

MEETINGS OF THE BOARD OF DIRECTORS

Board of Directors

The Board of Directors is the management body that determines the priority areas of the Company's activities. According to the Zarubezhneft Charter, which was adopted by Directive No. 499-r of the Federal Agency for State Property Management dated June 30, 2018, seven people were elected to the Board of Directors.

Members

In accordance with Directive No. 409-r of the Federal Agency for State Property Management dated June 30, 2019 "On Decisions of the Annual General Meeting of Shareholders of Zarubezhneft", the Board of Directors was elected as follows:

NAME	Info
Karen Karapetyan	Adviser to the Chairman of the Gazprombank Board of Directors Born: 1963 Does not own any shares in the Company
Pavel Kadochnikov	Vice Rector for Research at the All-Russian Academy of Foreign Trade of the Russian Ministry of Economic Development Born: 1978 Does not own any shares in the Company
Sergey Kudryashov	General Director of Zarubezhneft Born: 1967 Does not own any shares in the Company
Yevgeny Murov	Born: 1945 Does not own any shares in the Company
Maxim Sokolov	First Deputy General Director of LSR Group Born: 1968 Does not own any shares in the Company
Pavel Sorokin	Russian Deputy Minister of Energy Born: 1985 Does not own any shares in the Company
Anatoly Tikhonov	Russian Deputy Minister of Energy Born: 1969 Does not own any shares in the Company

According to a resolution of the Zarubezhneft Board of Directors dated August 12, 2019 (Minutes No. 171), Yevgeny Murov was elected as Chairman of the Board of Directors.

With the adoption of a new version of the Zarubezhneft Charter (Directive No. 314-r of the Federal Agency for State Property Management dated August 17, 2020), the number of members of the Board of Directors was increased to eight.

In accordance with Directive No. 337-r of the Federal Agency for State Property Management dated August 27, 2020 "On Decisions of the Annual General Meeting of Shareholders of Zarubezhneft", the Board of Directors was elected as follows:

Name	Info
Karen Karapetyan	Adviser to the Chairman of the Gazprombank Board of Directors Born: 1963 Does not own any shares in the Company
Pavel Kadochnikov	Russian Deputy Minister of Finance Born: 1978 Does not own any shares in the Company
Alexey Kozlov	Aide to the Russian Deputy Prime Minister Born: 1966 Does not own any shares in the Company
Sergey Kudryashov	General Director of Zarubezhneft Born: 1967 Does not own any shares in the Company
Yevgeny Murov	Born: 1945 Does not own any shares in the Company
Pavel Sorokin	Russian Deputy Minister of Energy Born: 1985 Does not own any shares in the Company
Oksana Tarasenko	Russian Deputy Minister of Economic Development Born: 1983 Does not own any shares in the Company
Vladimir Furgalskiy	Director of the Department for Corporate Policies and Property Relations in Fuel and Energy Industry Branches of the Russian Ministry of Energy Born: 1977 Does not own any shares in the Company

Information about the members of the Board of Directors is available on the Company's website¹. According to the decision of the Board of Directors dated September 30, 2020 (Minutes No. 186), Yevgeny Murov was elected as Chairman of the Zarubezhneft Board of Directors.

Based on instructions from the Federal Agency for State Property Management, the Company annually submits nominees for candidates to be selected to the Board of Directors. When preparing nominees for independent candidates of the Board of Directors, the Company proceeds from the requirements set out in Clause 8 (1) of the Regulation on the Management of Federally Owned Shares in Joint-Stock Companies and Exercising the Special Right to Participate in the Management of Joint-Stock Companies ('Golden Share'), which was adopted by Resolution No. 738 of the Russian Government dated December 3, 2004, as well as the requirements of the Bank of Russia specified in Appendix No. 4 of the Regulation on the Admission of Securities to Organized Trading, which was adopted by the Bank of Russia on February 24, 2016 as No. 534-P.

When preparing nominees for candidates to the Board of Directors, the Company takes into account their experience in strategic research and development, including in the oil and gas industry, experience in the financial sector (including financial analysis and audit), and long-term experience in senior management positions, including in the federal executive authorities.

Remuneration

In 2020, according to Directive No. 337-r of the Federal Agency for State Property Management dated August 27, 2020 "On the Decisions of the Annual General Meeting of Shareholders of Zarubezhneft Joint-Stock Company", total remuneration paid to four members of the Board of Directors based on the results of the 2019–2020 corporate year amounted to RUB 27,008,743, including RUB 10,000,000 to Yevgeny Murov, RUB 9,400,000 to Karen Karapetyan, RUB 4,273,224 to Maxim Sokolov, and RUB 3,335,519 to Pavel Kadochnikov.

¹. https://www.nestro.ru/ru/about_company/korporativnoe-upravlenie/.

Directives of the Russian Government received by the company in 2020

In 2020, the Board of Directors held 12 meetings and adopted resolutions on 65 items. The Board of Directors

paid particular attention in 2020 to the implementation of the Directives of the Russian Government.

No	Number and date of the Directives of the Russian Government	Minutes No. and date of the meeting of the Board of Directors	Item
1	No. 12153p-P13 dated December 25, 2019	177 dated February 14, 2020	Improvements to labor productivity
2	No. 12119p-P13 dated December 25, 2019	177 dated February 14, 2020	Assessment of the presence or absence of major investment projects being implemented or projected to be implemented
3	No. 2150p-P13 dated March 16, 2020	179 dated March 27, 2020	Adoption of a plan to counteract the negative impact of the coronavirus epidemic, including measures to protect the staff members of publicly owned organizations from the spread of coronavirus and to ensure the sustainability of their work
4	No. 2850p-P13kv dated April 2, 2020	180 dated April 4, 2020	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
5	No. 6739p-P13 dated July 30, 2020	182 dated May 29, 2020	Dividends of Zarubezhneft based on the results of 2019
6	No. 6739p-P13 dated July 30, 2020	184 dated August 18, 2020	Assessment of the implementation of the Company's long-term development programs and key performance indicators
7	No. 6781p-P13 dated July 31, 2020	184 dated August 18, 2020	Procurement activities
8	No. 8036p-P13 dated September 1, 2020	185 dated September 10, 2020	Level of net currency assets
9	No. 8591p-P13 dated September 17, 2020	186 dated September 30, 2020	Election of the Chairman of the Zarubezhneft Board of Directors

Detailed information about the Company's implementation of the directives and instructions of the Russian Government and the Russian President and also about the decisions made by the Board of Directors is provided in the section 'Report on the implementation of the instructions of the Russian President and the Russian Government'.

The Board of Directors adopted the following resolutions within its purview in 2020 to achieve the Company's strategic goals:

- ▶ Approved the updated Innovative Development Program of ZARUBEZHNEFT GROUP for 2020–2024 (with a View to 2030)
- ▶ Approved the 2021 Business Plan of ZARUBEZHNEFT GROUP and considered the business plan in the medium term until 2025
- ▶ Approved the Report on the Achievement of Target Corporate Key Performance Indicators (KPIs) of Zarubezhneft for 2019 and reviewed reports on the implementation of KPIs in 2020 on a quarterly basis
- ▶ Approved the Program on Cost Optimization and Reducing Operating Expenses of ZARUBEZHNEFT GROUP for 2020 and reviewed the report on the implementation of the program in 2019 and 2020 on a quarterly basis
- ▶ Approved a new version of the certificate of the corporate KPI 'Labor Productivity' and its target value
- ▶ Approved new versions of Appendix No. 6 'Improvements to Labor Productivity' and Appendix No. 10 'Policy Measures to Ensure the Achievement of the KPIs of the Long-Term Development Program of Zarubezhneft' to the Company's Long-Term Development Program
- ▶ Reviewed the Report on the Implementation of the Corporate Strategy of Zarubezhneft for 2020 and issued instructions to update the Company's Corporate Development Strategy in 2021
- ▶ Tentatively approved the 2019 Annual Report of Zarubezhneft
- ▶ Approved the Report on the Implementation of the Innovative Development Program of Zarubezhneft for 2019

Full list of issues addressed at the meetings of the Board of Directors of the company in 2020

No.	Minutes No. and date of the meeting	Meeting format	Meeting agenda	Members of the Board of Directors who participated in the meeting
1	No. 177 dated February 14, 2020	In absentia	<ol style="list-style-type: none"> 1. Approval of the Work Plan of the Zarubezhneft Board of Directors for 2020. 2. Approval of the terms of reference for the audit of the implementation of the Long-Term Development Program of Zarubezhneft. 3. Review of the Report on the Disposal of Zarubezhneft's Non-Core Assets for the fourth quarter of 2019. 4. Improvements to labor productivity. 5. Update to the labor productivity certificate and KPI target. 6. Approval of the new version of Appendix No. 6 to the Long-Term Development Program 'Labor Productivity Improvement Program of Zarubezhneft'. 7. Presence or absence of major investment projects being implemented or planned for implementation. 	K. Karapetyan S. Kudryashov Y. Murov M. Sokolov P. Sorokin A. Tikhonov
2	No. 178 dated March 25, 2020	In person	<ol style="list-style-type: none"> 1. The current status of Zarubezhneft's membership in new oil and gas projects in foreign countries and the Russian Federation. 2. Work with young people at Zarubezhneft. 	K. Karapetyan S. Kudryashov Y. Murov M. Sokolov P. Sorokin A. Tikhonov
3	No. 179 dated March 27, 2020	In absentia	<ol style="list-style-type: none"> 1. Review of the Report on the Implementation of the Efficiency Improvement and Cost Optimization Program of ZARUBEZHNEFT GROUP for 2019. 2. Approval of the Efficiency Improvement and Cost Optimization Program of ZARUBEZHNEFT GROUP for 2020. 3. Review of the Report on the Results of Zarubezhneft's Procurement Activities for the fourth quarter of 2019. 4. Review of the Audit Plan Implementation Report of ZARUBEZHNEFT GROUP and the performance of the Zarubezhneft Internal Audit Department for 2019. 5. Review of the Quality Management System Performance Report of Zarubezhneft for 2019. 6. Update to the Register of Zarubezhneft's Non-Core Assets of Zarubezhneft. 7. Approval of the Action Plan for the Disposal of Zarubezhneft's Non-Core Assets for 2020-2021. 8. Approval of the plan to combat the negative impact of the coronavirus epidemic, including measures to protect staff members of publicly owned organizations against the spread of coronavirus and to ensure the sustainability of their work. 	K. Karapetyan S. Kudryashov Y. Murov M. Sokolov P. Sorokin A. Tikhonov
4	No. 180 dated April 22, 2020	In absentia	<ol style="list-style-type: none"> 1. Approval of the Innovative Development Program Implementation Report of Zarubezhneft for 2019. 2. Review of reports on the meetings of the Committees of the Zarubezhneft Board of Directors for 2019. 3. Review of the Report on the Disposal of Zarubezhneft's Non-Core Assets for the first quarter of 2020. 4. Progress made by the auditors on the audit of Zarubezhneft's RAS accounting statements and consolidated IFRS financial statements for 2019. 5. 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. 	K. Karapetyan S. Kudryashov Y. Murov M. Sokolov P. Sorokin A. Tikhonov
5	No. 181 dated May 26, 2020	In absentia	<ol style="list-style-type: none"> 1. Review of the Report on the Results of Zarubezhneft's Procurement Activities for the first quarter of 2020. 2. Determination of the fees of the winner of an open tender for the selection of an auditor for the mandatory annual audit of Zarubezhneft. 	K. Karapetyan S. Kudryashov Y. Murov M. Sokolov P. Sorokin A. Tikhonov

No.	Minutes No. and date of the meeting	Meeting format	Meeting agenda	Members of the Board of Directors who participated in the meeting
6	No. 182 dated May 29, 2020	In absentia	<ol style="list-style-type: none"> 1. Review of the annual accounting statements of Zarubezhneft, the IFRS consolidated financial statements, and the preliminary approval of Zarubezhneft's 2019 Annual Report. 2. Review of the Revision Commission's opinion on the audit of Zarubezhneft's financial and economic activities for 2019. 3. Review of the Report on the Implementation of the Long-Term Development Program of Zarubezhneft for 2019. 4. Approval of the Report on the Achievement of Target Corporate KPIs of Zarubezhneft for 2019. 5. Amount, form, and procedure for the payment of annual dividends on shares of Zarubezhneft. 6. Recommendations on profit allocation issued by the Zarubezhneft Board of Directors. 7. Payment of annual remuneration to the General Director. 	K. Karapetyan S. Kudryashov Y. Murov M. Sokolov P. Sorokin A. Tikhonov
7	No. 183 dated June 25, 2020	In absentia	<ol style="list-style-type: none"> 1. Review of the Report on the Implementation of the Efficiency Improvement and Cost Optimization Program of ZARUBEZHNEFT GROUP for the first quarter of 2020. 2. Review of the Report on the Achievement of Target Corporate KPIs of Zarubezhneft according to projections until the end of 2020, taking into account data for the first three months of the year. 3. Review of the Report on the Implementation of Professional Standards. 4. Update to the Procurement Regulation of Zarubezhneft. 5. Approval of the new version of the Code of Corporate Ethics. 	K. Karapetyan S. Kudryashov Y. Murov M. Sokolov P. Sorokin A. Tikhonov
8	No. 184 dated August 18, 2020	In absentia	<ol style="list-style-type: none"> 1. Assessment of the implementation of the Company's Long-Term Development Programs and the implementation of KPIs. 2. The Company's procurement activities. 	K. Karapetyan S. Kudryashov Y. Murov M. Sokolov P. Sorokin A. Tikhonov
9	No. 185 dated September 10, 2020	In absentia	<ol style="list-style-type: none"> 1. Level of net currency assets. 	P. Kadochnikov K. Karapetyan A. Kozlov S. Kudryashov Y. Murov P. Sorokin O. Tarasenko V. Furgalskiy

No.	Minutes No. and date of the meeting	Meeting format	Meeting agenda	Members of the Board of Directors who participated in the meeting
10	No. 186 dated September 30, 2020	In absentia	<ol style="list-style-type: none"> 1. Election of the Chairman of the Zarubezhneft Board of Directors. 2. Election of Committees of the Zarubezhneft Board of Directors. 3. Review of the Report on the Results of the Implementation of the Zarubezhneft Business Plan for the first half of 2020. 4. Review of the Report on the Achievement of Target Corporate KPIs of Zarubezhneft according to projections until the end of 2020, taking into account data for the first half of the year. 5. Current status of RES projects. 6. Review of the Report on the Disposal of Zarubezhneft's Non-Core Assets for the second quarter of 2020. 7. Review of the Report on the Results of Zarubezhneft's Procurement Activities for the second quarter of 2020. 8. Review of the Report on the Implementation of the Efficiency Improvement and Cost Optimization Program of ZARUBEZHNEFT GROUP for the first half of 2020. 9. Review of the Report on the Implementation of Zarubezhneft's Long-Term Development Program for the first half of 2020. 10. Review of the audit findings on the effectiveness of procedures of the risk management and internal control system to prevent and combat corruption. 11. Possibility of Zarubezhneft and its subsidiaries transitioning to tax control in the form of tax monitoring. 	P. Kadochnikov K. Karapetyan A. Kozlov S. Kudryashov Y. Murov P. Sorokin O. Tarasenko V. Furgalskiy
11	No. 187 dated November 10, 2020	In absentia	<ol style="list-style-type: none"> 1. Review of the Report on the Implementation of the Efficiency Improvement and Cost Optimization Program of ZARUBEZHNEFT GROUP for the first nine months of 2020. 2. Review of the Report on the Achievement of Target Corporate KPIs of Zarubezhneft according to projections until the end of 2020, taking into account data for the first three months of the year. 3. Review of the Report on the Implementation of Zarubezhneft's Long-Term Development Program for the first nine months of 2020. 4. Review of the Report on the Results of Zarubezhneft's Procurement Activities for the third quarter of 2020. 5. Review of the Report on the Disposal of Zarubezhneft's Non-Core Assets for the third quarter of 2020. 6. Changes to ZARUBEZHNEFT GROUP's Audit Plan in the fourth quarter of 2020. 	P. Kadochnikov K. Karapetyan A. Kozlov S. Kudryashov Y. Murov P. Sorokin O. Tarasenko V. Furgalskiy
12	No. 188 dated December 24, 2020	In absentia	<ol style="list-style-type: none"> 1. Review of the Report on the Implementation of Zarubezhneft's Corporate Strategy for 2020. 2. Approval of Zarubezhneft's Business Plan for 2021. 3. Approval of ZARUBEZHNEFT GROUP's Audit Plan and the budget of the Internal Audit Department for 2020. 4. Update to Zarubezhneft's Long-Term Development Program. 5. Review of the Report on the Implementation of Professional Standards. 6. Work with young people at Zarubezhneft. 7. Approval of the updated Innovative Development Program of Zarubezhneft. 8. Approval of the new version of the Regulation on Charitable and Sponsorship Activities. 9. Approval of the Regulation on the Long-Term Development Program and Assessment of the Fulfillment of KPIs of Zarubezhneft. 	P. Kadochnikov K. Karapetyan A. Kozlov S. Kudryashov Y. Murov P. Sorokin O. Tarasenko V. Furgalskiy