

THE REVISION COMMISSION OF ZARUBEZHNEFT JSC

In 2018, pursuant to Order No. 499-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, 2018, the Revision Commission of Zarubezhneft JSC was elected with the composition as follows.

Full name	Position
A. E. Bogashov	Director of the Department of Corporate Governance, Pricing Environment, and Control-and-Auditing Work in the Fuel and Energy Sector of the Ministry of Energy of the Russian Federation
N. N. Annikova	Independent expert
A. I. Mozhaeva	Administrative Assistant at the Gas and Oil Sector Development Division, the Department for State Regulation of Tariffs, Infrastructure Reforms and Energy Efficiency, the Ministry of Economic Development of the Russian Federation

The Revision Commission carried out an inspection of the Company's financial and economic activities for 2018. Following the inspection, the opinions on reliability of the data presented in Zarubezhneft JSC accounting (financial) statements and annual report for 2018 were drawn up.

As a result of the inspection, recommendations were made to the Company, as reflected in the corresponding Certificate and opinion of the Revision Commission, based on the 2018 results.

Besides, the Revision Commission regularly inspected the Company's compliance with the instructions of the President of the Russian Federation and the Government of the Russian Federation on the issues as follows:

- linking the compensation payable to executive bodies to implementation of the approved KPIs;
- disposal of non-core assets;
- procurement activities;
- operational costs;
- performance enhancement and costs optimization program;

- implementation of the Long-Term Development Program;
- review of the directives received in 2018.

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 Revision Commission of Zarubezhneft JSC was elected with the composition as follows:

Full name	Position
A. E. Bogashov	Minister of Property of the Chelyabinsk Region
N. N. Annikova	Advisor on Economic and Financial Affairs, to the Rector of the Gnessin State Musical College
A. I. Mozhaeva	Administrative Assistant at the Gas and Oil Sector Development Division, the Department for State Regulation of Tariffs, Infrastructure Reforms and Energy Efficiency, the Ministry of Economic Development of the Russian Federation

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, and based on the Revision Commission performance in 2018–2019 corporate year, its members were paid compensation in the amount of 200,000 RUB.

The compensation to the members of the Revision Commission who are not public servants is paid as per the Regulation on Compensations and Refunds to the Members of Zarubezhneft JSC Revision Commission¹.

Within the period from January 1, 2019 through December 31, 2019, the Revision Commission of the Company held 5 meetings with consideration given to the following issues (without limitations):

- development of an additional request for information to audit the Company's financial and economic activities for 2018;
- approval of the Statement and the opinion of the Revision Commission on the results of the inspection of the Company's activities for 2018;
- on election of the Chairman and the Secretary of the Revision Commission for 2019–2020 corporate year;

- approval of the Revision Commission Work Program and Schedule for 2019–2020 corporate year.
- development of a request for information and materials to control certain areas of the Company's activities;
- control over compliance with the notices issued by the Revision Commission based on the 2018 results, as well as with the notices/instructions/orders issued by other external supervisory authorities.

The Company has implemented all recommendations of the Revision Commission, based on the results of the auditing.

¹ The Regulation on Compensations and Refunds to Zarubezhneft JSC Revision Commission Members was approved by Order No. 499-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, 2018.