

Corporate governance

MESSAGE FOR SHAREHOLDERS AND INVESTORS

Dear Shareholders and Investors,

Improving corporate governance along with respecting the interests of shareholders and investors are priority objectives for the management of public companies and have thus become increasingly important given the changing macroeconomic conditions. Moreover, the trends we are seeing in corporate practices illustrate to the need to strengthen the role of the Board of Directors and expand its purview, require greater information and financial transparency from companies and also provide shareholders with more freedom to express their desires and participate in corporate events.

The multi-levelled business structure of Gazprom Neft, which includes geological exploration, production, refining and sales, requires a professional team of managers and a highly efficient system of corporate governance and control. The Company currently has a well-defined and clear organisational structure with a high level of interaction between governing bodies and clear delineation of management and control duties to guarantee sustained growth in the Company's value for shareholders in the long term

In 2015, the Board of Directors focused on such objectives as strategic and investment planning, monitoring the work of the executive bodies, assessing the results of the Company's financial and operating performance as well as the effectiveness of internal control systems and corporate governance matters. The Board of Directors held 68 meetings, including nine meetings in person, which is in line with the best practices of the top Russian companies.

Per the recommendations of the Code of Corporate Governance, the Board of Directors reviews the state of corporate governance at the Company and evaluates its own activities on an annual basis.

In 2015, shareholders approved new versions of the Gazprom Neft Charter and Code of Corporate Governance to reflect the core principles of public companies as recommended by the Bank of Russia. It should be noted that the distribution of functional areas among those involved in corporate relations is dictated by the existence of a single major shareholder – PJSC Gazprom.

We are confident that the experience and professionalism of the Board of Directors along with the effectiveness of Gazprom Neft management will enable the Company to successfully fulfil all of its vital objectives.

**GAZPROM NEFT PJSC
BOARD OF DIRECTORS**