

Corporate Management Structure



Board of Directors Committees

Board of Directors

Audit Committee

O. E. Kutafin
S. A. Mikhailov
M. P. Berezhnoi

Purpose:

analysis of internal control efficiency and the efficiency of corporate accounts audit and preparation of relevant proposals to the BoD

Functions:

Preparation of proposals to the BoD as regards:

- selection of auditor (an international accounting major with excellent credentials);
- supervision of competition (tender) for selection of auditor if such competition (tender) is held;
- analysis and discussion with auditor of substantial issues arising during the audit process;
- determination of remuneration to the auditor and the range of his services;
- inspection of auditor report before its presentation to shareholders at the AGM;
- inspection of most significant corrections made to Company accounts after the audit procedure;
- efficiency of the Company's internal control system;
- supervision of the Company's risk management system;
- preliminary approval of the Company's annual report by the BoD;
- control over audit procedures and the observance by the auditor of independence and objectivity.

Strategy and Investment Committee

R.H. Matzke
R. U. Maganov
I. V. Sherkunof

Purpose:

assistance to the BoD concerning designation of strategic goals and the development of strategy

Functions:

Preparation of proposals to the BoD as regards:

- analysis of concepts, programs and plans for LUKOIL strategic development;
- evaluation of shareholder and investor relations policy;
- determination of recommended dividend size and dividend payment procedure;
- assignment of Company profit and loss for the financial year;
- Company policy on treasury stock;
- participation in holdings, financial-industrial groups, associations and other groupings of business organizations;
- expediting major deals (deals worth 25-50% of the balance-sheet value of Company assets);
- approval of deals in which there is commitment;
- creation and liquidation of branches and representative offices of the Company in Russia and abroad;
- utilization of the reserve fund and other funds of the Company;
- utilization of non-specialized assets of the Company;
- changes in the structure of Company asset management.

Personnel and Remuneration Committee

M. Mobius
N. A. Tsvetkov
S. A. Mikhailov

Purpose:

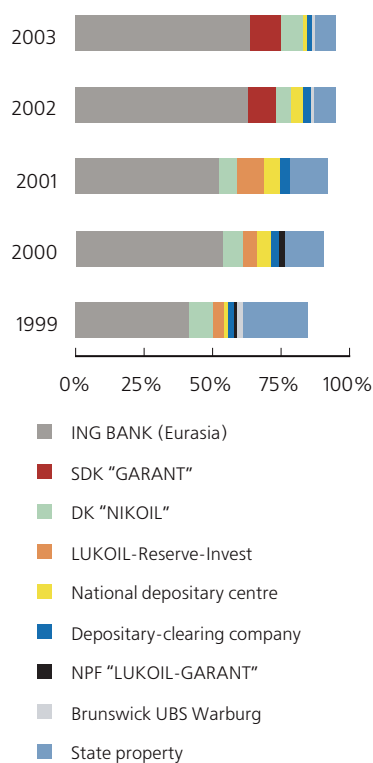
preparation of proposals to the BoD concerning personnel policy and remuneration of management and members of Revision commission of the Company

Functions:

Preparation of proposals to the BoD as regards:

- design of personnel policy and remuneration of management and members of Company's Supervisory Commission;
- preliminary evaluation of candidates to responsible positions in the Company;
- timely notification of shareholders on terms and procedures set out in the charter and other internal documents of the Company concerning appointments to responsible positions in the Company;
- development of criteria to assure independence of BoD directors;
- analysis of the results of activity of managers and members of the Supervisory Commission, including analysis of increases in their remuneration and the use of other incentives;
- determination of remuneration of Revision commission members;
- proposals to the BoD concerning reappointment of Company managers;
- development of long-term remuneration programs for Company staff.

Main shareholders of LUKOIL



LUKOIL Shares

LUKOIL treasury stock

Number of shares	Common shares	Preferred shares
December 31, 1998	669,351,391	77,211,864
Issuance of preferred shares (face-value of 0.15 rub.)		11,500,000
Converting of preferred shares*	69,000,000	(11,500,000)
December 31, 1999	738,351,391	77,211,864
No changes		
December 31, 2000	738,351,391	77,211,864
Issuance of common shares (face-value of 0.025 rub.)	18,431,061	
Issuance of common shares (face-value of 0.025 rub.)	16,568,939	
Converting of preferred shares**	77,211,864	(77,211,864)
December 31, 2001	850,563,255	0
No changes		
December 31, 2002	850,563,255	0
No changes		
December 31, 2003	850,563,255	0

* 1 preferred share = 6 common shares

** 1 preferred share = 1 common share

Main shareholders of common stock** (end of year)

Shareholder's name	1999	2000	2001	2002	2003
ING BANK (Eurasia) (ADRs and GDRs)*	303,140,400	406,039,385	444,703,835	534,070,827	541,249,388
SDK "GARANT"	—	—	—	90,773,746	99,268,415
DK "NIKOIL"	57,078,976	45,521,796	55,140,681	44,630,737	66,162,144
LUKOIL-Reserve-Invest*	30,165,061	36,792,062	87,003,566	—	—
National depository centre*	9,227,176	38,231,431	50,079,368	37,239,863	12,410,284
Depository-clearing company*	17,569,226	19,836,720	29,044,914	24,798,519	16,463,743
NPF "LUKOIL-GARANT"	7,670,346	19,970,446	—	—	—
Brunswick UBS Warburg*	15,538,963	—	—	10,296,442	9,158,298
State property	193,535,031	114,639,290	114,639,090	64,638,729	64,638,729

* Nominee.

** More than 1% of shares.

Main shareholders of preferred stock** (end of year)

Shareholder's name	1999	2000	2001	2002	2003
ING BANK (Eurasia) (ADRs and GDRs)*	34,547,844	33,515,420	—	—	—
DK "NIKOIL"	15,385,776	14,976,868	—	—	—
National depository centre*	817,260	1,955,400	—	—	—
LUKOIL-Reserve-Invest*	2,669,041	3,901,717	—	—	—
Brunswick UBS Warburg*	1,181,717	—	—	—	—
Depository-clearing company*	2,322,458	4,932,103	—	—	—

* Nominee.

** More than 1% of shares.