directors shall be members of the Company's Board of Directors, who are recognized as such pursuant to the Company's Charter.

6.2. A member of the Company's Board of Directors elected to the Committee as an independent director in the event of circumstances under which he loses an independent director status shall inform the Chairman of the Company's Board of Directors accordingly within no less than five (5) working days after the onset of such circumstances. If as a result of the loss of such status there are no independent directors sitting in the Committee, the Company's Board of Directors shall elect a new Committee as defined by this Statute within two (2) weeks from the date of notice.

6.3. Members of the Committee shall be elected at a meeting of the Company's Board of Directors from members of the Company's Board of Directors for a period of time until a new Board of Directors is elected at a General Meeting of the Company's Shareholders. A decision on election of Committee members is passed by a simple majority of votes of the total number of members of the Company's Board of Directors attending the meeting.

6.4. Members of the Committee may be elected the unlimited number of times.

6.5. Authority of all or some Committee members may be terminated before their term ends as decided by the Company's Board of Directors.

6.6. Early termination of the authority of a Committee member shall occur:

- in the event of abnegation, by a Committee member, of his powers. A Committee member may abnegate his powers as a member of the Committee by giving the Chairman of the Company's Board of Directors a month's notice in writing;
- in the event of early termination of the authority of a Committee member as a member of the Company's Board of Directors; and
- if a Committee member is relieved of his duties by decision of the Company's Board of Directors.

6.7. If the authority of a Committee member is terminated on the initiative of such Committee member, the Company's Board of Directors shall elect a new Committee member at a nearest meeting, but within no later than one (1) month after the date on which such Committee member gave notice of abnegation of his powers as a member of the Committee. A Committee member, who gave such notice, shall perform his functions in full scope until such time as a new member is elected to the Committee.

6.8. In the election of Committee members, preference shall be given to candidates with higher education in the area of finance, law, economy and management, and with professional experience in financial and managerial positions.

6.9. Committee members may be remunerated and/or compensated for costs incurred for the fulfillment of their obligations as defined by the procedure recommended by the Company's Board of Directors and approved by the General Meeting of the Company's Shareholders.

6.10. The Committee may be disbanded before its term ends as decided by Company's Board of Directors.

6.11. The Chairman of the Company's Board of Directors shall be Chairman of the Committee.

6.12. The Chairman of the Committee shall:

- convene meetings of the Committee, fix the date, time, venue and procedure for holding them, and preside over Committee's meetings;
- approve the Committee's meetings agenda;
- organize discussion of issues at Committee's meetings and hear invited persons;
- organize the obtaining of full and reliable information to enable the Committee to make relevant decisions for its efficient operation;
- assign duties among Committee members;
- prepare and approve a Committee's meetings plan with due regard for a plan of the Company's Board of Directors meetings;
- report to the Company's Board of Directors on issues relating to Committee performance;
- decide to convene an extraordinary Committee's meeting;
- coordinate enforcement of the Committee's decisions; and
- perform other functions as envisaged by current law, the Company Charter, this Statute and other internal documents of the Company.

## **8. Organization of the Strategy Committee's Work**

8.1. The Committee shall perform as defined by this Statute and pursuant to the Committee's approved work plan.

8.2. The Committee may elect a Secretary for purposes of execution of documents and conduct of business.

8.3. All Committee members may access the Company's documents and information subject to non-disclosure, by them, of confidential information as defined in the Company's by-laws.

8.4. The Committee may solicit opinions from other Committees of the Company's Board of Directors on issues that are within its terms of reference. Committees may hold, if needed, joint meetings presided over by their chairmen as they may agree.

8.5. The Committee may form working and expert groups, *inter alia*, with the Company's employees involved.

8.6. A draft resolution of the Board of Directors shall be attached to material submitted by the Committee for meetings of the Board of Directors.

8.7. The Committee shall hold no less than four (4) meetings a year, plus meetings held by decision of the Chairman of the Committee, by decision of the Company's Board of Directors and at the request of any Committee member or the General Director of the Company.

8.8. Persons entitled to request convocation of a Committee's meeting by virtue of para. 8.7. hereinabove shall send the Chairman of the Committee a request to convene the Committee, which request shall be in writing, substantiate the need for holding a Committee's meeting and considering proposed issues and specify a person (and his position) moving that the Committee be convened. The request shall be signed by a person who made it.

8.9. The decision on convocation of a Committee's meeting, its date, time, venue and agenda, and also on the list of persons invited to attend the meeting shall be made by the Chairman of the Committee.

8.10. The Committee convocation notice shall indicate:

- meeting format (joint presence or absentee voting);
- meeting time, date and venue, and in the event of absentee voting – deadline for receipt of voting bulletins (meeting date) and a postal address to which filled-out bulletins should be sent; and
- meeting agenda.

8.11. The notice shall be signed by the Chairman of the Committee. If the Chairman of the Committee is absent and the Committee must hold its meeting pursuant to this Statute, the convocation notice may be signed by any of Committee members. The notice shall be sent to Committee members within reasonable timeframes.

## **9. Procedure for Holding Strategy Committee's meetings**

9.1. Committee's meetings shall be presided over by the Chairman. If the Chairman of the Committee is absent, Committee members shall elect a chairman from those attending the meeting.

9.2. A Committee's meeting shall be valid (have a quorum) if attended by no less than two (2) Committee members. In defining a quorum, account must be taken of written opinions of a Committee member absent from the meeting, which written opinion may contain such Committee member's voting both on all agenda items and some of those.

9.3. Committee's meetings may be held in the form of joint presence of Committee members or absentee voting.

9.4. Members of the Company's Board of Directors, General Director of the Company, Company employees or other persons may attend Committee's meetings at the invitation of the Chairman of the Committee or its members. Invitees shall have no rights to vote on agenda items.

## **10. Decision-Making Procedure for the Strategy Committee**

10.1. When making decisions, each Committee member shall have a single vote.

10.2. Committee decisions shall be passed by a simple majority of votes of the total number of all Committee members.

10.3. In defining results, account must be taken of written opinions of a Committee member absent from the meeting, which written opinion should be presented pursuant to para. 9.2. hereinabove.

10.4. A Committee member abstaining from voting or casting a Nay vote may state in writing his specific opinion within no less than 24 hours after the Committee's meeting and request that it be entered in the Minutes of the meeting.

## **11. Procedure for Making Changes in, and Addenda to, the Statute on Strategy Committee**

11.1. This Statute with all amendments and addenda thereto shall be approved by the Company's Board of Directors.

11.2. Amendments and addenda to the Statute may be proposed by the Committee or its Chairman.

11.3. For other issues not covered by this Statute, the Company Charter, other internal documents of the Company and current RF Law shall apply.