



**APPROVED**

**by the Resolution of the Board of Directors**

**Rosneft Oil Company of May 22, 2015**

**Minutes No. 34 dated May 25, 2015**

## **ROSNEFT REGULATION**

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### **ON THE INDUCTION OF ROSNEFT BOARD MEMBERS**

**№ P3-01.05 R-0032 UL-001**

**VERSION 1.00**

(with amendments approved by the decision of Board of Directors Meeting (Minutes of the meeting dated 22.06.2017 № 29) effective as of 28.08.2017 by Order № 489)

**MOSCOW  
2015**

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# INTRODUCTORY PROVISIONS

## INTRODUCTION

Regulation of Rosneft "On the induction of Rosneft Board Members" (hereinafter "the Regulations") was developed in accordance with the Federal Law "On the Joint Stock Companies" № 208-FZ of 26.12.1995, the Code of Corporate Governance recommended by the Bank of Russia for application by the joint stock companies whose securities are approved for organized trading, the Charter of Rosneft and Regulations on Rosneft Board of Directors, and sets forth a procedure for familiarization of Rosneft new Board members with Rosneft activities.

## SCOPE OF APPLICATION

The present Regulation shall be binding upon all employees of structural units of Rosneft engaged in the process of induction of Rosneft Board members.

This Regulation shall apply to newly elected members of Rosneft Board of Directors.

Rosneft Board members re-elected for the next term of office shall be entitled to participating in all activities provided for by this Regulation.

The directive documents, local normative documents and other internal documents shall not be in conflict with this Regulation.

Where the Russian Federation legislation changes and/or if any changes are introduced to the Charter of Rosneft and provisions of this Regulation get in conflict therewith, the specified legislation of the Russian Federation and/or the Charter of Rosneft should be followed.

## VALIDITY PERIOD AND AMENDMENT PROCEDURE

The present Regulation is a local regulatory standing document.

This Regulation shall be approved, amended and declared invalid based on the resolution of Rosneft Board of Directors.

The originators of changes to this Regulation are as follows: Department of Corporate Governance of Rosneft, and other structural units of Rosneft upon the agreement with Rosneft Department of Corporate Governance.

# 1. TERMS AND ABBREVIATIONS

**COMPANY** – a group of legal entities with various organizational and legal forms, including Rosneft, with respect to which the latter is the main or predominant (participating) company.

**STRUCTURAL UNIT OF ROSNEFT (SU)** – a structural unit of Rosneft Oil Company which has its own independent functions, objectives and responsibility within a designated scope of authority determined by the structural unit regulations.

**TOP MANAGERS OF ROSNEFT** – Chief Executive Officer of Rosneft, First Vice President of Rosneft, Vice Presidents of Rosneft, Chief Accountant of Rosneft, Financial Director of Rosneft, Advisors and Leaders of Structural Units and Services of Rosneft in the rank of Vice President.

## 2. GENERAL PROVISIONS

2.1. Rosneft ensures that Rosneft Board members get familiarized with Rosneft activities as quickly, fully and effectively as possible, including familiarization with strategy, corporate and organizational structure, business practice and corporate governance policies, through:

- Giving Rosneft Board members the understanding of the nature of Rosneft activities, the role of Rosneft Board of Directors in Rosneft governance system, basic rights, duties and responsibilities of Rosneft Board members, rules and regulations for Rosneft Board of Directors activities;
- Ensuring familiarization of Rosneft Board members with Rosneft development strategy, its footprint, Rosneft key performance indicators;
- Developing communication between Rosneft Board members and Rosneft top managers.

### 3. PROCEDURE FOR THE INDUCTION OF ROSNEFT BOARD MEMBERS

3.1. The process of Rosneft Board members' induction shall be coordinated by Rosneft Corporate Secretary who interacts with members of Rosneft Board of directors, top managers and heads of Rosneft structural units.

3.2. Members of Rosneft Board of Directors shall be inducted no later than within one month after their election as Rosneft Board members.

3.3. Induction of Rosneft Board members shall be carried out in the following ways:

- Conducting introduction (working) meetings with Rosneft sole executive body, members of Rosneft Management Board, other top managers and heads of structural units of Rosneft;
- Familiarization with Rosneft LND's and resolutions of Rosneft management bodies;
- Consultations on the issues of Rosneft activities and management of Rosneft Board of Directors activities;
- Visits to operational sites (assets) of the Company (if required and possible).

3.4. Introduction sessions can be conducted as individual meetings for each of Rosneft Board members, and as joint meetings. Meetings with Rosneft sole executive body are usually conducted as one-on-one meetings for each of newly elected members of Rosneft Board of Directors.

In order to ensure a comprehensive coverage of Rosneft activities, and upon the agreement with Rosneft Board members, an introduction meeting can be attended by several Rosneft top managers and (or) other heads of Rosneft structural units.

At the meetings with top managers and heads of structural units of Rosneft, Rosneft Board members are provided with information on Rosneft strategy, footprint, key operational and financial performance indicators, Rosneft securities market, Rosneft risk management, corporate governance, and corporate and social responsibility.

Additional (working) meetings can be arranged upon the initiative of Rosneft Board members for in-depth discussion of questions that emerged.

Format and details of an introduction (working) meeting shall be agreed off-line with Rosneft Board member (-s) participating in the meeting, before such meeting.

3.5. Rosneft Corporate Secretary shall provide Rosneft Board members with the following:

- The Charter of Rosneft;
- Internal documents of Rosneft governing the activities of Rosneft management and control bodies;
- Approved development strategy and business plans of Rosneft;
- Company's reporting documents, including annual and quarterly reports, annual accounting statements;
- Local normative documents governing key areas of the Company's activity, and other local normative documents as may be requested by Rosneft Board member;

- Minutes of Rosneft General Shareholders meetings, of Rosneft Board of Directors and its sub-committees meetings.

Public documents (documents placed on the official site of Rosneft, or disclosed in any other manner provided for by the RF legislation) of Rosneft shall be provided to Rosneft Board member in any way convenient to the Board member.

Other documents of Rosneft shall be provided in strict compliance with the Company Standard on Protection of Confidential Information № P3-11.03 S-0006.

Upon request of Rosneft Board member, Rosneft Corporate Secretary shall provide (ensure the provision of) a brief description of the process and (or) local normative document the Board member is interested in.

3.6. Upon request of Rosneft Board member, Rosneft Corporate Secretary shall consult the Board member on the issues of management of the Board of Directors activities, including:

- Rights, duties and responsibilities of Rosneft Board members;
- Current Rosneft procedures for preparation for and conducting Rosneft Board meetings;
- Reporting to Rosneft Board of Directors.

Rosneft Corporate Secretary shall provide Rosneft Board members with the following:

- CV's and contact details of elected members of Rosneft Board of Directors (based on the forms submitted by Rosneft Board members);
- Contact details of the members of executive bodies and other top managers of Rosneft;
- CV and contact details of Rosneft Corporate Secretary;
- Contact details of the Office of Rosneft Corporate Secretary (telephone numbers, e-mail addresses).

3.7. An orientation visit to the office (permanent location of Rosneft) shall be arranged for newly elected members of Rosneft Board of Directors.

Visits to operational sites (assets) of the Company can be arranged for Rosneft Board members upon agreement with Rosneft sole executive body.

3.8. Rosneft Board members shall be obliged to treat the information received in accordance with the Company Standard on Protection of Confidential Information № P3-11.03 S-0006 and Rosneft Regulations "On Insider Information" № P3-01.04 R-0014 UL-001.

## 4. REFERENCES

1. Federal Law № 208-ФЗ "On Joint Stock Companies" of 25.12.1995.
2. The Code of Corporate Governance recommended by the Bank of Russia for application by the joint stock companies whose securities are approved for organized trading (The Letter of the Bank of Russia № 06-52/2463 of 10.04.2014 "On the Code of Corporate Governance").
3. Regulations on Rosneft Board of Directors approved by the resolution of Rosneft General Shareholders Meeting of 27.06.2014, Minutes dated 02.07.2014 unnumbered.
4. Company Standard on Protection of Confidential Information № P3-11.03 S-0006 version 4.00, approved by Rosneft Order № 727 of 29.12.2012.
5. Rosneft Regulations "On Insider Information" № P3-01.04 R-0014 UL-001 version 1.00, approved by the resolution of Rosneft Board of Directors on 30.06.2014 (Minutes No. 39 dated 30.06.2014) and put into force by Rosneft Order N. 353 dated 24.07.2014.