APPROVED
by Resolution of the annual general shareholders' meeting of
Open Joint Stock Company
"Surgutneftegas"
Minutes No.29 dated 29 June 2018

CHARTER
OF "SURGUTNEFTEGAS"
PUBLIC JOINT STOCK COMPANY
(revised)

Surgut
2018

Article 1
NAME AND LOCATION
OF “SURGUTNEFTEGAS” PUBLIC JOINT STOCK COMPANY

1.1. The full corporate name of “Surgutneftegas” Public Joint Stock Company in Russian is публичное акционерное общество «Сургутнефтегаз» (hereinafter – the Company).

The abbreviated corporate name of the Company in Russian is ПАО «Сургутнефтегаз».

The full corporate name of the Company in English is “Surgutneftegas” Public Joint Stock Company.

The abbreviated corporate name of the Company in English is “Surgutneftegas” PJSC.

1.2. The Company’s location is Russian Federation, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, building 1.

Article 2
LEGAL STATUS OF THE COMPANY

2.1. The Company is a legal person and has property of its own which shall be accounted in its own balance sheet.

2.2. The Company has a corporate name and trademark, its own emblem and other means of identification, a round seal containing the full corporate name in Russian and indicating the location of the Company, stamps and letterheads with its name.

The Company shall open in the established manner bank accounts in the territory of the Russian Federation and abroad.

The Company shall have the right to conduct on its own behalf any transactions and take actions not prohibited by the legislation of the Russian Federation, to acquire and exercise proprietary and personal non-proprietary rights, to incur obligations and to appear on its own behalf as a plaintiff and respondent at court.

2.3. The Company shall operate in accordance with this Charter and the current legislation of the Russian Federation.

The terms and conditions hereof shall remain valid for the entire period of the Company’s operation.

2.4. The Company shall be liable for its obligations only within its own property which may be levied execution upon under the current legislation of the Russian Federation.

The Company shall not be liable for the obligations of the State, governmental authorities and organizations, as well as the State, governmental authorities and organizations shall not be liable for any obligations of the Company.

2.5. The Company shall have the right, under the current legislation of the Russian Federation, to establish, act as a founder (participant, shareholder, member) of commercial and noncommercial organizations in the Russian Federation and abroad, including joint ventures with foreign partners, to establish branches and representative offices both in the territory of the Russian Federation and abroad.

2.6. The Company shall perform its mobilization training duties and mobilization tasks in accordance with the current legislation of the Russian Federation and approved mobilization plans.

2.7. The Company shall be engaged in activities, which involve the use of information classified as a state secret, and measures related to protection of state secrets.

Article 3
PURPOSE AND BUSINESS OF THE COMPANY

3.1. The Company's main corporate objective is profit earning.

3.2. The Company's main activities are:

3.2.1. Crude oil production.

3.2.2. Petroleum (associated) and natural gas production.

3.2.3. Separation and extraction of fractions from petroleum (associated) gas.

3.2.4. Rendering services in oil and natural gas production.

3.2.5. Well drilling.

3.2.6. Wholesale trading in solid, liquid and gas fuel and similar products.

3.2.7. Geological, geophysical exploration for mineral resources and replacement of mineral reserves.

3.2.8. Field development and field facilities construction.

3.2.9. Subsoil use according to its designated purpose and type of license issued as prescribed by the legislation of the Russian Federation.

3.2.10. Well workover and well servicing operations.

3.2.11. Cementing of production and prospecting and exploratory wells, providing services with purpose-built oilfield equipment.

3.2.12. Processing and marketing of oil and gas as well as their products.

3.2.13. Maintenance and operation of tank farms, gas stations (including mobile ones).

3.2.14. Warehousing and storage. Storage of oil, gas and their products.

3.2.15. Building activities, including construction, renovation, major repair of buildings, structures and infrastructure lines.

3.2.16. Start-up operations.

3.2.17. Performing engineering surveys, architectural work, design, engineering, organizing architectural and construction design and engineering surveys, activities in the field of architecture, engineering design, engineering surveys.

3.2.18. Manufacture and marketing of products (including used ones), goods, works and services.

3.2.19. Organization of construction and execution of construction and assembly work, including:

construction and assembly work at the operating sites of the oil and gas industry;

construction and assembly work at the surface facilities of the onshore oil and gas fields;

pipeline construction and dismantling;

power lines construction;

civil engineering.

3.2.20. Design, building, renovation, repair, including major repair and maintenance of roads and road structures, quality control in the process of road activities.

3.2.21. Research and development, process work. Testing and introduction of new technologies and materials into the oil production and auxiliary industries.

3.2.22. Generation of electricity by thermal power plants, including activities to ensure the operability of power plants.

3.2.23. Transmission of electricity and connection to distribution networks.

3.2.24. Production, transfer, distribution and sale of steam and hot water (thermal energy), including activities to maintain operability of the boiler and heating networks.

3.2.25. Assembly, setup and repair (including overhaul) of power facilities, electric power and thermal power equipment, consumer power units. Operation and major overhaul of refrigeration facilities and equipment.

3.2.26. Activities related to water supply and water drainage, servicing of the sewage systems of production facilities and residential properties.

3.2.27. Servicing and repair of gas facilities.

3.2.28. Shipping, forwarding and other activities related to the transportation, repair and servicing of transportation vehicles.

3.2.29. Handling and lifting operations, rendering cargo storage services.

3.2.30. Servicing, maintenance and major overhaul of automotive, tractor, purpose-built and oilfield equipment.

3.2.31. Collection, storage, transportation, treatment, utilization, burial, decontamination, disposal, relocation and destruction of industrial and other waste.

3.2.32. Ecological certification and environmental auditing. Other activities related to environment-oriented work (services). Integrated environmental management, surveying of land, water objects, atmosphere (monitoring).

3.2.33. Topographic and geodetic surveying and cartographic work.

3.2.34. Front end engineering design related to the land use.

3.2.35. Educational activities.

3.2.36. Manufacture and major overhaul of drilling equipment, oilfield equipment, other types of purpose-built equipment and fittings, transportation vehicles, tools and spare parts for the Company’s purposes, as well as on contractual basis for other enterprises and organizations.

3.2.37. Activities related to occupational safety, prevention and elimination of accidents, explosions, oil gushers and gas blowouts, as well as other activities related to the increased hazards of industrial productions (facilities) and works, ensuring safety in the process of use of the subsoil. Activities (works, services) related to fire safety.

3.2.38. Investment activities.

3.2.39. Health care activities.

3.2.40. Agency, marketing, consulting, advertising, publishing, printing and other commercial activities, organization of exhibitions, trade fairs, auctions, etc.

3.2.41. Manufacture and sale of public catering products and rendering of catering services, retail and itinerant trade.

3.2.42. Procurement and marketing.

3.2.43. Purchasing, storage and sale of equipment, tools, materials and motor vehicles.

3.2.44. Activities related to the operation of engineering systems, improvement of the areas, maintenance of residential property, dormitories and community centers.

3.2.45. Cultural events and recreative sports activities.

3.2.46. Training and retraining of personnel, including transport drivers.

3.2.47. Manufacturing, repair, verification, calibration and maintenance of measuring instruments, metrological supervision of measuring instruments, development of measuring procedures and testing of new measuring instruments, certification of test equipment.

3.2.48. Foreign trade.

3.2.49. Mine surveying.

3.2.50. Telecommunications activities.

3.2.51. Assembly, setup, repair and maintenance of equipment that serves buildings and structures security and fire safety.

3.2.52. Operation of explosion, fire and chemically hazardous facilities.

3.2.53. Operation of pipelines.

3.2.54. Transportation of oil, gas and refined products through trunk pipelines.

3.2.55. Activities related to the handling of explosive materials for industrial use.

3.2.56. Operation of electrical installations, electrical, gas, and heat networks.

3.2.57. Accumulation, recycling and sale of ferrous and non-ferrous scrap metal.

3.2.58. Customs-related activities.

3.2.59. Cadastral activities.

3.2.60. Production of bituminous mixtures based on natural asphalt or bitumen, oil bitumen, mineral resins or their pitches.

3.2.61. Health resort treatment.

3.2.62. Arrangement of health improvement and recreation of the Company’s employees and members of their families, non-working pensioners of the Company, children, senior citizens, disabled people.

3.2.63. Lodging industry. Activities to provide places for short-term accommodation.

3.2.64. Tests and analysis of physical and mechanical properties of materials and substances. Tests, research and analysis of integrated mechanical and electrical systems, energy survey.

3.3. The Company shall have the right to perform any other types of activities not prohibited by law.

Article 4
THE CHARTER CAPITAL OF THE COMPANY

4.1. The charter capital of the Company totals 43,427,992,940 (forty three billion four hundred and twenty seven million nine hundred and ninety two thousand nine hundred and forty) rubles and is divided into shares of the following categories (types):

4.1.1. Preference shares – 7,701,998,235 (seven billion seven hundred and one million nine hundred and ninety eight thousand two hundred and thirty five) shares at a par value of 1 (one) ruble each.

4.1.2. Ordinary shares – 35,725,994,705 (thirty five billion seven hundred and twenty five million nine hundred and ninety four thousand seven hundred and five) shares at a par value of 1 (one) ruble.

4.2. The Company shall have the right as prescribed by the legislation of the Russian Federation and this Charter:

to increase the amount of the charter capital by placing additional shares within the number of the declared shares set forth by this Charter or by increasing the par value of the shares;

to consolidate or split the placed shares;

to decrease the charter capital by decreasing the par value of the shares or by reducing their total number, including by means of acquisition and redemption of a portion of the shares by the Company.

4.3. The resolution to increase the charter capital of the Company by increasing the par value of the shares and by placing additional shares within the number of the declared shares shall be adopted by the Company's Board of Directors or the General shareholders' meeting of the Company.

Additional shares may be placed by the Company only within the number of the declared shares set forth by this Charter.

4.4. The decrease of the charter capital of the Company shall be performed by decreasing the par value of the shares or by means of acquisition and redemption of a portion of the Company's shares in order to reduce their total number.

4.5. In compliance with the requirements of the securities legislation of the Russian Federation and the provisions hereof, the Company may issue both ordinary shares and preference shares, as well as other securities.

The par value of all ordinary shares of the Company shall be the same. The par value of preference shares of one type and the amount of rights attached to them shall be the same.

The Company shall have the right to place shares and equity securities convertible into shares both through a public and through a private subscription in accordance with the current legislation of the Russian Federation.

Payment of the Company's shares at the moment of their placement shall be effected based on the market value but not below their par value.

The Company's shareholders shall have the pre-emptive right to acquire additional shares and equity securities placed through a public subscription, convertible into shares, in the amount proportional to that of the shares of this category (type) held by them.

4.6. The Company shall provide maintaining and keeping the shareholder register of the Company in compliance with the legal acts of the Russian Federation.

4.7. The Company shall have the right to acquire a portion of the shares placed by it both under the resolution of the General shareholders' meeting in order to redeem the shares for the purpose of decreasing the charter capital, and under the resolution of the Company's Board of Directors in order to subsequently dispose of shares, including by means of sale, transfer, exchange for shares of other companies and for shares owned by third parties, as well as by selling them to its own employees.

The shares acquired by the Company under the resolution of the General shareholders' meeting of the Company to decrease the charter capital of the Company by means of acquisition of the shares in order to reduce their total number, shall be redeemed at the time of acquisition thereof.

The shares acquired by the Company under the resolution of the Company's Board of Directors for further disposal shall be disposed of at the price which is not lower than their market price and not later than one year after the date of acquisition thereof. Accrual of dividends as well as voting and determination of a quorum at the General shareholders' meeting of the Company shall be performed without regard to these shares. The shares not disposed of within the term specified in this clause, under the resolution of the General shareholders' meeting of the Company, shall be subject to redemption with respective reduction of the charter capital of the Company. The shares acquired by the Company under the resolution of the Company's Board of Directors shall be at the disposal of the Company's Board of Directors.

The Company shall have no right to adopt a resolution to acquire the shares by the Company if the par value of the outstanding shares of the Company will be less than 90 percent of the charter capital of the Company.

Article 5
THE RIGHTS OF THE COMPANY'S SHAREHOLDERS

5.1. Any legal or physical person may be a shareholder. A shareholder shall have an ownership right to the shares of the Company owned by him/her which certify the liability rights of the shareholder towards the Company. A shareholder shall have no ownership right to the property of the Company except as in the event of distribution of the property upon dissolution of the Company.

5.2. Each shareholder of the Company who owns ordinary shares of the Company may participate in the General shareholders' meeting of the Company and shall have the right to vote on all issues within his/her terms of reference as well as also to receive dividends, and, in case of dissolution of the Company, the right to receive a portion of its property.

5.3. The shareholders shall have the right to dispose of shares owned by him/her without consent of other shareholders and the Company.

5.4. The shareholders who own preference shares shall have the right to receive an annual fixed dividend.

The total amount payable as dividend on each preference share shall be set at the rate of 10 percent of the Company's net profit based on the results of the last reporting year divided by the number of shares accounting for 25 percent of the charter capital of the Company.

If the amount of dividends paid by the Company on each ordinary share in a certain year exceeds the amount payable as dividends on each preference share, the size of a dividend paid on the latter shall be increased up to the size of a dividend paid on ordinary shares.

The Company shall have no right to pay dividends on preference shares otherwise than as prescribed herein.

5.5. A share of the Company may be jointly owned by two or more persons. In this case, the Company shall deem the co-owners to be a single shareholder; they exercise their rights to hold, use and dispose of the Company's share in the order established by the agreement between the members.

5.6. A shareholder of the Company may exercise his/her rights, including the right to participate in the General shareholders' meeting of the Company both in person and by proxy.

5.7. The scope and content of the above rights of a shareholder shall be determined by the category (type) of the shares owned by him/her.

Each ordinary share shall provide its owner with the right to one vote when the issues put to vote at the General shareholders' meeting of the Company are resolved, except when the members of the Company's Board of Directors are elected.

The shareholders of the Company who own preference shares of the Company shall have no right to vote at the General shareholders' meeting of the Company, unless otherwise established by the Federal Law "On Joint Stock Companies".

5.8. The shareholders who own the voting shares shall have the right to demand from the Company to buy back all or a portion of the shares owned by them in cases specified by the current legislation of the Russian Federation.

The shares shall be bought back by the Company in accordance with the current legislation of the Russian Federation.

Article 6
GENERAL SHAREHOLDERS' MEETING OF THE COMPANY

6.1. The General shareholders' meeting is the supreme management body of the Company.

6.2. The issues raised at the General shareholders' meeting of the Company shall be put to vote. A shareholder shall have a number of votes corresponding to the number and categories (types) of the shares owned by him/her. The votes at the General shareholders' meeting of the Company on the issue put to vote, which the shareholders who own ordinary and preference shares of the Company have the right to vote on, shall be counted jointly for all voting shares, unless otherwise established by the Federal Law "On Joint Stock Companies".

6.3. The following issues, the resolution on which is adopted if the shareholders who own more than 50 percent of the voting shares of the Company participating in the General shareholders' meeting of the Company have voted for it, unless otherwise specified in Clause 6.8 hereof, fall within the terms of reference of the General shareholders' meeting of the Company:

6.3.1. To amend the Company's Charter or to approve the Company's Charter in a new wording, except for cases specified by the Federal Law "On Joint Stock Companies" and the Company's Charter.

6.3.2. To decrease the charter capital by decreasing the par value of the shares, by means of acquisition of a portion of the Company's shares in order to reduce their total number, as well as by means of redemption of the shares acquired or bought back by the Company.

6.3.3. To approve the annual report and the annual accounting (financial) statements of the Company.

6.3.4. To distribute profit and losses of the Company based on the results of the reporting year, to pay (declare) dividends.

6.3.5. To elect the members to the Company's Auditing Committee and early terminate their powers, to approve the Regulations on the Company's Auditing Committee.

6.3.6. To adopt resolutions to restructure the Company.

6.3.7. To adopt resolutions to dissolve the Company, to appoint the liquidation committee and approve the interim and final liquidation balance sheets.

6.3.8. To determine the number of the Company's Board of Directors, to elect the members to the Company's Board of Directors and early terminate their powers.

6.3.9. To determine the amount, the par value, category (type) of the declared shares and rights granted by these shares;

6.3.10. To approve the Company's auditor.

6.3.11. To determine the procedure for holding the General shareholders' meeting of the Company.

6.3.12. To elect the members to the Ballot Committee and early terminate their powers.

6.3.13. To split and consolidate shares.

6.3.14. To adopt resolutions to authorize transactions and further approve them in cases specified by Article 83 of the Federal Law "On Joint Stock Companies".

6.3.15. To adopt resolutions to authorize major transactions and further approve them in cases specified by Article 79 of the Federal Law "On Joint Stock Companies".

6.3.16. To increase the charter capital of the Company by placement of the additional ordinary shares through a public subscription, in cases when the quantity of the ordinary shares to be placed additionally constitutes over 25 percent of the ordinary shares placed by the Company earlier.

6.3.17. To increase the charter capital of the Company by placement of the additional shares through a private subscription.

6.3.18. To place equity securities convertible into shares through a private subscription. To place, through a public subscription, convertible equity securities which may be converted into ordinary shares constituting over 25 percent of ordinary shares placed earlier.

6.3.19. To increase the charter capital of the Company by increasing the par value of the shares.

6.3.20. To adopt a resolution to participate in financial and industrial groups, associations and other unions of business organizations.

6.3.21. To approve the internal documents regulating the activities of the Company's bodies.

6.3.22. To adopt a resolution to file an application for delisting the Company's shares and (or) equity securities of the Company which are convertible into the shares of the Company.

6.3.23. Other issues stipulated by the Federal Law “On joint stock companies”.

Issues within the terms of reference of the General shareholders’ meeting shall not be delegated to the Company’s Board of Directors and Director General to be resolved.

6.4. The General shareholders’ meetings of the Company may be annual and extraordinary.

The annual General shareholders’ meeting shall be convened annually by the Company’s Board of Directors not earlier than two months and not later than six months after the end of the reporting year in the manner prescribed herein. The annual General shareholders’ meeting of the Company shall resolve the issues relating to the election to the Company’s Board of Directors, the Company’s Auditing Committee, the approval of the Company’s auditor, as well as issues stipulated by the Federal Law “On joint stock companies”.

Any General shareholders’ meeting hold in addition to the annual General shareholders’ meeting of the Company shall be deemed an extraordinary one. The extraordinary General shareholders’ meetings of the Company may be convened by the Company’s Board of Directors either on its own initiative or at the written request of the Auditing Committee, the Company’s auditor, or the shareholders (shareholder) owning in the aggregate at least 10 percent of the voting shares of the Company as of the date the request is submitted. Such a request shall state the issues to be included in the agenda of the meeting. The request shall be signed by the person (persons) requesting to convene an extraordinary General shareholders’ meeting of the Company.

Within five days from the date when the request is submitted, the Company’s Board of Directors shall adopt a resolution to convene the extraordinary General shareholders’ meeting of the Company or a motivated resolution to reject convening it. The resolution to reject convening an extraordinary Shareholders’ Meeting shall be submitted to the persons requesting to convene it not later than three days from the date when such a resolution is adopted.

The resolution of the Company’s Board of Directors to convene an extraordinary General shareholders’ meeting of the Company shall establish the procedure for conducting the General shareholders’ meeting (joint presence of the shareholders to discuss the issues of the agenda and adopt resolutions on the issues put to vote, or absentee voting).

The resolution of the Company’s Board of Directors to conduct the extraordinary General shareholders’ meeting by way of absentee voting shall determine the form and text of the ballot paper, the date the ballot paper is submitted to the shareholders and other information (materials), and the deadline established by the Company for the ballot papers.

The extraordinary General shareholders’ meeting of the Company shall be convened within the period established by the Federal Law “On Joint Stock Companies”. Absentee voting is conducted by means of ballot papers sent to the shareholders by registered mail not later than 20 days prior to the General shareholders’ meeting of the Company.

The resolution of the General shareholders’ meeting of the Company adopted by way of absentee voting shall deem valid provided that the shareholders owning in the aggregate over half of the voting shares of the Company participate on voting.

6.5. Notification of the General shareholders' meeting of the Company shall be given not later than 30 days prior to the date thereof, unless another term is specified by the Federal Law "On Joint Stock Companies". Notification shall be published on the official website of the Company www.surgutneftegas.ru in the information and telecommunication network "Internet".

Notification of the General shareholders' meeting shall include:

full corporate name and location of the Company;

the form of the General shareholders' meeting (a meeting or absentee voting);

the date, venue and time of the General shareholders' meeting of the Company as well as the mailing address for sending completed ballot papers to the Company; or in case the General shareholders' meeting of the Company is held by way of absentee voting – the final date when the ballot papers are accepted and the mailing address for sending the completed ballot papers;

the date as of which the persons entitled to participate in the General shareholders' meeting are determined (set);

the agenda for General shareholders' meetings of the Company;

categories (types) of shares the holders of which have the right to vote on all or some issues of the agenda of the General shareholders' meeting of the Company;

the procedure for reviewing the information (materials) to be submitted while arranging the General shareholders' meeting of the Company, and address(es) where this information is available;

other information as provided for by the current legislation of the Russian Federation.

The General shareholders' meeting of the Company shall have no right to adopt resolutions on the issues which are not included in the agenda of the meeting as well as to make amendments to the agenda.

6.6. The issues subject to review at the General shareholders' meeting of the Company and stipulated by Subclauses 6.3.6, 6.3.13-6.3.21, Clause 6.3, Article 6 hereof shall be submitted by the Company's Board of Directors only.

The shareholders (shareholder) owning in the aggregate at least two percent of the voting shares of the Company shall have the right to introduce issues to the agenda of the annual General shareholders' meeting of the Company and to nominate candidates to the Company's Board of Directors and the Company's Auditing Committee, provided that the number of candidates does not exceed the number of members of the relevant body not later than 30 days after the end of the reporting year.

The proposal to include the issues in the agenda of the General shareholders' meeting of the Company and to nominate candidates shall include the full name (names) of the shareholders (shareholder), the number and category (type) of shares owned by them, and shall be signed by the shareholders (shareholder) or by their proxies.

The proposal to include the issues in the agenda of the General shareholders' meeting of the Company shall contain every proposed issue being formulated, and the proposal to nominate candidates shall include the name and details of the identification document (series and (or) number, date and place of its issue, the authority that issued the document) of every nominated candidate, the name of the body which he/she is nominated to be elected to, and other information about him/her as provided for by the current Regulations on the General shareholders' meeting of the Company. The proposal to include the issues in the agenda of the General shareholders' meeting of the Company may contain formulated resolutions on each proposed issue.

The Company's Board of Directors shall be obliged to consider submitted proposals and adopt a resolution to include them or reject including them in the agenda of the annual General shareholders' meeting of the Company not later than five days after the deadline for proposals to include the issues in the agenda and to nominate candidates. A motivated resolution of the Company's Board of Directors to reject including an issue in the agenda of the General shareholders' meeting of the Company or a candidate in the candidate list for voting shall be submitted to the shareholders (shareholder) who proposed an issue or nominated a candidate not later than three days after it is adopted.

The Company's Board of Directors shall set (determine) the date, venue and time of the General shareholders' meeting of the Company, its agenda and procedure for conducting the General shareholders' meeting, the date of determining (setting) persons entitled to participate in the General shareholder's meeting; the procedure for notifying the shareholders of the General shareholder's meeting; the list of materials (information) to be submitted while arranging the General shareholders' meeting of the Company and the form and text of the ballot paper.

6.7. Resolutions adopted by the General shareholders' meeting of the Company as well as the results of voting may be announced at the General shareholders' meeting at which voting is held and shall be brought to notice of the persons, included in the list of persons entitled to participate in the General shareholders' meeting, in the form of the report on the voting results in the manner prescribed by the current legislation of the Russian Federation.

6.8. The General shareholders' meeting of the Company shall be valid (constitutes a quorum), if it is attended by the shareholders owning in the aggregate over half of the votes of the placed voting shares of the Company.

The shareholders registered for participation in the General shareholders' meeting of the Company and shareholders whose ballot papers are returned not later than two days prior to the date of the General shareholders' meeting of the Company shall be deemed the shareholders having participated in the General shareholders' meeting of the Company.

The shareholders whose ballot papers are returned prior to the final date when the ballot papers are accepted shall be deemed the shareholders having participated in the General shareholders' meeting of the Company held by way of absentee voting.

If there is no quorum required to hold the annual General shareholders' meeting of the Company, an adjourned General shareholders' meeting with the same agenda shall be held; and if there is no quorum required to hold the extraordinary General shareholders' meeting of the Company, an adjourned General shareholders' meeting with the same agenda may be held.

The adjourned General shareholders' meeting of the Company, convened instead of the canceled one, shall be deemed valid, if it is attended by the shareholders owning in the aggregate not less then 30 percent of the votes of the placed voting shares of the Company.

Notification of the adjourned General shareholders' meeting of the Company shall be given in the form set forth in Clause 6.5 hereof within the period specified by the Federal Law "On Joint Stock Companies", but at least 30 days before such a meeting is held. If the General shareholders' meeting of the Company is adjourned for less than 40 days after the canceled General shareholders' meeting, the persons entitled to participate in this General shareholders' meeting are determined (set) as of the date when the persons entitled to participate in the canceled General shareholders' meeting of the Company were determined (set).

A resolution on the issues indicated in Subclauses 6.3.1, 6.3.6, 6.3.7, 6.3.9, and 6.3.15–6.3.18, 6.3.22, Clause 6.3, Article 6 hereof shall be adopted by the General shareholders' meeting by a three-forths qualified majority of the votes of the shareholders who own the voting shares and participate in the General shareholders' meeting of the Company.

Article 7
THE COMPANY'S BOARD OF DIRECTORS

7.1. The Company's Board of Directors shall perform general management of the Company's activities and shall have the right to adopt resolutions on any issues of the Company's activities except for those referred by this Charter to the terms of reference of the General shareholders' meeting of the Company. The terms of reference of the Board of Directors shall be the following:

7.1.1. To submit issues specified by Subclauses 6.3.6, 6.3.13-6.3.21, Clause 6.3, Article 6 hereof to the General shareholders' meeting of the Company for a resolution to be adopted.

7.1.2. To recommend the size of a dividend on shares to be paid to the shareholders and the procedure for paying dividends.

7.1.3. To determine priority lines of the Company's activity;

7.1.4. To convene annual and extraordinary General shareholders' meetings of the Company.

7.1.5. To approve the agenda for General shareholders' meetings of the Company.

7.1.6. To determine the date of compiling the list of persons entitled to participate in the General shareholders' meeting, and other issues referred by the Federal Law "On Joint Stock Companies" to the terms of reference of the Company's Board of Directors and related to preparing and holding the General shareholders' meeting of the Company.

7.1.7. Preliminary approval of the annual report and the annual accounting (financial) statements of the Company.

7.1.8. To increase the charter capital of the Company by placement of the following additional shares within the number and categories (types) of the declared shares:

additional ordinary shares through a public subscription which constitute 25 or less percent of the ordinary shares placed by the Company earlier;

additional preference shares through a public subscription;

additional shares at the expense of the Company's property.

7.1.9. To approve the report (notice) on the results of the issue (additional issue) of securities.

7.1.10. To amend the Company's Charter after an increase in the charter capital of the Company resulting from the placement of additional shares under the resolution of the Company's Board of Directors.

7.1.11. To place by the Company:

bonds and other equity securities convertible into shares, if the mentioned bonds (other equity securities) are placed through a public subscription and may be converted into ordinary shares of the Company, constituting 25 or less percent of the ordinary shares placed by the Company earlier;

bonds and other equity securities in case when they are not convertible into the shares of the Company under the subscription terms.

7.1.12. To determine the price (assessed cash value) of the property and the price of placement or the procedure applied to determine this price and the price of equity securities to be bought back in cases specified by the Federal Law "On Joint Stock Companies".

7.1.13. To acquire and buy back shares placed by the Company as well as bonds and other securities in cases specified by the Federal Law "On Joint Stock Companies" or other federal laws.

7.1.14. To dispose of shares acquired and bought back by the Company and of shares which came to the disposal of the Company due to the fact that their buyers failed to fulfill their payment obligations.

7.1.15. To elect the chairperson of the Company's Board of Directors and the deputy chairperson of the Board of Directors from the members of the Company's Board of Directors.

7.1.16. To appoint and to early terminate the powers of Director General of the Company, to determine the amount of remuneration and compensation paid to him/her.

7.1.17. To recommend the amount of remuneration and compensation paid to the members of the Company's Auditing Committee and to determine the amount of auditor's fees.

7.1.18. To use the reserve and other funds of the Company.

7.1.19. To approve the Company's internal documents, excluding those internal documents which, in conformity with the Federal Law "On Joint Stock Companies", shall be approved by the General shareholders' meeting of the Company, and other internal documents of the Company which, according to this Charter, shall be approved by Director General of the Company.

7.1.20. To establish branches and to open representative offices of the Company.

7.1.21. To authorize transactions and further approve them in cases specified by the Federal Law "On Joint Stock Companies".

7.1.22. To approve the Company's registrar, approve and cancel the contract with the Company's registrar.

7.1.23. To adopt resolutions on the Company's participation in other organizations (excluding organizations stated in the Federal Law "On Joint Stock Companies").

7.1.24. To adopt a resolution to file an application for listing the Company's shares and (or) equity securities of the Company which are convertible into the shares of the Company.

7.1.25. Other issues as provided for by the current legislation of the Russian Federation and this Charter.

7.2. The Company's Board of Directors in the number determined by the resolution of the General shareholders' meeting of the Company shall be elected by the annual General shareholders' meeting of the Company in the manner prescribed herein for a period lasting till the next annual General shareholders' meeting of the Company.

The Company's Board of Directors shall be elected by cumulative voting where the quantity of votes which belong to each shareholder shall be multiplied by the number of persons to be elected to the Company's Board of Directors, and the shareholder shall have the right to cast his/her votes obtained in this way only for one candidate or split them among two or more candidates.

The chairperson of the Company's Board of Directors and the deputy chairperson of the Board of Directors shall be elected by the members of the Company's Board of Directors of their number by a two-thirds qualified majority of the votes of the total number of the members of the Board of Directors at the first session of the Board of Directors. The Company's Board of Directors shall have the right to reelect its chairperson and deputy chairperson by a two-thirds qualified majority of the votes of the total number of the members of the Company's Board of Directors.

A written opinion of a member of the Company's Board of Directors who is absent from the meeting of the Company's Board of Directors may be taken into account when determining a quorum and counting the votes on the issues of the agenda.

When adopting a resolution at the meetings of the Company's Board of Directors, every member of the Board of Directors shall have one vote.

Any member of the Company's Board of Directors shall not transfer the right to vote to any other person, including other members of the Company's Board of Directors.

In case different voting options have an equal number of votes, the chairperson of the Company's Board of Directors shall give the casting vote.

Resolutions of the Company's Board of Directors may be adopted by way of absentee voting.

7.3. The persons elected to the Company's Board of Directors may be reelected an unlimited number of times.

7.4. The chairperson of the Company's Board of Directors (and in case of his/her absence, the deputy chairperson of the Company's Board of Directors) shall convene the meeting of the Board of Directors on his/her own initiative and draw up the agenda. The meeting of the Company's Board of Directors shall also be convened upon request of the member of the Board of Directors, the Company's Auditing Committee, the Company's auditor or Director General of the Company. A quorum for the meeting of the Company's Board of Directors shall constitute not less than half of the total number of the elected members of the Company's Board of Directors except for cases specified by the Federal Law "On Joint Stock Companies".

7.5. Under the resolution of the General shareholders' meeting of the Company, during the period when they perform their duties, the members of the Company's Board of Directors may be paid remuneration and compensation of expenses incurred while performing their duties of the members of the Company's Board of Directors. The amount of such remuneration and compensation shall be determined by the resolution of the General shareholders' meeting of the Company.

Article 8
DIRECTOR GENERAL OF THE COMPANY

8.1. Director General of the Company is the individual executive body of the Company and manages the Company's current activities in the manner and within the terms of reference stipulated herein as well as in accordance with the resolution adopted by the Company's Board of Directors and the General shareholders' meeting of the Company.

8.2. When exercising his/her powers and performing his/her duty, Director General of the Company shall act in the interests of the Company, exercise his/her powers and perform his/her duty reasonably and in good faith.

8.3. Director General of the Company shall be appointed by the Company's Board of Directors for a term of five years. At expiration of Director General's term of office, the Company's Board of Directors may appoint this person for the same term an unlimited number of times. Rights and responsibilities of Director General of the Company concerning the management of the Company's current activities shall be specified by the Federal Law "On Joint Stock Companies", other legal acts of the Russian Federation and the contract concluded by him/her and the Company. On behalf of the Company the contract shall be signed by the chairperson of the Board of Directors or a person authorized by the Company's Board of Directors.

Director General of the Company may hold other offices in the management bodies of other organizations only upon consent of the Company's Board of Directors.

8.4. Director General of the Company shall report to the Board of Directors and the General shareholders' meeting of the Company.

8.5. Director General of the Company shall act on behalf of the Company without a power of attorney. All other persons shall act on behalf of the Company only based on the powers of attorney issued by Director General or by a person appointed by Director General of the Company from the Company's officials as acting Director General.

8.6. The terms of reference of Director General of the Company include the following:

to implement resolutions of a General shareholders' meeting and the Board of Directors of the Company;

to issue orders, ordinances, guidelines and other acts concerning the Company's activities, which are mandatory for all employees of the Company;

to take all necessary actions to exercise legal powers to possess, use and dispose of the Company's property, including conclusion of contracts on acquisition and alienation of the Company's property, loan, credit, and other agreements on behalf of the Company and in accordance with the current legislation of the Russian Federation and this Charter;

to act on behalf of the Company in relations to any Russian and foreign legal and natural persons, to sign contracts and agreements in the Russian Federation and abroad, to carry out other transactions on behalf of the Company (including signing contracts on acquisition of property) not exceeding 25 percent of the book value of the Company's assets as per the Company's accounting (financial) statements as of the last reporting date, to employ the reserve fund and other funds of the Company in compliance with the directions of the Company's Board of Directors, to give powers of attorney to carry out transactions, to open settlement accounts and other accounts with banks, to promote interests of the Company in the governmental authorities, judicial bodies as well as in other organizations and institutions;

to resolve issues related to investments in development of enterprises and organizations;

to approve and alter the structure of the Company, found and terminate activities of the Company's business units and approve provisions on the Company's business units;

to approve the personnel list, the budget, the size and forms of payment for labor of the Company's employees, and internal labor regulations of the Company;

to employ, appoint, dismiss and discharge the Company's employees, heads of the business units, to determine their salaries and bonuses as well as incentives for and sanctions against them, to adopt resolutions on their material responsibility, to sign employment agreements (contracts) with employees on behalf of the Company;

to resolve issues related to the social development of the Company;

to adopt resolutions on behalf of the Company to raise claims and take legal actions against legal and physical persons both in the Russian Federation and abroad in accordance with the applicable laws;

to exercise rights and obligations of the Company being the principal company in relation to the subsidiaries.

Director General of the Company shall have the right to adopt resolutions on any issues concerning the management of the current activities of the Company which do not fall within the terms of reference of the General shareholders' meeting and the Board of Directors of the Company. Director General of the Company shall adopt resolutions on issues within his/her terms of reference independently.

Director General of the Company shall have the right to appoint any of the Company's officials as acting Director General of the Company for a period of his/her absence and under any other circumstances.

8.7. Director General of the Company shall ensure preparation and implementation of the following:

perspective and current plans and major programs for activities of the Company, reports regarding their implementation;

financial policy, resolution on borrowings, including loans raised upon bonds, issuance of guarantees and loans;

resolutions to establish, reorganize and dissolve subsidiaries, to establish and wind up branches and representative offices of the Company;

resolutions on participation of the Company in the capital of other companies (partnerships), including by way of their establishment, as well as participation in the establishment of joint ventures and other organizations;

internal and external price policy;

approval of the production programs of the Company's business units;

HR policy and public relations.

Article 9
THE COMPANY'S AUDITING COMMITTEE AND THE COMPANY'S AUDITOR

9.1. The Company's Auditing Committee shall be elected to supervise the Company's financial and business activities. The Company's Auditing Committee shall consist of three members elected by the General shareholders' meeting of the Company from the candidates nominated by the shareholders. The shares owned by the members of the Company's Board of Directors or Director General of the Company may not participate in voting when electing the members to the Company's Auditing Committee. The activity of the Company's Auditing Committee shall be determined by the internal document of the Company approved by the General shareholders' meeting of the Company. A member of the Company's Auditing Committee may not concurrently be a member of the Company's Board of Directors and Director General of the Company.

9.2. The Company's Auditing Committee shall perform inspection (audit) of the Company's activities based on the results of the Company's annual performance. Unscheduled inspection (audit) may be conducted by the Company's Auditing Committee at any time on its own initiative, under the resolution of the General shareholders' meeting of the Company, at the written request of a shareholder (shareholders) of the Company owning in the aggregate at least 10 percent of the voting shares of the Company, or under the resolution of the Company's Board of Directors. Upon request of the Company's Auditing Committee, the persons holding offices in the management bodies of the Company shall timely provide the Company's Auditing Committee with all necessary information and documents on the Company's financial and business activities. The Company's Auditing Committee shall prepare an opinion based on the results of inspection (audit) of the financial and business activities of the Company.

The Company's Auditing Committee shall have the right to request for an extraordinary General shareholders' meeting of the Company to be convened in the manner prescribed herein.

9.3. The Company shall annually hire an auditor, that is not associated through any property interests with the Company or its shareholders, to have annual accounting (financial) statements audited and confirmed.

The Company's auditor shall be approved by the General shareholders' meeting of the Company. The amount of auditor's fees shall be determined by the Company's Board of Directors.

Article 10
PROPERTY, PROFIT, FUNDS AND DIVIDENDS OF THE COMPANY

10.1. The property of the Company consists of all types of property necessary for its activity, including land plots, buildings, constructions, equipment, machineries, tools, raw materials, products, rights to claim, debts, as well as brand rights on the logo identifying the Company, its products, works and services, and other exclusive rights.

10.2. The reserve fund of the Company shall be formed in the amount not less than 15 percent of the charter capital of the Company by way of compulsory annual deductions in the amount not less than 5 percent of the Company's net profit until the stated amount is accumulated. The reserve fund of the Company shall be intended for compensation for its losses as well as for redemption of bonds of the Company and the buyback of shares of the Company in case there are no other funds available, and may not be used for any other purposes.

10.3. The Company shall have the right to pay (declare) dividends on the placed shares, unless otherwise established by the Federal Law "On Joint Stock Companies". Dividends on all categories (types) of shares shall be paid from the Company's net profit. The resolution to pay dividends shall be adopted by the General shareholders' meeting of the Company based on the recommendation of the Board of Directors. The size of dividends may not exceed the size of dividends recommended by the Company's Board of Directors.

10.4. The resolution to pay (declare) dividends shall be adopted by the General shareholders' meeting of the Company. This resolution shall determine the size of dividends on shares of each category (type); the form of their payment, procedure for paying dividends in the non-cash form, and the date as of which the persons entitled to dividends are determined. The resolution to set the date, as of which the persons entitled to dividends are determined, shall be adopted only upon proposal of the Company's Board of Directors.

10.5. The Company shall have no right to adopt a resolution to pay (declare) dividends on ordinary shares, if the resolution to pay dividends on preference shares of the Company in full is not adopted.

10.6. Dividends shall be paid to persons holding the shares of the corresponding category (type) or to persons exercising the rights attached to these shares in compliance with the federal laws at the close of the day when the persons entitled to dividends are determined in accordance with the resolution to pay dividends.

10.7. Dividends shall be paid only on shares that are fully paid.

10.8. Interest shall not be accrued on the dividends unclaimed by the shareholders.

Declared dividends which have been unclaimed for three years shall be reinstated as part of the Company's undistributed profits, and liability to pay these dividends shall terminate.

10.9. The Company shall have no right to adopt a resolution to pay (declare) dividends on shares:

before all shares that shall be bought back in accordance with the current legislation of the Russian Federation are bought back;

if as of the date of adopting such a resolution the Company shows signs of insolvency (bankruptcy) in accordance with the legislation of the Russian Federation on insolvency (bankruptcy) or if the mentioned signs appear as a result of dividend payment.

if as of the date of adopting such a resolution the value of the net assets of the Company is lower than its charter capital and reserve fund or it will become lower than the amount thereof as a result of such a resolution;

in cases specified by other federal laws.

Article 11
RECORD KEEPING AND REPORTING, DOCUMENTS AND INFORMATION ON THE COMPANY

11.1. The Company shall keep accounts and prepares accounting (financial) statements in the manner prescribed by the current legislation of the Russian Federation.

11.2. The Company's financial year coincides with the calendar year.

11.3. The Company shall keep documents in the amount and in the manner prescribed by the current legislation of the Russian Federation.

11.4. The Company shall provide the shareholders with access to the documents and information of the Company in the manner prescribed by the current legislation of the Russian Federation and the internal document of the Company stipulating that the documents (information) shall be submitted to the shareholders of the Company.

The Company shall provide copies of the documents determined by the Federal Law "On Joint Stock Companies" to the shareholders who have access to the documents, provided that the cost of these copies is paid in advance, and if the documents are requested to be sent to the address specified by the shareholder, the mailing expenses are also covered.

The Company shall submit the documents containing confidential information only provided that the Company and the shareholder requesting for access to the documents have signed the confidentiality agreement, the form of which is published on the official website of the Company www.surgutneftegas.ru in the information and telecommunication network "Internet".

Article 12
REORGANIZATION AND DISSOLUTION OF THE COMPANY

12.1. The Company may be voluntarily reorganized in the manner prescribed by the Federal Law "On Joint Stock Companies".

Other grounds and the procedure for reorganizing the Company shall be specified by the Civil Code of the Russian Federation and other federal laws.

12.2. The Company may be voluntarily dissolved in the manner prescribed by the Civil Code of the Russian Federation and as required by the Federal Law "On Joint Stock Companies". The Company may be dissolved under the court decision on grounds specified by the Civil Code of the Russian Federation.