

APPROVED
by the Resolution of the Board of Directors
of OAO NOVATEK
Minutes No. 43 as of 24 March 2005

CHARTER

**ON THE CORPORATE GOVERNANCE AND REMUNERATION COMMITTEE
OF THE BOARD OF DIRECTORS
OF THE OPEN JOINT-STOCK COMPANY "NOVATEK"**

as amended by NOVATEK's Board of Directors (Minutes No. 65 of 21 April 2006 and Minutes N 112 of 29
June 2009)

TABLE OF CONTENTS

Article 1.	GENERAL PROVISIONS	3
Article 2.	COMMITTEE'S OBJECTIVES	3
Article 3.	COMMITTEE'S COMPETENCE	4
Article 4.	COMMITTEE'S RIGHTS AND DUTIES	5
Article 5.	COMMITTEE ELECTION AND COMPOSITION	6
Article 6.	COMMITTEE'S CHAIRMAN AND SECRETARY	7
Article 7.	DATES AND PROCEDURES FOR CONVOCATION OF THE COMMITTEE'S REGULAR MEETINGS	8
Article 8.	EXTRAORDINARY MEETINGS OF THE COMMITTEE	8
Article 9.	PROCEDURE OF THE COMMITTEE MEETINGS	9
Article 10.	DECISION-MAKING PROCEDURE	9
Article 11.	MINUTES OF THE COMMITTEE MEETINGS	9
Article 12.	COMMITTEE'S ACCOUNTABILITY TO THE BOARD OF DIRECTORS	10
Article 13.	COOPERATION WITH THE COMPANY'S BODIES AND OTHER PERSONS	10
Article 14.	INSIDER INFORMATION	10
Article 15.	LIABILITY OF THE COMMITTEE MEMBERS	10
Article 16.	APPROVAL OF AND AMENDMENTS TO THESE REGULATIONS	10

Article 1. GENERAL PROVISIONS

1.1. These Regulations (“**the Regulations**”) on the Corporate Governance and Compensations Committee of the Board of Directors of the Open Joint-Stock Company “NOVATEK” (“**NOVATEK**”, “**the Company**”) have been prepared in accordance with the Russian Federation law, the Corporate Code of Conduct approved by the RF Government on 28 November 2001 and recommended by the RF Federal Commission for the Securities Market, the Company’s Articles of Association and Regulations on NOVATEK’s Board of Directors.

1.2. The Corporate Governance and Compensations Committee of NOVATEK’s Board of Directors (“the Committee”) shall be formed to assist the Board of Directors in exercising its controlling functions. The Committee shall develop recommendations to the Board of Directors with respect to the corporate governance, protection of shareholders’ rights, settlement of conflicts, compliance with the principles of corporate conduct, information disclosure, assessment of performance of the Company’s Board of Directors and executive bodies and compliance with the internal procedures.

1.3. The Committee shall act in the interests of the Company and its shareholders, and shall, in particular, facilitate higher efficiency of the Company’s operations in the long-term perspective and increase the value of the Company’s assets, profitability and investment appeal.

1.4. In its activities, the Committee shall be fully accountable to the Board of Directors. Any and all proposals developed by the Committee shall constitute its recommendations and be submitted for consideration of the Board of Directors.

1.5. The Committee shall act within the powers granted to it by the Company’s Board of Directors and in accordance with these Regulations.

1.6. In its activities the Committee shall be governed by the Russian Federation law, the Company’s Articles of Association, Regulations on NOVATEK’s Board of Directors, resolutions of the Board of Directors, these Regulations, the Company’s other internal documents approved by the General Meeting of Shareholders and Board of Directors and its own decisions.

1.7. Unless these Regulations provide otherwise, the terms and definitions used but not defined herein shall have the meaning ascribed to them in the Company’s Articles of Association and Regulations on NOVATEK’s Board of Directors.

Article 2. COMMITTEE’S OBJECTIVES

2.1. The Committee’s main objective is to develop and provide recommendations to the Board of Directors in relation to:

- 2.1.1. elaboration of plans on improving the corporate governance system and exercising control over their implementation;
- 2.1.2. development of programs on compliance with the corporate governance standards and professional development of members of the Company’s Board of Directors;
- 2.1.3. development of recommendations to the Board of Directors on the matters related to the Company’s capitalization and a policy toward its own securities.

2.2. The Committee acting within its competence shall cooperate with the Company’s executive bodies and other structural subdivisions.

Article 3. COMMITTEE's COMPETENCE

3.1. In order to assist the members of the Board of Directors in performing their duties, the Committee shall have the following powers within the competence of the Board of Directors:

3.1.1. develop and revise from time to time the Company's corporate governance documents, including its Articles of Association, internal regulations and Corporate Governance Code, to ensure their compliance with the Russian Federation law, national and international corporate practices;

3.1.2. elaborate a plan for improving the corporate governance system through implementing the best corporate governance practices of the Russian and foreign companies and exercise periodic control over implementation of such plan;

3.1.3. develop a program on control over the Company's compliance with the corporate governance standards;

3.1.4. develop recommendations on due preparation and organization of the General Meeting of Shareholders, such recommendations to be developed in close cooperation with the Company's executive bodies;

3.1.5. develop recommendations on organizing other committees of the Board of Directors (including those pertaining to the committee's types, competence and structure) in order to enhance performance efficiency of the Board of Directors;

3.1.6. determine the working order of the Board of Directors, including procedures for preparing, organizing and documenting the Board of Directors meetings (including, *inter alia*, the timelines for notices circulation, types and forms of such notices and information materials); organize and document the Board of Directors meetings;

3.1.7. ensure duly description of shareholders' rights in the Company's Articles of Association, Regulations and Corporate Governance Code, develop policies and rules on protection of shareholders' rights;

3.1.8. develop and revise from time to time the policies and rules for settlement of corporate conflicts;

3.1.9. develop a control procedure aimed at identifying and preventing any violations of the Corporate Governance Code;

3.1.10. elaborate policies and procedures for disclosing the Company's corporate governance and financial reporting practices, as well as any other significant information;

3.1.11. assess the Company's investor relations policy and submit its recommendations for consideration of the Board of Directors;

3.1.12. prepare recommendations to the Board of Directors regarding the allocation of the Company's profits and losses based on the reporting year results and determine the size of dividends;

3.1.13. develop recommendations to the Board of Directors regarding the Company's policy toward its own securities, in particular with respect to:

- 3.1.13.1. increasing the Company's authorized capital, where such matters fall within the competence of the Board of Directors pursuant to the Company's Articles of Association and applicable laws;
- 3.1.13.2. the Company's share split and consolidation;
- 3.1.13.3. acquiring the Company's outstanding securities, where such matters fall within the competence of the Board of Directors in accordance with the applicable law;
- 3.1.14. develop recommendations to the Board of Directors with respect to the amount of dividends on the Company's shares and the form of dividend payment;
- 3.1.15. develop recommendations to the Board of Directors on any proposed reorganization of the Company, including the terms and conditions, procedures and timelines of such reorganization with further submission of this item for consideration of the General Meeting of Shareholders;
- 3.1.16. develop the procedure for annual assessment of the Board of Directors performance efficiency, conduct such annual assessment of the BoD performance either independently or through engagement of external experts, and organize professional training of the members of the Board of Directors in certain fields of activity, if required;
- 3.1.17. elaborate a compensation policy applicable to all members of the Board of Directors, Chairman and members of the Management Board in accordance with the best practices of the Russian and foreign companies;
- 3.1.18. give recommendations to the Board of Directors as to the size of remuneration payable to the members of the Company's Revision Commission;
- 3.1.19. analyze any changes in the personal data of members of the Board of Directors disclosed by them in accordance with the applicable law, the Company's Articles of Association and Corporate Governance Code, with respect to the presence/absence of their personal interest in the transactions entered into by the Company, when the relevant decisions are passed by the Board of Directors; affiliation/non-affiliation with the Company; occurrence of any circumstances preventing them from their efficient work as members of the Board of Directors; and (iv) loss of their status of independent directors.
- 3.1.20. work out proposals on determining material terms and conditions of the agreements with members of the Board of Directors, members and Chairman of the Management Board;
- 3.1.21. determine criteria for selecting candidates to members of the Board of Directors, members of the Management Board and Chairman of the Management Board, as well as preliminary assessment of such candidates;
- 3.1.22. work out proposals to the Board of Directors regarding the possibility to reappoint the Chairman and members of the Management Board based on assessment of their activity.

Article 4. COMMITTEE'S RIGHTS AND DUTIES

- 4.1. To exercise the forgoing powers, the Board of Directors shall vest the Committee with the following rights:

- 4.1.1. Take part in exercising control over fulfillment of the Board of Directors' decisions and in relation to its activities;
- 4.1.2. Request and receive any necessary information from members of the Company's executive bodies or heads of the Company's structural subdivisions;
- 4.1.3. Engage external experts or advisers within the framework of the Committee's budget;
- 4.1.4. Invite to the Committee's meetings the persons referred to in Clause 9.4 hereof;
- 4.1.5. Submit proposals on any amendments and addenda hereto for consideration of the Board of Directors; and
- 4.1.6. Exercise other rights required for the fulfillment by the Committee of its respective duties.

4.2. The Committee members shall:

- 4.2.1. Take part in the Committee's work and attend all the Committee meetings held on a regular basis, but no less than 4 (Four) times a year;
- 4.2.2. Keep confidential all information they become aware of in the course of discharging their duties; and;
- 4.2.3. Notify the Board of Directors of any conflicts of interest that may arise out of any decisions to be passed by the Committee.

Article 5. COMMITTEE ELECTION AND COMPOSITION

5.1. The Committee shall consist of at least 3 members elected from among the members of the Board of Directors. The Committee members shall not:

- be the Company's executive officers or employees at the time of their election to the Committee and within one year preceding their election;
- be executive officers of another business entity where any of the Company's executive officers is a member of the HR and remuneration committee of the Board of Directors;
- be spouses, parents, children, brothers and sisters of the Company's officers;
- be affiliated with the Company, except for being members of the Company's Board of Directors;
- be parties to the agreements with the Company under which they purchase property (receive cash funds), the value of which constitutes 10 and more percent of the aggregate annual income of the above mentioned persons, excluding their remuneration for participation in the Company's Board of Directors;
- be representatives of governmental officials, i.e. persons who represent the Russian Federation, constituent entities of the Russian Federation and municipal authorities on the boards of directors of joint stock companies in relation to which a decision was made to use a special right ("golden share"), or persons elected to the Board of Directors from among the candidates nominated by the Russian Federation or municipal authority, if such members of the Board of Directors shall vote on the basis of written instructions (directives etc.) of the Russian Federation or municipal authority accordingly.

In the event a member of the Committee ceases to meet any of the aforesaid requirements, it shall immediately notify this fact to the Company's Board of Directors.

5.2. The members of the Committee shall be elected at the Board of Directors meeting from among the existing members of the Board of Directors for the period until the next Board of Directors is elected by the Company's General Meeting of Shareholders. The nominees to the Committee shall have higher financial, economic or legal education and/or have work experience in the relevant fields.

5.3. The members of the Committee shall be elected by a simple majority of votes cast by the members of the Board of Directors.

5.4. The members of the Committee may be reelected an unlimited number of times.

5.5. If so decided by the Board of Directors, the powers of all or any of the Committee members may be early terminated.

5.6. The powers of a Committee member shall be early terminated where:

5.6.1. It voluntarily resigns. A Committee member may resign by giving notice to the Chairman of the Board of Directors and Chairman of the Committee 1 (One) month prior to the expected resignation date;

5.6.2. Its authorities of the Committee's member and member of the Board of Directors have been terminated; or

5.6.3. It has been relieved from its duties by resolution of the Board of Directors.

5.7. Where the powers of a Committee member are terminated by virtue of Clause 5.6.1 above, the Board of Directors shall, at the next meeting, but in any event within 1 (One) month after the date on which a written resignation notice was served by such member, elect a new Committee member. Until then, the resigning member shall continue to perform its duties in full volume.

5.8. Where the powers of a Committee member are terminated by virtue of Clause 5.6.2 or Clause 5.6.3 above, the Board of Directors shall, within 2 (Two) weeks following the termination of its powers, elect a new Committee member.

5.9. The Committee members may receive a remuneration and/or reimbursement of their expenditures incurred in relation to performing their duties, in the amount and manner recommended by the Board of Directors and approved by the General Meeting of Shareholders.

Article 6. COMMITTEE'S CHAIRMAN AND SECRETARY

6.1. The Chairman of the Committee shall be elected from among the Committee members at the meeting of newly elected Board of Directors. The Committee Chairman shall be elected by a simple majority vote of the members of the Board of Directors. The Board of Directors may at any time re-elect the Committee Chairman by a majority of votes cast by its members.

6.2. The Committee Chairman shall have the following functions:

6.2.1. Initiate and convene the Committee meetings and preside over them;

6.2.2. Approve a Committee meeting's agenda;

6.2.3. Organize discussing the agenda items at the Committee meeting and request opinions from the persons invited to attend the meeting;

6.2.4. Allocate responsibilities between the Committee members;

6.2.5. Develop the Committee's work schedule for the current year taking into account the plan of the Board of Directors meeting;

6.2.6. Exercise any other functions provided by the effective laws, the Company's Articles of Association, these Regulations, or other internal documents of the Company.

6.3. The Committee's Secretary shall be elected at the first meeting of the Committee from among the employees of the Company's Financial Department. The Committee's Secretary shall prepare the Committee meetings, collect and systematize materials for the meetings, timely notify the Committee members and invited persons of the planned meetings, provide them with the agenda and relevant materials, keep minutes of the meetings, prepare draft resolutions of the Committee, and arrange the storage of all relevant materials. The Secretary shall also ensure that the Committee members receive any necessary information.

Article 7. DATES AND PROCEDURES FOR CONVOCAION OF THE COMMITTEE'S REGULAR MEETINGS

7.1. The Committee's regular meetings shall be convened in accordance with the plan approved by the Committee, but at least 4 (Four) times a year. Extraordinary meetings shall be convened if requested by the persons or bodies referred to in Clause 8.1 hereof.

7.2. The decision on convocation of the Committee's regular meeting, its date, time, place, agenda, and invitees shall be made by the Committee Chairman in accordance with the plan of the Committee's ordinary meetings.

7.3. A notice of the Committee meeting and its agenda shall be prepared by the Committee Secretary and forwarded to the persons invited to attend the meeting in compliance with requirements to such notices set forth in the Regulations on NOVATEK's Board of Directors, at least 5 (Five) business days before the meeting date.

7.4. The Committee meeting shall be prepared by the Committee Secretary under the supervision of the Committee Chairman.

7.5. The procedure of convening the Committee's extraordinary meetings shall be set forth in Article 8 below.

Article 8. EXTRAORDINARY MEETINGS OF THE COMMITTEE

8.1. The extraordinary meeting of the Committee shall be convened if decided by the Board of Directors or proposed by Chairman of the Company's Management Board.

8.2. A proposal to convene the Committee's extraordinary meeting shall be sent to the Committee's Secretary at least 15 (Fifteen) business days prior to a proposed date of the meeting. The proposal shall be formalized and sent to the Committee's Secretary in compliance with requirements of the Regulations on NOVATEK's Board of Directors pertaining to the procedure for convening the Board of Directors meetings. The Committee Secretary shall notify the proposals to the Committee's Chairman not later than the next day following the date of its receipt.

8.3. Within 5 (Five) business days following the receipt of the proposal to convene the extraordinary meeting, the Committee's Chairman shall make a decision to convene the extraordinary meeting and determine the date, time, and place of the meeting (or the date of absentee voting), or refuse to convene the same. A justified refusal to convene the extraordinary meeting shall be sent to the Chairman of the Management Board proposing to convene such meeting within 2 (Two) business days from date of the relevant decision made by the Committee's Chairman.

8.4. The Committee Chairman may refuse to convene the extraordinary meeting of the Committee if:

8.4.1. An item(s) proposed on the meeting agenda is (are) beyond the Committee's powers provided hereby;

8.4.2. An item contained in the proposal to convene the extraordinary meeting has already been included in the agenda of the Committee's forthcoming regular meeting convened by the Committee Chairman before the said proposal was received; or

8.4.3. The procedure for submitting requests to convene the Committee meeting has not been observed.

8.5. Should a Committee's extraordinary meeting be requested by the Board of Directors, the Committee Chairman shall convene the meeting within 5 (Five) business days.

Article 9. PROCEDURE OF THE COMMITTEE MEETINGS

9.1. If the Committee's Chairman is absent at the Committee meeting, the Committee members shall elect a chairman from among the present members.

9.2. A Committee meeting shall be in quorum if it is attended by at least 2 (Two) members. The Committee's Chairman shall determine whether the meeting is in quorum at the time of opening the meeting. Should the meeting not be in quorum, the meeting shall be adjourned. The new meeting with the same agenda shall be conducted within 5 (Five) business days.

9.3. The Committee meetings may be conducted either in the form of joint attendance by the members or absentee voting in the manner prescribed by the Regulations on NOVATEK's Board of Directors.

9.4. The Committee meetings may be attended by invitees who are not members of the Committee. The invitees shall not vote on the agenda items.

Article 10. DECISION-MAKING PROCEDURE

10.1. Each member of the Committee shall have one vote.

10.2. The Committee members may not delegate their voting rights to any other person.

10.3. In case of equality of votes, the chairman shall have a casting vote.

10.4. The Committee's decisions shall be passed by a simple majority vote of the Committee members.

Article 11. MINUTES OF THE COMMITTEE MEETINGS

11.1. Within not later than 3 (Three) business days following the Committee meeting conducted either in the form of joint attendance by the Committee members or absentee voting, the Committee's Secretary shall draw up the minutes of the meeting.

11.2. The minutes of the Committee meeting shall be signed by a member presiding at the meeting and responsible for ensuring the accuracy of the minutes. The minutes shall be made in two original copies, one of which shall, within 3 (Three) business days after signing, be sent to the Board of Directors along with the recommendations to the Board of Directors, while the second one shall be filed with the Committee's archives. All the Committee members shall be provided with copies of the minutes and recommendations.

11.3. The minutes shall state:

- 11.3.1. Date, form, place, and time of the meeting (or date of absentee voting);
- 11.3.2. List of the Committee members and other persons attending the meeting;
- 11.3.3. Agenda;
- 11.3.4. Proposals made by the Committee members on the agenda items;
- 11.3.5. Items put to the vote and voting results; and
- 11.3.6. Decisions made.

Article 12. COMMITTEE'S ACCOUNTABILITY TO THE BOARD OF DIRECTORS

12.1. The Committee shall present to the Board of Directors an annual report on its performance results not later than 45 (Forty five) calendar days prior to the Company's Annual General Meeting of Shareholders.

12.2. The Committee's report shall contain the information on the Committee's activity in the reporting year, including:

12.2.1. List of recommendations given to the Board of Directors on the items falling within the Committee's competence as provided by Article 3 herein;

12.2.2. Identified breaches of requirements set forth in Article 13 hereof;

12.2.3. Spending (amounts and details of expenditures) envisaged by the Board of Directors budget to finance the Committee's work;

12.2.4. Information on services provided by external experts or advisers; and

12.2.5. Information on the progress in performance of the Committee's work plan and information on the Committee's extraordinary meetings.

Article 13. COOPERATION WITH THE COMPANY'S BODIES AND OTHER PERSONS

13.1. Information or documents required for the Committee members to efficiently discharge their duties shall be provided to them through the Committee's Secretary. A request for such information or documents shall be made in writing and signed by the Committee's Chairman.

13.2. To consider any matters within the Committee's powers, the Committee may, if required, engage experts or other specialists who have the required professional knowledge and skills. The procedure and terms of engaging such experts or specialists shall be set out in the agreements between the Company and such persons.

Article 14. INSIDER INFORMATION

14.1. The insider information shall be considered to be material non-public information regarding the Company, its stock or other securities and transactions therewith, the disclosure of which may have a material impact on the market value of the Company's stock or other securities.

14.2. The members and the Secretary of the Committee may neither use any insider or other confidential information for their personal advantage, nor disclose such information.

14.3. Any third party attending a Committee meeting shall in advance enter into an agreement with the Company for non-disclosure of insider or other confidential information.

Article 15. LIABILITY OF THE COMMITTEE MEMBERS

15.1. The members of the Committee may be held liable pursuant to the provisions of the Law "On Joint-Stock Companies" governing the liability of members of the boards of directors.

Article 16. APPROVAL OF AND AMENDMENTS TO THESE REGULATIONS

16.1. These Regulations and any amendments hereto shall be approved by a majority vote of the Board of Directors.

16.2. Any issues omitted herein shall be governed by the Company's Articles of Association, the Regulations on NOVATEK's Board of Directors, the Company's other internal documents and applicable law.

16.3. Where any changes in the law or other regulatory enactments of the Russian Federation go in conflict with any provisions herein, such provisions shall cease to be effective and, until duly amended, these Regulations shall remain effective to the extent insofar they do not conflict with the applicable law and regulatory enactments of the Russian Federation.

16.4. The annual report which shall be submitted by the Committee to the Board of Directors in accordance with Article 12 hereof may contain recommendations to the Board of Directors regarding a necessity to introduce changes and amendments hereto.