

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.

Pursuant to the Regulation on the Strategic Planning Committee under the Board of Directors, the issues lying within its competence and expertise include, without limitations, as follows:

- determining priority areas, strategic objectives and basic principles of the Company strategic development;
- considering long-term development programs and reports on implementation thereof;
- considering reports on implementation of the Company strategy, developing recommendations as to adjustment thereof;
- developing recommendations as to establishing branches and opening representative offices;
- developing recommendations as to approval of the Company key performance indicators and target values thereof;
- considering reports on the Company's achievement of the target values of the approved key performance indicators;
- developing recommendations as to strategic documents covering innovative development issues.

During 2019, 17 meetings of the Strategic Planning Committee were held, each with the participation of all elected members of the Strategic Planning Committee.

Following the results of the meetings held in 2019, the Strategic Planning Committee made recommendations to the Board of Directors of the Company as to the following issues:

- consideration of the Progress Report on Implementation of Zarubezhneft JSC Corporate Strategy for 2019;
- implementation of Zarubezhneft JSC Long-Term Development Program (LTDP) as part of the consideration of the Report on the LTDP Implementation, and the audit report as to the LTDP implementation inspection in 2018;
- approval of Zarubezhneft JSC Business Plan for 2020;
- approval of the report on achievement of the KPI target values for 2018 and establishment of the target values for 2020;
- approval of the Performance Enhancement and Operational Costs Reduction Program for 2019;

- approval of the Report on Implementation of Zarubezhneft JSC Innovation Development Program (hereinafter, the IDP) for 2018;
- issues regulating the sale of non-core assets of Zarubezhneft JSC (NCA), including the approval of the NCA Register and the NCA Sale Plan for 2019.

Besides, at the Committee physical meeting (Minutes No. 53 dated March 6, 2019) consideration of, and recommendations as to, the key issues related to the implementation of the Corporate Development Strategy of the Company, were given as follows:

- On the vision embodied in Zarubezhneft JSC Innovation Development Program.
- On development of renewable energy sources projects in Zarubezhneft JSC.
- On current status of Zarubezhneft JSC as to entering new oil and gas projects in foreign countries and in the Russian Federation.

The List of Issues Considered at the Meetings of the Strategic Planning Committee under the Board of Directors of Zarubezhneft JSC in 2019

No.	Meeting / form of holding	Meeting date	Agenda	The Strategic Planning Committee Members having participated in the meeting
1	Strategic Planning Committee meeting / by correspondence	11.01.2019	<ol style="list-style-type: none"> 1. Consideration of the revised edition of the Guidelines for Forming Operating Expenses and Calculating the Operating Expense Reduction Indicator. 2. On updating of Zarubezhneft JSC Long-Term Development Program. 	K. V. Karapetyan S. I. Kudryashov A. L. Teksler A. V. Tikhonov
2	Strategic Planning Committee meeting / by correspondence	15.02.2019	<ol style="list-style-type: none"> 1. Consideration of the audit engagement for auditing the implementation of Zarubezhneft JSC Long-Term Development Program. 2. Consideration of the Report on Sale of Non-core Assets of Zarubezhneft JSC for Q4 2018. 3. Consideration of the Report on the Implementation of Zarubezhneft Group Performance Enhancement and Costs Optimization Program for 2018. 4. Consideration of Zarubezhneft Group Performance Enhancement and Costs Optimization Program for 2019. 5. On liquidation of Zarubezhneft JSC representative office in the Republic of Belarus. 	K. V. Karapetyan S. I. Kudryashov A. L. Teksler A. V. Tikhonov

No.	Meeting / form of holding	Meeting date	Agenda	The Strategic Planning Committee Members having participated in the meeting
3	Strategic Planning Committee meeting / by personal attendance	06.03.2019	<ol style="list-style-type: none"> 1. On the vision embodied in Zarubezhneft JSC Innovation Development Program. 2. On development of renewable energy sources projects in Zarubezhneft JSC. 3. On current status of Zarubezhneft JSC as to entering new oil and gas projects in foreign countries and in the Russian Federation. 	K. V. Karapetyan S. I. Kudryashov A. L. Teksler A. V. Tikhonov
4	Strategic Planning Committee meeting / by correspondence	14.03.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on Implementation of Zarubezhneft JSC Innovation Development Program for 2018. 2. Consideration of the Report on Sale of Non-core Assets of Zarubezhneft JSC for Q1 2019. 3. Consideration of information on forecasted dividend payables to the federal budget in 2019-2021 (based on the 2018-2020 performance). 	K. V. Karapetyan S. I. Kudryashov A. L. Teksler A. V. Tikhonov
5	Strategic Planning Committee meeting / by correspondence	15.04.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on Implementation of Zarubezhneft JSC Innovation Development Program for 2018. 2. Consideration of the Report on Sale of Non-core Assets of Zarubezhneft JSC for Q1 2019. 3. Consideration of information on forecasted dividend payables to the federal budget in 2019-2021 (based on the 2018-2020 performance). 	K. V. Karapetyan S. I. Kudryashov A. L. Teksler A. V. Tikhonov
6	Joint meeting of the Strategic Planning Committee and the Compensation and Nominating Committee / by correspondence	26.04.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on Achievement of Zarubezhneft JSC Corporate KPI Target Values for 2018 	A. A. Gladkov K. V. Karapetyan S. I. Kudryashov A. L. Teksler A. V. Tikhonov
7	Strategic Planning Committee meeting / by correspondence	14.05.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on Implementation of Zarubezhneft JSC Long-Term Development Program for 2018 	K. V. Karapetyan S. I. Kudryashov A. L. Teksler A. V. Tikhonov
8	Strategic Planning Committee meeting / by correspondence	17.05.2019	<ol style="list-style-type: none"> 1. Consideration of the Action Plan for implementation of proposals on enhancing Zarubezhneft Group performance, developed in accordance with the auditor's recommendations following the 2018 audit of the Long-Term Development Program. 	K. V. Karapetyan S. I. Kudryashov A. L. Teksler A. V. Tikhonov
9	Strategic Planning Committee meeting / by correspondence	27.05.2019	<ol style="list-style-type: none"> 1. On updating of Zarubezhneft JSC Long-Term Development Program. 	K. V. Karapetyan S. I. Kudryashov A. L. Teksler A. V. Tikhonov
10	Joint meeting of the Strategic Planning Committee and the Compensation and Nominating Committee / by correspondence	27.05.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on the Implementation of 2019 Zarubezhneft Group Performance Enhancement and Costs Optimization Program for Q1 2019. 2. Consideration of the Report on Achievement of Zarubezhneft JSC Corporate KPI Target Values for 3 months of 2019. 	K. V. Karapetyan S. I. Kudryashov A. L. Teksler A. V. Tikhonov
11	Joint meeting of the Strategic Planning Committee and the Compensation and Nominating Committee / by correspondence	05.09.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on the Implementation of Zarubezhneft Group Performance Enhancement and Costs Optimization Program for the 1st half of 2019. 2. Consideration of the Report on Achievement of Zarubezhneft JSC Corporate KPI Target Values based on the forecast till the end of 2019 subject to the actual performance in the 1st half of 2019. 	P. A. Kadochnikov K. V. Karapetyan S. I. Kudryashov P. Yu. Sorokin A. V. Tikhonov

No.	Meeting / form of holding	Meeting date	Agenda	The Strategic Planning Committee Members having participated in the meeting
12	Strategic Planning Committee meeting / by correspondence	05.09.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on the Results of Implementation of Zarubezhneft JSC Business Plan for the 1st half of 2019. 2. Consideration of the Report on Implementation of Zarubezhneft JSC Long-Term Development Program Measures for the 1st half of the year 2019. 3. Consideration of information on forecasted Zarubezhneft JSC dividend payables to the federal budget in 2019-2023. 	P. A. Kadochnikov K. V. Karapetyan S. I. Kudryashov P. Yu. Sorokin A. V. Tikhonov
13	Strategic Planning Committee meeting / by correspondence	30.10.2019	<ol style="list-style-type: none"> 1. Consideration of the draft Zarubezhneft JSC Innovation Development Program for 2020-2024. 2. Consideration of the Report on Sale of Non-core Assets of Zarubezhneft JSC for Q3 2019. 	P. A. Kadochnikov K. V. Karapetyan S. I. Kudryashov P. Yu. Sorokin A. V. Tikhonov
14	Strategic Planning Committee meeting / by correspondence	11.11.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on Implementation of Zarubezhneft JSC Long-Term Development Program Measures for 9 months of 2019. 2. On functioning of the intellectual property rights management system in Zarubezhneft JSC. 3. On disposition of a non-core asset "Working premises, the city of Modriča" 	P. A. Kadochnikov K. V. Karapetyan S. I. Kudryashov P. Yu. Sorokin A. V. Tikhonov
15	Joint meeting of the Strategic Planning Committee and the Compensation and Nominating Committee / by correspondence	11.11.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on the Implementation of Zarubezhneft Group Performance Enhancement and Costs Optimization Program for 9 months of 2019. 2. Consideration of the Report on Achievement of Zarubezhneft JSC Corporate KPI Target Values based on the forecast till the end of 2019 subject to the actual performance for 9 months of 2019 	P. A. Kadochnikov K. V. Karapetyan S. I. Kudryashov P. Yu. Sorokin A. V. Tikhonov
16	Joint meeting of the Strategic Planning Committee and the Compensation and Nominating Committee / by correspondence	11.12.2019	<ol style="list-style-type: none"> 1. On updating of Zarubezhneft JSC KPI system. 2. On updating of Zarubezhneft JSC KPI target values for 2020. 	P. A. Kadochnikov K. V. Karapetyan S. I. Kudryashov P. Yu. Sorokin A. V. Tikhonov
17	Strategic Planning Committee meeting / by correspondence	24.12.2019	<ol style="list-style-type: none"> 1. Consideration of the Progress Report on Implementation of Zarubezhneft JSC Corporate Strategy for 2019. 2. Consideration of Zarubezhneft JSC Business Plan for 2020. 3. On updating of Zarubezhneft JSC Long-Term Development Program. 	P. A. Kadochnikov K. V. Karapetyan S. I. Kudryashov P. Yu. Sorokin A. V. Tikhonov

AUDIT COMMITTEE

Composition of the Audit 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):

- Maksim Yurievich Sokolov – General Director of LSR Group PJSC (**the Committee Chairman**);
- Aleksandr Alekseevich Gladkov – Director of the Oil and Gas Production and Transportation Department, Ministry of Energy of the Russian Federation;
- Aleksey Leonidovich Teksler – First Deputy Minister 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):

- 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 (the Committee Chairman);
- Karen Vilgelmovich Karapetyan – Advisor to the Chairman of the Management Board of Gazprombank (JSC);
- Maksim Yurievich Sokolov – First Deputy General Director of LSR Group PJSC.

Pursuant to the Regulation on the Audit Committee under the Board of Directors, the issues lying within its competence and expertise include, without limitations, as follows:

- considering annual report and financial statements;
- considering the results of the financial target values achievement, and reasons for deviations therefrom;
- considering the organization of the risks management system;
- considering the procedures for selecting an auditor;
- considering plans and actual results of the Company's Internal Audit Service;
- considering the external auditor's performance, and so on.

In 2019, the Audit Committee held nine meetings, including three physical meetings, each attended by all elected Audit Committee members.

Following the results of the meetings held, the Audit Committee made recommendations to the Board of Directors of Zarubezhneft JSC as to the following issues (without limitations):

- approval of the Annual Report of Zarubezhneft JSC for 2018;

- approval of the Report on Achievement of Zarubezhneft JSC KPI Target Values for 2018;
- approval of initial maximum price and criteria for selecting an auditor, for the purposes of holding a tender for selecting an audit company to audit, under the IFRS, Zarubezhneft Group consolidated financial statements for 2019-2020;
- payment of compensations to the members of the Board of Directors, the Revision Commission, and the General Director of Zarubezhneft JSC.

In April 2019, within the framework of interaction with the external auditor, with account taken of Clause 2.1 of the Guidelines for Organization and Conduct of a Statutory Audit of Financial (Accounting) Statements (approved by Order No. 12 of the Federal Agency for State Property Management dated January 21, 2016), and Clause 2.5 of the Guidelines for Organization of Work of Audit Committees under the Board of Directors (approved by Order No. 86 of the Federal Agency for State Property Management dated March 20, 2014), the Audit Committee under the Board of Directors of Zarubezhneft JSC considered the performance

of the external auditor, following the results of the audit of Zarubezhneft JSC accounting (financial) statements under the RAS, and consolidated financial statements under the IFRS, for 2018 (Minutes No. 40 dated April 18, 2019).

The external auditors presented to the Audit Committee the main areas and focuses of the audit conducted for 2018, in accordance with the audit engagements, indicated the accounting principles used and material estimates of the financial statements, provided an evaluation of the Company's internal control procedures aimed at reducing the risk of the accounting (financial) statements unreliability. Also the audit reports and both accounting (financial) and consolidated financial statements of Zarubezhneft JSC for 2018 were properly considered.

The List of Issues Considered at the Meetings of the Audit Committee under the Board of Directors of Zarubezhneft JSC in 2019

No.	Meeting / form of holding	Meeting date	Agenda	The Audit Committee Members having participated in the meeting
1	Audit Committee meeting / by personal attendance	08.02.2019	<ol style="list-style-type: none"> 1. Consideration of the Plan for the RAS Audit of Zarubezhneft JSC Accounting (Financial) Statements. 2. Consideration of the Plan for the IFRS Audit of Zarubezhneft JSC Consolidated Financial Statements. 	A. A. Gladkov M. Yu. Sokolov A. L. Teksler
2	The Audit Committee meeting / by correspondence	14.03.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on Implementation of Zarubezhneft Group Audit Plan, and on Zarubezhneft JSC Internal Audit Section Performance, for 2018. 2. Consideration of the Report of the Audit Committee under the Board of Directors of Zarubezhneft JSC, for 2018. 	A. A. Gladkov M. Yu. Sokolov A. L. Teksler
3	Audit Committee meeting / by personal attendance	18.04.2019	<ol style="list-style-type: none"> 1. Consideration of Zarubezhneft JSC annual accounting (financial) statements for 2018. 2. On the external auditor's performance, following the RAS audit of Zarubezhneft JSC accounting (financial) statements for 2018. 3. Consideration of Zarubezhneft JSC consolidated financial statements under the IFRS, for 2018. 4. On the external auditor's performance, following the IFRS audit of Zarubezhneft Group consolidated financial statements for 2018. 5. Consideration of the results of external quality assessment (evaluation) of Zarubezhneft JSC internal audit function. 	A. A. Gladkov M. Yu. Sokolov A. L. Teksler
4	The Audit Committee meeting / by correspondence	14.05.2019	<ol style="list-style-type: none"> 1. Consideration of the Annual Report of Zarubezhneft JSC for 2018. 2. Consideration of the Report on Achievement of Zarubezhneft JSC Corporate KPI Target Values for 2018. 3. Consideration of the opinion of the Revision Commission, following the inspection of financial and economic activities of Zarubezhneft JSC for 2018. 	A. A. Gladkov M. Yu. Sokolov A. L. Teksler

No.	Meeting / form of holding	Meeting date	Agenda	The Audit Committee Members having participated in the meeting
5	The Audit Committee meeting / by correspondence	27.05.2019	<ol style="list-style-type: none"> 1. Consideration of information on the results of processing the most significant security hotline messages. 2. On quality assessment of Zarubezhneft JSC interaction with external auditors. 3. Consideration of criteria for selecting an auditor, for the purposes of holding a tender for selecting an audit company to audit, under the IFRS, Zarubezhneft Group consolidated financial statements for 2019-2020. 4. On the initial maximum price for audit services, for the purposes of holding a tender for selecting an audit company to audit, under the IFRS, Zarubezhneft Group consolidated financial statements for 2019-2020. 	A. A. Gladkov M. Yu. Sokolov A. L. Teksler
6	Joint meeting of the Compensation and Nominating Committee and the Audit Committee / by correspondence	28.05.2019	<ol style="list-style-type: none"> 1. Consideration of proposals on the amount of compensations to the members of the Board of Directors of Zarubezhneft JSC. 2. Consideration of proposals on the amounts of compensation to the members of the Revision Commission of Zarubezhneft JSC. 3. Consideration of the Report on Implementation of the Corporate Business Initiative "Challenge". 4. On payment of annual compensation to the General Director of the Company 	A. A. Gladkov M. Yu. Sokolov A. L. Teksler
7	The Audit Committee meeting / by correspondence	05.09.2019	<ol style="list-style-type: none"> 1. Consideration of the inspection results as to performance of the procedures for organizing risks management and internal control systems aimed at preventing and combating corruption. 	P. A. Kadochnikov K. V. Karapetyan M. Yu. Sokolov
8	Audit Committee meeting / by personal attendance	04.12.2019	<ol style="list-style-type: none"> 1. Consideration of the plan for the RAS audit of Zarubezhneft JSC accounting (financial) statements for 2019. 2. Consideration of the plan for the IFRS audit of Zarubezhneft JSC consolidated financial statements for 2019. 	P. A. Kadochnikov K. V. Karapetyan M. Yu. Sokolov
9	The Audit Committee meeting / by correspondence	09.12.2019	<ol style="list-style-type: none"> 1. On defining the initial maximum price of audit services, for the purposes of conducting an open competition to select an auditor to perform a statutory audit of Zarubezhneft JSC accounting (financial) statements for 2020-2021. 2. On considering the criteria for selecting an auditor, for the purposes of conducting an open competition to select an auditor to perform a statutory audit of Zarubezhneft JSC accounting (financial) statements for 2020-2021. 3. Consideration of Zarubezhneft Group Audit Plan, and the budget of Zarubezhneft JSC Internal Audit Section for 2020. 4. Consideration of the revised edition of the Regulation on Charitable and Sponsorship Activities of Zarubezhneft JSC. 	P. A. Kadochnikov K. V. Karapetyan M. Yu. Sokolov

INTERACTION OF INTERNAL AND EXTERNAL AUDITORS

In May 2019, in pursuance of Clause 2.1 of the Guidelines for Organization and Conduct of a Statutory Audit of Financial (Accounting) Statements (approved by Order No. 12 of the Federal Agency for State Property Management dated January 21, 2016), and Clause 2.5 of the Guidelines for Organization of Work of Audit Committees under the Board of Directors (approved by Order No. 86 of the Federal Agency for State Property Management dated March 20, 2014), the Audit Committee under the Board of Directors of Zarubezhneft JSC considered the performance of the external auditor, following the results of the audit of Zarubezhneft JSC accounting (financial) statements under the RAS for 2018.

The interaction between the internal audit service (Internal Audit Section)

and external auditors of the Company was carried out on the basis of the "Policies of Interaction between the Audit Committee under the Board of Directors of Zarubezhneft JSC and External Auditors", approved by the Company in accordance with the requirements of the Federal Agency for State Property Management guidelines for organization and conduct of statutory audit of financial (accounting) statements.

In 2019, the interaction between internal and external auditors focused on the following issues:

- evaluation of non-current assets (asset impairment testing);
- evaluation of the risks of material misrepresentation of financial statements;
- evaluation of the risk of fraud and biased judgments and estimates;
- application of new standards when preparing consolidated financial statements;

- quality of interaction between the Company's responsible employees and the auditors of Nexia Pacioli LLC and Deloitte & Touche CIS JSC during external audits.

The Internal Audit Section conducted, and submitted (in May 2019) for consideration of the Audit Committee, an assessment (evaluation) of the interaction between the Company and the external auditor, based on the criteria recommended by the Federal Agency for State Property Management. The Audit Committee members were also interviewed to assess the quality of the Company's interaction with external auditors. The quality of interaction between the Company and the external auditors was assessed as "efficient".

COMPENSATION AND NOMINATING COMMITTEE

Composition of the Compensation and Nominating 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):

- Anatoliy Vladimirovich Tikhonov – General Director of FSBI "Russian Energy Agency" of the Ministry of Energy of the Russian Federation **(the Committee Chairman)**;
- Aleksandr Alekseevich Gladkov – Director of the Oil and Gas Production and Transportation Department, Ministry of Energy of the Russian Federation;
- Maksim Yurievich Sokolov – General Director of LSR Group PJSC.

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

- Pavel Yurievich Sorokin – 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);
- Maksim Yurievich Sokolov – First Deputy General Director of LSR Group PJSC.

Pursuant to the Regulation on the Compensation and Nominating Committee under the Board of Directors, the issues lying within its competence and expertise include, without limitations, as follows:

- developing recommendations as to the Company's HR Policies and personnel motivation;
- supervising the implementation of the Company's compensation policies and a range of motivation programs;
- developing recommendations as to the amount of compensation payable to the members of the Board of Directors and management personnel of the Company;
- improving the system of key performance indicators of the Company;
- considering reports on the Company's achievement of the target values of the approved key performance indicators.

During 2019, 8 meetings of the Compensation and Nominating Committee were held, each with the participation of all elected members of the Compensation and Nominating Committee.

Following the results of the meetings held, the Committee made recommendations to the Board of Directors of Zarubezhneft JSC as to the issues relevant for the compensation system covering the management personnel, the Board of Directors, and the Revision Commission of the Company, as follows (without limitations):

- approval of the Report on Achievement of the Corporate KPI Target Values for 2018;
- payment of compensation to the General Director;

- the amounts of compensation to the members of the Board of Directors of Zarubezhneft JSC;
- the amounts of compensation to the members of the Revision Commission of Zarubezhneft JSC;
- approval of the KPI target values for 2020.

The Compensation and Nominating Committee also recommended that the Board of Directors of the Company approve the revised edition of the Regulations on Compensation to the General Director of the Company, and the data sheet of the Corporate Business Initiative "Challenge".

The list of issues considered considered at the meetings of the Compensation and Nominating Committee under the Board of Directors of Zarubezhneft JSC in 2019

No.	Meeting / form of holding	Meeting date	Agenda	The Compensation and Nominating Committee Members having participated in the meeting
1	The Compensation and Nominating Committee meeting / by correspondence	14.03.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on the Measures Taken to Implement Professional Standards. 2. Consideration of the Report of the Compensation and Nominating Committee under the Board of Directors of Zarubezhneft JSC for 2018. 	A. A. Gladkov M. Yu. Sokolov A. V. Tikhonov
2	Joint meeting of the Strategic Planning Committee and the Compensation and Nominating Committee / by correspondence	26.04.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on Achievement of Zarubezhneft JSC Corporate KPI Target Values for 2018. 	A. A. Gladkov M. Yu. Sokolov A. V. Tikhonov
3	Joint meeting of the Compensation and Nominating Committee and the Audit Committee / by correspondence	28.05.2019	<ol style="list-style-type: none"> 1. Consideration of proposals on the amount of compensations to the members of the Board of Directors of Zarubezhneft JSC. 2. Consideration of proposals on the amounts of compensation to the members of the Revision Commission of Zarubezhneft JSC. 3. Consideration of the Report on Implementation of the Corporate Business Initiative "Challenge". 4. On payment of annual compensation to the General Director of the Company 	A. A. Gladkov M. Yu. Sokolov A. V. Tikhonov

No.	Meeting / form of holding	Meeting date	Agenda	The Compensation and Nominating Committee Members having participated in the meeting
4	Joint meeting of the Strategic Planning Committee and the Compensation and Nominating Committee / by correspondence	27.05.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on the Implementation of Zarubezhneft Group Performance Enhancement and Costs Optimization Program for Q1 2019. 2. Consideration of the Report on Achievement of Zarubezhneft JSC Corporate KPI Target Values for 3 months of 2019. 	A. A. Gladkov M. Yu. Sokolov A. V. Tikhonov
5	Joint meeting of the Strategic Planning Committee and the Compensation and Nominating Committee / by correspondence	05.09.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on the Implementation of Zarubezhneft Group Performance Enhancement and Costs Optimization Program for the 1st half of 2019. 2. Consideration of the Report on Achievement of Zarubezhneft JSC Corporate KPI Target Values based on the forecast till the end of 2019 subject to the actual performance in the 1st half of 2019. 	K. V. Karapetyan M. Yu. Sokolov P. Yu. Sorokin
6	Joint meeting of the Strategic Planning Committee and the Compensation and Nominating Committee / by correspondence	11.11.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on the Implementation of Zarubezhneft Group Performance Enhancement and Costs Optimization Program for 9 months of 2019. 2. Consideration of the Report on Achievement of Zarubezhneft JSC Corporate KPI Target Values based on the forecast till the end of 2019 subject to the actual performance for 9 months of 2019. 	K. V. Karapetyan M. Yu. Sokolov P. Yu. Sorokin
7	The Compensation and Nominating Committee meeting / by correspondence	12.12.2019	<ol style="list-style-type: none"> 1. Consideration of the Report on the Measures Taken to Implement Professional Standards. 	K. V. Karapetyan M. Yu. Sokolov P. Yu. Sorokin
8	Joint meeting of the Strategic Planning Committee and the Compensation and Nominating Committee / by correspondence	11.12.2019	<ol style="list-style-type: none"> 1. On updating of Zarubezhneft JSC KPI system. 2. On updating of Zarubezhneft JSC KPI target values for 2020 	K. V. Karapetyan M. Yu. Sokolov P. Yu. Sorokin