

**REGULATIONS
ON THE BOARD OF DIRECTORS
OF JOINT-STOCK OIL AND GAS COMPANY SLAVNEFT**

(approved by the General Meeting of Shareholders on June 30, 2005, minutes No. 23,
as amended and approved by the General Meeting of Shareholders on June 29, 2006, minutes No. 26,
as amended and approved by the General Meeting of Shareholders on June 27, 2008, minutes No. 32,
as amended and approved by the General Meeting of Shareholders on June 29, 2009, minutes No. 36,
as amended and approved by the General Meeting of Shareholders on June 29, 2011, minutes No. 41)

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Article 1. General Regulations

1.1. These Regulations on the Board of Directors (further the “Regulations”) of the Open Joint-Stock Oil & Gas Company Slavneft (further the “Company”) are elaborated on the basis of the current legislation of the Russian Federation, the Company’s Articles of Association and the recommendations of the Russian Code of Corporate Conduct.

1.2. These Regulations come into force upon their approval at the general Meeting of the Company’s shareholders.

1.3. The procedure of approval of the Regulations on the Board of Directors and introducing amendments and addenda to them is passed by a simple majority vote of owners of the voting shares participating in the general Meeting of shareholders.

1.4. If in the result of alteration of the current legislation of the Russian Federation some clauses of the Regulations contradict the standards of the current legislation, these clauses become ineffective and till the moment of introduction of amendments into these Regulations one should abide by the current legislation of the Russian Federation.

If in the result of introduction of amendments into the Company’s Articles of Association some clauses of these Regulations contradict the Articles of Association, these clauses become ineffective and till the moment of introduction of amendments into these Regulations one should abide by the Company’s Articles of Association.

1.5. The Regulations sets forth the procedure of forming the Company’s Board of Directors (further the “Board of Directors”), its status, composition, rights and obligations, the responsibility and remuneration of the Board of Directors and its members, the order of organizing the work of the Board of Directors.

1.6. The activity of the Board of Directors is governed by the current legislation of the Russian Federation, the Company’s Articles of Association and resolutions of the Meeting of shareholders, these Regulations and other internal documents of the Company.

1.7. The Board of Directors creates committees for preliminary consideration of major issues, referred to the competence of the Board of Directors, which activity is governed by the resolutions approved by the Board of Directors.

Article 2. The competences of the Board of Directors

2.1. The Board of Directors is the Company’s management body that carries out general management of its activity, except for the issues attributed to the competences of the general Meeting of the Company’s shareholders by the Russian Federal Law “On Joint-Stock Companies” and the Company’s Articles of Association, and control over activity of the President and the Company’s Management.

2.2. The competence of the Board of Directors in strategic management of the Company includes:

- 2.2.1. determination of priority directions of the Company’s activity;
- 2.2.2. approval of the Company’s development programs submitted by the Management;
- 2.2.3. consideration of results of the Company’s financial and business activity;
- 2.2.4. approval (introduction of changes and addenda) of the Company’s business plans;

2.3. The competences of the Board of Directors in organization of holding the general Shareholders Meeting includes:

2.3.1. determination of the form of holding the general Meeting of shareholders (a meeting or an absentee voting);

2.3.2. determination of the date, place, time of the beginning of holding the general Meeting of shareholders, time of commencement of shareholders registration, and in case, when according to Article 60, clause 3 of the Russian Federal Law “On Joint-Stock Companies” the filled-in ballots may be sent to the Company, the postal address the filled-in ballots shall be sent to;

2.3.3. determination of the date and time of the final date for receiving voting ballots and the postal address the filled-in ballots shall be sent to - in case of holding the general Shareholders Meeting in the form of an absentee voting;

- 2.3.4. determination of the date and time of drawing up the list of persons entitled to participate in the general Meeting of shareholders;
- 2.3.5. approval of the agenda of the general Meeting of shareholders;
- 2.3.6. determination of the procedure of informing shareholders about convening the general Meeting of shareholders;
- 2.3.7. determination of the list and procedure of providing information (materials) to the shareholders at preparation to hold the general Meeting of shareholders;
- 2.3.8. approval of the form and text of the voting ballot;
- 2.3.9. convening the annual general Meeting of shareholders;
- 2.3.10. consideration of proposals submitted by shareholders on including issues into the agenda and nominating candidates for the elective positions in the Company;
- 2.3.11. including issues into the agenda of the general Meeting of shareholders, irrespective of the availability of the issues proposed by shareholders;
- 2.3.12. including candidates into the list of candidates for positions of members of the Board of Directors, Revision Commission, provided there are not enough or no candidates proposed by the shareholders to form the corresponding management bodies of the Company;
- 2.3.13. convening the extraordinary general Meeting of shareholders upon initiative of the Board of Directors, upon request of the Revision Commission, the Company's auditor and shareholder/s owing in total not less than 10 percent of the Company's voting shares;
- 2.3.14. consideration of received proposals on convening the extraordinary Meeting of shareholders and passing a resolution on its convening or a motivated refusal to convene it within 5 days of receiving these proposals;
- 2.3.15. forwarding this resolution to the persons requiring convening the extraordinary general Meeting of shareholders within 3 days of passing the resolution on convening of the extraordinary general Meeting of shareholders or a motivated refusal from convening thereof;
- 2.3.16. approval of draft resolutions and introducing the following issues to the agenda of the general Meeting of shareholders (upon proposal of the Board of Directors):
 - 2.3.16.1. restructuring the Company and its form and other related issues;
 - 2.3.16.2. recommendations on profit distribution and the size of dividends paid on shares and the order of their payment;
 - 2.3.16.3. adoption of the Company's annual report, annual accounting statements, including the Profit and Loss Statement;
 - 2.3.16.4. increasing the Company's authorized capital by increasing the par value of shares and by placing additional shares;
 - 2.3.16.5. consolidation and split-up of shares;
 - 2.3.16.6. approval of interested party transactions in cases provided by the Russian Federal Law "On Joint-Stock Companies";
 - 2.3.16.7. approval of major transactions related to acquisition or disposal or potential disposal by the Company directly or indirectly of the property, the cost of which exceeds 50 percent of the balance-sheet value of the Company's assets, determined on the basis of its accounting statements as on the last reporting date according to clause 12.4 of the Articles of Association;
 - 2.3.16.8. approval of major transactions related to acquisition or disposal or potential disposal by the Company directly or indirectly of the property, the cost of which amounts from 25 to 50 percent of the balance-sheet value of the Company's assets, determined on the basis of the accounting statements as on the last reporting date if the Board of Directors does not pass an unanimous resolution on approval of the said transactions;
 - 2.3.16.9. acquisition of outstanding shares by the Company according to clause 5.9 of the Articles of Association;
 - 2.3.16.10. approval of regulations on the Board of Directors, general Meeting of shareholders, executive bodies, Revision Commission and other internal documents regulating the activity of the Company's bodies;

- 2.3.16.11. the size of remuneration and compensations paid to the members of the Revision Commission;
- 2.3.16. on the Company's participation in financial and industrial groups, associations and other types of commercial organizations;
- 2.3.17. preliminary approval of the annual report and annual accounting statements;
- 2.4. The competence of the Board of Directors in the management of securities and other Company's property includes:
- 2.4.1. approval of a placement report and share acquisition report;
- 2.4.2. passing resolutions on the Company's placement of bonds and other equity securities and approval of results of placement thereof;
- 2.4.3. passing a resolution on the Company's acquisition of outstanding shares according to clause 5.10 of the Articles of Association, bonds and other securities;
- 2.4.4. determination of the property value (money value), placing price and the price of repurchase of equity securities in cases provided by the Russian Federal Law "On Joint-Stock Companies" and the Articles of Association;
- 2.4.5. if the agenda of the annual general Meeting of shareholders includes the issue on placement of additional shares, which shall be paid by non-monetary assets, the shareholders shall be provided with the list of property and property rights, by which the securities will be paid, and pecuniary valuation report on this property;
- 2.4.6. accepting recommendations on the general Meeting of shareholders and the size of dividends and the order of their payment;
- 2.4.7. adoption of recommendations in respect of the voluntary or compulsory proposal on acquisition of the Company's shares received by the Company, including evaluation of the proposed price of purchased shares and potential change of their market value after acquisition, evaluation of plans of the person who sent the voluntary or compulsory proposal in respect of the Company and its employees;
- 2.4.8. adoption of a resolution on application of a reserve or other Company's funds;
- 2.4.9. approval of major transactions in cases, related to acquisition, disposal or potential disposal by the Company directly or indirectly of the property, the cost of which amounts from 25 to 50 percent of the balance-sheet value of the Company's assets, determined on the basis of its accounting statements as on the last reporting date, according to clause 12.3 of the Company's Articles of Association;
- 2.4.10. approval of interested transactions from the part of members of the Board of Directors, Management, President and other persons according to Article 13 of the Company's Articles of Association;
- 2.4.11. preliminary approval of transactions on acquisition of any property, including shares and real estate units, the sum of transaction and the market value of which exceeds 68 million US dollars in rubles equivalent, and equally preliminary approval of several inter-related transactions on acquisition of any property, including shares and real estate units, the sum of transaction or the market value of which in total exceeds 68 million US dollars in rubles equivalent, with the exception of transactions with subsidiaries and dependent companies;
- 2.4.12. preliminary approval of any transactions on carve-out of shares and real estate units, including transactions on impairment of shares and real estate units, including concluding pledge agreements, in the result of which the further carve-out of shares and real estate units is possible, and also transactions on transfer of shares and real estate units to trust management, with the exception of transactions with subsidiaries and dependent companies;
- 2.4.13. preliminary approval of transactions on alienation of any property, with the exception of shares and real estate units, the sum of transaction or the market value of which exceeds 68 million US dollars in rubles equivalent, with the exception of transactions with affiliates and dependent companies, and equally preliminary approval of several inter-related transactions on alienation of any property, with the exception of shares and real estate units, the sum of transaction

or the market value of which in total exceeds 68 million US dollars in rubles equivalent, with the exception of transactions with subsidiaries and dependent companies;

2.4.14. preliminary approval of lease transactions, the sum of transaction or the market value of which exceeds 68 million US dollars in rubles equivalent and for the period of more than 1 year, with the exception of transactions with subsidiaries and dependent companies;

2.4.15. preliminary approval of transactions on impairment of property, including pledge agreements, with the exception of transactions on impairment of shares and real estate units, in the result of which the further alienation of property is possible, the sum of transaction or the market value of which exceeds 68 million US dollars in rubles equivalent, with the exception of transactions with subsidiaries and dependent companies;

2.4.16. preliminary approval of transactions of guarantee, loans, transfer of property to the trust management, with the exception of transactions on transfer of shares and real estate units to trust management, concluding contracts with financial advisers, settlement agreements, claim assignment and debt assignment agreements, sponsor agreements, promissory notes issue for the sum exceeding 68 million US dollars in rubles equivalent a year, with the exception of transactions with subsidiaries and dependent companies;

2.4.17. preliminary approval of transactions on procurement of loans for the period of more than 3 months, the sum of which exceeds 68 million US dollars in rubles equivalent, including principal of loan and interests, with the exception of transactions with subsidiaries and dependent companies;

2.4.18. preliminary approval of transactions on loans issue for the period of more than 3 months, the sum of which exceeds 1 million 350 thousand rubles, with the exception of transactions with subsidiaries and dependent companies;

2.4.19. recognizing actions, the size of which exceeds 270 million rubles;

2.4.20. passing resolutions on participation and termination of the Company's participation in other companies, and resolutions on carve-out of shares of such companies and shares of companies, paid to the authorized capital, adoption of resolutions on establishment and liquidation of subsidiaries, 100 percent of shares of which belong to the Company, with the exception of cases, stipulated by sub-clause 22) of clause 7.2 of the Company's Articles of Association;

2.4.21. passing resolutions on establishment and liquidation of the Company's affiliates, representative offices, passing resolutions on introducing amendments related to establishment and liquidation of the Company's affiliates, representative offices into the Company's Articles of Association;

2.4.22. passing resolutions in respect of the Company's position on the following issues of agenda of the general Meeting of shareholders (participants) in the companies, which shareholder (participant) is the Company:

- reorganization of the Company,
- liquidation of the Company,
- determination of the amount, par value, class of declared shares and rights, provided by these shares,
- increasing of the authorized capital by increasing the par value or by placing additional shares,
- split-up or consolidation of the Company's shares,
- settlement of major transactions, with the exception of transactions, performed in the course of standard business activity;

2.4.23. passing resolutions regarding the Company's position on all agenda items of the annual general Meetings of shareholders of JSC "Slavneft-Yaroslavnefteorgsyntez" and JSC "Slavneft-Megionneftegaz"; and passing resolutions on providing the Company's President with a directive to present the Company's interests and voting at annual general shareholders meetings of specified companies, according to the adopted resolution in relation of the Company's position on agenda items.

If the transactions specified in Subclauses 2.4.11, 2.4.12, 2.4.13, 2.4.14, 2.4.15, 2.4.16, 2.4.17, 2.4.18 of this Clause are also transactions of interest, only the provisions specified in Clause 13 of the Company's Articles of Association shall apply during its execution.

2.5. The competence of the Board of Directors in organization of the own activity and control over activity of the Company's management bodies and the Registrar includes:

2.5.1. election of the Chairman of the Board of Directors and early termination of his/her office;

2.5.2. providing the members of the Board of Directors with the authority to sign contracts with the President and members of the Company's Management Board, Secretary of the Board of Directors on behalf of the Company;

2.5.3. determination of the terms of contracts (including the terms on the size of remunerations and compensations), signed with the President and members of the Company's Management Board by the Secretary of the Board of Directors;

2.5.4. determination of the number of the Management Board members and appointment thereof as advised by the President and early termination of their authorities;

2.5.5. appointment of the Company's President and early termination of his/her office;

2.5.6. preliminary approval of appointment and dismissal from office of Vice-Presidents and the Company's Chief accountant as advised by the President;

2.5.7. consent for overlapping by one person of positions of the President or the Management Board member with positions in management bodies of other organizations (except for the cases of representation of the Company's interests in management bodies of the Company's subsidiaries and other organizations the Company participates in);

2.5.8. providing recommendations to the general Meeting of shareholders connected with the size of remuneration and/or reimbursement paid to the members of the Revision Commission;

2.5.9. determination of the size of the fee paid to the Company's auditor;

2.5.10. submitting the request on extraordinary inspection of the Company's financial and business activity by the Revision Commission;

2.5.11. requiring verbal or written reports and other documents and information necessary for the Board of Directors to perform its function from the President, members of the Company's Management Board and other Company's officials;

2.5.12. appointment of the Company's Registrar and the terms of contract with him/her and dissolution of such a contract;

2.5.13. appointment of the Secretary of the Board of Directors and early termination of his/her authorities;

2.5.14. adoption of the Company's internal regulatory documents as advised by the Management Board (except for the documents the approval of which is referred to the competence of the general Meeting of shareholders, the President or the Management Board of the Company);

2.5.15. creation of committees of the Board of Directors and approval of regulations thereof.

2.6. The issues attributed to the competence of the Board of Directors shall not be transferred for resolution to the President or the Company's Management Board.

2.7. A member of the Board of Directors has the right:

2.7.1. to require the Company's President to provide any information (documents and materials) related to financial and business activity of the Company;

2.7.2. to receive remuneration for fulfilling his/her obligations and/or reimbursement of expenses connected with fulfilling the functions of a member of the Company's Board of Directors in cases and in the amounts, established by the resolution of the general Meeting of shareholders;

2.7.3. to familiarize oneself with the minutes of the meetings of the Board of Directors and Revision Commission and receive their copies free of charge.

Article 3. The composition of the Board of Directors

3.1. The number of the Board of Directors members is determined by resolution of the general Meeting of shareholders.

- 3.2. Only a physical person and as well a person not being the Company's shareholder can be a member of the Board of Directors.
- 3.3. Persons elected to the Board of Directors can be reelected an unlimited number of times.
- 3.4. Members of the Revision Commission can not simultaneously be the members of the Board of Directors.
- 3.5. The members of the Company's Management Board can not be elected to the Board of Directors.
- 3.6. The Board of Directors is headed by the Chairman of the Board of Directors.

Article 4. The term of office of the Board of Directors

- 4.1. The Board of Directors is elected for the term until the next annual general Meeting of shareholders.
- 4.2. The elected Board of Directors shall obtain its powers and the acting Board of Directors shall resign as on the date of signing the minutes based on the voting results by the counting commission.
- 4.3. If the annual general Meeting of shareholders was not held within the terms, established by clause 7.3. of the Company's Articles of Association or due to some other reasons the members of a new Board of Directors are not elected at the annual Meeting of shareholders, the authorities of the members of the Board of Directors shall be terminated, except for the authorities to prepare, convene and hold respectively the annual or extraordinary Meeting of shareholders.

Article 5. The order of nominating candidates to the Board of Directors

- 5.1. The shareholder/s owing in total not less than 2 percent of voting shares as to the date of nominating candidates have the right to nominate candidates to the members of the Board of Directors.
- 5.2. Proposals of shareholder/s shall be sent to the Company within 60 days after closing the financial year.
- 5.3. The Board of Directors has the right at its discretion to include the candidates into the list of candidates for the positions of the Board of Directors members if there are not enough or no candidates proposed by the shareholders.
- 5.4. The number of candidates, specified in the shareholder's proposal of nominating candidates to the Board of Directors shall not exceed the number of the Board of Directors members established as on the date of nominating candidates.
- 5.5. The proposal on nominating candidates shall be submitted by means of:
 - 5.5.1. its forwarding by a registered letter to the Company's address;
 - 5.5.2. handling it in to the Chancellery of the Company's Administration or the Secretary of the Board of Directors against signature.
- 5.6. The date of submitting proposal of nominating candidates is set according to the requirements to the order of preparation, convening and holding the general Meeting of shareholders, established by the federal executive body for the securities market.
- 5.7. The proposal on nominating candidates is submitted in written and comprises the following:
 - 5.7.1. the name/s of the shareholder/s that provided them;
 - 5.7.2. the number and class (type) of shares belonging to them.
- 5.8. The proposal on nominating the candidates to the Board of Directors shall comprise:
 - 5.8.1. the full name and identity paper data (series and (or) number, date and place of its issue, the body issued the paper) of every nominated candidate;
 - 5.8.2. the name of the body the candidate is proposed to be elected to;
 - 5.8.3. the following information about the candidate:
 - 5.8.3.1. date of birth, citizenship;

5.8.3.2. information on education, including qualification improvement (name of education institution, date of finishing, specialty/qualification acquired);

5.8.3.3. information on place of employment and positions occupied by the candidate during the last 5 years, including positions the candidate occupied in the management bodies of other legal entities for the recent 5 years;

5.8.3.4. list of legal entities in which the candidate participates, specifying the number of shares owned by him/her, shares in the authorized (share) capital of these legal entities;

5.8.3.5. list of persons to which the candidate is an affiliated person with specification of the reasons of affiliation;

5.8.3.6. other information relevant for election of this candidate to the Board of Directors.

The proposal on nominating the candidates may also contain the candidate's consent for his/her election. The correspondent candidate's consent application shall be submitted to the Company within 30 days prior to the date of convening the general Meeting of shareholders.

5.9. The proposal shall be signed by a shareholder or by his/her authorized representative. If the proposal is signed by an authorized representative, the corresponding proxy (a copy of a proxy certified by a public notary) shall be attached to the proposal.

5.10. The Board of Directors shall consider the received proposals and pass a resolution on including or refusal to include the proposed candidates into the list of candidates to the Board of Directors within 5 days after expiration of the term established by clause 5.2 of this Article.

5.11. A motivated refusal to include the candidate into the list of candidates shall be sent to the shareholder/s who nominated the candidate within 3 days of passing the resolution.

5.12. The nominated candidates shall be included into the list of candidates, except for the following:

5.12.1. the shareholder/s does not observe the terms, established by clause 5.2 of this Article;

5.12.2. the shareholder/s is not the owner of the number of the Company's voting shares stipulated by clause 5.1 of this Article;

5.12.3. the proposal does not meet the requirements, provided by clauses 5.7 and 5.9 of this Article.

Article 6. Election of members of the Board of Directors

6.1. Members of the Board of Directors shall be elected by cumulative voting. The number of votes owned by each shareholder is multiplied by the number of persons to be elected to the Company's Board of Directors. Each shareholder has the right to cast all votes acquired in this way for one candidate or distribute the votes between two or more candidates.

6.2. Candidates to the Board of Directors that received the maximum number of votes shall be considered elected to the Board of Directors.

6.3. The authorities of the Board of Directors can be terminated early according to the resolution of the general Meeting of shareholders. At that, the resolution of the general Meeting of shareholders on its early termination may be adopted only in relation of all members of the Board of Directors.

6.4. In case of early termination of authorities of the Board of Directors, the authorities of newly elected Board of Directors members are effective until election of a new Board of Directors at the next annual general Meeting of shareholders.

6.5. If the number of the Board of Directors members is less than the number constituting the quorum provided by clause 8.10 of the Company's Articles of Association and clause 9.29 of these Regulations, the Board of Directors shall pass a resolution on holding the extraordinary general Meeting of shareholders to elect new members of the Board of Directors. The remaining members of the Board of Directors are authorized to pass resolutions only related to convening this extraordinary general Meeting of shareholders.

Article 7. Chairman of the Board of Directors

7.1. The Chairman of the Board of Directors shall be elected by the members of the Board of Directors from their number by majority of votes from the total number of the Board of Directors members.

7.2. The Company's President shall not be concurrently the Chairman of the Board of Directors.

7.3. The Company's Board of Directors is authorized to reelect its Chairman at any time by majority of votes from the total number of the Board of Directors members.

7.4. The Chairman of the Board of Directors shall:

7.4.1. organize the work of the Board of Directors by creating conditions for an open expression of opinions by the Board of Directors members and open discussion of the agenda issues;

7.4.2. convene meetings of the Board of Directors, prepare the meeting agenda and preside there, organize an absentee voting of Board of Directors members in cases provided by the Company's Articles of Association;

7.4.3. organize the process of taking minutes during the meetings and sign them;

7.4.4. sign labor contracts with the Company's President, Management Board members on behalf of the Company, if this right is not transferred to another member of the Board of Directors by the Board of Directors;

7.4.5. provide for coming of optimal solutions on the agenda issues of the Board of Directors meetings;

7.4.6. maintain constant contacts with the other Company's bodies and officials;

7.4.7. accept written proposals from shareholders on convening of the extraordinary general Meeting of shareholders and nomination of candidates to the Company's management bodies;

7.4.8. preside at the general Meetings of shareholders, except for the cases when the persons and bodies convening the extraordinary general Meeting of shareholders have the right to appoint the Chairman of the general Meeting of shareholders according to the federal laws of the Russian Federation.

7.5. If the Chairman of the Board of Directors is absent, his/her functions shall be performed by one of the members of the Board of Directors upon resolution of the Board of Directors passed by majority of votes of its members participating at the meeting.

Article 8. The Secretary of the Board of Directors

8.1. The Secretary of the Board of Directors is in charge of organizational and technical issues of the Board of Directors activity. The competencies of the Secretary of the Board of Directors include:

8.1.1. preparing draft plans of the Board of Directors meetings on the basis of the Company's Articles of Association, proposals of the Chairman, the Board of Directors members, President and other Company's officials;

8.1.2. preparing draft agenda for the Board of Directors meeting;

8.1.3. organization of preparation and execution of materials on agenda items of the Board of Directors meeting;

8.1.4. sending notices on convening the meeting, the agenda of the meetings and materials on issues considered;

8.1.5. organization of participation of the Board of Directors members in its work;

8.1.6. determination of persons invited to the Board of Directors meeting;

8.1.7. taking, execution and circulation of minutes of the Board of Directors meetings;

8.1.8. organization of control over execution of the Board of Directors resolutions;

8.1.9. keeping records of the Board of Directors.

8.2. The Secretary of the Board of Directors shall be appointed and dismissed upon resolution of the Board of Directors. The term of office of the Secretary of the Board of Directors is determined by resolution of the Board of Directors.

8.3. In case of temporal absence of the Secretary of the Board of Directors the Board of Directors is authorized to appoint the Acting Secretary of the Board of Directors.

Article 9. Meetings of the Board of Directors

9.1. The meetings of the Board of Directors are convened by the Chairman of the Board of Directors when necessary, but not less than once in 6 weeks. The meetings are held according to the plan of meetings of the Board Directors established by the Board Directors.

9.2. The first meeting of the newly elected Board of Directors which agenda contains the item on election of the Chairman of the Board of Directors is convened by one of the Board of Directors members by sending a notification on convening the meeting to all other Board of Directors members.

9.3. The agenda of the ordinary Meeting of the Board of Directors includes the issues proposed for consideration by the Board of Directors Chairman, the Board of Directors members, the Revision Commission, the Auditor, the Management Board members and the Company President.

9.4. Proposals to the agenda of the Board of Directors meeting are prepared in written and sent to the address of the Board of Directors or handed to the Secretary of the Board of Directors against signature not later than 15 days before the date of holding the meeting.

9.5. Proposals to the meeting agenda shall contain the reasons for submitting them and shall be signed by the person(s) who submitted them. This person/s is authorized to provide materials and draft resolutions on the issues he/she proposed for the agenda of the Board of Directors meeting.

9.6. The notice on convening of the Board of Directors meeting shall be sent to each member of the Board of Directors in written not later than 10 days before the date set for the meeting.

9.7. Members of the Board of Directors are authorized to send their observations and proposals on materials of the meeting agenda to the Secretary of the Board of Directors.

9.8. The meetings of the Board of Directors are convened by the Chairman of the Board of Directors on his/her own initiative, and also upon request of:

- the member of the Board of Directors;
- the Revision Commission;
- the Company's Auditor;
- the Company's President;
- the Company's Management Board.

9.9. The request of the initiator of convening the Board of Directors meeting shall be made in written and sent by a registered letter to the Company's address or to the name of the Chairman of the Board of Directors or handed against signature to the Secretary of the Board of Directors that informs the Chairman of the Board of Directors about receipt of such a request.

9.10. The date of submitting a request on convening the extraordinary Meeting of the Board of Directors shall be identified by post stamp and by the date of handing it to the Secretary of the Board of Directors.

9.11. The request shall be signed by the initiator of holding the meeting – a member of the Board of Directors, the President, the Chairman of the Revision Commission, the Company's Auditor.

9.12. The request shall specify:

9.12.1. the initiator of holding the meeting;

9.12.2. statements of the agenda issues mentioning the reasons for introducing the issues into the agenda.

9.13. The request on holding the Board of Directors meeting may contain draft resolutions on the issues proposed for the meeting agenda. The initiator of the extraordinary meeting of the Board of Directors is authorized to enclose the materials on the meeting agenda issues to the request.

9.14. The Board of Directors meetings, convened upon request of the Board of Directors member, the Revision Commission or the Company's Auditor, the Management Board, the Company's President are held within 15 days from the date of submitting the mentioned request.

9.15. The Chairman of the Board of Directors shall pass the resolution on convening the Board of Directors meeting within 3 days from the date of submitting the request on convening the Board of Directors meeting by the aforesaid persons.

9.16. The Chairman of the Board of Directors is not authorized to refuse to convene the Board of Directors except for the following cases:

- the order of submitting the request on convening the Board of Directors meeting established by this Regulations has not been observed;
- none of the issues proposed for the agenda of the Board of Directors meeting is attributed to its competencies and (or) meets the requirements of the current legislation of the Russian Federation.

9.17. If the Chairman of the Board of Directors passes the resolution on refusal to convene the Board of Directors meeting, the Secretary of the Board of Directors shall send the notice to the initiator of convening the meeting within 3 days of passing the corresponding resolution.

9.18. In case of unmotivated refusal or if the Chairman is unable to convene the Board of Directors meeting, it may be convened by any member of the Board of Directors.

9.19. The Board of Directors meetings convened by the Chairman for consideration of requests of shareholders owning not less than 10 percent of the Company's voting shares, the Revision Commission and the Company's Auditor on convening the extraordinary general Meeting of shareholders, should be convened within 5 days of the date of submitting the corresponding requests.

9.20. The notice on convening the Board of Directors meeting shall be sent to all members of the Board of Directors within the terms, established by clause 9.5 of these Regulations, except for convening the Board of Directors meeting in case provided by clause 9.18 of these Regulations. In this case the notice on convening the Board of Directors meeting shall be sent not later than the next day of the date of submitting the request on convening an extraordinary Meeting of shareholders.

9.21. The notice on convening the Board of Directors meeting shall comprise the following information:

- 9.21.1. full Company name and location;
- 9.21.2. full name of the Board of Directors member the notice is sent to;
- 9.21.3. the form of holding the meeting;
- 9.21.4. the date, time and place of holding the meeting and the deadline for receiving the voting ballots at holding the meeting in the form of an absentee voting;
- 9.21.5. the meeting agenda;
- 9.21.6. the information on the order of familiarization with materials and information necessary for the meeting preparation or list of materials enclosed to the notice.

The notice is signed by the Chairman of the Board of Directors or by the Secretary of the Board of Directors or one of the Board of Directors members under his/her instruction. In case of absence of the Chairman of the Board of Directors the notification is signed by the acting Chairman of the Board of Directors according to clause 7.5 of these Regulations.

9.22. The Secretary of the Board of Directors shall send the notices by means of handing them to the Board of Directors members against signature. Sending the notices by fax is also admitted.

The voting ballot (in case of holding the meeting in the form of absentee voting) and materials necessary for passing the resolution shall be enclosed to the notice.

9.23. Preparation of draft resolutions and materials necessary on agenda items of the coming Board of Directors meeting is performed by executives determined by the Chairman of the Board of Directors upon approval of the meeting agenda of the Board of Directors on the basis of a special instruction or resolution of the Company's President.

9.24. When the Company's officials prepare issues for the Board of Directors meeting, they shall back or obtain approval of the Company President concerning the draft resolutions of the Board of Directors and materials (references, information and etc.) on the meeting agenda issues.

9.25. The draft resolution and materials on the meeting agenda items shall be submitted to the Secretary of the Board of Directors within 14 days before the date of holding the Board of Directors meeting.

9.26. The Secretary of the Board of Directors shall organize preparation of necessary materials for the Board of Directors meeting and send them to all Board of Directors members within 10 days before the set date of the meeting.

9.27. Materials, containing the information of limited circulation ("Commercial secret", "Not for Public use"), shall be sent in the order, provided by the current normative acts of the Russian Federation and the Company's internal documents governing the rules of handling with these materials.

9.28. Sending materials by e-mail and fax is admissible.

9.29. The meeting of the Board of Directors is presided by the Chairman of the Board of Directors.

9.30. The Board of Directors meeting is authorized (has a quorum) if the number of its participants exceeds half of the elected members of the Board of Directors.

A written opinion of the Board of Directors member not present at the meeting on agenda issues shall be taken into consideration at determining the quorum and the results of voting on the agenda item if the following conditions are concurrently observed:

- a written opinion on the agenda issue shall be received by the Board of Directors (the Chairman or the Secretary of the Board of Directors) before beginning of the meeting;
- the member of the Board of Directors expressly determined his/her opinion on the issue, having specified in his/her written opinion if he/she votes "for" or "against" on the draft resolution proposed, or "abstained" from passing resolution;

A written opinion, containing amendments and notes of the draft resolution proposed, is not subject to accounting when determining the quorum and results of voting. If the amendments to the draft resolution are introduced at the Board of Directors meeting, a written opinion is also not subject to accounting when determining the quorum and results of voting.

In case of presence of the Board of Directors member at the Board of Directors Meeting his/her written opinion received for convening the meeting, is not announced at the meeting and is not accounted at determining the quorum and results of voting.

Written opinions are taken into account at determining the quorum and results of voting on each issue separately that is reflected in the meeting minutes.

9.31. Each member of the Board of Directors has one vote in voting at the meeting of the Board of Directors.

9.32. The member of the Board of Directors may not transfer the vote to another person including other members of the Board of Directors.

9.33. Resolutions of the Board of Directors shall be passed by majority of votes of the total number of the elected Board of Directors members, except for the cases covered in these Regulations and the Company's Articles of Association.

9.34. The Board of Directors passes resolutions on items related to election of the Company's President and early termination of his authorities by three-fourth majority of the total number of elected members of the Board of Directors.

9.35. Resolutions of the Board of Directors on approval of a major transaction, related to the property, the cost of which amounts from 25 to 50 percent of the Company's assets balance-sheet value, shall be passed unanimously by all members of the Board of Directors.

If a major transaction is not approved unanimously by all members of the Board of Directors the issue on approval of a major transaction may be delivered by resolution of the Board of Directors for resolution of the Shareholders Meeting. In this case the resolution on approval of a

major transaction shall be passed by the Shareholders Meeting by majority of votes of shareholders, owners of the voting shares taking part at the Meeting of shareholders.

9.36. If a major transaction is simultaneously a transaction of interest, it shall be effected based on regulations of Article 13 of the Articles of Association.

9.37. The issues not included into the meeting agenda specified in the notice sent to the members of the Board of Directors shall not be considered at the Board of Directors meeting.

Consideration of some agenda issues may be adjourned or withdrawn by the Board of Directors upon consent of all the Board of Directors members present at the Board of Directors Meeting, with the exception of cases when the Board of Directors is entitled to pass resolution on the agenda issue according to the current legislation of the Russian Federation.

Any Board of Directors meeting can be adjourned if necessary provided all the Board of Directors members present agree with it, except for the cases when the Board of Directors is entitled to pass resolution within the terms established by the current legislation of the Russian Federation.

9.38. The list of persons invited to the Board of Directors Meeting shall be determined by the Secretary of the Board of Directors on the basis of proposals of the officials responsible for preparation of issues considered at the meeting and shall be approved by the Chairman of the Board of Directors, in case of the absence of the Chairman – by the acting Chairman of the Board of Directors.

9.39. Upon resolution of the Company Board of Directors, on the basis of proposal of its Chairman, the Board of Directors members, the Company's President, closed meetings may be held and some issues may be considered at the ordinary meeting of the Board of Directors without inviting other any persons apart from the Board of Directors members and the Secretary of the Board of Directors.

9.40. The resolution on holding the Board of Directors meeting in absentee voting shall be passed by the Chairman of the Board of Directors and initiator of convening the meeting.

9.41. Absentee voting shall not be held on the following issues:

9.41.1. approval of priority directions of the Company's activity;

9.41.2. adoption of the company development programs;

9.41.3. convening the annual general Meeting of shareholders and passing resolutions necessary for its convening and holding;

9.41.4. preliminary approval of the annual report and the Company's annual accounting statements;

9.41.5. convening or refusal to convene the extraordinary general Meeting of shareholders upon request of the Revision Commission, the Company's auditor and shareholder/s owing not less than 10 percent of the Company's voting shares;

9.41.6. appointment of the Company's President, signing an employment agreement with him/her and early termination of his office;

9.41.7. determination of the number and appointment of the Management Board members, signing contracts with them and early termination of their office;

9.41.8. including proposals on the Company's reorganization or liquidation into the agenda of the general Meeting of shareholders.

9.42. The form of the absentee voting ballot and information (materials) necessary for the meeting preparation shall be sent to the Board of Directors members within 10 days before the date of the deadline for receiving the filled-in ballots.

9.43. The absentee voting ballot shall comprise the following information:

9.43.1. full Company name and location;

9.43.2. the statements of issues put for voting and resolutions on each issue;

9.43.3. the voting options on each issue: "for", "against", "abstained";

9.43.4. the postal address the filled-in ballots shall be sent to;

9.43.5. the final date for receiving ballots;

9.43.6. the note to obligatory signing the ballots by the Board of Directors member.

9.44. The filled-in ballots for absentee voting shall be sent by the Board of Directors members to the Company's address for the attention of the Secretary of the Board of Directors.

The members of the Board of Directors who submitted the filled-in ballots for absentee voting within the established term shall be considered to be the participants of the absentee voting.

9.45. The resolution of the Board of Directors is considered to be passed by absentee voting provided there are no "against" votes.

9.46. The Secretary of the Board of Directors shall draw up the minutes of the meeting based on the results of absentee voting within 3 days from the final date for receiving ballots.

All members of the Board of Directors shall be informed about resolutions passed by absentee voting of the Board of Directors within 7 days from signing the corresponding minutes. The copies of the said minutes shall be sent to all Board of Directors members.

9.47. The Board of Directors shall determine the date and place of holding the next meeting at the end of every meeting.

9.48. The member of the Board of Directors who did not participate in voting or voted against the resolution passed by the Board of Directors in violation of the order, established by the Russian Federal Law "On Joint Stock Companies", other legislative acts of the Russian Federation, the Company's Articles of Association, has the right to appeal to the court the said resolution, provided this resolution violated his/her rights and legitimate interests. This claim may be submitted to the court within 1 month of the day when the member of the Board of Directors learned or had to learn about resolution passed.

Article 10. The minutes of the Board of Directors

10.1. The Secretary of the Board of Directors shall take minutes at the Board of Directors meeting.

10.2. The minutes of the Board of Directors Meeting shall be drawn up by the Secretary of the Board of Directors in one copy within 3 days of holding the meeting. The minutes of the Board of Directors meeting shall specify:

10.2.1. full Company name and location;

10.2.2. the place (address) and time of holding the meeting;

10.2.3. the meeting agenda;

10.2.4. the persons present at the meeting;

10.2.5. the issues put to vote and results of voting on these issues;

10.2.6. the resolutions passed.

10.3. The minutes of the meeting shall be signed by the Chairman, who is responsible for correct drawing up the minutes, and by the Secretary of the Board of Directors (or Acting Secretary of the Board of Directors) and certified by the Company's seal.

10.4. The minutes under results of absentee voting shall be drawn within 3 days of the final date for receiving ballots and signed by the Chairman of the Board of Directors (or Acting Chairman of the Board of Directors) and the Secretary of the Board of Directors and certified by the Company's seal. The minutes shall specify:

10.4.1. full Company name and location;

10.4.2. members of the Board of Directors participated in voting;

10.4.3. the issues put to absentee voting;

10.4.4. the statements of resolutions on each issue;

10.4.5. the voting results on each issue.

10.5. The copies of minutes shall be sent to all the Board of Directors members within 7 days after the day of holding the Board of Directors meeting.

10.6. The Secretary of the Board of Directors provides records of the Board of Directors meeting with the use of technical facilities.

10.7. The minutes of the Board of Directors meeting shall be kept at the place of the Company's executive body during the term established by the current legislation of the Russian Federation.

10.8. The meeting minutes and annexes to them (with the exception of information that may not be provided according to regulations of the Company's Articles of Association) shall be accessible for familiarization to any shareholder at the place of the Company's location.

The minutes of the Board of Directors meetings shall be provided by the Company within 7 days of the day of submitting the correspondent request for familiarization in the office of the Company's executive body. The Company shall provide them upon request with the copies of the Board of Directors meetings minutes. The fee charged by the Company for providing the copies should not exceed the charge for their execution.

10.9. The resolutions of the Board of Directors shall be provided to the executives in the form of excerpts from minutes certified by the Secretary of the Board of Directors.

Article 11. Obligations and responsibilities of the Board of Directors members

11.1. Exercising their rights and the duties of office the members of the Board of Directors shall:

11.1.1. in all their resolutions act conscientiously and reasonably in the Company's interests;

11.1.2. attend the Board of Directors meetings;

11.1.3. participate in passing resolutions of the Board of Directors by voting on the meeting agenda issues;

11.1.4. demand explanations and ask clarifying questions;

11.1.5. inform the Board of Directors in advance about impossibility to take part at the meeting specifying the reasons for absence;

11.1.6. comply with the following rules and requirements relating to the conflict of interests;

11.1.6.1. inform the Board of Directors, the Revision Commission and the Company's auditor about the following:

- legal entities where they own independently or jointly with their affiliated person/s 20 or more percent of the voting stock (shares, equity interests);
- legal entities where they occupy positions in the management bodies;
- transactions effected or planned by them, they are aware of, in which they may be recognized as interested parties.

11.1.6.2. immediately inform in written the Chairman of the Board of Directors about any personal, commercial or other interest (direct or indirect) in transactions, contracts, projects, related to the Company, including intentions to commit transactions with securities of the Company and its subsidiaries, and also disclose information on transactions effected by them with these securities in the order established by the Company's internal documents;

11.1.6.3. not accept any gifts, services or any advantages from legal or physical persons, that can be considered as reward for resolutions and actions passed and performed by the member of the Board of Directors within his/her duties of office except for some trifle courtesies in accordance with commonly accepted politeness rules or souvenirs at formal events;

11.1.6.4. not disclose confidential, insider or other commercial information, that became known to a member of the Board of Directors in connection with exercising the correspondent functions to persons having no access to this information, or to use this information in one's own interests or the interests of the third parties within the term of office of the Board of Directors member, and also during 3 years of the end of the employment in the Company;

11.1.6.5. to observe all rules and procedures, established by the Company's internal documents and related to the safety measures and the Company's confidential information integrity.

11.1.7. provide timely the Board of directors with full and precise information on the Company's activity and financial situation;

11.2. The members of the Board of Directors shall be liable to the Company for losses incurred by the Company due to their wrongful acts and culpable omission unless other responsibility grounds are not established by the federal laws.

11.3. The members of the Board of Directors shall be liable to the Company or to the shareholders for losses incurred due to their wrongful acts, culpable omission and violation of the

order of acquiring shares by the Company provided by chapter XI.1 of the Russian Federal Law “On Joint Stock Companies” and Articles 6(1)-6(2) of the Articles of Association.

At that, the members of the Board of Directors that voted against resolution that caused losses to the Company or to the shareholders or did not participate in voting shall not be responsible.

11.4. Usual terms of business turnover and other relevant circumstances shall be taken into account in determining the reasons and size of responsibility of the Board of Directors members.

11.5. If in accordance to regulations of this Article several Board of Directors members bear responsibility, their responsibility to the Company, and in case, stipulated by the first paragraph of clause 11.3, to the shareholder, is joint.

11.6. If the Company’s insolvency (bankruptcy) is caused by wrongful acts of the Board of Directors members, in case of insufficiency of the Company’s property, the subsidiary responsibility can be imposed on its liabilities.

11.7. The insolvency of the Company shall be considered to be caused by the aforesaid persons only in case if these persons used their right to give obligatory instructions or the possibility to determine the Company’s actions, being aware of that this action will entail the insolvency of the Company.

11.8. The Company or the shareholder/s owing in total not less than 1 percent of the Company’s placed ordinary shares, have the right to bring a case before a court and claim the member of the Board of Directors to reimburse the losses suffered by the Company in case stipulated by clause 11.2 of this Article.

The Company or the shareholder/s have the right to bring a case before a court and claim the member of the Board of Directors to reimburse the losses incurred by the Company in case stipulated by clause 11.3 of this Article.

Article 12. Payment of remuneration to the members of the Board of Directors and reimbursement of expenses related to their performance of functions of the Board of Directors members

12.1. The members of the Board of Directors during their office can be paid with remunerations and/or reimbursed for expenses related to their performance of the Board of Directors members upon resolution of the general Shareholders Meeting.

12.2. The size of remunerations to the members of the Board of Directors under results of the Company’s work for the year shall be determined by resolution of the general Shareholders Meeting.

12.3. Reimbursement of expenses to the Board of Directors members, related to exercising by them the functions of the Board of Directors members in the year following the reporting year is performed as follows:

12.3.1. Reimbursement of expenses incurred by the Board of Directors members for their business trips shall include the following:

- rent of premises based on expenses actually incurred;
- transportation costs;

12.3.2. Reimbursement of insurance costs. Responsibility of the Board of Directors members before the Company in case of incurring losses is subject to insurance.

12.3. Reimbursement of expenses according to the present Article is performed only in the scope determined by the general Meeting of Shareholders.

The rewards to the members of the Board of Directors are not paid and the expenses are not reimbursed if there is no net profit under results of the Company’s financial and business activity for the year.