

## CORPORATE GOVERNANCE SYSTEM

The corporate governance system of Gazprom Neft PJSC is based on principles that aim to preserve and multiply assets, increase market value, maintain the Company's financial stability and profitability as well as respect the rights and interests of shareholders and other interested parties.

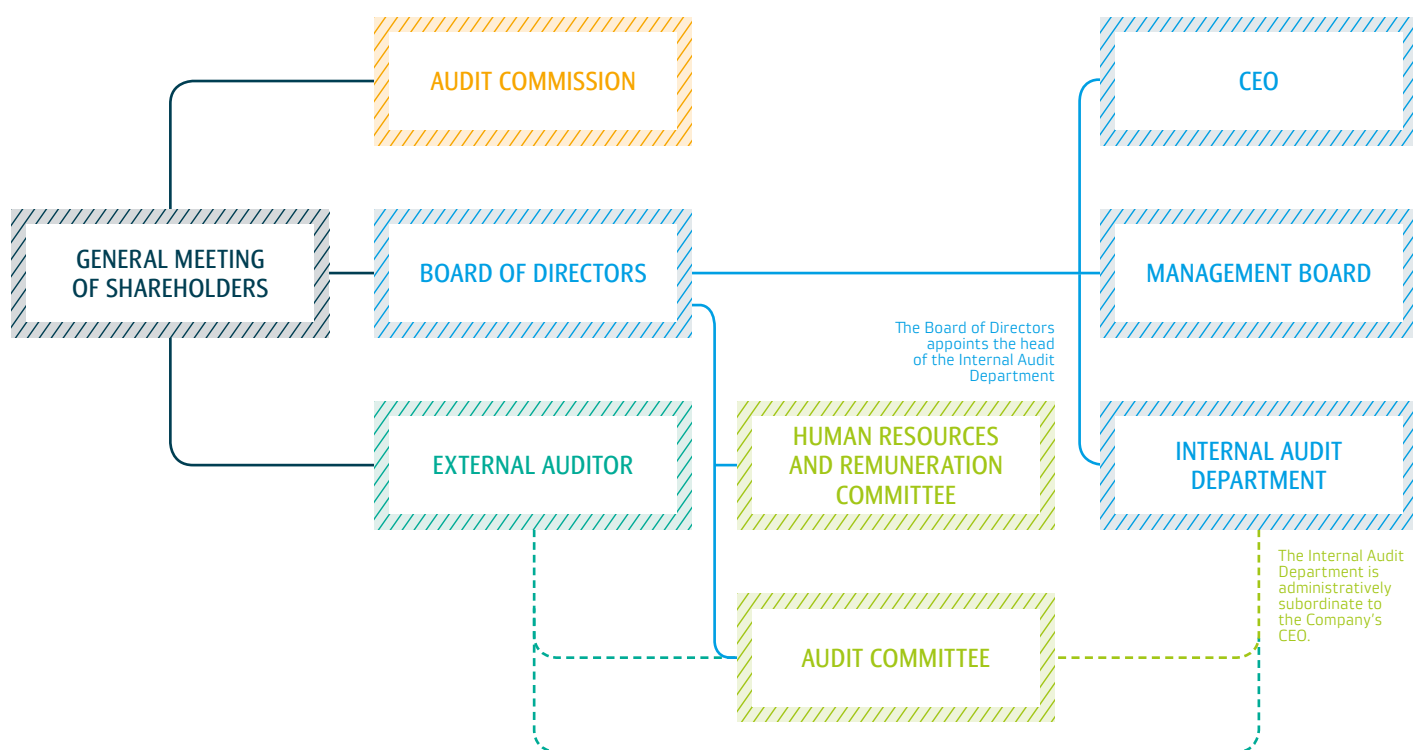
The management of a complex multi-level VIOC structure that includes geological exploration, production, refining and sales both within the country and abroad requires a professional team of managers and a highly efficient system of corporate governance and control. The Company currently has a well-defined 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.

The disclosure and transparency of financial information along with the preservation of the Company's interests regarding the protection of trade secrets and other confidential information play a significant role in the Gazprom Neft corporate governance system.

For Gazprom Neft, the most important information distribution channel available to the greatest number of stakeholders is the Company's official website (<http://www.gazprom-neft.ru/>) and in particular the website's dedicated IR section (<http://ir.gazprom-neft.ru/>). These resources can be used to view the latest Company news, financial and production indicators, reporting and other useful information about the Company's operations as well as documents governing the activities of Gazprom Neft management and supervisory bodies, including the Charter, Regulation on the General Meeting of Shareholders, Regulation on the Board of Directors, Regulation on the Management Board, Regulation on the CEO and Regulation on the Audit Commission.

Adhering to the principle of equal access to information for all stakeholders, Gazprom Neft publishes information on its official website in both Russian and in English.

### STRUCTURE OF GOVERNING AND SUPERVISORY BODIES OF GAZPROM NEFT PJSC //



**BASIC DEFINITIONS** // General Meeting of Shareholders – the supreme governing body whose purview includes the most significant issues concerning the Company's activities.

- **BOARD OF DIRECTORS** – the governing body that handles the overall management of the Company and is responsible for strategic management that aims to increase the Company's shareholder value. The Board of Directors ensures the Company's executive bodies operate effectively and supervises their activities.
- **MANAGEMENT BOARD** – the collective executive body that manages the Company's day-to-day operations.
- **CEO** – the sole executive body that performs the functions of the Chairman of the Company's Management Board.
- **INTERNAL AUDIT DEPARTMENT** – the internal unit that evaluates the effectiveness of the Company's business processes, including production (exploration, extraction, refining and sales), corporate level processes (information technologies and financial activities) and major construction.
- **AUDIT COMMISSION** – the supervisory body that oversees the Company's financial and operational activities and is elected by the General Meeting of Shareholders. The Audit Commission's purview includes the audit and analysis of the Company's financial position, the operation of the internal control and risk management systems and the legality of business transactions.
- **EXTERNAL AUDITOR** – the supervisory body that annually audits the Company's financial statements in accordance with Russian Accounting Standards (RAS) and International Financial Reporting Standards (IFRS) and is approved by the General Meeting of Shareholders based on a proposal by the Company's Board of Directors.
- **INTERNAL CONTROL** – the combination of organisational measures, techniques, procedures, corporate culture standards and actions undertaken by internal control entities as a way to ensure the Company's financial stability, achieve an optimal balance between growth in the Company's value, profitability and risks, conduct business activities in a structured and effective manner, ensure the safeguarding of assets, identify, correct and prevent violations, prepare reliable financial statements in a timely manner and thus enhance the Company's investment appeal.

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**MEETING OF SHAREHOLDERS** // In 2015, the Company held its obligatory annual General Meeting of Shareholders in addition to one extraordinary General Meeting of Shareholders.

**The annual General Meeting of Shareholders held on 5 June 2015 approved the following:**

- approved the Company's Annual Report and annual accounting statement for 2014;
- approved the distribution of profit based on 2014 results;
- decided to pay dividends based on 2014 results in the amount of RUB 6.47 per share (taking into account previously paid dividends for the first half of 2014, payable dividends amounted to RUB 4.62 per share);
- elected new versions of the Board of Directors and Audit Commission;
- approved the Company's external auditor for 2015;
- approved remuneration for members of the Board of Directors and Audit Commission.

**The extraordinary General Meeting of Shareholders held on 30 September 2015 approved the following:**

- considered paying dividends based on the results of the first half of 2015;
- decided to pay dividends based on the results of this period in the amount of RUB 5.92 per share;
- approved a new version of the Charter of Gazprom Neft PJSC;
- approved the Code of Corporate Governance.