

# OFFICIAL INFORMATION ABOUT ZARUBEZHNEFT

Full name of the Company	Zarubezhneft Joint-Stock Company
Number and date of issuance of state registration certificate	Certificate series 77 No. 003280973 dated October 22 , 2004, OGRN 1047708046870
Constituent entity of the Russian Federation	Moscow
Location	101990, Moscow, 9/1/1 Armianskiy pereulok, bld. 1
Phone (fax)	+7 (495) 748-65-00
Email address	Email: nestro@nestro.ru
Information on inclusion in the list of strategic joint-stock companies	Yes
Full name and address of the registrar	ROST Independent Registrar Company, 107076, Moscow, 18 Stromynka St., bld. 5B, room IX
Size of registered charter capital as of December 31, 2020, RUB	50,729,067,000
Total number of issued shares	50,729,067
Number of ordinary shares	50,729,067
Nominal value of shares, RUB	1,000
State registration number of the issue of ordinary (preferred) shares and date of state registration	1-01-65072-D dated December 9, 2004
State registration number of additional issue of ordinary (preferred) shares and date of state registration (if the registration body has not canceled the individual number (code) of the additional issue of the Company's ordinary (preferred) shares as of the date of preliminary approval by the Board of Directors (Supervisory Board) of the Company's Annual Report)	1-01-65072-D dated April 19, 2005 1-01-65072-D dated July 10, 2007 1-01-65072-D dated September 25, 2007 1-01-65072-D-004D dated April 24, 2012
Number of preferred shares	None
Nominal value of preferred shares, RUB	None
Number of shares owned by the Russian Federation	50,729,067
Share of the Russian Federation in charter capital	100%
Company's shareholders with a more than 2% share of charter capital	Russian Federation as represented by the Federal Agency for State Property Management
Existence of a special right for the Russian Federation to participate in the management of an open joint-stock company ('golden share')	None
Full name and address of the Company's auditor	Crowe Expertiza 127055, Moscow, 7 Tikhvinsky pereulok, bld. 3

# HISTORY OF THE COMPANY

1967	Establishment of the All-Union Association Zarubezhneft under the USSR Ministry of Oil Industry as the Main Directorate (Order No. 2310 of the USSR Council of Ministers dated September 30, 1967).
1981	Creation of JV Vietsovpetro.
1967–1990	Zarubezhneft is the main foreign policy agent of the USSR in the oil industry abroad. Main countries of presence: Iraq, Angola, Algeria, Vietnam, India, Iran, Yemen, Libya, Syria, and Cuba (presence in 33 countries).
2004	Zarubezhneft transformed into an open joint-stock company. The state transfers Nefteotdacha, VNIlneft, and Giprovostokneft to Zarubezhneft.
2006	The Russian Government issues a directive on the contribution of the Russian Federation's share in JV Vietsovpetro to the charter capital of Zarubezhneft.
2007	Zarubezhneft joins a project to refine oil and sell petroleum products in the Republic of Srpska (Bosnia and Herzegovina).
2008	Zarubezhneft joins a project to develop 13 fields in the Central Khoreyver Uplift in the Nenets Autonomous Area and creates JC RUSVIETPETRO.
2009	Zarubezhneft signs a production-sharing agreement with CubaPetroleo on four license blocks in Cuba.
2010	The Russian and Vietnamese Governments sign an agreement on further cooperation.
2011	Zarubezhneft signs an agreement with CubaPetroleo on the implementation of a project to increase oil recovery at the Boca de Jaruco high-viscosity heavy bituminous oil field.
2013	Zarubezhneft launches a joint project with the Saint-Petersburg International Mercantile Exchange for the exchange trading of crude oil produced by ZARUBEZHNEFT GROUP's enterprises on the domestic market.
2016	France's Total transfers 20% of the operator's share and functions in the Kharyaga field development project to Zarubezhneft.
2018	An Addendum to the Agreement on Oil Development and Production at the Kharyaga field was signed in July on the terms of production sharing, extending the Agreement until December 31, 2031.
2019	Zarubezhneft and Uzbekneftegaz establish the joint venture Andijanpetro to operate at the existing Janubiy Olamushuk, Khartoum, and Vostochny Khartoum oil fields in Uzbekistan. In December, the operator officially passed from Andijanpetro to JV ANDIJANPETRO.
2019	Zarubezhneft, the Egyptian Ministry of Oil and Mineral Resources, the Egyptian state holding company GANOPE, and Pacific Oil Limited sign a product sharing concession agreement in Cairo for the South East Ras El Ush and East Gebel El Zeit blocks.
2020	Zarubezhneft and DEME Concessions Wind NV sign an Agreement on Cooperation in Offshore Wind Generation in South Vietnam for the Vin Fong Offshore Wind Farm project with capacity of 1 GW. Zarubezhneft becomes the first Russian company to take a practical step towards participating in large-scale offshore wind generation projects.
2020	Zarubezhneft closes a deal to set up a joint venture to develop heavy oil fields in Khanty-Mansi Autonomous Area-Yugra.
2020	Zarubezhneft closes a deal to acquire a 56.17% stake in UNGP from Trust Bank. UNGP owns three licensed plots in the southern Orenburg Region. The deposits have been put into production, and current production is about 200,000 TOE per year.
2020	The Government of the Republic of Indonesia, as represented by the Ministry of Energy and SKK Migas State Company for Management of Oil and Gas Exploration and Production, approves a Share Assignment Agreement between ZN Asia Ltd. and Premier Oil Tuna. The Tuna unit is located in the Indonesian Maritime Economic Zone, 13 km from the border of Vietnam's maritime economic zone and includes two gas fields: Kuda Laut and Singa Laut.
2020	Zarubezhneft finishes first in the environmental responsibility ranking of Russian oil and gas companies.

# INFORMATION ABOUT ZARUBEZHNEFT'S PARTICIPATION IN OTHER ORGANIZATIONS (AS OF DECEMBER 31, 2020)

No.	Company	Zarubezhneft's ownership percentage	Ownership percentage of Zarubezhneft's subsidiaries	Company's region of operation
1	JV Vietsovpetro	49%	–	Vietnam
2	VRJ Petroleum Co	100%	–	Vietnam
3	JC RUSVIETPETRO LLC	51%	–	Russia
4	AMNGR JSC	100% — 1 share	–	Russia
5	RMNTK Nefteotdacha JSC	100% — 1 share	–	Russia
6	Ulyanovskneftegaz LLC	99.9%	RMNTK Nefteotdacha JSC — 0.1%	Russia
7	Orenburgnefteotdacha JSC	100% — 1 share	RMNTK Nefteotdacha JSC — 1 share	Russia
8	NeftegazInCor JSC	95%	–	Russia
9	Giprovostokneft JSC	22.09%	RMNTK Nefteotdacha JSC — 38%	Russia
10	VNIIneft JSC	32.27%	RMNTK Nefteotdacha JSC — 38%	Russia
11	VNIIneft-Western Siberia CJSC	–	VNIIneft JSC — 51%	Russia
12	Neftyanoe Khozyaystvo CJSC	–	RMNTK Nefteotdacha JSC — 15%	Russia
13	ZARUBEZHNEFT-Dobycha LLC	99.9%	NeftegazInKor JSC — 0.1%	Russia
14	Zarnestservice LLC	80%	ZNSM LLC — 20%	Russia
15	ZNSM LLC	80%	Zarnestservice LLC — 20%	Russia
16	Zarubezhneft Holding&Services AG	100 %	–	Switzerland
17	EXPLON LLC	80 %	ZNSM LLC — 20%	Russia
18	SPIMEX JSC	10 %	–	Russia
19	OPTIMA Grupa d.o.o.	–	NeftegazInCor JSC — 100%	Republic of Srpska
20	Brod Refinery A.D.	–	NeftegazInCor JSC — 79.99%	Republic of Srpska
21	Modriča Motor Oil Plant A.D.	–	NeftegazInCor JSC — 75.67%, Nestro Petrol A.D. — 13.05%	Republic of Srpska
22	Nestro Petrol A.D.	–	NeftegazInCor JSC — 80%	Republic of Srpska
23	OPTIMA- Modriča d.o.o.	–	Modriča Motor Oil Plant A.D. — 100%	Republic of Serbia
24	ZARUBEZHNEFT-Dobycha Samara LLC	–	ZN Dobycha LLC — 100%	Russia
25	ZARUBEZHNEFT-Dobycha Kharyaga LLC	99.9832%	ZN Dobycha LLC — 0.0168%	Russia
26	Severo-Karasevskoye OGC LLC	–	ZARUBEZHNEFT-Dobycha Samara LLC — 99.9% Ulyanovskneftegaz LLC — 0.1%	Russia
27	ZN LA LLC	–	ZN Razvitiye LLC — 100%	Russia
28	ZN BV LLC	–	ZN Razvitiye LLC — 100%	Russia

Company No.	Company	Zarubezhneft's ownership percentage	Ownership percentage of Zarubezhneft's subsidiaries	Company's region of operation
29	JV ANDIJANPETRO LLC	–	ZN LA LLC — 50%	Uzbekistan
30	Nestro LLC	–	ZN Dobycha LLC — 100%	Russia
31	ZN Energy Ltd.	–	ZN Development Ltd. — 100%	Russia
32	ZN Dobycha LLC	99,9 %	ZNSM LLC — 0.1%	Russia
33	SPK LLC	–	EKSPLON LLC — 100%	Russia
34	ZN Dobycha LLC	99,9 %	ZNSM LLC — 0.1%	Russia
35	ZN Asia Ltd.	–	ZN Razvitiye LLC — 100%	Russia
36	NOLTEK ENERGY TRADING DMCC	–	Zarnestservice LLC — 100%	United Arab Emirates
37	ZN ZS LLC	–	ZN Dobycha LLC — 100%	Russia
38	ZN Sever LLC	–	ZN Dobycha LLC — 100%	Russia
39	Gazpromneft-Salym LLC	–	ZN ZS LLC — 49%	Russia
40	ZN Snabzhenie LLC	–	Zarnestservice LLC — 49% Nestro LLC — 51%	Russia
41	NORASCO	–	ZN BV LLC — 25%	Egypt
42	Sky Property Assets Limited	–	Zarubezhneft Holding & Services AG — 100%	British Virgin Islands
43	UNGP JSC	–	ZARUBEZHNEFT-Dobycha Samara LLC — 56.1654%	Russia
44	Nestro Samara LLC	–	Giprovostokneft JSC — 100%	Russia

Changes in the corporate structure of ZARUBEZHNEFT GROUP in 2020:

- ▶ ZNZS was created to implement a joint project for the development of licensed areas Salym-3 and Salym-5 in the Khanty-Mansi Autonomous Area-Yugra
- ▶ To expand its activities, ZARUBEZHNEFT GROUP acquired from Trust Bank a 56.17% stake in UNGP, which owns three licensed plots in the southern Orenburg Region
- ▶ Zarubezhneft acquired a 25% stake in NORASCO as part of geological exploration projects in Egypt
- ▶ Zarubezhneft sold a 34% stake in the charter capital of Jadran-Naftagas as part the Program for the Disposal of Zarubezhneft's Non-Core Assets
- ▶ To optimize the structure of ZARUBEZHNEFT GROUP, the Company conducted an intragroup transfer of shares owned by ZARUBEZHNEFT-Dobycha in ZARUBEZHNEFT-Dobycha Kharyaga, ZARUBEZHNEFT-Dobycha Samara in ZN Dobycha and ZN BV and ZN LA, and ZN Energy in ZN Development
- ▶ To optimize the asset management of ZARUBEZHNEFT GROUP, ZN Snabzheniye, ZN Sever, Nestro Samara, Sky Property Assets Limited, and NOLTEK ENERGY TRADING DMCC were established

# LIST OF ZARUBEZHNEFT GROUP'S LICENSES IN THE RUSSIAN FEDERATION

LICENSES OWNED IN 2020 LICENSES OWNED IN 2020:

- ▶ 12 development licenses for production of hydrocarbons
- ▶ 9 exploitation licenses for geological survey, exploration and production of hydrocarbons
- ▶ 2 licenses subject to the conditions of entrepreneurial risk for prospecting and evaluation of hydrocarbon deposits

No.	License No.	Project operator	Blocks, plots, deposits	License terms
1	ORB 00896 NE	Orenburgnefteotdacha JSC	Kirsanovskoye	09/23/2009–05/31/2033
2	ORB 00898 NE		Pashkinskoye	09/30/2009–05/31/2033
3	ORB 03072 NE		Chernovskoye	09/14/2017–05/31/2033
4	ULN 09132 NR	Ulyanovskneftegaz LLC	Radishchevskiy	04/30/200808/03/2030
5	ULN 09135 NE		Slavkinskoye	04/30/2008–07/01/2038
6	ULN 14582 NE		Kondakovskoye	10/01/2008–07/01/2038
7	ULN 09133 NE		Ruzhevskoye	04/30/2008–09/10/2026
8	ULN 09134 NE		Sulakskoye	04/30/2008–09/10/2026
9	ULN 09223 HP	ZARUBEZHNEFT-Dobycha Samara LLC	Yuzhno-Pcheliny	05/10/2017–05/10/2022
10	ORB 03336 HP		Turgayskiy	04/01/2020–03/27/2045
11	HPM 00688 NR	JC RUSVIETPETRO LLC	Central Khoreyver Uplift-1, Slivka Severo-Khosedayuskoye	09/08/2008–06/10/2033
12	NRM 00689 NR		Central Khoreyver Uplift-2, Visovoye	09/08/2008–06/10/2033
			Central Khoreyver Uplift-2, Verkhnekolvinskoye	
13	NRM 16167 HP		Central Khoreyver Uplift-2, Visovoye	10/13/2016–10/02/2023
			Central Khoreyver Uplift-2, Verkhnekolvinskoye	
14	NRM 00690 NR		Central Khoreyver Uplift-3, Zapadno-Khosedayuskoye named after D. I. Sadetsky	09/08/2008–06/10/2023
			Central Khoreyver Uplift-3, Sikhoreyskoye	
			Central Khoreyver Uplift-3, Vostochno-Sikhoreyskoye	
			Central Khoreyver Uplift-3, Severo-Sikhoreyskoye	
15	NRM 00691 NR		Central Khoreyver Uplift-4, Severo-Oshkotynskoye	09/08/2008–06/10/2033
			Central Khoreyver Uplift-4, Syurkharatinskoye	
			Central Khoreyver Uplift-4, Pyuseyskoye	
			Central Khoreyver Uplift-4, Yuzhno-Syurkharatinskoye	
			Central Khoreyver Uplift-4, Urernyrdskoye	
			Central Khoreyver Uplift-4, Vostochno-Yanemdeyskoye	
16	NRM 00841 HP		Zapadno-Yareyyaginskoye	07/19/2019–07/19/2044
17	NRM 16129 NE	ZARUBEZHNEFT-Dobycha Kharyaga LLC	Kharyaga	08/01/2016–12/31/2031
18	SLH 15508 NE	Severo-Karasevskoye OGC LLC	Lutseyakhskoye	03/01/2013–02/15/2033
19	HMN 03659 NR	ZN ZS LLC	Salymsky-3	12/18/2019–06/01/2030
20	HMN 03660 NR	ZN ZS LLC	Salymsky-5	12/19/2019–06/01/2030
21	ORB 03057 NE	UNGP JSC	Kopanskoye	07/21/2017–12/31/2063
22	ORB 03055 NE		Berdyanskoye	07/21/2017–12/31/2060
23	ORB 03056 NE		Chkalovskoye	07/21/2017–12/31/2077

# REPORT ON THE FULFILLMENT OF THE INSTRUCTIONS OF THE RUSSIAN PRESIDENT AND DIRECTIVES OF THE RUSSIAN GOVERNMENT

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Approval of the Company's KPIs for 2021</p> <p>Pursuant to Directive of the Russian Government No. AH-P9-16765 dated 12/18/2020</p>	<ul style="list-style-type: none"> <li>Zarubezhneft, together with the Russian Ministry of Energy and Ministry of Economic Development, drafted materials to update the corporate KPIs of Zarubezhneft. The scope, certificates, and target values of Zarubezhneft's KPIs for 2021 were updated taking into account the new Methodological Recommendations for the compilation and application of KPIs of joint-stock companies, whose shares are owned by the Russian Federation and individual non-profit organizations to determine the amount of remuneration of their management approved by Directive No. 3579-p of the Russian Government dated 12/28/2020.</li> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 189 dated 01/29/2021).</li> <li>In accordance with Directive of the Russian Government No. 304p-P13 dated 01/19/2021, the Company's Board of Directors adopted resolutions to approve the updated scope and weights of corporate KPIs as well as a new version of corporate KPI certificates and target values for Zarubezhneft in 2021 (Minutes dated 01/29/2021).</li> <li>Reports on the implementation of the directive to update the KPIs were sent to the Russian Government (Letters No. SK-46-4103 dated 12/29/2020, No. DU-46-125 dated 01/19/2021, and No. SK-46-382 dated 02/08/2020).</li> </ul>
<p>Election of the Chairman of the Board of Directors</p> <p>Pursuant to Directive of the Russian Government No. 8591p-P13 dated 09/17/2020</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 186 dated 09/30/2020): Yevgeny Murov was elected Chairman of the Board of Directors.</li> </ul>
<p>Level of net foreign exchange assets</p> <p>Pursuant to Directive of the Russian Government No. 8036p-P13 dated 09/01/2020</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 185 dated 10/09/2020).</li> <li>The report on the implementation of the directives was sent to the Federal Agency for State Property Management (Letter No. DM-24-2854 dated 09/18/2020).</li> <li>The reports on net domestic assets, taking into account the requirements of the directives, were sent to the Bank of Russia by Letters No. DM-24-2765 dated 09/10/2020, No. DM-24-3127 dated 10/14/2020, No. DM-24-3479</li> </ul>
<p>Procurement activities (procurement of automotive products)</p> <p>Pursuant to Directive of the Russian Government No. 6781p-P13 dated 07/31/2020</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 184 dated 08/18/2020).</li> <li>A new type of document was drafted and added to the Album of Standard Forms — Procurement Documentation for the request for proposals in electronic form for the purchase of automotive products required for production activities (categories M1, M2, M3, N1, N2, N3, M1G, M2G, M3G, N1G, N2G, and N3G classified in accordance with Appendix No. 1 to the Technical Regulations of the Customs Union "On the Safety of Wheeled Vehicles" CU TR 018/2011) AF OB-01.01-06 A. The new edition of the Album of Standard Forms was approved by Order No. 217 of the Company dated 09/24/2020 and sent to subsidiaries (Letter No. PC-28-2970 dated 09/29/2020).</li> <li>The report on the implementation of the directives was sent to the Federal Agency for State Property Management (Letter No. KK-46-2960 dated 09/25/2020).</li> <li>Information on the lack of procurements of automotive products in August-September 2020 was sent to the Russian Ministry of Industry and Trade (Letter No. PC-28-3006 dated 09/30/2020).</li> <li>Information on the implementation of the directives is posted in Zarubezhneft's personal account on the Interdepartmental Portal of the Federal Agency for State Property Management.</li> </ul>

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Evaluation of the implementation of the Company's long-term development programs and KPIs</p> <p>Pursuant to Directive of the Russian Government No. 6739p-P13 dated 07/30/2020</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 184 dated 08/18/2020).</li> <li>Pursuant to the directives, the Company drafted the Regulation for Assessing the Implementation of the Long-Term Development Program (LDP) and the Fulfillment of Key Performance Indicators of Zarubezhneft and it was approved by a resolution of the Board of Directors (Minutes No. 188 of 12/24/2020).</li> </ul>
<p>Dividends of Zarubezhneft based on the results of 2019</p> <p>Pursuant to Directive of the Russian Government No. 4244p-P13 dated 05/21/2020</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 182 dated 05/29/2020).</li> <li>Dividends were paid on 10/20/2020 (Payment Order No. 5421 dated 10/20/2020).</li> </ul>
<p>Provision of information on compliance with the requirements of Resolution of the Russian Government No. 439 dated 04/03/2020 "On the Establishment of Requirements for the Terms and Conditions of the Deferral of Rent Payment under Real Estate Lease Agreements"</p> <p>Pursuant to Letter No. IR-11/13407 of the Federal Agency for State Property Management dated 04/27/2020</p>	<ul style="list-style-type: none"> <li>Information regarding the fulfillment of the requirements of Resolution of the Russian Government No. 439 dated 04/03/2020 was sent to the Federal Agency for State Property Management (Letter No. RS-28-1615 dated 05/22/2020)</li> </ul>
<p>Non-application of penalties as well as the possibility of contract extensions and price adjustments in 2020 in the event of violations of obligations by contractors caused by the impact of the novel coronavirus infection</p> <p>Pursuant to Directive of the Russian Government No. 2850p-P13kv dated 04/03/2020</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 180 dated 04/22/2020).</li> <li>Pursuant to the directives, the Board of Directors adopted a resolution on the approval of Amendment No. 1 to the Regulation on the Procurements of Zarubezhneft (Minutes No. 183 dated 06/25/2020).</li> </ul>
<p>Approval of the plan to combat the negative consequences of the coronavirus epidemic, including measures to protect employees of organizations with state participation against the spread of coronavirus and ensure the stability of their work</p> <p>Pursuant to Directive of the Russian Government No. 2150p-P13 dated 03/16/2020</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 179 dated 03/27/2020).</li> <li>The Board of Directors adopted a resolution on the approval of the Zarubezhneft's Plan for Combatting the Negative Consequences of the Coronavirus Epidemic (Minutes No. 179 dated 03/27/2020). The Plan was posted in Zarubezhneft's personal account on the Interdepartmental Portal of the Federal Agency for State Property Management on 03/27/2020.</li> <li>The letter was sent to the Federal Agency for State Property Management with a report on the implementation of Directive No. KK-46-1015 dated 03/27/2020.</li> </ul>

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Assessment of the presence or absence of major investment projects being implemented or planned for implementation</p> <p>Pursuant to Directive of the Russian Government No. 12119p-P13 dated 12/25/2019</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 177 dated 02/14/2020).</li> <li>The Company conducted a detailed analysis of the methodology used to compile a list of major investment projects based on which it was established that ZARUBEZHNEFT GROUP does not currently have any projects being implemented or planned for implementation in the Russian Federation in which total initial capital investments in the investment phase exceeds RUB 10 billion.</li> <li>Taking into account the Group's participation in the Kharyaga project, which is being implemented as part of PSA in Russia together with major foreign oil companies as investors, and the increased focus on the project by the federal executive authorities, the Company adopted a resolution to send information to the Ministry of Economic Development regarding the Kharyaga project based on the forms provided by directives.</li> <li>The information on the Kharyaga PSA specified in the directives was sent to the Ministry of Economic Development and the Federal Agency for State Property Management by the dates set by the directives (Letters No. SK-25-1264 dated 04/24/2020 and No. SK-25-3228 dated 10/23/2020).</li> </ul>
<p>Increase in labor productivity</p> <p>Pursuant to Directive of the Russian Government No. 12153p-P13 dated 12/25/2019</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 177 dated 02/14/2020).</li> <li>The Board of Directors adopted a resolution to approve the updated certificate of the corporate KPI 'Labor Productivity', its target value, and the new version of Appendix No. 6 to the LDP of Zarubezhneft 'Labor Productivity Improvement Program' (Minutes No. 177 dated 02/14/2020).</li> </ul>
<p>Possibility of the Company's transition to tax control in the form of tax monitoring</p> <p>Pursuant to Directive of the Russian Government No. 11528p-P13 dated 12/13/2019</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 176 dated 12/30/2019).</li> <li>A meeting of the Board of Directors (Minutes No. 186 dated 09/30/2020) considered the item 'Possibility of the Transition of Zarubezhneft and Its Subsidiaries to Tax Control in the Form of Tax Monitoring' and made the following decisions: to designate JC RUSVIETPETRO as the only subsidiary of ZARUBEZHNEFT GROUP that fully meets the transition criteria, with a monitoring start date of 01/01/2022, as a pilot project to transition to tax control in the form of tax monitoring. Zarubezhneft's decision to join the tax monitoring shall be made based on the results of the pilot project on transition to tax control in the form of tax monitoring no later than 11/30/2022, provided that it meets the criteria established by the Tax Code of the Russian Federation.</li> </ul>
<p>Changes to the procurement documentation of Zarubezhneft regulating competitive procedures</p> <p>Pursuant to Directive of the Russian Government No. 10464p-P13 dated 11/18/2019</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 176 dated 12/30/2019).</li> <li>The Company amended the Instructions on the procedure for transferring information that constitutes a trade secret and other confidential information of Zarubezhneft to state authorities and third-party organizations (Order No. 41 dated 02/28/2020) and supplemented ZARUBEZHNEFT GROUP's standard form of procurement documentation as regards the procedure for counterparties providing collateral for the execution of contracts (Order No. 98 dated 05/15/2020). The current version of the Album of Standard Forms (approved by Order No. 217 dated 09/24/2020) also takes into account the requirements of the directives.</li> <li>A report on the implementation of the directives was sent to the Federal Agency for State Property Management (Letter No. DM-25-1563 dated 05/28/2020).</li> </ul>
<p>Possibility of the Company's integration into the activities of the International Cooperation and Export national project (program)</p> <p>Pursuant to Directive of the Russian Government No. 10357p-P13 dated 11/14/2019</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 176 dated 12/30/2019).</li> <li>An analysis was conducted of the measures included in the 'International Cooperation and Export' national project on the possibility of ZARUBEZHNEFT GROUP's integration into project activities, as well as an analysis of the Group's export activities under the EAEU FEA TN codes in the official statistical methodology used to calculate indicators of certificates of the 'International Cooperation and Export' national project. The results of the analysis were sent to the Federal Agency for State Property Management and the Russian Ministry of Energy (Ref. No. DM-25-323 and No. DM-25-324 dated 02/04/2020).</li> </ul>



Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Procurement of Russian products used for the implementation of national projects and the comprehensive plan for the modernization and expansion of core infrastructure</p> <p>Pursuant to Directive of the Russian Government No. 9984p-P13 dated 11/01/2019</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 174 dated 11/26/2019).</li> <li>The Board of Directors adopted a resolution on the approval of a new version of the Regulation on the Procurements of Zarubezhneft, taking into account the changes specified in the directives (Minutes No. 176 dated 12/30/2019).</li> <li>The new version of the Regulation on the Procurements of Zarubezhneft is posted in the Interdepartmental Portal with the document type 'Internal Documents Governing the Company's Corporate Activities'.</li> <li>The current version of the Regulation on the Procurements of Zarubezhneft (approved by a resolution of the Board of Directors at a meeting on 12/30/2019 (Minutes No. 176), taking into account Amendments No. 1 (approved by a resolution of the Board of Directors at a meeting on 06/25/2020 (Minutes No. 183)) also takes into account the requirements of the directives.</li> </ul>
<p>Introduction of methodical instructions on the use of KPIs at state-owned companies and development (update) of internal documents regulating the compilation of KPIs for their performance and remuneration for the Company's management</p> <p>Pursuant to Directive of the Russian Government No. 1388-p dated 06/27/2019 and Directive of the Russian Government No. 9054p-P13 dated 10/02/2019</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 174 dated 11/26/2019).</li> <li>Monitoring the achievement of KPIs, the Board of Directors reviewed and took note of the Reports on the Achievement of Corporate KPIs for the first 3 months, first half, and first 9 months of 2020 (Minutes No. 183 dated 06/25/2020, No. 186 dated 09/30/2020, and No. 187 dated 11/10/2020).</li> <li>A meeting of the Board of Directors on 12/26/2019 considered the issue of updating Zarubezhneft's KPI system and decided to approve new versions of certificates and weights of the corporate KPIs (Minutes No. 175 dated 12/26/2019).</li> <li>Pursuant to Directive of the Russian Government No. 304p-P13 dated 01/19/2021, a resolution of the Board of Directors approved the updated scope and weights of the corporate KPIs, new versions of corporate KPI certificates, and the target values of the corporate KPIs for 2021. A resolution of the Board of Directors also approved the updated Regulation on the KPIs of Zarubezhneft (Minutes No. 189 dated 01/29/2021).</li> </ul>
<p>Expansion of the practice for using factoring to implement contracts for the delivery of the goods (performance of work or rendering of services)</p> <p>Pursuant to Directive of the Russian Government No. 4111p-P13 dated 05/08/2019</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 169 dated 06/11/2019).</li> <li>The changes specified in the directives were made to the following documents regulating ZARUBEZHNEFT GROUP's procurement activities: <ul style="list-style-type: none"> <li>- Regulation on the Procurements of Zarubezhneft (approved by a resolution of the Board of Directors, Minutes No. 169 dated 06/11/19)</li> <li>- Unified Regulation on Procurements for the Needs of Subsidiaries according to List 1 (approved by Order No. 178 dated 06/11/19)</li> <li>- Unified Regulation on Procurements for the Needs of Subsidiaries according to List 2 (approved by Order No. 207 dated 06/28/19)</li> </ul> </li> <li>The current version of the Regulation on the Procurements of Zarubezhneft (approved by a resolution of the Board of Directors, Minutes No. 176 dated 12/30/2019, taking into account Amendments No. 1 (approved by a resolution of the Board of Directors, Minutes No. 183 dated 06/25/2020)) also takes into account the requirements of the directives.</li> </ul>
<p>Allocation to the federal budget of a part of net profit in the form of dividends on shares belonging to the Russian Federation</p> <p>Pursuant to Directive No. AP-08/12626 of the Federal Agency for State Property Management dated 04/16/2019</p>	<ul style="list-style-type: none"> <li>In 2020, Zarubezhneft received Directive No. 6739p-P13 of the Russian Government "On the Dividends of Zarubezhneft in 2019" dated 07/30/2020.</li> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 182 dated 05/29/2020).</li> <li>Dividends were paid on 10/20/2020 (Payment Order No. 5421 dated 10/20/2020).</li> <li>Information on the payment of dividends and a scanned copy of the payment order are available in Zarubezhneft's personal account on the Interdepartmental Portal of the Federal Agency for State Property Management.</li> </ul>

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Completion of corporate import substitution plans as regards protection against radiation, chemical, and biological factors</p> <p>Pursuant to Directive of the Russian Government No. 584p-P13 dated 01/26/2019</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 166 dated 03/29/2019).</li> <li>The measures specified in the directives are included in the new version of Appendix No. 8 to the LDP, which was approved by a resolution of the Board of Directors (Minutes No. 169 dated 06/11/2019).</li> <li>The personal protective equipment standard for employees of companies that are part of ZARUBEZHNEFT GROUP has been updated (approved by Order No. 407 dated 12/30/2019).</li> <li>A report on the implementation of the activities specified in Appendix No. 8 to the LDP in 2019 is included in a report on the implementation of the LDP for 2019 (confirmed by the LDP auditor's report dated 04/21/2020) and was considered at a joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee of the Board of Directors (Minutes No. 72 dated 05/14/2020) and, taking into account the received recommendations, was taken under advisement in accordance with a resolution of the Board of Directors (Minutes No. 182 dated 05/29/2020).</li> </ul>
<p>Development of programs to improve the quality of procurement management</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 164 dated 02/26/2019).</li> <li>The General Director of Zarubezhneft approved the Program for Improving the Quality of Procurement Management, which provides for extending the directives to the subsidiaries of Zarubezhneft.</li> </ul>
<p>Pursuant to Directive of the Russian Government No. 1519p-P13 dated 02/20/2019</p>	<ul style="list-style-type: none"> <li>Scanned copies of the approved Program for Improving the Quality of Procurement Management and extracts from Minutes No. 164 of the Board of Directors dated 02/26/2019 on decision-making in accordance with the directives are posted in Zarubezhneft's personal account on the Interdepartmental Portal of the Federal Agency for State Property Management.</li> <li>As part of the Program's implementation, in particular, standard forms of procurement documentation were approved (Order No. 185 dated 06/18/2019), indicators for the procurements of subsidiaries were developed (Letter No. DM-25-2507 dated 06/27/2019), test purchases were conducted for SberB2B ETP, TEK-Torg, and GPB.</li> <li>In 2020, as part of the Program's implementation, the Album of Standard Forms was updated (approved by Order No. 217 dated 09/24/2020).</li> </ul>
<p>Updates to the Long-Term Development Program of Zarubezhneft (LDP) and submission of audit reports on the LDP to the Russian Ministry of Economic Development, the Federal Agency for State Property Management, and federal executive bodies that coordinate the Company's activities in accordance with Directive of the Russian Government No. 1870-p dated 08/30/2017</p> <p>Pursuant to Directive of the Russian Government No. 276p-P13 dated 01/17/2019</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 164 dated 02/26/2019).</li> <li>The Company developed and approved Appendix No. 14 "Measures of the Long-Term Development Program to Accelerate the Growth Rate in Fixed Investments in the Exploration and Production Segment" to the LDP (Minutes No. 169 dated 06/11/2019).</li> <li>The auditor's report on the results of the LDP audit for 2019 was posted in the Interdepartmental Portal of the Federal Agency for State Property Management on 05/20/2020 and sent to the Federal Agency for State Property Management, the Ministry of Energy, and the Ministry of Economic Development (Letters No. SK-46-1492, No. SK-46-1493, and No. SK-46-1494 dated 05/21/2020).</li> <li>In accordance with the auditor's recommendations, an updated version of Appendix No. 10 to the LDP was drafted.</li> <li>The updated version of Appendix No. 10 to the LDP was considered at a joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee of the Board of Directors (Minutes No. 77 dated 12/18/2020) taking into account the recommendations and approved by a resolution of the Board of Directors (Minutes No. 188 dated 12/24/2020).</li> </ul>
<p>Transition to the predominant use of domestic software</p> <p>Pursuant to Directive of the Russian Government No. 10068p-P13 dated 12/06/2018</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 163 dated 01/28/2019).</li> <li>The action plan for the period of 2019–2021 for Zarubezhneft's transition to the predominant use of domestic software (hereinafter, the Action Plan) was coordinated with the Center for Competences for Import Substitution in Information and Communication Technologies Autonomous Non-Commercial Organization (Letter No. 03/130 dated 03/13/2019) and approved by the Board of Directors (Minutes No. 166 dated 03/29/2019).</li> <li>Measures for the transition to the predominant use of domestic software are included in Appendix No. 8 to the LDP, the new version of which was approved by a resolution of the Board of Directors (Minutes No. 169 dated 06/11/2019).</li> <li>Reports on the implementation of the Action Plan for each quarter of 2020 dated 04/10/2020, 07/10/2020, 10/09/2020, and 12/30/2020, respectively, are posted in Zarubezhneft's personal account on the Interdepartmental Portal of the Federal Agency for State Property Management and sent to the Russian Ministry of Communications.</li> </ul>

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Annual informing of key federal executive bodies and the Russian Government about the scope of contracts concluded with defense industry companies for the purchase of civil products for the fuel and energy industry (performance of work or rendering of services) not related to state defense orders (purchases from defense industry companies of civil products for the fuel and energy industry)</p>	<ul style="list-style-type: none"> <li>• The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 160 dated 11/20/2018).</li> <li>• The Company has approved the Action Plan for the implementation of directives and measures are being carried out as part of the approved Plan.</li> <li>• Information on the scope of ZARUBEZHNEFT GROUP's procurements of civil products from defense industry enterprises for the fuel and energy industry for 2019 was sent to the Ministry of Economic Development, the Ministry of Industry and Trade, the Ministry of Energy, and the Federal Agency for State Property Management (Letter No. SK-25-1219 dated 04/21/2020).</li> </ul>
<p>Pursuant to Directive of the Russian Government No. 7923p-P13 dated 09/26/2018</p>	
<p>Inventory of the rights to the results of intellectual activities for the subsequent organization of measures to support the results to which the Company owns the rights, legal protection, and place the rights thereto on the balance sheet as intangible assets for subsequent introduction into economic turnover and, if necessary, to estimate the value of the rights thereto</p>	<ul style="list-style-type: none"> <li>• The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 159 dated 10/03/2018).</li> <li>• As part of the implementation of the directives in 2019, an inventory of rights to RIA was conducted (DZ No. 42/661 dated 02/28/2019) and the results of the inventory were reviewed at a meeting of the Commission on the Valuation, Accounting, Determination of Useful Application, Assessment of Impairment, and Determination of the Application Practicality of Intangible Assets (Minutes No. 1 dated 03/28/2019).</li> <li>• An inventory of previously undisclosed rights to RIA (Letter No. AD-42-586 dated 02/18/2019 to subsidiaries) was carried out. Potentially protectable RIA were reviewed by the Scientific and Technical Council of Zarubezhneft (No. 9/2019 dated 05/30/2019) and approved to be filed with Rospatent for registration (prior to 12/31/2019).</li> <li>• A report on the functioning of the RIA rights management system at ZARUBEZHNEFT GROUP was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 174 dated 11/26/2019).</li> <li>• In the first quarter of 2020, an inventory of RIA was conducted at the production facilities of ZARUBEZHNEFT GROUP (Zarubezhneft, VNIIneft, Giprovostokneft, and JC RUSVIETPETRO).</li> </ul>
<p>Pursuant to Directive of the Russian Government No. 7050p-P13 dated 08/30/2018</p>	
<p>Comparison of the Company's level of technological development and current KPI values with that of leading peer companies according to Methodical Recommendations</p>	<ul style="list-style-type: none"> <li>• The resolutions specified in the directives were adopted by the Board of Directors (Minutes of the Board of Directors No. 155 dated 05/30/2018).</li> <li>• Pursuant to the directives, a report on the results of a comparison of the Innovative Development Program (IDP) was sent to the Russian Ministry of Energy and Ministry of Economic Development (No. SK-42-5295 dated 10/30/2018).</li> <li>• The updated version of Zarubezhneft's IDP (coordinated with the Russian Ministry of Energy, Letter No. PS-4677/02 dated 04/23/2020, Russian Ministry of Economic Development, Letter No. D01i-38843 dated 11/11/2019, and Russian Ministry of Education and Science, Letter No. MN-2/352 dated 03/26/2020) approved by a resolution of the Board of Directors (Minutes No. 188 dated 12/24/2020), includes the section "Comparison of Current Values of the IDP KPI with the Values of Indicators of Leading Similar Companies."</li> </ul>
<p>Pursuant to Directive of the Russian Government No. 3262p-P13 dated 04/27/2018</p>	
<p>Modification of the charter documents to ensure the ability to create an all-Russian branch of physical culture and sports societies and industry-wide physical culture and sports societies</p>	<ul style="list-style-type: none"> <li>• The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 150 dated 02/22/2018).</li> <li>• The Charter of Zarubezhneft, taking into account these changes, was approved by a resolution of the General Meeting of Shareholders of Zarubezhneft (Directive No. 499-r of the Federal Agency for State Property Management dated 06/30/2018).</li> <li>• The new version of the Charter, approved by a resolution of the General Meeting of Shareholders of Zarubezhneft (Directive No. 314-r of the Federal Agency for State Property Management dated 08/17/2020) also takes into account the requirements of the instructions.</li> </ul>
<p>Pursuant to Instructions of the Russian Government No. ISh-P13-8690 dated 12/26/2017</p>	

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Introduction of recommendations on the management of rights to the results of intellectual activity</p> <p>Pursuant to Directive of the Russian Government No. 9177p-P13 dated 12/12/2017</p> <p>Advisability of applying recommendations on the management of the rights to the results of intellectual activity</p> <p>Pursuant to Directive of the Russian Government No. ISh-P8-800 dated 02/04/2014</p>	<ul style="list-style-type: none"> <li>– The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 149 dated 02/08/2018).</li> <li>– Zarubezhneft's Policy on the Management of Rights to the Results of Intellectual Activity (RIA) and the Action Plan for its implementation were approved by a resolution of the Board of Directors (Minutes No. 159 dated 10/03/2018) (posted in Zarubezhneft's personal account on the Interdepartmental Portal of the Federal Agency for State Property Management on 10/04/2018). Activities are being carried out according to the approved Plan, including the following: <ul style="list-style-type: none"> <li>– On 06/10/2019, the Regulation on the Department of Innovative Development was approved, which describes the functions for managing the rights to the RIA.</li> <li>– Sets of KPIs have been developed for an assessment of the RIA Rights Management System at Zarubezhneft.</li> <li>– The Report on the Functioning of the RIA Rights Management System at Zarubezhneft was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 174 dated 11/26/2019).</li> <li>– In the first quarter of 2020, an inventory of RIA was conducted at companies of ZARUBEZHNEFT GROUP (Zarubezhneft, VNIIneft, Giprovostokneft, and JC RUSVIETPETRO).</li> </ul> </li> </ul>
<p>Amendments to the employment contract with the head of the Company and the advisability of amending the operating program and the register of the disposal of non-core assets</p> <p>Pursuant to Directive of the Russian Government No. 6604p-P13 dated 09/18/2017</p>	<ul style="list-style-type: none"> <li>• The updated Register of Zarubezhneft's Non-Core Assets and the Action Plan for the Sale of Zarubezhneft's Non-Core Assets for the years 2020–2021 were approved in accordance with a resolution of the Board of Directors (Minutes No. 179 dated 03/27/2020).</li> <li>• A report on the sale of NCA for Q4 2019 was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 177 dated 02/14/2020).</li> <li>• A report on the sale of NCA for Q1 2020 was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 180 dated 04/22/2020).</li> <li>• A report on the sale of NCA for Q2 2020 was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 186 dated 09/30/2020).</li> <li>• A report on the sale of NCA for Q3 2020 was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 187 dated 11/10/2020).</li> </ul>
<p>Submission by Zarubezhneft of information to the Russian Ministry of Economic Development on the ownership of assets located in the Russian Federation through foreign legal entities</p> <p>Pursuant to Directive of the Russian Government No. 5945p-P13 dated 08/25/2017</p>	<ul style="list-style-type: none"> <li>• The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 144 dated 10/27/2017).</li> <li>• Information was sent to the Russian Ministry of Economic Development about ZARUBEZHNEFT GROUP not owning any assets in the Russian Federation through foreign legal entities in 2016 (Letter No. SK-46-4487 dated 09/07/2017), in 2017 (Letter No. SK-46-154 dated 01/17/2018), in 2018 (Letter No. SK-46-540 dated 02/12/2019), in 2019 (Letter No. SK-46-147 dated 01/21/2020), and in 2020 (Letter No. SK-46-406 dated 02/09/2021).</li> </ul>
<p>Approval of the procedure for coordinating the investment programs and other plans to develop infrastructure implemented by joint-stock companies with state participation in the Far Eastern Federal District with the Ministry for the Development of the Far East</p> <p>Pursuant to Directive of the Russian Government No. 3538p-P13 dated 05/25/2017</p>	<ul style="list-style-type: none"> <li>• The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 140 dated 10/23/2017).</li> <li>• The procedure for coordinating the investment programs (plans) to develop infrastructure implemented in the Far Eastern Federal District with the Ministry for the Development of the Far East was approved in accordance with a resolution of the Board of Directors dated 06/23/2017 (Minutes No. 140). The Procedure was posted in Zarubezhneft's personal account on the Interdepartmental Portal of the Federal Agency for State Property Management on 06/26/2017.</li> <li>• There are no funding problems for socioeconomic development in the Far East Federal District in Zarubezhneft's LDP. In 2017–2020, ZARUBEZHNEFT GROUP's activities did not include expenditures on an advanced priority development area in the Far Eastern Federal District.</li> </ul>

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Acquisition or rent of aircraft, including aircraft with passenger cabins with enhanced comfort</p> <p>Pursuant to Directive of the Russian Government No. 2602p-P7 dated 04/17/2017</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 138 dated 05/23/2017).</li> <li>Procurements for the purchase of aircraft for the needs of Zarubezhneft and its subsidiaries are monitored on an annual basis. In 2020, no such procurements were conducted.</li> </ul>
<p>Development and implementation of import substitution plans</p> <p>Pursuant to Directive of the Russian Government No. 830p-P13 dated 02/06/2017</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 135 dated 03/17/2017).</li> <li>The Company has an import substitution working group (approved by Order No. 144 dated 05/30/2017), and Order No. 125 dated 05/17/2017 appointed a person responsible for controlling the entry of information into the 'Import Substitution Technologies and Projects' AIS.</li> <li>The Company has drafted and approved the regulatory document "Methodological Instructions for Mandatory Analysis of the Feasibility of Replacing Foreign Products with Equivalent Domestic Products in Terms of Technical Features and Consumer Properties in the Russian segment of ZARUBEZHNEFT GROUP" (Order No. 426 dated 12/19/2018).</li> <li>A new version of Appendix No. 8 to the LDP of Zarubezhneft was approved by a resolution of the Board of Directors (Minutes No. 169 dated 06/11/2019). The document reflects measures to implement Directives of the Russian Government No. 10068p-P13 dated 12/06/2018 "Transition to the Predominant Use of Domestic Software" and No. 584p-P13 dated 01/26/2019 "On the Completion of Corporate Plans for Import Substitution in Terms of Protection Against Radiation, Chemical, and Biological Factors".</li> <li>The Report on the Implementation of the Import Substitution Plan (Appendix No. 8 to the LDP) for 2019 is included in the Report on the Implementation of the LDP for 2019 (confirmed by the LDP auditor's report dated 04/24/2020), was reviewed at a joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee of the Board of Directors (Minutes No. 72 dated 05/14/2020), and, taking into account the recommendations, was reviewed and taken under advisement in accordance with a resolution of the Board of Directors (Minutes No. 182 dated 05/29/2020).</li> </ul>
<p>Expansion of the practice of using factoring in contracts for the delivery of goods (performance of work or rendering of services)</p> <p>Pursuant to Directive of the Russian Government No. 7704p-P13 dated 10/11/2016</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 129 dated 11/11/2016).</li> <li>The financing method for the assignment of a monetary claim by a counterparty (factoring) was approved (Order No. 501 dated 11/29/2016) to introduce the practice of factoring.</li> <li>The version of the Regulation on the Procurements of Zarubezhneft, taking into account the requirements of the directives, was approved by a resolution of the Board of Directors dated 12/27/2016 (Minutes No. 133).</li> <li>In 2020, the factoring schemes for concluding contracts for the supply of goods (the current version of the Regulation on the Procurements of Zarubezhneft (approved by a resolution of the Board of Directors (Minutes No. 176 dated 12/30/2019), subject to Amendments No. 1 (approved by the Board of Directors (Minutes No. 183 dated 06/25/2020) also takes into account the requirements of the directives.</li> </ul>
<p>Amendments to the Company's procurement policy as regards innovative construction materials</p> <p>Pursuant to Directive of the Russian Government No. 6558p-P13 dated 09/05/2016</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 128 dated 10/14/2016).</li> <li>The version of the Regulation on the Procurements of Zarubezhneft, taking into account the requirements of the directives, was approved by a resolution of the Board of Directors (Minutes No. 133 dated 12/27/2016). The current version of the Regulation on the Procurements of Zarubezhneft (approved by a resolution of the Board of Directors (Minutes No. 176 dated 12/30/2019), taking into account Amendments No. 1 (approved by a resolution of the Board of Directors, Minutes No. 183 dated 06/25/2020) also takes into account the requirements of the directives.</li> <li>There were no procurements of innovative building materials in 2020.</li> </ul>



Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Conclusion of agreements on the priority use of ships built at Russian shipyards</p> <p>Pursuant to Directive of the Russian Government No. 5059p-P13 dated 07/13/2016</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 126 dated 08/08/2016).</li> <li>In order to implement the directives:               <ul style="list-style-type: none"> <li>- A standard contractual condition on the priority use of vessels built at Russian shipyards for export deliveries of goods (cargo) via water transport has been drafted and approved (Order No. 354 dated 08/19/2016);</li> <li>- Monitoring is conducted of the conclusion of contracts for the supply of oil by Zarubezhneft and its subsidiaries, which contain a standard contractual condition on the priority use of vessels built at Russian shipyards for the export of goods (cargo) via water transport.</li> </ul> </li> <li>12 contracts were concluded in 2020 using the standard contractual condition on the priority use of ships built at Russian shipyards for the export of goods (cargo) via water transport.</li> </ul>
<p>Introduction of professional standards in the Company's activities</p> <p>Pursuant to Directive of the Russian Government No. 5119p-P13 dated 07/14/2016</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 126 dated 08/08/2016).</li> <li>Pursuant to the directives, reports on measures taken to implement professional standards at Zarubezhneft were reviewed and taken into account in accordance with a resolution of the Board of Directors of Zarubezhneft in 2020:               <ul style="list-style-type: none"> <li>- in the first half of 2020 (Minutes No. 183 dated 06/25/2020);</li> <li>- in the second half of 2020 (Minutes No. 188 dated 12/24/2020).</li> </ul> </li> </ul>
<p>Implementation of programs for the disposal of non-core assets</p> <p>Pursuant to Directive of the Russian Government No. 4863p-P13 dated 07/07/2016</p> <p>Amendments to the employment contract with the head of the Company and the advisability of amending the operating program and the register of the disposal of non-core assets</p> <p>Pursuant to Directive of the Russian Government No. 6604p-P13 dated 09/18/2017</p>	<p>See 'Information on the Non-Core Asset Disposal Program'.</p> <ul style="list-style-type: none"> <li>The updated Register of Zarubezhneft's Non-Core Assets and the Action Plan for the Sale of Zarubezhneft's Non-Core Assets for the years 2020–2021 were approved in accordance with a resolution of the Board of Directors (Minutes No. 179 dated 03/27/2020).</li> <li>A report on the sale of NCA for Q4 2019 was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 177 dated 02/14/2020).</li> <li>A report on the sale of NCA for Q1 2020 was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 180 dated 04/22/2020).</li> <li>A report on the sale of NCA for Q2 2020 was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 186 dated 09/30/2020).</li> <li>A report on the sale of NCA for Q3 2020 was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 187 dated 11/10/2020).</li> </ul>
<p>Procurements of competitive domestic software required for joint-stock company's activities</p> <p>Pursuant to Directive of the Russian Government No. 4972p-P13 dated 07/11/2016</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 126 dated 08/08/2016).</li> <li>The version of the Regulation on the Procurements of Zarubezhneft, taking into account the requirements of the directives, was approved by a resolution of the Board of Directors of Zarubezhneft (Minutes No. 128 dated 10/14/2016). The current version of the Regulation on the Procurements of Zarubezhneft (approved by a resolution of the Board of Directors, Minutes No. 176 dated 12/30/2019), taking into account Amendments No. 1 (approved by a resolution of the Board of Directors, Minutes No. 183 dated 06/25/2020) also takes into account the requirements of the directives.</li> <li>The foreign software, which has no analogues on the Russian market, was purchased in 2020, in the first and third quarters. The procurement was carried out for solar and wind generation projects for renewable energy sources (PV Syst and WindPRO), as well as to ensure the Group's continuous business process during the pandemic and remote work of employees (Kerio Control).</li> <li>At the same time, the Company is carrying out activities as part of the implementation of Directive No. 10068p-P13 dated 12/06/2018 "On the Transition of Zarubezhneft to the Predominant Use of Domestic Software".</li> </ul>
<p>Regulatory acts of the Company on the standards for the procurements of individual types of goods, work, and services</p>	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 124 dated 05/31/2016).</li> <li>Procurement standards have been applied at the Company since 2016.</li> <li>In 2019, the procurement standards for the mandatory list of separate types of goods, works, and services were updated (Order No. 175 dated 06/10/2019). The procurement standards are posted on the Company's official website.</li> </ul>

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
Pursuant to Directive of the Russian Government No. 2793p-P13 dated 04/19/2016	<ul style="list-style-type: none"> <li>In 2020, an analysis was conducted of procurement activities in terms of the application of procurement standards for 2019. Information on the results of the analysis was posted in Zarubezhneft's personal account on the Interdepartmental Portal of the Federal Agency for State Property Management, and the report was sent to the Federal Agency for State Property Management (Letter No. DM-25-2446 dated 08/14/2020).</li> </ul>
Approval of the procedure on the accounting of investment projects	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 120 dated 03/30/2016).</li> <li>The accounting procedure for ZARUBEZHNEFT GROUP's high-priority investment projects was approved by a resolution of the Board of Directors (Minutes No. 122 dated 05/13/2016).</li> </ul>
Pursuant to Directive of the Russian Government No. 1659p-P13 dated 03/15/2016	
Innovative development	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 119 dated 03/15/2016).</li> <li>Zarubezhneft's IDP for 2016–2020 (with a view to 2030) was approved by a resolution of the Board of Directors (Minutes No. 127 dated 09/14/2016).</li> <li>In accordance with a resolution of the Government Commission for the Modernization of the Economy and Innovative Development of Russia chaired by Prime Minister Dmitry Medvedev (paragraph II.4 of Minutes of the Government Commission No. 2 dated 10/22/2018), state-owned companies implementing innovative development programs of Zarubezhneft carried out work to update the current IDP for the period of 2020–2024.</li> <li>The updated IDP (Minutes No. 188 dated 12.24/2020) was approved by a resolution of the Board of Directors taking into account the recommendations of the Strategic Planning Committee of the Board of Directors (Minutes No. 78 dated 12/21/2020).</li> <li>A report on the results of the implementation of the IDP for 2019 was approved by a resolution of the Board of Directors (Minutes No. 179 dated 04/22/2020).</li> </ul>
Innovative development	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 119 dated 03/15/2016).</li> <li>A resolution of the Board of Directors approved updated Appendix No. 7 to the LDP, taking into account the inclusion of an integrated key indicator of innovation efficiency in the KPI of the LDP (Minutes No. 119 dated 03/15/2016).</li> <li>Pursuant to Directive of the Russian Government No. 304p-P13 dated 01/19/2021, the Board of Directors approved the updated composition and weights of corporate KPIs, new versions of corporate KPI certificates, and target values of corporate KPIs for 2021 (including the KPI "Investment in R&amp;D") (Minutes No. 189 dated 01/29/2021). A resolution of the Board of Directors also approved the updated Appendix No. 7 and Appendix No. 7.1. to the LDP (Minutes No. 189 dated 01/29/2021).</li> <li>Information on the implementation of integrated KPI innovation activities is included in the Report on the Implementation of the IDP of Zarubezhneft for 2019 (approved by a resolution of the Board of Directors, Minutes No. 179 dated 04/22/2020).</li> </ul>
Pursuant to Directive of the Russian Government No. 1471p-P13 dated 03/03/2016	
Optimizing and improving expenditures on charity and sponsorship	<ul style="list-style-type: none"> <li>The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 109 dated 09/04/2015).</li> <li>The Regulation on Charitable and Sponsorship Activities of Zarubezhneft was approved by a resolution of the Board of Directors (Minutes No. 116 dated 01/14/2016).</li> <li>In 2020, taking into account recommendations based on the results of an audit of the Company's anti-corruption business processes (reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 186 dated 09/30/2020), the Board of Directors approved a new version of the Regulation on Charitable and Sponsorship Activities of Zarubezhneft (Minutes No. 188 dated 12/24/2020).</li> <li>The budget for sponsorship and charitable activities of ZARUBEZHNEFT GROUP for 2020 was approved by the Board of Directors on 12/26/2019 (Minutes No. 175) as part of the Business Plan for 2020.</li> <li>In 2020, information on charitable and sponsorship activities was posted quarterly in Zarubezhneft's personal account on the Interdepartmental Portal of the Federal Agency for State Property Management.</li> </ul>
Pursuant to Directive of the Russian Government No. 5024p-P13 dated 07/31/2015	

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Procedure for settlements on export contracts</p> <p>Pursuant to Directive of the Russian Government No. 4807p-P13 dated 07/23/2015</p>	<ul style="list-style-type: none"> <li>• The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 109 dated 09/04/2015).</li> <li>• In order to implement the directives:</li> <li>• - A standard contractual condition was drafted for export contracts on the feasibility of settlements in Russian rubles;</li> <li>• - A minimum proportion of settlements was specified for exports in Russian rubles;</li> <li>• - A new standard form of contract was approved for the supply of oil for export, which contains a standard contractual condition on the feasibility of settlements in Russian rubles (Order No. 497 dated 10/12/2015).</li> <li>• In 2020, 12 oil supply contracts containing a standard contractual condition on the feasibility of settlements in Russian rubles were concluded.</li> </ul>
<p>Introduction of an incentive system for management based on KPIs of their activities proceeding from the need to reduce operating expenses (costs) by 2–3% annually</p> <p>Pursuant to Directive of the Russian Government No. 2303p-P13 dated 04/16/2015</p>	<ul style="list-style-type: none"> <li>• The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 101 dated 04/30/2015).</li> <li>• A resolution of the Board of Directors approved a new version of the Methodological Instructions for Calculating the Rate of Reduction in Operating Expenses (Minutes No. 163 dated 01/28/2019).</li> <li>• At a meeting on 03/27/2020, the Board of Directors took note of the Report on the Implementation of the Program to Enhance the Efficiency and Cost Optimization of ZARUBEZHNEFT GROUP for 2019 (operating expenses declined by 3.1% in 2019), and approved the Program to Enhance the Efficiency and Cost Optimization of ZARUBEZHNEFT GROUP for 2020 (Minutes No. 179 dated 03/27/2020).</li> <li>• The Report on the Implementation of the Program to Enhance the Efficiency and Cost Optimization for Q1 2020 was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 183 dated 06/25/2020).</li> <li>• The Report on the Implementation of the Program to Enhance the Efficiency and Cost Optimization for H1 2020 was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 186 dated 09/30/2020).</li> <li>• The Report on the Implementation of the Program to Enhance the Efficiency and Cost Optimization for 9M 2020 was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 187 dated 11/10/2020).</li> </ul>
<p>Ensuring the creation of unified treasuries of parent, subsidiary, and affiliate organizations</p> <p>Pursuant to Directives of the Russian Government No. 5110p-P13 dated 08/08/2014 and No. 1796p-P13 dated 03/26/2015</p>	<ul style="list-style-type: none"> <li>• The Unified Treasury of ZARUBEZHNEFT GROUP has been operating since 07/01/2015.</li> <li>• The following was approved for the purpose of creating the Unified Treasury:</li> <li>• - Regulation on Payments within ZARUBEZHNEFT GROUP (Order No. 270 dated 09/18/2017);</li> <li>• - Regulation on Attracting and Placing Funds at ZARUBEZHNEFT GROUP (Order No. 231 dated 05/20/2015);</li> <li>• - A new version of the Unified Financial and Credit Policy of ZARUBEZHNEFT GROUP (Order No. 58 dated 03/31/2017);</li> <li>• - A new version of the Regulation on Intragroup Financing within ZARUBEZHNEFT GROUP (Order No. 315 dated 10/31/2017).</li> <li>• According to an analysis, the report "Economic Effect from the Creation of the Unified Treasury in ZARUBEZHNEFT GROUP" was sent to the Ministry of Finance via Letter No. SK-24–2658 dated 08/31/2020 and to the Russian Federal Financial Monitoring Service via Letter No. SK-24–2657 dated 08/31/2020.</li> </ul>
<p>Changes to the structure of the Company's annual report</p> <p>Pursuant to Directive of the Russian Government No. 2007p-P13 dated 04/06/2015</p>	<ul style="list-style-type: none"> <li>• The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 100 dated 04/15/2015).</li> <li>• The annual report prepared taking into account the requirements of the directives was approved by a resolution of the Annual General Meeting of Shareholders (Order No. 337-r of the Federal Agency for State Property Management dated 08/27/2020).</li> <li>• A report on the implementation of the LDP and the achievement of the KPIs for 2019 was sent to the Federal Agency for State Property Management, the Ministry of Energy, and the Ministry of Economic Development (Letters No. SK-46–1492, No. SK-46–1493, and No. SK-46–1494 dated 05/21/2020).</li> </ul>
<p>On the Company's approval of long-term development programs and audits of such programs</p>	<ul style="list-style-type: none"> <li>• The LDP was approved by a resolution of the Board of Directors (Minutes No. 91 dated 11/20/2014).</li> <li>• In 2020, the following measures were taken to implement the directives:</li> <li>• The terms of reference for the audit of the implementation of the LDP for 2019 were approved by a resolution of the Board of Directors (Minutes No. 177 dated 02/14/2020);</li> </ul>



Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
Pursuant to Directive of the Russian Government No. 4955p-P13 dated 07/17/2014	<ul style="list-style-type: none"> <li>• The terms of reference for the audit of the implementation of the LDP for 2019 were approved by a resolution of the Board of Directors (Minutes No. 177 dated 02/14/2020);</li> <li>• An audit of the implementation of the LDP for 2019 was conducted and the report on the audit of the implementation of the LDP for 2019 was reviewed and taken into account in accordance a resolution of the Board of Directors (Minutes No. 182 dated 05/29/2020) and preliminarily considered at a joint meeting of the Strategic Planning Committees and the HR and Remuneration Committee of the Board of Directors on 05/14/2020 (Minutes No. 72);</li> <li>• Taking into account the auditor's recommendations based on the results of the audit for 2019, an Action Plan for the implementation of the auditor's recommendations was prepared (approved by the Strategic Planning Committee of the Board of Directors, Minutes No. 73 dated 05/22/2020);</li> <li>• Pursuant to Directive of the Russian Government No. 12153p-P13 dated 12/25/2019, a resolution of the Board of Directors approved a new version of Appendix No. 6 to the LDP "Labor Productivity Improvement Program" (Minutes No. 177 dated 02/14/2020);</li> <li>• In accordance with the auditor's recommendations, the updated version of Appendix No. 10 to the LDP was drafted. Taking into account the recommendations of the joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee of the Board of Directors (Minutes No. 77 dated 12/18/2020), the updated version of Appendix No. 10 to the LDP was approved by a resolution of the Board of Directors (Minutes No. 188 dated 12/24/2020);</li> <li>• Pursuant to Directive of the Russian Government No. 6739p-P13 dated 07/30/2020, the Board of Directors approved a new version of the Regulation on the Assessment of the Implementation of the LDP and the Company's Key Performance Indicators (Minutes No. 188 dated 12/24/2020).</li> </ul>
<p>Level of net foreign exchange assets</p> <p>Pursuant to Directive of the Russian Government No. 8495p-P13 dated 12/17/2014</p>	<ul style="list-style-type: none"> <li>• Order No. 280 dated 07/05/2016 approved the Methodological Recommendations for the Calculation and Monitoring of the Net Foreign Currency Assets of ZARUBEZHNEFT GROUP.</li> <li>• At a meeting of the Board of Directors on 08/08/2016 (Minutes No. 126), the decision was made to submit a monthly reporting form to the Bank of Russia.</li> <li>• In 2020, the Finance and Treasury Operations Department sent monthly information on the amount of Zarubezhneft's net foreign currency assets to the Bank of Russia.</li> </ul>
<p>Increase in labor productivity and the creation and modernization of highly productive workplaces</p> <p>Pursuant to Directive of the Russian Government No. 7389p-P13 dated 10/31/2014</p>	<ul style="list-style-type: none"> <li>• Directive No. 7389p-P13 dated 10/31/2014 was repealed in accordance with Directives of the Russian Government No. 12153pp-P13 dated 12/25/2019.</li> <li>• According to a resolution of the Board of Directors (Minutes No. 177 dated 02/14/2020), the order of the Board of Directors specified in Clause 2 of Minutes of the Board of Directors No. 91 dated 11/20/2014 was repealed due to the repeal of Directive of the Russian Government No. 7389p-P13 dated 10/31/2014.</li> </ul>

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Ensuring the Company's adoption of KPIs</p> <p>Pursuant to Directive of the Russian Government No. 2579p-P13 dated 04/25/2014</p>	<ul style="list-style-type: none"> <li>– Pursuant to the recommendations of the Revision Commission based on the results of an audit of the Company's financial and economic activities for 2015, an updated Regulation on the KPI System and Corporate KPI Certificates of Zarubezhneft was drafted and endorsed with the Federal Agency for State Property Management (Letter No. DR-05/44755 dated 10/28/2016).</li> <li>– • According to a resolution of the Board of Directors dated 11/25/2016 (Minutes No. 131), the updated version of the Regulation on the KPI System and Corporate KPI Certificates of Zarubezhneft approved by the Federal Agency for State Property Management (Letter No. DRP-05/44755 dated 10/28/2016) was endorsed.</li> <li>– In 2020:</li> <li>– The report on the implementation of corporate KPIs for 2019 was approved by a resolution of the Board of Directors (Minutes No. 182 dated 05/29/2020). Based on the achievement of the target values of corporate KPIs, the Board of Directors decided to pay remuneration to the Company's sole executive body (Minutes No. 182 dated 05/29/2020);</li> <li>– Reports on the implementation of KPI for Q1, H1, and 9M of 2020 were reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 183 dated 06/25/2020, No. 186 dated 09/30/2020, and No. 187 dated 11/10/2020);</li> <li>– Pursuant to Directive of the Russian Government No. 3579-p dated 12/28/2020, Zarubezhneft conducted an analysis of the current KPI system for compliance with the "Methodological Recommendations for the Compilation and Application of Key Performance Indicators of Joint-Stock Companies Owned by the Russian Federation and Individual Non-Profit Organizations in Order to Determine the Amount of Remuneration for Their Management". According to the analysis, in accordance with Directive of the Russian Government No. 304p-P13 dated 01/19/2021, the following were approved by a resolution of the Board of Directors at a meeting on 01/29/2021:             <ul style="list-style-type: none"> <li>– Updated scope and weights, KPI certificates, and corporate KPI targets for 2021;</li> <li>– A new version of the Regulation on the KPIs of Zarubezhneft (Minutes No. 189 dated 01/29/2021).</li> </ul> </li> </ul>
<p>Inclusion in the LDP of the basic parameters of the need for labor resources, including engineering and technical professions needed to implement the main measures of the program</p> <p>Pursuant to Directive of the Russian Government No. 7439p-P13 dated 11/05/2014</p>	<ul style="list-style-type: none"> <li>• Pursuant to the directives, a resolution of the Board of Directors (Minutes No. 97 dated 02/27/2015) approved Appendix No. 5 to the LDP "Demand for Labor Resources as Part of the LDP of Zarubezhneft".</li> <li>• The updated version of Appendix No. 5 to the LDP of Zarubezhneft was approved by a resolution of the Board of Directors (Minutes No. 163 dated 01/28/2019).</li> </ul>
<p>Process and price audits of investment projects</p> <p>Pursuant to Directive of the Russian Government No. 2988p-P13 dated 05/30/2013</p>	<ul style="list-style-type: none"> <li>• The Standard for the Process and Price Audit of Investment Projects of ZARUBEZHNEFT GROUP was approved by a resolution of the Board of Directors of Zarubezhneft (Minutes No. 110 dated 09/30/2015). The Standard takes into account the recommendations of the Expert Council under the Russian Government as well as the updated regulatory framework as regards investment and project activities.</li> <li>• In 2020, no investment projects were found that fall under the criteria for inclusion in the process and price audit. The relevant information was sent to the Russian Ministry of Economic Development (Letter No. DM-25-806 dated 03/13/2020).</li> </ul>
<p>Preparation of non-financial reporting</p> <p>Pursuant to Directive No. 1710p-P13 dated 03/30/2012</p>	<ul style="list-style-type: none"> <li>• In 2020, Zarubezhneft's Sustainable Development Report for 2019 was prepared and posted on the Company's official website.</li> </ul>
<p>Implementation of investment programs (Instructions of the Russian First Deputy Prime Minister No. ISh-P13-5361 dated 09/18/2009, Fax of the Federal Agency for State Property Management No. GN-13/8809 dated 04/01/2011)</p>	<ul style="list-style-type: none"> <li>• Information on the implementation of Zarubezhneft's investment programs was updated quarterly in Zarubezhneft's personal account on the Interdepartmental Portal of the Federal Agency for State Property Management.</li> </ul>

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Implementation of measures to ensure the information openness of procurement activity and transition to procurements in electronic form, including regulations governing the procedures for the procurement of goods, work, and services</p> <p>Pursuant to Directive of the Russian Government No. 6464p-P13 dated 12/16/2010, Instructions of the Russian Government No. ISh-P13-8685 dated 12/17/2010, and Letter of the Federal Agency for State Property Management No. GN-13/1416 dated 01/25/2011</p>	<p>➤ See the section on the Procurement Report of Zarubezhneft Group.</p> <ul style="list-style-type: none"> <li>• Zarubezhneft's Partnership Program with Small and Medium-Sized Businesses was approved by Zarubezhneft Order No. 544 dated 12/01/2014. The Partnership Program was posted on the Company's website in the 'Information Disclosure' section, as well as the Register of Small and Medium-Sized Businesses that joined partnerships.</li> <li>• The current version of the Regulation on the Procurements of Zarubezhneft (approved by a resolution of the Board of Directors, Minutes No. 176 dated 12/30/2019), taking into account Amendment No. 1 (approved by a resolution of the Board of Directors, Minutes No. 183 dated 06/25/2020) also takes into account the requirements of the directives.</li> <li>• Quarterly reports on the results of procurement activities are reviewed and taken into account, in accordance with a resolution of the Board of Directors: Report for Q4 2019. (Minutes No. 179 dated 03/27/2020), Report for Q1 2020 (Minutes No. 181 dated 05/26/2020), Report for Q2 2020 (Minutes No. 186 dated 09/30/2020), and Report for Q3 2020 (Minutes No. 187 dated 11/10/2020).</li> </ul>
<p>Proposals and recommendations that aim to stimulate the development of environmental responsibility mechanisms based on international standards, including non-financial reporting and voluntary certification and labeling systems subject to independent verification and certification (item "I", Clause 1 of the list of Instructions of the Russian President No. Pp-1640 dated 06/06/2010, and Letter of the Federal Agency for State Property Management No. GN-13/37524 dated 12/05/2011)</p>	<p>➤ See 'Environmental Protection' section.</p> <ul style="list-style-type: none"> <li>• ZARUBEZHNEFT GROUP's Environmental Program was approved by a resolution of the Board of Directors (Minutes No. 59 dated 04/20/2012). To monitor the implementation of the Program, Zarubezhneft has established a specialized unit — the Department of Occupational and Industrial Safety and Environmental Protection.</li> <li>• In 2020, Zarubezhneft's Sustainable Development Report for 2019 was prepared and posted on the Company's official website.</li> </ul>
<p>Resolution of the Government of the Russian Federation No. 1214 dated 12/31/2010 "On Improving the Procedure for Managing Open Joint-Stock Companies Whose Shares Are in Federal Ownership and Federal State-Owned Enterprises"</p>	<ul style="list-style-type: none"> <li>• A resolution of the Board of Directors (Minutes No. 72 dated 06/10/2013) approved a new version of the 'Regulation of Zarubezhneft on the Organization of Information Interaction through the Interdepartmental Portal for State Property Management on the Internet'. In accordance with this Regulation, Zarubezhneft regularly posted relevant information in its personal account on the Interdepartmental Portal in 2020.</li> </ul>
<p>Introduction of recommendations on the management of the rights to the results of intellectual activity</p> <p>Pursuant to Directive of the Russian Government No. 9177p-P13 dated 12/12/2017</p>	<ul style="list-style-type: none"> <li>– The resolutions specified in the directives were adopted by the Board of Directors (Minutes No. 149 dated 02/08/2018).</li> <li>– A resolution of the Board of Directors (Minutes No. 159 dated 10/03/2018) approved the Policy on RIA Rights Management at Zarubezhneft and the Action Plan for its implementation (posted in Zarubezhneft's personal account on the Interdepartmental Portal of the Federal Agency for State Property Management on 10/04/2018). Measures are implemented according to the approved Plan, including: the Regulation on the Innovative Development Department, which performs the functions of managing RIA rights, was approved on 06/10/2019.</li> <li>– Sets of KPIs were developed for the assessment of the RIA Rights Management System at Zarubezhneft.</li> <li>– The Report on the Functioning of the RIA Rights Management System at Zarubezhneft was reviewed and taken into account in accordance with a resolution of the Board of Directors (Minutes No. 174 dated 11/26/2019).</li> <li>– In Q1 2020, an inventory of RIA was conducted at ZARUBEZHNEFT GROUP's companies (Zarubezhneft, VNIIneft, Giprovostokneft, and JC RUSVIETPETRO).</li> </ul>

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Development and approval of a list of internal regulations governing the Company's activities as well as the submission of reports on the implementation of long-term development programs and the achievement of approved KPIs in accordance with Clauses 2 and 3 of Instructions of the Russian President No. Pp-3013 dated 12/27/2014</p>	<ol style="list-style-type: none"> <li>1. Zarubezhneft's Long-Term Development Program, after preliminary approval by the Strategic Planning Committee of the Board of Directors (Minutes No. 1 dated 09/19/2014), was endorsed by the Expert Council under the Russian Government (Letters No. ES-2909/02 dated 09/29/2014 and No. ES-1211/02 dated 11/12/2014) and approved by a resolution of the Board of Directors (Minutes No. 91 dated 11/20/2014). See the 'Long-Term Development Program' section.</li> <li>2. The Regulation on KPIs and Certificates of Corporate KPIs were approved by a resolution of the Board of Directors (Minutes No. 94 dated 12/24/2014).</li> <li>3. In 2016, following endorsement by the Federal Agency for State Property Management (Letter No. DR-05/44755 dated 10/28/2016), the Board of Directors approved updated versions of the Regulation on KPIs and Certificates of Corporate KPIs. In 2017, a new version of the Certificate of the Integrated Key Innovation Efficiency Indicator of Zarubezhneft was approved at a meeting of the Board of Directors on 08/21/2017 (Minutes No. 141). In 2020, in order to fulfill Instructions of the Russian Government No. MM-P13-15370 dated 11/26/2020 and Directive of the Russian Government No. 304p-P13 dated 01/19/2021, Zarubezhneft conducted an analysis of its Regulation on KPIs regarding compliance with the "Methodological Recommendations for the Compilation and Application of Key Performance Indicators of Joint-Stock Companies Owned by the Russian Federation and Individual Non-Profit Organizations in Order to Determine the Amount of Remuneration for Their Management", which were approved by Directive of the Russian Government No. 3579-p dated 12/28/2020.</li> <li>4. The updated Regulation on KPIs was approved by a resolution of the Board of Directors on 01/29/2021 (Minutes No. 189 dated 01/29/2021).</li> <li>5. 3. The Regulation on Improving Investment and Operational Efficiency and Reducing Costs was approved by a resolution of the Board of Directors (Minutes No. 117 dated 01/29/2016, previous version by Minutes No. 112 dated 11/11/2015).</li> <li>6. 4. The Regulation on Internal Audit was approved by a resolution of the Board of Directors (Minutes No. 97 dated 02/27/2015). In accordance with the Methodological Instructions for the Preparation of the Regulation on Internal Audit, the Company has drafted a new version of the Regulation on Internal Audit at Zarubezhneft (approved by a resolution of the Board of Directors, Minutes No. 110 dated 09/30/2015). In 2016, the Regulation on Internal Audit at Zarubezhneft was updated taking into account the Methodological Recommendations on Risk Management and Internal Control to Prevent and Combat Corruption and approved by a resolution of the Board of Directors on 10/14/2016 (Minutes No. 128 dated 10/14/2016). In 2018, taking into account the recommendations of external auditors based on an external assessment of the quality of the internal audit function, a new version of the Regulation on Internal Audit was drafted and approved by the Board of Directors (Minutes No. 160 dated 11/20/2018).</li> <li>7. 5. The Regulation on the Quality Management System of Zarubezhneft was approved by a resolution of the Board of Directors (Minutes No. 112 dated 11/11/2015). In 2016, the Board of Directors approved an updated version of the Regulation on the Quality Management System of Zarubezhneft (Minutes No. 133 dated 12/27/2016).</li> <li>8. 6. The Risk Management Policy of Zarubezhneft was approved by a resolution of the Board of Directors (Minutes No. 112 dated 11/11/2015). In 2016, Zarubezhneft's Risk Management Policy was updated taking into account the Methodological Recommendations on Risk Management and Internal Control to Prevent and Combat Corruption and approved by a resolution of the Board of Directors (Minutes No. 125 dated 06/27/2016).</li> <li>9. 7. The Regulation on the Procedure for Drafting and Implementing the Innovative Development Program of Zarubezhneft was approved by Zarubezhneft Order No. 262 dated 09/06/2017 (previous versions by Order No. 623 dated 12/30/2015 and Order No. 541 dated 11/16/2015).</li> </ol>

Instructions of the Russian President and Directives of the Russian Government	Information on the Fulfillment by the Company of the Relevant Instructions and Directives
<p>Inclusion in the Company's LDP of a list of actions for the planned and gradual replacement of procurements of foreign products (work or services) with the procurement of Russian products (work or services) that are equivalent in terms of their technical characteristics and consumer properties according to Directive No. AD-P9-9176 dated 12/08/2014</p>	<p>➤ See the 'Procurement' section.</p> <ul style="list-style-type: none"> <li>Pursuant to Directive of the Russian Government No. 1346P-P13 dated 03/05/2015, a resolution of the Board of Directors (Minutes No. 101 dated 04/30/2015) approved Appendix No. 8 to the Long-Term Development Program of Zarubezhneft 'Measures for the Planned and Gradual Replacement of the Procurement of Foreign Products, Work, and Services with Equivalent Russian Products, Work, and Services'.</li> <li>The resolutions specified in Directive No. 830p-P13 dated 02/06/2017 were adopted at a meeting of the Board of Directors on 03/17/2017 (Minutes No. 135).</li> <li>The Company has an import substitution working group (approved by Order No. 144 dated 05/30/2017), and Order No. 125 dated 05/17/2017 appointed a person responsible for controlling the entry of information into the 'Import Substitution Technologies and Projects' AIS</li> <li>A new version of Appendix No. 8 to the LDP was approved by a resolution of the Board of Directors (Minutes No. 169 dated 06/11/2019). The document reflects measures to implement Directives of the Russian Government No. 10068p-P13 dated 12/06/2018 "Transition to the Predominant Use of Domestic Software" and No. 584p-P13 dated 01/26/2019 "On the Completion of Corporate Plans for Import Substitution in Terms of Protection Against Radiation, Chemical, and Biological Factors".</li> <li>The Report on the Implementation of the Import Substitution Plan (Appendix No. 8 to the LDP) for 2019 is included in the Report on the Implementation of the LDP for 2019 (confirmed by the LDP auditor's report dated 04/24/2020), was reviewed at a joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee of the Board of Directors (Minutes No. 72 dated 05/14/2020), taking into account the received recommendations, was reviewed and taken under advisement in accordance with a resolution of the Board of Directors (Minutes No. 182 dated 05/29/2020).</li> </ul>
<p>Development and implementation of import substitution plans</p> <p>Pursuant to Directive of the Russian Government No. 830p-P13 dated 02/06/2017</p>	
<p>Implementation of partnership programs with SMEs</p> <p>Pursuant to Directive No. 7377p-P13 dated 12/07/2013</p>	<p>➤ See the section on the Procurement Report of ZARUBEZHNEFT GROUP.</p> <ul style="list-style-type: none"> <li>Zarubezhneft's Partnership Program with Small and Medium-Sized Businesses was approved by Zarubezhneft Order No. 544 dated 12/01/2014. The Partnership Program was posted on the Company's website in the 'Information Disclosure' section, as well as the Register of Small and Medium-Sized Businesses that joined partnerships.</li> </ul>
<p>Participation in the preparation of regulatory documents for professional skills championships according to WorldSkills standards</p> <p>Pursuant to Clause 1 of the list of Instructions of the Russian President No. Pp-1921 dated 09/21/2015</p>	<ul style="list-style-type: none"> <li>At present, Zarubezhneft is not one of the associated members of the WorldSkills Russia Union, so it does not have the right to hold and participate in industry-based professional skills championships.</li> <li>Zarubezhneft supports the idea of holding championships according to WorldSkills standards and will take part in the competition in the event a championship is held in the fuel and energy sector on 'Oil and Gas Production'.</li> <li>In order to develop professional skills and enhance the motivation among the Group's employees, Zarubezhneft annually holds a corporate professional skills competition called 'Best in Profession' among employees of subsidiaries that work in the segments: hydrocarbon production, oil refining, and transportation.</li> <li>In 2020, due to the difficult epidemiological situation around the world and as part of measures taken to prevent the spread of COVID-19 and take care of workers' health, Zarubezhneft management decided to cancel the 'Best in Profession' corporate competition and postpone it until 2021. The relevant information was sent to the Federal Agency for State Property Management, the Russian Ministry of Economic Development, the Russian Ministry of Industry and Trade, and the Russian Ministry of Science and Higher Education (Letter No. DU-50-3019 dated 10/01/2020).</li> </ul>



# INFORMATION ABOUT THE PROGRAM FOR THE DISPOSAL OF ZARUBEZHNEFT'S NON-CORE ASSETS

Pursuant to the requirements of Decree No. 596 of the Russian President dated May 7, 2012 as well as Directive No. 894-p of the Russian Government dated May 11, 2017 "On the Identification and Sale of Non-Core Assets",

Zarubezhneft took measures in 2019 to dispose of the Company's non-core assets.

## INFORMATION ABOUT THE SALE OF NON-CORE ASSETS IN 2020

No.	Asset	Inventory number (if applicable)	Balance sheet line containing the asset as of the reporting date preceding the sale of the asset	Book value of the asset (RUB thousand)
1	Toyota Corolla (Y 622 YP 199)	Y 622 YP 199	1150	0
2	Tractor T-170 28-12 YO	00000087	1150	0
3	Cargo truck tractor MAZ E369MO73	00000091	1150	1,500,499
4	Cargo truck tractor MAZ 018 MO	00000095	1150	1,174,277
5	Audi A-6 3.0TD Quadro	A24-O-375	143100	0
6	Share in Jadran Naftagas LLC (24%)	-	1150	14,215
7	Lexus LX470 E555OE 51	E555OE 51	1150	0
8	Tanker semi-trailer-22, AP8424 56	00000068	1150	0
9	Tanker semi-trailer NEFAZ AN 1053 73	00000073	1150	227,318
10	Tanker semi-trailer-22 AN 2176 73	00000085	1150	586,939
11	Peugeot Partner 1.6	0101008002	143100	0
12	Peugeot Partner	0101006002	143100	0
13	UZST 22 AN 2455 73	00000043	1150	663,608
14	Tanker semi-trailer-22 AC 0929 56	00000039	1150	256,361

Measures to sell non-core assets were carried out based on documents approved by the Zarubezhneft

Board of Directors:

- ▶ Program for the disposal of non-core assets (Minutes No. 145 of the Board of Directors dated November 27, 2017)
- ▶ Register of non-core assets (Minutes No. 179 of the Board of Directors dated March 27, 2020)
- ▶ Plan for the sale of non-core assets (Minutes No. 179 of the Board of Directors dated March 27, 2020)

In 2020, 30 non-core assets were sold for a total of RUB 6.56 million.

Actual sale price (RUB thousand)	Deviation of the actual sale price from the book value of the asset (RUB thousand)	Reason for the deviation of the actual sale price from the book value of the asset
539,265	+539,265	Sold at auction
124	+124	Sold at auction
680	-820,499	Sold by open bidding (sale below the book value was approved by the Zarubezhneft Board of Directors, Minutes No. 179 dated 03/27/2020)
465	-709,277	Sold by open bidding (sale below the book value was approved by the Zarubezhneft Board of Directors, Minutes No. 179 dated 03/27/2020)
355,515	+355,515	Sold at auction
29,859	+15,644	Sold to the Company's main participant
860	+860	Sold at auction
53,200	+53	Sold at auction
52,500	-174,818	Sold by open bidding (sale below the book value was approved by the Zarubezhneft Board of Directors, Minutes No. 179 dated 03/27/2020)
45,500	-541,439	Sold by open bidding (sale below the book value was approved by the Zarubezhneft Board of Directors, Minutes No. 179 dated 03/27/2020)
315,027	+315,027	Sold at auction
308,836	+308,836	Sold at auction
102,500	-561,108	Sold by open bidding (sale below the book value was approved by the Zarubezhneft Board of Directors, Minutes No. 179 dated 03/27/2020)
67,666	-188,695	Sold by open bidding (sale below the book value was approved by the Zarubezhneft Board of Directors, Minutes No. 179 dated 03/27/2020)



No.	Asset	Inventory number (if applicable)	Balance sheet line containing the asset as of the reporting date preceding the sale of the asset	Book value of the asset (RUB thousand)
15	UZST 22 AN 2454 73	00000065	1150	663,608
16	UZST 22 AN 2456 73	00000054	1150	663,608
17	Tanker semi-trailer-22 AN 1223 73	00000018	1150	465,503
18	Tanker semi-trailer-24 AM 8428 73	00000028	1150	0
19	NEFAZ 22 AM 6490 73	00000079	1150	0
20	UAZ B 555 OT 163	00000084	1150	0
21	Volkswagen LT35 115T706	0100010083	143100	0
22	Volkswagen Caddy 878A589	0100010071	143100	0
23	Volkswagen Transporter 2.4D	0100010068	143100	70,686
24	Iveco Zastava	0100010053	143100	67,055
25	Ford Transit Combi	0100010087	143100	0
26	Volkswagen Crafter 2.5TDI	0100010035	143100	431,561
27	Volkswagen Golf2	0100010147	143100	0
28	Toyota Caravan	0100010251	143100	0
29	Volkswagen Passat	0100010853	143100	353,434
30	Ford Transit combi VAN 350	0200001316	143100	482,849

The Regulation on Organizing the Sale of ZARUBEZHNEFT GROUP's Non-Core Assets was approved (Order No. 127 dated May 17, 2017) to structure the process of the Company's selling non-core assets and provides a detailed and gradual procedure for the sale of non-core assets in competitive procedures taking into account the requirements of the legislation of the Russian Federation:

- ▶ Stage 1: auctions/bidding
- ▶ Stage 2: sale through a public offering
- ▶ Stage 3: sale without a price announcement

- ▶ Stage 4: preparation of further proposals for the sale of non-core assets (if a buyer was not found in the above three stages, various proposals will be prepared for the possible transfer of non-core assets for rent or collateral, gratuitous transfer, etc.).

Reports on the sale of non-core assets by ZARUBEZHNEFT GROUP were reviewed quarterly at meetings of the Board of Directors and posted on the Interdepartmental State Property Management Portal of the Federal Agency for State Property Management.

Actual sale price (RUB thousand)	Deviation of the actual sale price from the book value of the asset (RUB thousand)	Reason for the deviation of the actual sale price from the book value of the asset
57,666	-605,942	Sold by open bidding (sale below the book value was approved by the Zarubezhneft Board of Directors, Minutes No. 179 dated 03/27/2020)
57,666	-605,942	Sold by open bidding (sale below the book value was approved by the Zarubezhneft Board of Directors, Minutes No. 179 dated 03/27/2020)
51,666	-413,837	Sold by open bidding (sale below the book value was approved by the Zarubezhneft Board of Directors, Minutes No. 179 dated 03/27/2020)
52,500	+52,500	Sold at auction
51,100	+51,100	Sold at auction
124,800	+124,800	Sold at auction
149,457	+149,457	Sold at auction
72,465	+72,465	Sold at auction
60,991	-9,695	Sold by open bidding (sale below the book value was approved by the Zarubezhneft Board of Directors, Minutes No. 179 dated 03/27/2020)
117,755	+50,7	Sold at auction
241,999	+241,999	Sold at auction
412,116		Sold by open bidding (sale below the book value was approved by the Zarubezhneft Board of Directors, Minutes No. 179 dated 03/27/2020)
18,976	+18,976	Sold at auction
393,956	393,956	Sold at auction
353,859	+425	Sold at auction
326,945	-155,904	Sold by open bidding (sale below the book value was approved by the Zarubezhneft Board of Directors, Minutes No. 179 dated 03/27/2020)

# INFORMATION ON CLAIMS-RELATED WORK OF ZARUBEZHNEFT

In 2020, Zarubezhneft served as a defendant in one case concerning labor relations: courts considered an applicant's claim that the Company illegally refused to hire the applicant and sought the recovery of average wages and moral damages in the amount of RUB 2,214,965. Courts of the first, appellate, and cassation instances denied the claims in full. The judicial acts have taken effect.

In addition, arbitration courts of various instances are currently hearing four court cases based on applications filed by Zarubezhneft to challenge decisions made by of Federal Tax Service Inspectorate No. 1 for Moscow dated November 14, 2018 on the additional charging of property tax for quarters 1-4 of 2016 totaling RUB 17,401,016. The applications were filed due to changes in the cadastral value of the property. In three court cases, the court of first instance partially satisfied the claims for a total of RUB 2,343,325, but denied the rest of the claims. In one court case, the decision has taken effect, while one court case was suspended in the court of first instance. The court rulings are based on an examination of the market value of the property.

In 2020, Zarubezhneft also challenged the cadastral value of property in the Moscow City Court. An examination was conducted in the case. The Moscow City Court ruled on October 9, 2020 to satisfy the claims. The decision has not taken effect and is pending in the First Court of Appeal of general jurisdiction.

In one of the cases, the Arbitration Court of Moscow ruled on October 13, 2020 to deny claims against the Company by the Department of Municipal Property of Moscow, which sought to recognize a sixth floor as unauthorized structure. The decision took effect and was not challenged by the parties.

Subsidiaries of ZARUBEZHNEFT GROUP also took part in court cases in 2020 involving large sums of money. In particular, the resolutions of the Thirteenth Arbitration Court of Appeal dated July 29, 2020 and the Arbitration Court of the North-West District dated November 23, 2020 upheld the decision of the Arbitration Court of the Murmansk Region dated December 18, 2019 on partially satisfying the claims of AMNGR, which sought to declare as illegal a decision made on May 25, 2018 by Interdistrict Inspectorate for Large Taxpayers of the Murmansk Region No. 2 based on the results of an on-site tax audit for 2014-2015. AMNGR was disputing additional taxes and the imposition of fines and penalties in the amount of

RUB 35,366,594.41, and its claims were satisfied in the amount of RUB 24,865,656.23. The judicial acts have taken effect.

The Group's subsidiaries in Bosnia and Herzegovina have also been involved in litigation concerning corporate relations since 2013. In particular, in 2020, Bosnia and Herzegovina courts had pending lawsuits on eight claims by minority shareholders (legal entities and individuals) against Nestro Petrol and NeftegazInCor concerning the forced redemption of shares as well as the setting of a buyback price for shares in Modriča Motor Oil Plant. The claims are for a total of BAM 2,592,722.08.

As of the end of 2020, five lawsuits had been considered. In four of the cases, the court fully denied the claims of minority shareholders totaling BAM 1,925,371.46. In one case, the shareholder's claims were satisfied for a total of BAM 22,500.9. In another case, the minority shareholder concluded an amicable agreement for BAM 45,878. The remaining cases are pending and no decisions have been made.

The lawsuits were filed because Nestro Petrol and NeftegazInCor (as affiliates) jointly owned more than 90% of the shares of Modriča Motor Oil Plant at the time of their filing.

The legal units of the subsidiaries protect the interests of ZARUBEZHNEFT GROUP in and out of court. Court cases involving subsidiaries are mainly related to ordinary business activities and do not pose a significant risk to ZARUBEZHNEFT GROUP's financial and economic activities.

## INFORMATION ABOUT MAJOR TRANSACTIONS CONCLUDED BY ZARUBEZHNEFT IN THE REPORTING YEAR

In accordance with the Charter of Zarubezhneft, taking into account the data in the Company's accounting (financial) statements, major transactions in 2020 include any transactions valued at more than RUB 45.06 billion.

Zarubezhneft did not conclude any major transactions in 2020

## INFORMATION ABOUT RELATED-PARTY TRANSACTIONS CONCLUDED BY ZARUBEZHNEFT IN THE REPORTING YEAR

In 2020, the Company did not conclude any agreements to which the provisions on related-party transactions would apply.



# LIST OF PROGRAMS IMPLEMENTED BY ZARUBEZHNEFT AS PART OF THE DEVELOPMENT STRATEGY AND LONG-TERM DEVELOPMENT PROGRAM

- ▶ The updated Innovative Development Program of Zarubezhneft for 2016–2020 (with a view to 2030) was approved by the Zarubezhneft Board of Directors
- ▶ Health, Labor, Environment, Safety, and Social Responsibility Policy of Zarubezhneft
- ▶ Efficiency Improvement and Cost Optimization Program of ZARUBEZHNEFT GROUP
- ▶ The Increasing Labor Productivity Program was prepared and included in the Long-Term Development Program of Zarubezhneft based on Directive No. 7389p-P13 dated October 31, 2014
- ▶ A set of measures for the planned and gradual replacement of the procurement of foreign products, work, and services with equivalent Russian products, work, and services was approved as part of Appendix No. 8 to the Long-Term Development Program
- ▶ A list of program measures to achieve the strategic goals of the Company's Corporate Strategy was approved as part of Appendix No. 10 to the Long-Term Development Program
- ▶ The measures of the Long-Term Development Program to accelerate the growth rates of investments in fixed assets of the 'Exploration and Production' segment were approved as part of Appendix No. 14 to the Long-Term Development Program

# LIST OF INTERNAL REGULATORY DOCUMENTS GOVERNING ACTIVITIES TO PREPARE THE ANNUAL REPORT

- ▶ Regulation No. 316 on the Preparation and Publication of the Annual Report of Zarubezhneft dated October 28, 2019
- ▶ Regulation on Internal Audit at Zarubezhneft (approved by a resolution of the Board of Directors dated November 20, 2018, Minutes No. 160)
- ▶ Policy on Interaction between the Audit Committee of the Zarubezhneft Board of Directors and the External Auditor (approved by a resolution of the Board of Directors dated November 24, 2016, Minutes No. 131)
- ▶ Internal Control Policy at Zarubezhneft (approved by a resolution of the Board of Directors dated June 26, 2016, Minutes No. 125).
- ▶ Methodology for Planning and Conducting Internal Audits (approved by Order No. 14 dated January 21, 2019)
- ▶ Regulation for Conducting Audits at Subsidiaries (approved by Order No. 409 dated December 21, 2017)

## INFORMATION ABOUT THE AUDITOR OF ZARUBEZHNEFT'S ACCOUNTING STATEMENTS FOR THE REPORTING YEAR

Zarubezhneft annually engages external auditors to audit its accounting (financial) statements prepared in accordance with Russian Accounting Standards.

The audit organization was selected for the mandatory audit of Zarubezhneft's RAS accounting (financial) statements for 2020–2021 through an open tender in accordance with the requirements of Federal Law No. 44-FZ dated April 5, 2013 "On the Contract System for the Procurement of Goods, Work, and Services to Meet State and Municipal Needs".

In 2020, Crowe Expertiza won the competition and was hired as the auditor of the RAS statements. The cost of Crowe Expertiza's services for auditing the accounting (financial) statements for 2020 amounted to RUB 844,800.

The Federal Treasury and the Self-Regulatory Organization of Auditors, in which the auditor is a member, regularly monitor the auditor's activities.



## EXTRACT FROM ZARUBEZHNEFT GROUP'S CONSOLIDATED FINANCIAL STATEMENTS AND INFORMATION ABOUT THE AUDITOR FOR THE REPORTING YEAR

Zarubezhneft annually engages external auditors to audit its consolidated financial statements prepared in accordance with IFRS. The audit organization was selected to audit ZARUBEZHNEFT GROUP's consolidated financial statements for 2019–2020 by conducting an open request for proposals in accordance with the requirements of Federal Law No. 223-FZ dated July 18, 2011 "On the Procurement of Goods, Work, and Services by Separate Types of Legal Entities".

Deloitte & Touche CIS won the tender and was hired as the auditor of ZARUBEZHNEFT GROUP's consolidated financial statements for 2019–2020. Deloitte & Touche CIS

conducts quality control of audit assignments as of the date of issuance of the audit opinion and prior to this, and also verifies and monitors the quality of audit documentation on audits that have been completed. The cost of services of Deloitte & Touche CIS for the audit of the consolidated financial statements for 2020 amounted to RUB 11,159,000.

The Federal Treasury and the Self-Regulatory Organization of Auditors, in which the auditor is a member, regularly confirm the auditor's independence.

# CONSOLIDATED PROFIT AND LOSS STATEMENT AND OTHER TOTAL INCOME FOR THE YEAR ENDED ON DECEMBER 31, 2020

EXTRACT FROM ZARUBEZHNEFT GROUP'S CONSOLIDATED IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2020, RUB MLN

RUB MLN	2020	2019
<b>Sales revenue and income from joint operations</b>		
Sales of oil, gas, and petroleum products	60,696	65,300
Ancillary services and other sales	12,495	9,521
Revenues from joint ventures	9,742	18,068
Total sales revenue and income from joint operations	82,933	92,889
<b>Costs and expenses</b>		
Cost of purchased oil, gas, and petroleum products	(41,560)	(40,637)
Production and operating costs	(16,621)	(16,302)
Commercial, general, and administrative expenses	(5,825)	(6,331)
Taxes, except income tax	(4,649)	(5,543)
Export, depletion, and depreciation	(6,599)	(4,606)
Transportation costs	(1,981)	(1,715)
Geological survey costs	(274)	(211)
Export duty	(306)	(342)
Other income/(expenses), net	908	2,395
<b>Profit from operating activities</b>	<b>6,026</b>	<b>19,597</b>
Expenses on devaluation of assets, net	(1,110)	(413)
Income (expenses) from revaluation of foreign currency derivative financial instruments at fair value	(896)	(186)
Financial income	1,549	999
Financial expenses	(721)	(806)
Exchange rate differences, net	5,025	(2,918)
<b>Profit before income tax</b>	<b>9,873</b>	<b>16,273</b>
Current income tax	(2,329)	(1,888)
Deferred income tax	1,689	(932)
<b>NET PROFIT FOR THE YEAR</b>	<b>9,233</b>	<b>13,453</b>
Net profit/(loss) for the year, belonging to:		
• The shareholder of the parent company	9,940	13,310
• Non-controlling interests	(707)	143
<b>NET PROFIT FOR THE YEAR</b>	<b>9,233</b>	<b>13,453</b>
<b>OTHER TOTAL INCOME/(EXPENSE)</b>		
<b>Items to be reclassified as profit or loss</b>		
The effect of conversion into the presentation currency	13,755	(7,257)
Other aggregate income/(expense) for the year excluding income tax	13,755	(7,257)
<b>TOTAL AGGREGATE INCOME FOR THE YEAR</b>	<b>22,988</b>	<b>6,196</b>
Total aggregate income/(expenditure) for the year belonging to:		
• The shareholder of the parent company	24,099	5,426
• Non-controlling interests	(1,111)	770
	<b>22,988</b>	<b>6,196</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2020

RUB MLN

ASSETS	December 31, 2020	December 31, 2019
<b>Non-current assets</b>		
Fixed assets	55,450	40,924
Investments in joint ventures	88,382	74,822
Debt securities	6,352	4,230
Deferred tax assets	3,004	835
Contributions to the liquidation fund	2,012	1,511
Other non-current assets	2,810	1,517
	<b>158,010</b>	<b>123,839</b>
<b>Current assets</b>		
Stocks	4,046	4,427
Trade and other receivables	8,052	5,396
Dividend debt	3,312	5,162
Refundable taxes and prepayment of taxes	1,374	1,510
Loans issued	5,175	4,160
Debt securities	9,720	6,861
Deposits, cash, and cash equivalents	29,843	35,387
Other current assets	1,321	1,146
	<b>62,843</b>	<b>64,049</b>
<b>TOTAL ASSETS</b>	<b>220,853</b>	<b>187,888</b>
<b>OWN CAPITAL AND LIABILITIES</b>		
Capital and reserves		
Charter capital	50,729	50,729
Other reserves	15,439	14,310
Reserve of conversion to the presentation currency	36,443	22,284
Retained earnings	59,840	57,684
Share capital of the parent company	162,451	145,007
Non-controlling shares	(8,339)	(8,207)
<b>TOTAL CAPITAL AND RESERVES</b>	<b>154,112</b>	<b>136,800</b>
<b>Long-term liabilities</b>		
Long-term loan liabilities	16,795	14,743
Long-term valuation liabilities	15,917	10,988
Deferred tax liabilities	6,119	5,447
	<b>38,831</b>	<b>31,178</b>
<b>Short-term liabilities</b>		
Short-term loan liabilities	11,845	6,441
Trade and other accounts payable	12,542	9,859
Short-term valuation liabilities	1,784	1,424
Tax liabilities	1,366	1,457
Other short-term liabilities	373	729
	<b>27,910</b>	<b>19,910</b>
<b>TOTAL OBLIGATIONS</b>	<b>66,741</b>	<b>51,088</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>220,853</b>	<b>187,888</b>



# GLOSSARY

**ADCS** – automated dispatch control system

**ADP** – asset development project

**AEES** – automated energy efficiency system

**AIS** – analytical information system

**APG** – associated petroleum gas

**AWS** – automated workstation

**BCP** – biodiversity conservation program

**BPM** – business process management

**BSC** – Business Service Center

**CIS** – Commonwealth of Independent States

**CPC** – Caspian Pipeline Consortium

**CPF** – Central Production Facility

**CRC** – corrosion-resistant coating

**DV** – drilling vessel

**EAP** – East Asia and the Pacific

**EBITDA** – earnings before interest, taxes, depreciation and amortization

**ECA** – Europe and Central Asia

**ECP** – electrical centrifugal pump

**EFTG** – Enhanced Full Tensor Gravity Gradiometry

**EGZ** – East Gabel El Zeit block

**EMBA** – Executive Master of Business Administration

**EORM** – enhanced oil recovery method

**EROI** – energy return on investment

**ETP** – electronic trading platform

**E&P** – exploration and production

**FCF** – free cash flow

**FDP** – field development plan

**FEED** – front end engineering design

**FEM** – financial economic model

**FPM** – formation pressure maintenance

**GEA** – geological exploration activities

**GEW** – geological exploration work

**HF** – hydraulic fracturing

**HNP** – huff and puff

**HTRR** – hard-to-recover reserves

**IDP** – innovative development program

**IEAA** – International Economic Association Agreement

**IEP** – integrated environmental permit

**IFRS** – International Financial Reporting Standards

**JSC** – joint-stock company

**KFU** – Kazan Federal University

**KMS** – Knowledge Management System

**KPI** – key performance indicator

**KSI** – kickoff surface infrastructure

**LAC** – Latin America and the Caribbean

**LDP** – long-term development program

**LTIFR** – Lost Time Injury Frequency Rate

**MGIMO** – Moscow State University of International Relations

<b>MOAL</b> – motor oil and lubricant	<b>RLA</b> – regulatory legal acts
<b>MNA</b> – Middle East and North Africa	<b>RMS</b> – risk management system
<b>MPC</b> – maximum permissible concentration	<b>RMS IS</b> – Real-time Monitoring Center Information System
<b>MRT</b> – mineral replacement tax	<b>RUIE</b> – Russian Union of Industrialists and Entrepreneurs
<b>MSHF</b> – multistage hydraulic fracturing	<b>R&amp;D</b> – research and development
<b>NAA</b> – Nenets Autonomous Area	<b>SAGD</b> – steam-assisted gravity drainage
<b>NRPI</b> – natural reservoir pressure increase	<b>SEREU</b> – South East Ras El Ush block
<b>OEIM IS</b> – Oilfield Equipment Integrity Management Information System	<b>SHPP</b> – small hydroelectric power plant
<b>OGEEE AIS</b> – Oil and Gas Enterprise Energy Efficiency Analytical Information System	<b>SPP</b> – solar power plant
<b>OGWI</b> – oil, gas, and water inflows	<b>TOE</b> – ton of oil equivalent
<b>OF</b> – open fountains	<b>ULRS</b> – Unified Labor Remuneration System
<b>ORI</b> – oil recovery index	<b>VAT</b> – value-added tax
<b>ORS</b> – oil refining and sales	<b>VSP</b> – vertical seismic profiling
<b>OTS</b> – operational and technical section	<b>WBS</b> – work breakdown structure
<b>PCDW</b> – pilot commercial development work	<b>WHP</b> – well-head platform
<b>PCF</b> – petroleum-containing fluid	<b>WIP</b> – well intervention program
<b>PDCA</b> – plan-do-check-act	<b>WLS</b> – well log survey
<b>PSA</b> – production sharing agreement	<b>WPP</b> – wind power plant
<b>PSDM</b> – pre-stack depth migration	<b>WSW</b> – well servicing and workover
<b>PSTM</b> – pre-stack time migration	<b>WWF</b> – World Wildlife Fund
<b>RAS</b> – Russian Accounting Standards	<b>YNAO</b> – Yamalo-Nenets Autonomous Area
<b>RES</b> – renewable energy source	
<b>RESDD</b> – Renewable Energy Source Development Department	

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# GRI INDICATOR

102-55



The GRI Materiality Disclosures Service confirms that the GRI content index is clearly presented, and the links/references to the disclosure of indicators from 102-40 to 102-49 correspond to the sections in the general part of the Report. The service was performed on the Russian version of the report.

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102-48 Restatements of information (The effect of any restatements of information given in previous reports, and the reasons for such restatements)	1
102-49 Changes in reporting (Significant changes from previous reporting periods in the list of material topics and topic Boundaries)	Not recorded
102-50 Reporting period	31/12/2019–31/12/2020
102-51 Date of most recent report	June 2020
102-52 Reporting cycle	annual
102-53 Contact point for questions regarding the report	276
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards, Core option
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102-56 External assurance	Not assured
<b>GRI 103: Management Approach 2016</b>	

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<b>Economic performance</b>	
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# CERTIFICATE OF PUBLIC ACKNOWLEDGMENT OF CORPORATE NON-FINANCIAL REPORT



Russian Union of Industrialists and Entrepreneurs

## CERTIFICATE

of Public Endorsement  
of a Corporate Non-Financial Report

**Integrated report of JSC Zarubezhneft  
for 2020**

**has received public endorsement  
by the RSPP Council on Non-Financial Reporting**

A detailed opinion of the RSPP Council regarding public endorsement of the Integrated report of JSC Zarubezhneft for 2020 has been sent to the Company, which may publish it without amendment and use it both for corporate purposes and for the purposes of stakeholder engagement.

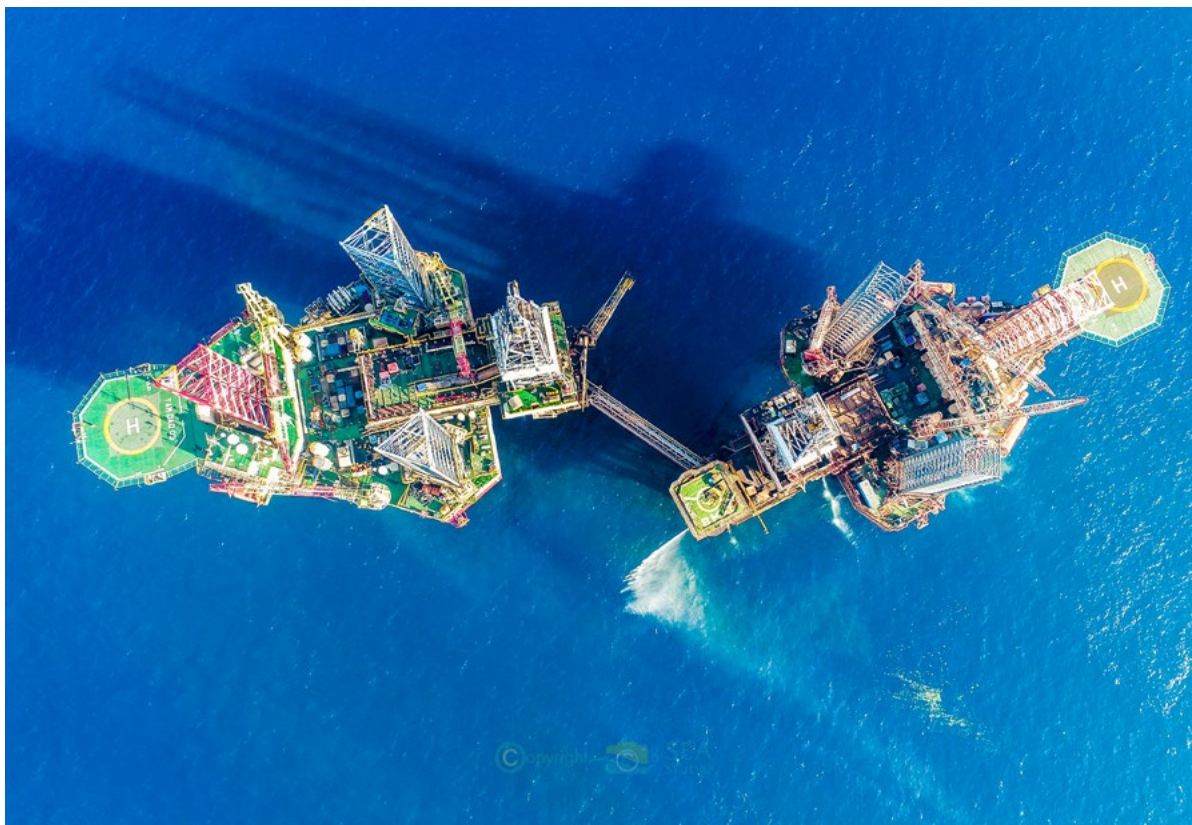
Registration number 184.01.048.01.20

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## THANK YOU FOR ATTENTION!

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