

Report on the performance of orders of the president of the Russian Federation and directives of the government of the Russian Federation

Orders of the President of the Russian Federation and Directives of the Government of the Russian Federation

Information on the Performance of Relevant Orders and Directives by Zarubezhneft JSC

On transition of the JSC to the prior use of domestic software.

In pursuance of the directives of the Government of the Russian Federation No. 10068p-P13 dated December 6, 2018

On the annual provision of information to the relevant federal executive bodies and the Government of the Russian Federation on the volume of contracts with defense contractors for the purchase of civilian products for the fuel and energy complex (job execution, service provision) not related to the state defense order (hereinafter – purchasing civilian products for the Fuel & Energy Complex from defense contractors).

In pursuance of the directives of the Government of the Russian Federation No. 7923p-P13 dated September 26, 2018

- Decisions as per the directives were made by the Company's Board of Directors on January 28, 2019 (Minutes No. 163 dated January 28, 2019). The Company has approved the Action Plan for the Implementation of Directives, and measures have been taken under the approved Plan.

- The Company's Board of Directors adopted decisions as per the directives (Minutes No. 160 dated November 20, 2017). The Company has approved the Action Plan for the Implementation of Directives, and measures have been taken under the approved Plan.
- A report on purchasing civilian products for the Fuel & Energy Complex from defense contractors in 2017 was sent to the Government of the Russian Federation, the Ministry of Economic Development, the Ministry of Industry and Trade and the Ministry of Energy of Russia (letters from SK-25-5349 dated November 1, 2018).

Orders of the President of the Russian Federation and Directives of the Government of the Russian Federation

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On performing an inventory of rights to intellectual deliverables rights with a view to subsequent organization of measures on providing the identified results owned by the joint-stock company by rights, with legal protection, entry the rights for them in the books as intangible assets for subsequent introduction into economic circulation and, if necessary, on estimating their cost.

In pursuance of the directives of the Government of the Russian Federation No.7050p-P13 dated August 30, 2018

On innovative development.

In pursuance of the directives of the Government of the Russian Federation No.3262p-P13 dated April 27, 2018

On making changes in the statutory documents providing for the possibility of creating all-Russian industry specific fitness and sports societies and corporate fitness and sports societies.

In pursuance of the Orders of the Government of the Russian Federation dated December 26, 2017 No.ISH-P13-8690

- Decisions as per the directives were taken by the Company's Board of Directors (Minutes No. 159 dated October 3, 2018). The Company has approved the Action Plan for the Implementation of Directives, and measures have been taken under the approved Plan.

- Decisions as per the directives were taken by the Company's Board of Directors (Minutes No. 155 dated May 30, 2018). The Company has approved the Action Plan for the Implementation of Directives, and measures have been taken under the approved Plan.
- Pursuant to the directives of the Government of the Russian Federation No. 3262p-P13 dated April 27, 2017 and as per the Letter of the Ministry of Economic Development of Russia No. 14587-OF/D01 dated May 29, 2018, on reviewing the draft Comparison of process development level and the values of key performance indicators (hereinafter referred to as KPIs) of Zarubezhneft JSC with the level of development and indicators of leading counterparts (hereinafter referred to as the Comparison), as well as in response to letters from the Ministry of Energy of Russia No. AT-7264/O2 dated July 25, 2018 on providing the information and No. AT-8184/O2 dated August 16, 2018 on examination of the Comparison Report, the draft Report adjusted as per the comments and proposals of the federal executive bodies was sent to the Ministry of Energy and the Ministry of Economic Development of Russia on the results of the Comparison and proposals on the composition and values of the integral KPI of innovative activities of Zarubezhneft JSC (hereinafter referred to as IPKE) for 2019, generated based on the Comparison, with the attached detailed answers to the comments and suggestions of the Ministry of Energy of Russia (Letter dated August 16, 2018 No. AT-8184/O2) and the Ministry of Economic Development of Russia (Letter dated May 29, 2018 No. 14587-OF/D01i), prepared with the involvement of the developers of the Comparison Report.

- In pursuance of the Orders, the Company's Board of Directors considered the issue – Concerning Amendments to the Charter Documents Providing for the Possibility of Creating All-Russian Industry Specific Fitness and Sports Societies and Corporate Fitness and Sports Societies (Minutes No. 150 dated February 22, 2018).
- The new version of the Charter of Zarubezhneft JSC, taking into account the mentioned changes, was approved by the decision of the General Shareholders' Meeting of Zarubezhneft JSC (the order of Federal Property Management Agency No. 499-r dated June 30, 2018).

On implementation of recommendations on the management of intellectual deliverables rights
In pursuance of the directives of the Government of the Russian Federation No. 9177p-P13 dated December 12, 2017

On practicability of implementation of recommendations on the management of intellectual deliverables rights.
As per the Orders of the Government of the Russian Federation dated February 4, 2014 No. ISH-P8-800

On amending the employment contract together with the head of the JSC and on the practicability of amending the existing program and registry of non-core assets disposal.
In pursuance of the directives of the Government of the Russian Federation No. 6604p-P13 dated September 18, 2017

On submission by Zarubezhneft JSC of information to the Ministry of Economic Development of Russia on the ownership of assets located in the Russian Federation through foreign legal entities.
In pursuance of the directives of the Government of the Russian Federation No. 5945p-P13 dated August 25, 2017

On approval of the procedure for coordination with the Ministry for Development of Russian Far East of investment programs and other plans for the development of infrastructure implemented by joint stock companies with state participation in the Far Eastern Federal District.
In pursuance of the directives of the Government of the Russian Federation No. 3538p-P13 dated May 25, 2017

- By the decision of the Company's Board of Directors (Minutes No. 159 dated October 3, 2018), the Policy of management of the rights to the IARs in the Zarubezhneft JSC Group of Companies was developed and approved long with the Action Plan for policy implementation (posted at the LC of Zarubezhneft JSC on the MV portal of the Federal Property Management Agency on October 4, 2018).
- Decisions as per the directives were taken by the Company's Board of Directors on February 8, 2018 (Minutes No. 149).
- An issue On practicability of implementation of recommendations on the management of intellectual deliverables rights was considered at the meeting of the Zarubezhneft JSC Board of Directors on March 31, 2014 (Minutes No. 81 dated March 31, 2014). Pursuant to the Orders given at the meeting of the Board of Directors on March 31, 2014 (Minutes No. 81), the Main Provisions on the management of intellectual deliverables rights and the Action Plan for the implementation of the Regulations on the management of intellectual deliverables rights in Zarubezhneft Group of Companies were approved by the decision of Board of Directors (Minutes No. 86 dated August 11, 2014).
- The Regulation on the management of intellectual deliverables rights was approved by the Company's order No. 545 on December 1, 2014, updated by the Company's order No. 117 dated March 31, 2016.
- The Report on the Sale of NCAs for Q4 2017 was reviewed at the meeting of the BD February 8, 2018. (Minutes No.149), for Q1 2018 at the BD dated April 27, 2018 (Minutes No. 153), for Q2 2018 at the BD dated August 3, 2018 (Minutes No. 156), for Q3 2018 at the BD dated October 3, 2018 (Minutes No. 159).
- Decisions as per the directives were taken by the Company's Board of Directors on October 27, 2017 (Minutes No. 144).
- The Company has approved an Action Plan for the Implementation of Directives.
- As per the approved Plan:
 - Supplementary Agreement dated October 27, 2017 was signed to the Employment Contract with the General Director of Zarubezhneft JSC No. 764 dated December 28, 2012.
 - The updated Program for the disposal of non-core assets of Zarubezhneft JSC was approved (Minutes of the BD No. 145 dated November 27, 2017).
- Decisions as per the directives were taken by the Company's Board of Directors on October 27, 2017 (Minutes No. 144).
- Information was sent to the Ministry of Economic Development of Russia about the absence of assets in Zarubezhneft Group of Companies located in the Russian Federation through foreign legal entities in 2016 (Letter No.SK-46-4487 dated September 7, 2017), in 2017 (Letter No.CK-46-154 dated January 17, 2018) and in 2018 (Letter No. CK-46-540 dated February 12, 2019).
- Decisions as per the directives were taken by the Company's Board of Directors on June 23, 2017 (Minutes No. 140).
- The procedure of consideration of investment programs (plans) for the development of infrastructure implemented in the Far Eastern Federal District with the Ministry of the Russian Federation on the development of the Far East was approved by the Board of Directors on June 23, 2017 (Minutes No. 140). The procedure is placed in the Personal Cabinet of Zarubezhneft JSC on the Interagency portal of the Federal Property Management Agency on June 26, 2017.
- The Zarubezhneft JSC Long-term Development Program has a lack of funding for the tasks of socio-economic development in the Far Eastern Federal District. In 2017, the activities of the Zarubezhneft Group of Companies did not included expenses aimed at measures for outstripping development of the priority territory of the Far Eastern Federal District, the relevant information was sent to the Ministry of Energy of Russia (letters No. SK-25-2675 dated June 5, 2017, No. SK-25-468 dated January 31, 2018).

Orders of the President of the Russian Federation and Directives of the Government of the Russian Federation

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On the development and implementation of import substitution plans.
In pursuance of the directives of the Government of the Russian Federation No. 830p-P13 dated February 6, 2017

- Decisions as per the directives were taken at a meeting of the Board of Directors on March 17, 2017 (Minutes No. 135).
- The Company has approved an Action Plan for the Implementation of Directives.
- As per the approved Plan:
 - changes were made to the Procurement Regulations, the new version of the Regulation on Procurement of Zarubezhneft JSC was approved by the decision of the Board of Directors on May 23, 2017 (Minutes No. 138);
 - an employee of the Production Department responsible for entering information into the automated information system "Technologies and Import Substitution Projects" was appointed by Order No. 125 dated May 17, 2017;
 - The Board of Directors has approved a new version of Appendix No. 8 – Measures Aimed at the Planned and Gradual Replacement of the Purchase of Foreign Products, Works and Services with Equivalent Domestic Products, Works and Services under the Zarubezhneft JSC Long-term Development Program (Minutes No. 147 dated December 19, 2017)
- The Company has developed and approved a regulatory document "Guidelines for the procedure of mandatory analysis of the possibility of replacing foreign products with domestic products equal by technical characteristics and consumer properties in the Russian segment of Zarubezhneft GC No. 426 dated December 19, 2018.

On expansion of the practice of using factoring in performance of contracts for the supply of goods (performance of work, rendering of services).
In pursuance of the directives of the Government of the Russian Federation No. 7704p-P13 dated October 11, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on November 11, 2016 (Minutes No. 129).
- In 2018, the subjects of small and medium-sized business did not establish requirements for the use of factoring in performance of contracts for the supply of goods (performance of works, rendering services).
- As per the approved Plan:
 - changes were made to the Procurement Regulations, the new version of the Regulation on Procurement of Zarubezhneft JSC was approved by the decision of the Board of Directors on December 27, 2016 (Minutes No. 133);
 - a new version of the Unified Provision on the procurement of goods, works, services for the needs of Zarubezhneft JSC subsidiaries was approved by Order No. 485 dated November 17, 2016;
 - the methodology of factoring by a counterparty was approved by Order No. 501 dated November 29, 2016
- A regulating document – Methodological guidelines for the procedure of mandatory analysis of the possibility for substitution of foreign products with the domestic products having similar technical characteristics and consumer properties in the Russian segment of Zarubezhneft Group of Companies – has been developed and approved by the Order No. 426 dated 19.12.2018.

On making changes in the company's procurement policy in terms of innovative building materials.
In pursuance of the directives of the Government of the Russian Federation No. 6558p-P13 dated September 5, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on October 14, 2016 (Minutes No. 128).
- The Company has approved the Action Plan for the Implementation of Directives, and measures have been taken under the Plan.
- Including, as per the approved Plan:
 - changes were made to the Procurement Regulations, the new version of the Regulation on Procurement of Zarubezhneft JSC was approved by the decision of the Board of Directors on December 27, 2016 (Minutes No. 133);
 - a new version of the Unified Provision on the procurement of goods, works, services for the needs of Zarubezhneft JSC subsidiaries was approved by Order No. 485 dated November 17, 2016;
- In 2018, the procurement of innovative building materials was not carried out.

On conclusion of agreements on the priority attraction of vessels built at Russian shipyards.
In pursuance of the directives of the Government of the Russian Federation No. 5059p-P13 dated July 13, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on August 8, 2016 (Minutes No. 126).
- The Company has approved an Action Plan for the Implementation of Directives.
- As per the approved Plan:
 - a Standard contractual stipulation was developed on the priority engagement of vessels built at Russian shipyards for export deliveries of goods (cargo) using water transport;
 - Order No. 354 of August 19, 2016 approved the Standard contractual stipulation on the priority engagement of vessels built at Russian shipyards for the export of goods (cargo) using water transport;
 - there has been monitoring of conclusion of contracts of Zarubezhneft JSC and its subsidiaries for the supply of oil, containing a standard contractual condition on the priority engagement of vessels built at Russian shipyards for export of goods (cargo) using water transport.
- In 2018, 6 contracts were concluded using the Standard contractual stipulation.

On the implementation of professional standards in the Company's activities. In pursuance of the directives of the Government of the Russian Federation No. 5119p-P13 dated July 14, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on August 8, 2016 (Minutes No. 126).
- The Company has approved an Action Plan for the Implementation of Directives.
- As per the approved Plan, the Company carried out a number of events to implement professional standards.
- The report on the measures taken to implement professional standards was reviewed at a meeting of the Zarubezhneft JSC Board of Directors (Minutes No. 133 dated December 27, 2016).
- In 2018, pursuant to the directives, Reports on the activities undertaken to introduce professional standards in Zarubezhneft JSC were considered at the Board of Directors on March 30, 2018 and October 3, 2017 (Minutes No. 151 dated March 3, 2018, No. 159 dated October 3, 2018)

On the implementation of non-core asset disposal programs. In pursuance of the directives of the Government of the Russian Federation No. 4863p-P13 dated July 7, 2016
On amending the employment contract together with the head of the JSC and on the practicability of amending the existing program and registry of non-core assets disposal. In pursuance of the directives of the Government of the Russian Federation No. 6604p-P13 dated September 18, 2017

- See the section "Information on the non-core asset disposal program".
- In 2018 at the meetings of the Board of Directors:
 - quarterly reports on the sale of non-core assets of Zarubezhneft JSC were reviewed: for the 4th quarter of 2017 was reviewed at the meeting of the BD February 8, 2018. (Minutes No.149), for the 1st quarter 2018 at the BD dated April 27, 2018 (Minutes No. 153), for the 2nd quarter 2018 at the BD dated August 3, 2018 (Minutes No. 156), for the 3rd quarter 2018 at the BD dated October 3, 2018 (Minutes No. 159).
 - at the meeting of the Board of Directors on March 30, 2018 (Minutes No. 151), the updated Register of non-core assets of Zarubezhneft JSC and the Sale Plan of non-core assets of Zarubezhneft JSC for 2018 were approved.
 - In pursuance of the directives, an Additional Agreement to the Employment Agreement dated October 27, 2017 was signed with the General Director of Zarubezhneft JSC No. 764 dated December 28, 2012.
 - The updated Program for the disposal of non-core assets of Zarubezhneft JSC was approved by the Zarubezhneft JSC Board of Directors (Minutes No. 145 dated November 27, 2017).

On the procurement of domestic competitive software necessary for JSC activities. In pursuance of the directives of the Government of the Russian Federation No. №4972p-P13 dated July 11, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on August 8, 2016 (Minutes No. 126).
- The Company has approved an Action Plan for the Implementation of Directives.
- As per the approved Plan:
 - changes were made to the Procurement Regulations, the new version of the Regulation on Procurement of Zarubezhneft JSC was approved by the decision of the Board of Directors on October 14, 2016 (Minutes No. 128);
 - a new version of the Unified Provision on the procurement of goods, works, services for the needs of Zarubezhneft JSC subsidiaries was approved by Order No. 397 dated September 20, 2016.

On the regulatory acts of the Company establishing the rationing of purchases of certain types of goods, works, and services. In pursuance of the directives of the Government of the Russian Federation No. 2793p-P13 dated April 19, 2016.

- Decisions as per the directives were taken at a meeting of the Board of Directors on May 31, 2016 (Minutes No. 124).
In 2018, the procurement standards for the mandatory list of certain types of goods, works and services were updated by Order No. 182 dated June 22, 2018. Procurement standards are placed on the Company's official website.
The procurement standards are applied in the Company from the moment of their approval.

On approval of the investment projects accounting. In pursuance of the directives of the Government of the Russian Federation No. 1659p-P13 dated March 15, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on March 30, 2016 (Minutes No. 120).
- The procedure for accounting high-priority investment projects of Zarubezhneft Group of Companies was approved by a decision of the Board of Directors on May 13, 2016 (Minutes No. 122).

On innovative development. In pursuance of the directives of the Government of the Russian Federation No. 1471p-P13 dated March 3, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on March 15, 2016 (Minutes No. 119).
 - By the decision of the Board of Directors of September 14, 2016 (Minutes No. 127), the updated Innovative Development Program of Zarubezhneft JSC for 2016–2020 was approved (with a view to 2030).
- In 2018:
- The Report on the Results of the Implementation of the Innovative Development Program of Zarubezhneft JSC for 2017 was approved at a meeting of the Board of Directors on April 5, 2018 (Minutes No. 152)

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On innovative development. In pursuance of the directives of the Government of the Russian Federation No. 1472p-P13 dated March 3, 2016

- Decisions as per the directives were taken at a meeting of the Board of Directors on March 15, 2016 (Minutes No. 119), where:
 - the passport and target values of the integral KPI of innovation activities were approved, the weights of corporate KPIs for 2016–2018 were re-approved
 - Appendix No. 7 to the LTDP was updated, taking into account the inclusion in the KPIs of the Long-term Development Programs of the integral key indicator of innovation activity effectiveness.

On optimizing and increasing the effectiveness of expenditures on charity and sponsorship. In pursuance of the directives of the Government of the Russian Federation No. 5024p-P13 dated July 31, 2015

- Decisions as per the directives were taken at a meeting of the Board of Directors on September 4, 2015 (Minutes No. 109).
- At the Zarubezhneft JSC Board of Directors' meeting on January 14, 2016 (Minutes No. 116), Regulations of Charity and Sponsorship of Zarubezhneft JSC were approved.
- LC of Zarubezhneft JSC in 2018 quarterly posted information on charity and sponsorship activities.
- At the meeting of the Board of Directors on November 27, 2017 (Minutes No. 145), pursuant to recommendations based on the results of testing the effectiveness of procedures for organizing a risk management and internal control system in the area of preventing and combating corruption, the Rules for Charitable and Sponsorship Activities of the Zarubezhneft JSC Group of Companies were approved in a new version.
- The budget for sponsorship and charitable activities of Zarubezhneft Group of Companies for 2019 was approved by the Board of Directors on December 20, 2018 (Protocol No. 162) as part of the 2019 Business Plan.

On the procedure for payments under export contracts. In pursuance of the directives of the Government of the Russian Federation No. 4807p-P13 dated July 23, 2015

- Decisions as per the directives were taken at a meeting of the Board of Directors on September 4, 2015 (Minutes No. 109).
- As per the approved Plan:
 - a standard contractual clause has been developed for export contracts on the possibility of settlements in rubles;
 - the minimum share of calculations on export settlements made in Russian rubles was determined;
 - a new standard form of a contract for supply of oil for export, containing a standard contractual condition on the possibility of making settlements in rubles was approved by Order No. 497 of October 12, 2015;
 - in 2018, 6 contracts for oil supply were concluded, containing a standard contractual condition on the possibility of settlements in rubles.

On the implementation of a bonus system for managers based on key performance indicators of their activities based on the need to reduce operating expenses (costs) by 2-3% annually. In pursuance of the directives of the Government of the Russian Federation No. 2303p-P13 dated April 16, 2015.

- At the meeting of the Board of Directors on May 29, 2018 (Minutes No. 139), a Report on the Achievement of Target Values of Corporate KPIs was approved, including the "Decrease in Operating Expenses" indicator for 2017 (amounted to 3.7%).
- At the meeting of the Board of Directors on May 29, 2017 (Minutes No. 139), a decision was made to pay remuneration to the General Director of Zarubezhneft JSC based on the results of achieving corporate KPIs in 2017.

On ensuring the creation of common treasuries of parent, subsidiary and affiliated organizations. In pursuance of the directives of the Government of the Russian Federation No. 5110p-P13 dated August 8, 2014, No. 1796p-P13 dated March 26, 2015

- From July 01, 2015, the United Treasury of the Zarubezhneft Group of Companies has been operated.
- To create a single treasury the following was approved:
 - Regulations for making payments in Zarubezhneft Group of Companies (order No. 270 dated September 18, 2017);
 - Regulations for the attraction and placement of funds in Zarubezhneft Group of Companies (Order No. 231 dated May 20, 2015);
 - Unified financial and credit policy in the Group of Companies
 - Zarubezhneft JSC in a new version (order No. 58 dated March 31, 2017);
 - Regulations for intra-group financing in the Group of Companies
- Zarubezhneft JSC in a new version (order No. 315 dated October 31, 2017).
- The report Economic Effect of the Creation of the Single Treasury at Zarubezhneft JSC Group of Companies was sent to the Financial Services Authority and the Ministry of Finance of Russia (letters ref. Nos. SK-24-4537 and SK-24-4538 dated September 14, 2018).

In pursue of changing the structure of the Company's annual report. In pursuance of the directives of the Government of the Russian Federation No. 2007p-P13 dated April 6, 2015

- Decisions as per the directives were taken at a meeting of the Board of Directors on April 15, 2015 (Minutes No. 100).
- The annual report prepared in compliance with the requirements of the directives was preliminarily approved by the Zarubezhneft JSC Board of Directors (Minutes No. 154 dated May 29, 2017), approved by the decision of the annual General Shareholders' Meeting (Federal Property Management Order No. 499-r dated June 30, 2017).
- A Report on the LTDP Implementation and Achievement of the KPIs of 2017 was sent to the Federal Property Management Agency (Letter dated May 21, 2018 ref. No. SK-46-2426).

On approval by the JSC of Long-term Development Programs and the audit of such programs.
In pursuance of the directives of the Government of the Russian Federation No. 4955p-P13 dated July 17, 2014

The LTDP was approved by the decision of the Zarubezhneft JSC Board of Directors (No. 91 dated November 20, 2014).

- The procedure for conducting an audit of LTDP implementation is approved by the order of Zarubezhneft JS (No. 507 dated November 11, 2014).
- The Terms of Reference for Auditing the Implementation of the LTDP was approved by the Board of Directors (Minutes No. 134 dated February 16, 2017).
- An audit of LTDP implementation for 2016 was conducted, an audit report on LTDP implementation for 2016 was reviewed by the Board of Directors (Minutes No. 138 dated May 23, 2017), preliminarily reviewed at a joint meeting of the Strategic Planning Committee and the Human Resources and Compensation Committee of the Zarubezhneft JSC Board of Directors dated May 22, 2017 (Minutes No. 24).
- To update the LTDP at meetings of the Zarubezhneft JSC Board of Directors, the following was approved:
 - Appendices Nos. 5,6,7,8,9 to LTDP (protocols No. 97 dated February 27, 2015, № 101 dated April 30, 2015, No. 111 dated October 29, 2015).
 - Section 1 of Appendix No. 7 to the LTDP (Minutes No. 119 March 15, 2016) in a new version;
 - new version of Appendix No. 9 "Reduction of Operating Expenses" to LTDP (Minutes No. 127 dated September 14, 2016).
 - Appendix No. 7.1 (Minutes No. 132 dated December 22, 2016);
 - In 2017, the Zarubezhneft JSC Board of Directors approved:
 - Appendix No. 10 – Actualization of Measures to Ensure the Implementation of the Zarubezhneft JSC Long-term Development Program (Minutes No. 135 dated March 17, 2017);
 - Appendix No. 11 – Long-term Forecast of the Development of the Oil Refining and Sales Segment and Appendix No. 12 – Long-term Forecast of Development of AMNGR JSC (Minutes No. 140 of June 23, 2017);
 - a new version of Appendix No. 8 – Measures Aimed at the Planned and Gradual Replacement of the Purchase of Foreign Products, Works and Services with Equivalent Domestic products, Works and Services (Minutes No. 147 dated December 19, 2017);
 - new versions of Appendices Nos. 2, 3, 5, 6, 7, 9, 10 (Minutes No. 150 dated February 22, 2018).

On the level of net foreign exchange assets.
In pursuance of the directives of the Government of the Russian Federation No. 8495p-P13 dated December 17, 2014

- Guidelines for the calculation and monitoring of net foreign exchange assets in the Group of Companies were approved by Order No. 280 of July 5, 2016. Zarubezhneft JSC.
- At a meeting of the Board of Directors on August 8, 2016 (Minutes No. 126), a decision was made on providing a monthly reporting form to the Bank of Russia.

B 2018 году:

- the updated Guidelines for the calculation and monitoring of net foreign currency assets in Zarubezhneft Group of Companies were approved by Order No. 32 dated March 1, 2017 ;
- In 2018, the responsible structural unit of the Company sent monthly information to the Bank of Russia on the amount of net foreign currency assets of Zarubezhneft JSC.

On increasing productivity, creating and upgrading high-performance jobs.
In pursuance of the directives of the Government of the Russian Federation No. 7389p-P13 dated October 31, 2014

- Annex No. 6 to the LTDP "Program for Increasing Labor Productivity for 2015–2018" was drawn up, approved by a decision of the Zarubezhneft JSC Board of Directors (Minutes No. 9 dated February 27, 2015).
- Amendments have been made provided in the directives to the employment contract with the General Director (supplement to the employment contract dated December 26, 2014).
- In Zarubezhneft JSC Personal Cabinet on the Interagency portal of the Federal Agency for State Property Management, information on increasing labor productivity is annually filled out. For 2017, the information was posted on March 19, 2018.

On ensuring the adoption of key performance indicators by the JSC.
In pursuance of the directives of the Government of the Russian Federation No. 2579p-P13 dated April 25, 2014

- Pursuant to the recommendations of the Inspection Committee, following the results of the audit of the Company's financial and economic activities in 2015, the Regulations on the KPI system and corporate KPIs of Zarubezhneft JSC were developed and agreed with the Federal Property Management Agency (Letter No. DP-05/44755 dated October 28, 2016).
- By the decision of the Zarubezhneft JSC Board of Directors dated November 25, 2016 (Minutes No. 131), the updated version of the Regulation on key performance indicators of Zarubezhneft JSC, updated corporate KPI passports were approved by the Federal Property Management Agency (Letter No. DP-05/44755 dated October 28, 2016).
- By the decision of the Zarubezhneft JSC Board of Directors (Minutes No. 162 dated December 20, 2017), KPI target values for 2019 were approved.

On the implementation of process and price audit of investment projects.
In pursuance of the directives of the Government of the Russian Federation No. 2988p-P13 dated May 30, 2013

- By the decision of the Zarubezhneft JSC Board of Directors (Minutes No. 110 of September 30, 2015) the Standard for Process and Price Audit of Investment Projects of Zarubezhneft Group of Companies was approved. The standard for process and price audit of investment projects of the Zarubezhneft Group of Companies takes into account the recommendations of the Expert Council of the Government of the Russian Federation, and also the updated regulatory framework in terms of investment and project activities.
- In 2018, investment projects that fall under the criteria included in the process and price audit (worth more than 1.5 billion rubles) were not identified.

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On non-financial statements preparation. In pursuance of the directives No. 1710p-P13 dated March 30, 2012

On the implementation of investment programs (Orders made by the First Deputy Prime Minister of the Russian Federation No. ISH-P13-5361 dated September 18, 2009, fax report of the Federal Property Management Agency No. GN-13/8809 dated April 1, 2011)

On the implementation of measures aimed at ensuring the information openness of procurement activities and the transition to procurement in electronic form, including the provisions regulating the procurement of goods, works and services. In pursuance of the directives of the Government of the Russian Federation No. 6464p-P13 dated December 16, 2010, the Orders of the Government of the Russian Federation No. ISH-P13-8685 dated December 17, 2010, the letter of the Federal Property Management Agency No. GN-13/1416 dated January 25, 2011

On accession to the Russian business Anti-Corruption Charter (Letter of the Federal Property Management Agency No. 11/53971 dated November 20, 2013)

Information regarding the activities aimed at developing the innovative development programs for joint-stock companies included in the list of organizations developing innovative development programs, approved by the decision of the Government Commission on High Technologies and Innovations dated August 3, 2010, Minutes No. 4.

Pursuant to the letters of Federal Property Management Agency No. GN-13/32160 and No. GN-13/32156 dated October 29, 2010, On the development of the organization medium-term development strategy and innovative development program (Minutes of the meeting with the Chairman of the Government of the Russian Federation No. 4 dated August 3, 2010)

Information on the Performance of Relevant Orders and Directives by Zarubezhneft JSC

In 2018, a Report on Sustainable Development of Zarubezhneft JSC for 2017 was prepared. The report is posted on the Company's official website.

Information on the implementation of investment programs Zarubezhneft JSC was quarterly updated in the Personal Cabinet of Zarubezhneft JSC on the MV Portal of Federal Property Management Agency.

See the section "Report on Procurement Activities of Zarubezhneft Group of Companies".

- The Partnership Program of Zarubezhneft JSC with small and medium-sized businesses was approved by the Order of Zarubezhneft JSC No. 544 dated December 1, 2014, on the Company's website in "Information Disclosure" section the Partnership Program is placed, as well as the Register of small and medium-sized businesses that have joined the Program partnerships.
- In 2017, at the meeting of the Zarubezhneft JSC Board of Directors, the updated Regulation of Procurement at Zarubezhneft JSC was approved (Minutes No. 138 dated May 23, 2017).
- Quarterly reports on the results of procurement activities were reviewed at meetings of the Zarubezhneft JSC Board of Directors (Report for 4th quarter 2017 reviewed at the BD dated March 30, 2018 (Minutes No. 151), report for the 1st quarter 2018 reviewed at the BD dated May 30, 2018 (Minutes No. 155), report for the 2nd quarter 2018 reviewed at the BD dated (Minutes No. 157), report for the 3rd quarter 2018 (DZ 25/4397 dated October 22, 2018) reviewed at the DB dated November 20, 2018 (Minutes No. 160 dated November 20, 2018).

In 2014, Zarubezhneft JSC joined the Russian business Anti-Corruption Charter (certificate of the Chamber of Commerce and Industry of the Russian Federation No. 0275 dated March 19, 2014).

- The innovation development program is integrated and form an integral part of the Company's key strategic programs, which were approved by the Board of Directors and agreed by the government of the Russian Federation: "Long-term Company Development Program" and "Zarubezhneft JSC Development Strategy".
- The Report on the Implementation of the Innovative Development Program of Zarubezhneft JSC in 2016 was approved at a meeting of the Board of Directors on April 7, 2017 (Minutes No. 136).
- At the meeting of the Board of Directors on June 23, 2017 (Minutes No. 140) the rating of joint-stock companies with state participation was reviewed, prepared based on the results of an independent assessment of the quality of updating the innovative development programs (Zarubezhneft JSC - first place in the Rating), as well as proposals for improving the quality of preparation and implementation of the Innovative Development Program of Zarubezhneft JSC.

On implementation of company's joint-stock strategy in the field of energy saving and energy efficiency as per Clause 8 of the Orders of the Government of the Russian Federation dated June 18, 2008 No. ISH-P9-3772 on the implementation of the Decree of the President of the Russian Federation No. 889 dated June 4, 2008 – Concerning Some Measures on Increasing the Energy and Ecological Efficiency of the Russian Economy.

See "Energy Efficiency" section.

On proposals and recommendations aimed at stimulating the development of environmental responsibility mechanisms based on international standards, including non-financial reporting and voluntary certification and labeling systems that are subject to independent verification and certification (paragraphs "L" p. 1 of the list of Orders issued by the President of the Russian Federation No. Pr-1640 dated June 6, 2010, letter of the Federal Property Management Agency No. GN-13/37524 dated December 5, 2011).

See the "Environmental Protection" section.

- At the meeting of the Board of Directors on April 20, 2012 (Minutes No. 59), the Environmental Program of the Zarubezhneft Group of Companies was approved. To control the implementation of the Program, Zarubezhneft JSC has created a specialized unit - the Office of Occupational Safety and Health and Environmental Protection.
- In 2018, a Report on the Sustainable Development of Zarubezhneft JSC for 2017 was prepared. The report is posted on Zarubezhneft JSC official website.

The decree of the Government of the Russian Federation of December No. 1214 dated December 31, 2010 – Concerning Improvement of the Procedure for Management of Open Joint Stock Companies With Shares in Federal Ownership and Federal State Enterprises

At the meeting of the Company's Board of Directors on June 10, 2013 (Minutes No. 72), the "Regulation of Zarubezhneft OJSC" on the organization of information interaction through the Interagency Portal on State Property Management on the Internet" was approved in a new version. As per this Regulation in 2018, Zarubezhneft JSC regularly posted relevant information in the Personal Cabinet on the Interagency Portal.

On implementation of recommendations on the management of intellectual deliverables rights In pursuance of the directives of the Government of the Russian Federation No. 9177p-P13 dated December 12, 2017

- Decisions as per Directives No. 9177p-P13 dated December 12, 2017 – Concerning the Implementation of Recommendations on the Management of Intellectual Deliverables Rights were adopted at a meeting of the Board of Directors on February 8, 2017 (Minutes No. 149).
- According to the decision of the Board of Directors dated October 3, 2018 (Minutes No. 159) the Policy of controlling the rights for intellectual deliverables in Zarubezhneft Group of Companies and the Action Plan for its implementation were approved.

Orders of the President of the Russian Federation and Directives of the Government of the Russian Federation

On the implementation of the provisions of the Corporate Governance Code in the activities of joint stock companies as per the Orders of the Government of the Russian Federation No. ISH-P13-5859 dated July 31, 2014.

On the development and approval of the list of internal regulatory documents regulating the activities of the company, as well as provision of submission of reports on the execution of Long-term Development Programs and on the achievement of the approved key performance indicators as per paragraphs 2 and 3 of the assignment of the President of the Russian Federation No. Pr-3013 dated December 27, 2014

Information on the Performance of Relevant Orders and Directives by Zarubezhneft JSC

As part of the implementation of the provisions of the Corporate Governance Code as per the directives of the Government of the Russian Federation No. 225p-P13 dated January 21, 2015:

- The Corporate Governance Code of Zarubezhneft JSC was approved (Order No. 385 date August 29, 2014).
- The company has developed a draft Roadmap for review by the Federal Property Management Agency (No. SK-46-1442 of March 25, 2015) and the Ministry of Energy (No. SK-46-1441 of March 25, 2015). The plan of measures aimed at improving the efficiency of corporate governance was approved by the decision of the Zarubezhneft JSC Board of Directors as part of Appendix No. 7 "Measures on Improving the Efficiency and Transparency of Zarubezhneft JSC Activities" to LTDP (Minutes No. 97 dated February 27, 2015). As part of the implementation of the measures provided for in Appendix No. 7 to the LTDP of Zarubezhneft JSC:
 - the Standard for the business process "Corporate Governance of Subsidiaries of Zarubezhneft JSC" was approved and implemented (Order No. 320 dated October 12, 2017);
 - a new version of the Regulation on the Corporate Secretary of Zarubezhneft OJSC was approved (Order No. 126 dated March 25, 2015);
 - the Risk Management Policy of Zarubezhneft JSC was approved (by a decision of the Zarubezhneft JSC Board of Directors, Minutes No. 125 dated June 27, 2016, previous versions – Minutes No. 117 dated January 29, 2016, Minutes No. 112 dated November 11, 2015);
 - the competence of the Board of Directors of was expanded (Order of the Federal Property Management Agency No. 522-p dated June 30, 2016);
 - the Regulation on an individual executive body (General Director) of Zarubezhneft JSC was approved (Order of the Federal Property Management Agency No. 522-p June 30, 2016);
 - a new version of the Regulation on Internal Audit at Zarubezhneft JSC was approved (by decision of the Zarubezhneft JSC Board of Directors, Minutes No. 128 dated October 14, 2016).

1. After the preliminary approval of the Strategic Planning Committee under the Board of Directors (Minutes No. 1 dated September 19, 2014), the Zarubezhneft JSC Long-term Development Program was agreed with the Expert Council under the Government of the Russian Federation (letters No. ES-2909/02 dated September 29, 2014 and EC-1211/02 dated November 12, 2014) and approved by the decision of the Company's Board of Directors. (Minutes No. 91 dated November 20, 2014) see the Section "Long-term Development Program". The Regulation on key performance indicators and passports of corporate KPIs was approved by a decision of the Board of Directors (Minutes No. 94 dated December 24, 2014).
2. In 2016, after coordination with the Federal Property Management Agency (Letter No. DP-05/44755 dated October 28, 2016), the updated versions of the Regulation on key performance indicators and passports of corporate KPIs were approved by the decision of the Company's Board of Directors. In 2017, at the meeting of the Board of Directors on August 21, 2017 (Minutes No. 141), a new version of the Passport of the integral key indicator of the efficiency of innovation activities of Zarubezhneft JSC was approved
3. The Regulation on increasing investment and operating efficiency and reducing costs was approved by the decision of the Zarubezhneft JSC Board of Directors (Minutes No. 117 dated January 29, 2016, previous edition dated November 11, 2015, Minutes No. 112).
4. The Regulation on Internal Audit was approved by a decision of the Board of Directors (Minutes No. 97 dated February 27, 2015). As per the Guidelines for the preparation of the Regulations on Internal Audit, the Company developed a new version of the Regulations on Internal Audit at Zarubezhneft JSC (approved by a decision of the Board of Directors (Minutes No. 110 of September 30, 2015). In 2016, the Regulation on Internal Audit in Zarubezhneft JSC was updated taking into account the Methodological Recommendations on the organization of risk management and internal control in the field of anti-corruption management and approved by the decision of the Zarubezhneft JSC Board of Directors on October 14, 2016 (Protocol No. 128 dated October 14, 2016).
5. The Regulation on the quality management system of Zarubezhneft JSC was approved by the decision of the Zarubezhneft JSC Board of Directors (Minutes No. 112 dated November 11, 2015). In 2016, an updated version of the Regulations on the Quality Management System of Zarubezhneft JSC was approved (Protocol No. 133 dated December 27, 2016)
6. The risk management policy of Zarubezhneft JSC was approved by the decision of the Zarubezhneft JSC Board of Directors (Minutes No. 112 dated November 11, 2015). In 2016, the Risk Policy of Zarubezhneft JSC was updated taking into account the Guidelines on the organization of risk management and internal control in the field of anti-corruption management and was approved by the decision of the Zarubezhneft JSC Board of Directors (Protocol No. 125 dated June 27, 2016).
7. The Regulation on the procedure for the development and implementation of the innovation development program of Zarubezhneft JSC was approved by the order of Zarubezhneft JSC No. 262 dated September 6, 2017 (previous versions dated December 30, 2015, Order No. 623; dated November 16, 2015, Order No. 541).

On inclusion in the Company's Long-term Development Program of the list of measures aimed at the planned and gradual replacement of the purchase of foreign products (works, services) with the purchase of Russian products (works, services) equal in technical characteristics and consumer properties, as per the Orders dated December 8, 2014 No. AD-P9-9176

Concerning the Development and Implementation of Import Substitution Plans.

In pursuance of the directives of the Government of the Russian Federation No. 830p-P13 dated February 6, 2017

See "Procurement".

- Pursuant to Directives of the Government of the Russian Federation No. 1346P-P13 dated March 5, 2015, by the decision of the Zarubezhneft JSC Board of Directors on April 30, 2015 (Minutes No. 101), an Appendix to the Zarubezhneft JSC Long-term Development Program No. 8 was approved – Activities Aimed at Planned and Gradual Replacement of the Purchase of Foreign Products, Work and Services with Equivalent Russian Products, Work and Services.
- Decisions as per the directives No. 830p-P13 dated February 6, 2017 were taken at a meeting of the Board of Directors on March 17, 2017 (Minutes No. 135).
- The Company has approved an Action Plan for the Implementation of Directives.
- As per the approved Plan:
 - changes were made to the Procurement Regulations, the new version of the Regulation on Procurement of Zarubezhneft JSC was approved by the decision of the Board of Directors on May 23, 2017 (Minutes No. 138);
 - an employee of the Production Department responsible for entering information into the AIDS "Technologies and Import Substitution Projects" was appointed by Order No. 125 dated May 17, 2017;
 - The Board of Directors has approved a new version of Appendix No. 8 "Measures aimed at the planned and gradual replacement of the purchase of foreign products, works and services with equivalent domestic products, works and services" under the Zarubezhneft JSC Long-term Development Program (Minutes No. 147 dated December 19, 2017)