

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

REGULATIONS
on the Sole Executive Body (President)
of Rosneft Oil Company
(New Version)

Moscow, 2014

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Article 1. General Provisions

1.1. Regulations on the President

1.1.1. These Regulations (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 Oil Company (hereinafter - the "Company") and shall govern the activities of the Management Board of the Company (hereinafter - the "Management Board").

1.1.2. These Regulations shall establish the procedure for appointment of the President, principles of activities of the President, rights and duties of the President and shall regulate other issues connected with activities carried out by 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 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 interests 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 is the person responsible for implementing the goals, objectives, strategy and policies of the Company.

1.2.4. The President shall execute resolutions adopted by the General Shareholders Meeting and the Board of Directors of the Company within their competence. The President shall report to the Board of Directors and the General Shareholders Meeting of the Company.

Article 2. Appointment and Principles of Activity 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 five (5) years.

2.1.2. The person appointed as the President shall have university education and shall not be debarred in accordance with the established procedure from occupying executive positions in legal entities or engage in management of legal entities.

2.1.3. The tenure of the newly elected President of the Company shall commence from the date established by the resolution of the Board of Directors of the Company, and if the date is not established, from the date following the date of the minutes of the Board of Directors' meeting (absentee vote) that adopted a resolution on the appointment.

The information on the President of the Company shall be entered into the Unified State Register of Legal Entities within the time periods established by the Law of the Russian Federation "On State Registration of Legal Entities and Individual Entrepreneurs".

When the resolution on the appointment of the President of the Company is adopted, the minutes of the respective Board of Directors' meeting (absentee vote) shall contain:

- the full name of the person appointed as the President and his/her passport details (i.e. the name of the document identifying the person in the Russian Federation, numbering of the document form and date of issue);
- the commencement date of tenure of the appointed President of the Company (with due account for Clause 2.1.3 of these Regulations);
- terms and conditions of the Labor Contract with the appointed President;

- the reference to the specific person authorized to sign the Labor Contract with the appointed President during a certain time period (full name, place of work and position of the person).

2.2. Labor Contract with the President

2.2.1. The rights and duties and the amount of the remuneration of the President of the Company shall be determined by the Federal Law “On Joint Stock Companies”, the Charter of the Company, the labor contract between the President and the Company and the internal documents of the Company.

2.2.2. The Board of Directors of the Company shall resolve on approval of the terms and conditions of the contract with the President and on any amendments and additions to the contract with the President.

2.2.3. For the Company, such contract shall be signed by the Chairman of its Board of Directors or any person authorized by the Company's Board of Directors.

2.3. Concurrent Holding of Other Positions by the President

2.3.1. The President of the Company shall not concurrently hold the positions 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 and concurrent employment by another employer shall be allowed only with the consent of the Board of Directors of the Company. Positions in the governing bodies of other entities shall be understood as positions of a member of the Board of Directors, member of a collective executive body or sole executive body (head) of other entities.

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/concurrent holding of positions in other entities shall be given in the form of a special resolution of the Board of Directors on the issue. The resolution on such issue shall contain the following information:

- the full name of the entity, for which the consent to concurrent holding of a position is being sought;
- the name of the position for which the consent to concurrent holding is being sought;
- other material terms and conditions for concurrent holding of such position (time periods or additional restrictions et al.) if the Board of Directors deems it expedient to specify such terms.

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

2.3.4. If at the time of appointment the nominee to the position of the President of the Company holds positions in governing bodies of other entities or is planning to hold concurrent positions in other entities after his/her appointment, then the agenda of the meeting of the Board of Directors considering 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 the nominee of the position of the President and positions in governing bodies of other entities. This issue shall be considered by the Board of Directors of the Company in accordance with the procedure stipulated in Clause 2.3.3 of these Regulations.

2.3.5. If the President is appointed to a position in governing bodies of other entities/multiple employment in other entities, the President shall immediately upon being elected provide to the Corporate Secretary of the Company and/or Chairman of the Board of Directors of the Company full details of the position to which the President is appointed in governing bodies of other entities/concurrent holding of positions in other entities.

2.4. Conflict of Interests between the President and the Company

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

2.4.2. The President of the Company and his/her affiliated persons shall not receive any gifts from any entities or individuals interested in certain resolutions that may be made by the President as a part of his/her 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 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 Clauses 2.4.1 and 2.4.2 of these Regulations.

Article 3. Termination of Presidential Powers

3.1 Termination of Presidential Powers

3.1.1. The Board of Directors of the Company may resolve on early termination of the powers of the President in the following cases:

- physical inability of the President to perform his/her duties (death, declaration as missing or dead) or other circumstances beyond the parties' control (Article 83 of the Labor Code of the Russian Federation);
- receipt by the Board of Directors of a letter of resignation from the President;
- at any time on the initiative of the Board of Directors of the Company.

3.1.2. The person holding the position of the President may voluntarily resign from the office by submitting a relevant application addressed to the Chairman of the Board of Directors of the Company in accordance with the effective legislation of the Russian Federation. In this event the last day of the performance of his/her duties and the last working day shall be the thirtieth (30th) day following the date of the resignation application by the President.

3.1.3. Except in cases provided in Clause 3.1.2. hereof, the powers of the President shall be considered terminated as of the date determined by the resolution of the Board of Directors, and if such date is not determined, from the date following the date of the minutes of the meeting (absentee vote) that adopted the resolution on early termination of the powers.

3.1.4. When a resolution is adopted on early termination of powers of a member of the Management Board, the following shall be indicated in the minutes of the meeting (absentee voting minutes) of the Board of Directors:

- the statement of early termination of presidential powers and of early termination of Labor Contract with the President;
- the basis and/or reference to the item and article of the Labor Code of the Russian Federation pursuant to which the Labor Contract is terminated;
- the date of termination of presidential powers and early termination of the Labor Contract

with the President, which shall be the last working day of the President (with due account for Clauses 3.1.2.– 3.1.3 hereof);

- the resolution on the appointment of the new President of the Company or a person performing the duties of the sole executive body in cases stipulated by the Charter of the Company.

3.2. Performance of Presidential Duties

3.2.1. The President may appoint a President pro tempore for the period of his/her vacation, business trip or other short-term periods of absence.

3.2.2. The Board of Directors of the Company may determine the Company officer, who will perform the duties of the sole executive body of the Company in the event that the President is unable to perform his/her duties during an extensive or indefinite period (for instance, temporary disablement of the President due to an illness, declaration as missing, and in case of circumstances which are indicative of death or temporary disablement of the President due to an illness), in case of voluntary resignation of the President and in case of early termination of the presidential powers on other grounds.

3.2.3. The person appointed by the Board of Directors to perform the duties of the sole executive body shall have all the rights and duties of the President with the exceptions provided for by the Charter of the Company and resolutions of the Board of Directors of the Company.

The information on the person performing the functions of the sole executive body pursuant to the resolution of the Board of Directors shall be entered into the Unified State Register of Legal Entities specifying him/her as a person authorized to act on behalf of the Company without the power of attorney.

Article 4. Powers and Liability 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 any power of attorney, including represent 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, issue orders and give instructions binding for all employees of the Company, issue powers of attorney for representation of interests of the Company. The rights and obligations of the President shall be determined by the Federal Law “On Joint Stock Companies”, the Charter of the Company, the contract between the President and the Company and internal documents of the Company.

4.1.3. The President shall appoint officers in the Company in accordance with the staff list (except for the officers appointed by the Board of Directors of the Company) and shall allocate responsibilities 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.

4.1.5. The President of the Company shall exercise other powers as provided in the Charter and internal documents of the Company and the powers that are not within the competence of the General Shareholders Meeting, the Board of Directors and the Management Board of the

Company pursuant to the effective legislation of the Russian Federation and the Charter of the Company.

4.1.6. The President of the Company may establish the procedure for exercising his/her powers by his/her regulatory documents or local normative documents approved by him/her, including vesting the collegial bodies (committees, commission et al.) and officers of the Company with the rights and duties of adopting resolutions on issues within the competence of the President of the Company.

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. to request convocation of meetings of the Board of Directors.

4.2.3. convene meetings of the Management Board of the Company.

4.2.4. issue orders, give directions and instructions in oral and written form, binding for execution by employees of the Company.

4.2.5. impose disciplinary sanctions on and offer incentives to employees of the Company on behalf of the Company.

4.2.6. receive for performance of his/her duties remuneration, bonuses, 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 between him/her and the Company, and by the internal documents of the Company.

4.2.7. exercise other rights provided for by the legislation of the Russian Federation, the Charter of the Company, and internal documents of the Company.

4.3. Obligations of the President

The President shall:

4.3.1. observe the requirements of the effective legislation of the Russian Federation, 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 actions that may lead to a conflict of interests between himself/herself and the Company, and in case of such conflict, immediately notify the Corporate Secretary of the Company and/or the Chairman of the Board of Directors of the Company thereof.

4.3.4. upon request of the Board of Directors of the Company or any member of the Board of Directors provide in a timely manner all the information required for the Board of Directors and its members to perform their duties to the extent allowed by the legislation of the Russian Federation. The contract between the Company and the President shall contain a provision on the liability of the President for failing to provide requested information to a member of the Board of Directors.

4.3.5. not disclose and not to use in his/her personal interests and/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 with the Company, and subject to the Regulations on insider information of the Company;

- 4.3.6. initiate meetings of the Board of Directors of the Company pursuant to the Charter and internal documents of the Company;
- 4.3.7. attend the Board of Directors meetings.
- 4.3.8. ensure activities for convocation of the General Shareholders Meeting of the Company in cases provided for by the Charter and internal documents of the Company.
- 4.3.9. notify the Corporate Secretary of the Company and/or the Chairman of the Board of Directors of the Company in a timely manner of his/her affiliated persons and any changes in their list.
- 4.3.10. notify the Corporate Secretary of the Company and/or the Chairman of the Board of Directors of the Company in a timely manner 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 (participatory interests, equity interests).
- 4.3.11. notify the Corporate Secretary of the Company and/or the Chairman of the Board of Directors of the Company in a timely manner of legal entities where he/she holds positions in governing bodies.
- 4.3.12. notify the Corporate Secretary of the Company and/or the Chairman of the Board of Directors of the Company in a timely manner of all proposed transactions of the Company and Group Companies in which he/she may be deemed an interested party;
- 4.3.13. abstain from adopting resolutions wherein he/she is an interested party.
- 4.3.14. notify the Chairman of the Board of Directors and/or the Corporate Secretary of the Company in writing of his/her intention to execute, in his/her personal capacity, transactions with securities of the Company or Group Companies, and notify the Chairman of the Board of Directors and/or the Corporate Secretary on a quarterly basis about transactions he/she may have executed with such securities.
- 4.3.15. attend the General Shareholders Meeting and respond to questions from the meeting attendees.

4.4. Liability of the President

- 4.4.1. The President of the Company shall be liable to the Company for damages caused to the Company through his/her wrongful actions (inaction), unless other grounds for liability are established under federal laws.
- 4.4.2. Prosecution of the President shall depend on whether he/she performed his/her obligations reasonably and in good faith, exhibited due care and used his/her best efforts for proper performance of his/her obligations.
- 4.4.3. In the events provided for by the Federal law “On Joint Stock Companies”, the Company may take legal action against the member of the Management Board for compensation of damages caused to the Company.
- 4.4.4. Subject to a resolution by the Board of Directors, the Company at its own expense may insure the liability of members of the Management Board.

Article 5. Resolutions of the President

- 5.1. The President shall adopt resolutions on issues falling within his/her competence in accordance with the Charter of the Company.

5.2. In case certain issues are subject to preliminary consideration within a system of specially formed bodies/committees, the resolutions of the President on such issues shall be adopted with consideration of the opinions of such bodies/committees.

5.3. Resolutions of the President shall be executed in the form of orders, directions, instructions and resolutions.

5.4. Orders of the President shall be issued exclusively in written form.

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, on which directions and/or instructions may be issued exclusively in written form in accordance with the internal documents of the Company.

Article 6. Reports on activity of the President

The President shall submit annual reports to the General Shareholders Meetings of the Company as well as reports on his/her activities at the request of the Board of Directors. The form and frequency of presentation of such reports shall be established by the Board of Directors of the Company.