

**VimpelCom Ltd.**  
**Compensation Committee Charter**

**Purpose**

The purpose of the Compensation Committee (the "**Committee**") is to assist and advise the Supervisory Board (the "**Board**") of VimpelCom Ltd. (the "**Company**") in discharging its responsibilities with respect to compensation for members of the Board and the Company's senior executives, employees and consultants, as well as selecting candidates for the Company's Chief Executive Officer (the "**CEO**"). The Committee has overall responsibility for approving and evaluating the Company's director and executive compensation and benefit plans, policies and programs and supervising the administration of the Company's equity incentive plans and other compensation and incentive programs. In addition, the Committee has responsibility and authority for reviewing and recommending action to the Board in respect of any contract providing a direct or indirect benefit to any director, officer or shareholder of the Company or any of its Subsidiaries, or any of their respective family members or affiliates. Capitalized terms used without definition in this Charter have the meanings assigned to such terms in the Company's Bye-laws.

**Membership**

The Committee shall consist of three members. In accordance with the Bye-laws, the Committee's composition shall be comprised of at least one member nominated to the Board by each Nominating Shareholder and one member who qualifies as Unaffiliated and Independent.

Subject to the Committee composition requirements contained in the Bye-laws, Committee members shall be appointed or re-appointed annually, at the first Board meeting following each annual general meeting of the Company, by the affirmative vote of at least five members of the Board. Each Committee member shall serve until his or her successor is duly appointed and qualified, subject to earlier resignation, retirement, removal by the Board or removal pursuant to Bye-law 51.3(f). Subject to the above requirements, the Company's Bye-laws and the requirements for the Committee's composition contained in the Shareholders Agreement, the Board shall have the power at any time to change the Committee's membership and to fill any vacancies on the Committee, and the Company's shareholders shall have the power to fill any vacancy resulting from the removal of the Committee's Unaffiliated and Independent member pursuant to Bye-law 51.3(f).

**Meetings**

The Committee generally will meet at least twice per year at such time and place as are determined by a consensus of the Committee, with special meetings on an as needed basis as circumstances may require. The same procedural rules concerning notice of meetings, action by means of written consent or telephonic meetings and other procedural matters shall apply to Committee meetings as apply to Board meetings pursuant to the Company's Bye-laws. The presence of at least two Committee members at all times shall be required to transact business at Committee meetings, and the affirmative vote of at least two Committee members shall be required to authorize any action or recommendation of the Committee. Meetings may be called by the chairman of the Committee (if one is appointed by the Board) or by the chairman of the Board. Unless otherwise authorized by an amendment to this Charter, the Committee shall not delegate any of its authority to any subcommittee.

## **Authority and Responsibilities**

The Committee shall have the following specific authority and responsibilities (in addition to any others that the Board may from time to time delegate to the Committee), in each case, subject to any rights conferred on the Company's shareholders by applicable law or the Company's By-laws:

### Compensation and Incentive Plans

1. Review from time to time, modify if necessary, and approve: (a) the Company's corporate goals and objectives relevant to executive compensation and (b) the structure of the Company's executive compensation to ensure that such structure is appropriate to achieve the Company's objectives of rewarding the Company's executives appropriately for their contributions to the Company's growth and profitability and the Company's other goals and objectives and linking the interests of the Company's executives to the long-term interests of the Company's equity owners through a mix of long-term and short-term incentives and features that include downside risk, as well as upside potential.
2. Annually evaluate the compensation (and performance relative to compensation) of the CEO and determine the amounts and individual elements of the CEO's total compensation consistent with the Company's corporate goals and objectives and, to the extent desired or required by the rules of the NYSE or any other applicable regulations, communicate annually to shareholders the factors and criteria on which the CEO's compensation for the last year was based, including the relationship of the Company's performance to the CEO's compensation. In determining the long-term incentive component of the CEO's compensation, the Committee should consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in prior years.
3. Annually evaluate (in conjunction with the CEO) the compensation (and performance relative to compensation) of the Company's other executives and approve the individual elements of total compensation for each such person and, to the extent desired or required by the rules of the NYSE or other applicable regulations, communicate annually to shareholders the specific relationship of the Company's performance to executive compensation.
4. Periodically evaluate the terms and administration of the Company's annual and long-term incentive plans to assure that they are structured and administered in a manner consistent with the Company's goals and objectives as to participation in such plans, target annual incentive awards, corporate financial goals, actual awards paid to the Company's executives, and total funds reserved for payment under the compensation plans.
5. Periodically evaluate (and approve any proposed amendments to) existing equity-related plans and evaluate and approve the adoption of any new equity-related plans and determine when it is necessary (based on advice of the Company's counsel) or otherwise desirable: (a) to modify, discontinue or supplement any such plans; or (b) to submit such amendment or adoption to a vote of the full Board and/or the Company's shareholders.
6. Periodically evaluate the compensation of directors of the Company or any of its Subsidiaries, including for service on Board committees and taking into account the compensation of directors at other comparable companies, and make recommendations to the Board regarding any adjustments in director compensation that the Committee considers appropriate.

7. Approve annual retainer and meeting fees for members of the Board and membership on committees of the Board and fix the terms and awards of any equity-related compensation for members of the Board.
8. Approve revisions to the Company's executive salary range structure, annual salary increase guidelines, and discuss all such compensation arrangements with the CEO.
9. Periodically evaluate the Company's employee benefit programs and approve any significant changes therein and determine when it is necessary (based on advice of counsel) or otherwise desirable to submit any such changes to a vote of the full Board and/or the Company's shareholders.

#### CEO Selection

10. On the Board's instruction, the Committee shall identify and select candidates to serve as the CEO in accordance with Bye-Law 51 of the Company's Bye-laws. The Committee shall select and engage on commercially reasonable terms a Search Consultant to identify up to five candidates to become CEO who meet the candidate considerations set out in Bye-law 51.4. Any Nominating Shareholder may suggest candidates to the Search Consultant for inclusion in the proposal to the Committee.
11. Based on the Committee's identification of individuals qualified to serve as the CEO in accordance with Bye-Law 51 of the Company's Bye-laws, the Committee shall use its best efforts to unanimously agree on one candidate to recommend to the Board as the Committee's proposed candidate for the CEO position. If the Committee is unable unanimously to agree on a single candidate, the Committee shall reduce the list to a maximum of two candidates, with at least one candidate supported by each Nominating Shareholder, for recommendation to the full Board.
12. If no candidate is selected by the Board and the Company's shareholders select an Unaffiliated and Independent member of the Committee in accordance with Bye-law 51.3(f), and if both of the two candidates for CEO who had been previously proposed to and considered by the Board in accordance with Bye-laws 51.2 and 51.3(c) are still under consideration, a meeting of the Committee shall be held as soon as practicable at which such candidates shall be considered by the Committee. The candidate receiving two or more affirmative votes of members of the Committee present and voting shall be appointed as the CEO without the need for any further consideration, approval or determination by the Board, or any other person. If no such candidate receives two affirmative votes of members of the Committee, the selection process shall be re-commenced as soon as practicable in accordance with Bye-law 51.2. If, following the shareholder selection of a member of the Committee in accordance with Bye-law 51.3(f), either or both of the two candidates for CEO who have been previously proposed to and considered by the Board in accordance with Bye-laws 51.2 and 51.3(c) are no longer under consideration, then the selection process shall be re-commenced as soon as practicable in accordance with Bye-laws 51.2 and 51.3(a) to (d); provided that if following the completion of such process, no CEO has been selected, a meeting of the Committee shall be held as soon as practicable at which such candidates shall be considered by the Committee. The candidate receiving two or more affirmative votes of members of the Committee present and voting shall be appointed as the CEO.
13. In evaluating candidates for the CEO position, the Committee shall take into account all factors it considers appropriate in addition to the Candidate Considerations, which may include strength of character, mature judgment, demonstrated leadership abilities, career specialization, relevant technical skills, diversity and communication skills.

14. The Committee shall conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates for the CEO position.

#### Other Actions

15. In addition to having the authority to select, retain and terminate a Search Consultant, the Committee shall have sole authority to retain and terminate any compensation consultant that may be engaged to assist in evaluating the compensation of the Company's directors, the CEO or other executives of the Company and its Subsidiaries and to approve such consultant's fees and other terms of retention.
16. Perform an annual self-evaluation of the Committee's performance and annually reassess the adequacy of and, if appropriate, propose to the Board any desired changes in this Charter.

#### **Structure and Operations**

By the affirmative vote of at least five members of the Board, the Board shall designate one member of the Committee to act as its chairman. The chairman, with input from the other Committee members and, where appropriate, management, shall set and distribute agendas and background materials for each Committee meeting. Except as expressly provided in this Charter, the Company's Bye-laws or the Company's corporate governance guidelines, or as required by law, regulation or NYSE listing requirements, the Committee shall set its own rules of procedure.

The Committee may request that any directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. Attendance by any directors who are not members of the Committee shall be on a non-voting basis. The Committee may exclude from its meetings anyone the Committee deems appropriate.

The Committee shall maintain minutes or other records of its meetings and shall give regular reports to the Board on these meetings and such other matters as required by this Charter or as the Board shall from to time specify. Reports to the Board may take the form of oral reports by the chairman of the Committee or any other Committee member designated by the Committee to give such report.

#### **Amendment of this Charter**

Any amendment to this Charter must approved by the affirmative vote of at least six members of the Board.

#### **Availability**

This Charter will be made available on the Company's website at [www.vimpelcomlimited.com](http://www.vimpelcomlimited.com).