

ABOUT THE SAKHALIN INDIGENOUS MINORITIES DEVELOPMENT PLAN

The Sakhalin Indigenous Minorities Development Plan (hereinafter – the «Development Plan») is a tripartite programme which has been jointly implemented since 2006 by Sakhalin Energy, as the operator of the Sakhalin II oil and gas project, Sakhalin Oblast Government, and Regional Council of Authorised Representatives of the Sakhalin Indigenous Minorities.

The main objectives of the Second Development Plan for 2011-2015 are:

- Input to the improvement of quality of life of the Sakhalin indigenous minorities by distributing Sakhalin II Project benefits (via social development and traditional economic activities support programmes) with account of cultural features and sustainable development requirements;
- Development of the potential of the Sakhalin indigenous minorities communities, clan enterprises, public associations and individual representatives, contributing to their active involvement in the Second Development Plan management and in any subsequent development and implementation of similar social, cultural, and economic plans;
- Assistance in preparation of the Sakhalin indigenous minorities for a potential establishment of an independent Sakhalin indigenous minorities development fund; and
- Prevention or mitigation, with account of environmental requirements, of any potential adverse impacts produced by operation of Sakhalin Energy oil and gas pipelines and associated production facilities of the Sakhalin II Project on the native habitat, traditional way of life, economic activities, and crafts.

ABOUT THE BROCHURE

The Development Plan can be implemented if all of its parties observe the principles of transparency and openness. For the purpose of timely and efficient resolution of potential problems and grievances arising in connection with the Development Plan implementation, a SIMDP Grievance Procedure was developed (hereinafter – the «Procedure»).

The brochure tells the reader how he/she can inform about the grievances/issues of dissatisfaction/concern if such grievances/issues are re-

lated to the Development Plan implementation. The brochure also outlines the steps to be taken for solving such a problem.

WHAT KIND OF GRIEVANCE CAN I LODGE?

You can lodge a grievance regarding the implementation of the Development Plan if you believe that any party thereof breaches its principles and provisions.

This Procedure shall not apply to any grievances that are not related to the implementation of the Development Plan.

This Procedure shall not affect statutory rights of the complainant to have the case examined as provided by the RF legislation.

You may lodge a grievance regarding the following issues:

- Spending of funds available to the Social Development Fund (SDF) and implementation of the SDF projects;
- Implementation of the Traditional Economic Activities Support Programme (TEASP);
- Functioning of any of the Development Plan management bodies or committees (SDF Council, TEASP Committee, and the Governing Board or the Executive Committee of the Development Plan);
- Inconsistency of the Development Plan programmes with its goals, tasks, principles, or provisions; and
- Implementation of the Development Plan Matrix of Concerns as related to the Sakhalin II Project.

All grievances received will be examined by the Development Plan management bodies. If your grievance is found to be irrelevant to the implementation of the Development Plan or Sakhalin II Project, you will be notified accordingly in writing or in other form (e.g. by post or e-mail). In all the other cases, the facts set out in your grievance will be addressed, and if such facts are found to be true, all possible reasonable corrective measures will be defined to resolve the problem and prevent recurrence of such incidents in future.

HOW TO REPORT A GRIEVANCE?

You can use any one of the grievance submittal methods as listed below:

- Send a completed grievance form (contained in Appendix 1000 at the end of this brochure) to one (or all) of the postal addresses listed in Appendix 1 hereto;

- Send a letter or a message by e-mail or by fax to one of the addresses as listed below (in Appendix 1):
 - Sakhalin Energy;
 - Development Plan Governing Board;
 - Development Plan Executive Committee;
 - Head of the Indigenous Peoples Group of Sakhalin Energy;
 - Members of the Regional Council of Authorised Representatives of the Sakhalin Indigenous Minorities; or
 - Other members of the Development Plan management bodies;
- Contact the Second Development Plan Coordinator by telephone (telephone number is indicated in Appendix 1);
- Contact the Sakhalin Energy Community Liaison Officer by telephone (telephone number is indicated in Appendix 1);
- Contact the Sakhalin Energy External Affairs Department using hotline as indicated below: 8 (4242) 662400 (on working days from 09:00 till 17:00);
- Send a letter by e-mail to the e-mail address of the Regional Council of Authorised Representatives of the Sakhalin Indigenous Minorities (rsup_kmns08@mail.ru);
- Send a letter by e-mail to the e-mail address of the Sakhalin Energy Grievance Group (Grievancereport@sakhalinenergy.ru); and
- Contact Sakhalin Energy Information Centres (the list and addresses are provided in Appendix 2).

Please note that you are recommended to describe your grievance using the grievance form (contained in Appendix 1000 at the end of this brochure). If you are unable to send your grievance in writing, you may convey it verbally, by telephone or at a personal meeting, to the officers listed in Appendix 1.

If you are unable to send your grievance personally, you may delegate a third party to send it on your behalf.

If more than one complainant is lodging grievances on the same issue, it is recommended to define a single contact person among such complainants for interface with the Company on such grievance.

CONFIDENTIALITY AND ANONYMITY

You can express your concern in confidence. If, while lodging a grievance, you express your wish not to disclose information enabling

to identify you, such information will not be disclosed. The parties responsible for addressing your grievance will ensure confidentiality of your statements and details. There may be cases, however, where your issues can not be resolved unless you are identified (e.g. the cases where your statements are needed at the court). The Grievance Group will discuss with you how to proceed in this case.

You can also express your concern anonymously. In this case, you should bear in mind that if you lodge your grievance anonymously, it may complicate examination of problem, defence of your position or feedback. That is why, even though each of the grievances/inquires lodged under the SIMDP Grievance Procedure is properly addressed, anonymous grievances are not encouraged. If you insist on expressing your concern anonymously, you are required to submit sufficient facts and data to enable the Grievance Group to address the issue without your participation.

WHAT WILL HAPPEN AFTER I HAVE LODGED MY GRIEVANCE?

In some cases (e.g. if you lodged your grievance to one of the contacts listed in Appendix 1 and corrective actions can be taken immediately), your grievance can be resolved immediately. If this is impossible, your grievance will be addressed in five steps:

Step 1. Receipt and Registration of Grievance

- Upon receipt of the completed grievance form or applicable notification of grievance, the Development Plan Coordinator shall register your grievance and shall transfer it to the Executive Committee for appointment of the officer responsible for addressing your grievance.
- Such an officer shall be appointed from among the Grievance Group members.
- The Grievance Group is composed of representatives of the Development Plan Executive Committee.

Step 2. Acknowledgement

- Within 10 working days from receipt of the grievance, the Coordinator on behalf of the Executive Committee shall send you an acknowledgement letter.
- The letter shall contain a contact name, grievance registry number, date when you can expect to receive an update on actions taken/results with respect to the grievance.

Step 3. Investigation

- Measures shall be taken to investigate the causes of your grievance and possible corrective actions. During this step you may be contacted by those involved in addressing and investigation of your grievance.

Step 4. Settlement

- Once your grievance is addressed and investigated, you will be informed, in writing (or verbally if a written reply can not be sent), about the results and the proposed corrective actions if such corrective measures are found to be necessary.
- If you admit that your grievance has been settled to your satisfaction, you will be offered to sign a Statement of Satisfaction.
- If your grievance was left unresolved, it will be addressed repeatedly and you will be offered to discuss possible further actions to settle it.

Step 5. Follow-up Actions

- If you do not object, the Executive Committee, Sakhalin Energy or the external monitor officer may contact you later to make sure that your grievance was addressed based on the principles and provisions of the SIMDP Grievance Procedure.

APPENDIX 1.
TELEPHONE NUMBERS AND ADDRESSES
FOR LODGING GRIEVANCES

Contact person	Contact telephone number	Address
Sakhalin Energy	8 (4242) 66-24-00 (Sakhalin Energy Hotline, calls are free for the Sakhalin Oblast districts)	35, Dzerzhinskogo Str., Yuzhno-Sakhalinsk, 693020 External Affairs Department
Regional Council of Authorised Representatives of the Sakhalin Indigenous Minorities	Tel./fax: 8 (4242) 42-50-35	23, Dzerzhinskogo Str., office 501-503, Yuzhno-Sakhalinsk, Sakhalin Oblast, 693020
Development Plan Coordinator	8 (4242) 66-20-09	35, Dzerzhinskogo Str., Yuzhno-Sakhalinsk, 693020 External Affairs Department
Community Liaison Officer	+7 914-759-42-08	
Head of the Indigenous Peoples Group of Sakhalin Energy	8 (4242) 66-27-56	35, Dzerzhinskogo Str., Yuzhno-Sakhalinsk, 693020
Sakhalin Oblast Government	8 (4242) 46-91-56 8 (4242) 46-92-26	32, Kommunisticheskiy Prospekt, office 536, Yuzhno-Sakhalinsk, 693011

APPENDIX 2.
INFORMATION CENTRES

District	Settlement	Address
Aniva	Troitskoye	13, Sovetskaya Str.
Dolinsk	Dolinsk	31, Lenina Str.
	Sokol	26, Sovkhoznyaya Str.
	Sovetskoye	122, Centralnaya Str.
	Vzmorye	22, Pionerskaya Str.
Makarov	Makarov	9a, 50 Let Oktyabrya Str.
	Novoye	11-7, Centralnaya Str.
	Vostochnoye	8, Privokzalnaya Str.
Poronaysk	Poronaysk	45, Gagarina Str.
	Vostok	10a, Gagarina Str.
	Gastello	42-2, Centralnaya Str.
Smirnykh	Pobedino	60, Centralnaya Str.
	Smirnykh	12, Lenina Str.
	Onor	5, Sovetskaya Str.
	Buyukly	1, Kosmonavtov Str.
	Roschino	4, Komsomolskaya Str.
Tymovskoye	Molodezhnoye	15, Sovetskaya Str.
	Tymovskoye	68a, Kirovskaya Str.
	Kirovskoye	70, Centralnaya Str.
	Yasnoye	2, Titova Str.
Nogliki	Nogliki	5a, Pogranichnaya Str.
Korsakov	Korsakov	7, Molodezhny Pereulok
Kholmsk	Kholmsk	124, Sovetskaya Str.

FOR NOTES: