

## 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:

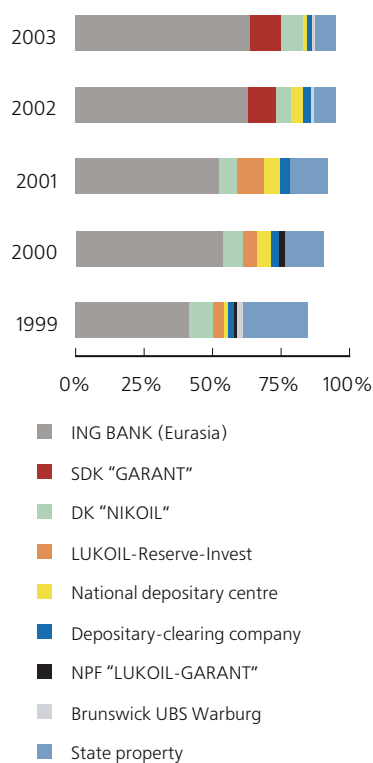
preparation of proposals to the BoD concerning personnel policy and remuneration of management and members of Revision commission of the Company

#### 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
<b>December 31, 1998</b>	<b>669,351,391</b>	<b>77,211,864</b>
Issuance of preferred shares (face-value of 0.15 rub.)		11,500,000
Converting of preferred shares*	69,000,000	(11,500,000)
<b>December 31, 1999</b>	<b>738,351,391</b>	<b>77,211,864</b>
No changes		
<b>December 31, 2000</b>	<b>738,351,391</b>	<b>77,211,864</b>
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)
<b>December 31, 2001</b>	<b>850,563,255</b>	<b>0</b>
No changes		
<b>December 31, 2002</b>	<b>850,563,255</b>	<b>0</b>
No changes		
<b>December 31, 2003</b>	<b>850,563,255</b>	<b>0</b>

\* 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.