

## Committees of the board of directors

For a proper review of the resolutions adopted by the Board of Directors, the items submitted for consideration by the Board of Directors are preliminarily reviewed at meetings of the relevant Committees.

The Zarubezhneft Board of Directors has three Committees:

- ▶ Strategic Planning Committee
- ▶ Audit Committee
- ▶ HR and Remuneration Committee

### Strategic Planning Committee

#### Members of the Strategic Planning Committee of the Zarubezhneft Board of Directors in 2020

**Members of the Committee prior to the Annual General Meeting of Shareholders of Zarubezhneft (from January 1, 2020 to August 27, 2020):**

**Anatoly Tikhonov — Russian Deputy Minister of Energy (Committee Chairman)**

Pavel Kadochnikov — Russian Deputy Minister of Finance

Karen Karapetyan — Adviser to the Chairman of the Gazprombank Board of Directors

Sergey Kudryashov — General Director of Zarubezhneft

Pavel Sorokin — Russian Deputy Minister of Energy

**Members of the Committee after the Annual General Meeting of Shareholders of Zarubezhneft (from September 30, 2020 to December 31, 2020):**

**Pavel Sorokin — Russian Deputy Minister of Energy (Committee Chairman)**

Karen Karapetyan — Adviser to the Chairman of the Gazprombank Board of Directors

Alexey Kozlov — Aide to the Russian Deputy Prime Minister

Sergey Kudryashov — General Director of Zarubezhneft

Oksana Tarasenko — Russian Deputy Minister of Economic Development

According to the Regulation on the Strategic Planning Committee, its purview, among other things, includes:

- ▶ Identifying priority areas, strategic objectives, and basic principles for the Company's strategic development
- ▶ Reviewing long-term development programs and reports on their implementation
- ▶ Reviewing reports on the implementation of the Company's strategy and the preparation of recommendations for its adjustment
- ▶ Preparing recommendations on the establishment of branches and opening of representative offices
- ▶ Preparing recommendations on the approval of the Company's KPIs and their target values
- ▶ Reviewing reports on the Company's achievement of the target KPIs
- ▶ Preparing recommendations on strategic documentation concerning innovative development

In 2020, the Strategic Planning Committee held 11 meetings.

Based on the meetings held in 2020, the Strategic Planning Committee made recommendations to the Company's Board of Directors on the following items:

- ▶ Approval of the updated Innovative Development Program of Zarubezhneft
- ▶ Review of the Report on the Implementation of Zarubezhneft's Corporate Strategy for 2020

- ▶ Approval of the Report on the Achievement of Target KPIs for 2019 and the review of quarterly reports on the achievement of KPIs in 2020
- ▶ Approval of the updated certificate of the corporate KPI 'Labor productivity' and its target value
- ▶ Approval of Appendix No. 6 'Improvements to Labor Productivity at Zarubezhneft' 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
- ▶ Implementation by the Company of the Long-Term Development Program based on the results of the review of the Report on the Implementation of the Long-Term Development Program and the external auditor's opinion on the audit findings of the implementation of the Long-Term Development Program in 2019
- ▶ Approval of Zarubezhneft's Business Plan for 2021
- ▶ Approval of the Efficiency Improvement and Cost Optimization Program for 2020 and the review of reports on its implementation for 2019 and quarterly reports in 2020
- ▶ Approval of the Registry of Regulatory Legal Acts (RLA) and the RLA Implementation Plan for 2020

The Committee also reviewed the Regulation on the Long-Term Development Program and Assessment of the Fulfillment of KPIs of Zarubezhneft and recommended it be approved by the Board of Directors.

# LIST OF ITEMS REVIEWED AT MEETINGS OF THE STRATEGIC PLANNING COMMITTEE OF THE ZARUBEZHNEFT BOARD OF DIRECTORS IN 2020

No.	Meeting/ Meeting format	Date of the meeting	Meeting agenda	Members of the Strategic Planning Committee who participated in the meeting
1	Meeting of the Strategic Planning Committee/ in absentia	February 6, 2020	<ol style="list-style-type: none"> <li>1. Review of the terms of reference for the audit of the implementation of the Long-Term Development Program of Zarubezhneft.</li> <li>2. Review of the Report on the Disposal of Zarubezhneft's Non-Core Assets for the fourth quarter of 2019.</li> </ol>	K. Karapetyan S. Kudryashov P. Sorokin A. Tikhonov
2	Joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee/ in absentia	February 7, 2020	<ol style="list-style-type: none"> <li>1. Update to the labor productivity certificate and KPI target.</li> <li>2. Review of the new version of Appendix No. 6 to the Long-Term Development Program 'Labor Productivity Improvement Program of Zarubezhneft'.</li> </ol>	K. Karapetyan S. Kudryashov P. Sorokin A. Tikhonov
3	Meeting of the Strategic Planning Committee/ in absentia	March 20, 2020	<ol style="list-style-type: none"> <li>1. Review of the Report on the Implementation of the Efficiency Improvement and Cost Optimization Program of ZARUBEZHNEFT GROUP for 2019.</li> <li>2. Review of the Efficiency Improvement and Cost Optimization Program of ZARUBEZHNEFT GROUP for 2020.</li> <li>3. Review of the Quality Management System Performance Report of Zarubezhneft for 2019.</li> <li>4. Update to the Register of Non-Core Assets of Zarubezhneft.</li> <li>5. Review of the Action Plan for the Disposal of Zarubezhneft's Non-Core Assets for 2020-2021.</li> <li>6. Review of the Report of the Strategic Planning Committee of the Zarubezhneft Board of Directors for 2019.</li> </ol>	K. Karapetyan S. Kudryashov P. Sorokin A. Tikhonov
4	Meeting of the Strategic Planning Committee/ in absentia	April 27, 2020	<ol style="list-style-type: none"> <li>1. Review of information on the projected dividend proceeds of Zarubezhneft to the federal budget in 2020-2023.</li> </ol>	K. Karapetyan S. Kudryashov P. Sorokin A. Tikhonov
5	Joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee/ in absentia	May 14, 2020	<ol style="list-style-type: none"> <li>1. Review of the Report on the Achievement of the Target Corporate KPIs of Zarubezhneft for 2019.</li> <li>2. Review of the Report on the Implementation of Zarubezhneft's Long-Term Development Program for 2019.</li> </ol>	K. Karapetyan S. Kudryashov P. Sorokin A. Tikhonov
6	Meeting of the Strategic Planning Committee/ in absentia	May 22, 2020	<ol style="list-style-type: none"> <li>1. Review of the Action Plan for the implementation of proposals to improve the performance of ZARUBEZHNEFT GROUP prepared in accordance with the auditor's recommendations based on the audit findings of the Long-Term Development Program for 2019.</li> </ol>	K. Karapetyan S. Kudryashov P. Sorokin A. Tikhonov

No.	Meeting/ Meeting format	Date of the meeting	Meeting agenda	Members of the Strategic Planning Committee who participated in the meeting
7	Joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee/ in absentia	June 10, 2020	<ol style="list-style-type: none"> <li>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.</li> <li>2. Review of the Report on the Achievement of the Target Corporate KPIs of Zarubezhneft according to projections until the end of 2020 taking into account the data for the first three months.</li> </ol>	K. Karapetyan S. Kudryashov P. Sorokin A. Tikhonov
8	Meeting of the Strategic Planning Committee/ in absentia	November 6, 2020	<ol style="list-style-type: none"> <li>1. Review of the Report on the Disposal of Zarubezhneft's Non-Core Assets for the third quarter of 2020.</li> <li>2. Review of the Report on the Implementation of Zarubezhneft's Long-Term Development Program for the first nine months of 2020.</li> </ol>	K. Karapetyan A. Kozlov S. Kudryashov P. Sorokin O. Tarasenko
9	Joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee/ in absentia	November 6, 2020	<ol style="list-style-type: none"> <li>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.</li> <li>2. Review of the Report on the Achievement of the Target Corporate KPIs of Zarubezhneft according to projections until the end of 2020, taking into account the data for the first nine months.</li> </ol>	K. Karapetyan A. Kozlov S. Kudryashov P. Sorokin O. Tarasenko
10	Joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee/ in absentia	December 18, 2020	<ol style="list-style-type: none"> <li>1. Update to the Long-Term Development Program of Zarubezhneft.</li> <li>2. Review of the Regulation for the Long-Term Development Program and Assessment of the Fulfillment of KPIs of Zarubezhneft.</li> </ol>	K. Karapetyan A. Kozlov S. Kudryashov P. Sorokin O. Tarasenko
11	Meeting of the Strategic Planning Committee/ in absentia	December 21, 2020	<ol style="list-style-type: none"> <li>1. Review of the Report on the Implementation of Zarubezhneft's Corporate Strategy for 2020.</li> <li>2. Review of Zarubezhneft's Business Plan for 2021.</li> <li>3. Review of the updated Innovative Development Program of Zarubezhneft.</li> </ol>	K. Karapetyan A. Kozlov S. Kudryashov P. Sorokin O. Tarasenko

## Audit Committee

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### Members of the Audit Committee of the Board of Directors of Zarubezhneft in 2020

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**Members of the Committee prior to the Annual General Meeting of Shareholders of Zarubezhneft (from January 1, 2020 to August 27, 2020):**

**Pavel Kadochnikov — Russian Deputy Minister of Finance (Committee Chairman)**

Karen Karapetyan — Adviser to the Chairman of the Gazprombank Board of Directors

Maxim Sokolov — First Deputy General Director of the LSR Group

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**Members of the Committee after the Annual General Meeting of Shareholders of Zarubezhneft (from September 30, 2020 to December 31, 2020):**

**Pavel Kadochnikov — Russian Deputy Minister of Finance (Committee Chairman)**

Karen Karapetyan — Adviser to the Chairman of the Gazprombank Board of Directors

Alexey Kozlov — Aide to the Russian Deputy Prime Minister

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According to the Regulation on the Audit Committee, its purview, among other things, includes:

- ▶ Reviewing the annual report and financial statements
- ▶ Reviewing the results of the achievement of target financial indicators and the reasons for deviations
- ▶ Reviewing the organization of the risk management system
- ▶ Reviewing the procedures used to select an auditor
- ▶ Reviewing the plans and performance of the Company's Internal Audit Service
- ▶ Reviewing the performance of the external auditor

In 2020, the Audit Committee held four meetings due to the restrictive measures in response to COVID-19.

Based on the meetings, the Audit Committee made recommendations on the following items:

- ▶ Approval of ZARUBEZHNEFT GROUP's Audit Plan and the budget of the Internal Audit Department of Zarubezhneft for 2021
- ▶ Amount of remuneration to members of the Board of Directors and the Revision Commission and payment of remuneration to the General Director
- ▶ Approval of a new version of the Regulation on Charitable and Sponsorship Activities

Moreover, the Audit Committee meetings reviewed the Audit Plans of the Company's RAS accounting (financial) statements and the consolidated IFRS financial statements, the results of an assessment of the quality of interaction between Zarubezhneft and external auditors as well as a report on the external independent assessment of the maturity level of ZARUBEZHNEFT GROUP's risk management system.

The Audit Committee also reviewed the results of the processing of the most significant messages received via the security hotline as part of the implementation of Methodological Recommendations on the Organization of the Work of the Boards of Directors of Publicly Owned Joint-Stock Companies (approved by Order No. 357 of the Federal Agency for State Property Management dated November 21, 2013) and the implementation of the best corporate governance practices at Zarubezhneft.

# LIST OF ITEMS REVIEWED AT MEETINGS OF THE AUDIT COMMITTEE OF ZARUBEZHNEFT BOARD OF DIRECTORS IN 2020

Nº	Meeting/ Meeting format	Date of the meeting	Meeting agenda	Members of the Audit Committee who participated in the meeting
1	Meeting of the Audit Committee in absentia	March 16, 2020	<ol style="list-style-type: none"> <li>1. Review of the Report on the Implementation of the Audit Plan of ZARUBEZHNEFT GROUP and the results of the activities of the Zarubezhneft Internal Audit Department for 2019.</li> <li>2. Review of the Report of the Audit Committee of the Board of Directors for 2019.</li> </ol>	K. Karapetyan M. Sokolov
2	Joint meeting of the HR and Remuneration Committee and the Audit Committee/ in absentia	May 20, 2020	<ol style="list-style-type: none"> <li>1. Review of proposals on the amount of remuneration paid to members of the Board of Directors.</li> <li>2. Review of proposals on the amount of remuneration paid to members of the Revision Commission.</li> <li>3. Payment of annual remuneration to the General Director.</li> </ol>	K. Karapetyan M. Sokolov
3	Meeting of the Audit Committee in absentia	October 26, 2020	<ol style="list-style-type: none"> <li>1. Changes to the Audit Plan of ZARUBEZHNEFT GROUP in the fourth quarter of 2020.</li> <li>2. Review of the results of the processing of the most significant messages received via the security hotline.</li> </ol>	P. Kadochnikov K. Karapetyan A. Kozlov
4	Meeting of the Audit Committee in absentia	December 4, 2020	<ol style="list-style-type: none"> <li>1. Review of the Audit Plan of the RAS accounting (financial) statements of Zarubezhneft.</li> <li>2. Review of the Audit Plan of the consolidated IFRS financial statements of ZARUBEZHNEFT GROUP.</li> <li>3. Review of the Audit Plan of ZARUBEZHNEFT GROUP and the budget of the Internal Audit Department of Zarubezhneft for 2020.</li> <li>4. Assessment of the quality of interaction of Zarubezhneft with external auditors.</li> <li>5. Review of the report on the external independent assessment of the maturity level of the risk management system of ZARUBEZHNEFT GROUP.</li> <li>6. Review of the new version of the Regulation on Charitable and Sponsorship Activities.</li> </ol>	P. Kadochnikov K. Karapetyan A. Kozlov

## HR and Remuneration Committee

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### Members of the HR and Remuneration Committee of the Board of Directors of Zarubezhneft in 2020

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**Members of the Committee prior to the Annual General Meeting of Shareholders of Zarubezhneft (from January 1, 2020 to August 27, 2020):**

**Pavel Sorokin — Russian Deputy Minister of Energy (Committee Chairman)**

Karen Karapetyan — Adviser to the Chairman of the Gazprombank Board of Directors

Maxim Sokolov — First Deputy General Director of LSR Group

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**Members of the Committee after the Annual General Meeting of Shareholders of Zarubezhneft (from September 30, 2020 to December 31, 2020):**

**Oksana Tarasenko — Russian Deputy Minister of Economic Development (Committee Chairman)**

Karen Karapetyan — Adviser to the Chairman of the Gazprombank Board of Directors

Vladimir Furgalskiy — Director of the Department for Corporate Policy and Property Relations in the Fuel and Energy Industry Branches of the Russian Ministry of Energy

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According to the Regulation on the HR and Remuneration Committee of the Board of Directors, its purview, among other things, includes:

- ▶ Preparing recommendations on staff policy issues and the motivation of the Company's employees
- ▶ Supervising the introduction and implementation of the Company's remuneration policy and various incentive programs
- ▶ Preparing recommendations on the amount of remuneration for members of the Board of Directors and the Company's senior executives
- ▶ Improving the Company's KPI system
- ▶ Reviewing reports on the Company's achievement of target KPIs

In 2020, the HR and Remuneration Committee held eight meetings, each of which was attended by all the elected HR and Remuneration Committee members.

Based on the Committee meetings, the Board of Directors was given recommendations on the following issues that determine the remuneration system for the Company's senior executives, the Board of Directors, and the Revision Commission:

- ▶ Approval of the Report on the Achievement of Target Corporate KPIs of Zarubezhneft for 2019
- ▶ Review of quarterly reports on the implementation of corporate KPIs for 2020
- ▶ Payment of remuneration to the General Director
- ▶ Amount of remuneration for members of the Board of Directors and the Revision Commission

The HR and Remuneration Committee has also recommended that the Board of Directors approved the updated certificate of the corporate KPI 'Labor Productivity' and the Regulation on the Long-Term Development Program and Assessment of the Fulfillment of the KPIs of Zarubezhneft.

# LIST OF ITEMS REVIEWED AT MEETINGS OF THE HR AND REMUNERATION COMMITTEE OF ZARUBEZHNEFT BOARD OF DIRECTORS IN 2020

Nº	Meeting/ Meeting format	Date of the meeting	Meeting agenda	Members of the HR and Remuneration Committee who participated in the meeting
1	Joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee/ in absentia	February 7, 2020	<ol style="list-style-type: none"> <li>1. Update to the certificate and the KPI target 'Labor Productivity'.</li> <li>2. Review of the new version of Appendix No. 6 to the Long-Term Development Program 'Labor Productivity Improvement Program of Zarubezhneft'.</li> </ol>	K. Karapetyan M. Sokolov P. Sorokin
2	Meeting of the HR and Remuneration Committee in absentia	March 11, 2020	<ol style="list-style-type: none"> <li>1. Review of the Report of the HR and Remuneration Committee of the Zarubezhneft Board of Directors for 2019.</li> </ol>	K. Karapetyan M. Sokolov P. Sorokin
3	Joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee/ in absentia	May 14, 2020	<ol style="list-style-type: none"> <li>1. Review of the Report on the Achievement of the Target Corporate KPIs of Zarubezhneft for 2019.</li> <li>2. Review of the Report on the Implementation of Zarubezhneft's Long-Term Development Program for 2019.</li> </ol>	K. Karapetyan M. Sokolov P. Sorokin
4	Joint meeting of the HR and Remuneration Committee and the Audit Committee/ in absentia	May 20, 2020	<ol style="list-style-type: none"> <li>1. Review of proposals on the amount of remuneration for members of the Zarubezhneft Board of Directors.</li> <li>2. Review of proposals on the amount of remuneration for members of the Zarubezhneft Revision Commission.</li> <li>3. Payment of annual remuneration to the General Director.</li> </ol>	K. Karapetyan M. Sokolov P. Sorokin
5	Joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee/ in absentia	June 10, 2020	<ol style="list-style-type: none"> <li>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.</li> <li>2. Review of the Report on the Achievement of the Target Corporate KPIs of Zarubezhneft according to projections until the end of 2020, taking into account the data for the first three months.</li> </ol>	K. Karapetyan M. Sokolov P. Sorokin
6	Joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee/ in absentia	November 6, 2020	<ol style="list-style-type: none"> <li>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.</li> <li>2. Review of the Report on the Achievement of the Target Corporate KPIs of Zarubezhneft according to projections until the end of 2020, taking into account the data for the first nine months.</li> </ol>	K. Karapetyan O. Tarasenko V. Furgalskiy
7	Meeting of the HR and Remuneration Committee in absentia	December 7, 2020	<ol style="list-style-type: none"> <li>1. Review of the Report on the Implementation of Professional Standards.</li> </ol>	K. Karapetyan O. Tarasenko V. Furgalskiy
8	Joint meeting of the Strategic Planning Committee and the HR and Remuneration Committee/ in absentia	December 18, 2020	<ol style="list-style-type: none"> <li>1. Update to the Long-Term Development Program of Zarubezhneft.</li> <li>2. Review of the Regulation for the Long-Term Development Program and the Assessment of the Fulfillment of KPIs of Zarubezhneft.</li> </ol>	K. Karapetyan O. Tarasenko V. Furgalskiy