

INTELLECTUAL EVENTS

In 2019, there were four corporate "What? Where? When?" tournaments between the teams of the Corporate Center (by DDG blocks) and subsidiaries. Another impressive fact was that Zarubezhneft JSC team won the Spring Intellectual Cup on "What? Where? When?", awarded in the category for "The Most Intellectual Company in the Fuel & Energy, and Oil & Gas Sectors". The team also ranked among the top three teams for the year. The same year, Zarubezhneft JSC's representative team took part in the 19th Russian Championship on "What? Where? When?" for the first time.

In order to maintain team spirit and intellectual promptness, representative team training sessions have been organized on a permanent basis, as well as open training sessions for all comers, with a professional coach and a member of the "What? Where? When?" Elite Club involved.

Among other things, Zarubezhneft JSC teams participate and take prize-winning places every year in Oil Owl (Rus.: "Neftyanaya Sova"), an intellectual game for youth involved in the oil and gas industry, and E&Y Club's EnergiYa intellectual tournaments.

CORPORATE SPORTS DEVELOPMENT

Each year, training takes place for the corporate football and volleyball teams, and corporate billiard and bowling tournaments are held. In 2019, the corporate volleyball team ranked 3rd in the Brands Cup (Rus.: "Kubok Brendov"), two platoons represented the Company at the Race of Heroes (Rus.: "Gonka Geroev"), and over 80 people went through the Ready for Labor and Defense program (Rus.: "Gotov k Trudu i Oborone"), Russian physical training standard). For the first time in the Council's history, the Athletics Team took part in running competitions organized with support from the Ministry of Energy of the Russian Federation. The corporate football tournament is traditionally considered to be the largest event of the year, as it brings together active young people and all top

management from both the Corporate Center and subsidiaries. This annual event is always capped off with a gala match between the Ministry of Energy and the management of Zarubezhneft JSC.

VOLUNTEERING

The volunteer movement, under the guidance of the Council of Young Specialists, also continues to actively develop. In 2019, young employees from VNIIneft JSC, Zarubezhneft JSC and LLC JC RUSVIETPETRO took part in greeting and thanking World War II veterans. The group of activists visited the Gagarinskaya Special Boarding School on Child Protection Day. In collaboration with Company management, a branded container for collecting the Company's employees' unwanted things was installed at Zarubezhneft JSC's office. As the container is filled, the things are sent for further sorting, cleaning and distribution.

Also in the financial year, employees of Zarubezhneft JSC, ZARUBEZHNEFT-Dobycha Kharyaga LLC, and Zarubezhneftstroyromontazh LLC took part in the Ecological Volunteer Event at the Lomonosov Moscow State University's Botanical Garden, supported by the Zapovedniki Eco-Center. The group of activists consisting of employees of Zarubezhneft JSC and ZARUBEZHNEFT-Dobycha Kharyaga LLC visited the Gagarinskaya Special Boarding School on New Year's Eve.

BUILDING CORPORATE CULTURE AND ETHICS

The potential for enhancing the Company's performance largely depends on positive growth in production indicators, well-coordinated teamwork, functional interaction, and positive communications between employees both within and outside the structural units, as well as on well-coordinated partnership with the external environment.

The Company pays considerable attention to its corporate ethics. In this regard, 12 principles

of corporate interaction were developed and implemented in 4 areas with 3 principles in each area. They reflect the desired behavioral indicators that affect the positive dynamics of both teamwork and efficient communication and the enhancement of the Company's performance as a whole, as follows:

- Company – Employee: efficient interaction between an employee and the Company ("initiative and pro-active attitude to life", "striving for continuous improvement and professional development", "fair assessment (evaluation) of performance and motivation of employees").
- Company – External Environment: efficient interaction between the Company and its external environment ("overachiever before the government", "honesty and transparency", "tolerance and mutual respect").



- Employee – Employee: efficient interaction between and among employees (“teamwork”, “constructive discussion of issues”, “business-style communication”).
- Manager – Employee: efficient interaction between a manager and an employee (“one-man management”, “peer discussion and unconditional execution of the decision”, “open doors”).

In order to develop and systematically implement the above principles of efficient interaction, the Integrated Program for Promoting Corporate Cooperation Principles was approved in 2019.

That same year, the emphasis was laid on involving employees through round tables and business games.

Throughout the year, about 400 of the Group’s employees took part in such round tables and business games.

The primary objectives of these activities were to develop expertise in interacting with peer co-workers, the external environment, and subordinate employees, as well as to sharpen feedback skills.

In order to ensure a smooth immersion into the Company’s culture, an interactive adaptation course on the principles of corporate interaction has been developed for newly recruited employees.

Currently, the project’s execution is ongoing. Its progress will be manifested by introducing these principles into the Company’s corporate life so that they are not just observed and implemented in a directive manner, but become a good tradition and assist in achieving joint results. Furthermore, the aim is for them to help all employees become one team characterized by strong cohesion

and commitment to the Company’s common goals and values.

In 2019, the Best in Profession Contest was held at the production facilities of Zarubezhneft-Dobycha Samara LLC in the city of Samara. Participants from Zarubezhneft Group subsidiaries, the winners of the enterprise-level selection stage, showed off their knowledge and skills in the theoretical and practical parts of the contest in the following six categories:

- Operator of Oil and Gas Production;
- Operator of Dehydrators and Desalters;
- Electrical/Gas Welder;
- Maintenance technician;
- Passenger Vehicle Driver;
- Chemical Analyst.

In addition, the winners were determined in the following additional categories:

- Best in Production System;
- Best in HSE.



Traditionally, foreign employees of Zarubezhneft Group take part in the Contest. In the financial year, the specialists of JV Vietsovpetro from the Socialist Republic of Vietnam supported the international character of the event by participating in three categories of the Contest and taking prizes in two of them. As for the team competition, the winners were once again employees of ZARUBEZHNEFT-Dobycha Kharyaga LLC as they continued the tradition of exhibiting a high level of training. The winners of the Contest were awarded diplomas, cash prizes and gifts.

Another significant event is The Best Facility annual review contest among Zarubezhneft Group facilities that claim the title of Facility of High-Standard Operating Practices in the categories

of Oil, Gas, Water Treatment and Transportation and Petroleum Production. The contest contributes to shaping a responsible attitude to work, increasing labor performance and quality of work, improving labor discipline and developing a corporate labor culture, as well as promoting environmental protection.

In 2019, the title of Facility of High-Standard Operating Practices was awarded to the following facilities:

- in the category of Oil, Gas, Water Treatment and Transportation: the Chemical Analysis Testing Laboratory of ZARUBEZHNEFT-Dobycha Kharyaga LLC
- in the category of Petroleum Production: Well Cluster No. 5 of Zapadno-Khosedayuskoye oil field of JC RUSVIETPETRO LLC.

Zarubezhneft JSC holds The Best Employee contest on a quarterly basis to determine the employees with maximum influence on the result of the events in the Company in three focus areas: developing technological competencies, enhancing organizational performance, and fulfilling the Shareholder's requirements and expectations. At the end of the year, the Best Employees with a pro-active attitude to life are selected.

