

Information on the Auditor

The selection of an auditor to carry out the audit of the Gazprom Neft PJSC's financial (accounting) statements prepared under the RAS and IFRS, involved a two-round candidate selection process.

The candidates and the offers received in the course of the first and second rounds of the selection process were evaluated according to the following criteria:

1. Qualification and experience of the candidate in the subject matter.

- a) Experience in auditing companies of the oil and gas industry sector (RAS and IFRS);
- b) Positive experience in providing audit services throughout the GPN Group in the last three years.

2. Procuring data protection and compliance with facility agreements (including rating agencies).

- a) Protection of the client's data (license issued by the Federal Security Service);
- b) Written approval by facility agents under the current facility agreements made by Gazprom Neft PJSC confirming that the audit firm is an internationally recognized auditor;
- c) The company fully used its audited financial statements prepared under the IFRS as part of the prospectus for debt securities when obtaining the rating from international rating agencies (Moody's, Fitch, S&P).

3. Financial parameters.

- a) Fee payable for the services, including any overheads (exclusive of VAT);
- b) Terms of payment.

4. Independence.

The auditor remains independent if its revenue per client is equal to or less than 15% of the total auditor's revenue (pursuant to the requirement of the Russian Ministry of Finance – section 2.112 of the Rules of Independence of Auditors and Audit Entities and international requirements – section 290.219 of IESBA Code of Ethics).

Based on the results of the selection, PricewaterhouseCoopers JSC Audit was nominated as a candidate to be selected as the auditor of Gazprom Neft PJSC for 2016 to carry out the audit according to the Russian accounting standards (RAS) and to the international financial reporting standards (IFRS).

PricewaterhouseCoopers Audit JSC is the largest company globally providing audit and consultancy services. In past several years Gazprom Neft PJSC has worked with this firm as its third-party auditor.

General and professional characteristics of the PwC network

The PwC brand unites the firms which are part of the global network of PricewaterhouseCoopers International Limited (PwCIL) firms. The global network employs over **223,000** people in **157** countries. Each firm in the network is a legal entity and does not act as an agent of PwCIL or any other network firm.

PwC network was created in 1998 by the merger of two networks of firms — Price Waterhouse and Coopers & Lybrand — each with historical roots going back some **160** years.

Leadership on the global market

The PwC network is one of the largest professional service networks in the world with the total gross revenue for 2015 financial year standing at USD **35.9** billion.

Our clients, globally, include **422** companies from Fortune Global 500 (2016).

Although the company size and market share are not the only marks of a leader, these parameters explain how successful we are in working with our clients and confirm that we have the required experience based on which we are going to build our work with you.

What our clients value us for?

- Our auditors' and consultants' deep technical and professional knowledge.
- Strategic and tactical recommendations applicable in practice.
- The ability to rely on the expertise of the entire international network.
- Professional independence and work ethics.

PwC network in Russia

In Russia, PwC (www.pwc.ru) provides industry-focused assurance, advisory, tax and legal services. Over **2,000** people work in our offices in Moscow, St Petersburg, Krasnodar, Ekaterinburg, Kazan, Novosibirsk, Voronezh, Rostov-on-Don, Ufa and Vladikavkaz. We share our thinking, vast experience and solutions to develop fresh perspectives and practical advice to open up new vistas for business.

The PwC network first appeared in Russia in 1913 entering the Russian market for the second time in 1989.

In the past two decades, PwC became one of the largest networks in Russia providing professional services.

According to an independent research carried out among large companies and organizations in Russia, during the last seven years PwC remains the leading brand among the “Big Four”. This research was conducted anonymously by an independent research organization according to ESOMAR standards.

As at the beginning of March 2017, PwC in Russia employed **2,938** persons, of which **2,827** are Russian citizens.

These include:

over **1,480** accountants and auditors;

over **570** tax and legal advisors;

over **460** investment, corporate finance and financial and business advisors.

Our clients in Russia

Currently, among our clients are over **3,000** companies, including **270** from the Expert 600 largest companies rating. They account for **74%** of the total revenue of the companies on the rating list.

The data prepared on the basis of the rating of the largest Russian companies in terms of revenue as at the end of 2015, Expert 600, October 2016:

45% are the PwC clients in Russia;

74% of the total revenue of Expert 600 companies is generated by the PwC network clients in Russia;

20% is the PwC network's audit market share in Russia, by the number of clients;

26% is the PwC network's audit market share in Russia among the Expert 600 companies whose revenue exceeds USD **1 billion**.

Our audit and consultancy clients include:

Top 10 largest financial companies and banks;

9 of 10 largest oil and gas companies;

6 of 10 largest power companies;

6 of 10 largest retail companies;

9 of 10 largest metallurgical companies;

8 of 10 largest telecoms companies;

9 of 10 largest mining companies;

We are proud to have gained trust of shareholders and top management of the largest Russian state-owned and private companies.

Membership in professional organizations

In the course of **25** years of our presence in Russia, we have always played an active role in professional organisations. Thanks to our membership in Russian non-governmental organisations, we are able to make a contribution to further development in the auditor and accounting professions in Russia and find solutions for complex challenges faced both by our profession as a whole and by our clients.

PwC Russia firms are members in many professional organizations, business clubs and business associations, including:

- Russian Audit Chamber (RAC);
- Russian Union of Industrialists and Entrepreneurs (RSPP);
- Association of Independent Directors (AID);
- Association of Managers of Russia (AMR);
- American Chamber of Commerce (AmCham);
- Association of European Businesses (AEB);
- Russo-British Chamber of Commerce (RBCC);
- German-Russian Foreign Trade Chamber (AHK);
- U.S.-Russia Business Council (USRBC);
- Japanese Business Club (JBC);
- Finnish-Russian Chamber of Commerce (FRCC), and others;

General and Professional Characteristics of PwC Audit JSC

The audit firm of the PwC network was registered in Russia on 28 February 1992.

PwC Audit JSC is part of the global network of firms PricewaterhouseCoopers International Limited, each of them is a separate legal entity.

Since February 2015, PwC Audit JSC's shareholders are solely Russian citizens.

Professional qualifications of the PwC Audit JSC employees:

185 employees have the Russian auditor's qualification certificate;

290 employees have the British Chartered Accountant qualification (ACCA);

15 employees have the American certified accountant qualification (CPA).

Membership in the self-regulatory organization of auditors

It is hereby confirmed that a Participant is a member of the Non-Commercial Partnership Russian Audit Chamber (the "Association") (NP RAC) with the primary registration entry number (ORNZ): 11603050547.

The information on NP RAC (OGRN 1027739244015) has been filed with the state registry of self-regulatory auditor organisations pursuant to the Order of the Ministry of Finance of the Russian Federation dated 26 November 2009, no.578. Date of issue of the certificate: 16 October 2016.

Professional Indemnity Insurance

PwC Audit JSC has a valid auditor professional indemnity insurance policy no. 49/2007 15156-02 (P1071-11-084454-001), issued on 5 July 2016. The policy is extended annually with the currently validity period until 30 June 2017. The total insurance premium is no less than USD 15 (fifteen) million.

Accreditation with international supervisory bodies

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PwC Audit JSC is registered with the US Public Company Accounting Oversight Board – PCAOB. The PCAOB is a non-profit organisation established under the Sarbanes-Oxley Act of 2002 to oversee the audits of public companies in order to protect investors and public interest. The Chairman and members of the PCAOB Board are appointed by the US Securities and Exchange Commission (SEC).

PwC Audit JSC is registered with the relevant professional oversight bodies in the UK and Luxembourg as a third-country auditor organization pursuant to the resolution of the Commission of the European Union dated 29 July 2008 on the provisions for transition period to comply with article 46(2) of Directive 2006/43/EC dated 17 May 2006.

Quality management system ISO 9001:2008

Notwithstanding the fact that auditor's activities do not require mandatory certification, pursuant to the applicable laws of the Russian Federation, nevertheless, PwC Audit JSC has a certificate of conformity to the quality management system GOST ISO 9001-2011 (ISO 9001:2008) No. SDS.RTS.RF.3996 dated 10 December 2015 issued by LLC RosTechStandard. The certificate of conformity is valid from 10 December 2015 through 10 December 2018.

Ratings and awards

First positions in Russian and international ratings, as well as numerous awards and prizes received by the PwC network firms throughout many years serve as evidence of our business reputation.

Awards in the field of audit

- 1St place in the 2017 Vault** rating of the best accounting and auditing firms (2016);
- 1St place in the 2017 Vault** rating of the best accounting and auditing firms in the area of socio-cultural diversity and equality (2016);
- 1St place in the 2017 Vault** rating of the most prestigious auditing firms (2016).
- Best Consultant of the Year in Treasury Transactions, TMI magazine (2015);
- In 2015, PwC took the second place in the Rating of the best Employers of Russia Universum Top 100 in the Best in Class: Audit (2015);
- Best international consultancy firm on the Russian market of Private Equity, Preqveca (2014);

- According to Expert RA rating agency, at the end of 2014 PwC Russia was on the second place among the largest auditor consultancy groups in Russia (2014);
- Auditor of the Year, 2 place, Russia IPO awards (2013);
- Best Auditor of the Year, Russia IPO awards (2012);
- 1st place in the Auditor IPO rating in terms of the amount and quantity of deals in 2009, analytical group ReDeal as part of offerings.ru project (2010);
- Laureate of Femida prize in the Audit category for being an example of legal practice in Russia, professional independence and contribution to the development of business and law (2010);
- Insurance Auditor and Consultant, Russian prize in the insurance sector Gold Salamander (2010).

Awards in the field of consultancy

- 1st place among the auditor organizations in Forensic Financial Investigation, Vault (2016);
- 2nd place in the field of financial consulting for 2016, Vault (2015);
- Best Consultant of the Year in Treasury Transactions, TMI magazine (2015);
- One of the leaders in providing consultancy in IT-infrastructure transformation, Kennedy Consulting Research & Advisory (2015);
- One of the leaders in Asset-Intensive Operational Excellence Consulting, Kennedy Consulting Research & Advisory (2015);
- One of the leaders in Commercial Execution: Channel, Category & Sales Management Consulting, Kennedy Consulting Research & Advisory (2015 r.);
- Best international consultancy firm on the Russian market of Private Equity, Preqveca (2014);
- Global Leader in Business Consultancy, IDC (2014);
- PwC was named the leader in the consultancy services market in the crisis management and rehabilitation sector according to Kennedy Consulting Research & Advisory (2014);
- 1st place among the auditor organizations in Forensic Financial Investigation, Vault (2016);
- Global Leader in Business Consultancy, IDC (2011);
- Global Leader in Business Consultancy, Kennedy Consulting Research & Advisory* (2011);
- Number 1 in Developing Strategies for Overcoming the Effects of the Economic Crisis and Financial Restructuring, Kennedy Information** (2009);
- Leading Financial Consultant of the Year in Russia, Acquisitions Monthly (2009);

- Leader in Information Security and IT Risk Management, Forrester Research (2009);
- Best Consultant in the Word in Outsourcing, International Association of Outsourcing Professionals (2009);
- Best Consultant of the Year in Treasury Transactions, TMI magazine (2009);
- Leading Financial Consultant, Acquisitions Monthly (2009);
- Best Consultant of the Year in Financial Service in Eastern Europe and Best Consultant of the Year in Financial and Economic Analysis in Russia, ACQ Finance (2009);
- Consultant of the Year in Equity Investment in Central and Eastern Europe, unquote research agency (2009).

Awards in the field of taxation

- Vanguard Leader for Global Mobility Consulting ALM Intelligence (2016 г.);
- Russia Tax Firm of the Year, International Tax Review magazine (2016).
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- Tax Firm of the Year in Russia, Global Tax Monitor (2013);
- Russia Transfer Pricing Firm of the Year, International Tax Review magazine (2013);
- Russia Tax Firm of the Year, International Tax Review magazine (2011);
- Europe Transfer Pricing Firm of the Year, International Tax Review magazine (2011);
- Best Tax Practice in Russia, World Finance magazine (2011);
- Russia Transfer Pricing Firm of the Year, International Tax Review magazine (2010);
- Europe Transfer Pricing Firm of the Year, International Tax Review magazine (2010);
- Transfer Pricing Firm of the Year in seven European countries and regions: Austria, Baltic countries, UK, Ireland, Portugal, Russia, Switzerland; International Tax Review magazine (2010).
- Russia Transfer Pricing Firm of the Year, International Tax Review magazine (2009);
- Best Tax Team in Russia, World Finance magazine (2009);

Legal services awards

- The Legal 500 recommends PwC Legal as one of the leading law firms in Russia in the following categories: corporate and M&A (Moscow), employment and tax (2016);

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- The Pravo.Ru-300 (a leading Russian rating of law firms) ranked PwC Legal among top-ten law firms in Russia (2016).
 - PwC Legal is ranked seventh largest law firm in Russia out of the Top-50 best law firms in Russia according to the Russian daily Kommersant (2016);
 - Chambers & Partners Europe recommends PwC Legal as one of the leading law firms in Russia in the tax practice area (2016).
 - The Legal 500 recommends PwC Legal as one of the leading law firms in Russia in the following categories: corporate and M&A (Moscow), employment and tax (2016);
 - Chambers & Partners Europe recommends PwC Legal as one of the leading law firms in Russia in the tax practice area (2016).
 - The Pravo.Ru-300 (a leading Russian rating of law firms) recommended PwC Legal as one of the leading law firms in Russia. PwC Legal was ranked ninth leading law firm in Russia for revenue and eighth for its number of lawyers. PwC Legal is also recognised in the following practice areas: tax law, financial law, energy and natural resources, corporate law and M&A, antitrust law (2015);
 - PwC Legal is among the largest law firms in Russia – 13th in the rating published by the Russian daily Kommersant (2015);
 - Yana Proskurina (tax law), Inga Shakhnazarova (real estate and construction law), and Alexei Dingin (employment law) have been named among Russia's best lawyers by Best Lawyers International (2015);
 - The Legal 500 recommends PwC Legal as one of the leading law firms in Russia in the following categories: corporate and M&A (Moscow), employment and tax (2014);
 - Based on the results of the rating made by Chambers & Partners Europe, the Russian legal practice of PwC Legal was named as one of the leading legal firms in Russia in employment law and taxes (2014);
 - The Russian legal practice of PwC Legal was included in the rating of the 50 leading legal firms in Russia made by the popular Russian magazine Sekret Firmy (the magazine belongs to the publishing house Kommersant). PwC Legal holds the ninth place in the rating among the best legal firms in Russia (2013).

General awards of PwC

- PwC is named the strongest brand. PwC has been named the strongest business to business brand by Brand Finance and is included in the world's ten most powerful brands in the annual index prepared by this independent consultancy agency. The Brand Finance index is an annual assessment of the brand value of over 500 of the world's best known businesses. PwC achieved the highest score (AAA+) for the sixth year in a row assessing the brand as 'exceptionally strong and well managed'. Ian Duncan, Managing Director, Global Brand, PwC said: "The PwC brand is a key element in the growth of our network, both in our more well-known and established services and in new markets. The award

demonstrates the strength of our brand and the progress we have made in recent years. It also shows how the investments we have made and continue to make in our people, quality and expertise are bearing fruit ." (2016);

- In 2015, PwC took the second place in the Most Attractive Employer category in business in Universum Top 10 rating of the best employers globally (2015);
- In 2013, PwC Russia received the award for achievements in managing international sports events in the Best Use of Sponsorship category for the partnership program during the preparation for the 2013 Summer Universiade in Kazan (2013);
- In 2013, PwC Russia won the Towards the Future! prize in sustainable development awarded by the Organizing Committee of Sochi 2014 Olympics in the Economic Prosperity category (2013);
- In 2012, the Russian Union of Industrialists and Entrepreneurs (RSPP) awarded PwC Russia for the contribution in the development of corporate philanthropy in Russia (2012).