

## **APPROVED**

Resolution of the annual General Shareholders Meeting  
PJSC Gazprom  
dated June 30, 2016, Minutes No. 1  
as amended by  
Resolution of the annual General Shareholders Meeting  
PJSC Gazprom  
dated June 30, 2017, Minutes No. 1  
Resolution of the annual General Shareholders Meeting  
PJSC Gazprom  
dated June 28, 2019, Minutes No. 1

## **REGULATION ON BOARD OF DIRECTORS OF PJSC GAZPROM**

This Regulation has been developed in compliance with the existing laws of the Russian Federation, the Articles of Association of PJSC Gazprom (hereinafter referred to as the “Company”), and the Company’s basic principles of corporate governance aimed at enhancing the efficiency and transparency of the Company’s internal governance mechanisms, improving the system of control over and accountability of its management bodies, and observing the rights of shareholders.

### **1. GENERAL PROVISIONS**

**1.1.** The Board of Directors shall exercise general governance over the Company’s activities, with the exception of decision-making on issues falling within the scope of authority of the General Shareholders Meeting in compliance with the Federal Law on Joint Stock Companies.

**1.2.** The Board of Directors shall ensure achievement by the Company of the goals and objectives set out in the Company’s Articles of Association.

**1.3.** The main objectives of the Board of Directors shall be to determine the Company’s development strategy aimed at increasing its capitalization and investment attractiveness, to establish the Company’s asset management principles, and to institute an efficient system for monitoring the Company’s financial and business results.

**1.4.** The Board of Directors shall operate in compliance with the existing laws of the Russian Federation, the Articles of Association of the Company, the decisions of the General Shareholders Meeting, this Regulation, and other internal documents of the Company approved by the Board of Directors.

**1.5.** The Board of Directors shall act in the interests of the Company and its shareholders and shall be accountable to the General Shareholders Meeting.

### **2. SCOPE OF AUTHORITY OF BOARD OF DIRECTORS**

**2.1.** The scope of authority of the Board of Directors shall be stipulated by the Federal Law on Joint Stock Companies and the Company’s Articles of Association.

The authority of the Board of Directors shall include decision-making on issues related to the Company’s general governance with the exception of issues falling within the scope of authority of the General Shareholders Meeting in compliance with the Federal Law on Joint Stock Companies and the Company’s Articles of Association.

The scope of authority of the Board of Directors shall include the following:

1) establishment of the Company’s priorities and approval of prospective plans and main programs of the Company’s activities, including the annual budget and investment programs for the Company;

2) convocation of annual and extraordinary General Shareholders Meetings with the exception of cases specified in Article 55, Clause 8 of the Federal Law on Joint Stock Companies;

3) approval of the agenda of the General Shareholders Meeting;

4) setting of the date for drawing up a list of persons entitled to participate in the General Shareholders Meeting, preliminary approval of the Company's annual report, and other issues pertaining to the scope of authority of the Company's Board of Directors in accordance with Chapter VII and other provisions of the Federal Law on Joint Stock Companies and related to the preparation and conduct of the General Shareholders Meeting;

5) rendering of the decision on increasing the Company's charter capital by placing additional shares in the amount and within the classes (types) of authorized shares, with the exception of instances where such decision pertains to the scope of authority of the General Shareholders Meeting in compliance with the Federal Law on Joint Stock Companies;

6) placement by the Company of additional shares to be converted from preferred shares of a certain type placed by the Company into common shares or preferred shares of other types, if such placement is not linked to an increase in the charter capital of the Company, as well as placement by the Company of bonds or other securities, except for shares;

7) assessment of the property price (monetary value), securities placement price, or the procedure for its determination, and the repurchase price in cases stipulated by the Federal Law on Joint Stock Companies;

8) acquisition of shares, bonds and other securities placed by the Company in cases stipulated by the Federal Law on Joint Stock Companies;

9) formation of the Company's executive bodies and early termination of their authority, establishment of the amount of remuneration and compensation to be paid to the Chairman of the Management Committee and Members of the Management Committee, and approval of their simultaneous positions in the management bodies of other organizations;

9.1) establishment of committees at the Company's Board of Directors, approval of internal documents defining their competence, operating procedures and composition, appointment of committee chairmen and members, and termination of their powers;

9.2) formulation of the principles of and approaches to risk management, internal control and internal audit at the Company;

10) approval, upon recommendation of the Chairman of the Company's Management Committee, of appointment and dismissal of Deputies to the Chairman of the Management Committee;

11) determination of the amount of the auditor's remuneration and issuing of recommendations on the amount of remuneration and compensation paid to the members of the Company's Audit Commission;

12) provision of recommendations on the amount of dividends on shares and the procedures for the payment thereof;

13) use of the reserve fund and other funds of the Company;

14) approval of the Company's internal documents with the exception of the documents the approval of which pertains to the authority of the General Shareholders Meeting in compliance with the Federal Law on Joint Stock Companies, as well as other internal documents the approval of which pertains to the authority of the Company's executive bodies in accordance with the Company's Articles of Association;

15) setting up of the Company's branches, opening of the Company's representative offices, and liquidation thereof;

16) approval or post factum approval of transactions in the cases envisaged in the Federal Law on Joint Stock Companies;

17) approval or post factum approval of transactions in the cases envisaged in Chapter XI of the Federal Law on Joint Stock Companies;

18) establishment of transaction procedures;

19) establishment of the procedures for cooperation between the Company and businesses and organizations in which the Company owns stocks and shares and rendering of decisions on the issues that pertain to the authority of the Board of Directors in accordance with these procedures;

20) approval of the Company's registrar and the terms and conditions of the contract therewith, as well as termination of such contract;

21) formation of commissions at the Company's Board of Directors, approval of the composition thereof and regulations thereon;

22) rendering of decisions on starting or terminating the Company's participation in other organizations (with the exception of organizations specified in Article 48, Clause 1, Sub-Clause 18 of the Federal Law on Joint Stock Companies);

22.1) filing of applications for listing of shares of the Company and/or securities of the Company convertible into shares of the Company;

23) other issues concerning the Company's activities.

**2.2.** Issues that pertain to the authority of the Board of Directors may not be transferred for rendering of decisions thereon to the Company's Management Committee or the Chairman of the Management Committee.

**2.3.** The Board of Directors shall act taking into account the specifics of the existing legislation concerning joint stock companies over 25 per cent of which is owned by the Government.

**2.4.** Within its scope of authority, the Board of Directors shall determine the strategy, policies and basic principles of the Company's activities, including those related to investment, borrowing, risk management, property disposal and other spheres of activities, as well as shall exercise control over the implementation thereof.

**2.5.** The Board of Directors shall approve the Company's internal documents governing its risk management and internal control policies.

### **3. COMPOSITION AND TERM OF OFFICE OF BOARD OF DIRECTORS**

**3.1.** In accordance with the decision of the General Shareholders Meeting, the Board of Directors shall consist of eleven persons. The General Shareholders Meeting may resolve to change the size of the Board of Directors.

**3.2.** Only individuals, who may or may not be the Company's shareholders, shall have the right to be the Members of the Board of Directors.

**3.3.** The Members of the Company's Management Committee may not constitute more than a quarter of the Board of Directors.

**3.4.** The Members of the Board of Directors may not be members of the Company's Audit Commission.

**3.5.** The person exercising the functions of the Chairman of the Company's Management Committee may not simultaneously be the Chairman of the Company's Board of Directors.

**3.6.** The Members of the Board of Directors shall be elected by the General Shareholders Meeting for the period until the next annual General Shareholders Meeting. If the General Shareholders Meeting is not held in the timeframe established by the Company's Articles of Association, the authority of the Board of Directors shall be terminated, with the exception of the authority to arrange, convene and hold the annual General Shareholders Meeting.

**3.7.** In the event of withdrawal of a Member of the Board of Directors, authority of other Members of the Board of Directors shall not be terminated, with the exception of instances specified in Clause 9.4 of this Regulation.

The Members of the Board of Directors shall be deemed withdrawn in case of voluntary resignation, decease or inability to exercise their duties for any other reason.

The Members of the Board of Directors shall be deemed withdrawn from the date following the receipt by the Chairman of the Board of Directors of the voluntary resignation letter from the corresponding Member of the Board of Directors, or from the decease date of the Member of the Board of Directors confirmed by relevant documents, or from the date of receipt by the Company of the documents confirming the inability of the Member of the Board of Directors to exercise his/her duties.

**3.8.** Early termination of the authority of the Members of the Board of Directors shall be made possible on the motion of the General Shareholders Meeting with regard to all the Members of the Board of Directors only.

#### **4. CHAIRMAN AND DEPUTY CHAIRMAN OF BOARD OF DIRECTORS**

**4.1.** The Chairman and Deputy Chairman of the Board of Directors shall be elected by the Board of Directors from among the Members thereof by a majority of votes against the total number of votes of the elected Members of the Board of Directors.

**4.2.** The Board of Directors shall have the right to re-elect its Chairman or Deputy Chairman at any time by a qualified majority of votes, i.e. no less than two-thirds of the total number of votes of the elected Members of the Board of Directors.

**4.3.** The Chairman of the Board of Directors shall organize its activities, convene and preside at the meetings of the Board of Directors, arrange for the keeping of minutes of meetings, preside at the General Shareholders Meeting, sign contracts with the Chairman and Members of the Company's Management Committee on behalf of the Company, and exercise other functions stipulated by the Company's Articles of Association and this Regulation.

**4.4.** In the absence of the Chairman of the Board of Directors, his duties shall be performed by the Deputy Chairman of the Board of Directors, and in the absence of the Chairman and his Deputy, those duties shall be performed by any Member of the Board of Directors pursuant to the decision of the Board of Directors.

#### **5. RIGHTS, DUTIES AND RESPONSIBILITIES OF MEMBERS OF BOARD OF DIRECTORS**

**5.1.** In exercising their rights and executing their duties, the Members of the Board of Directors shall act reasonably and in good faith in the interests of the Company and shall not disclose any confidential information or documents that come to their knowledge and that constitute business or trade secrets.

**5.2.** The Members of the Board of Directors shall have the right to access the regulatory, record, accounting, financial and other documents and materials of the Company, including full audit reports and minutes of the Company's Management Committee meetings required for handling issues that pertain to the scope of authority of the Board of Directors, as well as to request from the Chairman of the Company's Management Committee other information that pertains to the Company's activities.

The Chairman of the Company's Management Committee shall provide the requested documents within five calendar days from the date of receiving the request.

**5.3.** Based on the decision of the General Shareholders Meeting, the Members of the Board of Directors may be remunerated and/or compensated for the expenses related to the exercise of their functions as Members of the Board of Directors during the implementation of such duties. The amount of such remuneration and compensation shall be established by the decision of the General Shareholders Meeting.

**5.4.** The Members of the Board of Directors shall be guided in their activities by the existing laws, the Articles of Association of the Company, decisions of the General Shareholders Meeting, this Regulation, and internal documents of the Company approved by the Board of Directors.

**5.5.** The Members of the Board of Directors shall not use their position and information on the Company's activities for personal benefit and shall not allow such use thereof by other persons.

The Members of the Board of Directors shall refrain from actions that will or may lead to a conflict of interest.

If a Member of the Board of Directors has a conflict of interest, the Member shall inform the Board of Directors thereof by sending a notification to the Chairman of the Board of Directors. The notification shall contain factual information on the conflict of interest and reasons therefor.

The Chairman of the Board of Directors shall then disseminate the received notification concerning the conflict of interest among all Members of the Board of Directors before a decision is made on the issue that has caused the conflict of interest involving a Member of the Board of Directors.

A Member of the Board of Directors may abstain from voting on the issue that has caused a conflict of interest. When required by the nature of the issue under discussion or by the specifics of the conflict of interest, the Chairman of the Board of Directors shall be entitled to suggest that the Member of the Board of Directors involved in a conflict of interest not attend the discussion of the relevant issue.

If a Member of the Board of Directors involved in a conflict of interest abstains from voting or does not attend the meeting of the Board of Directors during which the agenda item that has caused the conflict of interest involving the Member was discussed, this fact shall be recorded in the minutes of the meeting of the Board of Directors.

**5.6.** The Members of the Board of Directors shall participate in the meetings of the Board of Directors in person. If a Member of the Board of Directors is unable to attend a meeting, such Member shall inform the Board of Directors accordingly, specifying the reasons for his/her absence. At the same time, the Member of the Board of Directors shall have the right to send in a written opinion on the agenda in accordance with this Regulation.

If technically possible, the Members of the Board of Directors who cannot be present at a meeting of the Company's Board of Directors may participate in the meeting, including by voting on agenda issues, via a conference call.

**5.7.** The Members of the Board of Directors shall bring the following to the notice of the Company within two months from the date they become or should have become aware of the circumstances whereby they may be recognized as interested in the Company entering into transactions:

1) legal entities controlled by them, their spouses, parents, children, siblings and half-siblings, adoptive parents and adopted children and/or their affiliates, or legal entities to which they, their spouses, parents, children, siblings and half-siblings, adoptive parents and adopted children and/or their affiliates are authorized to give mandatory instructions;

2) legal entities where they, their spouses, parents, children, siblings and half-siblings, adoptive parents and adopted children and/or their affiliates hold positions in the management bodies;

3) any transactions known to them, whether being concluded or proposed, where they may be recognized as related parties.

Interest of a Member of the Board of Directors shall be established in accordance with Article 81 of the Federal Law on Joint Stock Companies.

**5.8.** The Members of the Board of Directors shall bear responsibility to the Company for losses caused to the Company due to their misconduct (inaction) unless the grounds and amount of liability for the same are specified in the federal laws.

The Members of the Board of Directors who have voted against a decision that incurred losses for the Company, or who have not participated in such voting, shall be relieved of responsibility.

## **6. SECRETARY (EXECUTIVE SECRETARY) OF BOARD OF DIRECTORS**

**6.1.** In order to support the activities of the Board of Directors, its committees and commissions, the Chairman of the Board of Directors in coordination with the Chairman of the Company's Management Committee shall appoint the Secretary (Executive Secretary) of the Board of Directors, form the Secretariat of the Board of Directors, and determine the requirements to the organizational and technical support to be provided to the Board of Directors.

**6.2.** The Secretary (Executive Secretary) of the Board of Directors shall:

- arrange for the preparation of a draft work plan of the Board of Directors;
- receive requests and send notifications with regard to the convocation of the Board of Directors meetings;
- dispatch voting ballots, documents and materials for the Board of Directors meetings in accordance with Clause 8.8 of this Regulation;
- receive filled-in ballots from the Members of the Board of Directors;
- keep minutes of the Board of Directors meetings and prepare absentee voting records;

– exercise other functions in accordance with this Regulation, the Company's internal documents and instructions from the Chairman of the Board of Directors.

**6.3.** The date of receipt by the Secretary (Executive Secretary) of the Board of Directors of the documents and materials stipulated by this Regulation shall be deemed the date of receipt thereof by the Board of Directors.

## **7. WORK PLAN OF BOARD OF DIRECTORS**

**7.1.** The meetings of the Board of Directors shall be held on the basis of the work plan thereof formed in accordance with the proposals of the Chairman and Deputy Chairman of the Board of Directors, the Members of the Board of Directors, the Management Committee, the Chairman of the Management Committee, the Audit Commission, and the Company's auditor.

**7.2.** Proposals for the work plan of the Board of Directors shall be submitted no later than 30 calendar days prior to the start of a planned period (half-year, year).

Each proposal on the inclusion of an item into the work plan of the Board of Directors shall include the following:

- information on the person (body) that has submitted the proposal;
- formulation of issues proposed for consideration by the Board of Directors;
- grounds for raising the said issues;
- proposed timeframe for the consideration of the issues;
- signature of the person (head of the body) who has submitted the proposal.

**7.3.** Control over the preparation of the work plan shall be exercised by the Chairman of the Board of Directors.

**7.4.** The work plan shall be approved by the Board of Directors upon the recommendation of the Chairman of the Board of Directors.

## **8. CONVOCAION OF BOARD OF DIRECTORS MEETINGS**

**8.1.** The Chairman of the Board of Directors shall convene the Board of Directors meetings in accordance with the approved work plan of the Board of Directors, as well as on his own motion or at the request of a Member of the Board of Directors, the Management Committee, the Chairman of the Management Committee, the Audit Commission, the Company's auditor, or the executive responsible for arranging and conducting internal audits (head of a structural unit responsible for arranging and conducting internal audits).

**8.2.** Each request for the convocation of a Board of Directors meeting shall include the following:

- information on the person (body) that has submitted the request;
- formulation of issues for the meeting agenda;
- grounds for raising the said issues;
- documents and other materials required for the consideration of the issues;
- signature of the person (head of the body) who has requested the convocation of the meeting.

**8.3.** The person who has submitted the request may propose a date of the meeting of the Board of Directors and a draft decision on the respective agenda issue.

The request for the convocation of the meeting containing the date of the meeting shall be submitted to the Board of Directors no later than 30 days prior to the proposed date, with the exception of the requests on issues of urgent nature.

**8.4.** Within five calendar days from the date of the submission of the request for the convocation of the Board of Directors meeting, the Chairman of the Board of Directors shall:

- either convene the meeting of the Board of Directors (include the issue in the agenda of the next meeting) within 30 days unless legally required to set another timeframe for the resolution of the issue;



– or refuse to convene the meeting and inform the Members of the Board of Directors, the Chairman of the Management Committee, and the person (head of the body) who has submitted the request accordingly.

**8.5.** The Chairman of the Board of Directors shall have the right to refuse to convene the Board of Directors meeting if the request is submitted by an unauthorized person or does not pertain to the scope of authority of the Board of Directors, as well as if the request for the convocation of the Board of Directors meeting does not include information stipulated by Clause 8.2 hereof.

**8.6.** In compliance with the Federal Law on Joint Stock Companies, the Chairman of the Board of Directors shall convene the Board of Directors meetings for the purposes of:

- reviewing proposals of shareholders on the inclusion of issues in the agenda of the annual General Shareholders Meeting and nomination of candidates for the Company’s management and control bodies;
- rendering decisions on the convocation of the annual General Shareholders Meeting and other decisions with regard to the convocation and holding thereof stipulated by the Federal Law on Joint Stock Companies, the Company’s Articles of Association, and the Regulation on the General Shareholders Meeting of the Company;
- approving the Company’s annual report;
- convening extraordinary General Shareholders Meetings to elect new members to the Board of Directors and/or form the Company’s Management Committee with the authority to render decisions in the instances where there is no quorum for rendering decisions.

**8.7.** The agenda of each regular meeting of the Board of Directors shall be drafted and approved by the Chairman of the Board of Directors on the basis of the work plan of the Board of Directors and requests from persons (bodies) for the convocation of the said meeting, submitted in accordance with the existing legislation and this Regulation.

The draft agenda shall be sent to the Chairman of the Company’s Management Committee no later than 20 calendar days prior to the meeting, and shall be approved by the Chairman of the Board of Directors upon three calendar days from the date of sending the draft agenda unless suggested otherwise by the Chairman of the Management Committee.

**8.8.** No later than seven calendar days prior to the date of the Board of Directors meeting, the Chairman of the Board of Directors shall send individual written notifications about the convocation of the Board of Directors meeting to all the Members of the Board of Directors with the indication of the following:

- date, venue and time of the meeting (in case of an in-person meeting);
- list of persons invited to the meeting (in case of an in-person meeting);
- agenda issues.

The following shall be appended to the notifications:

- draft decisions of the Board of Directors;
- rationales for the proposed decisions;
- documents and other reference materials;
- voting ballots (in case of absentee voting) with the indication of the submission date of filled-out ballots to the Board of Directors.

Written notifications shall be sent to the Members of the Board of Directors by mail, fax, telegraph, teletype, e-mail or other means of communication.

**8.9.** Draft decisions of the Board of Directors and materials of confidential nature containing data that constitute trade or business secrets shall be designated as “confidential” when submitted for consideration to the Board of Directors.

**8.10.** The procedures for the preparation and submission of materials for the Board of Directors meetings shall be established by an internal document of the Company approved by the Board of Directors.

## 9. PROCEDURES FOR CONDUCT OF BOARD OF DIRECTORS MEETINGS AND RENDERING OF DECISIONS

**9.1.** The Chairman of the Board of Directors shall convene the Board of Directors meetings in accordance with the agenda.

The rules of procedure for the Board of Directors meetings shall be established by the Chairman of the Board of Directors.

**9.2.** The Members of the Company's executive bodies, the Company's Audit Commission, government officials, persons who prepare information and materials on the issues reviewed at the meetings, employees of the Company and its subsidiaries, and others may be called to attend the meetings of the Board of Directors.

**9.3.** The person presiding at the meeting shall maintain order and compliance with the rules of procedure, provide for businesslike and constructive discussions of agenda issues, and ensure observance of rights of the Members of the Board of Directors to discuss such issues.

As appropriate, the Board of Directors may suspend the meeting for no more than three calendar days. In the specified time, the meeting shall be continued with the same agenda.

Upon consideration of each of the agenda issues, the person presiding at the meeting shall announce the results of voting and the decision made on each issue.

**9.4.** For agenda issues decided by a majority of votes of the Members of the Board of Directors participating in the meeting, the quorum for such meetings shall exceed half of the elected membership of the Board of Directors.

If the Members of the Board of Directors cannot constitute the said quorum, the Company's Board of Directors shall resolve to convene an extraordinary General Shareholders Meeting in order to elect new Members to the Board of Directors.

**9.5.** Decisions at the meetings of the Board of Directors shall be rendered by a majority of votes of the Board of Directors Members participating in the meeting (a simple majority) unless stipulated otherwise by the Federal Law on Joint Stock Companies or the Company's Articles of Association.

For agenda issues decided by a simple majority of votes, a written opinion of a Board of Directors Member absent from the meeting may be taken into account in establishing the presence of a quorum and voting results on such issues if the following conditions are simultaneously observed:

- the written opinion has been received by the Board of Directors before the start of the meeting;
- the Board of Directors Member has unambiguously determined his/her position on the issue, indicating in writing whether the vote is in favor or against the proposed draft decision or abstaining from voting;
- no less than three Members of the Board of Directors attend the meeting in person.

A written opinion that contains amendments and reservations with regard to the proposed draft decision shall be disregarded in establishing the presence of a quorum and voting results. Written opinions shall also be disregarded in establishing the presence of a quorum and voting results if the draft decision has been amended at the Board of Directors meeting.

If the written opinion has not been sent to the Members of the Board of Directors together with the meeting notification, the person presiding at the meeting shall read the written opinion at the meeting.

The taking into account of written opinions in establishing the presence of a quorum and voting results shall be carried out on each issue separately, which shall be documented in the minutes of the meeting.

Written opinions shall be disregarded in establishing the presence of a quorum and voting results on the issues decided by a qualified majority or a unanimous vote.

**9.6.** Unanimous votes, i.e. consent of all the elected Members of the Board of Directors, shall be required for the purposes of rendering decisions on the following issues:



- submission for consideration to, and inclusion in the agenda of, the General Shareholders Meeting of issues related to the restructuring of the Company or its liquidation with the appointment of a liquidation commission;
- major transactions involving property that is worth 25–50 per cent of the book value of the Company's assets as of the date of approving such transaction;
- increase of the Company's charter capital by way of placing additional shares in the amount equal to the amount of its authorized shares.

Decisions of the Company's Board of Directors that require unanimity shall not take into account the votes of former Members of the Board of Directors.

**9.7.** A qualified majority of votes, i.e. consent of at least two-thirds of the Board of Directors, shall be required for the purposes of rendering decisions on the following issues:

- refusal to convene an extraordinary General Shareholders Meeting;
- refusal to include an issue in the agenda of the General Shareholders Meeting or to include a candidate in the candidate list for voting in the elections to the Company's Board of Directors and Audit Commission in the instances specified in Article 55, Clause 6 and Article 53, Clause 5, respectively, of the Federal Law on Joint Stock Companies;
- early re-election of the Chairman and/or Deputy Chairman of the Board of Directors.

Decisions of the Company's Board of Directors that require a qualified majority of votes shall not take into account the votes of former Members of the Board of Directors.

**9.8.** The decision on the authorization by the Company of a related-party transaction and on the determination of the market price of the property or services to be alienated or purchased shall be rendered by the Board of Directors by a majority of votes of independent directors who are not considered related parties to the transaction.

The Members of the Board of Directors shall be deemed independent directors if they comply with the requirements specified in Article 83, Clause 3 of the Federal Law on Joint Stock Companies.

If all of the Members of the Board of Directors are considered related parties and/or are not deemed independent directors, the transaction may be submitted for consideration to the General Shareholders Meeting on the motion of the Board of Directors.

**9.9.** Decisions of the Company's Board of Directors that require unanimity or a qualified majority of votes shall only be rendered via personal votes at the Board of Directors meetings attended in person by the Members of the Board of Directors.

Other decisions can be rendered by absentee voting (by way of polling).

**9.10.** The Members of the Board of Directors shall personally participate in the meetings. Appointment by the Members of the Board of Directors of their representatives for participation in a meeting of the Board of Directors or instructing any other person, including other Members of the Board of Directors, to sign a voting ballot when a decision is rendered by way of polling, shall be deemed impermissible.

**9.11.** Each Member of the Board of Directors shall be entitled to one vote, except for the instances specified in Clause 9.8 hereof. Transfer of the right to vote by a Member of the Board of Directors to other persons, including other Members of the Board of Directors, shall be deemed impermissible.

If the votes of the Members of the Board of Directors are equal, the Chairman of the Board of Directors shall have the casting vote.

Neither the Deputy Chairman of the Board of Directors nor any other Members of the Board of Directors exercising the functions of the Chairman of the Board of Directors in the absence thereof shall have the casting vote.

## **10. PROCEDURES FOR ABSENTEE VOTING**

**10.1.** Decisions of the Board of Directors rendered by a simple majority of votes of the Board of Directors in compliance with the Company's Articles of Association may be made by absentee voting (by way of polling).

**10.2.** Decisions on the conduct of absentee voting shall be rendered by the Chairman of the Board of Directors.

**10.3.** To conduct absentee voting, notifications about absentee voting in line with the requirements of Clause 8.8 hereof shall be sent to all the Members of the Board of Directors.

The voting ballots must include the date of submission of the filled-out ballots to the Board of Directors.

Notifications about absentee voting shall be sent to the Members of the Board of Directors no later than seven days prior to the established date of ballot submission to the Board of Directors.

**10.4.** Filled-out ballots signed in person by the Members of the Board of Directors shall be submitted to the Secretary (Executive Secretary) of the Board of Directors.

**10.5.** The Members of the Board of Directors whose ballots are received by the Board of Directors before the submission date stated in the ballot shall be deemed as having participated in the voting.

**10.6.** A ballot may be deemed invalid completely or partly with regard to certain issues if there are any markings in more than one box corresponding to voting options or the lack of the signature of the voting Member of the Board of Directors in the ballot, as well as if the ballot contains amendments and/or reservations with regard to the proposed draft decision.

**10.7.** Based on the results of the voting, a record shall be drawn up in compliance with Section 11 of this Regulation.

## **11. PROCEDURES FOR DOCUMENTING DECISIONS OF BOARD OF DIRECTORS**

**11.1.** The Secretary (Executive Secretary) of the Board of Directors shall keep minutes of meetings of the Board of Directors.

The minutes of each meeting of the Board of Directors shall be drawn up no later than three days after the date of the meeting.

The minutes shall include the following information:

- the venue and time of the meeting;
- list of the persons in attendance at the meeting;
- agenda of the meeting;
- issues put to vote and voting results;
- decisions rendered.

The minutes of each Board of Directors meeting shall be signed by the person presiding at the meeting who shall bear responsibility for the correctness of the minutes.

**11.2.** If decisions are rendered by the Board of Directors by absentee voting, records of absentee voting shall contain the following information:

- date of drawing up of the record;
- list of the Members of the Board of Directors who have submitted signed voting ballots by this date;
- agenda;
- issues put to vote and voting results;
- decisions rendered.

The record of each such meeting (absentee voting) shall be drawn up no later than three days after the deadline for the submission of filled-out ballots.

The record of the meeting shall be signed by the Chairman of the Board of Directors. The voting ballots signed by the Members of the Board of Directors shall be attached to the record.

**11.3.** Based on the minutes, the Chairman of the Board of Directors shall sign the decisions of the Board of Directors. Certified copies of the minutes and decisions shall be sent or handed to the Members of the Board of Directors and the Chairman of the Management Committee of the Company.

**11.4.** Minutes of the meetings and decisions of the Board of Directors shall be submitted to the Audit Commission and the Company's auditor at their requests.

## **12. DISCLOSURE OF INFORMATION ON ACTIVITIES OF BOARD OF DIRECTORS**

**12.1.** Minutes of the meetings of the Board of Directors shall be provided by the Company to the shareholder(s) entitled to have access to such documents at the premises of the Company's executive body within seven business days from the date of submission of the respective written request.

**12.2.** The meetings of the Board of Directors may be followed by press releases issued in accordance with the procedures established by the Company's internal documents.

## **13. COMMITTEES AND COMMISSIONS OF BOARD OF DIRECTORS**

**13.1.** For the purposes of rendering informed and effective decisions, the Board of Directors shall create the Audit Committee, the Nomination and Remuneration Committee, and other temporary and permanent committees and commissions.

**13.2.** The main functions of the committees shall be the preliminary and profound study of the issues that pertain to the scope of authority of the Board of Directors in the respective fields of the committees, as well as the drafting of recommendations for the Board of Directors.

**13.3.** The competence and operating procedures of the committees shall be defined by the Company's internal documents approved by the Company's Board of Directors.

**13.4.** The committees of the Board of Directors shall be formed and operate in compliance with the regulations on the committees approved by the Board of Directors, and shall be guided in their activities by the laws of the Russian Federation, the Company's Articles of Association, and decisions of the Company's management bodies.

**13.5.** The commissions of the Board of Directors shall be formed in order to review individual activities and projects of the Company.

## **14. FINAL PROVISIONS**

**14.1.** This Regulation shall come into effect on the date of its approval by the General Shareholders Meeting.

**14.2.** If individual provisions of this Regulation contravene the laws of the Russian Federation and/or the Articles of Association of the Company, they shall lose effect and the respective provisions of the laws of the Russian Federation and/or the Articles of Association of the Company shall apply. Invalidity of individual provisions of this Regulation shall not entail the invalidity of other provisions and of the Regulation as a whole.

**14.3.** This Regulation, upon coming into effect, supersedes the Regulation on Board of Directors of JSC Gazprom approved by the decision of the annual General Shareholders Meeting of JSC Gazprom dated June 28, 2002, Minutes No. 1.