

APPROVED
by the General Shareholders Meeting
of Open Joint Stock Company
“Oil company “LUKOIL”,
27 June 2002 (Minutes No. 1)
Chairman of the Meeting

(V.I. Grayfer)

REGULATIONS ON THE MANAGEMENT COMMITTEE OF OAO “LUKOIL”

These *Regulations on the Management Committee of Open Joint Stock Company “Oil Company “LUKOIL”* (hereinafter the “Regulations”) have been prepared in accordance with the legislation of the Russian Federation and the Charter of OAO “LUKOIL” (hereinafter the “Company”), and establish the term, procedure for convening and holding of meetings of the Management Committee, and the procedure for taking decisions at the meetings of the Management Committee.

1. General provisions

- 1.1. The Management Committee is the collective executive body of the Company.
- 1.2. The President of the Company shall perform the duties of the chairman of the Management Committee.
- 1.3. In its activity the Management Committee is governed by the legislation of the Russian Federation, the Company Charter, these Regulations and the other internal documents of the Company.
- 1.4. The procedure for formation and competence of the Management Committee are determined by the Company Charter.

2. Schedule and procedure for convening and holding meetings of the Management Committee

- 2.1. Meetings of the Management Committee shall be convened by the President as and where necessary.
- 2.2. The agenda of a meeting of the Management Committee shall be determined by the President, including on the basis of proposals received from members of the Management Committee.
- 2.3. The Company President shall organise the activity and holding of meetings of the Management Committee.
- 2.4. The Management Committee shall appoint a Secretary of the Management Committee (hereinafter the “Secretary”) at the proposal of the President.
- 2.5. Under the supervision of the President, the Secretary shall perform preparations for the meetings of the Management Committee, collect materials on the agenda items, arrange and distribute them to Committee members, and prepare and edit draft decisions of the Management Committee. The Secretary shall ensure the keeping of records on the activity of the Management Committee. Records in the Management Committee shall be kept in Russian.
- 2.6. Proposals for the agenda of meetings of the Management Committee shall be sent in writing.

The proposal should contain:

- the wording of the issue to be considered by the Management Committee and the reasons for its inclusion in the agenda;
 - the draft decision of the Management Committee, with necessary attachments;
 - a statement containing an explanation of the issue being sent for consideration, with supporting materials attached (calculations, diagrams, charts, conclusions of consultants, etc.).
- 2.7. The initiator of inclusion of an issue in the agenda of a meeting of the Management Committee shall send the proposal to the Secretary. The draft decision on the issue being sent for consideration of the Management Committee should be agreed with the relevant divisions of the Company, including with respect to legal aspects – with the Main Division of Legal Support of the Company.
- 2.8. The Secretary shall have the right to return a draft decision for revision and additional approval. The initiator of the inclusion of the issue shall be required to consider the comments and proposals of the Secretary.
- 2.9. The Secretary shall send the members of the Management Committee a notice on a meeting at least three days prior to the meeting. The notice should contain the agenda, proposed decisions, and the documents and materials for the meeting.

3. Procedure for the Conduct of Meetings of the Management Committee

- 3.1. Meetings of the Management Committee shall be held through the joint attendance of members. Management Committee meetings shall have a quorum if at least one-half of the elected Committee members are present at the meeting. When opening the meeting, the chairperson shall determine whether the meeting has a quorum.
- 3.2. The Company President shall chair the meetings of the Management Committee. In the absence of the President, and on the instructions thereof, one of the first vice-presidents of the Company shall chair the meeting of the Management Committee.
- 3.3. Employees of the Company and its subsidiaries, as well as other parties that have prepared information and materials on the items to be considered at the meeting, may be invited to a meeting of the Management Committee.
- 3.4. The time set aside for speeches at a meeting of the Management Committee shall be established as no more than 15 minutes, for joint speeches and debates – no more than 5 minutes, for question – no more than 3 minutes. If necessary, the chairperson of a meeting of the Management Committee can alter the time allotted for speeches. The members of the Management Committee and parties invited to the meeting to discuss individual issues can participate in debates, forward proposals, make comments, and give answers on the issues being discussed.
- 3.5. Minutes shall be kept at the meetings of the Management Committee. The Secretary shall make sure that the minutes of the meeting are kept. The minutes of the meeting shall be signed by the President and the Secretary. The information contained in the Minutes of a meeting of the Management Committee shall be confidential, and shall not be disclosed.

The minutes of the meeting shall indicate:

- the date, place and time of the meeting;
 - a list of members of the Management Committee present at the meeting, with an indication of whether the meeting was quorate;
 - the agenda of the meeting;
 - the issues put to a vote, and the voting results;
 - the decisions taken.
- 3.6. Copies of the minutes shall be sent to the members of the Management Committee. The minutes of the meeting of the Management Committee shall be provided to the members of the Company's Board of Directors and Internal Audit Commission and the Company auditor at their request.

A shareholder (shareholders) that holds (hold) at least 25 percent of the voting shares in the Company shall have the right to receive access to the minutes of the meetings of the Management Committee.

- 3.7. The Secretary shall ensure the storage and use in work of minutes of the Management Committee. The minutes of the meetings of the Management Committee shall be stored at the location of the Company's executive bodies.
- 3.8. If necessary, excerpts from the minutes of a meeting of the Management Committee will be issued and signed by the Secretary and certified by the stamp of Management Committee.

The excerpt shall indicate:

- the number of the minutes;
- the place and time of the meeting;
- a list of members of the Management Committee present at the meeting, with an indication of whether the meeting was quorate;
- the agenda item for which the excerpt was requested;
- the decisions adopted on the given agenda item or the individual points thereof;
- the voting results.

4. Adoption of decisions at meetings of the Management Committee

- 4.1. Each member of the Management Committee shall have one vote. A member of the Management Committee may not transfer his/her vote to other persons, including other members of the Management Committee.
- 4.2. Decisions at a meeting of the Management Committee shall be taken through open voting by a majority vote of the Committee members present at the meeting. In the event of a tie vote, the vote of the chairman shall be decisive.
- 4.3. The decisions of the Management Committee of the Company contained in the instructions to the Company's subsidiaries are mandatory for performance by subsidiaries.

5. Control over execution of decisions of the Management Committee

- 5.1. The Secretary shall make sure that the decisions adopted by the Management Committee and the relevant instructions are brought to the attention of the executors, and organise the collection of information on the performance of the decisions of the Management Committee.

- 5.2. The members of the Management Committee shall submit annual written reports on the performance of the decisions of the Management Committee. The written reports of the members of the Management Committee should contain the substantial results of performance of the decisions and instructions of the Management Committee. The report should also indicate the reason for non-performance of instructions by the deadlines set forth in a decision of the Management Committee and contain proposals on their performance.
- 5.3. The Secretary shall collect the written reports of the members of the Management Committee and analyse the performance of the Committee's decisions.
- 5.4. The written reports of the members of the Management Committee shall be considered by the President, who shall assess the performance of the members of the Management Committee. The President shall have the right to adopt a decision on consideration of the reports of Committee members at a meeting of the Management Committee.

6. Approval and amendment of the *Regulations on the Management Committee*

- 6.1. These *Regulations on the Management Committee* and all amendments and addenda hereto shall be approved by the General Meeting of Shareholders of the Company by a majority vote of the shareholders participating in the meeting.
- 6.2. Proposals on amendments and addenda to the Regulations shall be made pursuant to the procedure stipulated by the Company Charter for making proposals for the agenda of an annual or extraordinary General Shareholders Meeting.
- 6.3. From the time when these Regulations are approved by the General Shareholders Meeting of the Company, the *Regulations on the Management Committee* approved by the Board of Directors of the Company on 24 July 2000 (minutes No. 6) shall lose legal force.