

THE BOARD OF DIRECTORS OF THE COMPANY, COMMITTEES ATTACHED TO THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS

The Board of Directors of Zarubezhneft JSC (prior to the Annual General Meeting of Shareholders) was elected in accordance with Order No. 822-p

"On Resolutions of the Extraordinary General Meeting of Shareholders of Zarubezhneft Joint Stock Company" of the Federal Agency for State Property Management, dated November 29, 2018, with the composition as follows:

Full name	Information
Aleksandr Alekseevich Gladkov	Director of the Oil and Gas Production and Transportation Department of the Ministry of Energy of the Russian Federation year of birth – 1969 holds no Company shares
Karen Vilgelmovich Karapetyan	year of birth – 1963 holds no Company shares
Sergey Ivanovich Kudryashov	General Director of Zarubezhneft JSC year of birth – 1967 holds no Company shares
Maksim Yurievich Sokolov	General Director of LSR Group PJSC year of birth – 1968 holds no Company shares
Evgeniy Alekseevich Murov	year of birth – 1945 holds no Company shares
Aleksey Leonidovich Teksler	First Deputy Minister of Energy of the Russian Federation year of birth – 1973 holds no Company shares
Anatoliy Vladimirovich Tikhonov	General Director FSBI "Russian Energy Agency" of the Ministry of Energy of the Russian Federation year of birth – 1969 holds no Company shares

Pursuant to the resolution of the Board of Directors of Zarubezhneft JSC, dated December 06, 2018 (Minutes No. 161), Evgeniy Alekseevich Murov was elected Chairman of the Board of Directors of Zarubezhneft JSC.

Pursuant to Order No. 409-p "On Resolutions of the Annual General Meeting of Shareholders of Zarubezhneft Joint Stock Company" of the Federal Agency for State Property Management, dated June 30, 2019, the Board of Directors of Zarubezhneft JSC was elected with the composition as follows:

Full name	Information
Karen Vilgelmovich Karapetyan	Advisor to the Chairman of the Management Board of Gazprombank (JSC) year of birth – 1963 holds no Company shares
Pavel Anatolievich Kadochnikov	Vice-Rector for Research of the All-Russian Academy of Foreign Trade of the Ministry of Economic Development of the Russian Federation year of birth – 1978 holds no Company shares
Sergey Ivanovich Kudryashov	General Director of Zarubezhneft JSC year of birth – 1967 holds no Company shares
Evgeniy Alekseevich Murov	year of birth – 1945 holds no Company shares
Maksim Yurievich Sokolov	First Deputy General Director of LSR Group PJSC year of birth – 1968 holds no Company shares
Pavel Yurievich Sorokin	Deputy Minister of Energy of the Russian Federation year of birth – 1973 holds no Company shares
Anatoliy Vladimirovich Tikhonov	Deputy Minister of Energy of the Russian Federation year of birth – 1969 holds no Company shares

The Regulation on the Board of Directors of Zarubezhneft JSC was approved by resolution of the Extraordinary General Meeting of Shareholders of Zarubezhneft JSC (Order No. 2253-p of the Federal Agency for State Property Management, dated October 12, 2005).

In accordance with the instructions of the Federal Agency for State Property Management, the Company annually sends proposals on candidates to the Board of Directors of Zarubezhneft JSC. When preparing proposals for the candidates of independent members of the Board of Directors, the Company follows the requirements specified in Clause 8 (1) of the Regulation "On Management of Joint Stock Companies' Shares Held in Federal Ownership and Use of the Special Right to Participation of the Russian Federation in Management of Joint Stock Companies" ("Golden Share") approved by Decree No. 738 of the Government of the Russian Federation, dated December 3, 2004, as well as the Bank of Russia requirements

specified in Annex No. 4 to Regulation No. 534-П "On Admission of Securities to Organized Trading" approved by the Bank of Russia on February 24, 2016.

The Regulation on Compensation to the Members of the Board of Directors of Zarubezhneft JSC was approved by Order No. 243-p of the Federal Agency for State Property Management dated May 18, 2017. According to the Regulation, the compensation payable to the members of the Board of Directors shall depend on the Company's achievement of target values of key performance indicators determined subject to the guidelines as delivered by federal executive authorities, and aimed at fulfillment of strategic business objectives of Zarubezhneft JSC.

In 2019, the total amount of compensation payments to 5 members of the Board of Directors of Zarubezhneft JSC, based on the 2018-2019 corporate year

performance in accordance with Order No. 409-p "On Resolutions of the Annual General Meeting of Shareholders of Zarubezhneft Joint Stock Company" of the Federal Agency for State Property Management, dated June 30, 2019, was as high as 38,448,219 RUB, including to:

- E. A. Murov – 10,000,000 RUB,
- A. V. Tikhonov – 9,517,260 RUB,
- M. Yu. Sokolov – 9,434,521 RUB,
- R. R. Simonyan – 4,219,726 RUB,
- and K. V. Karapetyan – 5,276,712 RUB.

In 2019, 14 meetings of the Company's Board of Directors were held, at which 78 issues were considered, including 13 issues under the directives of the Government of the Russian Federation and instructions of the Federal Agency for State Property Management received by the Company in 2019, as follows:

A list of issues considered by the Board of Directors in 2019 in accordance with the directions of the Government of the Russian Federation and the instructions of Rosimushchestvo

Item No.	Number and date of the directives of the Government/ instructions of the Federal Agency for State Property Management	Number and date of the Minutes of the meeting of the Board of Directors	Issue
1	No. 10068n-П13 dated 06.12.2018	163 dated 28.01.2019	On transition of Zarubezhneft JSC to preferential use of domestic software.
2	No. 276n-П13 dated 17.01.2019	164 dated 26.02.2019	On updating the Long-Term Development Program of Zarubezhneft JSC (hereinafter, the LTDP) and submission of the LTDP audit reports to the Ministry of Economic Development of the Russian Federation, the Federal Agency for State Property Management, and federal executive authorities coordinating Zarubezhneft JSC activities, in accordance with Decree No. 1870-p of the Government of the Russian Federation dated August 30, 2017
3	No. 1519n-П13 dated 20.02.2019	164 dated 26.02.2019	On development of programs to improve the quality of procurement management.
4	No. 584n-П13 dated 26.01.2019	166 dated 29.03.2019	On finalizing corporate import phase-out plans for protection against radiation, chemical and biological factors.
5	No. 4111n-П13 dated 08.05.2019	168 dated 11.06.2019	On expanding the practice of using factoring in the performance of contracts for the supply of goods (performance of work, provision of services).
6	No. 4482n-П13 dated 23.05.2019	168 dated 29.05.2019	On Zarubezhneft JSC year-end dividends for 2018.
7	No. 5051n-П13 dated 10.06.2019	170 dated 27.06.2019	On establishing Zarubezhneft JSC subsidiaries.
8	No. 6387n-П13 dated 15.07.2019	171 dated 12.08.2019	On electing the Chairman of the Board of Directors of Zarubezhneft JSC.
9	No. 9054n-П13 dated 02.10.2019	174 dated 26.11.2019	On implementation of methodological guidelines on KPI application in state companies and development (updating) of the Company bylaws governing formation of key performance indicators and compensations to the Company management.
10	No. 9984n-П13 dated 01.11.2019	174 dated 26.11.2019	On the purchase of Russian production used to execute national projects and implement a comprehensive plan of modernization and expansion of the trunk infrastructure.
11	No. 10357n-П13 dated 14.11.2019	176 dated 30.12.2019	On expediency of the Company integration into the activities covered by the national project (program) "International Cooperation and Export".
12	No. 10464n-П13 dated 18.11.2019	176 dated 30.12.2019	On amendments to Zarubezhneft JSC procurement documentation governing competitive procedures.
13	No. 11528n-П13 dated 13.12.2019	176 dated 30.12.2019	On the possibility of the JSC transition to tax control in the form of tax monitoring.

In 2019, as part of the measures on updating the Long-Term Development Program of the Company, the following annexes to the LTDP were updated by resolution of the Board of Directors, subject to the recommendations given on the results of the LTDP audit and to the directives received from the Government of the Russian Federation, as below:

- Annex No. 3 "Zarubezhneft Group Innovation-Related Activity";
- Annex No. 4 "Action Plan for Zarubezhneft JSC Long-Term Development Program Risk Management up to 2030";
- Annex No. 5 "Demand of Labor Resources under Zarubezhneft JSC Long-Term Development Program";
- Annex No. 6 "Labor Performance Enhancement Program";
- Annex No. 7 "Measures to Increase Performance and Transparency of Zarubezhneft JSC Activities";
- Annex No. 8 "Measures on Planned and Phased Replacement of the Foreign Production, Works and Services Purchased with Equivalent Domestic Products, Work and Services";
- Annex No. 9 "Operating Expenses Reduction Program";
- Annex No. 10 "Program Measures to Ensure Achievement of the LTDP KPIs and Compensation to Zarubezhneft JSC Management".

Also, for the purpose of implementation of measures on Zarubezhneft JSC digital transformation, Annex No. 13 to the Long-Term Development Program, "Zarubezhneft JSC Strategy in Digital Transformation", was developed and approved by the Board of Directors.

In pursuance of directive No. 276n-П13 dated January 17, 2019 of the Government of the Russian Federation, in order to implement the sectoral section of the action plan for acceleration of the growth rates of investments in fixed capital and increase their share in the gross domestic product up to 25 percent, the Board of Directors of Zarubezhneft JSC approved Annex No. 14 to the LTDP, "Long-Term Development Program Measures to Accelerate the Growth Rates of the Investments in Fixed Capital of the Exploration and Production segment.

Detailed information on the Company's compliance with the directives of the Government of the Russian Federation, and with the instructions of the President and the Government of the Russian Federation, is provided in the Section "Report on the Execution

of the Instructions of the President and the Government of the Russian Federation".

The meetings of the Board of Directors also considered the issues aimed at fulfillment of the strategic business objectives of the Company, as follows:

- On approval of the Report on Achievement of Zarubezhneft JSC Corporate KPI Target Values for 2018;
- Preliminary approval of the Annual Report of Zarubezhneft JSC for 2018;
- On approval of the Report on Implementation of Zarubezhneft JSC Innovation Development Program for 2018;
- Progress report on implementation of Zarubezhneft JSC Corporate Strategy for 2019;
- On approval of Zarubezhneft JSC KPI target values for 2020;
- On approval of Zarubezhneft JSC Business Plan for 2020.

- The Annex encloses a complete list of issues considered at the meetings of the Board of Directors of the Company in 2019.

The full list of issues considered at the meetings of the Company's Board of Directors in 2019 is given in the appendix "Information on the holding of the Board of Directors' meetings".

COMMITTEES ATTACHED TO THE BOARD OF DIRECTORS

Three committees were established under the Board of Directors of Zarubezhneft JSC, as follows:

- Strategic Planning Committee;
- Audit Committee;
- Compensation and Nominating Committee.

Strategic Planning Committee

Composition of the Strategic Planning Committee under the Board of Directors of Zarubezhneft JSC in 2019

The Committee Members, prior to the Annual General Meeting of Zarubezhneft JSC shareholders (January 1, 2019 through June 30, 2019):

- Aleksey Leonidovich Teksler – First Deputy Minister of Energy of the Russian Federation (**the Committee Chairman**);
- Karen Vilgelmovich Karapetyan – Advisor to the Chairman of the Management Board of Gazprombank (JSC);
- Sergey Ivanovich Kudryashov – General Director of Zarubezhneft JSC;
- Anatoliy Vladimirovich Tikhonov – General Director of FSBI "Russian Energy Agency" of the Ministry of Energy of the Russian Federation.

The Committee Members, subsequent to the Annual General Meeting of Zarubezhneft JSC shareholders (August 12, 2019 through December 31, 2019):

- Anatoliy Vladimirovich Tikhonov – Deputy Minister of Energy (the Committee Chairman);
- Pavel Anatolievich Kadochnikov – Vice-Rector for Research of the All-Russian Academy of Foreign Trade of the Ministry of Economic Development of the Russian Federation;
- Karen Vilgelmovich Karapetyan – Advisor to the Chairman of the Management Board of Gazprombank (JSC);
- Sergey Ivanovich Kudryashov – General Director of Zarubezhneft JSC;
- Pavel Yurievich Sorokin – Deputy Minister of Energy of the Russian Federation.