

APPROVED  
by the General Meeting of Shareholders of  
Gazprom Neft PJSC on December 14, 2018  
(Minutes № 0101/02 dated 19.12.2018)

**Regulations on the Management Board of Directors of  
Public Joint Stock Company Gazprom Neft**  
new version

## **1. GENERAL PROVISIONS**

- 1.1. These Regulations on the Management Board of Directors of Public Joint Stock Company Gazprom Neft (hereinafter referred to as the “Regulations”) have been developed in accordance with the legislation of the Russian Federation and the Articles of Association of Gazprom Neft PJSC (hereinafter referred to as the “Company”) as well as with the Company’s principles of corporate governance aimed at enhancing efficiency and transparency of the Company’s internal management tools, improving control systems and accountability of the Company governing bodies, and protecting the rights of the shareholders.
- 1.2. The Company Management Board of Directors (hereinafter referred to as the “Management Board”) represents the collegial executive body of the Company, responsible for day-to-day management of the Company.
- 1.3. The Management Board operates in accordance with the legislation of the Russian Federation and with the Company Articles of Association, resolutions of the General Meeting of the Company Shareholders (hereinafter referred to as the “General Meeting of Shareholders”) and the Company Board of Directors (hereinafter referred to as the “Board of Directors”), these Regulations and other internal documents of the Company.
- 1.4. The Management Board shall act in the best of interest of the Company and shareholders thereof and shall report to the General Meeting of Shareholders and Board of Directors.

## **2. PRIMARY TASKS AND COMPETENCE OF THE MANAGEMENT BOARD**

- 2.1. The primary tasks of the Management Board are as follows:
  - Ensuring stable and efficient operation of the Company in accordance with set priorities;
  - Implementing objectives, strategy, policy, and programs of the Company;
  - Establishing effective internal control system and integrated risk management system, approving the register of the key risks incurred as a result of the Company’s activities;
  - Ensuring the execution of decisions made by the General Meeting of Shareholders and Board of Directors.
- 2.2. The Company Articles of Association shall define the scope of authority of the Management Board.
- 2.3. The Management Board has the right to hear the reports of Company officials, receive technical, economical, business, and other information related to the activities of the Company and subsidiaries and affiliates thereof, and perform any other actions within its authority.
- 2.4. On an annual basis or upon request of the Board of Directors, the Management Board shall report to the former on implementation of the Company’s programs and plans, execution of decisions of the General Meeting of Shareholders and Board of Directors, and other results of the Company’s activities including those related to asset management.

## **3. MANAGEMENT BOARD COMPOSITION AND TERM OF TENURE**

- 3.1. The Board of Directors shall establish the Management Board in accordance with the Company Articles of Association and recommendations of the Company Chief

Executive Officer (hereinafter referred to as the “CEO”). The Management Board shall be made up of the Company department managers and other individuals possessing required qualifications and leadership experience.

- 3.2. The Board of Directors shall determine the number of the Management Board members sufficient for maintaining constructive discussion of issues and reaching timely and efficient decisions.
- 3.3. Members of the Management Board shall be elected for the term defined by the Board of Directors. The Management Board members can be re-elected an unlimited number of times.

Should the term of a Management Board member expire during the period between the meetings of the Board of Directors, the authority of such a member shall be extended up until the next Board of Directors meeting.

- 3.4. The authority of any of the Management Board members may be terminated prematurely by a decision of the Board of Directors, either by the initiative of the Board of Directors or a Management Board member, or based on the recommendations of the CEO.

The authority of a Management Board member shall be deemed terminated beginning with the date specified by the Board of Directors or, if not specified, with the date on which such a decision was made.

Should the authority of all Management Board members be terminated prematurely, the Board of Directors shall immediately elect new members of the Management Board.

- 3.5. Should the number of Management Board members becomes less than half of the number of the Management Board members as defined in in Paragraph 8.7 of these Regulations, the Board of Directors shall form a new Management Board.
- 3.6. The Management Board members may not concurrently serve as members of the Company Audit Committee.

#### **4. RIGHTS AND RESPONSIBILITIES OF THE MANAGEMENT BOARD**

- 4.1. The rights and responsibilities of the Management Board members shall be defined by the current legislation of the Russian Federation, Company Articles of Association and by-laws, and individual member employment agreement.

This agreement shall be signed by the Board of Directors Chairman or by a person authorized by the Board of Directors on behalf of the Company.

- 4.2. The Management Board members shall duly and reasonably exercise their rights and responsibilities and act in the best of interest of the Company.
- 4.3. The Management Board members shall comply with the rules provided by internal documents of the Company and in particular not disclose confidential and insider information that have become known to them in the course of their professional duties to parties that do not have access to such information, and shall not use this information for his/her personal advantage or for the advantage of third parties.

- 4.4. The Management Board members have the right to review all regulatory, accounting, reporting, financial, and other Company documents and materials required for sound-decision-making.
- 4.5. The Management Board members shall operate in accordance with the legislation of the Russian Federation and with the Company Articles of Association, decisions of the General Meeting of Shareholders, Board of Directors, these Regulations, and Company by-laws.
- 4.6. The Management Board members shall personally attend Management Board meetings and shall not delegate their votes to other persons including other members of the Management Board. A Board member shall notify the Board Chairman if he/she is unable to attend and provide reason for the absence.

If technically possible, members of the Management Board located outside the venue of the meeting of the Management Board may participate in the meeting, including voting on the items of the agenda of the meeting of the Management Board, using telephone and video conferencing systems.

- 4.7. The Management Board members shall, within 2 months after they became aware or should have become aware about any circumstances under which they may be recognized as being interested in any transactions to be concluded by the Company, inform the Company of:
  - 1) legal entities in respect of which they, their spouses, parents, children, full and half brothers or sisters, adoptive parents and adopted and/or their controlled entities are controlling entities or have the right to give mandatory instructions;
  - 2) legal entities in which they, their spouses, parents, children, full and half brothers and sisters, adoptive parents and adopted and/or their controlled entities are serve as officers of management bodies;
  - 3) Any known current or proposed transactions wherein they may be deemed an interested party;

In case of any changes in the above information after it is received by the Company, members of the Management Board shall notify the Company of any such changes of information within 14 days from the date when they knew or should have known about any such change.

Members of the Management Board shall inform the Company of:

- Number and type of Company securities owned by member; sale and/or acquisition of Company securities by member; and number of Company shares of each type which the member may acquire upon exercise of his/her share options granted by the Company;
- Individuals related to the member by blood or affinity that are members of the Company governing and/or supervisory bodies exercising control over Company financial and business operations.

The interest of a member of the Board of Directors in the Company's transactions is determined in accordance with Article 81 of the Federal Law "On Joint Stock Companies".

The information specified in this Paragraph shall be prepared and sent to the Company in accordance with the requirements of the Bank of Russia to the procedure of submission and the form of notifications provided in Article 82 of the Federal law "On Joint Stock Companies". The Company shall bring such information to notice of the Board of Directors and the Audit Committee of the

Company.

- 4.8. The Management Board members must obtain approval from the Board of Directors prior to engagement in secondary employment or participation in governing bodies of other organizations.
- 4.9. Russian Federation labor legislation shall apply to relations between the Management Board members and the Company only to the extent that it does not conflict with provisions of the Federal Law "On Joint Stock Companies".
- 4.10. The Management Board members shall be held liable for losses incurred by the Company as a result of their actions / failure to act if other grounds or scope of liability are not established by federal laws.

The Management Board members voting against the decision that inflicted losses on the Company or not participating in the voting shall be exempted from liability before the Company.

## **5. MANAGEMENT BOARD CHAIRMAN**

- 5.1. The CEO shall serve as the Management Board Chairman.
- 5.2. The Management Board Chairman shall organize the work of the Management Board, including distributing responsibilities between the Board members, approving meeting agendas, chairing the meetings, signing meeting minutes, and making decisions on other issues envisaged by the Company Articles of Association and these Regulations.

The Management Board Chairman shall represent the Management Board at the Company Board of Directors meetings and the General Meeting of Shareholders.

- 5.3. In the absence of the Management Board Chairman, the Management Board Deputy Chairman shall assume his duties. (The Deputy Chairman shall be elected by a majority vote of the elected Board members based on the recommendation of the Chairman.) In the absence of both the Chairman and Deputy Chairman, one of the Management Board members, as designated by the Management Board, shall assume his duties.

## **6. MANAGEMENT BOARD SECRETARY**

- 6.1. The Management Board Secretary is responsible for organizational support of the Management Board's work.
- 6.2. The Management Board Secretary shall be elected, based on recommendation of the Management Board Chairman, from among Company employees who are not members of the Management Board. The election shall be based on a majority vote of the attending Board members.
- 6.3. Under instruction of the Management Board Chairman, the Secretary has the right to acquire information and documents necessary for the Board meetings from Company officials and employees.
- 6.4. The scope of the Management Board Secretary's authority includes:
  - Ensuring preparation of materials to be considered at meetings of the Management Board;
  - Preparing, per instructions from the Chairman of the Management Board, drafts of individual documents and resolutions by the Management Board;

- Providing information or documents related to the Company's activities to the Management Board members, as requested, and in accordance with legislation and Company by-laws;
- Receiving information provided Board members in accordance with these Regulations;
- Arranging document control and keeping the Management Board meeting minutes and other documents;
- Notifying the Board members and invitees of the meeting date, location, and time and providing relevant meeting materials to the members;
- Providing technical and organizational support to meetings of the Management Board;
- Recording minutes of meetings of the Management Board and compiling minutes of absentee voting;
- Keeping track of implementation of resolutions adopted by the Management Board and informing the management Board about such implementation;
- Producing and signing extracts on certain issues from the minutes of meetings of the Management Board as may be requested by responsible officers;
- Exercising other functions in accordance with the Company by-laws, these Regulations, and instructions of the Chairman of the Management Board.

6.5. The Management Board Secretary shall receive remuneration and may be reimbursed for expenses incurred by him/her in the performance of corporate duties within the scope and procedure established by the Management Board.

## **7. MANAGEMENT BOARD WORK PLAN**

- 7.1. The Management Board operates in accordance with a six-month work plan as well as on an ad-hoc basis as may be decided by the Chairman of the Management Board in accordance with the competence of the Management Board.
- 7.2. The Management Board Work Plan for six months shall be approved by the Chairman of the Management Board prior to the beginning of the relevant six-month period and shall include the following information:
- Description of issues subject to review by the Board;
  - Review period for the above issues and deadline for submissions of materials to the Management Board members;
  - Departments responsible for preparation of materials on each issue.
- 7.3. The Management Board Work Plan for six months shall be generated based on decisions by the General Meeting of Shareholders and the Board of Directors. It shall take into account issues brought up by the CEO and Management Board members and suggestions of the Company department managers. Such issues and suggestions shall include the information specified in Paragraph 7.2 of these Regulations and shall also be sent to the Secretary of the Management Board not later than 30 days before the beginning of the corresponding half-year.

The Secretary of the Management Board shall draw up a draft work plan of the Management Board for the respective half-year period taking into account the

proposals submitted to the Secretary of the Management Board by e-mail. The draft work plan of the Management Board for the half-year agreed by the members of the Management Board is submitted for approval to the Chairman of the Management Board.

- 7.4. The Management Board Secretary shall forward by e-mail the work plan to the Management Board members and departments responsible for preparation of materials related to the items of the agenda within 5 days of its approval.

## **8. CONVOCAATION AND PROTOCOL OF MANAGEMENT BOARD MEETINGS**

- 8.1. The Management Board Chairman shall convene meetings of the Management Board by approving the agenda thereof in accordance with the Management Board work plan.

The Chairman may decide to call an unscheduled meeting on his own initiative or as requested by the Company Audit Committee or Management Board members.

- 8.2. Management Board meetings shall be held in the form of joint attendance except for the cases specified in Paragraph 8.9 of these Regulations.
- 8.3. The agenda of the Management Board meetings is formed on the basis of resolutions adopted by the General Meeting of Shareholders, the Board of Directors, the Management Board, the Audit Committee, the auditor of the Company, proposals of the Chairman of the Management Board, members of the Management Board, heads of structural units as well as the approved work plan of the Management Board for the respective half-year period..
- 8.4. The Management Board meeting agenda with all required materials enclosed shall be forwarded to the Management Board members not later than 3 days prior to the meeting.
- 8.5. The procedure for preparing and providing materials to the Management Board for review shall be approved by the Management Board Chairman.
- 8.6. Audit Committee members, representatives of the Company's auditor, individuals who prepared information and materials concerning agenda items, employees of the Company and subsidiaries thereof, and other individuals may be invited to attend the Management Board meeting.
- 8.7. The Management Board may hold a vote (meets quorum) when not less than half the total number of elected members of the Management Board participate in the meeting.
- 8.8. The Management Board shall adopt resolutions by a majority vote of the attending members.
- 8.9. The Management Board may reach decisions on non-scheduled or urgent issues by the way of absentee voting. In this event, the Management Board members will receive the draft decision of the Board and supporting materials.

In case of polling, members of the Management Board shall be sent ballot papers containing draft decision (resolution) of the Management Board together with supporting materials.

Members of the Management Board whose ballots are received before the date of submission of completed ballots specified in the ballot are considered to have taken part in the poll.

Absentee voting resolutions shall be adopted by a majority vote of the total Management Board membership.

- 8.10. Every Management Board member has the right to cast one vote. A member of the Management Board may not assign their voting rights to another person including other members of the Management Board.

Tie votes shall be decided by the vote of the Management Board Chairman. No other presiding Board member, including the Management Board Deputy Chairman, retains the right to a tie-breaking vote.

- 8.11. The Management Board Chairman shall define the protocol of the Board meetings.

## **9. PROCEDURE FOR DOCUMENTING MANAGEMENT BOARD DECISIONS**

- 9.1. The Management Board Secretary shall record the minutes of the Board meetings. The minutes shall be signed by the presiding officer. The absentee voting minutes shall be signed by the Management Board Chairman.

- 9.2. Decisions of the Management Board shall be documented in the meeting minutes.

- 9.3. The Management Board meeting minutes shall include the following information:

- Form of the meeting (joint attendance or absentee voting);
- Number of the minutes;
- Date, time, and location of the meeting (place of drawing up the minutes and the end date of the deadline for acceptance of filled ballots in case of absentee voting);
- Names of the members of the Management Board who were present at the meeting and those who submitted their written opinions;
- Names of members of the Management Board who submitted filled ballots before the deadline for receiving ballots (in the case of absentee voting);
- Meeting agenda;
- Issues put to vote;
- Voting results;
- Adopted resolutions.

The meeting minutes may also include information about lead speakers and opinions of the attendees.

- 9.4. The minutes of meetings, depending on their form, shall be accompanied by written opinions of the members of the Management Board (if any) or voting ballots filled in by the members of the Management Board (in case of absentee vote):.

- 9.5. Copies of the Management Board meeting minutes shall be forwarded to the



members of the Chairman of the Management Board within 3 business days of their approval.

- 9.6. Resolutions of the Management Board shall be communicated to officers responsible for their implementation within 3 business days after the respective minutes of the meeting of the Management Board is signed.
- 9.7. The Management Board Secretary shall provide minutes of meetings of the Management Board, when requested, to members of the Management Board, members of the Board of Directors, the Audit Committee, the officer responsible for the organization and implementation of internal audit (head of the structural unit responsible for the organization and implementation of internal audit), and the Company's auditor within 3 business days of the relevant request.

## **10. CONTROL OVER COMPLIANCE WITH MANAGEMENT BOARD DECISIONS**

- 10.1. Resolutions adopted within authority of the Management Board shall be binding on the CEO and the Company employees.
- 10.2. Any resolution by the Management Board adopted on a specific issue shall define the individual(s) responsible for implementation thereof and meeting the deadline.
- 10.3. The Management Board Chairman may decide to extend the above deadline but not longer than for 3 months.  
  
A longer extension period may be granted by decision of the Management Board.
- 10.4. When required, and in accordance with the decisions of the Management Board, the Company CEO shall issue relevant orders, sign agreements, and perform other transactions (operations).
- 10.5. The Secretary of the Management Board shall inform the members of the Management Board of the results of implementation of the resolutions adopted by the Management Board by sending information to their e-mails and providing them with a summary report on the status of implementation at meetings of the Management Board.

## **11. FINAL PROVISIONS**

- 11.1. These Regulations and all modifications and amendments thereof shall take effect beginning with the date of approval by the General Meeting of Shareholders.
- 11.2. Should individual provisions of these Regulations contradict legislation of the Russian Federation and/or Company Articles of Association, such provisions shall be deemed invalid and relevant norms of the Russian Federation legislation and/or Company Articles of Association shall be applied. The validity of the other provisions of these Regulations and the entirety of these Regulations shall not be affected thereby.
- 11.3. From the date when these Regulations enter into effect, the Regulations on the Management Board approved by the General Meeting of Shareholders of JSC Gazprom Neft (Minutes No. 44 dated November 19, 2007) shall become invalid.