



REGULATION ON EXPERT COUNCIL

The Expert Council (hereinafter, Council or EC) is a collegial body of the Social Project Contest announced by Exxon Neftegas Limited (ENL), an ExxonMobil Subsidiary (hereinafter, ENL), on behalf of the Sakhalin-1 International Consortium as part of its Charity Program implementation and established as stipulated by the Regulation on Social Project Contest.

The Contest purpose is to support public initiatives aimed at the social and economic development of the regions where ENL runs its business.

The Expert Council is formed for the period of conducting Social Project Contest for expert evaluation of the projects participating in the Contest.

The main objectives of the Expert Council are as follows

- Review the projects provided for the Contest and evaluate them per the adopted selection criteria (See Regulation on Social Project Contest);
- Compile a list of Contest nominees with expert evaluation and recommendations for funding.
- When needed, experts shall have a right to recommend grant applicants to make certain changes or revise the application to ensure it is fully consistent with the Contest criteria. Final decisions on project funding shall be made by Exxon Neftegas Limited.
- The Expert Council membership shall be formed by Exxon Neftegas Limited. The Expert Council shall include independent experts experienced in non-profit projects assessment, specialists who successfully implemented social projects, and ENL representatives.
- Projects aimed at support of indigenous minorities of the North shall be assessed by the members of Sakhalin Oblast Advisory Committee (see Regulation on Sakhalin Oblast Advisory Committee) and the members of Khabarovsk Krai Ulchi District Advisory Committee (see regulation on Khabarovsk Krai Ulchi District Advisory Committee).
- The Expert Council members shall be involved on a gratuitous basis.
- The total number of the Expert Council members shall not be less than 3 (three) people, not including the EC Chairperson.
- The Chairperson of the Expert Council shall be an employee of Exxon Neftegas Limited. He/she shall be responsible for overall meeting coordination, conflicts and disputes resolution. The Chairperson is an EC member, has a right to vote and can participate in project discussions.
- The Secretary of the Expert Council shall be an employee of Exxon Neftegas Limited. He/she shall be responsible for taking the minutes of meetings. The Secretary is also an EC member and can participate in voting when the EC makes decisions. The EC Chairperson can stand in for the Secretary when needed.
- If an EC member cannot fulfill his/her duties for any reason, Exxon Neftegas Limited will make a decision to reduce the number of EC members or to include a new member. In any case, the total number of EC members shall not be less than 3 (three) people, not including the EC Chairperson.

Expert Council's Work and Decision-Making Procedure

- The Expert Council meeting dates shall be determined by Exxon Neftegas Limited as per the Contest Schedule.
- The Expert Council meeting shall be deemed held if it was attended by at least the three members, not including the EC Chairperson as his/her attendance at EC's meetings is mandatory.
- All EC members shall receive applications by e-mail at least 7 (seven) calendar days prior to the EC meeting. If an EC member wishes, he/she can also be provided with applications in hard copy.
- Each EC member is free in his/her assessment of a project and can formulate a special opinion, if it dissents from the EU decision. The opinion shall be recorded in the minutes of the EU meeting and shall be its integral part.
- A decision shall be deemed adopted if the majority of the EC members with the right to vote have voted for it.
- The EC decision on selected Contest Facilitator shall be documented with relevant minutes of the meeting and signed by the EC Chairperson.
- Any presence of third parties at the EC meetings shall be decided on by the EC Chairperson in each case.
- If an EC member has professional relationship with a company that has submitted an application for funding under the Contest, the EC member shall inform the EC Chairperson about it. Independent experts, EC members, shall not represent interests of any company that submits their applications. Each expert, an EC member, shall sign a non-conflict of interest statement. If any conflict of interest defined by Article 27 of Federal Law *On Non-Commercial Companies* arises, an EC member interested in a certain decision to be made by the EC shall inform the EC Chairperson about such interest three days prior to the meeting and cannot participate in the discussions of an issue in which he/she has a conflict of interest.

Application Selection Procedure

- When making a decision on selection of finalists and recommendations for the project funding under the Program, the EC shall be governed by the criteria specified in the Regulation on the Contest.
- The contents of expert conclusions and the minutes of EC Contest meeting are confidential. Such information, when needed, can be provided to government oversight agencies for familiarization when requested. For others the information shall be classified as restricted.

EC Members' Key Rights and Obligations

- Review applications submitted, specify if it is recommended for funding and provide a verbal conclusion at the general EC meeting. Applications shall be discussed at the EC meeting only;
- Review objectively the Contest applications submitted for the Contest following the Regulation on the Contest and the Program, high ethical standards in all the cases related to the fulfillment of the responsibilities specified;
- Comply with the EC meetings procedures, requirements for developing recommendations and conclusions and act according to the agreements signed with each EC member;
- Reach an agreed decision in the course of a discussion with other EC members and assume a collective responsibility for the decision made;

- Follow the non-conflict of interest statement;
- Not to disclose any confidential EC-related information.

The final list of projects approved for funding shall be published in the mass media and Exxon Neftegas Limited's website.