

APPROVED  
By the General Shareholders Meeting  
of the Open Joint Stock Company  
Rosneft Oil Company  
on \_\_\_\_\_ «\_\_», 2009  
Minutes #

**REGULATIONS ON THE SOLE EXECUTIVE BODY (PRESIDENT)  
OF OPEN JOINT STOCK COMPANY  
OIL COMPANY ROSNEFT  
DRAFT 29.05.2009**

**TABLE OF CONTENT**

|   |          |
|---|----------|
| <b>ARTICLE 1. GENERAL PROVISIONS .....</b>  | <b>3</b> |
| 1.1.    REGULATIONS ON THE PRESIDENT .....  | 3        |
| 1.2.    STATUS OF THE PRESIDENT .....   | 3        |
| <b>ARTICLE 2. APPOINTMENT AND PRINCIPLES OF THE ACTIVITIES OF THE<br/>PRESIDENT .....</b> | <b>3</b> |
| 2.1.    APPOINTMENT OF THE PRESIDENT .....  | 3        |
| 2.2.    CONTRACT WITH THE PRESIDENT .....   | 3        |
| 2.3.    CONCURRENT HOLDING OF OTHER POSITIONS BY THE PRESIDENT .....                      | 3        |
| 2.4.    CONFLICT OF INTERESTS BETWEEN THE PRESIDENT AND THE COMPANY .....                 | 4        |
| <b>ARTICLE 3. TERMINATION OF THE POWERS OF THE PRESIDENT .....</b>                        | <b>5</b> |
| 3.1.    TERMINATION OF THE POWERS OF THE PRESIDENT .....                                  | 5        |
| 3.2.    PERFORMANCE OF THE DUTIES OF THE PRESIDENT .....                                  | 5        |
| <b>ARTICLE 4. POWERS AND RESPONSIBILITY OF THE PRESIDENT .....</b>                        | <b>5</b> |
| 4.1.    FUNCTIONS OF THE PRESIDENT .....  | 5        |
| 4.2.    RIGHTS OF THE PRESIDENT .....   | 5        |
| 4.3.    DUTIES OF THE PRESIDENT .....   | 6        |
| 4.4.    RESPONSIBILITY OF THE PRESIDENT .....   | 7        |
| <b>ARTICLE 5. DECISIONS OF THE PRESIDENT .....</b>  | <b>7</b> |
| <b>ARTICLE 6. REPORTS ON ACTIVITIES OF THE PRESIDENT .....</b>                            | <b>7</b> |

## **Article 1. General provisions**

### **1.1. Regulations on the President**

- 1.1.1 These Regulations (the "Regulations") have been developed in accordance with the Civil Code of the Russian Federation, the Federal Law "On joint stock companies", other legislative acts of the Russian Federation, the Corporate Governance Code and the Charter of Rosneft Oil Company (the "Company") and shall govern activities of the President of the Company (the "President").
- 1.1.2 These Regulations shall establish the procedure of appointment of the President, principles of activities of the President, rights and duties of the President and shall regulate other matters connected with the activities of the President.

### **1.2. Status of the President**

- 1.2.1 The President is the sole executive body of the Company and shall manage the operations of the Company within the scope of [competence of the President as specified in the Charter of the Company](#).
- 1.2.2 The President shall carry out his/her activities in the interest of the Company in accordance with the legislation of the Russian Federation, the Charter of the Company, these Regulations and other internal documents of the Company.
- 1.2.3 The President shall be governed by resolutions of the General Meeting of Shareholders and the Board of Directors of the Company. Resolutions adopted by the General Shareholders Meeting and the Board of Directors of the Company within the scope of their competence shall be binding for the President. The President shall report to the Board of Directors and the General Shareholders Meeting.

## **Article 2. Appointment and principles of the activities of the President**

### **2.1. Appointment of the President**

- 2.1.1 The President of the Company shall be appointed by the Board of Directors for a term of 3 (three) years.

### **2.2. Contract with the President**

- 2.2.1 Rights and obligations of the President, term of the powers, the procedure of termination of the powers, remuneration of the President of the Company shall be determined under the contract executed between the President and the Company.
- 2.2.2 The decision on the execution of the contract with the President and the approval of conditions of such contract, as well as the decision on introduction of any amendments to the contract with the President shall be taken by the Board of Directors of the Company.
- 2.2.3 On behalf of the Company the contract shall be signed by the Chairman of the Board of Directors or by any person authorized by the Board of Directors of the Company.

### **2.3. Concurrent holding of other positions by the President**

- 2.3.1 The President of the Company shall not concurrently hold the position of the Chairman of the Board of Directors of the Company, of the Corporate Secretary, nor be a member of the Audit Commission of the Company and of the counting commission of the Company.
- 2.3.2 Concurrent holding by the President of positions in the governing bodies of other entities shall be allowed only with the consent of the Board of Directors of the Company. Positions in the governing bodies of other entities shall include membership in the boards of directors or executive bodies of other entities, carrying out functions of general manager or deputy general manager of other entities, other positions in other entities, which involve carrying out administrative and management functions, whether under contracts or otherwise.

2.3.3 The consent of the Board of Directors of the Company to concurrent holding by the President of positions in the governing bodies of other entities shall be given in the form of a special resolution of the Board of Directors on the matter. The appropriate item shall be included into the agenda of the meeting of the Board of Directors separately from the other items on the agenda. The resolution on such matter shall contain the following information:

- full name of the entity for which the consent to concurrent holding of a position is being sought;
- name of the position for which the consent to concurrent holding is being sought;
- other terms for the concurrent holding of such position, if the Board of Directors deemed it expedient to specify such terms.

The fact that the Board of Directors has noted the fact of concurrent holding of such position, whether in connection with the adoption by the Board of Directors resolutions on other matters within the scope of its competence or otherwise, shall not be deemed to constitute consent of the Board of Directors of the Company to concurrent holding by the President of position in a governing body of another entity.

2.3.4 If at the time of appointment, a person nominated to the post of the President of the Company holds positions in governing bodies of other entities, then agenda of the meeting of the Board of Directors considering the issue of the appointment of the President, shall also include the item concerning the consent of the Board of Directors of the Company for concurrent holding by such person of the position of the President and positions in governing bodies of other entities. This matter shall be considered by the Board of Directors in accordance with the procedure stipulated in Article 2.3.3 of these Regulations.

2.3.5 If no consent was received from the Board of Directors of the Company for holding by a person nominated to the post of the President of positions in governing bodies of other entities, such person shall not be appointed to the post of the President at the same meeting of the Board of Directors. In this case the matter on appointment of the President shall be adjourned to the next meeting of the Board of Directors, at which the person nominated to the post of the President may be appointed, provided that this person ceases to hold positions in governing bodies of other entities.

2.3.6 If the President is appointed to the position in governing bodies of other entities, the President shall, immediately upon being elected, provide to the Corporate Secretary of the Company full details of the position, to which the President is appointed in governing bodies of other entities. In this case the matter concerning the consent of the Board of Directors of the Company for holding by the President of positions in governing bodies of other entities shall be included in the agenda of the nearest meeting of the Board of Directors. The resolution on the consent of the Board of Directors shall be adopted in accordance with Article 2.3.3. hereof. If the Board of Directors adopts a negative resolution on the item of the holding by the President of a position in governing bodies of other entities, the President shall resign from the post of the President or from the position in governing bodies of other entities before the next meeting of the Board of Directors and to notify the Corporate Secretary thereof. In case the President violates the obligation to resign, then at the next meeting the Board of Directors shall have the right to adopt the resolution on the early termination of the powers of the President.

#### 2.4. Conflict of interests between the President and the Company

2.4.1 During performance of his/her duties the President shall not hold and/or control either individually or jointly with his/her affiliated person (persons) 20 or more percent of voting shares (equities, units) of a person competing with the Company, or a person, which has commercial interest in relations with the Company.

2.4.2 The President and its affiliates shall not receive any gifts from any entities or individuals interested in certain resolutions that may be made by the President as part of its official duty and shall not enjoy any other direct or indirect benefits offered

by such entities or individuals (with the exception of common tokens of courtesy or souvenirs presented during the official events).

- 2.4.3 The contract between the Company and the President concluded in accordance with Article 2.2 of these Regulations shall contain provisions set forth in Articles 2.4.1 and 2.4.2 of these Regulations.

### **Article 3. Termination of the powers of the President**

#### **3.1. Termination of the powers of the President**

- 3.1.1 The powers of the President of the Company may at any time be early terminated if so resolved by the Board of Directors of the Company. This provision shall be a mandatory condition of the contract concluded between the Company and the President.
- 3.1.2 The person holding the post of the President may voluntarily resign from the post by submitting a relevant application addressed to the Chairman of the Board of Directors of the Company in accordance with the legislation and conditions of the contract between the Company and the President.

#### **3.2. Performance of the duties of the President**

- 3.2.1 The Board of Directors of the Company shall determine a substitution procedure to ensure the performance of the administrative duties of the President in case of a temporary absence of the President at the location of the sole executive body of the Company (temporary disablement, leave, business trip).
- 3.2.2 The Board of Directors of the Company shall determine the officer of the Company, who shall perform duties of the sole executive body of the Company in case the President is not capable to perform his/her duties within an indefinite period of time, in case of a voluntary resignation of the President, as well as in case of early termination of the Presidential powers for other reasons.

### **Article 4. Powers and responsibility of the President**

#### **4.1. Functions of the President**

- 4.1.1 The President shall organize the fulfillment of resolutions of the General Shareholders Meeting and the Board of Directors of the Company.
- 4.1.2 The President shall act on behalf of the Company without power of attorney, and, inter alia, shall represent the interests of the Company, conclude transactions on behalf of the Company within limits established under the Federal Law "On Joint Stock Companies" and the Charter of the Company, shall issue orders and give instructions binding for all employees of the Company, issue powers of attorney for representation of interests of the Company.
- 4.1.3 The President shall appoint officers of the Company in accordance with the personnel schedule (with the exception of officers appointed by the Board of Directors), and shall distribute functions among such officers;
- 4.1.4 The President of the Company ex officio is the member of the Management Board of the Company and shall perform functions of the Chairman of the Management Board.

#### **4.2. Rights of the President**

The President shall have the right to:

- 4.2.1 request from any officer of the Company and receive any information on activities carried out by the Company as required for performance of his/her duties;
- 4.2.2 request convocation of the meeting of the Board of Directors of the Company;
- 4.2.3 convene meetings of the Management Board of the Company;
- 4.2.4 issue orders, give directions in the oral and written form, binding for execution by the employees of the Company;

- 4.2.5 on behalf of the Company impose disciplinary sanctions on the employees of the Company and use other types of disciplinary liability with respect to the employees of the Company;
- 4.2.6 receive for performance of his/her duties remuneration, premiums, reimbursement of expenses and other payments, whether in the form of bonuses, options, social and other material benefits, or otherwise, in accordance with the procedure and in the amount stipulated by the contract executed by and between him/her and the Company, and by the internal documents of the Company;
- 4.2.7 exercise other rights as provided by the legislation of the Russian Federation, the Charter of the Company, and internal documents of the Company.

4.3. Duties of the President

The President shall:

- 4.3.1 act in accordance with the requirements of the Charter of the Company, resolutions of the General Shareholders Meeting and the Board of Directors of the Company;
- 4.3.2 act in the interests of the Company as a whole, and not in the interests of individual shareholders, officers or other persons;
- 4.3.3 refrain from acts which may lead to a conflict of interests between himself/herself and the Company, and where any such conflict of interests does arise, forthwith notify the Corporate Secretary of the Company;
- 4.3.4 [upon request of any member of the Board of Directors provide information](#) about activities of the Company, Group Companies, including internal documents of the relevant entities, to the extent allowed by the laws of the Russian Federation. The contract between the Company and the President shall contain a provision on responsibility of the President for failing to provide information to the member of the Board of Directors that he/she requests;
- 4.3.5 not disclose and not use in his/her personal interests or in the interests of any third parties confidential or insider information about the Company received in accordance with the procedure set forth in the contract executed with the Company, and subject to the regulations on insider information of the Company;
- 4.3.6 initiate meetings of the Management Board to resolve urgent matters in accordance with the Charter of the Company;
- 4.3.7 attend meetings of the Board of Directors;
- 4.3.8 ensure activities for convocation of the meeting of the Company shareholders in cases provided for under the Charter and internal documents of the Company;
- 4.3.9 timely notify the Corporate Secretary of the Company of all his/her affiliated persons, and of all changes in the list thereof;
- 4.3.10 timely notify the Corporate Secretary of the Company of all legal entities in which he/she holds, whether independently or jointly with his/her affiliated person(s), 20 percent or more of voting shares (equities, units );
- 4.3.11 timely notify the Corporate Secretary of the Company of all legal entities in whose governing bodies he/she holds positions;
- 4.3.12 timely notify the Corporate Secretary of the Company of all proposed transactions wherein he/she may be deemed an interested party;
- 4.3.13 refrain from adopting resolutions wherein he/she is an interested party;
- 4.3.14 notify the Corporate secretary of the Company in writing of his/her intention to execute, in his/her personal capacity, transactions with the securities of the Company or Group Companies, and on quarterly basis notify the Corporate secretary about transactions he may have executed with such securities;
- 4.3.15 attend the General Meeting of Shareholders and reply to the questions of the participants thereof.

4.4. Responsibility of the President

- 4.4.1 The President of the Company shall be liable to the Company for losses caused to the Company through his/her wrongful actions (inaction), unless other grounds for liability are established under federal laws.
- 4.4.2 In the events provided for by the Federal law "On joint stock companies", the Company may take legal action against the President for compensation of losses caused to the Company.
- 4.4.3 Subject to a resolution of the Board of Directors, the Company at its own expense may insure the liability of the President of the Company under this Article 4.4.

**Article 5. Decisions of the President**

- 5.1. The President shall take decisions on [matters falling within the scope of his/her competence in accordance with the Charter of the Company](#).
- 5.2. In case certain matters are subject to preliminary consideration within a system of specially formed committees, the decisions of the President on such matters shall be taken with consideration of the opinions of such committees.
- 5.3. Resolutions of the President shall be adopted in the form of orders, instructions and directions.
- 5.4. Orders of the President shall be issued in written form only.
- 5.5. Directions and instructions of the President may be issued orally, with the exception of the directions and/or instructions related to the property of the Company or to the matters, directions and/or instructions in relation whereunto may be issued in written form only as stipulated by the documents of the Company.

**Article 6. Reports on activities of the President**

The President shall present reports on his/her activities at the request of the Board of Directors. The form and regularity of such reports shall be established by the Board of Directors.