

REGULATION ON AUDIT COMMITTEE OF GAZPROM BOARD OF DIRECTORS

This Regulation on the Audit Committee of the Gazprom Board of Directors (hereinafter referred to as the Regulation) is developed under the following Company's documents: the Charter, the Code of Corporate Governance (Behavior), the Regulation on the Board of Directors, the Standard Regulation on the Board of Directors' Committee as well as applicable laws of the Russian Federation.

1. General provisions

1.1. This Regulation defines the procedure of establishment and operation of the Gazprom Board of Directors' Audit Committee (further referred to as the Committee).

1.2. The Committee assists the Board of Directors in exercising the control of Gazprom's (further referred to as the Company) financial and business operations. The core objectives of the Committee are a preliminary in-depth review of certain issues falling within the purview of the Board of Directors and preparing recommendations for resolutions to be made by the Board of Directors.

1.3. The Audit Committee reports to the Company's Board of Directors and acts within the limits of its authorities the Committee is vested with under this Regulation.

1.4. Proposals to establish the Committee and to elect candidates into the Committee are made by the persons who under the Charter of Gazprom are entitled to convene and request to convene the Board of Directors.

2. Committee's Lines of Activities

2.1. The main functions of the Committee are:

- assessment of candidates for the Company's auditor, evaluation of the auditor's opinion;
- assurance of independence and fairness of the internal and external audit;
- control over ensuring the completeness, accuracy and reliability of the Company's financial statements;
- control over the reliability and efficiency of the risk management and internal control systems.

As part of its functions, the Committee shall review and, if necessary, make recommendations to the Board of Directors and / or the draft decisions on the following issues:

2.1.1. Financial statements of Company:

a) review deliverables of external audits, including comments contained in the opinion of the Company's auditor, as well as measures taken by executive bodies of the Company to follow up audits and/or per recommendations of the Company's auditor, in terms of validity and acceptability of accounting procedures, principles of generating financial statements of the Company, significant estimates made in financial statements and adjustments, modifications concerning the accounting policy as well as methods of accounting and financial reporting;

б) review of other matters which, in the opinion of the Committee, may impact the reliability of financial statements.

2.1.2. The functions of the internal control system and risk management system of the Company:

a) review and consideration of reports drawn up by executive bodies, the auditor of the Company and the Management Committee Internal Audit Department (further referred to as

the IAD) concerning the status and performance of the internal control and risk management systems;

б) hold regular meetings with members of the Company's executive bodies to review significant risks and control problems, and appropriate remedial action plans;

в) discuss and evaluate the effects of measures devised by the Company's executive bodies in order to improve the internal control and risk management systems.

2.1.3. Observance of the Code of Corporate Governance of Gazprom.

2.1.4. IAD activities:

а) review and approval of the Regulation on IAD and amendments hereto;

б) annual review and approval of the IAD Work Plan (as part of the Look-Ahead Audit Plan and the Annual Audit Plan) and significant amendments to the IAD Work Plan;

в) regular, at least once a year, hearing of the performance report made by the IAD Head;

г) review of issues related to improving the IAD efficiency;

д) regular, at least once a year, hearing of the report by the IAD Head concerning the state of the program aimed at improving the internal audit quality;

е) regular, at least once a year, hearing of the issue regarding the confirmation of the IAD organizational independence;

ж) review of significant limitations preventing the IAD from achieving the stated objectives.

2.1.5. Interaction with the Company's Audit Commission:

а) review findings of the Audit Commission on the annual check of the financial and business operations of Company and other information presented by the Audit Commission;

б) discussion with the Audit Commission members of the issues regarding the oversight of the Company's financial and business operations.

2.1.6. External audit of the Company:

а) creating conditions for selecting the Company's auditor;

– support preparation of proposals regarding the composition of the bidding committee to select an auditing company for carrying out the mandatory annual audit of the Company (further referred to as the Bidding Committee), considering that the Chairman of the Bidding Committee will be appointed from among the members of the Committee, defining the operating procedures of the Bidding Committee and the timeline for holding the selection process, coordination and presenting for approval to the Chairman of the Company's Management Committee;

– harmonization of the bidding documentation, review the results of evaluation and comparison of bids by the Bidding Committee and preparation of recommendations to the Board of Directors concerning the Company's auditor candidates;

б) discussing the scope and timelines for holding the audit with Company's auditor;

в) discussing the intermediate and final audit results with the Company's auditor before submitting them to the Board of Directors, as well as results of consulting and other services provided by the Company's auditor;

г) discussing with the Company's auditor and executive bodies the relations between the auditor and the Company (including services provided by the auditor to the Company) that may impact the auditor's independence;

д) receiving from the Company's auditor and reviewing the annual official written report with a description of all relations between the auditor and the Company, and between the auditor and the Company's affiliates, in order to determine what circumstances may impact the independence of the Company's auditor;

е) preliminary review and approval of acceptable types and scopes of non-audit services provided by the Company's auditor, and the amount of remuneration paid by the Company for providing such services;

ж) forming the opinion about the Company's auditor independence, preparing recommendations for the Board of Directors to take measures that would ensure the Company's auditor independence;

з) assessing the auditor's performance.

2.2. The Committee shall provisionally approve the IAD Head candidacy, extension of powers and release from the post, as well as the basic conditions of the labor agreement with him.

2.3. By resolution of the Board of Directors, other issues within its purview may also be brought for consideration by the Committee.

3. Rights and obligations of Committee and its members

3.1. The Committee has the following rights:

3.1.1. In line with the Board of Directors' order, to monitor the Company's bodies executing the resolutions adopted by the Board of Directors in the respective areas of activities.

3.1.2. Receive documents, reports, executive summaries and other information, including information of confidential nature, from the Company's officers.

3.1.3. Invite:

- Members of the Board of Directors, Management Committee, Audit Commission;
- representatives of the Company's auditor;
- head of the Internal Audit Department;
- other officers and employees of the Company to the Committee's meetings.

3.1.4. Engage, including by invitation, independent experts and consultants in its meetings.

3.1.5. Hold meetings with the Company's auditor and staff of the internal audit service without representatives of the Company's executive bodies.

3.1.6. Exercise other authorities as defined by the Board of Directors.

3.2. The Committee is obliged:

3.2.1. Under applicable laws and internal documents of the Company, to provide recommendations as well as other documents to the Board of Directors.

3.2.2. Submit to the Board of Directors reports on the work done under the Board of Directors' work plan, as well as extraordinary reports by the request of the Board of Directors.

3.3. The Committee members are entitled:

3.3.1. To receive the required information about the Company's activities, become familiarized with constituent documents, reports, administrative and other documents of the Company, including documents of confidential nature.

3.3.2. To demand in writing the summoning of the Committee meeting.

3.3.3. To make proposals, discuss and vote on the agenda issues of the Committee meeting.

3.3.4. To express in writing their opinions or disagreement with resolutions adopted by the Committee and communicate it to the Committee Chairman.

3.3.5. In line with the General Shareholders Meeting resolution, to receive the remuneration for the Committee work and/or compensation of costs associated with execution of their functions. The amounts of remunerations and compensations shall be calculated in accordance with the rules fixed in the Company's internal document regulating the procedure of determining the remuneration to the Board of Directors Members.

3.3.6. To exercise other authorities as defined by the Board of Directors.

3.4. The Committee members are obliged:

3.4.1. To perform the duties of the Committee members in good faith, act in an honest and responsible manner in the interest of the Company.

3.4.2. To participate in the Committee meetings.

3.4.3. In the event that any member of the Committee has a conflict of interests with regard to an agenda item under discussion, to notify other members of the Committee.

3.4.4. Not to use or disclose to other parties the information about the Company's activities which, when disclosed to third parties, may have a substantial impact on the Company and its goodwill.

3.4.5. In the process of performing their functions, to meet the requirements set forth by applicable laws of the Russian Federation, the Gazprom Charter, the Regulation on the Company's Board of Directors and this Regulation.

3.4.6. To refrain from actions that may cause a conflict between the interests of a Committee member and the Company's interests. Notify the Board of Directors of any conflict of interests in connection with the matters discussed by the Committee.

4. Formation of Committee

4.1. The Committee is established by the resolution of the Board of Directors.

4.2. The Committee shall consist of at least three Members elected by the majority of votes of all the Members of the Board of Directors. The Board of Directors has the right to terminate the authority of any Member of the Committee, or to re-elect all the Members of the Committee.

4.3. The authority of the Committee Members is terminated simultaneously with the termination of the authority of the Board of Directors, which established the Committee.

4.4. The Committee is headed by the Chairman elected by the majority of votes of all the Members of the Board of Directors. The Board of Directors has the right to re- elect the Committee Chairman before term.

4.5. The main objective of the Committee Chairman is to ensure that the Committee operates efficiently and oversees the execution of the resolutions adopted by the Board of Directors with regard to the activities of the Committee.

4.6. The Chairman of the Committee:

- organizes work of the Committee;
- convenes and chairs the Committee meetings;
- defines agenda for the Committee meetings;
- reports on the Committee work to the Board of Directors of the Company;
- represents the Committee in relations with executive officers, the Audit Commission, the Company's auditor, other individuals and organizations engaged by the Committee or the Company with regard to the activities of the Committee.

4.7. Administrative and technical support of the Committee functioning is provided by the Secretariat of the Board of Directors (further referred to as the Secretariat).

5. Committee Work Procedure

5.1. The Committee meetings are held as needed, but at least once per quarter.

5.2. A decision to convene a meeting of the Committee shall be made by the Committee Chairman, independently or on the basis of the proposal made by the Members of the Committee, Chairman of the Board of Directors and the Members of the Board of Directors, the Company's auditor, the Audit Commission of the Company.

5.3. The Committee meetings may be held in the form of meetings in presentia (including by video- and teleconferencing) and in the form of absentee voting.

5.4. The issues for consideration of the Committee are brought forward:

- by the resolution of the Board of Directors;
- at the initiative of the Chairman of the Board of Directors;
- at the initiative of the Chairman of the Committee;
- at the initiative of the Members of the Committee;
- at the initiative of the Chairman of the Management Committee of the Company;

5.5. The Secretariat notifies the Committee Members of the meeting by sending notifications and materials for the meeting, translated into the English language if necessary, indicating the date, time, venue, form of the meeting and the agenda of the meeting at least within 7 work days before the meeting date. In case a meeting is held in absentia, voting ballots shall also be sent out.

The information is sent in a manner agreed with the Members of the Committee (by traditional post or by email, fax).

5.6. Quorum for a meeting (including when a meeting is held in absentia) shall be at least half of the elected Members of the Committee.

5.7. A meeting of the Committee shall be opened and held by its Chairman. In the event that the Chairman is absent, the Committee Members elect a chairperson for the meeting by the majority of votes of the Committee Members attending the meeting.

5.8. Proceedings of a Committee meeting shall be defined by the chairperson of the meeting, with due consideration of the opinions of the Committee Members.

In the event that the Committee Members have no comments regarding the meeting materials, and there is no disagreement on the recommendations proposed, the materials can be adopted without discussion.

5.9. The Committee adopts resolutions by the majority of votes of its Members attending the voting, including when a meeting is held in absentia. The Committee Chairman has the casting vote in case there is a tie-breaking vote among the Committee Members who attend the voting.

5.10. Transfer of vote from one Member of the Committee to another Member of the Committee, as well as transfer of vote to any other person shall not be allowed.

5.11. A Committee Member who has a conflict of interest on an issue under discussion shall notify other Members of the Committee on the conflict of interests before voting.

5.12. Resolutions of the Committee may be adopted in absentia (by polling).

5.13. A resolution to hold a vote in absentia shall be made by the Chairman of the Committee.

5.14. For a vote in absentia, all the Members of the Committee are sent notifications of absentee vote to meet the requirements specified in clause 5.5 of this Regulation, and voting ballots.

Voting ballots must indicate the date of ballot submission to the Committee. Notifications for a vote in absentia are sent to the Members of the Committee at least within 7 work days before the specified date when the filled out ballots should be presented to the Committee.

5.15. The voting ballots, filled out and personally signed by the Committee Members, shall be presented to the Secretariat.

5.16. The Members of the Committee from whom the voting ballots were received before the date specified in the ballots for presenting filled out ballots shall be considered as having voted by correspondence.

5.17. A ballot can be deemed fully or partly void on certain voting items, provided there are marks in more than one voting option on a voting item, or if the ballot has no signature of the voting Member of the Committee, or if the ballot has corrections and/or reservations to the proposed draft resolution.

5.18. Based on the absentee vote returns, a voting record shall be made in accordance with Section 6 of this Regulation.

6. Procedure of Committee Resolution Formalization

6.1. Minutes shall be kept at the Committee meetings.

6.2. The minutes of a meeting in presentia shall be made within 3 work days after holding the meeting; the minutes shall be approved by all the Members of the Committee who attended the meeting and signed by the chairperson of the Committee meeting. Any Member of the Committee has the right to make a written report on his opinion with regard to the agenda items.

The minutes of a meeting in presentia shall indicate the following:

- the venue and time of the meeting;
- the attendees of the meeting;
- the items brought up for vote, opinions of the Committee Members on the matters under review, vote returns and resolutions adopted.

6.3. The minutes of a meeting held in absentia shall be drawn up not later than within 3 work days from the date specified for presenting the filled out ballots, and shall be signed by the Committee Chairman.

The voting ballots signed by the Committee Members shall be attached to the meeting minutes.

6.4. When resolutions are adopted by the Committee in the form of a vote in absentia, the meeting minutes (vote in absentia) shall indicate the following:

- the minutes date;
- the Members of the Committee who presented the filled out and signed voting ballots before the date specified for presenting such voting ballots;
- the items brought up for vote, and vote returns;
- the resolutions adopted.

6.5. The minutes of the Committee meetings shall be stored at the Secretariat during 3 years, whereupon the minutes shall be delivered to the Gazprom archive.

6.6. The copies of the Committee meeting minutes shall be sent to the Committee Members.

6.7. Recommendations made by the Committee shall be presented to the Board of Directors within 3 work days from the date when the Committee meeting was held.

7. Final Provisions

7.1. Amendments and supplements to the Regulation are subject to approval by the Board of Directors.

7.2. In the event that the provisions set forth by this Regulation come into contradiction with the provisions set forth by the Company's Charter, the provisions set forth by the Gazprom Charter shall prevail.