

Report on complying with principles and recommendations of the Corporate Governance Code in 2020

No.	Compliance criteria	Compliance status	Reasons for non-compliance
1.1.1	<ol style="list-style-type: none"> 1. An internal company document approved by the General Meeting of Shareholders and establishing the procedures for holding a general meeting is publicly available. 2. The company provides easily available means of communication with the company, such as a hotline, email or an Internet forum, enabling shareholders to express their opinions and send questions concerning the agenda in the course of preparation for a general meeting. These actions were taken by the company before each general meeting held during the reporting period. 	Full compliance	
1.1.2	<ol style="list-style-type: none"> 1. The notice of a general meeting is published (posted) on the company website at least 30 days prior to the date of the general meeting. 2. The notice of a general meeting specifies the meeting venue and documents required for admission. 3. Shareholders provided access to information on persons who proposed the agenda items and nominees to the Board of Directors and the Audit Commission. 	Complied with, subject to limitations detailed in the 50-FZ	
1.1.3	<ol style="list-style-type: none"> 1. During the reporting period, shareholders had an opportunity to address questions to members of executive bodies and members of the Board of Directors before and during the annual general meeting 2. The Board of Directors position (including dissenting opinions reflected in the minutes) on each agenda item of general meetings held during the reporting period was included in the materials for the general meeting of shareholders. 3. Eligible shareholders were granted access to the list of persons eligible to participate in the general meeting, starting from the date when this list was received by the company, whenever general meetings were held during the reporting period. 	Complied with, subject to limitations detailed in the 50-FZ	General meetings of shareholders were held in the form of absentee voting throughout the reporting period pursuant to Federal Law No. 50-FZ dated 18 March 2020. To that end, provisions of item 1 could not be complied with for objective reasons.

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1.1.4	<ol style="list-style-type: none"> During the reporting period, shareholders had an opportunity to propose agenda items for the annual general meeting for at least 60 days after the end of the relevant calendar year. During the reporting period, the company did not refuse to accept proposals for the agenda or candidates nominated to its bodies due to misprints or other minor defects in shareholders' proposals. 	Full compliance	
1.1.5	An internal company document (internal policy) contains provisions stipulating that each participant of a general meeting may request a copy of the voting ballot filled in by them and certified by the tellers committee before the end of the relevant meeting.	Full compliance	
1.1.6	<ol style="list-style-type: none"> When holding general meetings of shareholders during the reporting period in the form of an in-person meeting (joint attendance of shareholders), enough time was provided to make reports on agenda items and discuss these items. Candidates nominated to the company governance and control bodies were available to answer shareholders' questions at the meeting where their nominations were put to the vote. When making decisions related to preparing for and holding general meetings of shareholders, the Board of Directors considered using telecommunications to provide shareholders with remote access enabling them to participate in general meetings during the reporting period. 	Complied with, subject to limitations detailed in the 50-FZ	<p>General meetings of shareholders were held in the form of absentee voting throughout the reporting period pursuant to Federal Law No. 50-FZ dated 18 March 2020. To that end, provisions of items 1-3 could not be complied with for objective reasons.</p> <p>At the same time, in order to enable shareholders to communicate with nominees to governance and control bodies, the company offers easily available means of communication, such as a hotline and email, enabling shareholders to express their opinions and send their questions to these nominees.</p> <p>A CEO's video message to shareholders was released and included in materials presented at the Annual General Meeting of Shareholders.</p>

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1.2.1	<ol style="list-style-type: none"> The company has developed and disclosed a dividend policy approved by the Board of Directors. If the company dividend policy stipulates the use of figures from the company financial statements for determining the amount of dividends, the relevant provisions of the dividend policy also apply consolidated results recorded in financial statements. 	Full compliance	
1.2.2	The company dividend policy clearly stipulates financial/economic circumstances when the company must not pay dividends.	Partial compliance	<p>The Gazprom Neft Dividend Policy Regulation does not clearly stipulate financial/economic circumstances when the company must not pay dividends. The Regulation sets forth the following principles: improving the investment potential and enabling dividend payout growth, provided that the company net profit is growing. In practice, the Gazprom Neft operations are profitable, and the company adheres to the policy of regular dividend payouts. Throughout its history, the company has been paying dividends, and in recent years it has been taking steps to increase dividends per share. The company does not rule out the possibility of revising the dividend policy principles and criteria in the future, including stipulating financial/economic circumstances when the Company must not pay dividends.</p>
1.2.3	During the reporting period, the company did not take any actions infringing on the dividend rights of existing shareholders.	Full compliance	
1.2.4	To make sure that shareholders do not use any other means of earning profit (income) from the company, except for dividends and disposal value, the company internal documents stipulate controls ensuring timely detection and establishing the procedure for approving transactions with persons affiliated (connected) with substantial shareholders (persons entitled to vote with voting shares).	Full compliance	
1.3.1	During the reporting period, procedures for managing potential conflicts of interest of substantial shareholders were efficient, while conflicts between shareholders, if any, were properly addressed by the Board of Directors.	Full compliance	
1.3.2	There were no quasi-treasury shares, or they were not used for voting during the reporting period.	Full compliance	
1.4	The quality and reliability of activities performed by the company registrar to maintain the share register meet the needs of the company and its shareholders.	Full compliance	

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2.1.1	<ol style="list-style-type: none"> The Board of Directors has the authority to appoint and dismiss members of executive bodies, and to set the terms and conditions of contracts with them; this authority is stipulated in the company charter. The Board of Directors has considered a report (reports) by the chief executive officer and members of the collegial executive body on the implementation of the company strategy. 	Full compliance	
2.1.2	During the reporting period, the Board of Directors considered matters related to implementing and updating the strategy, approving the company business plan (budget), and reviewing criteria and indicators (including interim ones) related to the implementation of the company strategy and business plans.	Full compliance	
2.1.3	<ol style="list-style-type: none"> The board of directors has determined the principles of and approaches to creating a risk-management and internal-control system in the company. The Board of Directors assessed the company risk-management and internal-control system during the reporting period. 	Full compliance	
2.1.4	<ol style="list-style-type: none"> The company has developed and adopted a policy (policies) approved by the Board of Directors on remuneration and reimbursement for expenses of members of the Board of Directors, executive bodies and other key executives of the company. During the reporting period, the Board of Directors considered matters related to the said policy (policies). 	Partial compliance	With regard to item 2: matters relating to the Policy on Remuneration are reviewed by the Board of Directors as the need for its adjustment arises. The company's corporate governance practices do not require provisions on remuneration and bonus payments to be reviewed annually.
2.1.5	<ol style="list-style-type: none"> The Board of Directors plays the key role in preventing, detecting and resolving internal conflicts. The company has created a system to identify transactions involving a conflict of interest, and a system of measures for resolving such conflicts. 	Full compliance	
2.1.6	<ol style="list-style-type: none"> The Board of Directors has approved the Information Policy Regulation. The company has appointed persons responsible for implementing the information policy. 	Full compliance	
2.1.7	<ol style="list-style-type: none"> During the reporting period, the Board of Directors considered the corporate governance practice in the company. 	Non-compliance	During the reporting period, the Board of Directors did not consider the corporate governance practice in the company. A report on the Gazprom Neft corporate governance practice is submitted for review to the Board of Directors based on the approved work plan. It is planned to review the report in 2021.

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2.2.1	<ol style="list-style-type: none"> 1. The annual report of the company for the reporting period includes information about directors' attendance at meetings of the Board of Directors and its committees. 2. The annual report contains information about the key findings of performance assessment of the Board of Directors carried out in the reporting period. 	Full compliance	
2.2.2	The company has in place a transparent procedure enabling shareholders to send their questions and the relevant opinions to the chairman of the Board of Directors.	Full compliance	
2.3.1	<ol style="list-style-type: none"> 1. The procedure for assessing the Board of Directors performance adopted by the company includes assessing professional qualifications of the Board members. 2. During the reporting period, the Board of Directors (or its Nominations Committee) assessed candidates nominated to the Board of Directors in terms of required experience, knowledge, business reputation, absence of conflict of interest, etc. 	Full compliance	
2.3.2	Whenever the agenda of a general meeting of shareholders held during the reporting period included matters related to electing the Board of Directors, the company provided shareholders with biographical details of all candidates nominated to the Board of Directors, findings of assessment of such candidates by the Board of Directors (or its Nominations Committee), as well as information on whether the candidate met independence criteria in accordance with Recommendations 102–107 of the Code, and the written consent of the candidates for election to the Board of Directors.	Full compliance	
2.3.3	As part of performance assessment of the Board of Directors carried out in the reporting period, the Board of Directors analysed its needs for professional qualifications, experience and business skills.	Full compliance	
2.3.4	As part of performance assessment of the Board of Directors carried out in the reporting period, the Board of Directors considered whether the number of its members was consistent with the company needs and shareholder interests.	Full compliance	

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2.4.1	During the reporting period, all independent members of the Board of Directors met all the independence criteria established in Recommendations 102–107 of the Code, or were recognised as independent under the resolution of the Board of Directors.	Non-compliance	<p>As at the end of the reporting period, the Board of Directors did not include independent directors.</p> <p>Due to the fact that the company has no other shareholders (except for Gazprom) having an interest of more than 2%, which would enable them to nominate candidates to the Board of Directors, full compliance with this recommendation largely depends on the willingness of the majority shareholder (Gazprom) to nominate and elect independent directors to the company Board of Directors. The company conducts an annual performance assessment of the Board of Directors; as part of the assessment, the company considers whether it is necessary to elect independent directors. Most members of the Board of Directors see no need to elect independent directors due to the fact that the composition of the Board of Directors is sufficiently well-balanced in terms of professional competencies, experience and business skills, which is considered to be sufficient for the Board of Directors to perform its functions.</p>
2.4.2	<ol style="list-style-type: none"> During the reporting period, the Board of Directors (or its Nominations Committee) formed an opinion as to the independence of each candidate nominated to the Board of Directors, and presented the relevant statement to shareholders. During the reporting period, the Board of Directors (or its Nominations Committee) at least once assessed the independence of the current members of the Board of Directors listed in the company annual report as independent directors. The company has developed procedures stipulating the actions that the Board members must take if they cease to be independent, including the obligation to promptly notify the Board members of that fact. 	Partial compliance	<p>With regard to item 3: procedures stipulating the actions that the Board members must take if they cease to be independent are not set out in the company internal documents.</p> <p>At the same time, in practice, the company verifies information about the participation of the Board members in other organisations and ownership of shares (interests) in other organisations on a quarterly basis, and assesses the independence of candidates nominated to the Board of Directors. This information enables the company to form an opinion about the independence of directors in a timely manner.</p> <p>Given the absence of independent directors on the Board of Directors, the company will initiate the development of the required procedures if they are elected to the Board of Directors.</p>

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2.4.3	Independent directors comprise at least one third of the membership of the Board of Directors.	Non-compliance	Due to the fact that the company has no other shareholders (except for Gazprom) having an interest of more than 2%, which would enable them to nominate candidates to the Board of Directors, full compliance with this recommendation largely depends on the willingness of the majority shareholder (Gazprom) to nominate and elect independent directors to the company Board of Directors. The company conducts an annual performance assessment of the Board of Directors; as part of the assessment, the company considers whether it is necessary to elect independent directors. Most members of the Board of Directors see no need to elect independent directors due to the fact that the composition of the Board of Directors is sufficiently well-balanced in terms of professional competencies, experience and business skills, which is considered to be sufficient for the Board of Directors to perform its functions.
2.4.4	Independent directors (who have no conflict of interest) carry out a preliminary assessment of significant corporate actions involving a potential conflict of interest, and the findings of these assessments are presented to the Board of Directors.	Non-compliance	As at the end of the reporting year, the Board of Directors did not include independent directors. The company has no other shareholders (except for Gazprom) having an interest of more than 2%, which would enable them to nominate candidates to the Board of Directors. Full compliance with this recommendation largely depends on the willingness of the majority shareholder (Gazprom) to nominate and elect independent directors to the company Board of Directors.
2.5.1	<ol style="list-style-type: none"> 1. The chairman of the Board of Directors is an independent director, or a senior independent director has been appointed from among independent directors. 2. The roles, rights and duties of the Chairman of the Board of Directors (and, if applicable, the senior independent director) are properly specified in the company internal documents. 	Partial compliance	With regard to item 1: the Chairman elected by the Board of Directors does not meet the independence criteria established in the Corporate Governance Code. Based on the performance assessment of the Board of Directors, the activities of its Chairman have been deemed to meet the company needs. The absence of the senior independent director does not entail additional risks for the company or its shareholders. The Chairman of the Board of Directors has a flawless personal and business reputation, and extensive experience in executive positions. The functions of the Chairman of the Board of Directors are stipulated in the Charter and the Regulation Governing the Board of Directors.
2.5.2	The performance of the Board chairman was assessed as part of performance assessment of the Board of Directors in the reporting period.	Full compliance	

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2.5.3	The Board chairman's duty to take measures to ensure the timely provision of the Board members with materials regarding agenda items of the Board meeting is stipulated in the company internal documents.	Full compliance	
2.6.1	<ol style="list-style-type: none"> The company internal documents stipulate that members of the Board of Directors must notify the Board of Directors if they have a conflict of interest in relation to any agenda item at a meeting of the Board of Directors or a Board committee, before they start discussing the relevant agenda item. The company internal documents stipulate that members of the Board of Directors must refrain from voting on any matters in relation to which they have a conflict of interest. The company has established a procedure allowing the Board of Directors to obtain professional advice on matters within their competency, at the company expense. 	Full compliance	
2.6.2	The company has adopted and published an internal document clearly specifying the rights and duties of the Board members.	Full compliance	
2.6.3	<ol style="list-style-type: none"> Individual attendance at the Board and committee meetings, as well as the amount of time allocated for preparing for the meetings, were taken into account in the course of performance assessment of the Board of Directors in the reporting period. In accordance with the company internal documents, members of the Board of Directors must notify the Board of Directors of their intentions to join governance bodies of any other organisations (except for the company controlled entities and affiliates), and of their appointment to such bodies. 	Partial compliance	<p>The provisions of item 2 are complied with only partially: the company internal documents do not stipulate the Board members' duty to notify the Board of Directors of their intentions to join governance bodies of any other organisations (except for Gazprom Neft controlled entities and affiliates). In accordance with the Gazprom Neft Regulation Governing the Board of Directors, members of the Board of Directors must notify the company of their election to governance bodies of other organisations.</p> <p>At the same time, in practice, members of the Board of Directors notify the Chairman of the Board of Directors in advance of their intentions to join governance bodies of other organisations and obtain his/her consent.</p> <p>The company does not rule out the possibility of stipulating the Board members' duty to notify the company of their intentions to join governance bodies of other organisations in the Regulation Governing the Board of Directors in the future.</p>

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2.6.4	In accordance with the company internal documents, members of the Board of Directors have the right to gain access to documents and make enquiries regarding the company and its controlled entities, and the company executive bodies must provide the relevant information and documents. The company has a formalised induction programme for newly elected members of the Board of Directors.	Full compliance	
2.7.1	The Board of Directors held at least six meetings in the reporting year.	Full compliance	
2.7.2	The company has approved an internal document establishing the procedure for preparing and holding the Board meetings, and stipulating that notification of the meetings must be generally given at least 5 days before the meeting date.	Full compliance	
2.7.3	The company charter or an internal document stipulates that the most important matters (according to the list provided in Recommendation 168 of the Code) must be considered at in-person meetings of the Board.	Full compliance	
2.7.4	The company charter stipulates that resolutions on the most important matters specified in Recommendation 170 of the Code must be adopted at the Board meetings by a qualified majority comprising at least three quarters of votes, or by the majority of votes cast by all elected members of the Board of Directors.	Full compliance	
2.8.1	<ol style="list-style-type: none"> 1. The Board of Directors has formed the Audit Committee consisting only of independent directors. 2. The company internal documents stipulate the responsibilities of the Audit Committee, including those specified in Recommendation 172 of the Code. 3. At least one member of the Audit Committee who is an independent director has expertise in the field of preparation, analysis, assessment and audit of financial statements (accounts). 4. Meetings of the Audit Committee were held at least once a quarter during the reporting period. 	Partial compliance	With regard to items 1 and 3: the Audit Committee does not include independent directors. The Audit Committee has been formed of representatives of the principal shareholder (Gazprom) who have special professional expertise in the field of preparation, analysis, assessment and audit of financial statements (accounts). The company conducts an annual performance assessment of the Audit Committee of the Board of Directors; as part of the assessment, the company considers whether it is necessary to elect independent directors. Most members of the Board of Directors see no need to elect independent directors due to the fact that the composition of the Audit Committee is sufficiently well-balanced in terms of professional competencies, experience and business skills, which is considered to be sufficient for the Committee to perform its functions effectively.

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2.8.2	<ol style="list-style-type: none"> 1. The Board of Directors has formed the Remuneration Committee consisting only of independent directors. 2. The Remuneration Committee is chaired by an independent director who is not the Chairman of the Board of Directors. 3. The company internal documents stipulate the responsibilities of the Remuneration Committee, including those specified in Recommendation 180 of the Code. 	Partial compliance	<p>With regard to items 1 and 2: the Human Resources and Compensation Committee does not include independent directors. The Committee has been formed of representatives of the principal shareholder (Gazprom) who have special professional expertise in the field of preparation, analysis, assessment and audit of financial statements (accounts). The company conducts an annual performance assessment of the Human Resources and Compensation Committee of the Board of Directors; as part of the assessment, the company considers whether it is necessary to elect independent directors. Most members of the Board of Directors see no need to elect independent directors due to the fact that the composition of the Human Resources and Compensation Committee is sufficiently well-balanced in terms of professional competencies, experience and business skills, which is considered to be sufficient for the Committee to perform its functions effectively.</p>
2.8.3	<ol style="list-style-type: none"> 1. The Board of Directors has established the Nominations Committee (or its responsibilities specified in Recommendation 186 of the Code are carried out by another committee) with most members being independent directors. 2. The company internal documents stipulate the responsibilities of the Nominations Committee (or the relevant committee performing its functions), including those specified in Recommendation 186 of the Code. 	Partial compliance	<p>With regard to item 1: the Human Resources and Compensation Committee does not include independent directors. The Committee has been formed of representatives of the principal shareholder (Gazprom) who have special professional expertise in the field of preparation, analysis, assessment and audit of financial statements (accounts). The company conducts an annual performance assessment of the Human Resources and Compensation Committee of the Board of Directors; as part of the assessment, the company considers whether it is necessary to elect independent directors. Most members of the Board of Directors see no need to elect independent directors due to the fact that the composition of the Human Resources and Compensation Committee is sufficiently well-balanced in terms of professional competencies, experience and business skills, which is considered to be sufficient for the Committee to perform its functions effectively.</p>
2.8.4	<p>During the reporting period, the Board of Directors considered whether the composition of its committees was consistent with the Board objectives and the company goals. Additional committees were either formed or considered unnecessary.</p>	Full compliance	

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2.8.5	<ol style="list-style-type: none"> 1. The Board committees are headed by independent directors. 2. The company internal documents (policies) stipulate that persons who are not members of the Audit Committee, the Nominations Committee or the Remuneration Committee may attend Committee meetings only if they are invited by the Chairman of the relevant Committee. 	Partial compliance	With regard to item 1: Committee Chairmen elected by the Board of Directors do not meet the independence criteria established in the Corporate Governance Code. Based on the performance assessment of the Board of Directors, the activities of the Committee Chairmen have been deemed to meet the company needs. The Chairmen of the Board Committees have a flawless personal and business reputation, and extensive experience in executive positions. The functions of the Committee Chairmen are stipulated in the Regulation on Committees.
2.8.6	During the reporting period, Committee Chairmen regularly reported to the Board of Directors on the performance of their Committees.	Full compliance	
2.9.1	<ol style="list-style-type: none"> 1. Self-assessment or external assessment of the Board performance carried out in the reporting period included the assessment of performance of the Board Committees, individual members of the Board of Directors and the Board of Directors as a whole. 2. The findings of self-assessment or external assessment of the Board of Directors carried out during the reporting period were reviewed at an in-person meeting of the Board of Directors. 	Partial compliance	With regard to item 2: the findings of the Board performance assessment carried out in the reporting period were reviewed at the meeting of the Human Resources and Compensation Committee held by absentee voting. In the future, the company plans to initiate a review of the findings of performance assessment/self-assessment of the Board of Directors at in-person meetings of the Board of Directors.
2.9.2	The company engaged an external organisation (consultant) to carry out an independent performance assessment of the Board of Directors at least once during the last three reporting periods.	Full compliance	
3.1.1	The company has adopted and disclosed an internal document titled the Regulation on the Corporate Secretary. Biographical information of the corporate secretary is published on the company website and in the annual report with the same level of detail as for the members of the Board of Directors and the company executives.	Full compliance	
3.1.2	The Board of Directors approves the appointment, dismissal and additional remuneration of the corporate secretary.	Full compliance	
4.1.1	The company has adopted an internal document (documents): a policy (policies) on remuneration of the members of the Board of Directors, executive bodies and other key executives, which clearly stipulates approaches to remuneration of these persons.	Full compliance	

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4.1.2	During the reporting period, the Remuneration Committee considered the remuneration policy (policies) and the practice of its (their) implementation and, if required, submitted the relevant recommendations for the Board of Directors.	Non-compliance	The Regulation on Remuneration and compensation of expenses of members of the Board of Directors of PJSC Gazprom Neft was approved in January 2020. Due to the short implementation period, the Remuneration Committee did not need to consider the new remuneration policy for members of the Board of Directors. The assessment of the performance of the Company's executive bodies at the end of the year, as well as the assessment of the Company's achievement of its goals (KPIs), is considered by the members of the Board of Directors in the framework of issues related to the implementation of the Company's Budget and investment plan.
4.1.3	The company remuneration policy (policies) contains (contain) transparent mechanisms for determining the amount of remuneration for the members of the Board of Directors, executive bodies and other key executives of the company, and regulates (regulate) all types of payments, benefits and privileges granted to them.	Full compliance	
4.1.4	The remuneration policy (policies) or other internal documents of the company establish rules for reimbursing expenses incurred by the members of the Board of Directors, executive bodies and other key executives of the company.	Full compliance	
4.2.1	Fixed annual remuneration was the only form of financial remuneration paid to the members of the Board of Directors for serving on the Board of Directors during the reporting period.	Non-compliance	Fixed annual remuneration was not the only form of financial remuneration paid to the members of the Board of Directors for serving on the Board of Directors during the reporting period. The amount and the procedure for paying remuneration and compensation to the members of the Board of Directors are governed by the relevant Regulation. In accordance with the Regulation, the members of the Board of Directors receive the following forms of remuneration: basic remuneration, and remuneration for additional duties (serving on Committees). The annual remuneration paid by the company to the members of the Board of Directors is calculated based on profit. The rules set forth in the Regulation are designed to ensure that the forms of remuneration used by the company are consistent with its goals. The company does not rule out the possibility of revising the structure of remuneration paid to the members of the Board of Directors in the future to ensure that it is consistent with the best practices.



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4.2.2	If an internal document (documents), namely the remuneration policy (policies), provides (provide) for share-based compensation for the members of the Board of Directors, clear rules must be introduced and disclosed regarding share ownership by the members of the Board of Directors in order to encourage long-term ownership of such shares.	Full compliance	
4.2.3	The company does not provide for any additional payments or compensation in case of early resignation of the Board members due to a change of control or any other circumstances.	Full compliance	
4.3.1	<p>During the reporting period, annual performance indicators approved by the Board of Directors were used to determine the amount of variable remuneration paid to the members of executive bodies and other key executives of the company. During the latest assessment of the system of remuneration for the members of executive bodies and other key executives of the company, the Board of Directors (the Remuneration Committee) made sure that the company was using an effective balance between the fixed and variable components of remuneration.</p> <p>The company has established a procedure ensuring that any bonus payments wrongfully received by the members of executive bodies and other key executives of the company are returned to the company.</p>	Full compliance	
4.3.2	<p>The company has adopted a long-term incentive programme for the members of executive bodies and other key executives of the company, which involves using the company shares (financial instruments based on the company shares).</p> <p>The long-term incentive programme for the members of executive bodies and other key executives of the company stipulates that the right to sell shares and other financial instruments used in this programme can be exercised not earlier than three years after the date when they were provided. At the same time, this right is conditional upon the company achieving certain performance targets.</p>	Full compliance	
4.3.3	In the reporting period, the amount of compensation (the golden parachute) paid by the company to the members of executive bodies or key executives in case of early resignation on the company initiative, provided that they had committed no wrongdoings, did not exceed twice the amount of the fixed component of annual remuneration.	Full compliance	

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6.1.2	<ol style="list-style-type: none"> The company discloses information about its corporate governance system and general corporate governance principles applied in the company, including disclosure on the company website. The company discloses information about the composition of its executive bodies and the Board of Directors, independence of the Board members and their membership in the Board Committees (as defined in the Code). If there is a person controlling the company, the company shall publish a memorandum from the controlling person outlining its plans regarding corporate governance in the company. 	Partial compliance	<p>With regard to item 3: the Company did not receive a memorandum from the controlling person about this person's plans regarding corporate governance in the company.</p> <p>Full compliance with this recommendation largely depends on the willingness of the controlling shareholder to submit the memorandum.</p>
6.2.1	<p>The company information policy stipulates approaches to and criteria for identifying information that may have a significant impact on the company valuation and the value of its securities, as well as procedures ensuring timely disclosure of such information.</p> <p>If the company securities are traded on foreign organised markets, the disclosure of material information in Russia and on such markets during the reporting year shall be synchronised and equivalent.</p> <p>If foreign shareholders hold a considerable number of the company shares, information was disclosed during the reporting year not only in Russian, but also in one of the most widely used foreign languages.</p>	Full compliance	
6.2.2	<p>During the reporting period, the company disclosed its annual and semi-annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The company annual report for the reporting period included annual financial statements prepared in accordance with IFRS, together with an auditor's report.</p> <p>The company discloses full information on the structure of its capital in accordance with Recommendation 290 of the Code in its annual report and on its website.</p>	Full compliance	
6.2.3	<p>The company annual report contains information on the key aspects of its operations and its financial results.</p> <p>The company annual report contains information on environmental and social aspects of the company operations.</p>	Full compliance	

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5.1.1	The functions of various governance bodies and divisions of the company within the risk management and internal control system are clearly specified in internal documents / in the relevant company policy approved by the Board of Directors.	Full compliance	
5.1.2	The company executive bodies have ensured that risk management and internal control functions and powers have been distributed among the heads of divisions and departments accountable to them.	Full compliance	
5.1.3	The company has approved an anti-corruption policy. The company has provided easily available means for reporting breaches of legislation, the company internal procedures, or the corporate code of ethics to the Board of Directors or the Audit Committee.	Full compliance	
5.1.4	During the reporting period, the Board of Directors or the Audit Committee assessed the performance of the company risk management and internal control system. The key findings of this assessment have been included in the company annual report.	Full compliance	
5.2.1	In order to conduct internal audit, the company has created a separate internal audit unit accountable to the Board of Directors or the Audit Committee, or has engaged an independent external organisation following the same accountability principle.	Full compliance	
5.2.2	During the reporting period, the performance of the risk management and internal control system was assessed as part of internal audit. The company uses generally accepted approaches to internal control and risk management.	Full compliance	
6.1.1	The Board of Directors has approved the company information policy developed taking into account the recommendations provided in the Code. The Board of Directors (or one of its Committees) considered matters related to the company compliance with the information policy at least once during the reporting period.	Full compliance	

No.	Compliance criteria	Compliance status	Reasons for non-compliance
6.3.1	The company information policy stipulates that shareholders must be granted easy access to information, including information about legal entities controlled by the company, at the shareholders' request.	Full compliance	
6.3.2	During the reporting period, the company did not refuse shareholders' requests for information, or provided a rationale for such refusals. In cases specified in the company information policy, shareholders are notified that the information in question is confidential, and assume an obligation to keep it confidential.	Full compliance	
7.1.1	The company Charter contains a list of transactions or other actions that qualify as significant corporate actions, and establishes criteria for identifying them. Making decisions regarding significant corporate actions is the prerogative of the Board of Directors. In those cases when the applicable legislation specifically stipulates that such significant corporate actions fall within the competence of the General Meeting of Shareholders, the Board of Directors provides the shareholders with the relevant recommendations.	Full compliance	
7.1.2	The company has established a procedure whereby independent directors express their opinions with regard to significant corporate actions before their approval.	Full compliance	As at the end of the reporting year, the Board of Directors did not include independent directors. The company has no other shareholders (except for Gazprom) having an interest of more than 2%, which would enable them to nominate candidates to the Board of Directors. Full compliance with this recommendation largely depends on the willingness of the majority shareholder (Gazprom) to nominate and elect independent directors to the company Board of Directors.
7.1.3	Given the nature of the company operations, the minimum criteria established in its Charter for classifying the company transactions as significant corporate actions are lower than those established by law. During the reporting period, all significant corporate actions underwent the approval procedure before they were performed.	Full compliance	
7.2.1	During the reporting period, the company disclosed detailed information about its significant corporate actions, including the rationale for and the timing of such actions, in a timely manner.	Full compliance	

Gazprom Neft
at a glanceStrategic
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systemSustainable
development

Appendices

No.	Compliance criteria	Compliance status	Reasons for non-compliance
72.2	<ol style="list-style-type: none"> 1. The company internal documents establish a procedure for engaging an independent appraiser to carry out a valuation of the property to be disposed of or purchased in a major transaction or related-party transaction. 2. The company internal documents establish a procedure for engaging an independent appraiser to carry out a valuation of the company shares for the purpose of purchase or buyback. 3. The company internal documents contain an expanded list of grounds for recognising the members of the Board of Directors and other persons stipulated by law as having interest in the company transactions. 	Partial compliance	<p>With regard to item 3: the company internal documents do not contain an expanded list of grounds for recognising the members of the Board of Directors and other persons stipulated by law as having interest in the company transactions. The company internal documents provide for a list of grounds for recognising the members of the Board of Directors and other persons stipulated by law as having interest in the company transactions only under Russian legislation.</p> <p>After the adoption of the Corporate Governance Code, significant amendments have been made to the Law 'On Joint-Stock Companies' (Chapter IX 'Interest in the Execution of a Transaction by the Company') with regard to compiling a list of interested parties and establishing a procedure for approving transactions. Accordingly, the company has made the relevant amendments to its internal documents: the Charter, the Regulation Governing the Board of Directors, and the Regulation on the Management Board.</p>