

Approved by Decision
of the Board of Directors
of the Open Joint Stock Company
“Oil company “LUKOIL”
Minutes of _____ No. _____

**REGULATIONS ON
THE STRATEGY AND INVESTMENT COMMITTEE
OF THE BOARD OF DIRECTORS
OF OAO “LUKOIL”**

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1. GENERAL PROVISIONS

- 1.1. These Regulations on the Strategy and Investment Committee of the Open Joint Stock Company "Oil company "LUKOIL" (hereinafter "**Regulations**") are prepared in accordance with the laws of the Russian Federation, the Corporate Governance Code approved at the Russian Federation Government meeting of 28 November 2001 and recommended by the Federal Commission for Securities Market, the Charter of OAO "LUKOIL" (hereinafter "**Company**") and the Regulations on the Board of Directors of OAO LUKOIL.
- 1.2. The Strategy and Investment Committee of the Board of Directors of the Open Joint Stock Company "Oil company "LUKOIL" (hereinafter "**Strategy and Investment Committee**", "**Committee**") is established with the purpose of preparing proposals for the Company's Board of Directors for establishing priority areas in the Company's activities and in the development of the Company's development strategy.
- 1.3. The Strategy and Investment Committee shall act in the interests of the shareholders of the Company, Company and its investors, in particular, by contributing to the improvement of the Company's efficiency in longterm perspective and increasing in its assets, profitability and investment attractiveness.
- 1.4. The Strategy and Investment Committee is fully accountable for its activities to the Company's Board of Directors.
- 1.5. The Strategy and Investment Committee operates within the authority granted to it by the Company's Board of Directors in accordance with these Regulations.
- 1.6. The Strategy and Investment Committee's activities are governed by the laws of the Russian Federation, the Company Charter, the Regulations on the Board of Directors of OAO LUKOIL, decisions taken by the Company's Board of Directors, these Regulations and other internal documents of the Company that are approved by the Shareholders Meeting and the Board of Directors of the Company, as well as by decisions of the Strategy and Investment Committee of the Company.
- 1.7. The terms that are used but are not defined in these Regulations shall have the

meaning that they have in the Company Charter and the Regulations on the Board of Directors of OAO "LUKOIL", unless otherwise provided by these Regulations.

2. GOALS AND OBJECTIVES OF THE STRATEGY AND INVESTMENT COMMITTEE

- 2.1. The primary goal of establishing the Strategy and Investment Committee is to draft and present recommendations to the Company's Board of Directors on issues concerning:
 - 2.1.1. elaboration jointly with the Main Division of Strategic Planning and Investment Analysis (hereinafter – "**Main Division**") of strategic goals aimed at long-term development of the Company;
 - 2.1.2. coordination of activity of the Main Division and other respective subdivisions of the Company in the area of strategic planning with the activity of the Company's Board of Directors.
- 2.2. The Committee, in conducting activity in accordance with its authority, shall work jointly with the Company's executive bodies, the Main Division and, if necessary, with other subdivisions of the Company.

3. AUTHORITY OF THE STRATEGY AND INVESTMENT COMMITTEE

- 3.1. In order to provide assistance to the Company's Board of Directors in implementation of the assigned duties, the Strategy and Investment Committee is vested with the following powers within the authority of the Company's Board of Directors:
 - 3.1.1. analyse the concepts, programs, plans of the Company's strategic development that are developed by the Main Division and provide their own recommendations to the Board of Directors of the Company;
 - 3.1.2. evaluate the Company's policy in the area of investor and shareholder relations that is developed by the Main Division and provide their own recommendations to the Board of Directors of the Company;

- 3.1.3. prepare recommendations to the Company's Board of Directors on the amount of dividends on shares and on the procedure of their payment;
- 3.1.4. prepare recommendations to the Company's Board of Directors on the procedure for distribution of the Company's profit and losses for the financial year;
- 3.1.5. prepare recommendations to the Company's Board of Directors on implementation of the Company's policy in the area of the Company's own securities, in particular:
 - 3.1.5.1. on the increase of the Company's charter capital in the cases where the Company Charter in accordance with the effective law, assigns this matter to the authority of the Board of Directors;
 - 3.1.5.2. on the Company's stock split and consolidation;
 - 3.1.5.3. on acquisition of the Company's placed securities in cases where the decision on this matter is within the authority of the Board of Directors in accordance effective law;
- 3.1.6. prepare recommendations to the Company's Board of Directors on the intended restructuring of the Company, including on the terms and conditions, the procedure and timing of such restructuring for subsequent presentation of this matter for the discussion of the Shareholders Meeting of the Company;
- 3.1.7. prepare recommendations to the Company's Board of Directors on participation in holding companies, financial and industrial groups, associations and other unions of business organisations for subsequent presentation of this matter for the discussion of the Shareholders Meeting of the Company;
- 3.1.8. prepare recommendations to the Company's Board of Directors on major transactions, the subject of which is the property, the value of which amounts to 25-50 percent of the book value of the Company's assets at the

- date of the decision to perform such transaction;
- 3.1.9. prepare recommendations to the Company's Board of Directors on establishing branches and representative offices of the Company in the Russian Federation and abroad, as well as their liquidating;
 - 3.1.10. prepare recommendations to the Company's Board of Directors on the use of the Company's reserves;
 - 3.1.11. prepare recommendations to the Company's Board of Directors on the Company's policy in the area of usage of its non-core assets;
 - 3.1.12. prepare recommendations to the Company's Board of Directors on changes to the structure of the Company's asset management;
 - 3.1.13. conduct regular meetings with participation of the Head of the Main Division at least 4 (four) times per year;
 - 3.1.14. provide opinions to the Company's Board of Directors on documents concerning the Company's strategic development that are developed by the Main Division;
 - 3.1.15. prepare, in oral or written form and within the scope of its authority, opinions (at the request of the Board of Directors of the Company) or recommendations (at its own initiative) on individual issues, and by the end of the year, submit the report on the activities of the Strategy and Investment Committee for the year to the Board of Directors for its consideration.
- 3.2. To ensure the implementation of the granted authority, the Board of Directors of the Company grants to the Strategy and Investment Committee the following rights:
- 3.2.1. participate in the monitoring and examination of the implementation of the decisions and orders of the Company's Board of Directors on issues of its activity;
 - 3.2.2. hear the report of the Head of the Main Division on the process of implementing decisions of the Board of Directors on matters of Committee's activities;

- 3.2.3. request and obtain in accordance with the existing procedure any information that is necessary for its activities from the members of the Company's executive bodies, the Office of the Board of Directors, heads of the Company's subdivisions and other Company's employees. The Strategy and Investment Committee also has the right to request information from the Company's subsidiaries. Subsidiaries are requested to provide information within the scope established by the effective legislation and the internal documents of the subsidiaries;
- 3.2.4. receive professional services from outside organisations (within the Committee's budget);
- 3.2.5. invite, if necessary, the persons indicated in p. 9.5. of these Regulations to the meetings of the Strategy and Investment Committee;
- 3.2.6. propose changes and amendments to these Regulations;
- 3.2.7. if necessary, develop and submit for approval of the Company's Board of Directors drafts of the documents that regulate the activities of the Strategy and Investment Committee;
- 3.2.8. other rights that are necessary for the Strategy and Investment Committee to implement its authority.

4. MEMBERSHIP AND ELECTION OF THE STRATEGY AND INVESTMENT COMMITTEE

- 4.1. The Strategy and Investment Committee shall be elected from among the members of the Board of Directors and consist of at least three persons. At least one member of the Committee shall be an independent director if such director is elected to the Board of Directors of the Company.

For the purposes of these Regulations, an "independent director" is a member of the Board of Directors of the Company who:

- 4.1.1. is not presently, and has not been at any time in the three years immediately preceding the determination of independence, an officer or

employee in the Company;

- 4.1.2. is not an officer of another company in which any of the officers of the Company is a member of the human resources and compensation committee of the board of directors;
- 4.1.3. is not affiliated with an officer of the Company;
- 4.1.4. is not affiliated with the Company and is not affiliated with anyone affiliated with the Company;
- 4.1.5. is not owed any duty by the Company whereby the person could acquire property (or receive money), the value of which is ten or more percent of the person's total annual income, except for the receipt of compensation for participation in the activity of the Company's Board of Directors;
- 4.1.6. is not a major contracting party with the Company (i.e., a contracting party who has transactions with the Company that for the year total ten or more percent of the value of the Company's assets);
- 4.1.7. is not a government official.

Once an independent director has served as a member of the Board of Directors of the Company for 7 years he/she may no longer be considered independent.

- 4.2. If a member of the Board of Directors, who was elected to the Committee as an independent director, ceases to meet the requirements of an independent director, he/she shall announce his/her loss of such status to the Company's Board of Directors within 5 (five) business days from the moment when he/she loses the status of an independent director of the Strategy and Investment Committee.
- 4.3. The Strategy and Investment Committee members shall be elected at the meeting of the new membership of the Company's Board of Directors for a period lasting until the election of the next Board of Directors by the Shareholders Meeting of the Company. The decision on the election of the Strategy and Investment Committee members is adopted by a simple majority of votes of the total number of members of the Company's Board of Directors.
- 4.4. The Strategy and Investment Committee members can be re-elected unlimitedly.

- 4.5. The powers of a member of the Strategy and Investment Committee can be terminated early at the decision of the Board of Directors.
- 4.6. The powers of a member of the Strategy and Investment Committee are subject to early termination in the following cases:
 - 4.6.1. if a Strategy and Investment Committee member divests himself/herself of his/her authorities. A Strategy and Investment Committee member has the right to divest himself/herself of his/her authorities of the Strategy and Investment Committee member after notifying the Chairman of the Board of Directors and the Chairman of the Strategy and Investment Committee of his/her intention by giving them appropriate written notice 1 (one) month in advance of the date of the divestment of his/her authority;
 - 4.6.2. if the powers of a Committee member as a member of the Company's Board of Directors expire or are terminated;
 - 4.6.3. if the Board of Directors relieves a member of the Committee from his/her duties.
- 4.7. If the powers of a member of the Strategy and Investment Committee are terminated due to occurrence of the circumstances specified by p. 4.6.1. of these Regulations then the Board of Directors of the Company shall elect a new Committee member at the soonest Board meeting but not later than 1 (one) month after the indicated Committee member submits a written notice on the divestment of his/her authority. Until that moment, the member of the Strategy and Investment Committee shall continue to perform his/her duties in full scope.
- 4.8. If the powers of a member of the Strategy and Investment Committee are terminated due to the circumstances specified in p.p. 4.6.2 and 4.6.3 of these Regulations, the Board of Directors of the Company shall elect a new Committee member within 2 (two) weeks from the moment of election of new members of the Board of Directors.
- 4.9. Once a new member of the Strategy and Investment Committee is elected in accordance with p.p. 4.7. and 4.8. of these Regulations, the Chairman of the Committee shall within 1 (one) week meet with the newly elected member of the

- Strategy and Investment Committee and familiarise him/her with his/her authority and the Committee's activity.
- 4.10. During the election of the Strategy and Investment Committee members, preference should be given to those candidates who have a higher education in management and administration and/or work experience in investment activities, strategic planning and system analysis.
- 4.11. The Strategy and Investment Committee members can receive remuneration and/or reimbursement of their expenses incurred in connection with the performance of their duties according to the procedure and in the amount recommended by the Board of Directors and approved by the Shareholders Meeting of the Company.
- 4.12. The specifics of the legal status of the Chairman and the Secretary of the Strategy and Investment Committee are established by Articles 5 and 6 of these Regulations.

5. THE CHAIRMAN OF THE STRATEGY AND INVESTMENT COMMITTEE AND ELECTION OF THE CHAIRMAN

- 5.1. The Chairman of the Strategy and Investment Committee shall be elected from among the Committee members at the meeting of the new membership of the Company's Board of Directors . The decision on the election of the Chairman of the Strategy and Investment Committee shall be adopted by a simple majority of votes of the total number of members of the Company's Board of Directors. The Company's Board of Directors has the right to re-elect the Chairman at any time by a majority of votes of the total number of members of the Board of Directors.
- 5.2. The Chairman of the Strategy and Investment Committee shall be elected from among independent directors if any such director have been elected to the Strategy and Investment Committee.
- 5.3. The Chairman of the Strategy and Investment Committee shall organise the activities of the Committee, in particular:
- 5.3.1. hold meetings of the Committee and preside over these meetings;
- 5.3.2. based on its discussion with members of the Committee, approve the

agenda of the Committee meetings, including the list of issues for the report of the Head of the Main Division in accordance with the p. 3.2.2. of these Regulations;

- 5.3.3. organise discussions of various matters during Committee meetings and consider the opinion of the persons invited to participate in the meetings, in particular, the opinion of the Head of the Main Division;
- 5.3.4. stay in regular contact with the Company's executive bodies, the Company's Board of Directors and its Office, the Main Division and other Company's subdivisions, and also with the Company's employees in order to obtain the most comprehensive and reliable information that is necessary for the Committee's decision making and to ensure their efficient interaction with the Company's Board of Directors;
- 5.3.5. distribute duties among the Strategy and Investment Committee members;
- 5.3.6. prepare the schedule of meetings for the current year taking into consideration the schedule of meetings of the Company's Board of Directors;
- 5.3.7. perform other functions required by law, the Company Charter, these Regulations and other internal documents of the Company.

6. THE SECRETARY OF THE STRATEGY AND INVESTMENT COMMITTEE

- 6.1. The Secretary of the Company's Board of Directors who heads the Office of the Board of Directors and, in the absence of such person, the Deputy Head of the Office of the Board of Directors, shall perform the functions of the Secretary of the Strategy and Investment Committee.
- 6.2. The Secretary of the Strategy and Investment Committee shall ensure preparation for and the holding of Committee meetings, collection and systematising of materials required for such meetings, timely forwarding of notifications on the Committee meetings, the agenda and materials related to the agenda to the

Committee members and the invitees, keeping the minutes of the meetings, preparation of drafts of the Strategy and Investment Committee's decisions as well as subsequent storage of all relevant materials. The Secretary shall ensure that the Committee members obtain the necessary information.

7. TIMELINE AND PROCEDURE FOR REGULAR STRATEGY AND INVESTMENT COMMITTEE MEETINGS

- 7.1. Each first meeting of the new membership of the Strategy and Investment Committee shall be held not later than 30 (thirty) business days from the date of the first meeting of the new membership of the Company's Board of Directors, at which the Strategy and Investment Committee members were elected.
- 7.2. The Strategy and Investment Committee meetings shall be held in accordance with the schedule approved by the Strategy and Investment Committee, but no fewer than 4 (four) times per year, and also at the request of the persons indicated in p.8.1. of these Regulations.
- 7.3. During the first Strategy and Investment Committee meeting, the matter of the election of the Committee Chairman shall be resolved in accordance with the requirements established by Article 5 of these Regulations.
- 7.4. The decision to hold a regular meeting of the Strategy and Investment Committee, its date, time and location, agenda items and also the decision on the list of persons to be invited to participate in the meeting shall be taken by the Strategy and Investment Committee Chairman in accordance with the schedule of regular Committee meetings.

The decision to hold an extraordinary meeting of the Strategy and Investment Committee, on its date, time and location, agenda items and also the decision on the list of persons to be invited to participate in the meeting shall be taken by the Strategy and Investment Committee Chairman on the basis of proposals made by the persons indicated in p. 8.1. of these Regulations.

- 7.5. The Secretary of the Committee shall prepare the notification about the Strategy and

Investment Committee meetings that follow the first meeting of the new membership of the Strategy and Investment Committee as well as the agenda of such meetings, and forward these to the persons who participate in the meeting in accordance with the requirements for such notifications provided for by the Regulations on the Board of Directors of OAO "LUKOIL", not later than 10 (ten) business days before the date of the Committee meeting.

- 7.6. The Committee meetings shall be prepared by the Secretary of the Committee under the supervision of the Chairman of the Committee.
- 7.7. The specifics on holding an extraordinary Strategy and Investment Committee meeting are established by Article 8 of these Regulations.

8. EXTRAORDINARY MEETING OF THE STRATEGY AND INVESTMENT COMMITTEE

- 8.1. Extraordinary meeting of the Strategy and Investment Committee shall be held at the decision of the Chairman of the Committee, at the request of any Committee member, as well as at the request of the Company's Board of Directors, President and Management Board.
- 8.2. Those persons who in accordance with p. 8.1. of these Regulations have the right to demand that an extraordinary Committee meeting be held shall forward their request to hold a Committee meeting to the Secretary of the Committee not later than 20 (twenty) business days prior to the expected date of the extraordinary Committee meeting. Such request shall be prepared and forwarded to the Secretary of the Committee in accordance with the requirements established by the Regulations on the Board of Directors of OAO "LUKOIL" to the procedure for demanding that the meetings of the Board of Directors be held. The Secretary of the Committee shall notify the Chairman of the Committee about the above requests not later than the day following the day when such request was received.
- 8.3. Within 5 (five) business days from the date of the demand to hold an extraordinary meeting, the Chairman of the Committee shall take a decision to hold an extraordinary meeting, set the date, time and location of the meeting or the date of

- the absentee vote, or take a decision to refuse to hold an extraordinary Committee meeting. A substantiated decision on the refusal to hold an extraordinary Committee meeting shall be forwarded to the person or the body of the Company, who demanded that such meeting be held within 2 (two) business days from the moment when the Chairman took the decision to refuse holding such meeting.
- 8.4. The Chairman of the Strategy and Investment Committee may take a decision to refuse to hold an extraordinary Committee meeting in the following cases:
- 8.4.1. if these Regulations do not provide for adding the item (items) suggested for the agenda of the Committee meeting to the Committee's authority;
- 8.4.2. if an agenda item that is suggested by the demand to hold an extraordinary Committee meeting is already included into the agenda of the soonest regular meeting that is held in accordance with the decision of the Chairman of the Strategy and Investment Committee that had been taken before the above demand was received;
- 8.4.3. if the procedure for presenting demands to hold a meeting that is established by these Regulations is not observed.
- 8.5. If the Board of Directors of the Company demands to hold an extraordinary meeting of the Strategy and Investment Committee, the Chairman of the Committee shall hold an extraordinary meeting within 5 (five) business days.

9. THE PROCEDURE FOR MEETINGS OF THE STRATEGY AND INVESTMENT COMMITTEE

- 9.1. The Chairman of the Committee shall act as the chairman of the Strategy and Investment Committee meetings. In case of his/her absence from the meeting, the Committee members shall elect the chairman of the meeting from among the Committee members present at the meeting.
- 9.2. The Strategy and Investment Committee meeting shall be considered legally authorized (have a quorum) if it is attended by at least 2 (two) Committee members. The presence of the quorum shall be determined by the Chairman of the Committee

at the opening of the meeting. If there is no quorum, a repeated Committee meeting with the same agenda shall be held within 5 (five) business days.

9.3. The Committee's meetings may be held in the form of physical attendance of the Committee members or in the form of absentee voting in accordance with the procedure provided for by the Regulations on the Board of Directors of OAO "LUKOIL".

9.4. The following matters shall be considered only at the meetings held in the form of physical attendance:

9.4.1. preparation of recommendations to the Board of Directors of the Company on the amount of dividends on shares and on the procedure for their payment;

9.4.2. preparation of recommendations to the Board of Directors of the Company on the procedure for distribution of the Company's profit and losses for the financial year;

9.4.3. preparation of recommendations to the Board of Directors of the Company on the major transactions, the subject of which is the property, the value of which amounts to 25-50 percent of the book value of the Company's assets at the date of the decision to perform such transaction;

9.4.4. intended restructuring of the Company;

9.4.5. preparation of recommendations to the Board of Directors of the Company on the matters related to increasing the Company's charter capital in the cases where the Company Charter in accordance with the effective law assigns this matter to the authority of the Board of Directors.

Other matters that are not indicated in this paragraph can be considered by the Committee in the form of absentee voting.

9.5. The Committee's meetings can be attended by the Company's employees as well as third parties at the invitation of the Chairman of the Committee. The invited persons have no voting rights with regard to the Committee meeting agenda items.

10. DECISION-MAKING PROCEDURE OF THE STRATEGY AND INVESTMENT COMMITTEE

- 10.1. Each member of the Strategy and Investment Committee has one vote per issue.
- 10.2. A Committee member cannot transfer his/her voting right to other persons, including other Committee members.
- 10.3. In the event of a tied vote, the Committee member who acting as the chairman of the Strategy and Investment Committee meeting shall have the deciding vote.
- 10.4. Decisions of the Committee shall be passed by a simple majority of votes of the total number of the Committee members.

11. MINUTES OF STRATEGY AND INVESTMENT COMMITTEE MEETINGS

- 11.1. Not later than 3 (three) business days after a Committee meeting that was held in the form of physical attendance by Committee members or by absentee voting, the Secretary of the Committee shall prepare minutes of the meeting.
- 11.2. The minutes of a Strategy and Investment Committee meeting shall be signed by the Committee member who acting as the chairman of the Committee meeting and who is responsible for the accuracy of the minutes. The minutes shall be stamped with the Company's seal, which is intended for certifying documents by the Committee. The minutes shall be made in two original copies, one of which with attachment of the materials and recommendations within 3 (three) working days after signing shall be provided to the Board of Directors, and the other of which is kept in the Committee's archive. All Committee members shall be provided with the copies of the minutes and of the prepared materials and recommendations.
- 11.3. The minutes of a the Strategy and Investment Committee meeting shall contain:
 - 11.3.1. the date, location and time of the meeting (or the date of the absentee vote);
 - 11.3.2. the list of the Committee members who participated in the discussion of the agenda items (and shall indicate the form of the meeting), as well as the list of other persons who attended the Committee meeting;

- 11.3.3. the agenda;
- 11.3.4. proposals on the agenda made by Committee members;
- 11.3.5. matters that were put to vote and the results of the voting;
- 11.3.6. adopted decisions.

12. SUBORDINATION OF THE STRATEGY AND INVESTMENT COMMITTEE TO THE COMPANY'S BOARD OF DIRECTORS

- 12.1. The Strategy and Investment Committee shall provide to the Company's Board of Directors an annual report on the results of its activities not later than 45 (forty five) calendar days prior to the date of the Annual Shareholders Meeting.
- 12.2. The Committee's report shall contain information on the Committee's activities during the year, in particular, on the following:
 - 12.2.1. prepared recommendations and opinions on the matters related to its activities;
 - 12.2.2. the results of the Committee meetings held with participation of the Head of the Main Division in accordance with p. 3.1.13. of these Regulations;
 - 12.2.3. opinions and recommendations provided to the Board of Directors of the Company on various matters in accordance with Article 3 of these Regulations;
 - 12.2.4. identified violations of Article 13 of these Regulations;
 - 12.2.5. legal or other professional services received from outside organisations and observance of the Committee's budget;
 - 12.2.6. observance of the Committee meeting schedule approved by the Committee.

The Committee's report may contain other material information at the discretion of Strategy and Investment Committee.

- 12.3. The Company's Board of Directors shall consider the Strategy and Investment

- Committee report at the soonest meeting of the Company's Board of Directors.
- 12.4. The Chairman of the Committee shall present the report of the Strategy and Investment Committee to the Company's Board of Directors.
- 12.5. The Board of Directors has the right to order the Strategy and Investment Committee to present its opinion on individual matters. In such a case, the Board of Directors shall set reasonable deadlines for fulfilment of such order by the Strategy and Investment Committee.
- 12.6. The Strategy and Investment Committee has the right at its own discretion to forward to the Company's Board of Directors its recommendations on any matter related to the subject of its activities, and, in the cases provided for by these Regulations, shall prepare an opinion for the Board of Directors.
- 12.7. The reasonableness of Board's consideration of the Strategy and Investment Committee recommendations in accordance with p. 12.6. of these Regulations shall be determined at the meeting of the Company's Board of Directors.
- 12.8. The Company's Board of Directors has the right at any time during the year to request that the Strategy and Investment Committee provide a report on the current activities of the Strategy and Investment Committee. The deadlines for preparation and presentation of such report shall be established by the Board of Directors.

13. INTERACTION WITH THE COMPANY'S BODIES AND OTHER ENTITIES OR PERSONS

- 13.1. Since, the Committee's members need to have access to necessary information to ensure efficient operation of the Committee, the members of the Company's executive bodies, the Office of the Board of Directors, the heads of the Company's subdivisions, as well as other Company's employees shall, at the request of the Committee, provide to the Committee with comprehensive and reliable information and the documents on matters related to the subject of the Strategy and Investment Committee's activities within reasonable deadlines established by the Committee and in accordance with existing procedure. The request on the provision of

- information and documents shall be made in writing and signed by the Chairman of the Strategy and Investment Committee.
- 13.2. The information and documents, specified by p. 13.1. of these Regulations shall be provided to the Strategy and Investment Committee via the Secretary of the Committee.
- 13.3. If necessary, experts and specialists having the necessary professional expertise can be involved in the activities of the Committee for the purpose of considering specific matters related to the subject of the Strategy and Investment Committee's activities. The procedure for and the conditions of involvement of experts and specialists in the activity of the Committee shall be determined by the contract between the Company and such persons.

14. INSIDER INFORMATION

- 14.1. Insider information is material information about the Company's activities, shares and other securities as well as on the transactions with them that is not available to the public and the disclosure of which may have a material effect on the market value of the Company's shares and other securities.
- 14.2. The Strategy and Investment Committee members as well as the Secretary of the Committee have no right to use insider or other confidential information for their personal goals or to disclose insider and other confidential information.
- 14.3. Third parties that participate in the Committee's meetings shall sign an agreement on non-disclosure of insider and other confidential information in advance of the meeting.

15. LIABILITY OF THE STRATEGY AND INVESTMENT COMMITTEE MEMBERS

- 15.1. The Strategy and Investment Committee members shall bear liability in accordance with the provisions of the Law "On Joint Stock Companies" that regulate liability of the members of the Board of Directors.

16. FUNDING THE ACTIVITY OF THE STRATEGY AND INVESTMENT COMMITTEE

- 16.1 In order to ensure that the Strategy and Investment Committee's activities are funded, the Company's budget shall provide for financing of the Committee's activities within the limits of the budget of the Company's Board of Directors.
- 16.2 Proposals on the amount of the Committee's budget shall be established at the Committee's first meeting and forwarded to the Company's Board of Directors.

17. APPROVAL OF AND CHANGES TO THESE REGULATIONS

- 17.1. These Regulations, as well as all changes and amendments thereto, shall be approved by the Company's Board of Directors by a simple majority of votes of the total number of members of the Company's Board of Directors.
- 17.2. All issues that are not resolved for by these Regulations shall be regulated by the Company Charter, the Regulations on the Board of Directors of OAO "LUKOIL" and other internal documents of the Company, and by effective law.
- 17.3. If any changes in Russian law or regulations result in articles of these Regulations contradicting with these changes, these articles shall become ineffective and the Strategy and Investment Committee members shall be governed by Russian law and by-laws until appropriate changes are introduced into these Regulations.
- 17.4. The annual report of the Strategy and Investment Committee that shall be submitted to the Company's Board of Directors in accordance with Article 12 of these Regulations may contain recommendations to the Board of Directors on the necessity of making changes and amendments into these Regulations.