

GPN Group of Companies

St. Petersburg

Policy

Policy for Charity Work by GPN Group of Companies

About the Document

- 1 DESIGNED by the Regional Development Department of the Corporate Communications Division.
- 2 PROCESS OWNER: Head of the Regional Development Department.
- 3 THIS DOCUMENT REPLACES Corporate Policy-09.00-03, "Policy for Charity Work", version 1.0, approved by Order 212-P, dated 13 August 2007.

Introduction

This Policy defines the goals, principles, and main directions of charity work by GPN Group of Companies.

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1 General Provisions

1.1 This Policy is binding for implementation by all structural units of PJSC Gazprom Neft and by its subsidiaries, subject to the approval of a similar version of the Policy by the respective subsidiary.

1.2 Charity activities of GPN Group are coordinated by the Charity Commission (the Commission operates on the basis of Order No. 17-P dated 06.03.2008).

1.3 Gazprom Neft provides charity assistance to individuals, organizations and institutions, contributing to their development and improvement. Charity activities of GPN Group are carried out in accordance with the statement of its corporate mission (regarding honest and responsible conduct of business) and with the corporate values, which are specified in the Corporate Code of GPN Group of Companies (Code-14.00-01).

1.4 The criterion for implementing charity projects is their compliance with the principles of charity assistance and the main areas of charity work of GPN Group. In order to ensure the relevance of these provisions, PJSC Gazprom Neft regularly carries out socio-economic research in its regions of presence and studies of the socio-psychological climate in work collectives of GPN Group companies, in accordance with Corporate Standard-09.04.09, "Procedure for organizing studies of the socio-psychological climate at GPN Group of companies".

2 Regulatory References*

Code-14.00-01: Corporate Code of GPN Group of Companies.

Catalogue-004: Unified Catalogue of Terms and Abbreviations.

Corporate Standard-09.01.06.04: Charity Assistance under the Policy for Charity Activities of GPN Group.

Corporate Standard-09.01.06.05: Organization and Conduct of Competitions for Social Initiative Grants.

Corporate Standard-09.04.09: Procedure for Organizing Studies of the Socio-Psychological Climate at GPN Group of Companies.

Company Order No. 17-P, dated 06.03.2008: On the PJSC Gazprom Neft Charity Commission.

3 Goals of Charity Work by GPN Group of Companies

3.1 Improving the quality of life in regions of presence of GPN Group, by involvement of PJSC Gazprom Neft and its employees in addressing pressing social problems in the region

3.2 Strengthening the partnership of GPN Group with state bodies and local government, non-profit organizations and other representatives of stakeholders in regions of presence.

3.3 Reinforcing the strong positive reputation of PJSC Gazprom Neft as a socially responsible Company.

* When using this document the applicability of the documents listed in "Regulatory References" should be checked. If a reference document has been replaced (amended), the replaced (amended) document should be taken as guidance when using the present document. If the reference document has been cancelled and has not been replaced, the provision which makes reference to it is applied to the extent that it does not depend on that reference

4 Main Principles for the Provision of Charity Assistance

4.1 **Regional focus** - Charity activities are carried out mainly in regions where GPN Group has presence, in active cooperation with the representatives of all stakeholders.

4.2 **Prospects** - PJSC Gazprom Neft regards charity as an investment in the future of its regions of presence and the future of regions, which are promising for the development of its business. The forward-looking nature of charity activities is also exemplified by the priority given to providing assistance to children and young people, who are in precarious circumstances.

4.3 **Efficiency** - Corporate charity activity should be as efficient as possible as regards both the spending of funds by beneficiaries and the obtaining of positive social changes, which are beneficial to GPN Group.

4.4 **Universality** - The experience of the most successful charity actions implemented by the corporate centre and subsidiaries is applied in all regions of Group presence, suitably adapted to the specifics of the business and social environment of the given region.

4.5 **Uniqueness** – In order to ensure harmonious involvement in the social and economic development of its regions of presence, Gazprom Neft implements its own charity programmes that are not related to any similar activities of other oil and gas companies.

4.6 **Accessibility** - Information support for corporate charity projects should provide understanding of the content and significance of the activities of GPN Group in the relevant sphere, and should enable all stakeholders to effect public control of ongoing projects.

5 Stakeholders

The principal stakeholders are:

- The recipients of charity assistance (individuals, organizations and institutions).
- Managers and shareholders of PJSC Gazprom Neft.
- Employees of GPN Group.
- Government and local government bodies.
- Non-profit organizations (NPOs).
- Business partners of PJSC Gazprom Neft.
- Mass media.
- Local residents in regions of presence of GPN Group.

6 Main Aspects of Charity Work

6.1 Charity work by PJSC Gazprom Neft is carried out as part of the Group's corporate social investment program. Its key areas are: development of the urban environment; support for education; support for non-professional, children's and mass sports; socio-cultural projects and preservation of cultural heritage; and work with minority peoples of the Russian North.

6.2 The chief priority of targeted charity assistance by PJSC Gazprom Neft is financing emergency medical care for children. The Company also considers requests for targeted charity assistance in other areas through the establishment and operation of a special collegial body, the PJSC Gazprom Neft Charity Commission. Charity commissions may also be established at subsidiaries in order to consider requests for the provision of targeted charity assistance.

6.3 Requests for the provision of charity assistance are considered in accordance with Corporate Standard-09.01.06.04, "Charity Assistance under the Policy for Charity Activities of GPN Group".

6.4 A special charity instrument, the CEO's Fund, operates within GPN Group for the conduct of charity events initiated by senior managers of PJSC Gazprom Neft, or by shareholders and stakeholder representatives, and which require prompt decision-making. Decisions to allocate resources from this Fund to finance charity projects not related to main aspects of GPN Group's charity activities are taken by the CEO of PJSC Gazprom Neft.

6.5 The Group operates a Mutual Assistance Fund to provide intracorporate charity assistance to employees of GPN Group, their children and spouses, who find themselves in difficult circumstances. Work of the Fund is coordinated by employees of the Corporate Communications Division (CCD).

7 Resources Used and Assessment of the Efficiency of Charity Work

7.1 Charity work is funded from the resources of GPN Group, the CEO's Fund and by employees of the corporate centre and subsidiaries.

7.2 Financial resources for the conduct of charity work are spent in accordance with the business plans of the corporate centre and subsidiaries.

7.3 PJSC Gazprom Neft establishes compulsory reporting on the expenditure of funds for all beneficiaries of charity assistance and NPO partners. This is necessary in order to assess the efficiency of implemented programmes. The only exception to the mandatory reporting rule pertains to funds allocated for charity purposes from the CEO's Fund.

7.4 Staff of the Corporate Communications Division systematically monitor factual results of charity spending. A database of PJSC Gazprom Neft charity projects is compiled using the information, which is collected.

7.5 External representatives of central and local self-government, NPOs and other stakeholders may take part in the analysis of applications for charity assistance, and in discussion of the social needs of regions of presence and of the main types of charity work by GPN Group.

7.6 Evaluation of the efficiency of information support for the charity activities of PJSC Gazprom Neft is carried out on a systematic basis.

8 Documentary and Information Support for the Policy

The present policy is implemented on the basis of the following documents:

8.1 Federal Law of the Russian Federation No. 135-FZ dated 11.08.1995, "On Charity Activities and Charity Organizations".

8.2 Corporate Code-14.00-01 of GPN Group.

8.3 Process Guideline Document 09.01.06.03, "Functioning of the Mutual Assistance Fund".

8.4 Corporate Standard-09.01.06.04, "Charity Assistance under the Policy for Charity Activities of GPN Group".

8.5 Corporate Standard-09.01.06.05, "Organization and Conduct of Competitions for Social Initiative Grants".

8.6 Catalogue-004, "Unified Catalogue of Terms and Abbreviations".

Implementation of this Policy is also furthered by systematic information interaction between the corporate centre and subsidiaries.

Appendix 1

Terms and Abbreviations

The terms and abbreviations defined in Catalogue-004 as well as the following terms and abbreviations are used for the purposes of charity work:

Stakeholders: physical and/or legal persons whose rights and obligations may be affected in the course of work by GPN Group.

Sustainable development: development that meets the needs of today without threatening the ability of future generations to meet their needs.

Charity work: voluntary work by citizens and legal entities for the disinterested (unpaid or on concessionary terms) transfer to citizens or legal entities of property (including money), disinterested performance of works, rendering of services, and the provision of other support.

The Home Towns social investment programme: a comprehensive social investment program by PJSC Gazprom Neft, consisting of projects for improvement of the quality of life in towns and cities where the companies of GPN Group are present, expanding access of their residents to a high-quality urban environment, education, culture and sport.

Social investments: the contribution of GPN Group to the systemic transformation of the social sphere in towns and cities in regions where GPN Group companies have presence, and where employees of the Group work.

Bibliography

This Policy has been prepared on the basis of the requirements of the following laws of the Russian Federation:

[1] Federal Law of the Russian Federation No. 135-FZ dated 11.08.1995, "On Charity Work and Charity Organizations".