

APPROVED BY:

resolution of the Extraordinary General Meeting of Shareholders of Novatek JSC (Minutes No. 96 as of June 17, 2005) as amended and restated by the Extraordinary General Meeting of Shareholders on December 14, 2005 (Minutes No. 97 as of December 15, 2005), the Extraordinary General Meeting of Shareholders on July 29, 2008 (Minutes No. 104 as of July 30, 2008), the Annual General Meeting of Shareholders on May 27, 2009 (Minutes No. 106 as of May 28, 2009), the Extraordinary General Meeting of Shareholders on October 15, 2009 (Minutes No. 108 as of October 21, 2009), the Annual General Meeting of Shareholders on April 28, 2010 (Minutes No. 110 as of April 29, 2010), the Annual General Meeting of Shareholders on April 18, 2014 (Minutes No. 120 as of April 18, 2014), the Extraordinary General Meeting of Shareholders on September 30, 2016 (Minutes No. 126 as of October 3, 2016)

**REGULATIONS
on the Board of Directors
NOVATEK Public Joint-Stock Company**

**Moscow
2005**

1. General Provisions

1.1. These Regulations on the Board of Directors (hereinafter referred to as the "**Regulations**") of NOVATEK Public Joint-Stock Company (**hereinafter referred to as the "Company"**) shall determine the procedure of forming the Company's Board of Directors (hereinafter referred to as the "**Board of Directors**"), the status, number of members, rights, obligations, the work organization procedures of the Board of Directors, liabilities and remuneration to members of the Board of Directors, its interaction with the Company's other management bodies and procedure of early termination of powers of its members.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

1.2. In its activity, the Board of Directors shall be governed by the Russian Federation laws, the Company's Articles of Association, these Regulations, and internal documents elaborated in compliance with the Russian Federation laws taking into account the provisions of the Corporate Governance Code recommended for use by the Central Bank of the Russian Federation.

(The clause wording approved by resolution of the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014, and the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

2. Powers of the Board of Directors

2.1. The Board of Directors shall be the Company's management body.

2.2. The Board of Directors shall generally manage the Company's activities, except for resolving the matters referred to the competence of the General Meeting of Shareholders, and supervise the activities of the Company's executive bodies.

2.3. Board matters shall be established by the Company's Articles of Association.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

3. Composition of the Board of Directors

The General Meeting of Shareholders shall elect 9 members to the Company's Board of Directors.

(The paragraph wording approved by the Extraordinary General Meeting of Shareholders on July 29, 2008, Minutes No. 104 as of July 30, 2008)

The General Meeting of Shareholders may change the number of members of the Board of Directors by amending the Company's Articles of Association and these Regulations.

3.2. The General Meeting of Shareholders shall elect members to the Board of Directors by cumulative voting as provided for by the Federal Law "On Joint-Stock Companies" and the Company's Articles of Association, for the period until the next Annual Meeting of Shareholders.

An individual (physical person) only may become a member of the Board of Directors.

3.3. Persons elected to the Board of Directors may be re-elected an unlimited number of times.

3.4. The Board of Directors shall be headed by its Chairman.

3.5. The members of the Company's collegial executive body may not comprise more than one-fourth of the total number of members of the Board of Directors.

3.6. A person exercising the functions of the Company's sole executive body may not simultaneously be a Chairman of the Board of Directors.

3.7. The members of the Board of Directors may not simultaneously exercise functions of the members of the Company's Revision Commission and Counting Commission.

3.8. The members of the Board of Directors shall inform the Company's Board of Directors on the following:

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- ownership of and the sale and purchase of the Company's securities;
- legal entities, in which they own individually or jointly with their affiliated person (persons) 20 or more per cent of the voting shares (equity stakes, equity interests);
- legal entities, in which they hold positions on the management bodies as well as of their intention to become a member of other organizations' governing bodies (other than Company's controlled and affiliated entities);

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- approved or expected transactions whereby they may be deemed to be interested parties;
- occurrence of conflict of interest in respect of any item from the BoD or BoD Committee agenda before the relevant agenda item is discussed;

(A new paragraph introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- personal information required for the Company to perform its obligations as established by the legislation and regulations of the Russian Federation, including information disclosure obligations. *(A new paragraph introduced by the Extraordinary General Meeting of Shareholders on 30 September, 2016, Minutes No. 126 as of October 3, 2016)*

3.9. Not less than one third of the total number of members of the Board of Directors shall be independent directors.

For the purpose of this provision, recognized as independent directors shall be the Board of Directors' members who meet the criteria of independence established by the current Listing Rules of ZAO MICEX Stock Exchange.

(The paragraph wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 of April 18, 2014).

4. Term of Powers of the Board of Directors

4.1. The General Meeting of Shareholders shall elect the Board of Directors in accordance with the procedure provided for by the Federal Law "On Joint-Stock Companies" for the period until the next Annual General Meeting of Shareholders.

4.2. The elected Board of Directors shall take office and the current Board of Directors shall step down from office at the time of signing by the Counting Commission of the Minutes on voting results.

4.3. Should the new composition of the Board of Directors not be elected for a particular reason (i.e. all the candidates withdraw their nomination; less than a half of the members of the Board of Directors is elected; elections failed for the reason of not being in quorum for voting purposes, or for any other reasons), such event shall mean the extension of the term of office of the current Board of Directors unless the new members of the Board of Directors are elected (re-elected). In such case, the Company's Board of Directors may only resolve to convene the General Meeting of Shareholders with the sole item on the agenda being the election of the new Board of Directors.

Should the Annual General Meeting of Shareholders not be conducted within the timelines set by Paragraph 1, Article 47 of the Federal Law "On Joint-Stock Companies", the powers of the Board of Directors shall be terminated, save the powers to prepare, convene and conduct the Annual General Meeting of Shareholders.

4.4. In the event of early termination of powers of the members of the Board of Directors, the powers of the newly elected Board of Directors shall remain in effect unless the new members of the Board of Directors are elected (re-elected) at the next coming Annual General Meeting of Shareholders.

4.5. A member of the Board of Directors may at any time voluntarily retire from its responsibilities by giving a prior notice thereof in writing to the other members of the Board of Directors.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

4.6. Should the number of members of the Company's Board of Directors become less than the number required to achieve a quorum, the Company's Board of Directors shall decide on convening an Extraordinary General Meeting of Shareholders in order to elect the Company's new Board of Directors. The remaining members of the Company's Board of Directors shall only be entitled to adopt resolutions convening such Extraordinary General Meeting of Shareholders.

(A new clause introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

5. Procedure and Timelines for Nomination of Candidates to be Elected to the Board of Directors:

5.1. The shareholders holding in aggregate not less 2 per cent of the voting shares as of the date of nomination may propose their nominees to the Board of Directors.

5.2. The Shareholders' proposals shall be submitted to the Company:

- for election at the Annual General Meeting of Shareholders, not less than 60 calendar days following the end of the reporting year;

- for election at the Extraordinary General Meeting of Shareholders, not later than the date determined by the Board of Directors when preparing for the Extraordinary General Meeting of Shareholders.

5.3. The Board of Directors may, at its own discretion, include candidates in the list of nominees to the Board of Directors, in case the shareholders propose an insufficient number of the nominees.

5.4. A number of candidates specified in the list of nominees to the Board of Directors may not exceed the number of members of the Board of Directors provided for by the Company's Articles of Association.

5.5. The proposal on nomination of candidates shall contain the following data:

- name and data of the candidate's identity document (series and /or number of document, date and place of its issue, authority that issued the document), the date of its birth;

- if the candidate is the Company's shareholder, number and category (type) of the Company's shares it holds;

- name of the body to which the nominee is proposed;

- name of shareholders (shareholder) nominating the candidate, number and category of the shares they hold;

- education (institution, qualification);

- places of work and positions held by the nominee over the last 5 years and at the time of nomination, as well as membership in management bodies of other legal entities over the last 5 years and at the time of nomination;

- nomination of such candidate to members of boards of directors or for election (appointment) to positions with other legal entities;

- list of legal entities, in which they own individually or jointly with their affiliated person (persons) 5 or more per cent of the voting shares (equity stakes, equity interests);

- list of persons affiliated with the nominee and reasons for such affiliation;

- information on affiliation with the Company;

- information about relations between the nominee and the shareholder who proposed this nominee for election to the Board of Directors.

5.6. The proposal on nomination of candidates may be made by sending it by post, courier service or by servicing against signature to a person authorized to receive the Company's correspondence.

5.7. The proposal shall be signed by a shareholder or its authorized person. If the proposal is signed by the authorized person, the Power of Attorney shall be enclosed. The Company's shareholder(s) not registered in the Company's Shareholder Register may make their proposals to the agenda of the General Meeting of Shareholders and proposals for nomination of candidates by giving the respective directions (instructions) to the person that accounts their rights to the shares as well. Such directions (instructions) shall be given in accordance with the rules of the securities laws of the Russian Federation.

5.8. The Board of Directors shall consider proposals and resolve to include candidates in the list of nominees for election to the Board of Directors or refuse from including such nominees no later than 5 days following the expiry of the term set by Paragraph 5.2 hereof.

5.9. A decision to refuse from including the proposed candidates in the list of nominees may be passed by the Board of Directors in the cases provided for by Article 53 of the Federal Law "On Joint-Stock Companies".

5.10. A motivated decision of the Board of Directors to refuse from including the proposed candidates in the list of nominees for election to the Board of Directors shall be forwarded to shareholders (shareholder) nominating the candidate no later than 3 days following the date on which such decision is made. If the proposals are made to the company by any persons that are not registered in the company's Shareholder Register and that have given directions (instructions) to the person accounting their rights to the shares, such decision of the Company's Board of Directors shall be sent to those persons not later than three days from the date it is made in accordance with the rules of securities laws of the Russian Federation for submitting the information and materials to the persons exercising their rights attached to securities".

(The section wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

6. Election of the Board of Directors

6.1. The members of the Board of Directors shall be elected by cumulative voting.

Each voting share shall provide its holder with a number of votes equal to the number of members of the Board of Directors as provided for by the Company's Articles of Association. The Shareholders, at their discretion, may cast all their votes for one nominee or distribute them among the nominees.

6.2. The nominees to the Board of Directors may withdraw their nomination prior to or in the course of voting by filing a written application to the meeting's presidium. The nominees may not be withdrawn by other shareholders.

6.3. Should all the nominees withdraw their nomination, the elections to the Board of Directors shall be deemed null and void.

6.4. The nominees receiving the largest number of votes shall be deemed elected to the Board of Directors.

6.5. To elect members to the Board of Directors, the shareholders shall be provided with the following information on regarding the candidates:

- person (a group of persons) that nominates the candidate;
- age and education of the candidate;
- positions held by the candidate within not less than the last five years and the position held by the candidate at the time of nomination;
- relations of the candidate with the Company;
- membership in management bodies of other legal entities and information on nomination of such candidate to members of boards of directors or for election (appointment) to positions with other legal entities;

- relations of the candidate with the affiliated persons and major counterparties of the Company;
- compliance of the candidate with the requirements for independent directors;
(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on 30 September, 2016, Minutes No. 126 as of October 3, 2016)

7. Election of Chairman of the Board of Directors

7.1. The Chairman of the Board of Directors shall be elected by and from among the members of the Board of Directors by a majority of votes of the total number of members of the Board of Directors at the first Board meeting following the Annual General Meeting of Shareholders.

7.2. The Board of Directors may at any time re-elect its Chairman by a majority of votes of the total number of the Board members.

7.3. Chairman of the Board of Directors shall:

- arrange the Board of Directors' work by creating conditions for open expression of opinions by the members of the Board of Directors and open discussion of the agenda items;
- convene the meetings of the Board of Directors or organize absentee voting;
- preside at the meetings of the Board of Directors;
- organize taking and signing the Minutes of meetings;
- take measures to ensure that the members of the Board of Directors are provided in a timely manner with the materials on the items on the agenda of the meeting of the Board of Directors and any other information required to work at the meetings and to make decisions;

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- organize the work on forming the committees of the Board of Directors, nominating members of the Board of Directors to the Committees and coordinate the committees' interaction between themselves and with the Company's other bodies and executive officers;
- preside at the General Meeting of Shareholders;
- arrange for preparing a report on assessment of the activities of the Board of Directors and report on results of the Company's development in priority lines of its business, to be included in the Company's annual report.

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

7.4. In the absence of Chairman of the Board of Directors, its functions shall be performed by one of the members of the Board of Directors on resolution of the Board of Directors passed by a majority of votes of its members attending the meeting.

7.5. To support the activities of the Board of Directors, the Company shall establish a position of the Corporate Secretary. The procedure of appointing the Corporate Secretary and termination of the powers thereof shall be determined by the relevant regulations approved by the Board of Directors.

(the clause wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014)

8. Meetings of the Board of Directors

8.1. The Chairman of the Board of Directors shall on its initiative convene the meetings of the Board of Directors as appropriate, but not less than once every two months.

8.2. At the time of making a decision to convene a meeting of the Board of Directors, its Chairman shall determine the following:

- date, time and venue of the meeting;
- agenda of the meeting;

- items put to vote;
- list of information (materials) for the meeting provided to members of the Board of Directors.

8.3. The meeting shall be deemed duly constituted if it is attended by not less than a half of the elected members of the Board of Directors. In determining the quorum and results of voting on the agenda items, a written opinion of the absent members of the Board of Directors shall be taken into account. The written opinion shall be sent to the details (postal address, e-mail, fax number) specified in the notification regarding the meeting.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

8.4. In making decisions at the meeting of the Board of Directors, each member of the Board of Directors shall have one vote.

The members of the Board of Directors shall not transfer their votes to other members of the Board of Directors.

8.5. An in-person meeting of the Board of Directors may be held by teleconferencing with the use of telecommunications.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

8.6. The resolutions of the Board of Directors may be passed by absentee voting (inquiry of the Board members).

8.7. A resolution to conduct the meeting of the Board of Directors via inquiry of the Board members shall be passed by the Chairman of the Board of Directors or by initiators of the extraordinary meeting.

Such resolution shall approve the following:

- items put to the vote;
- list of information (materials) provided to members of the Board of Directors;
- date of delivering the voting ballots and other information (materials) to the members of the Board of Directors;
- end date for acceptance of the voting ballots (written opinions);
- addresses for acceptance of the voting ballots (written opinions).

8.8. The notification regarding the meeting of the Board of Directors shall be made in writing and delivered to each member of the Board of Directors by electronic means of communication (e-mail, fax) no later than 7 days before the date of the meeting of the Board of Directors, unless all the members of the Board of Directors approve a shorter term in writing. The notification shall contain:

- the form, date, time and venue of the meeting of the Board of Directors;
- its agenda specifying in detail the items submitted for the meeting's consideration;
- requisite details (postal address, e-mail address, fax number) whereto a written opinion may or shall (if the meeting is held via inquiry) be mailed;
- deadline for acceptance of written opinions.

The Board of Directors may not consider items not included into the notification regarding the meeting, nor shall they consider the items included therein but not provided with the enclosed draft documents or copies of the documents to be considered in respect of such items, unless all the members of the Board of Directors unanimously resolve to consider such items at the meeting of the Board of Directors.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

8.9. The members of the Board of Directors whose ballots (written opinions) were accepted not later than on the end date for acceptance of the voting ballots shall be deemed to have taken part in the voting.

8.10. *(the clause is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)*

8.11. *(the clause is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)*

8.12. The meeting of the Board of Directors may be convened on request of any of its members, the Revision Commission, the Company's executive bodies or the Company's Auditor.

8.13. The request for the convocation of the Board of Directors meeting shall contain:
(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- initiator of the meeting;
- draft resolutions on the agenda items; form of the meeting;
- reasons for including proposed items on the agenda;
- address for sending a response to the request.

The request shall be signed by the meeting initiator.

8.14. The request of the meeting initiators shall be served in writing via registered mail sent to the Company's address with a delivery confirmation or shall be passed to the Corporate Secretary or an officer of the Company authorized to accept correspondence and by any other way convenient for them (i.e. by mail, cable, or facsimile).

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

8.15. The Chairman of the Board of Directors shall convene the meeting of the Board of Directors within 7 business days following the request receipt.

8.16. In the event the Chairman unreasonably refuses or is unable to convene the meeting of the Board of Directors, such Meeting may be convened by any member of the Board of Directors.

8.17. The first meeting of the Board of Directors shall be conducted no later than 1 month following its formation.

8.18. The agenda of the first meeting shall contain the following items:

- election of Chairman of the Board of Directors.
- formation of the Committees.
- identification of independent members of the Board of Directors.

8.19. The most important matters within the competence of the Board of Directors (according to the list set forth in the Corporate Governance Code recommended for application by the Central Bank of the Russian Federation) shall be considered at in-person meetings. At the same time, if it is necessary to take an urgent decision on any of those matters and it is impossible to hold an in-person meeting, the Chairman of the Board of Directors may decide on holding the meeting in the form of absentee voting.

(A new clause introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

9. Minutes of the Board of Directors meetings

9.1. The Corporate Secretary shall take minutes at each meeting of the Board of Directors.
(the clause wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014)

9.2. The minutes of the meeting of the Board of Directors, including in case it is held in the form of absentee voting, shall be drawn up no later than 3 days following its date. The minutes shall contain the following:

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No 126 as of October 3, 2016)

- the Company's full corporate name and place of business;
- time, venue and form of the meeting;

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- persons attending the meeting;

- absent members of the Board of Directors who presented their written opinions;
- agenda of the meeting;
- items put to the vote and voting results;
- wording of resolutions passed by the Board of Directors on each agenda item.

The minutes of the meeting of the Board of Directors shall be signed by its Chairman who is responsible for the correctness of the minutes, and by the Corporate Secretary.

(the clause wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014)

9.3. Written opinions of the members of the Board of Directors shall be enclosed to the Minutes.

9.4. The Company shall provide the minutes of meetings on request of the Revision Commission and the Company's auditor, as well as provide copies of these documents to the shareholders (upon their request) for a fee not exceeding the cost of making such copies.

9.5. The Company shall keep the minutes of meetings of the Board of Directors at the location of its executive body.

10. Committees of the Board of Directors

10.1. The Board of Directors may establish temporary or permanent committees for preliminary study and review of the most important matters within their competence to work out recommendations to the Company's executive body and perform controlling functions more efficiently.

10.2. The Board of Directors shall necessarily establish the following Committees:

- the Audit Committee, whose main functions shall include:
 - a) control of integrity, accuracy and credibility of the Company's financial statements;
 - б) control of reliability and efficiency of functioning of the risk management and internal control system;
 - в) ensuring independence and objectivity in performing the functions of internal and external audit;
 - г) control of efficiency of the whistle-blowing system of reporting the potential events of unfair actions of the Company' employees (including the unfair use of insider or confidential information) and third parties, as well as other violations in the Company's activities, and control of implementation of measures adopted by the Company's executive management as a part of such system.
- the Remuneration and Nomination Committee, whose main functions shall include:
 - a) development and periodic revisions of the Company's policy on remuneration of the Board of Directors' members, members of the Company's executive body and the sole executive body, supervision of its introduction and implementation;
 - б) preliminary assessment of operation of the Company's executive body and the sole executive body based on year-end results in accordance with the Company's remuneration policy;
 - в) development of the terms and conditions for early termination of employment contracts with members of the Company's executive body and the Company's sole executive body, including all liabilities of the Company and the terms and conditions of providing them;

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

 - г) development of recommendations for the Board of Directors as related to determination of the amount of remuneration and principles of awarding the Company's Corporate Secretary;
 - д) annual completion of detailed formalized procedure for own or external assessment of overall performance of the Board of Directors and its members, and Committees of the Board of Directors, determination of priority lines for strengthening the composition of the Board of Directors;

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- e) interaction with shareholders, which shall not be limited to major shareholders only, with a view to generate recommendations to the shareholders with respect to voting on the election of nominees to the Company's Board of Directors;

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- ж) planning of personnel appointments, taking into account, inter alia, the continuity of activity, members of the executive body and the sole executive body, elaboration of recommendations for the Board of Directors with regard to candidates for the position of the Corporate Secretary, members of the Company's executive body and other key business executives.

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- the Strategy Committee, whose main functions shall include:

- a) identification of strategic objectives of the Company's activities, control of the Company's strategy implementation, elaboration of recommendations for the Board of Directors as related to correction of the existing strategy of the Company's development;
- б) development of priority areas of the Company's activities;
- в) elaboration of recommendations for the Company's dividend policy;
- г) assessment of efficiency of the long-term performance of the Company;
- д) preliminary review and elaboration of recommendations concerning the Company's participation in other organizations (including direct and indirect acquisition and alienation of interest in the authorized capitals of organizations, encumbrances of shares, interests);
- е) assessment of voluntary and mandatory proposals to acquire the Company's securities;
- ж) examination of the financial model and the model of cost estimation of the Company's business and its business segments;
- з) review of the issues of re-organization and winding-up of the Company and its controlled companies.

(the clause wording approved by the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014)

10.3. The Committees may consist only of the members of the Board of Directors.

10.4. The members of the Board of Directors may not be represented on more than 3 Committees.

10.5. The experts and specialists may work for the Committees within the framework of the Committees' budgets approved by the Board of Directors.

10.6. The Committees' regular meetings shall be convened by the Committee's Chairman, while extraordinary meetings shall be convened on request of the Board of Directors and on initiative of the Chairman of the Company's Management Board. The persons not being the members of the Audit Committee, the Remuneration and Nomination Committee may attend the meetings of the Committees upon invitation of the Chairman of the respective Committee only.

(The clause wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

10.7. The results of the matters consideration by the Committee shall be recorded in the minutes signed by the Committee's chairman or by the Committee's member presiding at the meeting and responsible for the minutes correctness.

10.8. Any proposals elaborated by the Committees shall be deemed recommendations that shall be submitted for consideration of the Board of Directors.

10.9. The Company may establish other Committees in the course of its business activity.

10.10. The Committees shall carry out their activity pursuant to the Regulations approved by the Board of Directors.

11.

(The section ceased to be in force and effect by resolution of the Annual General Meeting of Shareholders on April 18, 2014, Minutes No. 120 as of April 18, 2014)

12. Obligations and Liabilities of the Members of the Board of Directors

12.1. In exercising their rights and fulfilling their obligations, the members of the Board of Directors shall:

- act reasonably and in good faith to the benefit of the Company and take reasonable and prudent decisions based on the available information thoroughly studied;
- participate in the meetings and work of the Committees to which they have been elected;
- give prior notices to the Board of Directors regarding their inability to attend the meeting.

12.2. The members of the Board of Directors shall comply with the following regulations and requirements concerning the conflict of interests:

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- immediately inform the Board of Directors in writing on any personal, commercial or other interest (direct or indirect) in any item on the agenda of the meeting of the Board of Directors or a Committee of the Board of Directors prior to the discussion of the respective item, as well as on any transactions, agreements or projects related to the Company, including any intentions to consummate transactions with the Company's or its subsidiaries' (associated companies) securities and disclose information on any transactions they consummate in the prescribed manner;

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- disclose no confidential, insider or any other non-public information which became known to the member of the Board of Directors in connection with performance of their relevant duties and not use it to their own benefit or to the benefit of any third parties, both during the period of acting in the capacity as the member the Board of Directors and within 3 years after finishing their work in the Company's Board of Directors.

(The paragraph wording approved by resolution of the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

- comply with any regulations and procedures provided for by the Company's internal documents and related to the Company's security system and confidential information integrity;

- abstain from voting on any item on the agenda wherefore they have a conflict of interests or if their vote is required to adopt a resolution on that item, vote according to the voting of the majority of other members of the Board of Directors.

(A new paragraph introduced by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)

12.3. *(The paragraph is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)*

12.4. The independent directors shall refrain from any actions, which may result in the loss of their independence. Should the change of circumstances cause the loss of independence by a director, such director shall within 3 days inform the Board of Directors thereof in writing.

12.5. The members of the Board of Directors shall be liable to the Company for any losses caused to the Company through their faulty actions (or omission), unless other basis and scope of liability are established by the Federal Laws.

The members of the Board of Directors voting against the resolution, which entailed losses to the Company, or abstained from voting shall be released from liability.

12.6. *(The clause is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)*

12.7. *(The clause is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016).*

12.8. *(The clause is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016).*

12.9. *(The clause is deemed null and void by the Extraordinary General Meeting of Shareholders on September 30, 2016, Minutes No. 126 as of October 3, 2016)*

12.10. The Company shall procure liability insurance for the members of the Board of Directors, guarantee limitation of their liability and indemnify them for the losses suffered in the course of discharging their duties as members of the Board of Directors.

(A new clause introduced by the Extraordinary General Meeting of Shareholders on December 14, 2005, Minutes No. 97 as of December 15, 2005)

13. Remuneration Payable to the Members of the Board of Directors

13.1. During the period of exercising their duties the members of the Board of Directors shall be paid a remuneration and receive compensation of any expenses related to performance of their functions as members of the Board of Directors as decided by the General Meeting of Shareholders.

13.2. The size of remuneration and compensations to the members of the Board of Directors and their payment procedure shall be determined by the Regulation on Remuneration and Compensations Payable to Members of NOVATEK Board of Directors approved by the General Meeting of Shareholders.

(The section wording approved by resolution of the Annual General Meeting of Shareholders on April 28, 2010, Minutes No. 110 as of April 29, 2010)

14. Procedure for Approval and Amendment of the Regulations on the Board of Directors

14.1. These Regulations shall be approved by the General Meeting of Shareholders. A resolution regarding its approval shall be passed by a majority of votes of shareholders holding the voting shares, which grant the right to vote on any matters within the competence of the General Meeting of Shareholders.

14.2. Any proposals to amend these Regulations or adopt their new edition shall be made in the manner provided for by the Articles of Association for introducing proposals on the agenda of the Annual or Extraordinary General Meeting of Shareholders.

14.3. A decision to introduce amendments to these Regulations shall be passed by a majority of votes of shareholders holding the voting shares, which grant the right to vote on any matters within the competence of the General Meeting of Shareholders.

14.4. In the event, that as a result of any change in the Russian Federation law and statutory acts, the separate provisions of these Regulations go in conflict with them, such provisions shall be deemed null and void, and the members of the Board of Directors shall be governed by the applicable law and statutory acts of the Russian Federation until the relevant amendments are introduced to these Regulations.