

APPROVED

by the resolution of the Board of Directors of  
NOVATEK JSC

(Minutes of the meeting of the Board of  
Directors dated 28 April 2014 No. 168)

**THE REGULATIONS  
ON THE CORPORATE SECRETARY OF NOVATEK  
JOINT STOCK COMPANY**

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## **1. General Provisions**

1.1. These Regulations on the Corporate Secretary of NOVATEK Open Joint Stock Company (hereinafter referred to as the “Regulations”) have been prepared in accordance with the Civil Code of the Russian Federation, Federal Law dated the 26<sup>th</sup> of December 1995 No.208-FZ “On Joint Stock Companies”, other regulations of the Russian Federation, the Charter of NOVATEK JSC, the Regulations on the general meeting of shareholders of NOVATEK JSC, the Regulations on the Board of Directors of NOVATEK JSC, taking into account provisions of the Code of Corporate Governance recommended for application by the Central Bank of the Russian Federation and listing rules of stock exchanges where securities of the Company are listed.

1.2. The Regulations represent an internal document of NOVATEK JSC (hereinafter referred to as the “Company”) determining the status, functions and powers, rights and duties of the Corporate Secretary of the Company (hereinafter referred to as the “Corporate Secretary”), requirements to the candidature for the position of the Corporate Secretary and the procedure for his/her appointment and removal.

1.3. The Corporate Secretary shall be an official of the Company ensuring compliance of the Company with the applicable law, the Charter and the Company’s internal documents guaranteeing exercise of rights and legal interests of shareholders.

1.4. The work of the Corporate Secretary shall be aimed at improvement of efficiency of management of the Company’s development pursuing the interests of its shareholders, improvement of the Company’s investment appeal and increase of its capitalization.

1.5. The Corporate Secretary shall act in accordance with norms of laws of the Russian Federation, the Company’s Charter, Regulations, local legal acts and resolutions of its general meeting of shareholders and Board of Directors (hereinafter referred to as the “Board of Directors”).

## **2. Appointment and removal of the Corporate Secretary**

2.1. The Corporate Secretary shall be appointed and removed by the Chairman of the Management Board of NOVATEK JSC (hereinafter referred to as the “Chairman of the Management Board”) or other authorized person, on the basis of resolution of the Board of Directors on election of the Corporate Secretary.

2.2. The position of the Corporate Secretary shall be electable and provide for accomplishment of the job function by the Corporate Secretary. The term of powers of the Corporate Secretary shall be five years.

2.3. The decision on election (appointment) of the Corporate Secretary shall be taken by the Board of Directors, upon proposal of the Chairman of the Board of Directors, by simple majority of votes of the total number of members of the Board of Directors.

The decision on election (appointment) of the Corporate Secretary shall determine conditions of his/her compensation in accordance with section 6 of the Regulations.

2.4. On the basis of the decision of the Board of Directors, the Chairman of the Management Board (or other authorized person) shall execute an employment agreement with the Corporate Secretary for the term defined in clause 2.2 of the Regulations.

2.5. The Board of Directors may take the decision on removal of the Corporate Secretary, by simple majority of votes of the total number of votes of Board members.

2.6. On the basis of the decision of the Board of Directors, the Chairman of the Management Board (or other authorized person) will terminate the employment agreement with the Corporate Secretary.

2.7. Powers of the Corporate Secretary may be early terminated in case of his/her dismissal from the Company at his/her initiative (at own desire) or due to circumstances beyond control of the parties.

In such a case, no decision of the Board of Directors on removal of the Corporate Secretary shall be required, and powers of the Corporate Secretary will be deemed terminated from the date of dismissal from the Company.

2.8. In case of temporary absence of the Corporate Secretary for longer than one month, the Board of Directors may appoint other person as the Corporate Secretary for the period until the absent Corporate Secretary returns back to work.

2.9. Subject to the consent of the Board of Directors, the Corporate Secretary may combine his/her job with another job at the Company.

2.10. The Corporate Secretary shall act ex officio as the Secretary of the general meeting of shareholders of the Company and the Secretary of committees of the Board of Directors.

### **3. Requirements to the Corporate Secretary**

3.1. The Corporate Secretary shall possess the knowledge required for accomplishment of his/her functions, and enjoy confidence of shareholders of the Company and members of the Board of Directors.

3.2. A person meeting the following requirements may be appointed the Corporate Secretary:

- 3.2.1. possession of higher professional (legal or economic) education;
- 3.2.2. special training in corporate governance;
- 3.2.3. at least 3 years of experience in the area of corporate governance including managing positions;
- 3.2.4. irreproachable business reputation;
- 3.2.5. absence of outstanding criminal record.

3.3. The Corporate Secretary shall know and be able to apply in his/her work:

3.3.1. the Civil Code of the Russian Federation, the Code of the Russian Federation on Administrative Offences, the Federal Law “On Joint Stock Companies”, the Federal Law “On Securities Market”, other regulations determining the rights of shareholders and governing the operations of corporate governance bodies, the procedure for issuing and circulation of securities;

3.3.2. the Charter and other documents regulating corporate relations in the Company;

3.3.3. functions of the Board of Directors and its bodies;

3.3.4. the procedure for preparation and rules for holding general meetings of shareholders and meetings of the Board of Directors as well as implementation of corporate governance procedures;

3.3.5. rules for disclosure of information about the Company, operational proceedings of professional participants of the securities market (registrars, stock exchanges etc.);

3.3.6. basics of labor, administrative and tax laws, privatization laws; arbitration practice;

3.3.7. the Code of Corporate Conduct; the Code of Business Ethics of NOVATEK JSC, fundamentals of international corporate law;

3.3.8. regulatory documents reflecting national and foreign corporate governance practices;

3.3.9. procedures for settlement of corporate conflicts;

3.3.10. methods and means of collection, processing and transmission of information;

3.3.11. electronic document flow systems and software used by the Company;

3.3.12. internal labor rules applicable at the Company; labor protection rules and norms of labor safety;

3.3.13. methodological and regulatory documents on technical protection of information; information technologies, procedure for and rules of use of information systems;

3.3.14. negotiation organization and proceedings;

3.3.15. ethical norms and rules, moral ethical standards of corporate conduct.

#### **4. Functions and powers of the Corporate Secretary**

4.1. The functions of the Corporate Secretary shall be as follows:

4.1.1. participation in organization of preparation and holding general meetings of shareholders of the Company;

4.1.2. procurement of work of the Board of Directors and committees of the Board of Directors;

4.1.3. participation in implementation of the Company's policy for disclosure of information and procurement of storage of corporate documents of the Company;

4.1.4. procurement of interaction between the Company and its shareholders, and participation in prevention of corporate conflicts;

4.1.5. procurement of the Company's interaction with regulatory bodies, trade arrangers, the registrar, and other professional participants of the securities market, within the powers of the Corporate Secretary;

4.1.6. procurement of implementation of procedures for exercise of rights and legal interests of shareholders determined by laws and internal documents of the Company, and control of fulfillment thereof;

4.1.7. immediate informing the Board of Directors of all revealed violations of laws and provisions of the Company's internal documents to be fulfilled by the Corporate Secretary;

4.1.8. participation in improvement of the system and the Company's corporate governance practices.

4.2. For the purpose of accomplishment of his/her functions, the Corporate Secretary shall be provided with the following powers:

4.2.1. The Corporate Secretary may request, and officials and managers of structural subdivisions of the Company shall provide to him/her, the information (materials) required for accomplishing functions of the Corporate Secretary, subject to restrictions determined in the regulatory acts of the Russian Federation, the Company's Charter and local regulations.

4.2.2. The Corporate Secretary may request, and officials and managers of structural subdivisions of the Company shall provide to him/her, a report on the progress of implementing resolutions of the Company's general meeting of shareholders and Board of Directors and, if necessary, give explanations on the reasons for non-fulfillment of such resolutions.

4.2.3. By order of Chairman of the Board of Directors the Corporate Secretary may organize preparation by the Company's structural subdivisions of materials to be considered and/or approved by the general meeting of shareholders, the Board of Directors, committees of the Board of Directors in compliance with requirements of the applicable laws of the Russian Federation, the Charter and local regulations of the Company.

4.2.4. The Corporate Secretary shall have the right to initiate development and implementation of the regulations and procedures aimed at improvement of the

Company's corporate governance, efficiency of interaction between the Company's management bodies.

4.2.5. The Corporate Secretary may require that officials and employees of the Company observe its Charter and internal documents.

4.2.6. The Corporate Secretary shall interact with the Chairman of the Board of Directors, chairpersons of the Board committees, and members of the Board of Directors.

## **5. Subordination of the Corporate Secretary and his/her relations with management bodies, structural subdivisions and the Company's officers**

5.1. The Corporate Secretary shall be subordinated to the Board of Directors, and functionally subordinated (to the extent of his/her functions as per clause 4.1 of the Regulations) to the Chairman of the Board of Directors.

From the administrative point of view (to the extent of observance of labor discipline) the Corporate Secretary as an employee of the Company shall be directly subordinated to the Chairman of the Management Board.

5.2. The Corporate Secretary shall work in close cooperation with the Company's executive bodies, other officials and all of its structural subdivisions.

5.3. The Corporate Secretary shall provide executive bodies and other officials of the Company with consultations and explanations on the matters within his/her competence.

## **6. Conditions of and procedure for payment of compensation to the Corporate Secretary**

6.1. The size of remuneration (official salary) payable to the Corporate Secretary for exercising his/her functions shall be determined by the Board of Directors simultaneously with taking a decision on appointment of the Corporate Secretary.

Bonuses may be awarded to the Corporate Secretary, following the results of his/her work in the first or second half-year, in the amount of up to 30 percent of the aggregate compensation received by the Corporate Secretary in the accounting period. The amount of bonus payable to the Corporate Secretary shall be set by decision of the Board of Directors based on assessment of the Corporate Secretary's performance results.

The Regulations on labor remuneration and incentives for employees of NOVATEK JSC shall not apply to the Corporate Secretary, to the extent of establishment and change of his/her official salary (except the change of official salary upon indexation conducted in accordance with the collective bargaining agreement) and bonus awarding.

6.2. The compensation shall be payable to the Corporate Secretary within such term and in accordance with such procedure as determined for payment of salary to employees of the Company. The bonus shall be payable to the Corporate Secretary within ten (10) business days after the relevant decision is taken by the Board of Directors.

## **7. Liability of the Corporate Secretary**

7.1. The Corporate Secretary shall be liable for the following:

7.1.1. violation of requirements of the applicable laws of Russian Federation, the Company's internal documents and local regulations;

7.1.2. non-fulfillment or improper fulfillment of his/her functions as per the Regulations;

7.1.3. non-fulfillment of instructions and orders of Chairman of the Board of Directors and Chairman of the Management Board;

7.1.4. failure to ensure safety of software and hardware or other property of the Company provided for official use or taken for custody;

7.1.5. loss or failure to ensure safety of corporate documents of the Company and other service documents;

7.1.6. failure to ensure safety of accepted information and accuracy of disclosed information;

7.1.7. disclosure, illegal use and distribution of any information being legally protected secrets (insider information, official or commercial secrets, confidential information including personal data etc.) and safety of documents containing legally protected secrets;

7.1.8. non-observance of requirements for labor protection and labor safety;

7.1.9. non-observance of labor discipline rules and violation of the internal labor rules of NOVATEK JSC;

7.1.10. non-observance of general ethical principles and norms of conduct determined by the Code of Business Ethics of NOVATEK JSC.

## **8. Final provisions**

8.1. The Regulations shall be approved, amended and supplemented upon decision of the Board of Directors.

8.2. The Regulations will become effective upon approval by the Board of Directors.