

**APPROVED BY**

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

**REGULATIONS ON PROCEDURE FOR ESTABLISHMENT  
AND OPERATION OF COMMITTEES OF BOARD OF DIRECTORS  
OF  
OPEN JOINT STOCK COMPANY  
OIL COMPANY ROSNEFT  
(new version)**

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**Article 1. Regulations on procedure for establishment and operation of Committees 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 a procedure for formation and operation of the Committees of Company’s Board of Directors.

**Article 2. Establishment of Committees of Board of Directors**

1. To perform its functions, the Board of Directors shall create, from among its members, permanent committees. Such committees shall be responsible for the preliminary consideration of the most important matters and preparation of recommendations based on which the Board of Directors shall approve resolutions on such matters.

The following Committees shall be established:

- Audit Committee;
- Staff and Remunerations Committee;
- Strategic Planning Committee.

If necessary, other permanent or *ad hoc* committees may be formed by the decision of the Board of Directors.

2. The Committees shall be formed from among members of the Board of Directors, having professional experience in and knowledge of the relevant field.

A Committee shall be comprised of at least three members.

The mandate of all or part of the Committee members may be terminated prematurely by the decision of the Board of Directors.

3. No Committee shall be a governing body of the Company. A Committee shall not have the power to act on behalf of the Board of Directors of the Company.

4. The Committees shall consist of members of the Board of Directors of the Company, who are not executive directors of the Company. The Audit Committee and the Staff and Remuneration Committee shall be headed by independent directors.

One member of the Board of Directors may serve on no more than two committees.

5. A member of the Board of Directors shall be qualified as an independent member of the Board of Directors (independent director), provided that he / she

- for the past 3 years has not been and currently is not an officer (manager) or employee of the Company;
- is not an officer of another Company, where any of the officers of the Company is a member of the Staff and Compensation Committee of the Board of Directors;
- is not a person, affiliated to an officer of the Company;
- is not a person, affiliated to the Company, with the exception of such substantiation for affiliation as membership in the Board of Directors, or a person, affiliated to such affiliated persons;
- is not a party, bound to the Company with obligations, pursuant to which he / she can purchase property (receive monetary assets), the cost of which constitutes 10% or more of his / her aggregate annual income, other than remuneration for service as a member of the Board of Directors;
- is not a major counterparty of the Company (such as counterparty, whose aggregate volume of transactions with the Company within one year amounts to 10% or more of the balance sheet assets of the Company);
- is not a representative of the Government.

At the end of the 7-years period of serving as a member of the Board of Directors of the Company, the independent director shall not be regarded as independent.

6. The Board of Directors shall approve the internal regulations, specifying the procedure for formation and operation of the Committees.

**Article 3. Meetings of Committees of Board of Directors**

1. Meetings of a Committee shall be held in accordance with the work schedule, approved at the meeting of the Committee, and as necessary, but at least once in three months’ period.

2. The work schedule of the Committee shall be developed on the basis of the approved work schedule of the Board of Directors of the Company.

3. The agenda of a meeting of the Committee shall be determined by the Chairman of the Committee. At that, any member of the Committee shall be entitled to initiate inclusion of an additional item, pertaining to the competence of the Committee, on the agenda. By mutual consent of the members of the Committee, the agenda may be amended and supplemented. If necessary, the Committee may waive discussion of the items on the agenda for the current meeting, in favor of other items, which have the highest priority by the decision of the majority of the Committee members.

4. Members of the Board of Directors of the Company, who are not members of the Committee, the sole executive body of the Company, members of the collective executive body of the Company, members of the Audit Committee of the Company, representatives of the auditor of the Company, the head of the structural unit, exercising functions of internal control of financial and economic activities, and other officers and employees of the Company may be invited to attend meeting of a Committee.

If necessary, the Committees may engage experts, possessing necessary professional knowledge.

5. Members of the Board of Directors, who are not members of the relevant Committee, the sole executive body of the Company, members of the Audit Committee of the Company, the auditor of the Company, the head of the structural unit, exercising internal control functions, as well as the experts engaged to participate in the work of the Committee may approach the Chairman of the Committee with a proposal to review any issue, pertaining to the competence of the Committee. Such an issue may be reviewed either at the nearest scheduled working meeting of the Committee, or at a specially convened meeting of the Committee, if the issue is of special importance and admits of no delay.

6. A Committee meeting shall be convened by the Chairman of the Committee on his / her own initiative or at the request by a Committee member.

7. Notification of a Committee meeting to be held, as well as the necessary materials shall be furnished to the Committee members at least three business days prior to the date of the meeting in the manner, agreed upon by the Committee members. This period of time may be reduced by the decision of the majority of the Committee members.

The Chairman of the Committee shall take necessary measures to ensure proper notification in due course. Invitation of the sole executive body of the Company, members of the collective executive body of the Company, members of the Audit Committee of the Company, and other officials and employees of the Company, as well as engagement of experts for participation in the meeting, shall be carried out under the procedure, envisaging a reasonable and sufficient time which enables the invited persons to prepare for the meeting of the Committee.

8. Meetings of the Committee shall be held either in the form of compresence, or by means of a written survey of the Committee members. Communications facilities (telephone conferences) may be used to conduct meetings of the Committee. The persons invited to participate in the meeting, including the Committee members, may present their opinions on the items on the agenda in the written form.

A meeting shall be considered legitimate (a quorum shall be present), when it is attended by (written opinions are received from) the majority of the Committee members. Absence of a quorum shall result in postponement of the meeting of the Committee.

9. All the decisions of the Committee shall be adopted by a majority of vote of the Committee members, who participate in the meeting, each Committee member having one vote.

10. At a Committee meeting, any information on the personal interest of a Committee member in reviewing a particular issue shall be disclosed.

11. A Committee may authorize a member (members) of the Committee to thoroughly examine a particular issue within the competence of the Committee and inform the Committee of the findings received in the course of the examination.

12. A Committee meeting shall be guided by the Chairman. The minutes of the meeting shall be kept by the Secretary of the Committee, whose functions shall be performed by the Secretary of the Board of Directors of the Company, and signed by the Chairman of the Committee. In the course of the meeting, opinions, presented by the Committee members and persons invited to attend the Committee meeting, shall be heard and recorded in the minutes (appended to the minutes).

The minutes of the committee meeting shall include:

- complete business name of the Company;
- time and place of holding the meeting;
- names of persons present at the meeting;
- names of persons who submitted written opinions on the items on the agenda;
- agenda of the meeting;
- issues put to the vote and voting results;
- resolutions passed.

Minutes of a committee meeting shall be drawn up within 3 working days of holding the meeting.

The minutes shall be kept with the Secretary of the Committee, who shall ensure access to the minutes of the Committee, as well as to the materials, reviewed at meetings of the Committee, for all the Committee members and members of the Board of Directors.

**Article 4. Recommendation of Committees of Board of Directors**

1. Upon the results of the meeting of a Committee, a recommendation of the Committee shall be formulated ("the Recommendation"). The Recommendation shall be presented to the meeting of the Board of Directors, where the relevant issue is reviewed. The Recommendation shall reflect the overall opinion of the Committee. Should the Committee members disagree in their opinions, their special opinions shall be separately indicated in the Recommendation.

2. The Recommendation shall be signed by the Chairman of the Committee. Materials, reviewed at the Committee meeting, may be attached to the Recommendation.

3. The Chairman of the Committee shall be responsible for furnishing the Board of Directors with the Recommendation in a timely and comprehensive manner. The Recommendation reviewed in the meeting of the Board of Directors shall be attached to the minutes of the corresponding meetings of the Committee and the Board of Directors.

4. The Recommendation to the Board of Directors shall be developed by the Committee prior to furnishing the members of the Board of Directors with information for the meeting.

Should this be impossible, the Chairman of the Committee shall notify the Secretary of the Board of Directors, if necessary, upon receiving information on the agenda of the forthcoming meeting of the Board of Directors that the Recommendation will be developed on a particular item on the agenda of the meeting of the Board of Directors.

In his / her turn, the Secretary of the Board of Directors shall bring the said information to the notice of all members of the Board of Directors, in order to provide an opportunity for the members of the Board of Directors, who intend to vote ballot, to take the Recommendations of the Committee into account.

5. Committees shall have a right to prepare proposals with respect to issues related to the Company's activity and the activity of its subsidiaries (affiliates).

**Article 5. Chairman of Committee of Board of Directors**

1. The Chairman of a Committee shall be elected by members of each Committee from among them and approved at a meeting of the Board of Directors.

The Chairman of the Board of Directors may not be Chairman of the Audit Committee.

2. The Chairman of a Committee of the Board of Directors shall:

- convene meetings of the Committee and preside the meetings;
- develop a schedule of regular meetings of the Committee for the current year;
- draft the agenda for the Committee meetings;
- ensure keeping the minutes of the Committee meetings;
- sign and present to the Board of Directors of the Company draft documents (programs, memorandums, etc.) on behalf of the Committee;
- maintain permanent contacts with the executive bodies of the Company and heads of its structural units;
- bear responsibility for organization of the Committee's work.

**Article 6. Rights and obligations of members of Committees of Board of Directors**

1. Members of a Committee shall be obliged to:

- comprehensively and fully participate in the work of the Committee;
- study documents, furnished prior to the meeting and during the meeting of the Committee;
- promptly inform the Committee of the presence of a personal interest in adopting a particular decision;
- avoid actions that may compromise the Committee or bring the expertise of its members into challenge.

2. Members of a Committee shall be entitled to:

- request any information (documents and materials) from officers and employees of the Company under the procedure, specified by the Regulations on the Board of Directors;

- request information and documents from the Board of Directors, the Internal Audit Commission, the auditor, and the business unit exercising functions of internal control of financial and economic activities of the Company;
- inspect the minutes of meetings of the Committee, the Board of Directors, and other collective bodies of the Company and obtain copies of them;
- require that their special opinion on the agenda and decisions being adopted shall be incorporated in the minutes of the meeting of the Committee and the Board of Directors;
- attend meetings of the collective executive body of the Company (the Management Board).

**Article 7. Cooperation of Committees with Company's bodies**

1. The Secretary of a Committee shall ensure settling technical and procedural issues of the Committee's cooperation with other bodies of the Company.
2. The executive bodies of the Company shall inform the Committee of all significant changes pertaining to the competence of the Committee.
3. The Chairman of the Committee shall inform the Board of Directors of the work of the Committee.

**Article 8. Support of activities of Committees of Board of Directors**

1. The Company's Board of Directors shall approve Regulations on each newly created committee which define its functions and procedure of interaction with structural units and bodies of the Company.
2. The executive body of the Company is obliged to provide access to the Company's information (documents and materials) for the members of the Committees of the Board of Directors.
3. In order to support the activity of the Committees of the Board of Directors, the estimate (budget) of the Company shall envisage financing of each Committee to be created (or that has been created).

**Article 9. Accountability and responsibility of Committees of Board of Directors**

1. The current Committee activities are performed in accordance with the objectives set by the Board of Directors.
2. Within one month after the General Annual Shareholders Meeting and approval of the Committee members and Chairman by the Board of Directors, the Committee Chairman initiates preparation and review of the draft principal Committee objectives for the period of authority.  
The list of the Committee principal objectives is formed in accordance with the Board of Directors Plan based on Rosneft Development Strategy and Committee functions, established by the Regulation on the Committee, in order to ensure preparation of draft resolutions on the issues within the Board of Directors authority.  
The list of the Committee principal objectives may, in accordance with the Committee functions and instructions from the Board of Directors, include the additional issues beyond the Board of Directors Activity Plan, that may still have significant impact upon the Company development.
3. Within one month after the General Annual Shareholders Meeting and review of the draft Committee objectives at the Committee meeting, the Chairman of the HR and Compensations Committee initiates the issue of approval of the principal Committee objectives at the Board of Directors meeting. For that purpose each Chairman of the BD Committee submits a presentation, a statement and a draft minutes entry to the HR and Compensations Committee for establishment of the common issue for review by the Board of Directors.
4. Adjustment of the principal Committees objectives shall be performed in accordance with modifications of the Board of Directors Activity plan and as may be required based on the Board decisions and objectives set forth for the Company for the given current period.  
The issue of the principal Committee objectives adjustment shall be initiated by the Chairman of the respective Committee with due preparation of the issue for the Board review.
5. The Committee shall submit the annual report to the Board of Directors on execution of the said Committee objectives.
6. Members of the Committee are accountable in accordance with the RF Law, the Charter and the Company internal regulations.

**Article 10. Audit Committee of Board of Directors**

The matters of operation of the Audit Committee to the extent not regulated by these Regulations shall be regulated by the Regulations on the Audit Committee.

**Article 11. Staff and Remunerations Committee of Board of Directors**

The matters of operation of the Staff and Compensation Committee to the extent not regulated by these Regulations shall be regulated by the Regulations on the Staff and Remunerations Committee.

**Article 12. Strategic Planning Committee of Board of Directors**

The matters of operation of the Strategic Planning Committee to the extent not regulated by these Regulations shall be regulated by the Regulations of the Strategic Planning Committee.