

The Board of Directors

The Board of Directors is responsible for the company's strategic management, determining key principles and approaches to risk management and internal controls, oversight of the company's executive bodies, as well as other key functions.

The remit of the Board of Directors is set out in the Gazprom Neft Charter and is clearly segregated from the remit of executive bodies responsible for managing the company's ongoing operations.



Regulation on the Board of Directors of Gazprom Neft PJSC

Role of the Board

- Consideration and establishment of development strategy directed at increasing the company's market capitalisation and attractiveness as an investment, maximising profit and expanding the company's asset portfolio.
- Putting in place efficient executive bodies and ensuring oversight of their performance, The Board of Directors monitors performance of executive bodies and reviews reports on the implementation of the Strategy and business plans on a regular basis. The remit of the Board of Directors also includes election, termination of powers, and incentivisation (motivation) of executive bodies.
- Implementation and protection of the rights and lawful interests of shareholders, as well as assistance in resolving corporate conflicts.
- Establishment of efficient internal-control mechanisms. The Board of Directors ensures the functioning of the risk management and internal control framework and is responsible for managing key risks that affect the achievement of the company's strategic objectives.
- Exercising oversight of the company's corporate governance practices, determining

responsibilities of governance bodies and assessing performance of their functions and responsibilities. The Board of Directors monitors the development of the company's corporate governance framework and practices, and initiates evaluations of the latter.

- Ensuring transparency, timely and complete disclosure of information by the company, and free access to the company's documents by shareholders and other interested parties.
- In view of the strategic importance of tasks vested with the Board of Directors, it is essential that the make-up of the Board of Directors enjoys the confidence of shareholders and ensures the most effective performance of its role.

Key responsibilities of the Chairman of the Board of Directors are established in the Charter, Regulation on the Board of Directors and the Corporate Governance Code, and include:

- managing the work of the Board of Directors;
- promoting an open discussion of agenda items and ensuring thoughtful consideration of all opinions expressed by members of the Board of Directors;

- identifying key matters for review by the Board of Directors and choosing optimum meeting formats for discussing these;
- representing the Board of Directors in relations with shareholders, management and other stakeholders;
- developing proposals for the distribution of tasks among members of the Board of Directors and board committees.

The Board of Directors' scope of authority, its operating principles and existing corporate procedures make it possible to adopt resolutions on a substantial number of issues by a simple majority of votes of members of the Board of Directors. The Chairman of the Board of Directors, nonetheless, takes into account opinions of each Board member and ensures that consensus on key items is reached.

Alexey Miller, a non-executive director, was the Chairman of the Board of Directors throughout 2020. He was not on any of the Board's committees during that period. In the company's view, the concurrent participation of the Chairman of the Board of Directors Alexey Miller in the work of boards of directors of other companies, and his role of Chairman



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of the Management Board of Gazprom PJSC, did not affect the efficiency of his performance

in managing the Board of Directors of Gazprom Neft PJSC.

Composition of the Board of Directors

The composition of the company's Board of Directors is set to comprise 13 people following the decision of the Extraordinary General Meeting of Shareholders of 1 August 2019. The structure of shareholders' equity (95.68% of the total number of company's ordinary shares held by Gazprom PJSC) means that the overwhelming majority of members of Gazprom Neft's Board of Directors are elected upon the recommendation of the company's majority shareholder, Gazprom PJSC.

The make-up of the Board of Directors is balanced in terms of its members having the key skills required for the effective work of the Board of Directors.

The current composition of the Board of Directors ensures sufficient independence from the company's management and enables effective control over its performance. Gazprom Neft has put in place a transparent procedure for electing directors, including the following:

- The company offers its shareholders a two-month period in which to propose nominees to the Board of Directors (one month is suggested under Russian law);
- The Remuneration Committee reviews shareholders' proposals for election to the Board of Directors, evaluates candidates and presents recommendations to the Board of Directors on the inclusion of proposed candidates on the list for election

to the company's Board of Directors;

- information on candidates for appointment to the Board of Directors shall be communicated to interested parties immediately after drawing up minutes of the meeting of the Board of Directors at which the matter was considered.

This is done by publishing a material event statement. Full information on the candidates shall be subsequently posted on the company's website in Russian and English 30 days ahead of a General Meeting of Shareholders, the agenda of which includes the subject of electing the Board of Directors;

- in electing members of the Board of Directors, the company uses the principle of cumulative voting and provides clarifications on its procedure;
- The company announces vote results, indicating the quorum and votes cast for each voting option;
- The company publishes resolutions adopted by the General Meeting of Shareholders on Gazprom Neft's corporate website.

All members of the Board of Directors are highly skilled professionals with significant work experience, and perform their duties in close collaboration with the company's management team, business units, registrar and auditors.

The Board of Directors' scope of authority, its operating principles and existing corporate procedures make it possible to adopt resolutions on a substantial number of issues by a simple majority of votes of members of the Board of Directors.

The company's Board of Directors is composed of

13 people

Members of the Board of Directors have skills in strategic management, corporate governance, corporate finance, risk management, accounting, and other areas specific to the company's business.

Key competencies of Gazprom Neft's Board of Directors

| Board member | Tenure on the board | Key competencies | | | | | |
|------------------|-----------------------------|------------------|-------------------|-------------|------------------------------|-----------------|---------------------------------|
| | | Strategy | Finance and audit | Oil and gas | Law and corporate governance | Risk management | Public and government relations |
| Alexey Miller | since October 2005 | + | + | + | | | + |
| Sergei Kuznets | since September 2019 | | | | + | + | |
| Famil Sadygov | since September 2019 | | + | | | + | |
| Vitaly Markelov | since September 2019 | + | | + | | | + |
| Sergei Menshikov | since September 2019 | | + | + | | + | + |
| Alexey Medvedev | since June 2019 | + | + | + | | | + |
| Kirill Seleznev | since October 2005 | | + | + | | | + |
| Elena Mikhailova | since June 2012 | | + | | + | | |
| Alexander Dyukov | since November 2007 | + | + | + | | | + |
| Vladimir Alisov | since June 2009 | | | | + | | |
| Mikhail Sereda | since December 2013 | | + | | | + | |
| Valery Serdyukov | since December 2012 | | | | | | + |
| Gennady Sukhov | since June 2020 | | + | + | | + | |
| Andrey Dmitriev | from June 2018 to June 2020 | + | + | + | | | |



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Board age diversity

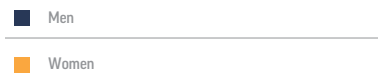
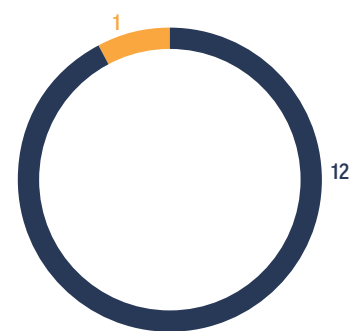
| Name | Age (as at end of the reporting period) |
|------------------|---|
| Alexey Miller | 58 |
| Sergei Kuznets | 50 |
| Famil Sadygov | 52 |
| Vitaly Markelov | 57 |
| Sergei Menshikov | 52 |
| Alexey Medvedev | 65 |
| Kirill Seleznev | 46 |
| Elena Mikhailova | 43 |
| Alexander Dyukov | 53 |
| Vladimir Alisov | 60 |
| Mikhail Sereda | 50 |
| Valery Serdyukov | 75 |
| Gennady Sukhov | 59 |

The composition of the Board of Directors is well-balanced in terms of age, with 85% of its members being between 40 and 60 years old.

The number of members of the board meets the company's current goals, objectives, and industry practices in an optimum way, and ensures the necessary balance of competencies in the boardroom.

Simultaneous participation of directors on other companies' boards did not affect the efficiency of their performance on Gazprom Neft's board.

Board gender diversity



Composition of the Board of Directors in 2020

Board composition from 1 January 2020 to 10 June 2020

Board composition from 11 June 2020 to 31 December 2020

NON-EXECUTIVE DIRECTORS

Alexey Miller

Alexey Miller

Vitaly Markelov

Vitaly Markelov

Famil Sadygov

Famil Sadygov

Sergei Kuznets

Sergei Kuznets

Kirill Seleznev

Kirill Seleznev

Vladimir Alisov

Vladimir Alisov

Sergei Menshikov

Sergei Menshikov

Mikhail Sereda

Mikhail Sereda

Elena Mikhailova

Elena Mikhailova

Alexey Medvedev

Alexey Medvedev

Andrey Dmitriev

Gennady Sukhov

Valery Serdyukov

Valery Serdyukov

EXECUTIVE DIRECTOR

Alexander Dyukov

Alexander Dyukov

INDEPENDENT DIRECTORS¹

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¹ — The independence criteria used by Gazprom Neft are based on recommendations of the Corporate Governance Code of the Central Bank of the Russian Federation (Bank of Russia).

Board composition as at 31 December 2020

Born in 1962.

Graduated from the N.A. Voznesensky Leningrad Financial-Economic Institute;
since 2001: Chairman of the Management Committee, Gazprom PJSC;
since 2002: Deputy Chairman of the Board of Directors, Gazprom PJSC;
PhD in Economics

Roles in other organisations:

- since 2003: Chairman and member of the Board of Directors, Gazprombank;
- since 2003: Chairman and member of the Board of Directors, SOGAZ;
- since 2007: member and Chairman of the Board of Directors, Gazprom-Media Holding;
- since 2012: member and Chairman of the Board of Directors, Joint Stock Company Russian Racecourses;
- since 2012: member of the Board of Trustees, Graduate School of Management of St Petersburg State University;
- since 2012: member of the Board of Trustees, Russian Geographical Society;
- since 2012: member of the Board of Trustees, Charity Fund for restoration of New Jerusalem Monastery of Resurrection;
- since 2012: member of the Board of Trustees, Association of Lawyers of Russia;
- since 2012: member of the Management Bureau, Russian Union of Industrialists and Entrepreneurs (an all-Russian union of employers);
- since 2012: member of the Management Bureau, Russian Union of Industrialists and Entrepreneurs (an all-Russian public organisation);
- since 2012: First Deputy Chairman of the Board of Trustees, Russian Cycling Federation;
- since 2013: member of the Supervisory Board, Global Energy Association (international research and energy projects);
- since 2013: President and Chairman of the Management Board, Association of Equipment Manufacturers "The New Gas Industry Technology";
- since 2013: member of the Board of Trustees, Lomonosov Moscow State University;
- since 2013: member of the Board of Trustees, the Moscow City Church Construction Support Foundation;
- since 2013: member of the Supervisory Board, Russian Volleyball Federation;
- since 2014: Chairman of the Board of Trustees, St Petersburg State University of Economics;
- since 2016: President and Chairman of Presidium, International Business Congress (IBC) e.V.;
- since 2017: member of the Board of Trustees, HSE University;
- since 2017: member of the Board of Trustees, Foundation for support and development in the field of paediatric haematology, oncology and immunology "Science for Children" (formerly Doctors, Innovations and Science for Children Foundation (paediatric haematology, oncology and immunology research));
- since 2018: member of the Board of Trustees, Fund for the Conservation and Development of the Solovetsky Archipelago;
- since 2018: member of the Presidential Council for the Development of Physical Culture and Sport;
- since 2018: member and Chairman of the Board of Directors, Private Pension Fund GAZFOND;
- since 2019: member of the Board of Trustees, National Intellectual Development Foundation;
- since 2019: Chairman of the Board of Trustees, Alexandrinsky Theatre; and
- since 2020: member of the Board of Trustees, Tsarskoe Selo state museum and heritage site.



MILLER
ALEXEY BORISOVICH
Chairman of the Board of Directors

Shareholding (as at 31 December 2020)
none

Born in 1974.

Graduated from D.F. Ustinov Baltic State Technical University and St Petersburg State University.
PhD in Economics

Roles in other organisations:

- since 2006: member and Chairman of the Council, Latvijas Gāze;
- since 2006: member of the Board of Directors, FC Zenit;
- since 2006: member of the Supervisory Board, KazRosGas;
- since 2011: member of the Board of Directors, Rossiya Bank;
- since 2013: member of the Supervisory Board, Russian Regional Development Bank;
- since 2017: member of the Board of Directors, RusGazAlliance;
- since 2018: member of the Board of Directors, RusKhimAlyans; and
- since 2019: director general, RusKhimAlyans.



**SELEZNEV,
KIRILL GENNADIEVICH**

Shareholding (as at 31 December 2020)
none



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Born in 1968.

Graduated from S. Ordzhonikidze State Academy of Management (Moscow).
since 2019: member and Deputy Chairman of the Management Committee, Gazprom PJSC;
PhD in Economics

Roles in other organisations:

- since 2019: member of the Board of Directors, Gazprombank;
- since 2019: member of the Board of Directors, Private Pension Fund GAZFOND;
- since 2019: member of Presidium, Chairman of the Law, Banking and Finance Working Committee, International Business Congress (IBC) e. V.;
- since 2019: Chairman of the Board of Directors, Belgazprombank;
- since 2019: member of the Board of Directors, SOGAZ;
- since 2019: member of Advisory Board, GAZPROM Germania GmbH;
- since 2019: member and Chairman of the Supervisory Board, Gazprom EP International BV;
- since 2019: member and Deputy Chairman of the Board of Directors, Gazprom Gas-Engine Fuel LLC.



**SADYGOV
FAMIL KAMIL OGLY**

Member of the Audit Committee

Shareholding (as at 31 December 2020)
none



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Born in 1967.

Graduated from the Leningrad Shipbuilding Institute.
Holds an MBA degree from IMISP (2001).

2003-2006: President, SIBUR.

2006: CEO, SIBUR.

from 2006: President of Gazprom Neft PJSC. Since December 2007: Chairman of the Management Board and CEO, Gazprom Neft PJSC.

Roles in other organisations:

- since 2005: Deputy Chairman of the Board of Directors, SIBUR Holding;
- since 2007: member of the Supervisory Board, Union of Oil and Gas Producers of Russia, Russian Gas Society;
- since 2008: member of the Supervisory Board, St Petersburg Mining University (a federal state budget-funded higher educational institution);
- since 2010: member of the Board of Directors, SKA Ice Hockey Club;
- since 2010: member of the Board of Trustees, Russian Geographical Society;
- since 2012: member of the Board of Directors, Hockey City LLC;
- since 2013: member of the Board of Directors, Russian Union of Industrialists and Entrepreneurs (RSPP, an all-Russian public organisation), and member of the Bureau of the RSPP Board, Chairman of the Committee on Industrial Security, and Co-Chair of the Commission on the Oil and Gas Industry;
- since 2014: member of the Board of Trustees, Russian Chess Federation;
- since 2015: member of the Board of Trustees, National Intellectual Development Foundation;
- since 2015: member of the Board of Trustees, the I.M. Gubkin National University of Oil and Gas;
- since 2018: member of the Board of Trustees, Lomonosov Moscow State University Gymnasium (boarding school);
- since 2019: member of the Presidential Council for the Development of Physical Culture and Sport;
- since 2019: President, Football Union of Russia;
- since 2020: member of the Government Commission on Digital Development, the Use of Information Technologies for Improving Quality of Life and Conditions for Doing Business;
- since 2020: member of the Council of the International Fund 'Public Interest Foundation'; and
- since 2020: member of the State Committee for Natural Resources Management and Environmental Protection.



DYUKOV
ALEXANDER VALERIEVICH

Shareholding (as at 31 December 2020)
0.005357244% (254,003 shares)

Born in 1977.

Graduated in law from Moscow State Industrial University; obtained an MBA at the Russian Presidential Academy of National Economy and Public Administration.
since 2011: head of department, Gazprom PJSC, oversees property management and corporate relations.
since 2012: member of the Management Committee, Gazprom PJSC.

Roles in other organisations:

- since 2012: member and Chairman of the Board of Directors, Mosenergo;
- since 2012: member of the Board of Directors, Severneftegazprom;
- since 2012: member of the Board of Directors, Lider CJSC;
- since 2012: member of the Board of Directors, Gazprom Gas-Engine Fuel LLC;
- since 2013: member of the Council, Latvijas Gāze;
- since 2017: member of the Supervisory Board, Autonomous Non-Profit Organisation Volleyball Club Zenit, St Petersburg;
- since 2018: member of the Board of Directors, FC Zenit;
- since 2018: member of the Board of Directors, Private Pension Fund GAZFOND;
- since 2019: Chairman of the Board of Directors, Lazurnaya LLC;
- since 2019: member of the Board of Directors, Vostokgazprom;
- since 2019: member of the Board of Directors, Gazprom dobycha Tomsk.



**MIKHAILOVA
ELENA VLADIMIROVNA**
Member of the Audit Committee

Shareholding (as at 31 December 2020)
none



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Born in 1970.

Graduated from St Petersburg State University of Economics and Finance.
since 2002: member of the Board of Directors, Gazprom PJSC.

Roles in other organisations:

- since 2002: Chairman of the Board of Directors, Gazprom (UK) Limited;
- since 2002: Deputy Chairman of the Board of Directors, Gazprombank;
- since 2002: Chairman of the Board of Directors, Vostokgazprom;
- since 2004: Chairman of the Board of Directors, Gazprom dobycha Tomsk;
- since 2005: Chairman of the Board of Directors, Gazpromtrubinvest;
- since 2007: member of the Board of Directors, Gazprom Space Systems;
- since 2015: President of the Administrative Council, Gazprom Schweiz AG;
- since 2016: member of the Supervisory Board, Gazprom Austria GmbH;
- since 2016: member of Presidium, International Business Congress (IBC) e. V.;
- since 2018: member of the Board of Directors, Panrusgaz;
- since 2019: Chairman of the Advisory Board, Gazprom Germania GmbH;
- since 2020: First Deputy Director General, Gazprom Export; and
- since 2020: Director General, Gazprom Trading.



**SEREDA,
MIKHAIL LEONIDOVICH**
Chairman of the Audit Committee

Shareholding (as at 31 December 2020)
none

Born in 1960.

Graduated from Law Department at A.A. Zhdanov Leningrad State University.
since 2008: First Deputy Head of Department, Gazprom PJSC, oversees legal matters.
In 2010, by Presidential decree, Mr Alisov was awarded the title of Honoured Lawyer of the Russian Federation.

Roles in other organisations:

- since 2007: member of the Board of Directors, Daltransgaz;
- since 2016: member of the Board of Directors, DRAGA JSC;
- since 2018: member of the Supervisory Board, Russia-Belarus joint venture Brestgazapparat OJSC.



**ALISOV
VLADIMIR IVANOVICH**
Member of the Remuneration Committee

Shareholding (as at 31 December 2020)
none

Born in 1945.

Graduated from G.V. Plekhanov Leningrad Mining Institute.
1999–2012: Governor of the Leningrad Oblast.
PhD in Economics
Government and industry awards recipient.



**SERDYUKOV
VALERY PAVLOVICH**
Member of the Remuneration Committee

Shareholding (as at 31 December 2020)
none

Born in 1963.

Graduated from the Kuybyshev Aviation Institute.
since November 2012: member of the Board of Directors, member and Deputy Chairman of the Management Committee, Gazprom PJSC.

Roles in other organisations:

- since 2014: member of the Board of Directors, Gazprom Space Systems;
- since 2014: member of the Board of Directors, United Shipbuilding Corporation (USC);
- since 2014: President, Pipe Producers Association;
- since 2014: Deputy President and Chairman of the Management Board, Association of equipment manufacturers The New Gas Industry Technology;
- since 2014: member of the Supervisory Board, Wintershall AG;
- since 2014: member of the Board of Directors, Gazprom Kyrgyzstan;
- since 2016: member of the Supervisory Board, Gazprom EP International BV;
- since 2016: member of Presidium, International Business Congress (IBC) e. V.;
- since 2017: Chairman of the Board of Directors, Gazprom Armenia;
- since 2018: Deputy Chairman of the Board of Directors, RusKhimAlyans;
- since 2019: member of the Supervisory Board of I.M. Gubkin Russian State Oil and Gas University;
- since 2019: non-executive director, Sakhalin Energy Investment Company Ltd.;
- since 2019: Chairman of the Board of Directors, Mosenergo;
- since 2019: Chairman of the Board of Directors, TGK-1;
- since 2019: Chairman of the Board of Directors, Gazprom Teploenergo;
- since 2019: Chairman of the Board of Directors, RusGazAlliance;
- since 2019: member of the Supervisory Board, First Vice President, Union of Oil & Gas Producers of Russia, Russian Gas Society;
- since 2019: member of the Supervisory Board, Gazprom Transgaz Belarus; and
- since 2020: member of the Board of Directors, REP Holding.



**MARKELOV
VITALY ANATOLIEVICH**

Shareholding (as at 31 December 2020)
none



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Born in 1970.

Graduated from Lomonosov Moscow State University.
since April 2019: member of the Management Committee, head of department, Gazprom PJSC.

Roles in other organisations:

- since 2018: member of the Board of Directors, Shtokman Development AG;
- since 2019: member of the Supervisory Board, EuRoPol GAZ s.a.;
- since 2019: member of the Board of Directors, Private Pension Fund GAZFOND;
- since 2019: member of the Supervisory Board, Moldovagaz;
- since 2019: member of the Board of Directors, Gazprom-Media Holding;
- since 2019: member of the Supervisory Board, Gazprom Holding Coöperatie UA;
- since 2019: member of the Board of Directors, South Stream Transport BV;
- since 2019: member of the Board of Directors, Lazurnaya LLC;
- since 2013: member of the Council, Latvijas Gāze;
- since 2019: member of the Board of Directors, REP Holding;
- since 2019: member of the Supervisory Board, Gazprom Transgaz Belarus; and
- since 2020: member of Supervisory, GAZPROM Austria GmbH.



**KUZNETS
SERGEI IVANOVICH**
Chairman of the Remuneration Committee

Shareholding (as at 31 December 2020)
none

Born in 1968.

Graduated from Grozny Oil Institute and I.M. Gubkin Russian State University of Oil and Gas.
since 2019: member of the Management Committee, Head of Department, Gazprom PJSC.
PhD in Economics

Roles in other organisations:

- since 2015: member of the Executive Committee, Vernadsky Non-Governmental Environmental Foundation;
- since 2019: member of the Management Board, Association of Equipment Manufacturers "The New Gas Industry Technology";
- since 2019: member of the Board of Directors (non-executive director), Sakhalin Energy Investment company Ltd.;
- since 2019: member of the Board of Directors, Vostokgazprom;
- since 2019: member of the Board of Directors, Gazprom добыча Tomsk;
- since 2019: member of the Supervisory Board, Wintershall AG;
- since 2019: Chairman of the Board of Directors, Achim Development;
- since 2019: member of the Board of Directors, Achimgaz;
- since 2019: member of the Board of Directors, Gazprom Kyrgyzstan;
- since 2019: member of the Board of Directors, Gazpromviet;
- since 2019: member of the Supervisory Board, Gazprom EP International B.V.;
- since 2020: member of the Board of Directors, Severneftegazprom.



**MENSHIKOV
SERGEI NIKOLAEVICH**

Shareholding (as at 31 December 2020)

none

Born in 1955.

Graduated from Moscow Institute of Physics and Technology.
PhD in Economics

Roles in other organisations:

- since 2013: Chairman of the Board of Directors, Overgaz Inc. AD;
- since 2013: Chairman of the Board of Directors; Severneftegazprom;
- since 2013: Chairman of the Supervisory Board, KazRosGas;
- since 2013: member of the Board of Directors, SKA Ice Hockey Club;
- since 2013: member of the Supervisory Board, Gazprom EP International BV;
- since 2013: Chairman of the General Meeting, Association Junior hockey league (JHL);
- since 2013: Chairman of the Board of Directors, Hockey City LLC;
- since 2015: director, Autonomous Non-Commercial Organisation Gazpromexport Socio-Cultural Club;
- since 2016: member of the Board of Directors, Nord Stream 2 AG;
- since 2017: member of the Board of Directors, the Kontinental Hockey League (KHL);
- since 2019: Director General, FC Zenit;
- since 2019: Chairman of the Board of Directors, Zenit Basketball Club;
- 2019: Chairman of the Presiding Committee, International Business Congress e. V.



**MEDVEDEV
ALEXANDER IVANOVICH**

Shareholding (as at 31 December 2020)

0.00105456% (50,000 shares)

Born in 1961.

Graduated from Saratov Polytechnic Institute and the Russian Presidential Academy of National Economy and Public Administration subsequently receiving an MBA degree. since April 2019: member of the Management Committee, head of department, Gazprom PJSC.

Roles in other organisations:

- since 2019: member of the Board of Directors, Mosenergo;
- since 2019: member of the Board of Directors, TGK-1.



**SUKHOV
GENNADY NIKOLAEVICH**

Shareholding (as at 31 December 2020)
none



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Born in 1974.

Graduated from Volga State Academy of Water Transport and received an EMBA from Stockholm School of Economics.



DMITRIEV ANDREY IGOREVICH
Board member from 09 June 2018 to 10 June 2020

Shareholding (as at 31 December 2020)
none



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Members of the Board of Directors did not execute any transactions involving acquisition or disposal of the company shares during the reporting year. In 2020, no claims were filed against members of the Board of Directors.

Secretary to the Board of Directors

The Board Secretary ensures effective ongoing communication with shareholders, coordinates the company's activities in protecting their rights and interests, and supports effective management of the Board of Directors.

The main tasks of the Board Secretary are to make sure that the company and its officers comply with the rules and procedures of corporate governance established by Russian laws, the company's Charter and internal regulations; to prepare and convene the General Meeting of Shareholders and meetings of the Board of Directors and its committees, to disclose information about the company, and improve its corporate governance practices.

Key functions of the Secretary to the Board of Directors include:

- providing organisational and information support to the Board of Directors and its committees;
- preparing and convening General Meetings of Shareholders;
- assisting the Chairman of the Board of Directors in organising and planning activities of the Board of Directors;
- arranging safekeeping of the Board of Directors' documents;
- exercising control over implementation of the Board of Directors' resolutions;
- liaison with members of the Board of Directors, advising members of the Board of Directors on corporate governance matters, providing necessary documents and information to members of the Board of Directors;
- ensuring disclosure of company information;
- managing interaction between the company and its shareholders;
- other functions pursuant to the Regulation on the Board of Directors, the company's internal regulations and assignments by the Chairman of the Board of Directors.

The Board Secretary ensures effective ongoing communication with shareholders, coordinates the company's activities in protecting their rights and interests, and supports effective management of the Board of Directors.



Regulation on the Secretary to the Board of Directors of Gazprom Neft

Born in 1984.

Graduated from the Russian Law Academy of the Russian Ministry of Justice with a degree in Jurisprudence, and in European and International Business Law from the University of Social Sciences (Toulouse, France).

since June 2019: head of Corporate and Project Support Department, Gazprom Neft PJSC;

since 2020: Executive Director for Legal Support and Corporate Governance, Gazprom Neft PJSC.

Roles in other organisations:

- Member of boards of directors in the following companies: Tomskneft VNK (JV), Northgas CJSC, AS Baltic Marine Bunker, Gazpromneft Lubricants Italia S.p.A., Tsentrcaspneftegaz LLC.
- Owns no shares in Gazprom Neft and its subsidiaries. Has no family relations with other members of the company's governance bodies and/or bodies exercising control over financial and business operations.



**NENADYSHINA
VICTORIA VYACHESLAVOVNA**
Secretary to the Board of Directors

Shareholding (as at 31 December 2020)
none

The Board Secretary has knowledge, experience and qualifications sufficient for the performance of her duties. She has an impeccable professional reputation, undergoes continued professional development, and is an active member of the professional community.

In 2020, Ms Nenadyshina was included in the Top-50 Corporate Governance Directors ranking by the Kommersant Publishing House¹.

In order to ensure the Secretary's independence, the Secretary is appointed by the Board of Directors on the recommendation of the Chairman.

The Secretary to the Board of Directors is not the Secretary to the Management Board.

The role of the Secretary to the Board of Directors is governed by Regulation on the Secretary to the Board of Directors.

58

meetings of the Board of Directors held

Report on the activities of Gazprom Neft's Board of Directors in priority areas in 2020

The Board of Directors of PJSC Gazprom Neft conducted its activities on the basis of approved semi-annual work plans. The Board held 58 meetings throughout 2020.

Matters reviewed by the Board of Directors in 2016–2020, by area

| Categories and areas of matters reviewed | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------------|------------|------------|------------|------------|
| Strategy | 4 | 5 | 4 | 8 | 6 |
| Corporate Governance | 25 | 30 | 32 | 53 | 52 |
| Budget planning and financing | 27 | 18 | 15 | 13 | 7 |
| Risk management | 2 | 4 | 4 | 3 | 5 |
| Sustainable development | 5 | 6 | 3 | 3 | 4 |
| Other | 80 | 49 | 69 | 34 | 30 |
| TOTAL | 143 | 112 | 127 | 114 | 104 |

Number of Board of Directors' meetings convened in 2016–2020

| Form of meeting | 2016 | 2017 | 2018 | 2019 | 2020 ² |
|-----------------|-----------|-----------|-----------|-----------|-------------------|
| Face-to-face | 8 | 9 | 9 | 6 | 2 |
| In absentia | 51 | 48 | 57 | 46 | 56 |
| TOTAL | 59 | 57 | 66 | 52 | 58 |

¹ – Read more about the rating on the Kommersant Publishing House website: <http://www.kommersant.ru/>

² – The number of face-to-face meetings was reduced as part of measures to prevent the spread of coronavirus.



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Attendance at the meetings of the Board of Directors in 2020

| Board member | Board of Directors | | | Audit Committee 20 meetings | Remuneration Committee Five meetings |
|---|----------------------|------------------------------|----------------------------|--------------------------------|--|
| | Total 58 meetings | Face-to-face Two meetings | In absentia 56 meetings | | |
| Alexey Miller Chairman of the Board of Directors Non-executive director | 58 | 2 | 56 | - | - |
| Vitaly Markelov Non-executive director | 58 | 2 | 56 | - | - |
| Sergei Menshikov Non-executive director | 58 | 2 | 56 | - | - |
| Sergei Kuznets Non-executive director | 58 | 2 | 56 | - | 5 |
| Famil Sadygov Non-executive director | 58 | 2 | 56 | 15 | - |
| Alexey Medvedev Non-executive director | 58 | 2 | 56 | - | - |
| Kirill Seleznev Non-executive director | 58 | 2 | 56 | - | - |
| Alexander Dyukov Executive director | 58 | 2 | 56 | - | - |
| Vladimir Alisov Non-executive director | 58 | 2 | 56 | - | 5 |
| Mikhail Sereda Non-executive director | 57 | 1 | 56 | 20 | - |

| Member of the Board of Directors | Board of Directors | | | Audit Committee 20 meetings | Remuneration Committee Five meetings |
|--|------------------------|------------------------------|----------------------------|--------------------------------|--|
| | Total 58 meetings | Face-to-face Two meetings | In absentia 56 meetings | | |
| Elena Mikhailova Non-executive director | 58 | 2 | 56 | 20 | - |
| Gennady Sukhov Non-executive director | 31 (of 31 possible) | 1 | 30 | - | - |
| Valery Serdyukov Non-executive director | 58 | 2 | 56 | - | 5 |
| Andrey Dmitriev Non-executive director | 27 (of 27 possible) | 1 | 26 | 5 | - |

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As part of its work during the year, the Board of Directors consistently addressed key tasks in Gazprom Neft's priority areas of activity, including strategic development,

improving investment attractiveness, ensuring effective asset management, investment, financial and operational performance, improving the efficiency and transparency

of internal governance mechanisms, and further improving the system of control over and accountability of the company's management bodies.

Key matters reviewed the Board of Directors in 2020

Strategic development

The Board of Directors reviewed information on the status of the current resource base of oil fields and prospects for its increase to ensure further production growth during 2021–2030, including outlining sources of the resource base to ensure production growth throughout 2021–2030 and tools for increasing efficiency.

In July 2020, the Board of Directors reviewed the status of the implementation of Gazprom Neft's Digital Transformation Strategy

which was approved in September 2019.

Gazprom Neft's Programme of development of the Russian continental shelf was reviewed during a face-to-face meeting of the Board of Directors, including an overview of the main global trends in the development of offshore projects and the company's position, as well as key outcomes and plans for the development of the company's offshore projects.

The Board of Directors reviewed information on the status of the current resource base of oil fields and prospects for its increase to ensure further production growth during 2021–2030.

Innovation

The Board of Directors reviewed the status of Gazprom Neft's activities in import substitution and emerging projects, and the impact of industrial production projects that have already been implemented. The company is currently putting measures in place to stimulate the creation of new, previously unreleased products through developing, approving and implementing alternative substitution strategies in key business areas: onshore and offshore production, oil refining, as well as underlying automation, IT and digitalisation issues.

The Board of Directors approved the 2019 Report on implementing the Gazprom Neft's Innovative Development Programme, which includes information on the main

outcomes of key innovation projects, achieving planned performance targets, financing the Programme activities, and cooperation with others in the innovation community.

The Board of Directors approved a new version of Gazprom Neft's Innovative Development Programme to 2025. The updated programme takes into account activities and target indicators of national projects (programmes) in Science, Education, the Digital Economy of the Russian Federation, the Strategy of Scientific and Technological Development of the Russian Federation, as well as roadmaps of the National Technological Initiative.

In accordance with its work plan, the Board of Directors reviews on a regular basis (at least semi-annually) projects relating to Gazprom Neft's Investment Programme, its Business Plan and the Gazprom Neft Group Budget, as well as information regarding the implementation of these plans and programmes.

Budget planning and control of financial and economic activities

In accordance with its work plan, the Board of Directors reviews on a regular basis (at least semi-annually) projects relating to Gazprom Neft's Investment Programme, its Business Plan and the Gazprom Neft Group Budget, as well as information regarding the implementation of these plans and programmes.

In April 2020 the Board of Directors reviewed information on the implementation of the Gazprom Neft Group's 2019 Investment Programme, Budget (Financial Plan) and Financial

Borrowing Programme based on the results of the Group's performance in 2019.

In November 2020 the Board of Directors reviewed the results of implementation of the Gazprom Neft Group's Investment Programme and Budget (financial plan) for the first half of 2020,

In December 2020 the Board of Directors approved Gazprom Neft's Budget (financial plan) for 2021, including the financial borrowings programme, as well as information on key performance indicators

(KPIs) and strategic targets to 2023. Concurrently, the Board of Directors reviewed and approved the Group's Investment Programme for 2021 and the Cost Optimisation (Reduction) Programme for 2021.

The Board of Directors also took note of Gazprom Neft's debt structure and repayment profile to 2025, and identified areas for debt portfolio optimisation in 2021.

Risk management and internal control

The Board of Directors approved Gazprom Neft's Risk Management and Internal Control Policy (the «Policy») in early 2020. That policy is designed to further developing and improve the Gazprom Neft Group's risk management and internal control system with a view to increasing the reliability and efficiency of its operations, and ensuring

the achievement of Gazprom Neft Group's goals and objectives.

The Board of Directors' Audit Committee has made a preliminary review of the policy.

To ensure sufficient confidence in the achievement of the company's objectives, risk management measures are regularly developed

To ensure sufficient confidence in the achievement of the company's objectives, risk management measures are regularly developed and implemented across Gazprom Neft's various management levels.

and implemented across Gazprom Neft's various management levels. Reports on the management of the company's key risks are presented to the Board of Directors. In 2020, the Board of Directors reviewed information on updating Gazprom Neft's key risks

for 2020 and information on Gazprom Neft and the Gazprom Neft Group's key risks during the first half of 2020 and measures to address these. Based on the results of the update procedure for the first half of 2020, the total number of key risk groups and their composition remained unchanged.

The Register of the company's key risks now includes reassessment of the level of individual risk groups.

The 2020 Register of the company's key risks has been provisionally approved by its Management Board.

Sustainable development and corporate governance

In December 2020 the Board of Directors approved the revised version of Gazprom Neft PJSC's Dividend Policy, setting a new dividend target of at least 50% of the company's IFRS net profit.

In January 2020, Gazprom Neft's Board of Directors reviewed the company's compliance with legal requirements to counter the misuse of insider information and market manipulation.

The Board of Directors agreed the appointment of a Deputy CEO for International Business and a Deputy CEO for Government Relations in 2020. The Board also reviewed issues relating to the election of a member of Gazprom Neft's Management Board and the participation of Management Board members in governance bodies of other organisations.

In addition, the Board of Directors considered matters relating to preparations for convening two general shareholder meetings, reports on the performance of the Internal Audit and Risk Management Directorate, approval of transactions, as well as other corporate governance issues.

Other key sustainable-development issues reviewed by the Board of Directors on the basis of 2019 results included the implementation of the Company's APG Utilisation

Efficiency Improvement Programme, and plans for 2020–22. Gazprom Neft has been implementing major initiatives in increasing APG utilisation at current assets over the past nine years, as well as at new assets that are characterised by considerable geological uncertainty.

In 2020, the rate of APG utilisation across all assets, except the new ones, was 95.06% (including new assets: 93.67%).

The company remains committed to the consolidated target of 95% APG utilisation across its current assets in 2020.

The Board of Directors reviewed the implementation of Gazpromneft-Catalytic Systems' plans for the construction of a catalyst-production plant in Omsk. The implementation of the project involves systemic work that will ensure the successful completion of the construction, high environmental performance of the new production facility and consistent quality of the catalysts produced. Compared to the existing production of catalysts at Gazprom Neft Omsk Refinery's Unit G-43-6, the new Gazpromneft-Catalytic Systems plant will produce seven times more catalysts, while the mass of polluting emissions will be reduced by 28%.

≥ 50%
of net profit
for dividend payment



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Board of Directors' committees

Two committees operate under the Board of Directors: the Audit

Committee and the Remuneration Committee.

Audit Committee

The Audit Committee is an advisory body that operates under the delegated authority of the Board of Directors. The composition, status, operating procedures, competence and functions of the Audit Committee, the procedure for convening and holding meetings, formalisation of decisions and the responsibilities of members of the Audit Committee are set out in the Regulation on the Board of Directors' Audit Committee.

The Audit Committee facilitates the Board's involvement in overseeing the company's financial and business operations by assessing the effectiveness of internal controls, including controls over the preparation and presentation of financial and non-financial reports, their completeness and fairness, and by monitoring the risk management system. The Audit Committee facilitates constructive

communication with the external auditor, financial and business oversight bodies, and the company's internal audit units. The activities of the Audit Committee are directly linked with the Board of Directors' work plan and include the review of matters relating to accounting (financial) statements and consolidated financial statements, risk management, internal control and corporate governance, internal and external audit, as well as combating illicit activities.

Given the nature of their responsibilities, members of the Audit Committee possess sufficient relevant financial experience and skills to work with financial statements, perform analysis of business operations and financial management. The Audit Committee does not comprise any representatives from the company's senior management.

Audit Committee meetings

| Index | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------|------|------|------|------|------|
| Number of meetings | 11 | 12 | 13 | 14 | 20 |
| Number of matters reviewed | 30 | 34 | 35 | 29 | 29 |

All Audit Committee meetings were held in absentia throughout 2020. All members of the Audit Committee took part in all meetings.

On matters requiring submission of recommendations to the Board of Directors, the Audit Committee prepared recommendations on the approval of the 2019 Annual Report, on the nomination

of the external auditor, and on the assessment of the Auditor's Report.

In 2020, the Audit Committee achieved the objectives and tasks set for it by the Corporate Governance Code, the Regulations on the Audit Committee, the Charter and Gazprom Neft's internal regulations, as well as directives and methodological recommendations of the Federal



**Regulation
on the Board of Directors'
Audit Committee**

Members of the Audit Committee

From 1 January 2020 to 13 July 2020:

- Mikhail Sereda (Chairman)
- Andrey Dmitriev
- Elena Mikhailova

From 14 July 2020 to 31 December 2020:

- Mikhail Sereda (Chairman)
- Famil Sadygov
- Elena Mikhailova

Property Management Agency (as far as the activities of the Board of Directors and the Board of Directors' Audit Committee are concerned).

The Audit Committee's work plan for 2020 was fully implemented. A report on the work of the Audit Committee was submitted to the Board of Directors for review.

The Audit Committee reviewed the following key matters



External audit

- Approval of tender documentation for a closed tender to select an audit organisation for 2020 and 2021 for the conduct of the compulsory audit of accounting, financial and interim (abridged) financial statements for 2020 and 2021.
- The outcomes of the work of Gazprom Neft PJSC's external auditor based on the results of 2019.
- The potential auditors for 2020.
- The assessment of the Auditor's Report on Gazprom Neft's 2019 accounting (financial) statements prepared by FBK LLC.
- Approaches to the conduct of the external audit, the plan and procedures for the external audit of Gazprom Neft PJSC in 2020.
- Determining the amount of remuneration for Gazprom Neft's auditor in 2020.
- Report on the results of implementation of Gazprom Neft External Auditor's recommendations for 2019.
- The progress of the external audit of Gazprom Neft Group's 2020 accounting (financial) statements (based on external auditor's report).



Internal audit

- Report on the outcomes of work of Gazprom Neft's Internal Audit and Risk Management Directorate in 2019 and H1 2020.
- The creation of Gazprom Neft's internal audit work plan for 2021-2023.
- On the adjustment of Gazprom Neft's audit plan for 2020-2022.



Risk management and internal control

- Updating Gazprom Neft PJSC's key risks in 2020.
- H1 2020 Report on the outcomes of analysis and assessment of the effectiveness of Gazprom Neft PJSC and Gazprom Neft Group's risk management and internal control system.
- H1 2020 Report on Gazprom Neft PJSC and Gazprom Neft Group's key risks and measures for their management.
- 2020 Report on Gazprom Neft PJSC and Gazprom Neft Group's risk management in industrial and environmental safety.
- 9M 2020 Report on Gazprom Neft PJSC and Gazprom Neft Group's credit risk management.
- 9M 2020 Report on Gazprom Neft PJSC and Gazprom Neft Group's currency risk.
- 9M 2020 Report on Gazprom Neft PJSC and Gazprom Neft Group's market risk management (including volume risk).



Corporate governance

- Reviewing Gazprom Neft PJSC's draft 2019 Annual Report.
- Approaches to disclosure of material information in Gazprom Neft PJSC's consolidated financial statements (IFRS).
- Report on Gazprom Neft PJSC and Gazprom Neft Group's compliance with legal requirements for information disclosure in 2020.
- 2020 Report on the outcomes of measures to ensure the continuity of Gazprom Neft PJSC's operations in the context of the spread of COVID-19.



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Remuneration Committee

The Remuneration Committee is an advisory body to the Board of Directors.

The composition, status, operating procedures, competence and functions of the Remuneration Committee, the procedure for convening and holding meetings, formalisation of decisions and the responsibilities of members of the Remuneration Committee are set out in the Regulation on the Remuneration Committee.

Key objectives of the Remuneration Committee as set out in Regulation on the Remuneration Committee include carrying out a preliminary comprehensive study of issues that are within the remit of the Board of Directors and developing recommendations for decision-making by the Board of Directors regarding the improvement of procedures of the Board of Directors and its committees' work, the company's activities in the field of human resources policy and management succession system, and the remuneration of members of management bodies.

The Remuneration Committee undertakes analysis and evaluation of the Board of Directors' make-up in terms of professional expertise, experience, independence and involvement of its members in the work of the Board of Directors. It also identifies priority areas for strengthening the Board of Directors, initiates and oversees the procedure of self-evaluation or external evaluation of the Board of Directors and its committees with regard to their overall performance and the individual contribution of its members to the Board and its committees; and it prepares a report on the results of self-evaluation or external evaluation for incorporation into the company's annual report.

The Remuneration Committee approves the onboarding programme for new members of the Board. The programme aims to effectively familiarise new directors with business practices, organisational structure, key assets and the strategy, key employees of the company, as well as with the Board's work procedures, and oversees practical implementation of such onboarding.

As regards matters that require the submission of recommendations to the Board of Directors, the Remuneration Committee prepared recommendations on the matters concerning the appointment of Deputy CEOs, candidates to the Board of Directors and the Audit Commission¹.



**Regulation
on the Remuneration
Committee**

Members of the Remuneration Committee

From 1 January 2020
to 31 December 2020:

- Sergei Kuznets
(Chairman)
- Valery Serdyukov
- Vladimir Alisov

**In accordance
with recommendations
of the Corporate Governance Code,
the Board of Directors conducts
an annual review and evaluation
of its performance by assessing
all areas of the Board of Directors'
activities.**

The Board of Directors' Remuneration Committee meetings

| Index | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------|------|------|------|------|------|
| Number of meetings | 7 | 6 | 4 | 6 | 5 |
| Number of matters reviewed | 10 | 10 | 5 | 7 | 5 |

¹ – Members of the Audit Commission were elected at the General Meeting of Shareholders on 11 June 2020. Their duties were abolished by the resolution of the extraordinary General Meeting of Shareholders on 18 December 2020.

All Remuneration Committee meetings were held in absentia throughout 2020. All members of the Remuneration Committee took part in all meetings.

During the reporting period, the Remuneration Committee gave its opinion on the independence of each candidate for the Board of Directors.

The Remuneration Committee reviewed the following key items in 2020, including:

- reviewing shareholders' proposals for nominating candidates to Gazprom Neft's Board of Directors and Audit Commission;
- assessing candidates to Gazprom Neft's Board of Directors;
- remuneration of members of Gazprom Neft's Board

of Directors and Audit Commission;

- appointment of Gazprom Neft's Deputy CEOs;

Analysis of the candidate pool led to the conclusion that:

- the experience and education, as well as the knowledge and high degree of professional training of the candidates nominated to the Board of Directors will enable them to perform the duties of a member of the Board of Directors and directly contribute to the effective work of the entire Board of Directors in the interests of the company and its shareholders;
- all of the candidates have impeccable professional and personal reputations, which means, among other things, that

they have no criminal record, either present or past;

- the Board of Directors will include one executive director, which corresponds with recommendations of the Corporate Governance Code;
- the Board of Directors will not include any independent directors;
- the Board of Directors will be sufficiently balanced in terms of gender and age composition.

In 2020, the Remuneration Committee fully achieved its goals and objectives set by the Corporate Governance Code, the Regulations on the Remuneration Committee, the Charter and internal documents of Gazprom Neft PJSC, as well as the Work Plan of the Remuneration Committee for 2020.



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Assessment of the performance of the Board of Directors

In accordance with recommendations of the Corporate Governance Code, the Board of Directors conducts an annual review and evaluation of its performance by assessing all areas of the Board of Directors' activities.

The Remuneration Committee found it beneficial to assess the effectiveness of the Gazprom Neft Board of Directors' performance by engaging an independent external

organisation at least once every three years.

Performance of the company's Board of Directors in 2020 was assessed in the form of a survey (questionnaire). The questionnaire included about 30 questions on the main areas of interest: composition, nature of activity, Board procedures, evaluation of the work of the Chairman

of the Board of Directors, committees and the Secretary to the Board of Directors, the level of relations within the Board of Directors, and also included open-ended questions regarding the need to form additional committees, elect independent directors and other issues.

1. Evaluation outcomes

1.1. Board of Directors, Chairman and Secretary to the Board of Directors

All members of the Board of Directors participate in its work, interact effectively as a team, have constructive business relations based on mutual trust and respect, contribute to improving the work of the Board of Directors, have the necessary professional experience, and are familiar with the specifics of the industry.

The size of the Board of Directors meets the needs of Gazprom Neft PJSC.

The Board of Directors actively participates in laying out the company's Development Strategy and oversees its implementation, clearly setting the company's priorities. Implementation of the company's Development Strategy is overseen at a high level, in a timely and adequate manner; the Board of Directors constantly monitors the situation on issues that cause concern for the company's stable and consistent development.

There is a high level of involvement of the Board of Directors in the analysis of critical risks, as well as in the analysis of performance indicators of the company's management.

The Board of Directors promotes and supports the development of competencies and knowledge of its members.

The Board of Directors has reached a high level in matters relating to the efficiency of its meetings, which are held in accordance with the corporate governance standards and recommendations of the Bank of Russia on corporate governance issues, while respecting the established timelines for the consideration of issues. The quality of planning of the Board of Directors' work received a high evaluation. An excellent standard of preparation of materials for meetings of the Board of Directors, proficient handling of additional issues, completeness, clarity and reliability of information materials are noted.

Technical and procedural issues of interaction between the Board of Directors and its committees are efficiently ensured.

The work of the Chairman of the Board of Directors is recognised as effective.

The Secretary to the Board of Directors ensures a high standard of activity of the Board of Directors.

Analysis of the work of the Board of Directors revealed an improvement in the following indicators: balanced distribution of powers, identification of strategic priorities, quality of meetings of the Board of Directors.

Based on the results of self-assessment, directions for further improvement in the effectiveness of the Board of Directors were determined as follows:

- maintaining the focus of the Board of Directors on the implementation of the company's long-term development strategy;
- developing the succession system for the members of the Board of Directors in accordance with the company's strategic goals;
- efficiency management, in particular, analysis of the achievement of key performance indicators of the company on an ongoing basis.

Three members of the Board of Directors out of ten surveyed spoke in favour of having independent directors on the Board of Directors.

There were no proposals to form new committees to consider the most important issues of the company's activity.

1.2. Audit Committee

Work of the Audit Committee is recognised as effective. The Audit Committee received the highest score across all indicators. The Audit Committee performs its tasks to a high standard. Particularly noteworthy is the effective interaction between the Audit Committee and the company's management with regard to the activities of the Internal Audit and Risk Management Directorate.

The Audit Committee actively monitors the company's financial reporting process, examines interim and annual financial reports in order to provide sound advice to the Board of Directors for their approval.

The composition of the Audit Committee is balanced and consistent with its goals and objectives.

1.3. Remuneration Committee

Work of the Remuneration Committee is recognised as effective. The Remuneration Committee received the highest score across all indicators. The Remuneration Committee performs its tasks to a high standard. Of particular note is the close interaction between the Remuneration Committee and the Board of Directors in preparing recommendations on candidates for those positions that fall in the remit of the Board of Directors.

The composition of the Remuneration Committee is balanced and consistent with its goals and objectives.

2. Evaluation recommendations to improve performance

2.1. The Board of Directors

Members of the Board of Directors noted key areas of activity to which the Board of Directors should pay special attention:

- new technologies in hydrocarbon exploration and production;
- import substitution;
- development of the company's operations in the Russian Arctic, including offshore projects;
- development of technologies for the opening up of unconventional reserves.

2.2. Audit Committee

It is proposed:

- to inform members of the Board of Directors on decisions of the Audit Committee in which they do not participate; and
- to Report annually to the Board of Directors by submitting a Report on the Audit Committee's activities.

2.3. Remuneration Committee

It is proposed

- to inform members of the Board of Directors on decisions of the Remuneration Committee in which they do not participate; and
- to report annually to the Board of Directors by submitting a Report on the Remuneration Committee's activities.

Induction for newly-elected members of the Board of Directors

To boost efficiency of the Board of Directors, the company has in place an induction programme for newly-elected members of the Board of Directors.

The objective of this programme is to familiarise newly-elected members of the Board of Directors with the company's operations, financial and economic activities,

and corporate governance practices as quickly and effectively as possible.

The programme includes the following:

- meeting with the Chairman of the Board of Directors, discussing the work plan of the Board of Directors, the company's priorities, determining the new director's

future role on the Board in accordance with his/her professional knowledge and experience;

- meeting with the company's senior management, getting basic information about the company's activities, discussing the operational and financial structure of the company, getting



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- acquainted with members of the Management Board;
- consultation with the Secretary to the Board of Directors: The Secretary to the Board of Directors describes procedural and legal aspects of work of the Board of Directors and its committees, explains the rights and duties of a Board member, remuneration and compensation, liability and liability insurance;
- familiarisation with the company's principal documents, as well as the Board Member Handbook,

describing major business issues, internal procedures and organisation of work of the company's Board of Directors and its committees;

- the programme may also include site visits to the company's key facilities, taking part in the company's public events and meeting with key management staff.

The programme is overseen by the Remuneration Committee.

In 2020, the Board of Directors was joined by one new director, Gennady Sukhov, who is the head of Department at Gazprom PJSC and who was already in possession of key information about the company's operations, hence the entire induction programme was not required. The new director was familiarised with work procedures of the Board of Directors, his rights and responsibilities, remuneration, compensation, and liability insurance issues.

In 2020, the Board of Directors was joined by one new director, Gennady Sukhov, who is the head of Department at Gazprom PJSC and who was already in possession of the key information about the company's operations, hence the entire induction programme was not required.

Management Board and Chief Executive Officer

The structure of Gazprom Neft's executive bodies is set out in the Charter and includes the Management Board and Chief Executive Officer (CEO). The company's Management Board is a collegial executive body responsible for managing the company's ongoing activities.

Pursuant to Gazprom Neft's Charter, the Management Board is formed by the Board of Directors on the recommendation of the company CEO. The term of office of the Management Board is also determined by the Board of Directors' resolution. Qualification requirements of the members of the Management Board are set out in Gazprom Neft's internal regulations. The Management Board's activities are governed by Regulation on Gazprom Neft PJSC's Management Board.

Alexander Dyukov, the company's CEO, who has headed the company since December 2006, and was re-elected for the subsequent five-year tenure in December 2016, is also

the Chairman of the Management Board responsible for managing work of the Board. In the absence of the Management Board's Chairman, one of the two Management Board's deputy Chairmen, Vadim Yakovlev or Anatoly Cherner, assume his role. A deputy Chairman is elected on the recommendation of the Management Board's Chairman by a majority vote of elected Management Board members. In the absence of the Chairman and both of his deputies, any member of the Management Board may act as Chairman by resolution of the Management Board. The CEO's work is governed by Regulation on the Chief Executive Officer of Gazprom Neft PJSC.



Regulation on the Management Board of Gazprom Neft PJSC



Regulation on the Chief Executive Officer of Gazprom Neft PJSC