

# Regulation on Audit Commission of OAO Gazprom

## New Revision

Approved by the annual General Shareholders Meeting of OAO Gazprom  
Minutes No. 1 dated June 28, 2002

This Regulation was developed in accordance with valid laws and the Articles of Association of OAO Gazprom (hereinafter – “the Company”) and the Company’s corporate governance principles and establishes the procedure of Audit Commission operation.

### 1. General

1.1 The Audit Commission is an elective body of the Company exercising control over the financial and business activities of the Company.

1.2. Activities of the Audit Commission are regulated by effective laws of the Russian Federation, the Company’s Articles of Association, resolutions of the General Shareholders Meeting, this Regulation and other internal documents of the Company.

1.3. The key tasks of the Audit Commission are:

- exercise control over generation of reliable financial and accounting statements of the Company and other information on financial and business activities and property status of the Company;
- exercise control over compliance of financial accounting procedures with legislation and over submission by the Company of financial statements and information to relevant bodies and shareholders;
- enhance efficiency of the Company’s assets management and other financial and business activities of the Company, reduce financial and operating risks, enhance the internal control system.

### 2. Members of the Audit Commission and Term of Their Office

2.1. The Audit Commission, consisting of 9 members, shall be elected by the annual General Shareholders Meeting to a period up to the next annual General shareholders in accordance with the procedure envisaged by the Federal Law “Joint-Stock Companies” and the Company’s Articles of Association.

2.2. Authorities of individual members or the entire Audit Commission can be terminated on an early basis by resolution of the General Shareholders Meeting.

2.3. In case of early termination of authorities of an Audit Commission member or his/her resignation from the Commission, authorities of other members of the Commission shall not be terminated.

2.4. Resigned members of the Audit Commission shall be persons who voluntarily divested themselves of authorities, died or had no possibility to exercise their authorities for other reasons.

A member of the Audit Commission shall be regarded to have resigned from it starting from the next day following the day when the Chairman of the Audit Commission received a relevant application from the Commission member or from the date of death or the day on which the Company received documents confirming the Audit Commission member's inability to exercise his/her duties. In case of voluntary resignation of the Chairman of the Audit Commission from the Commission his authorities shall terminate starting from the day when a new Chairman of the Audit Commission is elected.

2.5. Members of the Audit Commission of the Company cannot be simultaneously members of the Board of Directors, Management Committee or hold the post of the Chairman of the Company Management Committee.

### 3. Competence of the Audit Commission

3.1. Competence of the Audit Commission shall be determined in accordance with the Federal Law "Joint-Stock Companies" and for the issues not provided for by the Law – in accordance with the Company's Articles of Association.

3.2. In accordance with the laws, the Audit Commission shall:

- audit the Company's financial and business activities for the year and at any time at its own initiative, by decision of the General Shareholders Meeting, the Board of Directors of the Company or at request of the Company's shareholder(s) holding in the total no less than 10 percent of the Company's voting shares;
- confirm reliability of data included in the Company's annual report, annual financial statements and other reports, as well as other financial documents of the Company;
- inform of any violations of financial accounting and reporting procedures established by legal acts of the Russian Federation and legal acts of the Russian Federation in the course of performing financial and business activities, if such violations were identified in the course of the audit.

3.3. Apart from issues provided for by the Federal Law "Joint-Stock Companies", the Audit Commission shall also be entitled to perform the following actions, in accordance with the Company's Articles of Association:

- audit and analyze the Company's financial status, its creditworthiness, efficiency of the internal control system and the system of financial and operating risks management, assets liquidity, debt to equity ratio;
- review timeliness and correctness of performing settlement operations with counterparties, budget and settlement operations for labour remuneration, social insurance, accrual and payment of dividends and other;
- review compliance with effective standards and norms, approved estimates and other documents regulating the Company's activities when utilizing material, labour and financial resources in production and financial and business activities, and observance of resolution of the General Shareholders Meeting;
- monitor legitimacy of the Company's business transactions carried out under agreements and deals entered into on behalf of the Company;

- audit the cash and property status of the Company, efficiency of utilizing the assets and other resources of the Company, identify reasons of overheads;

- audit observance of recommendations to eliminate violations and deficiencies which were earlier identified by the Audit Commission;

- audit of compliance of decisions on financial and business issues taken by the Management Committee and the Board of Directors of the Company with the Articles of Association of the Company and resolutions of the General Shareholders Meeting.

3.4. The Audit Commission shall be entitled to propose amendments to working plans of the Company's governance bodies, require to summon, in accordance with established procedures, meetings of the Management Committee, the Board of Directors, the General Shareholders Meeting in line with their respective competences, if there is any threat to material interests of the Company or if any cases of abuse were identified on the part of the Company's officials, or to resolve other issues.

3.5. At request of the Audit Commission minutes of the meetings of the Board of Directors and Company Management Committee shall be provided to it.

3.6. The Audit Commission shall be entitled to require members of the Company Board of Directors, Chairman of the Company Management Committee, members of the Management Committee of the Company or a shareholder of the Company holding, together with its subsidiaries, 20 and more percent of the Company's voting shares, to provide the following information:

- on legal entities in which they hold, on their own or jointly with their subsidiary(ies), 20 or more percent of voting shares (participatory interests);

- on legal entities in the management bodies of which they hold posts;

- on transactions which they know are being made or proposed to be made in which they can be recognized as interested parties.

3.7. Chairman of the Audit Commission or any member of the Audit Commission shall be entitled to participate in the meetings of the Board of Directors and Management Committee of the Company when results of audits of the Company's activities are considered and in other meetings at the invitation of the Board of Directors and the Management Company of the Company.

#### 4. Chairman and Secretary of the Audit Commission

4.1. Chairman and Secretary of the Audit Commission shall be elected by the Audit Commission at the first meeting from among the members of the Commission by majority of the votes of the total number of votes of the Commission members.

4.2. Chairman of the Commission shall be in charge of management of the Audit Commission, development of its operation plan, summoning and holding of its meetings, shall chair such meetings, allocate responsibilities between the Commission members, sign minutes of the meetings, conclusions and other documents of the Audit Commission, resolve other issues provided for by this Regulation.

4.3. For a period of his absence the Chairman of the Audit Commission shall appoint a person from among the Audit Commission members who will perform his functions related to organization of the Audit Commission activities on a temporary basis. If a person temporarily performing the functions

of Chairman of the Audit Commission is not appointed, he shall be elected by the Audit Commission by majority of the votes of the total number of votes of Commission members.

4.4. Secretary of the Audit Commission shall be a person responsible for organizational support of activities of the Audit Commission and arranging of its meetings.

4.5. Secretary of the Audit Commission shall arrange for record keeping and ensure storage of minutes and other materials of the Audit Commission, notify of members of the Audit Commission and invite participants to the meetings, provide materials to members of the Audit Commission, issue minutes of the meetings and extracts from them, perform other functions established by this Regulation and resolutions of the Audit Commission.

## 5. Procedure of holding meetings and taking resolutions by the Audit Commission

5.1. The Audit Commission shall resolve all its issues at its meetings summoned by the Chairman of the Commission in accordance with the working plan approved by the Chairman of the Commission. The meetings shall also be held before and based on results of all audits of the Company's activities carried out by the Audit Commission.

Chairman of the Commission can summon extraordinary meetings at his own initiative or at the suggestion of the Audit Commission members.

Agenda of the meetings shall be approved by the Chairman of the Commission.

5.2. Members of the Audit Commission and invited persons shall participate in the meetings of the Audit Commission.

Members of the Audit Commission shall participate in the meetings personally. They cannot delegate their authorities to other persons including transfer under a power of attorney.

5.3. A meeting of the Audit Commission shall be considered eligible, if no less than a half of the Commission members participate therein.

If the number of members of the Audit Commission is less than the quorum, the Audit Commission of the Company shall be obliged to require to summon a meeting of the Board of Directors on the issue of holding an extraordinary General Shareholders Meeting to elect new members of the Audit Commission of the Company to replace the withdrawing ones.

5.4. Each members of the Audit Commission holds one vote.

Resolutions at the meetings of the Company Audit Commission shall be taken by simple majority of votes of its members present at the meeting. If equal number of votes is cast, the decisive vote shall be that of the Commission Chairman.

Members of the Audit Commission in minority shall be entitled to present written statement of their opinions to be attached to the minutes of the Commission meeting.

5.5. Minutes shall be kept during the Audit Commission meetings, which minutes shall be signed by the chairman of the Commission meeting. The minutes shall be issued no later than 10 days later than the date on which it was held.

5.6. The following data shall be indicated in the minutes:

- date, time and place of the meeting;
- persons present at the meeting;
- agenda of the meeting;
- issued put to vote;
- result of the voting;
- resolutions taken.

5.7. Minutes of the meeting shall be accompanied with materials (conclusions, audit certificates and other documents) based on which resolutions were taken.

5.8. Minutes of the Audit Commission meetings shall be forwarded to interested parties within five days from the date of signing thereof.

## 6. Audit Procedure

6.1. The Audit Commission shall hold annual audits of the Company's financial and business activities, as well as scheduled inspections and inspections based on resolutions of the Company's management bodies and requirements of persons indicated in Clause 3.2. hereof.

6.2. Audits of the Company's activities shall not interfere with normal performance of the Company.

6.3. Chairman and members of the Commission who are the Company's employees shall be relieved of their job duties at the primary employment for a period when an audit is carried out and other duties of the Commission member are to be performed, based on invitation of the Commission Chairman and working plan of the Commission. Salary shall be retained in this case.

6.4. The Company Audit Commission shall be entitled to person the following actions when carrying out the audits of financial and business activities of the Company:

- require members of the Company management bodies, structural units, officials and other employees of the Company to provide documents and materials on the Company's financial and economic activities;
- require accountable employees to present the Company' cash, financial documents, securities, material values, supporting documents and reports, accounting ledgers, reporting forms, plans, estimates and other documentation, including documents containing confidential information and require to provide copies of the specified documents,
- require to hold inventory taking of the Company's assets, check scaling of the volume of work performed, seal cash offices, warehouses, storage rooms and other business premises, if required;
- check correctness of referring salary, services are other expenses to production costs;
- request required information and documents on transactions with the Company from the Company's counterparties and banks;
- receive written and oral explanations from the Company's officials and other employees on the issues arising in the course of the audits;

- make proposals to the Company's management bodies concerning bringing of the Company's employees to responsibility established by the law, taking measures aimed at reimbursement of damage caused to the Company and protection of other rights and legal interests of the Company in accordance with effective legislation;

- require the Company's management bodies to forthwith eliminate deficiencies identified in the course of the audit;

- engage independent experts and advisors on contractual basis and the Company's employees in its work in accordance with established procedures.

6.5. The Audit Commission shall be obliged:

- to ensure systematic monitoring over the Company's activities;

- to objectively reflect identified cases of violations and abuse in the audit documents, including an indication of reasons thereof, guilty persons, amount of losses caused;

- to present a conclusion based on results of the audit of the Company's financial and business activities for the year to the Board of Directors for consideration within the timelines established by the laws and the Company's Articles of Association;

- to timely inform the Board of Directors, the Management Committee and Chairman of the Company Management Committee of the results of the audit of the Company's activities, conclusion of the Audit Commission, proposals for elimination of the reasons and factors leading to financial and business misconduct and proposals for enhancement of the internal control system and enhancement of the efficiency of the Company's activities;

- to ensure confidentiality of information representing official or commercial secret of the Company.

6.6. Members of the Company's management bodies, officials and other employees of the Company shall be obliged to assist the Audit Commission in holding negotiations, to provide all necessary information, documents, materials and explanations to the members of the Audit Commission within the timeline and to the scope indicated by the Audit Commission representatives.

Members of the Company's management bodies, officials and other employees of the Company shall be held responsible for refusal to provide information or provision of unreliable information and for creating of other difficulties for activities of the Audit Commission.

6.7. The Company's officials and other employees shall be entitled to perform the following actions in the course of the audits:

- be present in the course of inventory-taking of the valuable assets they are responsible for, check scaling, inspections and other initiatives carried out by the Audit Commission;

- to read intermediary and final audit reports related to their job duties and give written explanations and objections to them;

- to read the contents of accounting ledgers, reports, other documents based on which conclusions on violations, abuse and deficiencies were made;

- to check calculations of amounts of reimbursement of material losses, which calculations were made by the Audit Commission, and provide written objections, documents and other proof to justify their objections.

6.8. Based on results of the audit of the Company's financial and business activities, the Audit Commission shall prepare a conclusion including validation of reliability of data included in the report and other financial documents of the Company and information on the identified violations of financial accounting and reporting rules and procedures, as well as violations of rights and legal interest of the Company and its shareholders.

6.9. Members of the Audit Commission of the Company shall be obliged to take all reasonable measures to identify potential violations and provide for elimination thereof. Members of the Audit Commission of the Company shall be responsible for objectiveness and fairness of the audit performed by them, for failure to perform or undue performance of other duties, for exceeding the limit of their rights and authorities.

## 7. Financing of the Audit Commission activities and payment of remuneration to its members

7.1 To ensure operation of the Audit Commission, the Company shall provide necessary premises, technical facilities and materials to the Commission, pays the Commission's expenses based on the norms established by the Company within the fund limits allocated for these purposes by the Board of Directors.

7.2. By the decision of the General Shareholders Meeting the Company can pay reimbursement to the members of the Audit Commission and (or) compensate their expenses related to performance of their duties while they perform their job functions. Amounts of such remuneration and compensation shall be set by the General Shareholders Meeting on the recommendation of the Company Board of Directors.

## 8. Final

8.1. This Regulation shall come into force from the date of its approval by the General Shareholders Meeting.

8.2. If amendments are made to the laws of the Russian Federation, the conditions hereof coming into conflict with the laws shall lose force and activities of the Audit Commission shall be regulated by relevant norms of the laws of the Russian Federation and the Articles of Association of the Company.

8.3. In connection with adoption hereof, Regulation on the Audit Commission of OAO Gazprom approved by the General Shareholders Meeting on May 31, 1996, as amended and supplemented by OAO Gazprom General Shareholders Meeting dated June 30, 1999, shall lose force.