

Approved by  
the General Meeting of Shareholders of  
JSC Gazprom Neft  
Minutes No. \_\_\_\_\_  
dated \_\_\_\_\_ 200\_\_.

**REGULATIONS**  
**On the Auditing Commission**  
**of**  
**Open Joint Stock Company**  
**Gazprom Neft**

These Regulations are worked out in accordance with the laws of the Russian Federation, the Charter of Joint Stock Company Gazprom Neft (hereinafter – the Company) and shall define the procedure of the Company Auditing Commission (hereinafter referred to as the Auditing Commission or Commission).

## **1. General Provisions**

1.1. The Auditing Commission shall be Company's elected body which supervises financial and economic activities of the Company.

1.2. The Auditing Commission's activities shall be governed by the laws of the Russian Federation, the Charter of the Company, resolutions of the General Meeting of Shareholders, these Regulations and other internal documents of the Company.

1.3. Main objectives of activities of the Auditing Commission are:

- control of availability of reliable financial and accounting reports of the Company as well as other information about financial and economic activities and status of the Company;

- control whether accounting methods comply with the laws and if the Company presents accounting reports and information to relevant bodies and shareholders;

- improvement of Company's asset and other financial and economic activity management efficiency, reduction of financial and operational risks and enhancement of internal control system.

## **2. Composition and Term of Office of Auditing Commission**

2.1. The Auditing Commission shall be elected by the annual General Meeting of Shareholders for the term up to the next annual General Meeting of Shareholders to include three persons as stipulated under the Federal Law "On Joint-Stock Companies" and the Charter of the Company.

2.2. The authorities of individual members or the whole composition of the Company's Auditing Commission may be early terminated as per the resolution of General Meeting of Shareholders.

2.3. In the event of early termination of authorities of a member of the Auditing Commission or his retirement from the Auditing Commission the authorities of other members of the Auditing Commission shall not be terminated.

2.4. Retired members of the Auditing Commission shall be deemed those persons who abdicated their authorities of their own accord as well as deceased persons and those who are not able to meet their authorities for other grounds.

A member of the Auditing Commission shall be deemed retired from the body thereof beginning with the next day after the Chairman of the Auditing Commission receives a corresponding application of the member of the Commission or as from the date of death or Company's having received documents to certify the impossibility for the member of the Auditing Commission to meet his authorities. In the event of a voluntary retirement of the Chairman of the Auditing Commission

from the Auditing Commission his authorities shall be terminated on the day of electing a new Chairman of the Auditing Commission.

2.5. Auditing Commission members may not be at the same time those of the Board of Directors nor occupy other positions in the managing bodies of the Company.

### **3. Competence of the Auditing Commission**

3.1. Competence of the Auditing Commission shall be as specified in the Federal Law "On Joint-Stock Companies" while the Charter of the Company shall apply to the issues not covered by the above law.

3.2. In compliance with the current legislation the Auditing Commission shall:

- audit annual accounts of the Company at any time on its own initiative, pursuant to the resolution of the General Meeting of Shareholders/Board of Directors or at the demand of a shareholder(s) who hold(s) a total of at least 10 percent of voting shares of the Company;

- confirm the reliability of data included in the annual report of the Company, annual accounting and other reports as well as other financial documents of the Company;

- inform the managing bodies of the Company about the failures to meet accounting methods and financial reporting rules specified in legal instruments of the Russian Federation as well as legal instruments of the Russian Federation in performing financial and economic activities detected during the auditing.

3.3. In addition to the issues specified in the Federal Law "On Joint-Stock Companies" competence of the Auditing Commission as per the Company Charter shall comprise the following:

- auditing and analyzing financial performance of the Company, its solvency, functioning of internal control and financial and operational risk management systems, liquidity of assets and ratio of equity and borrowed funds;

- checking whether settlements regarding contractors, budget, remuneration of labor, social insurance, dividend calculations and payments and other settlements are met timely and in good faith;

- checking whether the applicable rules and regulations, approved estimates and other documents regulating the activities of the Company when using material, labor and financial resources for production and financial and economic activities are observed and if the resolutions of the General Meeting of Shareholders are complied with;

- checking legality of economic operations of the Company performed under the contracts and transactions concluded for and on behalf of the Company;

- checking cash and property of Company, efficiency of use of assets and other resources of the Company, identifying nonproductive losses and costs;

- checking whether the prescriptions regarding the elimination of violations and faults which were previously identified by the Auditing Commission are complied with;

- checking whether the resolutions regarding the issues of financial and economic activities adopted by the Management Board and the Board of Directors meet the Company Charter and resolutions of the General Meeting of Shareholders.

3.4. The Auditing Commission is entitled to make proposals concerning the operation plans of the Company management bodies and demand in accordance with the established procedure that the meetings of the Management Board, Board of Directors and General Meeting of Shareholders be convened in accordance with their competence if there is a threat to substantial interests of the Company or any abuses in part of officials have been identified and in case of other issues.

3.5. Upon requests and demands of the Auditing Commission it shall be afforded minutes of the meetings of the Board of Directors and the Management Board of the Company.

3.6. The Auditing Commission is entitled to request the following information to be provided by the Board of Directors of the Company, Management Board members or a shareholder who together with his affiliated persons has 20 or more percent of voting shares of the Company:

- on legal entities, in which he owns independently or jointly with his affiliated person (persons) 20 or more percent of voting shares (stakes, units);

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3.7. The Chairman of the Auditing Commission or any member of the Auditing Commission is entitled to be present at the meetings of the Board of Directors and the Management Board when examining the results of checks (audits) of activities of the Company and other meetings as invited by the Board of Directors and the Management Board.

#### **4. Chairman and Secretary of the Auditing Commission**

4.1. Chairman and Secretary of the Auditing Commission shall be elected by the Auditing Commission at the first meeting from among the members of the Commission by majority of votes of the total number of votes of members of the Commission. If the Auditing Commission so determines one of the members of the Auditing Commission may discharge the responsibilities of the Chairman while he is absent.

4.2. The Chairman of the Commission shall manage the activities of the Auditing Commission, prepare its work plan, convene, conduct and preside at the meetings, distribute responsibilities among members of the Commission, sign minutes of meetings, opinions and other documents of the Auditing Commission and resolve other issues as stipulated in these Regulations.

4.3. For the time of his absence the Chairman of the Auditing Commission shall appoint a person from the members of the Auditing Commission who shall provisionally meet his responsibilities regarding the organization of the Auditing Commission. Should the person who is to provisionally meet responsibilities of the Chairman of the Commission fail to be appointed he shall be elected by the Auditing

Commission by majority of votes of the total number of votes of members of the Commission.

4.4. Secretary or member of the Auditing Commission who meets his responsibilities shall be a person, who is responsible for organizing the activity of the Auditing Commission and preparation of its meetings, ensures workflow, keeps records and other materials of the Auditing Commission, notifies the members of the Auditing Commission and invited persons about the meetings to be held, provides materials to the members of the Auditing Commission, arranges minutes of meetings and extracts thereof and performs other functions as stipulated in these Regulations and resolutions of the Auditing Commission.

## **5. Procedure and Decision Making by the Auditing Commission**

5.1 The Auditing Commission shall resolve all the issues at its meetings to be convened by the Chairman of the Commission in accordance with plan of work approved by the Commission. Meetings shall also be held prior to and on the basis of the results of all the checks (audits) of activities of the Company to be performed by the Auditing Commission.

The Chairman of the Commission may call extraordinary meetings on his initiative or as proposed by the members of the Auditing Commission.

The agenda for the meetings shall be approved by the Chairman of the Commission.

5.2. Meetings of the Auditing Commission shall be attended by its members and invited persons.

Members of the Auditing Commission may not assign their authorities to other persons including by proxy.

5.3. An Auditing Commission meeting shall be considered competent if it is attended by not less than half members of the Commission.

Should the number of members of the Auditing Commission be less than the number forming a said quorum the Auditing Commission shall demand that a meeting of the Board of Directors be convened concerning holding an extraordinary General Meeting of Shareholders for electing new members to the Auditing Commission instead of those retired.

5.4. Each member of the Auditing Commission shall have one vote.

Resolutions at the Auditing Commission meetings shall be adopted by simple majority of votes of its members present at the meeting. In case of equal votes the Chairman of the Commission shall have the casting vote.

The members of the Auditing Commission constituting minority are entitled to present their specific views in writing, which are to be attached to the record of the meeting of the Commission.

5.5. Decision making may be performed by the Auditing Commission through polling (draft resolution agreement), if an issue in question is extraordinary or urgent.

5.6. The Auditing Commission meeting shall be minuted which minutes shall be signed by a person who presides at the Commission meeting. Meeting minutes shall be made not later than 10 days after the meeting has been held.

5.7. The minutes shall include:

- date, time and place of the meeting;
- a list of persons who attend the meeting (a list of the members of the Auditing Commission who made decisions by polling);
- agenda for the meeting;
- items put to voting;
- voting results;
- resolutions adopted.

5.8. The meeting minutes shall be enclosed with the materials (conclusions, auditing certificate and other documents) which served as the basis for decision making.

5.9. Auditing Commission meeting minutes shall be submitted to the persons concerned within five days from the date of their signing.

## **6. Checking (Auditing) Procedure**

6.1. The Auditing Commission shall perform annual checks (audits) of financial and economic activities of the Company as well as planned audits and audits as decided by the management bodies of the Company and demanded by persons stated in item 3.2 hereof.

6.2. Checks (audits) of the Company's performance shall not interfere with a normal operation of Company.

6.3. The Chairman and members of the Commission who are employees thereof shall be released from other functions in the main place of work for the period of checks and other functions on the basis of a call of the Chairman of the Commission and its plan of work and their salaries shall be reserved for them.

6.4. When checking (auditing) financial and economic activities of the Company the Auditing Commission in accordance with its competence is entitled:

- to demand that members of management bodies of Company, department, executives and other employees of the Company provide documents and materials about financial and economic activities of Company;
- to demand that available funds of the Company, money documents, securities, stocks of materials and capital equipment, initial documents and reports, accounting registers, report forms, plans, estimates and other documentation including those containing confidential information be presented by accountable persons and also demand that the copies of the above documents be presented;
- to demand that stock taking of materials and capital equipment of the Company and checking of scope of work be performed and cashiers, storage facilities, stockrooms and other office accommodations be sealed if required;
- to check whether materials, wages, services and other costs have been written off as production costs in the correct way;

- to apply to Company's contractors for required information and documents on the operations with the Company;
- to receive from executives and other employees of the Company oral and written clarifications for the issues which arise during checks (audits);
- to submit to the Company management bodies proposals about making answerable the faulty employees of the Company as established by law, taking actions in order to make up for damages sustained by the Company and protect other rights and legal interests in accordance with applicable laws;
- to demand that the Company's management bodies promptly eliminate the faults identified during checks (audits);
- to enlist for the purposes of their work the services of experts and advisors including on the contractual basis as well as those of the employees of Company.

6.5. The Auditing Commission shall:

- ensure a methodical control of Company's activities;
- give a true image of the identified faults and abuses in the auditing materials while stating their reasons, faulty persons and scope of damage sustained;
- submit to the Management Board and the Board of Directors for consideration opinion on the outcome of auditing annual results of financial and economic activities of the Company in times stipulated under the laws and the Company Charter;
- timely bring to the knowledge of the Board of Directors, Management Board and Chairman of the Management Board the results of audits and checks of Company's activities performed, conclusions of the Auditing Commission, suggestions regarding the elimination of causes and conditions which promote violation financial and operational abuses as well as suggestions on improvement of internal control system and enhancement of Company's efficiency;
- ensure confidentiality of the information which constitute official and commercial secret of the Company.

6.6. Members of the Company's management bodies, executives and other employees of the Company shall give assistance to the Auditing Commission in performing checks and provide all the required information, documents, materials and clarifications to the members of the Auditing Commission in times and scopes required.

Members of the Company's management bodies, executives and other employees of Company shall be held responsible for refusal to provide information or providing untrue information and putting obstacles to work of the Auditing Commission .

6.7. In course of checks (audits) executives and other employees of the Company are entitled:

- to be present at stock taking of materials and capital equipment of the Company and checking of scope of performed work, inspections and other actions of the Auditing Commission;
- read the content of intermediary and final check(audit) certificates as far as this concerns their functions and present written clarifications and objections to them;

- read the content of record registers, reports and other documents which have served as the basis for conclusions about violations, abuses and faults in work;
- verify the Auditing Commission's calculations of amounts of material damage to be compensated and present written objections, documents and other proofs to validate their objections.

6.8. On the basis of the results of auditing financial and economic activities of the Company the Auditing Commission shall make out a conclusion confirming the authenticity of the data included in the reports and other financial documents of the Company and providing the information about identified violations of rules and accounting methods and accounting reporting standards as well breaches of rights and legal interests of the Company and its shareholders.

6.9. Members of the Auditing Commission shall exert every effort to identify possible violations and promote their elimination. Members of the Auditing Commission of the Company shall be held responsible for true image and good faith of the check (audit), non-performance or poor performance of their responsibilities and exceeding their rights and authorities.

## **7. Auditing Commission Financing and Paying Fees to its Members**

7.1. In order to ensure the performance of the Auditing Commission the Company shall provide the Commission with necessary rooms, technical means and materials and pay Commission' expenses as specified in the Company within the amounts allocated by the Board of Directors for these purposes.

7.2. On the basis on the resolution of the General Meeting of Shareholders members of the Auditing Commission throughout the period of performance of their functions may be paid fees and/or compensated expenses in connection with the performance of their functions. The scope of such fees and compensations shall be determined by the General Meeting of Shareholders as recommended by the Board of Directors of the Company.

## **8. Final Provisions**

8.1. These Regulations shall come into force from the date of approval by the General Meeting of Shareholders.

8.2. In the event of making changes to the laws of the Russian Federation the provisions of these Regulations which run contrary to the laws shall become null and void and the Auditing Commission activities shall be governed by the relevant provisions of the laws of the Russian Federation and the Company Charter.

Amendments and supplements to these Regulations shall be made on the basis of the resolution of the General Meeting of Shareholders.

8.3. The adoption of these Regulations renders null and void the Regulations on the Auditing Commission of JSC Sibneft dated June 28, 2002, approved by the General Meeting of Shareholders of JSC Sibneft on June 28, 2002.