

**APPROVED BY**

Resolution of the Board of Directors  
of OJSC Oil Company Rosneft  
Minutes No. 5 dated October 18, 2008

**REGULATIONS ON STAFF AND REMUNERATIONS COMMITTEE  
OF BOARD OF DIRECTORS  
OF  
OPEN JOINT STOCK COMPANY  
OIL COMPANY ROSNEFT  
(new version)**

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### **Article 1. Regulations on Staff (Appointments) and Remunerations Committee of Board of Directors**

In accordance with the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", other regulatory legislative acts of the Russian Federation, Corporate Governance Code and Charter of OJSC Oil Company Rosneft (hereinafter the "Company"), these Regulations establish the functions and procedure of cooperation of the Staff (Appointments) and Remunerations Committee of Board of Directors (hereinafter the "Staff and Remunerations Committee of Board of Directors" or the "Committee") with the Company bodies.

### **Article 2. General Provisions on Committee**

1. The Staff and Remunerations Committee shall be responsible for attracting qualified specialists to the management of the Company and creating necessary incentives for their successful work.

2. The Committee should consist only of members of the Board of Directors who are not executive directors of the Company. An independent director should be Head of the Committee.

### **Article 3. Committee's Functions**

1. The Committee's functions include preparation of draft resolutions on the following matters of the Company's Board of Directors authority:

- recommendations to the General Meeting of Shareholders regarding the size of remuneration and compensation paid out to members of the Company's Internal Audit Commission;
- approval of the Company's internal documents relating to the Committee's functions;
- use of the employee share ownership fund;
- approval of the provisions on bonuses and options;
- approval of the Company's Registrar and terms of a contract with him on keeping a register of the owners of registered securities, as well as cancellation of the contract with him;
- approval of appointment of an official responsible for observance of the procedures on ensuring the shareholders' rights (Corporate Secretary of the Company);
- approval of the Secretary of the Board of Directors;
- approval of a contract with a person exercising the powers of the sole executive body of the Company including terms and conditions on remuneration and other payments, making amendments and addenda to such contract;
- determination of a person authorized to sign contracts on behalf of the Company with a person exercising the powers of the sole executive body of the Company;
- giving consent to a person exercising functions of the sole executive body of the Company to hold positions in governing bodies of other organizations;
- determination of the number of members of the collective executive body of the Company (Management Board);
- approval of members of the collective executive body of the Company (Management Board), early termination of powers of some of the members of the collective executive body of the Company (Management Board) or powers of all of the members of the collective executive body of the Company (Management Board);
- approval of a contract with a member of the collective executive body of the Company (Management Board) including the terms and conditions of remuneration and other payments, providing amendments and addenda to said contract;
- determination of a person authorized to sign contracts on behalf of the Company with a member of the collective executive body of the Company;
- deciding upon cancellation of contracts, also upon an early cancellation thereof, with a member of the collective executive body of the Company;
- giving consent to a member of the collective executive body of the Company (Management Board) to hold positions in governing bodies of other organizations.

The Committee may be entrusted with preparing draft resolutions on other issues within the competence of the Board of Directors.

2. The Committee shall define additional criteria for selecting candidates for the Board of Directors in cases provided for by law.

3. The Committee shall define additional criteria for selecting candidates for the sole executive body, collective executive body and heads of main structural units, branches and representative offices of the Company.

4. The Committee shall consider and submit for approval of the Board of Directors the staff policy of the Company including issues of compensation and incentives with respect to the Company's employees.

5. The Committee shall develop the principles and criteria with respect to the size of remuneration and compensation to be paid out to the members of the Board of Directors, the Internal Audit Commission, the sole executive body, members of the collective executive body and heads of main structural units, branches and representative offices of the Company, and other payments to the benefit of the above-mentioned persons from the Company's funds (including life insurance, health insurance, and non-state retirement insurance), as well as other criteria of assessing their activities.

Members of the Committee may not participate in making decisions on assessment of their own activities and when determining the extent of their remuneration.

6. The Committee shall carry out continuous monitoring to ensure conformity of the Company's criteria and policies with respect to staff and remuneration with its financial standing and the situation in the labor market.

7. The Committee shall consider reports on the Company's sustainable development prepared in accordance with international standards.

8. The Committee shall carry out a regular assessment of the activities of the sole executive body and members of the collective executive body.

9. The Committee shall develop and submit for the approval of the Board of Directors programs of long-term remuneration of the Company employees, related to the transfer to them of the Company's securities.

10. The Committee shall ensure permanent cooperation of the Board of Directors with:

- Company's executive bodies;
- Company's structural unit responsible for implementation of Company's staff policies including remuneration and incentives policies with respect to the Company's employees (hereinafter the staff office).

#### **Article 4. Committee's cooperation with Company's executive bodies**

The executive bodies shall furnish to the Committee the necessary information, ensure the completeness of the above-said information and the timeliness of furnishing it, display their own initiative in furnishing information without confining themselves to the answers to the enquiries of the Committee or its members, with due account for the restrictions established by the regulatory acts of the Russian Federation, the Charter and internal documents of the Company.

#### **Article 5. Committee's cooperation with structural unit responsible for implementation of Company's staff policies including remuneration and incentives policies with respect to Company's employees**

1. Jointly with the Company's staff office, the Committee shall carry out preliminary evaluation of candidacies for the position of Deputy President, Chief Accountant, Financial Director, and Director on Scientific Development of the Company.

2. Jointly with the Company's staff office, the Committee shall give a preliminary approval of the form and amount of remuneration and compensation to President, Deputies President, Chief Accountant, Financial Director, and Director on Scientific Development of the Company and other payments to the benefit of the above-mentioned persons from the Company's funds (including life insurance, health insurance, and non-state retirement insurance).