

**APPROVED**

by the General Shareholders Meeting of  
Rosneft Oil Company  
on June 27, 2014  
Minutes without No

**REGULATIONS**  
on the Board of Directors of  
Rosneft Oil Company  
(new version)

Moscow, 2014

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## **Article 1. General Provisions**

### **1.1. Regulations on the Board of Directors**

1.1.1. These Regulations on the Board of Directors of Rosneft Oil Company (hereinafter - the “Regulations”) have been developed in accordance with the Civil Code of the Russian Federation, the Federal Law “On Joint Stock Companies”, other normative legal acts of the Russian Federation and the Charter of Rosneft (hereinafter - the “Company”) and shall govern the activities of the Board of Directors of the Company (hereinafter - the “Board of Directors”).

1.1.2. These Regulations shall establish the procedure for convocation and conduct of meetings as well as the procedure for adoption of resolutions by the Board of Directors, rights and duties of members and govern any other issues related to activities carried out by the Board of Directors.

### **1.2. Functions of the Board of Directors**

1.2.1. The Board of Directors of the Company shall carry out the strategic management of the business of the Company on behalf and in the interests of all shareholders of the Company. The Board of Directors shall be the governing body of the Company and shall govern its activities within its competence prescribed by the Charter of the Company.

1.2.2. The Board of Directors shall act in accordance with the laws of the Russian Federation, the Charter of the Company, these Regulations and other internal documents of the Company.

1.2.3. The Board of Directors shall be guided by the resolutions of the General Shareholders Meeting of the Company. The resolutions adopted by the General Shareholders Meeting of the Company within its competence shall be binding upon the Board of Directors.

### **1.3. Principles of activities of the Board of Directors**

1.3.1. When adopting resolutions the Board of Directors shall apply the following principles:

- adoption of resolutions on the basis of reliable information about activities of the Company;
- inadmissibility of restricting shareholders’ rights, including the right to participate in the management of the Company, to receive dividends and information about the Company;
- attainment of the balance of interests of various groups of shareholders for the purpose of adoption of the maximum objective resolutions in interests of all shareholders of the Company.

1.3.2. Any inherent ambiguity of the rules set forth in the normative legal acts of the Russian Federation, the Charter of the Company and/or internal documents shall be interpreted by the Board of Directors in favor of expansion of the legitimate rights and interests of the shareholders in the process of resolution-adopting.

1.3.3. Some experts possessing the required professional knowledge on the issues associated with the competences of the Board of Directors may be engaged in the activity of the Board of Directors as may be appropriate.

## **Article 2. Structure of the Board of Directors**

### **2.1. Procedure of formation and composition of the Board of Directors**

2.1.1. The procedure for formation of the Board of Directors shall be established by the Charter of the Company.

2.1.2. The number of independent directors shall be not less than one third of the total number of members of the Board of Directors, while the Board of Directors shall have at least 3 independent directors.

2.1.3. The number of members of executive bodies of the Company (executive directors) shall not exceed one-fourth of the number of members of the Board of Directors.

### **2.2. Independent Directors**

2.2.1. An independent director shall be a member of the Board of Directors, who is not:

- related to the Company;
- related to a significant shareholder in the Company;
- related to a significant counterparty or competitor of the Company;
- related to the state (the Russian Federation, subject of the Russian Federation) or a municipality.

2.2.2. Whether any member of the Board of Directors of the Company is independent shall be determined in accordance with criteria for determining independence of members of the Board of Directors specified in Attachment № 1 hereto.

2.2.3. An independent director shall refrain from any actions that may result in the loss of his/her independence. Shall the circumstances after election to the Board of Directors result in a loss of a director's independence, such director shall immediately notify the Board of Directors of such circumstances. In this case and in other cases when the Board of Directors becomes otherwise aware of such changes or circumstances, the Board of Directors shall duly inform the shareholders of the Company and if necessary, convene the Extraordinary General Shareholders Meeting for election of a new composition of the Board of Directors.

2.2.4. The information about the independent directors shall be duly disclosed in the annual report of the Company.

2.2.5. The Board of Directors (or the Human Resources and Remunerations Committee of the Board of Directors on the instructions of the Board of Directors) shall assess independence of candidates to the Board of Directors and provide the opinion regarding independence of each candidate, as well as carry out regular analysis of compliance of the independent members of the Board of Directors with the independence criteria.

### **2.3. Chairman of the Board of Directors and his/her deputies**

2.3.1. The Chairman of the Board of Directors and his/her deputies shall be elected by members of the Board of Directors at the first meeting of the elected composition of the Board of Directors. The Chairman of the Board of Directors and his/her deputies may be re-elected at any time in accordance with the resolution of the Board of Directors. In the absence of the Chairman and his/her deputies, functions of the Chairman of the Board of Directors shall be performed by one of members of the Board of Directors in accordance with the respective

resolution of the Board of Directors.

2.3.2. The Chairman of the Board of Directors shall ensure efficient organization of activities of the Board of Directors and its interaction with other governing and supervisory bodies of the Company.

The Chairman of the Board of Directors shall:

- organize the work of the Board of Directors;
- organize elaboration of the meeting schedule of the Board of Directors;
- ensure timely provision of members of the Board of Directors with the information required to adopt resolutions on agenda issues;
- convene and preside at meetings of the Board of Directors;
- organize taking of the minutes at meetings of the Board of Directors;
- preside at the General Shareholders Meeting of the Company;
- organize control over implementation of resolutions adopted by the Board of Directors;
- ensure efficient activities of committees of the Board of Directors;
- exercise any other powers provided for by the Charter, these Regulations and other internal documents of the Company.

#### 2.4. Secretary of the Board of Directors

2.4.1. Functions of the Secretary of the Board of Directors shall be performed by the Corporate Secretary of the Company.

2.4.2. The period of authority of the Secretary of the Board of Directors, the procedure for his/her appointment, re-election and dismissal, as well as the procedure and terms for payment of remunerations and compensations for performance by the Secretary of the Board of Directors of his/her functions shall be provided by the relevant provisions of the Charter and the internal documents of the Company.

#### 2.5. Functions of Secretary of the Board of Directors

2.5.1. The Secretary of the Board of Directors shall:

- notify members of the Board of Directors preliminary in the term prescribed by these Regulations and other internal documents of the Company about the forthcoming meetings of the Board of Directors, provide members of the Board of Directors with the information and materials required for the meeting of the Board of Directors;
- send voting ballots to members of the Board of Directors for the purpose of voting on resolutions to be adopted by ballot (absentee voting);
- provide technical and organizational support to members of the Board of Directors in the course of preparation of agenda issues for meetings of the Board of Directors;
- take and draw up the minutes of meetings of the Board of Directors, ensure storage of the minutes of meetings of the Board of Directors and all attachments thereto, prepare extracts from the minutes of meetings of the Board of Directors and duly certify them with his/her signature;
- ensure storage of voting ballots submitted to the Board of Directors by members of the Board of Directors for adoption of resolutions by ballot (absentee voting);
- summarize results of voting on resolutions made by ballot (absentee voting);

- ensure the record and storage of all incoming documents and copies of outgoing documents related to the Board of Directors;
- perform any other functions in accordance with these Regulations.

2.5.2. The Secretary of the Board of Directors may perform functions of the secretary of committees of the Board of Directors in accordance with the resolution of a respective committee of the Board of Directors.

## 2.6. Formation of committees of the Board of Directors

2.6.1. In order to perform its functions, the Board of Directors shall form the permanent committees. Such committees shall carry out preliminary examination of the most important issues within the competence of the Board of Directors and preparation of recommendations to the Board of Directors on further resolutions on such issues.

2.6.2. The Board of Directors shall form the following permanent committees:

- the Strategic Planning Committee;
- the Audit Committee;
- the Human Resources and Remuneration Committee.

The Board of Directors shall have the right to establish any other committees within its structure.

2.6.3. The Board of Directors shall form the committees from among its members, who have relevant professional skills and experience as well as other competent persons. In this regard, only members of the Board of Directors of the Company may become members of the Human Resources and Remuneration Committee and the Audit Committee.

2.6.4. Each committee shall have at least three members. The Audit Committee and the Human Resources and Remuneration Committee shall consist of independent directors only, and if this is impossible for objective reasons – the majority of members of the said committees shall be represented by independent directors and the rest of their members may be members of the Board of Directors, who are not executive directors.

2.6.5. One member of the Board of Directors may be a member of no more than two committees.

2.6.6. The Chairmen of committees of the Board of Directors shall be elected by the Board of Directors from among members of respective committees.

2.6.7. Only an independent director may be the Chairman of the Audit Committee of the Board of Directors. The Chairmen of other committees of the Board of Directors of the Company shall be elected from among their members who are independent directors of the Company, and if not impossible – from among members of the Board of Directors of the Company, who are not executive directors.

## 2.7. Activities of committees of the Board of Directors

2.7.1. The Board of Directors shall approve internal documents that govern the procedure for formation, activities and functions of the committees of the Board of Directors. When determining the scope of competence of the committees of the Board of Directors, the Board of Directors shall have the right to determine a list of issues falling within the competence of the Board of Directors to be subject to preliminary examination by the competent committees of the Board of Directors.

2.7.2. The committees of the Board of Directors shall not be bodies of the Company and have

no right to act on behalf of the Board of Directors of the Company.

2.7.3. Members of the Board of Directors who are not the members of a respective committee, the President of the Company, members of the Audit Commission of the Company, representatives of the Auditor of the Company, heads of organization departments and other officers and employees of the Company may be invited to meetings of a committee at the discretion of its chairman.

2.7.4. If necessary, professional experts may be involved in activities of the committees.

2.7.5. Activities of each committee shall be annually evaluated by the Board of Directors.

### **Article 3. Rights and duties of members of the Board of Directors**

#### **3.1. Rights and duties of members of the Board of Directors**

3.1.1. Members of the Board of Directors shall have the following rights:

- to request convocation of meetings of the Board of Directors;
- to request and to obtain from executive bodies and officials of the Company in a timely and complete manner all information required for performance of their duties;
- be paid remuneration and/or reimbursed for costs related to the performance of their duties as members of the Board of Directors in the amount established by a resolution of the General Shareholders Meeting, unless it is prohibited by the legislation of the Russian Federation,;
- to familiarize themselves with opinions of the Board of Directors committees on the agenda issues prior to appropriate meetings of the Board of Directors;
- to familiarize themselves with the schedule of meetings of the Board of Directors;
- to have access to the minutes of meetings of the Board of Directors and the Management Board and to obtain copies thereof;
- to request inclusion of their special opinions on the agenda issues and resolutions into the minutes of meeting of the Board of Directors;
- to participate in meetings of the Management Board of the Company.

3.1.2. Members of the Board of Directors shall have the following duties:

- not to abuse their official position and to act against interests of the Company;
- to act in good faith and reasonably in interests of the Company and all its shareholder, other than in interests of individual shareholders, officers and other persons;
- not disclose any confidential information that may have become known to them with regard to activities of the Company, its subsidiary and dependent companies, as well as insider information; to enter into a confidentiality agreement with the Company if requested so by the Company;
- to take part in meetings of the Board of Directors and to participate in adoption of resolutions with the Board of Directors by voting on the agenda issues;
- to participate in activities of the committee of the Board of Directors if elected thereto;
- to duly notify the Board of Directors via the Chairman of the Board of Directors and (or) the Corporate Secretary of the Company about their affiliated persons and any changes in their composition;

- to notify the Board of Directors via the Chairman of the Board of Directors and (or) the Corporate Secretary of the Company about any single or affiliated ownership in legal entities equal to or exceeding 20 percent of voting shares (participatory interests, equity interests);
- to timely notify the Board of Directors via the Chairman of the Board of Directors and (or) the Corporate Secretary of the Company about any legal entities, in which they hold governing positions;
- to refrain from any actions, which result or may result in a conflict between their interests and those of the Company;
- to immediately notify the Board of Directors via the Chairman of the Board of Directors and (or) the Corporate Secretary of the Company (in case of occurrence (or possible occurrence) of any conflict of interest with the Company, both of the very fact of the conflict of interest occurrence (possible occurrence) and of its reasons. Such notice shall by all means be made before commencement of the discussion of the issue the conflict of interest is associated with;
- to notify the Board of Directors via the Chairman of the Board of Directors and (or) the Corporate Secretary of the Company about any transactions of the Company, its subsidiary or dependent companies, to which members of the Board of Directors may act as interested parties;
- to refrain from participation in adoption with the Board of Directors of resolutions on issues of approval of transactions, in which they are interested in, and on other issues in case there is a conflict between their interests and interests of the Company, and – if necessary – to refrain from discussing issues at meetings of the Board of Directors;
- to notify the Board of Directors via the Chairman of the Board of Directors and (or) the Corporate Secretary of the Company in writing on any intentions to enter into personal transactions with securities of the Company, its subsidiary or dependent companies, and to disclose any information about transactions with the said securities;
- to notify the Board of Directors of the Company via the Chairman of the Board of Directors and (or) the Secretary of the Board of Directors of the inability to take part in a meeting of the Board of Directors specifying the reasons thereof.

3.1.3. Members of the Board of Directors and their affiliates shall not receive any gifts from any entities or individuals interested in certain resolutions of the Board of Directors 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).

#### **Article 4. Convocation of meetings of the Board of Directors and preparation to their conduct**

##### **4.1. Periodicity of meetings of the Board of Directors**

4.1.1. Meetings of the Board of Directors shall be conducted as necessary but at least once in 6 weeks in accordance with the meeting schedule of the Board of Directors approved by the Board of Directors.

4.1.2. The preliminary meeting schedule of the Board of Directors shall contain the list of issues for review at respective meetings of the Board of Directors.



4.1.3. If required, the Board of Directors may review the issue of the Company's activities falling within its competence under the effective legislation of the Russian Federation and the Charter of the Company but not incorporated into the schedule of meetings of the Board of Directors.

4.1.4. If necessary the Board of Directors may conduct extraordinary meetings.

**4.2. Request for convocation of meeting of the Board of Directors**

4.2.1. Meetings of the Board of Directors shall be convened by the Chairman at his/her own initiative or at the request of a member of the Board of Directors, the Management Board, the President, the Audit Commission or the Auditor of the Company.

4.2.2. The request for convocation of the meeting of the Board of Directors shall be submitted to the Chairman of the Board of Directors in writing and shall include the following information:

- the indication on the initiator of convocation of the meeting of the Board of Directors;
- issues on the agenda proposed for consideration at the meeting of the Board of Directors;
- the address to be used for response to the submitted request.

4.2.3. The request for convocation of the meeting of the Board of Directors shall be signed by the initiator of the meeting convocation. In case a request is filed by the Management Board or the Audit Commission of the Company, it shall be signed by the Chairman of the Management Board or the Audit Commission as appropriate (or their respective deputies) on the basis of the respective resolution of the Management Board or the Audit Commission of the Company. The minutes of a meeting of the Management Board or the Audit Commission as appropriate shall be attached to the request for convocation of a meeting of the Board of Directors from the Management Board or the Company Audit Commission of the Company.

4.2.4. The Chairman of the Board of Directors shall consider the submitted request and adopt a resolution to convene the meeting of the Board of Directors or to refuse to convene it within 5 days from the date of the submission of the meeting convocation request. Should a resolution adopted to convene the meeting, it shall be conducted within 25 days following the date of submission of the meeting convocation request.

4.2.5. The Chairman of the Board of Directors shall notify the initiator of convocation of the meeting of the Board of Directors about the adopted resolution within 5 days following the date of resolution adoption.

4.2.6. The Chairman of the Board of Directors shall not refuse to convene the meeting of the Board of Directors with the exception of cases, when:

- the request for convocation of the meeting of the Board of Directors does not meet requirements of the normative legal acts of the Russian Federation, the Charter of the Company and these Regulations;
- the issues proposed for consideration by the Board of Directors of the Company by the initiator do not fall within the competence of the Board of Directors in accordance with the effective legislation of the Russian Federation and the Charter of the Company;
- the initiator of the convocation is not entitled to request the meeting convocation.

**4.3. Mandatory convocation of meetings of the Board of Directors**

4.3.1. The Chairman of the Board of Directors shall convene meetings of the Board of Directors in cases provided by the effective legislation of the Russian Federation.

4.3.2. If the Chairman of the Board of Directors fails to convene the meeting of the Board of

Directors while such a meeting convocation is mandatory according to the effective legislation of the Russian Federation, such meeting may be convened by a deputy Chairman of the Board of Directors, and if the deputy Chairman of the Board of Directors fails to convene the meeting as well – by any other member of the Board of Directors.

4.4. Notification of members of the Board of Directors about convocation and conduct of meetings of the Board of Directors.

4.4.1. All members of the Board of Directors shall be notified about convocation of meetings of the Board of Directors or on absentee voting on issues of the agenda of the meeting of the Board of Directors at least 10 days prior to the date of the meeting (final date for acceptance of ballots for voting on issues on the agenda of the meeting of the Board of Directors). A notice about the meeting of the Board of Directors shall be served by the Secretary of the Board of Directors to members of the Board of Directors in person or sent by the Secretary of the Board of Directors to members of the Board of Directors in writing by mail, e-mail using protected communication channels or fax, telephone, teletype and other means of communication. In extraordinary situations the notification period may be reduced by the unanimous resolution of all members of the Board of Directors with the exception of the former members.

4.4.2. The notice of the meeting of the Board of Directors shall contain the following information:

- the official name of the Company;
- issues on the agenda of the meeting of the Board of Directors;
- the form of the meeting of the Board of Directors;
- if the meeting of the Board of Directors is conducted in the form of a meeting – the time and place of the meeting; if the meeting is conducted in the form of an absentee voting – the date and deadline for receipt of ballots for voting on issues on the agenda of the meeting of the Board of Directors and the address for mailing (acceptance) of the said ballots;
- the indication of the convocation initiator.

4.4.3. Information (materials) on issues on the agenda of the meeting of the Board of Directors, and – in case of an absentee voting – also ballots for voting on issues on the agenda of the meeting of the Board of Directors, shall be provided/sent by the Secretary of the Board of Directors to members of the Board of Directors according to the procedure and in terms provided for by Clause 4.4.1 of these Regulations. Information (materials) on issues on the agenda of the meeting conducted in presentia shall also be provided to all members of the Board of Directors, participating in the meeting. A period for provision of information (materials) on agenda issues and ballots for voting on issues on the agenda of the meeting of the Board of Directors may be reduced in accordance with the procedure and in the cases provided for by Clause 4.4.1 of these Regulations.

4.5. Time and place of meetings of the Board of Directors

4.5.1. The place and time of the meeting of the Board of Directors shall be determined by the Chairman of the Board of Directors.

4.5.2. Meetings of the Board of Directors may not be conducted at a place or at a time, which create significant attendance obstacles for the majority of members of the Board of Directors, or make such attendance impossible.

4.5.3. Should any circumstances arise making it impossible or difficult to conduct meetings of the Board of Directors at a place and (or) at a time, specified in the meeting notification, the

meeting on the planned agenda may be conducted at a different place and/or different time.

4.5.4. All members of the Board of Directors shall be notified of any changes of a place and/or time of the meeting of the Board of Directors by the Chairman of the Board of Directors within the time reasonably sufficient to ensure their attendance. A notice of the aforementioned changes shall be delivered to all members of the Board of Directors in any form, which guarantees receipt of the notice by a member of the Board of Directors.

4.5.5. Subject to technical feasibility, members of the Board of Directors who are absent at the place of the meeting of the Board of Directors shall have the right for remote participation in discussion of and voting on agenda issues by means of a conference or a video conference call.

## **Article 5. Conduct of meetings of the Board of Directors**

### **5.1. Quorum**

5.1.1. The quorum at the meeting of the Board of Directors shall be determined by the Chairman of the Board of Directors.

5.1.2. If the agenda of the meeting of the Board of Directors includes the issues that require different quorum and decision by a different number of votes, the quorum shall be established separately for each issue on the agenda. The Board of Directors meeting shall be conducted on those issues on the agenda, for which the quorum is achieved.

5.1.3. In case the quorum is not achieved for all issues on the agenda, the meeting of the Board of Directors shall be declared frustrated. In this case the Chairman of the Board of Directors upon consulting with the present members of the Board of Directors may announce a new time and place of the repeated meeting with the same agenda. In case the new meeting is conducted on the same day as the original meeting, the requirements for the notification and information submission periods specified in these Regulations above shall not apply.

### **5.2. Consideration of written opinion of member of the Board of Directors in his/her absence**

5.2.1. In order to determine the quorum and results of voting on issues on the agenda of the meeting of the Board of Directors conducted in presentia, a written opinion of a member of the Board of Directors, not present at the meeting (or attending the meeting via a conference call or video conference) shall be taken into account.

5.2.2. The written opinion shall be submitted/sent prior to the meeting to the Chairman of the Board of Directors by the member of the Board of Directors personally, using mail, electronic, telegraph, fax and other means of communication provided that the sender can be identified, and shall be included in the package of information (materials) provided to members of the Board of Directors at the meeting.

5.2.3. The written opinion of a member of the Board of Directors may contain his/her voting decision either on all of the issues on the agenda, or on separate agenda issues. A written opinion of a member of the Board of Directors may contain justification of a resolution adopted by such a member on issues on the agenda of the meeting of the Board of Directors.

5.2.4. In case a copy of the written opinion of a member of the Board of Directors was not included into the package of information (materials) to be submitted to the members of the Board of Directors for the meeting, the Chairman of the Board of Directors shall announce the written opinion of the absent member prior to any voting on issues of the meeting agenda for which the written opinion has been presented.

5.2.5. In case a member of the Board of Directors is present at the meeting, his/her written opinion received by the Chairman of the Board of Directors prior to the meeting shall not be announced at the meeting, not included into the information (materials) provided to members of the Board of Directors at the meeting and shall not be taken into account in order to determine the quorum and the voting results.

5.2.6. The written opinion of a member of the Board of Directors shall not be taken into account in order to determine the quorum and the voting results if such written opinion:

- is received after summarization of voting results;
- is not signed by the respective member of the Board of Directors;
- does not contain the indication of the specific member of the Board of Directors, who has prepared the opinion;
- does not allow for an express determination of the opinion of the member of the Board of Directors on the agenda issue (proposed draft resolution) or such opinion is based on a loose wording of the proposed draft resolution.

5.3. Invitees.

5.3.1. The Chairman of the Board of Directors may invite to the meetings of the Board of Directors the persons, who are not the members of the Board: the President of the Company, members of the Management Board, members of the Audit Commission of the Company, other officers and managers of the Company, representatives of the Auditor of the Company, experts, consultants and other persons. Persons who are not members of executive management bodies or the Audit Commission of the Company shall not be allowed to participate in the meeting of the Board of Directors, if such participation would result in disclosure to invitees of confidential and other information protected by the law and internal documents of the Company.

5.4. Minutes of the meeting of the Board of Directors

5.4.1. The minutes shall be maintained during the Board of Directors meeting. The minutes of the meetings shall be drafted within 3 days from the meeting by the Secretary of the Board of Directors and shall be signed by the Chairman of the Board of Directors.

5.4.2. The minutes of the meeting of the Board of Directors shall contain the following information:

- the name of the Company;
- the date, time and place of the meeting of the Board of Directors;
- meeting attendees, including invitees;
- members of the Board of Directors, who submitted their written opinions on the agenda issues;
- the agenda of the meeting of the Board of Directors;
- issues put to vote and results of voting on them;
- resolutions adopted on issues on the agenda of the meeting of the Board of Directors;
- special opinions on the agenda issues and resolutions adopted by members of the Board of Directors who requested their special opinions to be incorporated into the minutes of the meeting of the Board of Directors;
- the indication of the number of drawn up and signed copies of the minutes of the meeting of the Board of Directors in case there is more than 1 copy of the minutes.

In case the written opinions of members of the Board of Directors were submitted under Clause

5.2 of these Regulations, such written opinions shall be included as attachments to the minutes of the meeting of the Board of Directors.

The minutes/recommendations of committees of the Board of Directors on issues of the appropriate agenda of the meeting of the Board of Directors as well as other appropriate documents shall be incorporated into the minutes of the meeting of the Board of Directors as attachments.

If the Board of Directors adopts a resolution that contradicts recommendations of a committee of the Board of Directors, then reasons for neglecting the recommendations of the committee of the Board of Directors shall be specified in the minutes of the meeting of the Board of Directors.

5.4.3. A copy of the minutes of the meeting of the Board of Directors shall be delivered by the Secretary of the Board of Directors to members of the Board of Directors or handed over under signed receipt within 3 business days following the date of the minutes of the meeting of the Board of Directors.

5.4.4. A shorthand and other means of recording including video and audio may be taken during the meeting of the Board of Directors.

5.4.5. The minutes, shorthand records, video and audio and other documents and materials of the meeting of the Board of Directors shall be kept in the Company in accordance with the procedure stipulated by the internal documents of the Company.

5.5. Entry into effect of resolutions adopted by the Board of Directors

5.5.1. Resolutions of the Board of Directors adopted at the meeting shall enter into effect from the moment of announcement by the Board of Directors Chairman of results of voting on agenda issues.

**Article 6. Resolutions of the Board of Directors by absentee voting**

6.1. Procedure for adoption of resolutions by absentee voting

6.1.1. The Board of Directors may adopt resolutions by an absentee voting as provided herein with the exception of cases provided by the Charter of the Company.

6.1.2. The resolution to conduct an absentee voting shall be adopted by the Chairman of the Board of Directors.

6.1.3. The resolution on conduct of an absentee voting shall establish the following:

- the agenda of the meeting of the Board of Directors;
- wordings of issues put to vote (wordings of draft resolutions on issues of the agenda of the meeting of the Board of Directors);
- the text and form of ballots for voting on issues of the agenda of the meeting of the Board of Directors (voting ballot);
- the list of information (materials) submitted to members of the Board of Directors;
- the date of presentation of voting ballots and information (materials) on issues of the agenda of the meeting of the Board of Directors;
- the final date for the submission of voting ballots;

- the address for the submission of voting ballots.

The procedure for provision of ballots and information on issues of the agenda of the meeting of the Board of Directors to members of the Board of Directors is set out in Clauses 4.4.1 and 4.4.3 hereof.

6.2. Ballot for voting on issues on agenda of meeting of the Board of Directors

6.2.1. The voting ballot shall contain the following information:

- the full name of the Company;
- the final date for the submission of voting ballots;
- the address for submission of voting ballots;
- the wording of each issue put to vote and voting options expressed as “for”, “against” and “abstained”;
- the indication of the requirement that each voting ballot shall be signed by the member of the Board of Directors.

6.2.2. Members of the Board of Directors, whose voting ballots were received on or before the due date for voting ballots submission shall be considered as participated in the absentee voting on issues on the agenda of the meeting of the Board of Directors.

6.2.3. A written justification of a member of the Board of Directors may be attached to the voting ballot to reflect his/her position on the issue put to vote and reasons of adopted resolutions.

6.2.4. The voting ballot shall be deemed void if:

- the voting ballot is not signed by the member of the Board of Directors;
- more than one voting option on a single agenda issue is left, and the choice of a member of the Board of Directors cannot be unequivocally established;
- the issue put to vote contains more than one resolution and the voting option “for” is marked against more than one option of the resolution wording;
- the option “for” is marked for a number of candidates that exceeds the number of candidates that can be elected.

6.2.5. If the voting ballot contains several items put to vote, its nullity with respect to one or more items shall not result in nullification of the entire voting ballot.

6.2.6. Members of the Board of Directors, whose voting ballots are received after the due date for voting ballots submission, shall be deemed as not participated in the voting, and their votes are not counted in voting results.

6.2.7. Resolutions adopted by the Board of Directors by an absentee voting and results of such voting are delivered in copies to all members of the Board of Directors within 3 days from the moment the respective minutes are signed.

6.3. Minutes of results of absentee voting on issues on agenda of meeting of the Board of Directors

6.3.1. The minutes on the results of an absentee voting shall be prepared by the Secretary of the Board of Directors within 3 days from the final date established for voting ballots submission. The minutes shall be signed by the Chairman of the Board of Directors.

6.3.2. The minutes of an absentee voting contain the following information:

- the official name of the Company;

- the final date for acceptance of voting ballots;
- members of the Board of Directors who submitted filled-in voting ballots;
- issues on the agenda of the meeting of the Board of Directors, resolutions on which were adopted by an absentee voting;
- issues put to vote (wordings of draft resolutions on agenda issues), and voting results on them;
- the number of void voting ballots;
- resolutions adopted on each issue on the agenda.

In case the written opinions of the members of the Board of Directors are submitted under Clause 6.2.3 of these Regulations, such written opinions are included as attachments to the absentee voting minutes.

The minutes of voting results as well as voting ballots shall be stored in the Company in accordance with the procedure stipulated under internal documents of the Company.

6.4. Entry into effect of resolution adopted by the Board of Directors.

6.4.1. The resolution of the Board of Directors adopted by an absentee voting shall enter into effect from the date of drawing up the minutes of the meeting of the Board of Directors, but no later than on the third day from the final date established for acceptance of voting ballots.

## **Article 7. Provision of information to members of the Board of Directors**

7.1. Provision of information (materials) about the Company to the members of the Board of Directors

7.1.1. Within 10 days from the date on which voting results on the issue on election of members of the Board of Directors are summarized, the President of the Company shall ensure submission via the Corporate Secretary of the Company to each newly elected member of the Board of Directors the copies of the Charter of the Company, internal documents on governing and supervisory bodies of the Company, the strategy of the Company, the corporate governance system, the risk management and internal control system, and other material information required for a member of the Board of Directors to perform his/her duties.

7.2. Duties of officers of the Company on fulfillment of information provision requests of members of the Board of Directors.

7.2.1. The President, the Management Board, officials and heads of subdivisions of the Company shall provide the Board of Directors upon request of the latter any information about activities of the Company, its subsidiary and dependent companies within the limits established by the legislation of the Russian Federation and with the exception of information that constitutes a state and other legally protected secret.

7.2.2. The President, the Management Board, officials and heads of organization departments of the Company shall provide a member of the Board of Directors upon request of the latter any information about activities of the Company required for him/her to fulfill his/her duties as a member of the Board of Directors of the Company, within the limits provided for by the legislation of the Russian Federation, as well as with the exception of the information that constitutes a state and other legally protected secret.

7.2.3. In case the information requested by the Board of Directors or a member of the Board of

## *Regulations on the Board of Directors of Rosneft Oil Company*

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Directors cannot be provided, the President, the Management Board, officials and heads of subdivisions of the Company shall immediately provide an appropriate written motivated refusal.

7.2.4. The contracts signed by the Company with the President and members of the Management Board of the Company shall provide for the liability for failure to deliver information to the Board of Directors or members of the Board of Directors.

7.2.5. The requested information may be submitted to the Board of Directors or a member of the Board of Directors by the persons indicated in Clauses 7.2.1 and 7.2.2 hereof through the Corporate Secretary.

7.2.6. Any information submitted to the Board of Directors or a member of the Board of Directors that is subject to confidentiality requirements shall be appropriately marked (as “Commercial Secret” or “For official use only”, etc.).



**Attachment № 1**

To Regulations on Board of Directors of  
Rosneft Oil Company

**Criteria for Determining Independence of Members of the Board of  
Directors of Rosneft Oil Company**

**1. General Provisions**

1.1. This Attachment № 1 to the Regulations on Board of Directors of Rosneft Oil Company (hereinafter - the “Regulations”) sets forth the criteria of independence of a member of the Board of Directors of Rosneft (hereinafter - the “Board of Directors”), including the criteria of association and the materiality thereof.

1.2. Persons who possess sufficient independence to form own position on the issues falling within the competence of the Board of Directors as provided for by the effective legislation of the Russian Federation and the Charter of Rosneft (hereinafter - the “Company”) that would be unaffected by executive bodies of the Company, specific groups of shareholders or other stakeholders, are recognized as independent directors on the Board of Directors.

1.3. An independent director (candidate for election as an independent director) is a person, who:

- 1) is related to the Company;
- 2) is related to a significant shareholder in the Company;
- 3) is related to a significant counterparty of the Company or competitor of the Company;
- 4) is related to the state (the Russian Federation, subject of the Russian Federation) or a municipality.

1.4. For the purpose of this Attachment № 1 to the Regulations, a significant shareholder of the Company shall mean a person that is directly or indirectly (via controlled persons) entitled to manage five and more per cent of votes of voting shares forming the charter capital of the Company, independently or jointly with any other persons under a trust management agreement and (or) partnership agreement, and (or) agency agreement, and (or) shareholder agreement, and (or) any other agreement on exercise of rights certified by the Company’s shares.

1.5. Associated persons of an individual shall mean: a spouse, parents, children, adopters, adoptees, blood or non-blood brothers and sisters, as well as other persons residing together with such individual and keeping house together with him/her.

1.6. For the purpose of this Attachment № 1 to the Regulations, a significant counterparty of the Company shall mean a person to be a party to an agreement (agreements) entered into with the Company, the liability under which for the moment or during the latest year amounts (or amounted) to two or more per cent of the book value of consolidated assets of the Company or such person for as of the reporting date preceding to the date of assessment of counterparty’s significance, or two and more per cent of the consolidated proceeds (income) of the Company or the said person for the completed calendar year preceding to the date of assessment of counterparty’s significance. If the counterparty has no consolidated financial reports, its accounting reports may be used for comparison.

## **2. Affiliation of Board of Directors member with the Company**

2.1. A member of the Board of Directors (a candidate nominated to the Board of Directors) shall be recognized to be affiliated with the Company and may not be recognized as an independent director if he and (or) his associated persons:

1) are or in the last three years were members of executive bodies or employees of the Company or an entity controlled by the Company and (or) managing company of the Company;

2) are members of the board of directors of a legal entity that controls or manages the Company or is controlled by it;

3) during any of the last three years received compensations and (or) other material benefits from the Company and (or) its controlled organizations in an amount exceeding a half of the fixed annual compensation of a member the Board of Directors of the Company. In this regard, the actual income received from the Company and (or) its controlled organizations during any of the last three years shall be compared to the size of the fixed compensation payable to independent directors of the Company at the time of the independence assessment in accordance with the effective internal documents of the Company. Where such documents do not exist or are unavailable, the fixed compensation actually approved for the directors based on the results of latest annual General Shareholders Meeting of the Company shall be used to assess the expected fixed compensation of a director. Payments and (or) amounts received by the persons as compensation and (or) reimbursement of expenses for fulfillment of their duties as members of the Board of Directors of the Company and (or) its controlled organization, including those associated with insurance of their liability as members of the Board of Directors and other payments received by the said persons by virtue of ownership of securities of the Company and (or) its controlled organization shall be disregarded for the purposes of analyzing material benefits;

4) are holders or beneficiaries of shares of the Company that form more than one per cent of the charter capital of the Company. For the purpose of this Attachment № 1 to the Regulations, a beneficiary of shares shall mean an individual who, by virtue of his/her interest in the Company gets an economic benefit on the basis of a contract or otherwise from holding shares and (or) managing votes on the shares that form the charter capital of the Company;

5) are employees and (or) members of executive bodies of a legal entity, if their remuneration is determined (reviewed) by the Remuneration Committee of the Board of Directors (Board of Directors) of such legal entity, and any of employees and (or) members of executive bodies of the Company is a member of the above committee (Board of Directors);

6) provide consulting services to the Company, an entity controlling or controlled by the Company, or are members of executive bodies of organizations that provide such services to the Company or the said legal entities, or employees of such organization directly involved in provision of such services;

7) provide or were providing during the last three years the services of appraiser, fiscal consultant, auditor or accountant to the Company, an entity controlling or controlled by the Company, or in the last three years have been members of executive bodies of the organizations that provide such services to the said legal entities, or rating agency of the Company, or employees of such organizations or rating agency directly involved in the provision of respective services to the Company;

8) a person shall be recognized as affiliated with the Company if it has occupied a position of a member of the Board of Directors of the Company for more than seven years in the aggregate.

### **3. Affiliation of member of the Board of Directors with significant shareholder of the Company**

3.1. A member of the Board of Directors (a candidate nominated to the Board of Directors) shall be recognized to be affiliated with a significant shareholder of the Company and shall not be recognized as an independent director if he/she and (or) his/her associated persons:

1) are employees and (or) members of executive bodies of a significant shareholder of the Company (legal entities that control a significant shareholder of the Company);

2) during any of the last three years received compensations and (or) other material benefits from a significant shareholder of the Company (legal entities that control or are controlled by a significant shareholder of the Company, if information about organizations controlled by the significant shareholder is available) in an amount exceeding a half of the fixed annual compensation of a member of the Board of Directors of the Company. In this regard, payments and (or) compensations that the said persons receive as remuneration and (or) compensation of expenses for fulfillment of their duties of members of the Board of Directors (committees of the Board of Directors) of a significant shareholder of the Company (legal entities that control or are controlled by a significant shareholder of the Company), including those associated with insurance of the liability of members of the Board of Directors and other income and payments received by such persons by virtue of holding securities of a significant shareholder of the Company (legal entities that control or are controlled by a significant shareholder of the Company) shall be disregarded for the purpose of analyzing material benefits;

3) are members of the Board of Directors in more than two legal entities controlled by or controlling a significant shareholder of the Company.

### **4. Affiliation of member of the Board of Directors with significant counterparty or competitor of the Company**

4.1 A member of the Board of Directors (a candidate nominated to the Board of Directors) shall be recognized to be affiliated with a significant counterparty or competitor of the Company and may not be recognized as an independent director if he/she:

1) is an employee and (or) member of management bodies of a significant counterparty or competitor of the Company;

2) holds shares (stakes) or constitutes a beneficiary for the shares (stakes) of a significant counterparty or competitor of the Company, which make up more than 5 per cent of the charter capital or total number of voting shares (stakes).

### **5. Affiliation of Board of Directors member with the state or municipality**

5.1. A Board of Directors member (candidate nominated to the Board of Directors) is recognized affiliated with the state or a municipality, if he/she:

1) is or was during one year preceding his/her election to the Board of Directors of the Company a state or municipal officer or employee of the Bank of Russia;

2) in an entity, with respect of which a resolution has been adopted to use a special right of engagement in the management ("golden shares"): is a representative of the Russian Federation, a subject of the Russian Federation or a municipality, in the Board of Directors of such an entity;

3) is obliged to vote on one or several issues within the competence of the Board of Directors of the Company in accordance with a directive from the Russian Federation, a subject of the Russian Federation or a municipality;

4) is or was during one year preceding his/her election to the Board of Directors of the

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Company, a member of an executive body of an organization controlled by the Russian Federation, a subject of the Russian Federation or a municipality, or an employee of a state or municipal unitary enterprise or institution (except for the employees of higher educational or scientific institutions, apart from those appointed by resolutions of state bodies), if such a person is nominated to the Board of Directors of the Company, provided that the Russian Federation, a subject of the Russian Federation or a municipality as appropriate controls more than 20 per cent of the charter capital or voting shares of the Company.

## **6. Additional grounds for recognizing member of the Board of Directors as independent director**

6.1. In exceptional cases, the Board of Directors when performing an assessment may recognize a candidate/member of the Board of Directors as independent despite of some formal signs of his/her affiliation with the Company, a significant shareholder of the Company, a significant counterparty or competitor of the Company, if such affiliation does not affect the ability of such a person to form his/her independent position on the issues within the competence of the Board of Directors of the Company.

6.2. In particular, the Board of Directors may recognize a candidate/member of the Board of Directors as independent in the following cases:

1) an affiliated person of the candidate/member of the Board of Directors is an employee (except for an employee with managerial powers) of an organization controlled by the Company, or a legal entity that controls a significant shareholder of the Company or controlled by a significant counterparty or competitor of the Company, or competitor of the Company or organizations controlled by it;

2) the nature of relations between the candidate/ member of the Board of Directors and his/her appropriate affiliated person is such that they are unable to affect the resolutions adopted by the candidate/ member of the Board of Directors;

3) the candidate/member of the Board of Directors has a widely known, including among investors, reputation that confirms his ability to form an independent position.