

## MEETING OF SHAREHOLDERS

**The General Meeting of Shareholders** is the supreme governing body whose purview includes the most significant issues concerning the Company's activities

### GENERAL MEETINGS OF SHAREHOLDERS OF GAZPROM NEFT PJSC HELD IN 2017

<b>Annual General Meeting of Shareholders</b>	<p>Approved the Company's annual report and accounting statements for 2016. Gazprom Neft shareholders supported the recommendation of the Board of Directors to pay dividends in the amount of RUB 50.64 billion (25.3% of the Company's consolidated net profit for 2016 calculated in accordance with IFRS). Payouts per ordinary share totalled RUB 10.68, a record figure for dividend payments over the entire history of Gazprom Neft.</p> <p>Approved PricewaterhouseCoopers Audit JSC as the auditor of Gazprom Neft for 2017. Shareholders also considered a number of issues on the agenda of the annual meeting:</p> <ul style="list-style-type: none"> <li>■ elected new versions of the Board of Directors and the Audit Commission;</li> <li>■ approved the amount of remuneration for members of the Board of Directors and the Audit Commission.</li> </ul>
<b>Extraordinary General Meeting of Shareholders</b>	<p>Decided to pay interim dividends for the first 9 months of 2017 in the amount of RUB 47.41 billion (RUB 10 per one ordinary share).</p>
9 June 2017	
15 December 2017	

## BOARD OF DIRECTORS

The Board of Directors performs the general management of the Company's operations. In accordance with its purview, the Board of Directors determines the Company's strategy, policy and core operating principles, including with respect to investment and borrowing, risk management, property disposal and other areas of operations, and monitors their implementation.

The purview of the Board of Directors is determined in the Charter and clearly separated from that of the Company's executive governing bodies that manage its day-to-day operations.

One of the most crucial functions of the Board of Directors is to form effective executive bodies and supervise their activities. The Board of Directors monitors the activities of the executive bodies and regularly reviews reports on the implementation of the Company's strategy and business plans. The purview of the Board of Directors includes the election and motivation of the executive bodies as well as the termination of their powers.

The Board of Directors approves the internal control and risk management policy and supports the operation of the risk management and internal control systems. The Board of Directors is responsible for managing the Company's key risks that impact the achievement of its strategic goals.

The Board of Directors monitors improvements in the corporate governance system and practices at the Company and reviews reports on the implementation of an action programme to improve corporate governance on an annual basis.

Taking into account the strategic importance of the challenges facing the Board of Directors, the Board members must have the confidence of shareholders and ensure the duties entrusted to them are performed in the most efficient manner possible.

The main functions of **the Chairman of the Board of Directors** are specified by the Charter, Regulation on the Board of Directors and Code of Corporate Governance and include:

- organising the work of the Board of Directors;
- ensuring an open discussion of agenda items and taking into account the opinions of all members of the Board of Directors;
- identifying key items that should be considered by the Board of Directors and selecting the optimal meeting form to discuss the items;
- representing the Board of Directors in relations with shareholders, management and other stakeholders;
- preparing proposals to distribute tasks among members and committees of the Board of Directors.

The purview and work procedure of the Board of Directors and existing corporate procedures allow for adopting decisions on a substantial portion of items with a simple majority of votes by members of the Board of Directors. At the same time, the Chairman of the Board of Directors takes into account the opinion of each member of the Board of Directors during the discussion of agenda issues and takes measures to achieve a common opinion on key items.

The Chairman of the Board of Directors in 2017 was non-executive director Alexey Miller, who is not a member of any committees under the Board of Directors. The concurrent participation by Chairman of the Board of Directors Alexey Miller in the work of the boards of directors of other companies and his performance of official duties as Chairman of the Gazprom PJSC Management Board in the Company's view has not in any way affected his effectiveness in performing his functions and duties on the Gazprom Neft PJSC Board of Directors.

## MEMBERS OF THE BOARD OF DIRECTORS

The structure of the Company's Board of Directors ensures the duties entrusted to it are performed in the most efficient manner possible. The Board of Directors is elected with 13 members. In accordance with the share capital structure (95.68% of the total common shares belong to Gazprom PJSC), the vast majority of members of the Gazprom Neft PJSC Board of Directors are elected upon recommendation by the controlling shareholder – Gazprom PJSC. Of the 13 members of the Board of Directors, ten are non-executive directors who are representatives of the main shareholder, two are independent directors, and one is the Company's executive director. Gazprom Neft focuses on the criteria for independence enshrined in the Code of Corporate Governance of the Central Bank of the Russian Federation.

### CORE COMPETENCIES OF THE BOARD OF DIRECTORS THE GAZPROM NEFT

