

APPROVED

by the General Meeting of Shareholders
of Open Joint Stock Company
Oil Company Rosneft
on June 7, 2006
Minutes without No.

**REGULATIONS ON THE SOLE EXECUTIVE BODY
(PRESIDENT)**

of OJSC Oil Company Rosneft

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Article 1. General Provisions

These Regulations shall, in accordance with the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies", other regulatory acts of the Russian Federation, the Corporate Governance Code and the Charter of Open Joint Stock Company Oil Company Rosneft (hereinafter - the "Company"), set forth the operating procedures, rights and duties of the sole executive body of the Company – the President (hereinafter - the "President").

Article 2. Terms and Definitions

1. The terms and definitions used herein shall be used in the same meanings as are assigned thereto by the legislation of the Russian Federation on joint stock companies and securities, unless otherwise stipulated by these Regulations.

2. The following terms and definitions shall be used for the purposes of these Regulations:

"**officers**" shall mean the persons performing organizational and management, administrative and economic functions within the Company;

"**confidentiality**" shall mean non-disclosure to third parties of any information about the Company and its operations to the extent permitted by the legislation of the Russian Federation;

"**loyalty**" shall mean the attitude of the President to the Company, where the President refrains from using his/her official position to impair the interests of the Company;

"**employee**" shall mean any person, which has labor relations with the Company;

"**Board of Directors**" shall mean the collective governing body of the Company which is formed by the General Meeting of Shareholders by appointing thereto a certain number of individuals, and which is responsible for the general management of the operations of the Company within the scope of its competence as set forth by the federal laws and the Charter of the Company.

Article 3. Basic Provisions Related to the President

1. The President shall manage the current operations of the Company in accordance with the Federal Law "On Joint Stock Companies", other regulatory acts of the Russian Federation, the Charter of the Company, and agreement executed by and between him/her and the Company, and these Regulations.

2. The President shall be accountable before the Board of Directors and the General Meeting of Shareholders of the Company.

3. The powers of the President may be terminated prior to the expiry of his/her term in office by resolution of the General Meeting of Shareholders.

4. The rights and duties of the President, as well as the timing for the payment, and the amount, of remuneration paid for the services of the President shall be stipulated by the agreement executed by and between him/her and the Company. The agreement between the Company and the President shall be signed on behalf of the Company by the Chairman of the Board of Directors of the Company, or by the person authorized therefor by the Board of Directors of the Company.

Article 4. Requirements to the President

1. To properly perform his/her duties, the President shall have the professional qualification as required to manage the current operations of the Company and, in particular, shall:

have higher education in the area of operations of the Company;

have work experience in the area of operations of the Company of at least 10 years, or work experience in senior management positions of at least 5 years.

2. The President shall have an impeccable business reputation.

No person with current or prior criminal record may be appointed (elected, approved) to the position of the President.

No person, which was subjected to administrative sanction in the form of disqualification may be appointed (elected, approved) to the position of the President.

The following factors shall be deemed to have adverse effect on the reputation of a person, and shall be obligatory taken into consideration at the time of his/her appointment (election, approval) to the position of the President:

the fact that such person has current or prior criminal record for economic crimes or crimes against the government, public service or service in the bodies of local self-government;

the fact that such person has committed an administrative offence in the sphere of entrepre-

neural activities, finance, taxes and duties, or securities markets.

Article 5. Concurrent Service in Other Positions with the Company

1. The President shall perform the functions of the chairman of the collective executive body of the Company (Management Board) in accordance with the procedure stipulated by the Charter of the Company and the Regulations on the Collective Executive Body of the Company (Management Board).

2. The President may not concurrently serve as the Chairman of the Board of Directors of the Company.

3. The President may not serve as a member of the Audit Commission of the Company or the Counting Commission of the Company.

Article 6. Concurrent Service in Other Entities

1. Concurrent holding by the President of positions in the governing bodies of other entities shall be allowed only with the prior consent of the Board of Directors of the Company.

Positions in the governing bodies of other entities shall include memberships in the boards of directors or executive bodies of other entities, carrying out functions of general manager or deputy general manager of other entities, other positions in other entities, which involve carrying out administrative and management functions, whether under agreements or otherwise.

2. Prior consent of the Board of Directors of the Company to concurrent holding by the President of positions in the governing bodies of other entities shall be given in the form of a special resolution of the Board of Directors on the matter of giving such consent. The appropriate matter shall be included into the agenda of the meeting of the Board of Directors separately from the other matters on the agenda. The resolution on such matter shall contain the following information:

- full name of the entity consent to concurrent holding of a position wherein is being sought;
- name of the position concurrent holding whereof is being sought;
- term, for which such position may be concurrently held;
- other terms for the concurrent holding of such position, if the Board of Directors deemed it expedient to specify such terms.

The fact that the Board of Directors has noted the fact of concurrent holding of such position, whether in connection with the adopting by the Board of Directors resolutions on other matters lying within the scope of its competence or otherwise, shall not be deemed to constitute consent of the Board of Directors of the Company to concurrent holding by the President of such position in a governing body of another entity.

Article 7. Conflict of Interests between the President and the Company

1. No person, which is a member, an officer or other employee of any legal entity competing with the Company, may be appointed (elected, approved) to the position of the President.

2. The agreement with the President shall contain a provision prohibiting him/her from becoming a member, an officer or other employee of any legal entity competing with the Company during his/her term of office.

3. Provisions of this article shall not apply in situations where the President is elected to the governing body of a legal entity competing with the Company with the consent of the Board of Directors with a view to represent the interests of the Company in such legal entity.

Article 8. Rights of the President

The President may:

- manage the current operations of the Company;
- carry out functions of the chairman of the collective executive body of the Company (Management Board);
- receive remuneration, premiums, 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 agreement executed by and between him/her and the Company, or by the internal documents of the Company;
- impose, on behalf of the Company, disciplinary sanctions on the employees of the Company, and use other types of disciplinary liability with respect to the employees of the Company;
- demand convocation of the meetings of the Board of Directors of the Company;

— exercise other rights as provided by the existing legislation, the Charter of the Company, and internal documents of the Company.

Article 9. Duties of the President

1. The President shall:

- act in accordance with the requirements of the Charter of the Company, resolutions of the General Meeting of Shareholders and the Board of Directors of the Company;
- be loyal to the Company;
- act within the scope of his/her powers;
- act in good faith and reasonably in the interests of the Company, i.e. display, in the course of exercise by him/her of his/her rights and discharge by him/her of his/her duties, as set forth by the legislation, the Charter of the Company, internal documents of the Company, and the agreement executed by and between him/her and the Company, care and due diligence to the extent expected from a good manager in similar situations under similar circumstances;
- act in the interests of the Company as a whole, and not in the interests of individual shareholders, officers or other persons;
- refrain from acts which may lead to a conflict of interests between himself/herself and the Company, and where any such conflict of interests does arise, notify the Board of Directors forthwith through the Corporate Secretary of the Company;
- not disclose and not use in his/her personal interests or in the interests of any third parties, confidential or insider information about the Company, in procedure stipulated by the agreement executed by and between him/her and the Company, and subject to the Regulations on Insider Information of the Company;
- initiate meetings of the Management Board to resolve urgent matters;
- take decisions subject to examination of risks and all adverse consequences;
- timely notify the Company of all his/her affiliated persons, and of all changes in the list thereof;
- notify the Board of Directors, the Audit Commission and the Auditor of the Company 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 (equities, units);
- notify the Board of Directors, the Audit Commission and the Auditor of the Company of all legal entities in whose governing bodies he/she holds positions;
- notify the Board of Directors, the Audit Commission and the Auditor of the Company of all proposed transactions wherein he/she may be deemed an interested party;
- refrain from adopting resolutions wherein he/she is an interested party;
- notify the Management Board and the Board of Directors of the Company in writing of his/her intention to execute, in his/her personal capacity, transactions with the securities of the Company or its subsidiary (controlled) companies, and disclose all information about transactions with such securities as may have been executed thereby;
- ensure timely and full payment of declared dividends;
- ensure timely and full payment of remuneration to the members of the Board of Directors and the Audit Commission, and reimbursement to them of the expenses incurred thereby in the course of discharge by them of their duties;
- attend the General Meeting of Shareholders and reply to the questions of the members thereof.

2. The President may not accept gifts or receive other direct or indirect benefits purporting to affect his/her actions or resolutions (with the exception of symbolic gestures as are consistent with generally accepted rules of courtesy, and souvenirs presented in the course of official functions).

Article 10. Documents of the President

1. The resolutions of the President shall be adopted in the form of orders and directions.
 2. The orders of the President shall be issued only in written form, except as otherwise provided in this paragraph.
- The directions of the President may be issued to the employees of the Company orally, with the exception of directions related to the assets of the Company.

In other cases, the resolutions of the President may be adopted orally, unless otherwise provided by the Charter or the internal documents of the Company approved by the General Meeting of Shareholders or the Board of Directors.

3. The President shall, at any time, furnish copies of his/her orders to the shareholders of the Company and the members of the Board of Directors in accordance with the procedure, and to the extent, stipulated by the laws, the Charter and the internal documents of the Company.

Article 11. Reports on the Operations of the President

1. If so requested by the Board of Directors, the President shall provide reports on his/her operations.