APPROVED BY

OJSC Kuzbasskaya Toplivnaya Company Board Resolution

Minutes of Proceedings No. 9/03

dated August 26, 2010

Chairman of the Board of Directors

_____ V. V. Danilov

OJSC KUZBASSKAYA TOPLIVNAYA COMPANY

REGULATIONS

ON THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

OF THE BOARD OF DIRECTORS

Kemerovo, 2010

1. GENERAL PROVISIONS

1.1. These Regulations on the Human Resources and Compensation Committee of the OJSC Kuzbasskaya Toplivnaya Company Board of Directors (hereinafter referred to as "**Regulations**") have been prepared pursuant to the law of the Russian Federation, the Articles of Incorporation of OJSC Kuzbasskaya Toplivnaya Company (hereinafter referred to as "Company") and the Regulations on the OJSC Kuzbasskaya Toplivnaya Company Board of Directors.

1.2. The Human Resources and Compensation Committee of the OJSC Kuzbasskaya Toplivnaya Company Board of Directors (hereinafter "**Human Resources and Compensation Committee**" or "**Committee**") has been established for the purpose of prior consideration and preparation of recommendations for the Board of Directors to be used for making decisions on matters within the authority of the Company's Board of Directors that are concerned with identifying priority areas of human resources and compensation of members of the Company's management and the Internal Audit Commission of the Company.

1.3. The Human Resources and Compensation Committee is fully accountable for its performance to the Company's Board of Directors.

1.4. The Human Resources and Compensation Committee acts within the authority granted to it by the Company's Board of Directors pursuant to these Regulations.

1.5. The Human Resources and Compensation Committee is governed by the law of the Russian Federation, the Company Articles of Incorporation, the Regulations on the OJSC Kuzbasskaya Toplivnaya Company Board of Directors, resolutions by the Company's Board of Directors, these Regulations and other corporate bylaws of the Company that are approved by the General shareholders meeting and the Board of Directors of the Company as well as by the resolutions by the Human Resources and Compensation Committee of the Company.

1.6. Terms used but not defined in these Regulations shall be applied in the meanings they are used in the Company Articles of Incorporation and the Regulations on the OJSC Kuzbasskaya Toplivnaya Company Board of Directors unless otherwise provided by these Regulations.

2. GOALS AND OBJECTIVES OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

2.1. The key goal of establishing the Human Resources and Compensation Committee is drafting and presenting recommendations to the Company’s Board of Directors on

2.1.1. priority areas of the Company in human resources and compensation of the members of the Company management and the Internal Audit Commission of the Company;

2.1.2. the Company's policy and standards of selection of candidates for management positions that are designed to engage skilled specialists into corporate governance;

2.1.3. other matters of its business.

2.2. The Committee shall ensure the actual involvement of the members of the Company's Board of Directors into monitoring and establishing their personal awareness of the Company's policies on human resources and compensation of the members of the Company management and the Internal Audit Commission of the Company.

2.3. Within the scope of its authority the Committee shall work jointly with the Company's governing body, the Department of Human Resources and Document Management (hereinafter **"Department ")** and, if needed, with other subdivisions of the Company.

3. AUTHORITY OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

3.1. In order to ensure objective and independent information to the members of the Company's Board of Directors in accordance with the objectives formulated in Article 2 of these Regulations, the Human Resources and Compensation Committee within the Company's Board of Directors is authorized to:

3.1.1. provide recommendations to the Company's Board of Directors on priority areas in human resources and compensation of the members of the Company's management and the Internal Audit Commission of the Company;

3.1.2. prior assess candidates for respective management positions of the Company and furnish appropriate recommendations to the Company's Board of Directors;

3.1.3. develop and submit to the Company's Board of Directors for its consideration additional criteria to be used to determine whether a member of the Company's Board of Directors has the status of an independent director;

3.1.4. furnish recommendations to the Company's Board of Directors on material provisions of contracts that are signed with the management of the Company;

3.1.5. analyze performance of the members of the Company's management and the Internal Audit Commission with a view of a possible increase in the amount of their compensation and other remunerations;

3.1.6. provide recommendations to the Company's Board of Directors on the amount of compensations to be paid to the members of the Company's Internal Audit Commission;

3.1.7. provide proposals to the Company's Board of Directors as to the reappointment of members of the Company's management;

3.1.8. develop key areas in human resources and compensation of the members of the Company's management and Internal Audit Commission (in case the extent of compensation for the Human Resources and Compensation Committee members as members of the Board of Directors has been discussed and put to the vote, the Committee members shall not vote on such matters);

3.1.9. analyze the changes in personal details provided by the members of the Company's Board of Directors who are legally bound to disclose them subject to the provisions of the law, the Company Articles of Incorporation and the Regulations on Company's Board of Directors with regard to an interest in the Company transactions when relevant decisions are being made by the Board of Directors; to the affiliation with the Company; to the obstacles preventing a Board member from discharging his/her duties; to an independent director losing his status as an independent director;

3.1.10. perform a comparative analysis and inform the Board of Directors about other companies' management compensation policies and programs;

3.1.11. provide, in verbally or in writing and within the scope of its authority, opinions (as may be required by the Company's Board of Directors) or recommendations (as it may think fit) on separate issues, and upon the completion of the year submit to the Board of Directors annual records of

performance of the Human Resources and Compensation Committee.

3.2. To ensure the granted authority, the Company's Board of Directors entitles the Human Resources and Compensation Committee to

3.2.1. monitor and verify the execution of resolutions and orders by the Board of Directors relating to the Committee’s performance;

3.2.2. inquire and obtain in accordance with the existing rules any necessary information from the Company's executive, the Board members, heads of the Company's subdivisions and other Company's employees;

3.2.3. invite, if needed, the persons indicated in clause 9.5. of these Regulations to the meetings of the Human Resources and Compensation Committee;

3.2.4. propose changes and amendments to these Regulations;

3.2.5. develop, if needed, and submit for approval of the Board of Directors draft documents that regulate the performance of the Human Resources and Compensation Committee;

3.2.6. have other rights necessary for the Human Resources and Compensation Committee to perform its functions.

4. MEMBERSHIP OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE AND ELECTION OF ITS MEMBERS

4.1. The Human Resources and Compensation Committee shall be elected from among the Board members and consist of at least three persons. At least one member of the Committee shall be an independent director.

4.2. The Human Resources and Compensation Committee members shall be appointed at the meeting of a new Board of Directors from among the Board members for the period until another new Board of Directors has been elected at the General shareholders meeting of the Company. Such resolution shall be approved by a simple majority of votes of the total number of the Board members.

4.3. The Human Resources and Compensation Committee members may be appointed an unlimited number of times.

4.4. By the Company’s Board resolution all or any Committee members may be early terminated.

4.5. A nominee to the Human Resources and Compensation Committee shall be of unblemished reputation and enjoy the confidence of the Company's shareholders and the members of the Board of Directors of the Company. During the election of the Human Resources and Compensation Committee members preference shall be given to those having a higher education in law, economics or management.

4.6. The specific legal status of the Chairman and the Secretary of the Human Resources and Compensation Committee is provided in Articles 5 and 6 of these Regulations.

5. THE CHAIRMAN OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE AND HIS ELECTION

5.1. The Chairman of the Human Resources and Compensation Committee shall be elected from among the Committee members at the meeting of the new membership of the Company's Board of Directors. The resolution on the election of the Chairman of the Human Resources and

Compensation Committee shall be adopted by a simple majority of votes of the total number of members of the Company's Board of Directors. The Company's Board of Directors has the right to re-elect the Chairman at any time by a majority of votes of the total number of members of the Board of Directors.

5.2. The Chairman of the Human Resources and Compensation Committee shall be elected from among independent directors.

5.3. The Chairman of the Human Resources and Compensation Committee shall arrange for the work of the Committee, including

5.3.1. convening meetings of the Committee and presiding thereover;

5.3.2. approving the agenda of the Committee meetings, including the list of issues for consideration at the meetings of the Committee which is based on the discussion with members of the Committee;

5.3.3. arranging for the discussions of various matters during Committee meetings and considering the opinions of the persons invited to participate in the meetings;

5.3.4. keeping in regular contact with the Company's governing body, the Company's Board of Directors, the Department and other subdivisions of the Company, and also with the Company's employees for the purpose of receiving the most complete and reliable information needed by the Committee for decision-making and of ensuring their efficient communication with the Company's Board of Directors;

5.3.5. distributing duties among the Human Resources and Compensation Committee members;

5.3.6. preparing the schedule of meetings for the current year taking into consideration the schedule of meetings of the Company Board of Directors;

5.3.7. performing other functions required by law, the Company Articles of Incorporation, these Regulations and other corporate bylaws of the Company.

6. THE SECRETARY OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

6.1. The Secretary of the Company's Board of Directors shall be the Secretary of the Human Resources and Compensation Committee.

6.2. The Secretary of the Human Resources and Compensation Committee shall ensure preparation and holding of Committee meetings, collection and systematizing of the materials required for such meetings, timely forwarding of notifications of Committee meetings, the agenda and materials related to the agenda to the Committee members and the invitees, keeping the minutes of the meetings, preparation of drafts resolutions of the Human Resources and Compensation Committee as well as subsequent storage of all relevant materials. The Secretary shall ensure that the Committee members obtain the necessary information.

7. TIME AND PROCEDURE FOR REGULAR MEETINGS OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

7.1. The Human Resources and Compensation Committee meetings shall be held in accordance

with the schedule approved by the Human Resources and Compensation Committee, but no less than four (4) times per year, and also as required by the persons indicated in clause 8.1. of these Regulations.

7.2. The decision to hold a regular meeting of the Human Resources and Compensation Committee, its date, hour and venue, agenda items and also the decision on the list of persons to be invited to participate in the meeting shall be made by the Human Resources and Compensation Committee Chairman in accordance with the schedule of regular Committee meetings.

The decision to hold an extraordinary meeting of the Human Resources and Compensation Committee, on its date, hour and venue, agenda items and also the decision on the list of persons to be invited to participate in the meeting shall be made by the Human Resources and Compensation Committee Chairman arising from proposals made by the persons indicated in clause 8.1. of these Regulations.

7.3. The Secretary of the Committee shall prepare a notice of the Human Resources and Compensation Committee meetings and send it to the persons who shall participate in the meeting pursuant to the requirements for such notices provided in the Regulations on the Board of Directors no later than three (3) business days prior to the date of the Committee meeting.

7.4. The Committee meetings shall be prepared by the Secretary of the Committee under the supervision of the Chairman of the Committee.

7.5. The key elements of holding an extraordinary Human Resources and Compensation Committee meeting are stipulated in Article 8 of these Regulations.

8. EXTRAORDINARY MEETING OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

8.1. Extraordinary meetings of the Human Resources and Compensation Committee shall be held by the resolution of the Chairman of the Committee, as required by any Committee member, by the Company's Board of Directors and by any governing body of the Company.

8.2. Those persons who in accordance with clause 8.1. of these Regulations have the right to requisition that an extraordinary Committee meeting be held shall forward their requisition to convene a Committee meeting to the Secretary of the Committee no later than five (5) business days prior to the expected date of the extraordinary Committee meeting. Such requisition shall be prepared and forwarded to the Secretary of the Committee pursuant to the requirements stipulated in the Regulations on the Board of Directors with regard to the procedure for the requisition that the meetings of the Board of Directors be held. The Secretary of the Committee shall notify the Chairman of the Committee of the above requisitions no later than the day following the day when such requisition was received.

8.3. Within three (3) business days from the date of the requisition to hold an extraordinary meeting the Chairman of the Committee shall make a decision to hold an extraordinary meeting, fix the date, hour and venue of the meeting or the date of the absentee vote, or make a decision to refuse to convene an extraordinary Committee meeting. A letter specifying the reasons for refusal to hold an extraordinary Committee meeting shall be forwarded to the person or the body of the Company requesting that such meeting be held within two (2) business days from the moment of the Chairman’s decision to refuse to hold such meeting.

8.4. The Chairman of the Human Resources and Compensation Committee may make a decision to

refuse to hold an extraordinary Committee meeting if

8.4.1. these Regulations do not provide for adding the item (items) suggested for the agenda of the Committee meeting to the Committee's authority;

8.4.2. an agenda item that is the reason for holding an extraordinary Committee meeting has been included into the agenda of the closest regular meeting held as resolved by the Chairman of the Human Resources and Compensation Committee before the receipt of the above requisition;

8.4.3. the procedure for the requisition that a meeting be held established by these Regulations has not been observed.

9. THE PROCEDURE FOR MEETINGS OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

9.1. The Chairman of the Committee shall act as the chairman of the Human Resources and Compensation Committee meetings. In case of his/her absence from the meeting, the Committee members shall elect the chairman of the meeting from among the Committee members who are present at the meeting.

9.2. The Human Resources and Compensation Committee meeting shall be considered having a quorum if it is attended by at least two (2) Committee members. The quorum shall be determined by the Chairman of the Committee at the opening of the meeting. If there is no quorum, a Committee meeting shall be adjourned and be held within five (5) business days with the same agenda.

9.3. Committee meetings shall be held as collective meetings with attendance of the Committee members. A written opinion of a Committee member absent from the meeting shall be given consideration when constituting a quorum and counting the votes on the agenda.

A written opinion should be presented to the Committee Chairman by a Committee member prior to a Committee meeting.

A written opinion of a Committee member may contain his/her vote on all the agenda items as well as individual ones. A written opinion of a Committee member shall be given consideration only when constituting a quorum and counting the votes on the agenda items for which such vote has been cast.

9.4. A written opinion of a Committee member shall not be given consideration when constituting a quorum and counting the votes for the items, including

9.4.1. recommendations to the Board of Directors of the Company on the candidates for the management positions;

9.4.2. the expediency of reappointment of the members of the Company's management.

9.5. The Committee's meetings may be attended by the Company's employees, and also third parties invited by the Chairman of the Committee. The invited persons have no voting rights with regard to the Committee meeting agenda items.

10. DECISION-MAKING PROCEDURE OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

10.1. Each member of the Human Resources and Compensation Committee shall have one vote.

10.2. A Committee member may not transfer his/her voting right to other persons, including other Committee members.

10.3. In the event of an equality of votes the member of the Human Resources and Compensation Committee acting as the chairman of the meeting shall have a casting vote.

10.4. Resolutions of the Committee shall be passed by a simple majority of votes of the total number of the Committee members.

11. MINUTES OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE MEETINGS

11.1. The Secretary of the Committee shall prepare minutes of the meeting no later than three (3) business days following a Committee meeting.

11.2. The minutes of a Human Resources and Compensation Committee meeting shall be signed by the Committee member acting as the chairman of the Committee meeting who is responsible for the accuracy of the minutes. The minutes shall be made in two original copies. One copy shall be provided to the Board of Directors within three (3) business days from the date of signing with recommendations and conclusions on the respective items enclosed; the other shall be kept in the archive of the Committee.

11.3. The minutes of a Human Resources and Compensation Committee meeting shall include

11.3.1. the date, venue and hour of the meeting;

11.3.2. a list of the Committee members who participated in the discussion of the agenda items as well as a list of other persons who attended the Committee meeting;

11.3.3. the agenda;

11.3.4. proposals on the agenda made by the Committee members;

11.3.5. matters that were put to the vote and the results of the relevant voting;

11.3.6. resolutions adopted.

12. REPORTING OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE TO THE COMPANY'S BOARD OF DIRECTORS

12.1. The Human Resources and Compensation Committee shall furnish the Company's Board of Directors with annual records of performance no later than 20 (twenty) calendar days prior to the date of the annual shareholders meeting of the Company.

12.2. The Committee's records shall contain information on the Committee's performance during the year, and in particular, on

12.2.1. recommendations presented to the Company's Board of Directors on material provisions of contracts that are signed with the members of the Company's governing body;

12.2.2. recommendations provided to the Company's Board of Directors on the expediency of reappointment of the members of the Company management to the same positions;

12.2.3. analyze the changes in personal detals provided by the members of the Company's Board of Directors who are legally bound to disclose them subject to the provisions of the law, the Company Articles of Incorporation and the Regulations on Company's Board of Directors with regard to an interest in the Company transactions when relevant decisions are being made by the Board of Directors; to the affiliation with the Company; to the obstacles preventing a Board member from discharging his/her duties; to an independent director losing his status as an independent director;

12.2.4. perform a comparative analysis and inform the Board of Directors of other companies'

management compensation policies and programs;

12.2.5. opinions on various matters provided to the Company's Board of Directors in accordance with Article 3 of these Regulations;

12.2.6. identified breaches of Article 13 of these Regulations;

12.2.7. compliance of the Committee meeting with the schedule approved by the Committee.

The Committee's records may contain other material information at the discretion of the Human Resources and Compensation Committee.

12.3. The Board of Directors of the Company shall consider the Human Resources and Compensation Committee records at the closest meeting of the Company's Board of Directors;

12.4. The Chairman of the Committee shall present the records of the Human Resources and Compensation Committee to the Company's Board of Directors.

12.5. The Board of Directors of the Company may authorize the Human Resources and Compensation Committee to present its opinion on individual matters. In this case, the Board of Directors shall fix a reasonable deadline for its execution by the Human Resources and Compensation Committee.

12.6. The Human Resources and Compensation Committee may at its own discretion furnish the Company's Board of Directors with its recommendations on any matter related to its business and, in cases provided in these Regulations, shall prepare an opinion for the Board of Directors.

12.7. The reasonable consideration of the recommendations provided by the Human Resources and Compensation Committee to the Company's Board of Directors pursuant to clause 12.6. of these Regulations, shall be given to at the meeting of the Company's Board of Directors.

12.8. The Company's Board of Directors shall have the right at any time during the year to request that the Human Resources and Compensation Committee provide a report on the current business of the Committee. The deadline for preparation and presentation of such report shall be fixed by the Board of Directors.

13. COMMUNICATION WITH THE COMPANY'S BODIES AND OTHER PERSONS

13.1. Since, in order to ensure efficiency of the Committee, its members need to have access to necessary information, the members of the Company's governing body, the Office of the Board of Directors, the heads of the Company's subdivisions, and also other Company's employees, shall, upon demand of the Committee, provide to the Committee comprehensive and reliable information and the documents on the matters related the Human Resources and Compensation Committee's business within reasonable time limit established by the Committee and in accordance with the existing procedure. The demand for the information and documents shall be made in writing and signed by the Chairman of the Human Resources and Compensation Committee.

13.2. The information and documents specified by clause 13.1. of these Regulations shall be provided to Human Resources and Compensation Committee via the Secretary of the Committee.

13.3. If needed, experts and specialists having the necessary professional expertise may be involved into the business of the Committee for the purpose of considering specific matters related to the business thereof. The procedure for and the conditions of involvement of experts and specialists in the business of the Committee shall be determined by the contract between the Company and such persons.

14. APPROVAL AND AMENDMENTS TO THESE REGULATIONS

14.1. These Regulations as well as all changes and amendments thereto shall be approved by the Company's Board of Directors by a simple majority of votes of the total number of members of the Company's Board of Directors.

14.2. All issues that are not resolved by these Regulations shall be regulated by the Company Articles of Incorporation, the Regulations on the Board of Directors, other corporate bylaws of the Company and according to the applicable law.

14.3. In the event some articles of these Regulations contradict the applicable law and legal requirements of the Russian Federation due to some amendments being made to them, the latter shall prevail until changes are made to these Regulations.

14.4. The annual report of the Human Resources and Compensation Committee that shall be submitted to the Company's Board of Directors in accordance with Article 12 of these Regulations may contain recommendations to the Board of Directors on the necessary changes and amendments to be made to these Regulations.