

**Materials that are made available for those  
entitled to participate in the Annual General  
Shareholders Meeting of PJSC “LUKOIL”  
to be held on June 23, 2016**

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**NOTICE**  
**of the Annual General Shareholders Meeting**  
**of Public Joint Stock Company “Oil company “LUKOIL”**

**Dear Shareholder,**

Public Joint Stock Company “Oil company “LUKOIL” location: Moscow; address: Sretensky bulvar 11, Moscow, 101000, Russian Federation, hereby informs you that, based on the decision of the Board of Directors of PJSC "LUKOIL" of 25 April 2016, the Annual General Shareholders Meeting of PJSC "LUKOIL" is to be held in the form of a meeting (joint attendance of shareholders to discuss agenda items and take decisions on issues put to a vote) with preliminary distribution (dispatch) of ballots before the conduct of the Meeting.

Date and time of the Meeting:

**23 June 2016, at 12:00 p.m.**

Place/venue of the Meeting:

**Yury Gagarin Conference and Event Centre, ulitsa Mira 39, Perm**

Postal address the completed and signed ballots may be sent to:

**ООО «Регистратор «Гарант», Krasnopresnenskaya Naberezhnaya 6, Moscow, 123100**

The date of preparation of the list of persons entitled to take part in the Annual General Shareholders Meeting:

**10 May 2016**

Registration of persons participating in the meeting begins at:

**10.00 a.m.**

Identification details of the shares whose holders are entitled to take part in the Annual General Shareholders Meeting:

**Registered Ordinary Shares**  
**State Registration Number of the securities issue:**  
**1-01-00077-A**  
**dated 25 June 2003**

The deadline for receipt of ballots by PJSC "LUKOIL" is 20 June 2016, for determining a quorum of the Meeting and tallying votes.

**AGENDA OF THE MEETING:**

1. Approval of the 2015 Annual Report of PJSC “LUKOIL” and the annual accounting (financial) statements, including the income statement of the Company, and also distribution of profits and adoption of a decision on payment (declaration) of dividends based on the 2015 annual results.
2. Election of the members of the Board of Directors of PJSC “LUKOIL”.
3. Appointment of the President of PJSC “LUKOIL”.
4. Election of the members of the Audit Commission of PJSC “LUKOIL”.
5. On the remuneration and reimbursement of expenses to members of the Board of Directors of PJSC “LUKOIL”.
6. On the remuneration of members of the Audit Commission of PJSC “LUKOIL”.
7. Approval of the Auditor of PJSC “LUKOIL”.
8. Approval of Amendments and addenda to the Charter of Public Joint Stock Company “Oil company “LUKOIL”.
9. Approval of Amendments and addenda to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO “LUKOIL”*.
10. Approval of Amendments and addenda to the *Regulations on the Board of Directors of OAO “LUKOIL”*.
11. Approval of a new version of the *Regulations on the Management Committee of PJSC “LUKOIL”*.
12. On the approval of an interested-party transaction.

In order to take part in the General Meeting, you or your representative must bring with you your/his/her passport or other identification document; your representative must additionally have a power of attorney drawn up in accordance with the requirements of article 57 of the Federal Law *On Joint Stock Companies*.

Information (materials) to be provided to persons entitled to participate in the Annual General Shareholders Meeting of PJSC “LUKOIL” (hereinafter also the “Company”) in preparation for the Annual General Shareholders Meeting of PJSC “LUKOIL” will be available on the Company’s official websites [www.lukoil.ru](http://www.lukoil.ru) (in Russian), [www.lukoil.com](http://www.lukoil.com) (in English) from 20 May 2016; and from 20 May 2016, from 10.00 a.m. to 05.00 p.m. on business days, in the premises of the executive body of PJSC “LUKOIL”, at the address: Sretensky bulvar 11, Moscow, 101000 Russian Federation, tel. 8 (800) 200 9402, and also at the following addresses:

Krasnopresnenskaya Naberezhnaya 6, Moscow, 123100

telephone: (495) 221 3112  
(800) 500 2947

Nab. Severnoi Dviny 30, office 503, Arkhangelsk, 163000  
ulitsa Pobedy 41, 4<sup>th</sup> floor, Kirovsky District, Astrakhan, 414040  
ulitsa Mira 19, office 309, Volgograd, 400131  
ulitsa Leitenanta Yanalova 2, Kaliningrad, 236023  
ulitsa Belinskogo 9/1, 5th floor, offices 10 & 11, Nizhni Novgorod, 603022  
ulitsa General'skaya 3, office 319, Ekaterinburg, 620062  
ulitsa Sibirskaya 94 (entrance from ulitsa Belinskogo), Perm, 614002  
ulitsa Goroda Volos 42/105, Rostov-on-Don, 344000  
ulitsa Novo-Sadovaya 3, Business Centre ‘7th Avenue’, Samara, 443100  
Belovodsky pereulok 6, St. Petersburg, 194044  
prospekt Bumazhnikov 2, 1st floor, Syktyvkar-26, Komi Republic, 167026  
ulitsa Karla Marxa 54, office 215, Chelyabinsk, 454091

telephone: (8182) 65 7544  
telephone: (8512) 24 1040  
telephone: (8442) 24 7274  
telephone: (4012) 60 5434, 60 5464  
telephone: (831) 217 8189, 217 8190  
telephone: (343) 372 2598  
telephone: (342) 211 0882, 211 0862  
telephone: (863) 244 1026  
telephone: (846) 379 7218, 379 7219, 379 7220  
telephone: (812) 401 6312  
telephone: (8212) 29 3180, 29 3181  
telephone: (351) 266 4770

Petrocommerce Bank Kogalym branch of «Bank Otkritie Financial Corporation» (Public Joint-Stock Company), ulitsa Pribaltiyskaya 11A, Kogalym, Tyumen Oblast, 628486

telephone: (34667) 9 1001

Additional office No.5 of Petrocommerce Bank Kogalym branch of «Bank Otkritie Financial Corporation» (Public Joint-Stock Company) in Langeepas, ulitsa Lenina 32, Langeepas, Tyumen Oblast, 628672

telephone: (34669) 2 0274

Additional office No.1 of Petrocommerce Bank Kogalym branch of «Bank Otkritie Financial Corporation» (Public Joint-Stock Company) in Urai, ulitsa Lenina 118, Urai, Tyumen Oblast, 628285

telephone: (34676) 2 0266

Petrocommerce Bank branch of «Bank Otkritie Financial Corporation» (Public Joint-Stock Company), ulitsa Petrovka 24, building 1, Moscow, 127051

telephone: (495) 625 8650

Additional office of Petrocommerce Bank branch of «Bank Otkritie Financial Corporation» (Public Joint-Stock Company) (‘Sretenka’), Sretensky bulvar 11, Moscow, 101000

telephone: (499) 973 7655

Petrocommerce Bank Krasnodar branch of «Bank Otkritie Financial Corporation» (Public Joint-Stock Company), ulitsa Zakharova 11, Krasnodar, 350007

telephone: (861) 268 7508

Petrocommerce Bank Ufa branch of «Bank Otkritie Financial Corporation» (Public Joint-Stock Company), ulitsa Tsuryupy 16, Ufa, Republic of Bashkortostan 450057

telephone: (347) 224 8300

Access to information (materials) provided to shareholders in preparation for the General Shareholders Meeting shall be also given to persons taking part in the Annual General Shareholders Meeting of PJSC “LUKOIL” during the time the Meeting is held.

**For the purpose of ensuring the timely payment of dividends and the provision of information, we kindly ask you to promptly inform** ООО «Регистратор «Гарант», the company keeping the Company’s Shareholder Register (the Registrar), of any changes in your data (name, change in residence/domicile, change in banking details, passport and other data) by completing the Securities Owner’s Form and submitting it to the Registrar. Pursuant to point 5 of article 44 of the Federal Law *On Joint Stock Companies* neither the Company nor ООО «Регистратор «Гарант» will be liable for the debt incurred, should you fail to provide information on such changes.

Dear Shareholder,

By participating in the General Shareholders Meeting of PJSC “LUKOIL” you exercise your right to participate in managing the Company by taking decisions on the most significant matters of its business operations, which matters fall within the exclusive competence of the General Shareholders Meetings; you also have the opportunity to receive a detailed and reliable report on the Company’s policies, express your opinion and ask questions of interest to you.

More details on the Annual General Shareholders Meeting of PJSC “LUKOIL” will be available if phoned at: 8 (800) 200 9402.

**Board of Directors of PJSC "LUKOIL"**

## **Agenda**

### **of the Annual General Shareholders Meeting of PJSC "LUKOIL"**

Perm, 23 June 2016

1. Approval of the 2015 Annual Report of PJSC "LUKOIL" and the annual accounting (financial) statements, including the income statement of the Company, and also distribution of profits and adoption of a decision on payment (declaration) of dividends based on the 2015 annual results.
2. Election of the members of the Board of Directors of PJSC "LUKOIL".
3. Appointment of the President of PJSC "LUKOIL".
4. Election of the members of the Audit Commission of PJSC "LUKOIL".
5. On the remuneration and reimbursement of expenses to members of the Board of Directors of PJSC "LUKOIL".
6. On the remuneration of members of the Audit Commission of PJSC "LUKOIL".
7. Approval of the Auditor of PJSC "LUKOIL".
8. Approval of Amendments and addenda to the Charter of Public Joint Stock Company "Oil company "LUKOIL".
9. Approval of Amendments and addenda to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO "LUKOIL"*.
10. Approval of Amendments and addenda to the *Regulations on the Board of Directors of OAO "LUKOIL"*.
11. Approval of a new version of the *Regulations on the Management Committee of PJSC "LUKOIL"*.
12. On the approval of an interested-party transaction.

**DRAFT DECISIONS  
OF THE 2016 ANNUAL GENERAL SHAREHOLDERS MEETING OF PJSC "LUKOIL"**

**Draft decision on item 1 on the agenda:** ‘Approval of the 2015 Annual Report of PJSC “LUKOIL” and the annual accounting (financial) statements, including the income statement of the Company, and also distribution of profits and adoption of a decision on payment (declaration) of dividends based on the 2015 annual results’:

To approve the Annual Report of PJSC “LUKOIL” for 2015 and the annual accounting (financial) statements, including the income statement of the Company, and also the distribution of profits based on the 2015 annual results as follows:

The net profit of PJSC “LUKOIL” based on the 2015 annual results equalled 302,294,681,000 roubles.

The net profit in the amount of 95,263,084,560 roubles based on the 2015 annual results (excluding the profit distributed as interim dividends of 55,286,611,575 roubles for the first nine months of 2015) be distributed for the payment of dividends.

The rest of the profit shall be left undistributed.

To pay dividends on ordinary shares of PJSC “LUKOIL” based on the 2015 annual results in an amount of 112 roubles per ordinary share (excluding the interim dividends of 65 roubles per ordinary share paid for the first nine months of 2015). The total amount of dividends payable for 2015 including the earlier paid interim dividends will be 177 roubles per ordinary share. The dividends of 112 roubles per ordinary share be paid using monetary funds from the account of PJSC “LUKOIL”:

- Dividend payments to nominee shareholders and trust managers who are professional market participants registered in the shareholder register of PJSC “LUKOIL” to be made not later than 25 July 2016,
- Dividend payments to other persons registered in the shareholder register of PJSC “LUKOIL” to be made not later than 15 August 2016.

The costs on the transfer of dividends, regardless of the means, will be paid by PJSC “LUKOIL”.

To set 12 July 2016 as the date on which persons entitled to receive dividends based on the 2015 annual results will be determined.

**Draft decision on item 2 on the agenda:** ‘Election of the members of the Board of Directors of PJSC “LUKOIL”’:

To elect the Board of Directors of PJSC “LUKOIL”, consisting of 11 members, from the list of candidates approved by the Board of Directors of PJSC “LUKOIL” on 4 March 2016 (Minutes No.4).

1. ALEKPEROV, Vagit Yusufovich
2. BLAZHEEV, Victor Vladimirovich
3. GATI, Toby Trister
4. GRAYFER, Valery Isaakovich
5. IVANOV, Igor Sergeevich
6. NIKOLAEV, Nikolai Mikhailovich
7. MAGANOV, Ravil Ulfatovich
8. MUNNINGS, Roger
9. MATZKE, Richard
10. MOSCATO, Guglielmo
11. PICTET, Ivan
12. FEDUN, Leonid Arnoldovich

**Draft decision on item 3 on the agenda:** ‘Appointment of the President of PJSC “LUKOIL”’:

To appoint Vagit Yusufovich Alekperov as the President of PJSC "LUKOIL".

**Draft decision on item 4 on the agenda:** 'Election of the members of the Audit Commission of PJSC "LUKOIL":

To elect the Audit Commission of PJSC "LUKOIL" from the list of candidates approved by the Board of Directors of PJSC "LUKOIL" on 4 March 2016 (Minutes No. 4):

1. VRUBLEVSKY, Ivan Nikolaevich
2. SULOEV, Pavel Aleksandrovich
3. SURKOV, Aleksandr Viktorovich

**Draft decision on item 5 on the agenda:** 'On the remuneration and reimbursement of expenses to members of the Board of Directors of PJSC "LUKOIL":

1. To pay remuneration and reimburse expenses to members of the Board of Directors of PJSC "LUKOIL" pursuant to Appendix No.1 hereto.
2. To establish the amounts of remuneration for the newly elected members of the Board of Directors of PJSC "LUKOIL" pursuant to Appendix No.2 hereto.

**Draft decision on item 6 on the agenda:** 'On the remuneration of members of the Audit Commission of PJSC "LUKOIL":

1. To pay remuneration to the members of the Audit Commission of PJSC "LUKOIL" in the following amounts:  
M.B. Maksimov – 3,000,000 roubles  
P.A. Suloev – 3,000,000 roubles  
A.V. Surkov – 3,000,000 roubles
2. To establish the following amount of remuneration for the newly elected members of the Audit Commission of PJSC "LUKOIL" - 3,500,000 roubles each.

**Draft decision on item 7 on the agenda:** 'Approval of the Auditor of PJSC "LUKOIL":

To approve the independent auditor of PJSC "LUKOIL" - Joint stock company KPMG.

**Draft decision on item 8 on the agenda:** 'Approval of Amendments and addenda to the Charter of Public Joint Stock Company "Oil company "LUKOIL":

To approve Amendments and addenda to the Charter of Public Joint Stock Company "Oil company "LUKOIL", pursuant to the appendix hereto.

**Draft decision on item 9 on the agenda:** 'Approval of Amendments and addenda to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO "LUKOIL"*:

To approve Amendments and addenda to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO "LUKOIL"*, pursuant to the appendix hereto.

**Draft decision on item 10 on the agenda:** 'Approval of Amendments and addenda to the *Regulations on the Board of Directors of OAO "LUKOIL"*:

To approve Amendments and addenda to the *Regulations on the Board of Directors of OAO "LUKOIL"*, pursuant to the appendix hereto.

**Draft decision on item 11 on the agenda:** 'Approval of a new version of the *Regulations on the Management Committee of PJSC "LUKOIL"*:

To approve a new version of the *Regulations on the Management Committee of PJSC "LUKOIL"*, pursuant to the appendix hereto.



To invalidate the *Regulations on the Management Committee of OAO "LUKOIL"* approved by the Annual General Shareholders Meeting of OAO "LUKOIL" on 27 June 2002 (Minutes No. 1).

**Draft decision on item 12 on the agenda:** 'On the approval of an interested-party transaction':

To approve an interested-party transaction - Policy (contract) on insuring the liability of directors, officers and corporations between PJSC "LUKOIL" (Policyholder) and OAO «Kapital Insurance» (Insurer) on the terms and conditions set forth in the appendix hereto.

## **Recommendations of the Board of Directors of PJSC "LUKOIL" on the items on the agenda of the Annual General Shareholders Meeting of PJSC "LUKOIL"**

To recommend that the Annual General Shareholders Meeting of PJSC "LUKOIL" adopt the following decisions:

### **On item 1 on the agenda of the meeting:**

To approve the Annual Report of PJSC "LUKOIL" for 2015 and the annual accounting (financial) statements, including the income statement of the Company, and also the distribution of profits based on the 2015 annual results as follows:

The net profit of PJSC "LUKOIL" based on the 2015 annual results equalled 302,294,681,000 roubles.

The net profit in the amount of 95,263,084,560 roubles based on the 2015 annual results (excluding the profit distributed as interim dividends of 55,286,611,575 roubles for the first nine months of 2015) be distributed for the payment of dividends.

The rest of the profit shall be left undistributed.

To pay dividends on ordinary shares of PJSC "LUKOIL" based on the 2015 annual results in an amount of 112 roubles per ordinary share (excluding the interim dividends of 65 roubles per ordinary share paid for the first nine months of 2015). The total amount of dividends payable for 2015 including the earlier paid interim dividends will be 177 roubles per ordinary share. The dividends of 112 roubles per ordinary share be paid using monetary funds from the account of PJSC "LUKOIL":

- Dividend payments to nominee shareholders and trust managers who are professional market participants registered in the shareholder register of PJSC "LUKOIL" to be made not later than 25 July 2016,
- Dividend payments to other persons registered in the shareholder register of PJSC "LUKOIL" to be made not later than 15 August 2016.

The costs on the transfer of dividends, regardless of the means, will be paid by PJSC "LUKOIL".

To propose that the Annual General Shareholders Meeting set 12 July 2016 as the date on which persons entitled to receive dividends based on the 2015 annual results will be determined.

The proposed decisions are based on the recommendations of the Audit Committee of the Board of Directors of PJSC "LUKOIL" (Minutes No. 2 of 4 April 2016) and the Strategy and Investment Committee of the Board of Directors of PJSC "LUKOIL" (Minutes No.1 of 4 April 2016).

The Board of Directors of PJSC "LUKOIL" gave tentative approval to the Annual Report of PJSC "LUKOIL" for 2015 on 13 May 2016 (Minutes No.8).

### **On item 2 on the agenda of the meeting:**

To elect the Board of Directors of PJSC "LUKOIL", consisting of 11 members, from the list of candidates approved by the Board of Directors of PJSC "LUKOIL" on 4 March 2016 (Minutes No.4).

**On item 3 on the agenda of the meeting:**

To appoint Vagit Yusufovich Alekperov as the President of PJSC "LUKOIL".

**On item 4 on the agenda of the meeting:**

To elect the Audit Commission of PJSC "LUKOIL" from the list of candidates approved by the Board of Directors of PJSC "LUKOIL" on 4 March 2016 (Minutes No. 4).

**On item 5 on the agenda of the meeting:**

1. With the partial payment in mind made based on the decision of the Extraordinary General Shareholders Meeting of PJSC "LUKOIL" of 14 December 2015 (Minutes No.2) on a partial payment of the remuneration to members of the Board of Directors of PJSC "LUKOIL" constituting one-half of the Board fee established by decision of the Annual General Shareholders Meeting of PJSC "LUKOIL" on 26 June 2014 (Minutes No.1), to pay remuneration to the members of the Board of Directors of PJSC "LUKOIL" for their performance of the duties of members of the Board of Directors for the period between the adoption of the decision by the Extraordinary General Shareholders Meeting of PJSC "LUKOIL" of 14 December 2015 to the date this decision is taken, in the following amounts:

- |                   |                     |
|-------------------|---------------------|
| – V.I. Grayfer    | – 2,600,000 roubles |
| – V.Yu. Alekperov | – 2,600,000 roubles |
| – V.V. Blazheev   | – 2,600,000 roubles |
| – I.S. Ivanov     | – 2,600,000 roubles |
| – R.U. Maganov    | – 2,600,000 roubles |
| – R. Munnings     | – 2,600,000 roubles |
| – R. Matzke       | – 2,600,000 roubles |
| – S.A. Mikhailov  | – 2,600,000 roubles |
| – G. Moscato      | – 2,600,000 roubles |
| – I. Pictet       | – 2,600,000 roubles |
| – L.A. Fedun      | – 2,600,000 roubles |

2. In accordance with the decision of the Annual General Shareholders Meeting of OAO "LUKOIL" of 26 June 2014 (Minutes No. 1), to pay the members of the Board of Directors the following remuneration, in addition to that for the performance of the duties of members of the Board of Directors:

- to V.I. Grayfer, for performance of the functions of the Chairman of the Board of Directors of PJSC "LUKOIL" – 1,200,000 roubles;
- to I.S. Ivanov, for performance of the functions of Chairman of the Strategy and Investment Committee of the Board of Directors of PJSC "LUKOIL" – 600,000 roubles;
- to V.V. Blazheev, for performance of the functions of Chairman of the Audit Committee of the Board of Directors of PJSC "LUKOIL" – 600,000 roubles;
- to R. Munnings, for performance of the functions of Chairman of the Human Resources and Compensation Committee of the Board of Directors of PJSC "LUKOIL" – 600,000 roubles.

3. In addition to remuneration for performing their functions as members of the Board of Directors, to pay the members of the Board of Directors of PJSC "LUKOIL":

- for their attendance in person at meetings of committees of the Board of Directors, and for their attendance at meetings of the Board of Directors or a committee of the Board of Directors, where attendance requires a transcontinental flight, in the amount established by decision of the Annual General Shareholders Meeting of OAO "LUKOIL" of 26 June 2014 (Minutes No. 1);

- for their participation in conferences and other events on written instructions from the Chairman of the Board of Directors, in the amount established by decision of the Annual General Shareholders Meeting of OAO “LUKOIL” of 26 June 2014 (Minutes No. 1).

The specific amount of remuneration due for payment shall be determined as at the date of the Annual General Shareholders Meeting of PJSC “LUKOIL” on 23 June 2016, in accordance with the actual participation of members of the Board of Directors at meetings (other events).

4. To reimburse members of the Board of Directors for expenses in relation to their performance of the functions of members of the Board of Directors, the types of which are established by decision of the Annual General Shareholders Meeting of OAO “LUKOIL” of 24 June 2004 (Minutes No.1), in the amount of actually incurred documented expenses.
5. To deem it appropriate to establish the following amounts of remuneration for the newly elected members of the Board of Directors of PJSC “LUKOIL”:
  - for performance of the duties of a member of the Board of Directors – 6,000,000 roubles;
  - for performance by a member of the Board of Directors of the functions of the Chairman of the Board of Directors – 1,500,000 roubles;
  - for performance by a member of the Board of Directors of the functions of the Chairman of a committee of the Board of Directors – 700,000 roubles;
  - for attendance in person at a meeting of a committee of the Board of Directors by a member of the Board of Directors who is a member of the committee – 150,000 roubles;
  - for attendance in person at a meeting of the Board of Directors or a committee of the Board of Directors which involves a transcontinental flight (a flight from one continent to another that lasts more than eight hours) – 350,000 roubles. If a member of the Board of Directors takes a transcontinental flight to attend the meetings of both a committee (committees) of the Board of Directors and of the Board of Directors itself, only a single amount of remuneration for the transcontinental flight will be paid;
  - for participation in conferences and other events on written instructions of the Chairman of the Board of Directors, in an amount of 150,000 roubles.

The proposed decisions are based on the recommendations of the Human Resources and Compensation Committee of the Board of Directors of PJSC “LUKOIL” (Minutes No.1 of 15 March 2016).

#### **On item 6 on the agenda of the meeting:**

1. To pay remuneration to the members of the Audit Commission of PJSC “LUKOIL” in the following amounts:
 

M.B. Maksimov	– 3,000,000 roubles
P.A. Suloev	– 3,000,000 roubles
A.V. Surkov	– 3,000,000 roubles
2. To establish the following amount of remuneration for the newly elected members of the Audit Commission of PJSC “LUKOIL” - 3,500,000 roubles each.

The proposed decisions are based on the recommendations of the Human Resources and Compensation Committee of the Board of Directors of PJSC “LUKOIL” (Minutes No.1 of 15 March 2016).

**On item 7 on the agenda of the meeting:**

To approve the independent auditor of PJSC "LUKOIL" - Joint stock company KPMG.

The proposed decision is based on the recommendations of the Audit Committee of the Board of Directors of PJSC "LUKOIL" (Minutes No.2 of 4 April 2016).

**On item 8 on the agenda of the meeting:**

To approve Amendments and addenda to the Charter of Public Joint Stock Company "Oil company "LUKOIL".

**On item 9 on the agenda of the meeting:**

To approve Amendments and addenda to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO "LUKOIL"*.

**On item 10 on the agenda of the meeting:**

To approve Amendments and addenda to the *Regulations on the Board of Directors of OAO "LUKOIL"*.

**On item 11 on the agenda of the meeting:**

To approve a new version of the *Regulations on the Management Committee of PJSC "LUKOIL"*.

To invalidate the *Regulations on the Management Committee of OAO "LUKOIL"* approved by the Annual General Shareholders Meeting of OAO "LUKOIL" on 27 June 2002 (Minutes No. 1).

**On item 12 on the agenda of the meeting:**

To approve an interested-party transaction.

# INFORMATION ON CANDIDATES FOR THE BOARD OF DIRECTORS OF PJSC "LUKOIL"

Valery Isaakovich Grayfer



Chairman of the Board of Directors of PJSC «LUKOIL», Chairman of the Board of Directors of JSC RITEK

Born: 1929

Graduated from the I.M. Gubkin Moscow Oil Institute in 1952. Candidate of Technical Sciences (PhD). Recipient of seven orders, four medals, and a Certificate of Honor of the Supreme Soviet of the Tatar ASSR. Awarded a Certificate of Honor of the Russian Federation President in 2009. Since 1985: USSR Deputy Minister of Oil Industry in charge of the Chief Tyumen Production Division for the oil and gas industry. From 1992 to 12 January 2010, General Director of OJSC RITEK. Since 2010: Chairman of the Board of Directors of JSC RITEK. Since 2000: Chairman of the Board of Directors of PJSC «LUKOIL». Professor at the Gubkin Russian State University of Oil and Gas. Lenin Prize and Russian Government Prize Winner.

Vagit Yusufovich Alekperov



President of PJSC «LUKOIL», Executive Director of PJSC «LUKOIL», Chairman of the Management Committee of PJSC «LUKOIL»

Born: 1950

Graduated from the M. Azizbekov Azerbaijan Oil and Chemistry Institute in 1974. Doctor of Economics. Full member of the Russian Academy of Natural Sciences. Distinguished energy industry specialist and Honored oil specialist. Recipient of five orders and eight medals, a Certificate of Honor and two Certificates of Gratitude from the Russian Federation President. Two times winner of the Russian Government Prize. Since 1968: worked at oil fields in Azerbaijan and Western Siberia. 1987–1990: General Director of Production Association Kogalymneftegaz of Glavtyumenneftegaz of the USSR Ministry of Oil and Gas. 1990–1991: Deputy Minister; First Deputy Minister of the USSR Ministry of Oil and Gas. 1992–1993: President of the Oil Concern Langepasuraikogalymneft. 1993–2000: Chairman of the Board of Directors of OAO «LUKOIL». Since 1993: President of PJSC «LUKOIL».

Victor Vladimirovich Blazheev



Member of the Board of Directors of PJSC «LUKOIL», Rector of the O.E. Kutafin Moscow State Law University (MSAL), Chairman of the Audit Committee of the Board of Directors of PJSC «LUKOIL»

Born: 1961

Graduated from the evening department of the All-Union Extra-Mural Law Institute (AELI) in 1987; completed a post-graduate program at AELI-Moscow Law Institute in the department of civil litigation in 1990. Candidate of Legal Sciences (PhD), Professor. Recipient of a 2nd degree Medal of the Order "For Merits to the Fatherland". Since 1999, Mr. Blazheev has been engaged in educational (as a lecturer) and administrative activities occupying various positions at Moscow State Academy of Law. 1999-2001: Dean of the full-time day department of Moscow State Academy of Law. 2001-2002: Vice-Rector of Moscow State Academy of Law in charge of academic agenda. 2002 –2007: First Vice-Rector of Moscow State Academy of Law in charge of academic agenda. Since 2007: Rector of the O.E. Kutafin Moscow State Law University (MSAL).

Toby Trister Gati\*



Born: 1946

BA in Russian Literature and Language from Pennsylvania State University, MA in Russian Literature from Columbia University and Master of International Affairs (MIA) from the Harriman Institute, Columbia University. Formerly, she advised on matters of international cooperation and relations at Akin Gump Strauss Hauer & Feld LLP. Currently, President of TTG Global LLC, Board Member of the U.S.-Russia Business Council (USRBC), Participant in the Valdai Discussion Club.

Igor Sergeevich Ivanov



Member of the Board of Directors of PJSC «LUKOIL», President of the Russian International Affairs Council (RIAC) not-for-profit partnership, Chairman of the Strategy and Investment Committee of the Board of Directors of PJSC «LUKOIL»  
Born: 1945  
Graduated from the Maurice Thorez Moscow State Institute of Foreign Languages in 1969. Associate member of the Russian Academy of Sciences. Doctor of History, Professor. Recipient of Russian and foreign orders and medals. 1993-1998: First Deputy Minister of Foreign Affairs of the Russian Federation. 1998-2004: Minister of Foreign Affairs of the Russian Federation. 2004 – 2007: Secretary of the Security Council of the Russian Federation. Since 2005: Professor of Moscow State Institute of International Relations (MGIMO University) under the Russian Foreign Ministry. Since 2011: President of the Russian International Affairs Council (RIAC) not-for-profit partnership. Member of the Board of the Managing Directors of Rissa Investments N.V.

Ravil Ulfatovich Maganov



Executive Director of PJSC «LUKOIL», Member of the Management Committee of PJSC «LUKOIL», First Executive Vice-President of PJSC «LUKOIL» (E&P), Member of the Strategy and Investment Committee of the Board of Directors of PJSC «LUKOIL»  
Born: 1954  
Graduated from the I.M. Gubkin Moscow Institute of the Petrochemical and Gas Industry in 1977. Distinguished Oil and Gas Specialist of the Russian Federation, Honored oil specialist. Recipient of four orders and five medals. Has a Letter of Acknowledgement from the Government of the Russian Federation. Three times winner of the Russian Government Prize in Science and Engineering. 1988–1993: Chief Engineer, Deputy General Director, General Director of OPE Langepasneftegaz. 1993–1994: Vice-President of OAO «LUKOIL» (Oil Production). 1994–2006: First Vice-President of OAO «LUKOIL» (E&P). Since 2006: First Executive Vice-President of PJSC «LUKOIL» (E&P).

Roger Munnings\*



Member of the Board of Directors of PJSC «LUKOIL», Chairman of the Human Resources and Compensation Committee of PJSC «LUKOIL», Independent member of the Board of Directors of Sistema Joint Stock Financial Corporation since 2010.  
Born: 1950  
1996–2008: President and CEO of KPMG Russia/CIS; 1993–2008: Chairman of KPMG's Global Energy and Natural Resources Practice; 1998–2008: Member of KPMG's International Council (ultimate governance body).  
Chairman of the Russian-British Chamber of Commerce, Member of the Russian National Council on Corporate Governance, the Russian Union of Industrialists and Entrepreneurs, and of the Russian Institute of Directors, Fellow of the Institute of Chartered Accountants in England and Wales. Made a Commander of the Most Excellent Order of the British Empire by HM the Queen in 2007.  
Graduated from the University of Oxford in 1972, where Mr. Munnings earned a Master's Degree in Philosophy, Politics and Economics.

Richard Matzke



Member of the Board of Directors of PJSC «LUKOIL», Member of the Human Resources and Compensation Committee of the Board of Directors of PJSC «LUKOIL»  
Born: 1937  
Graduated from Iowa State University in 1959, Pennsylvania State University in 1961, and St. Mary's College of California in 1977. MS in Geology, Master of Business Administration. 1989–1999: President of Chevron Overseas Petroleum, member of the Board of Directors of Chevron Corporation. 2000–2002: Vice-Chairman of Chevron, Chevron-Texaco Corporation. 2006: Recipient of a public non-governmental medal "For the Development of the Oil and Gas Complex of Russia" and the "Director of the Year 2006" National Award, Russia, in the "Independent Director of the Year" nomination category, sponsored by the Independent Directors Association (IDA) and PricewaterhouseCoopers. 2010–2013: Board member of Eurasia Drilling Company.



Guglielmo Moscato\*\*



Member of the Board of Directors of PJSC «LUKOIL», Chairman and CEO of Gas Mediterraneo & Petrolio Srl, Member of the Strategy and Investment Committee of the Board of Directors of PJSC «LUKOIL»

Born: 1936

Graduated from Polytechnic University of Milan (Politecnico di Milano) (Italy), 1961. Former Chairman of the Board of Directors of Eni SpA and former Chairman and Chief Executive Officer of AGIP SpA. At present: Chairman and CEO of Gas Mediterraneo & Petrolio. Member of the Advisory Council of John Hopkins University.

Nikolai Mikhailovich Nikolaev



General Director of Joint Stock Company «Russian innovative fuel and energy company» (RITEK), Vice-President of PJSC «LUKOIL»

Born: 1954

Graduated from the I.M. Gubkin Moscow Institute of the Petrochemical and Gas Industry in 1982. Tyumen Industrial Institute in 1994 and the I.M. Gubkin Russian State University of Oil and Gas in 2000. Candidate of Technical Sciences (PhD). Distinguished Oil and Gas Specialist of the Russian Federation. Recipient of an order and six medals. 1996-1997: General Director of AOOT LUKOIL-Langepasneftegaz. 1997-2001: General Director of TPP Langepasneftegaz of OOO LUKOIL-Zapadnaya Sibir [Western Siberia]. 2001-2009: General Director of OOO LUKOIL-Nizhnevolzhskneft. 03.2009-01.2010: General Director of OOO LUKOIL-Volgogradneftegaz. Since 01.2010: General Director of JSC RITEK.

Ivan Pictet\*



Member of the Board of Directors of PJSC «LUKOIL», Member of the Audit Committee of PJSC «LUKOIL», Chairman of the Board of Directors of Symbiotics, Chairman of the Board of Directors of PSA International SA

Born: 1944

Master in Economics from the School of Business Administration at the University of St. Gallen (1970). Mr. Pictet is a member of the following governance bodies: since 2010: AEA European Advisory Board, since 2011: AEA Investors LP Global Advisory Board (NY, USA). Since 2011, Mr. Pictet was a member of the Board of Directors of Symbiotics. In 2015 he was elected Chairman of its Board. He is also President of Fondation pour Geneve and Chairman of the Fondation Pictet pour le développement since 2009. Mr. Pictet was appointed Chairman of the Board of PSA International SA in 2012.

Leonid Arnoldovich Fedun



Executive Director of PJSC «LUKOIL», Vice-President for Strategic Development at PJSC «LUKOIL», Member of the Strategy and Investment Committee of the Board of Directors of PJSC «LUKOIL»

Born: 1956

Graduated from the M.I. Nedelin Higher Military Command School in Rostov in 1977 and the Graduate School of Privatization and Entrepreneurship in 1993. Candidate of Philosophical Sciences (PhD). Recipient of two orders and seven medals. 1993–1994: General Director of JSC LUKOIL-Consulting. 1994–2012: Vice-President, Head of the Main Division of Strategic Development and Investment Analysis. Since February 2012: Vice-President for Strategic Development at PJSC «LUKOIL».

**The candidates have given their written consent to be elected to the Board of Directors of PJSC "LUKOIL".**



**\* Qualify as independent candidates to the Board of Directors of PJSC "LUKOIL" pursuant to the Moscow Exchange Listing Rules and the Corporate Governance Code recommended by the Bank of Russia by Letter No. 06-52/2463 dated 10.04.2014**

**\*\* Is recognized as an independent candidate for member of the Board of Directors of PJSC "LUKOIL" (point 9.2 of the Charter of PJSC "LUKOIL") by decision of the Board of Directors of PJSC "LUKOIL"**

## **INFORMATION ON THE CANDIDATE FOR THE POSITION OF THE PRESIDENT OF PJSC “LUKOIL”**



**Vagit Yusufovich Alekperov**

**President of PJSC “LUKOIL”, Member of the Board of Directors of PJSC “LUKOIL”, Chairman of the Management Committee of PJSC “LUKOIL”**

**Born: 1950**

Graduated from the M. Azizbekov Azerbaijan Oil and Chemistry Institute in 1974. Doctor of Economics. Full member of the Russian Academy of Natural Sciences. Distinguished energy industry specialist and Honored oil specialist. Recipient of five orders and eight medals, a Certificate of Honor and two Certificates of Gratitude from the Russian Federation President. Two times winner of the Russian Government Prize. Since 1968: worked at oil fields in Azerbaijan and Western Siberia. 1987–1990: General Director of Production Association Kogalymneftegaz of Glavtyumenneftegaz of the USSR Ministry of Oil and Gas. 1990–1991: Deputy Minister; First Deputy Minister of the USSR Ministry of Oil and Gas. 1992–1993: President of the Oil Concern Langepasuraikogalymneft. 1993–2000: Chairman of the Board of Directors of OAO «LUKOIL». Since 1993: President of PJSC «LUKOIL».

**The candidate has given his written consent to be appointed President of PJSC “LUKOIL”.**

## INFORMATION ON CANDIDATES FOR THE AUDIT COMMISSION OF PJSC "LUKOIL"

**Ivan Nikolaevich Vrublevsky**



Was born on 8 May 1974. Graduated from Moscow Finance Academy under the RF Government in 1996 with a degree in Accounting and Audit. Employed since 1993. In 2005 – 2012: Head of the Division of Transformation of Financial Statements of LUKOIL Group Organisations at the Accounting Department of OAO "LUKOIL". 2012 – 2013: Head of the Division of Transformation of Financial Statements of LUKOIL Group Organisations at the International Reporting Department of OAO "LUKOIL". Since 2013: Managing Director of LUKOIL Accounting and Finance Europe s.r.o., Czech Republic.

**Pavel Aleksandrovich Suloev**



Was born on 8 December 1957. Graduated from the G.V. Plekhanov Russian Economics Academy in 1982 with a degree in Economics. Employed since 1982. In 2001-2012: Chairman of the Board of SLB Commercial Bank AG, Zurich. 2012 – 2013: Director of Investments, LITASCO, Geneva. Since 2014: Control and Internal Audit Director of ZAO Management Centre Managing Company.

**Aleksandr Viktorovich Surkov**



Was born on 12 August 1969. Graduated from Ufa Oil Institute in 1993 with a degree in Enterprise Economics and Management. Employed since 1987. In 2009 – 2011: Head of the Division of Automation, Period Closing and Preparation of Financial Statements at the Accounting Department of OAO "LUKOIL". 2011: General Director (job combination) of OOO LUKOIL-Volgograd Regional Accounting Centre. Since 2011: General Director of OOO LUKOIL-Volgograd Regional Accounting Centre.

**All the candidates have given their written consent to be elected to the Audit Commission of PJSC "LUKOIL".**

**REPORT  
OF THE AUDIT COMMISSION ON THE RESULTS OF REVIEWING  
THE FINANCIAL AND BUSINESS ACTIVITY OF PJSC “LUKOIL”  
AND THE ANNUAL FINANCIAL STATEMENTS OF PJSC “LUKOIL”  
FOR 2015**

13 May 2016

Moscow

**I. INTRODUCTION**

The Audit Commission of PJSC “LUKOIL” elected by decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” (Minutes No.1 of 25 June 2015) and comprised of:

The Audit Commission's Chairman                      Pavel Alexandrovich Suloyev

Members of the Audit Commission:

Mikhail Borisovich Maksimov

Alexander Viktorovich Surkov,

based on its authority and being guided by:

- Federal Law No.208-FZ  
of 26 December 1995 *On Joint-Stock Companies*;
- Regulation of the  
Central Bank of the Russian Federation *On disclosure of information by  
issuers of issuable securities* No.454-P of 30 December 2014;
- Charter of PJSC  
"LUKOIL" (Company);
- *Regulations on the Audit Commission of OAO "LUKOIL"* approved by the  
Annual General Shareholders Meeting (Minutes No.1 dated 27 June 2002),  
including the amendments adopted by the Annual General Shareholders  
Meetings of OAO "LUKOIL" (Minutes No.1 dated 26 June 2003 and Minutes  
No.1 dated 28 June 2006),

has reviewed the financial and business activity of PJSC “LUKOIL” for 2015, as well as PJSC “LUKOIL” annual financial statements for 2015 (hereinafter also referred to as the “Review”).

No requests for extraordinary reviews of the financial and business activity of the Company were received by the Audit Commission during the reporting period as provided for by the effective Russian legislation.

No failures to provide documentation on the Company's financial and business activity to the Audit Commission by members of the Company's management bodies were identified during the Review.

The Audit Commission conducted the Review in accordance with the Audit Programme (Minutes of the Audit Commission Meeting No.3 of 30 March 2016).

The results of the Review and the related Opinion were considered and unanimously approved by all members of PJSC “LUKOIL” Audit Commission (Minutes of the Audit Commission Meeting No.4 dated 13 May 2016).

The main goals of the Review were:

- to obtain sufficient objective evidence that the Company’s financial and business activity was carried out in accordance with the Company’s interests and the interests of its shareholders, and management decisions were taken and implemented in accordance with the applicable laws of the Russian Federation;
- to obtain sufficient objective evidence that the Company’s financial results reported in PJSC “LUKOIL” annual financial statements fairly present, in all material respects, the Company’s financial position as at 31 December 2015 as required by the effective reporting rules of the Russian Federation.

The Company’s management is responsible for carrying out the financial and business activity for the benefit of the Company and its shareholders, complying with the effective laws of the Russian Federation, as well as for providing fair and reliable information, reports and statements.

The Audit Commission is responsible for providing to PJSC "LUKOIL" represented by its supreme governance body, the General Shareholders Meeting of PJSC "LUKOIL", an objective opinion regarding the fairness, in all material respects, of PJSC “LUKOIL” annual financial statements for 2015, the integrity of assets, the amount of net profit and the observance by the Company of the applicable laws of the Russian Federation.

## **II. REVIEW PROCEDURE AND ANALYTICAL WORK**

The Review involved several stages, including both current and subsequent control procedures.

At the final stage the Audit Commission, through a sampling check and testing of evidence confirming figures included in PJSC “LUKOIL” annual financial statements for 2015 and analyzing information on the Company’s financial and business activity, based on the sufficient and objective analysis of the information, metrics and documents provided for consideration, formed an opinion and evaluated the fairness of the provided annual financial statements of PJSC “LUKOIL” for 2015 prepared in accordance with the effective reporting rules of the Russian Federation.

## **III. CONCLUSIONS**

According to the Audit Commission, the Review of the received information and documents is sufficient to provide a basis for making conclusions.

1. The Audit Commission has not identified any violations of the Company's interests or interests of its shareholders or the applicable laws of the Russian Federation in the Company's financial and business activity.

2. The Audit Commission confirms that the annual financial statements of PJSC "LUKOIL" for 2015 are fair, i.e. fairly present, in all material respects, assets and liabilities of the Company as at 31 December 2015, the Company's financial performance and cash flows for 2015 based on the requirements of the effective accounting and reporting legislation of the Russian Federation and the Company's Accounting Policy for 2015.

As at 31 December 2015 the Company's net assets amounted to RUB1,301,245,847 thousand.

The net profit for 2015 amounted to RUB 302,294,681 thousand.

Chairman of the Audit Commission:

P.A. Suloyev

Members of the Audit Commission:

M.B. Maksimov

A.V. Surkov

**OPINION OF THE AUDIT COMMISSION  
BASED ON A REVIEW OF THE  
PJSC "LUKOIL" ANNUAL REPORT FOR 2015**

13 May 2016

Moscow

**I. INTRODUCTION**

The Audit Commission of PJSC “LUKOIL” elected by decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” (Minutes No.1 of 25 June 2015) and comprised of:

The Audit Commission's Chairman	Pavel Alexandrovich Suloyev
Members of the Audit Commission:	Mikhail Borisovich Maksimov  Alexander Viktorovich Surkov,

based on its authority and being guided by:

- Federal Law No.208-FZ of 26 December 1995 *On Joint-Stock Companies*;
- Regulation of the Central Bank of the Russian Federation *On disclosure of information by issuers of issuable securities* No.454-P of 30 December 2014;
- Charter of PJSC "LUKOIL" (Company);
- *Regulations on the Audit Commission of OAO "LUKOIL"* approved by the Annual General Shareholders Meeting (Minutes No.1 dated 27 June 2002), including the amendments adopted by the Annual General Shareholders Meetings of OAO "LUKOIL" (Minutes No.1 dated 26 June 2003 and Minutes No.1 dated 28 June 2006)

has reviewed the PJSC "LUKOIL" Annual Report for 2015 (hereinafter the Review).

No requests for extraordinary reviews of the financial and business activity of the Company were received by the Audit Commission during the reporting period as provided for by the effective Russian legislation.

No failures to provide documentation on the Company's financial and business activity to the Audit Commission by members of the Company's management bodies were identified during the Review.

The Audit Commission conducted the Review in accordance with the Audit Programme (Minutes of the Audit Commission Meeting No.3 of 30 March 2016).

The results of the Review and the Opinion Based on the Review were considered and unanimously approved by all the members of PJSC "LUKOIL" Audit Commission (Minutes of the Audit Commission Meeting No.5 dated 13 May 2016).

The main goals of the Review were:

- to obtain sufficient objective evidence that the Company's financial and business activity was carried out in accordance with the Company's interests and the interests of its shareholders, management decisions were taken and implemented in accordance with the applicable Russian law, the key regulations and requirements for management and internal control at PJSC "LUKOIL";

- to obtain sufficient objective evidence that the key data included in PJSC "LUKOIL" Annual Report for 2015 present reliably, in all material respects, disclosures that must be made in accordance with the requirements established by Russian regulators.

The responsibility for carrying out the financial and business activity for the benefit of the Company and its shareholders, complying with the Russian effective law and the key regulations and requirements for management and internal control adopted by PJSC "LUKOIL", as well as for providing fair information, reports and statements, lies with the Company's management.

The Audit Commission is responsible for providing to PJSC "LUKOIL" represented by its supreme governance body, the General Shareholders Meeting of PJSC "LUKOIL", an objective opinion regarding the fairness, in all material respects, of PJSC "LUKOIL" Annual Report for 2015, and the observance by the Company of the applicable Russian law and the key regulations and requirements for management and internal control adopted by PJSC "LUKOIL".

## II. REVIEW PROCEDURE AND ANALYTICAL WORK

The Review involved several stages, including both current and subsequent control procedures.

At the final stage the Audit Commission through selective checking and analysis of testing of evidence supporting metrics and data included in PJSC "LUKOIL" Annual Report for 2015 based on the sufficient and objective analysis of the information and documents provided for review, formed an opinion and



evaluated the reliability of PJSC "LUKOIL" Annual Report for 2015 prepared in accordance with the disclosure requirements established by Russian regulators.

### III. CONCLUSIONS

According to the Audit Commission, the review of the received information and documents conducted is sufficient to provide a basis for making conclusions.

1. The Audit Commission did not identify any violations of the Company's interests or interests of its shareholders or PJSC "LUKOIL" key regulations on management and internal control or the applicable Russian law in the Company's financial and business activity.

2. The Audit Commission confirms that the PJSC "LUKOIL" Annual Report for 2015 is fair, i.e. presents, in all material respects, data required to be disclosed by Russian regulators.

Chairman of the Audit Commission:

P.A. Suloyev

Members of the Audit Commission:

M.B. Maksimov

A.V. Surkov

To the shareholders of  
the Public Joint Stock Company  
**“Oil Company “LUKOIL”**

**Auditors’ report**  
on the financial statements of  
the Public Joint Stock Company  
“Oil Company “LUKOIL”  
for the 2015 reporting year

Set out below is an unofficial translation of the auditors’ report on the statutory financial statements of the Public Joint Stock Company “Oil Company “LUKOIL” as at and for the year ended 31 December 2015. The statutory financial statements to which the auditors’ report relates have been prepared in accordance with the accounting and reporting regulations of the Russian Federation. Russian accounting and reporting regulations differ from accounting frameworks in other jurisdictions. Consequently, the accompanying statutory financial statements are not intended to present the financial position, financial performance and cash flows of the Public Joint Stock Company “Oil Company “LUKOIL” in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than the Russian Federation.

### **Information on the audit firm**

Name of the audit firm:	Joint Stock Company “KPMG”.
Location (legal address):	18/1, Olympiysky prospect, Room 3035, Moscow 129110.
Postal address:	10, Presnenskaya Naberezhnaya, Block C, floor 31, Moscow 123317.
State registration:	<p>Registered by the Moscow Registration Chamber on 25 May 1992, Registration No. 011.585.</p> <p>Included in the Unified State Register of Legal Entities on 13 August 2002 by the Moscow Inter-Regional Tax Inspectorate No.39 of the Ministry for Taxes and Duties of the Russian Federation, Registration No. 1027700125628, Certificate series 77 No. 005721432.</p>
Membership in a self-regulating organisation	<p>Member of the Non-commercial Partnership “Chamber of Auditors of Russia”.</p> <p>The Principal Registration Number of the Entry in the State Register of Auditors and Audit Organisations: No.10301000804.</p>

### **Information on the audited company**

Name of audited company:	Public Joint Stock Company “Oil Company “LUKOIL” (before 6 July 2015 – Open Joint Stock Company “Oil Company “LUKOIL”).
Location (legal address):	11, Sretensky boulevard, Moscow, 101000.
Postal address:	11, Sretensky boulevard, Moscow, 101000.
State registration:	<p>Registered by Moscow Registration Chamber on 22 April 1993, Registration No. 024020.</p> <p>Registered in the Unified State Register of Legal Entities on 17 July 2002 by Administration of the Ministry of the Russian Federation for Taxes and Levies in Moscow, Registration No. 1027700035769, Certificate series 77 No. 007892347.</p> <p>Changes related to the Company name are registered in the Unified State Register of Legal Entities on 6 July 2015 by the Moscow Inter-Regional Tax Inspectorate No.46, Registration No. 2157747650730.</p>

## Auditors' report

To the shareholders of the Public Joint Stock Company "Oil Company "LUKOIL"

(before 6 July 2015 – Open Joint Stock Company "Oil Company "LUKOIL")

We have audited the accompanying financial statements of the Public Joint Stock Company "Oil Company "LUKOIL" (hereinafter the "Company") for the 2015 reporting year.

The financial statements, set on 60 pages, comprise:

- the balance sheet as at 31 December 2015;
- the income statement for 2015;
- the appendices to the balance sheet and the income statement including:
  - the statement of changes in equity for 2015;
  - the cash flow statement for 2015;
  - the notes to the balance sheet and income statement;

### *Management's Responsibility for the Financial Statements*

Management of the Company is responsible for the preparation and reliability of the financial statements in accordance with the requirements of the Russian reporting legislation and for the system of internal control necessary for the preparation of the financial statements which are free from material misstatements, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statements in all material respects based on our audit. We conducted our audit in accordance with the Federal Standards on Auditing. These standards require that we comply with relevant ethical requirements and planning and performing the audit in order to obtain sufficient assurance as to whether the financial statements are free from material misstatements.

The audit included performing procedures to obtain audit evidence confirming the amounts and disclosures in the financial statements. The selection of the procedures is a matter of our judgment, which is based on the assessment of risk of material misstatement, whether due to fraud or error. In the process of risk assessment we considered the system of internal control relevant to the preparation and reliability of the financial statements in order to select appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The audit also included an assessment of the appropriateness of the Company's accounting policy and the reasonableness of the estimates made by management, as well as the evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the reliability of the financial statements.

*Opinion*

In our opinion, the accompanying financial statements present reliably, in all material respects, the financial position of the Company as at 31 December 2015 and its financial performance and cash flows for the 2015 reporting year in accordance with the requirements of the Russian reporting legislation.

Director of JSC “KPMG”,  
(power of attorney dated 16 March 2015 No. 18/15)

Oussov A.I.

18 March 2016

**Examination  
of the Independent Auditors' Opinion  
performed by the Audit Committee of the Board of Directors of PJSC "LUKOIL"**

MINUTES No. 2  
OF THE MEETING OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS

4 April 2016

Moscow

**E X C E R P T**

CHAIRMAN:	V.V. Blazheev
PRESENT:	
Committee members	
In person:	S.A. Mikhailov
Via videoconferencing	I. Pictet
Secretary of the Committee	E.L. Khavkin
Chairman of the Audit Commission	P.A. Suloev
First Vice-President	S.P. Kukura
Senior Vice-President	A.K. Matytsyn
Vice-Presidents	I.A. Maslyaev, S.N. Malyukov, L.N. Khoba, G.S. Fedotov
KPMG representative	A.I. Oussov
Company employees in charge	
The Committee meeting is being held with the attendance of three members of the Committee.	
The meeting is quorate.	

**III. Examination of the Independent Auditors' opinion for subsequent submission to  
shareholders as materials for the Company's Annual General Shareholders Meeting**  
**(L.N. Khoba, V.V. Blazheev)**

Having considered the report of the Company's independent Auditor, AO KPMG, on the financial statements of PJSC "LUKOIL" for 2015,

***THE COMMITTEE HAS RESOLVED:***

Based on the result of the analysis and the discussion of issues of material importance to the preparation of complete and reliable financial statements, and also in light of the fact that the audit of the accounting (financial) statements of PJSC "LUKOIL" for the period from 1 January to 31 December 2015 resulted in an unqualified audit opinion, to propose to the Board of Directors that it recommend to the Annual General Shareholders Meeting of the Company that the Meeting approve the audited financial statements of the Company for 2015 and include the Independent Auditors' Opinion examined by the Audit Committee of the Board of Directors of PJSC "LUKOIL" in the list of materials to be provided to shareholders when preparing for the General Shareholders Meeting.

VOTING RESULTS (votes counted by the Chairman):

IN FAVOR voted the following Committee members:

V.V. Blazheev, S.A. Mikhailov, I. Pictet

Decision passed unanimously.

**Chairman**

**V.V. Blazheev**

*I hereby certify that this is a true and accurate excerpt from Minutes No.2*

Secretary of the Board of Directors

E.L. Khavkin

# BALANCE SHEET

as at 31 December 2015

million roubles

	As at 31.12.2015	As at 31.12.2014	As at 31.12.2013	
<b>Non-current assets</b>				
Intangible assets	347	354	319	
R&D	34	40	65	
Intangible development assets	-	-	-	
Tangible development assets	-	-	-	
Property, plant and equipment	14,781	13,350	13,138	
Income-bearing investments in tangible assets	-	-	-	
Financial investments	1,143,633	1,148,295	959,049	
Deferred tax assets	493	540	483	
Other non-current assets	214	580	255	
<b>Non-current assets, total</b>	<b>1,159,502</b>	<b>1,163,159</b>	<b>973,309</b>	
<b>Current assets</b>				
Inventories	19	31	33	
VAT on purchased assets	29	187	96	
Accounts receivable	140,710	181,892	168,113	
Financial investments (other than cash equivalents)	595,695	337,746	142,332	
Cash and cash equivalents	127,226	72,482	12,393	
<b>Current assets, total</b>	<b>863,679</b>	<b>592,338</b>	<b>322,967</b>	
<b>ASSETS</b>	<b>TOTAL</b>	<b>2,023,181</b>	<b>1,755,497</b>	<b>1,296,276</b>
<b>Equity and reserves</b>				
Charter capital	21	21	21	
Additional paid-in capital, including revaluation of non-current assets	12,625	12,625	12,625	
Reserve capital	3	3	3	
Retained earnings	1,288,596	1,121,449	851,528	
<b>Equity and reserves, total</b>	<b>1,301,245</b>	<b>1,134,098</b>	<b>864,177</b>	
<b>Non-current liabilities</b>				
Loans and borrowings	309,182	228,021	73,146	
Deferred tax liabilities	421	374	404	
Other non-current liabilities	-	53	601	
<b>Non-current liabilities, total</b>	<b>309,603</b>	<b>228,448</b>	<b>74,151</b>	
<b>Current liabilities</b>				
Loans and borrowings	254,372	193,384	213,144	
Accounts payable	155,616	198,408	142,899	
Estimated liabilities	2,345	1,159	1,905	
<b>Current liabilities, total</b>	<b>412,333</b>	<b>392,951</b>	<b>357,948</b>	
<b>LIABILITIES AND EQUITY</b>	<b>TOTAL</b>	<b>2,023,181</b>	<b>1,755,497</b>	<b>1,296,276</b>

PJSC "LUKOIL" (not including subsidiaries and equity affiliates)  
**INCOME STATEMENT**  
for the year ended 31 December

million roubles

	2015	2014	2013
<b>Net sales revenues</b>	<b>259,198</b>	<b>242,880</b>	<b>230,100</b>
Including receipts from participation in the authorised capitals of other organisations	211,991	200,292	190,100
Cost of goods sold	(21,896)	(17,800)	(16,800)
<b>Gross profit</b>	<b>237,302</b>	<b>225,080</b>	<b>213,300</b>
Export customs duties	-	-	-
Selling expenses	(1,608)	(1,494)	(1,494)
Administrative expenses	(22,723)	(20,684)	(20,684)
<b>Profit from sales</b>	<b>212,971</b>	<b>202,902</b>	<b>191,122</b>
Income from equity in other organisations	-	-	-
Interest receivable	66,565	43,401	43,401
Interest payable	(42,937)	(19,173)	(19,173)
Result of other income and expenses	88,499	171,373	171,373
<b>Profit before taxes</b>	<b>325,098</b>	<b>398,503</b>	<b>396,623</b>
Current income tax	(24,621)	(29,571)	(29,571)
Deferred income tax	(94)	86	86
Other	35	(318)	(318)
Redistribution of income tax inside the consolidated group of taxpayers	1,877	3,181	3,181
<b>Net profit</b>	<b>302,295</b>	<b>371,881</b>	<b>341,103</b>
Result of revaluation of non-current assets not included in net profit	-	-	-
Result of other transactions not included in net profit of the period	-	-	-
<b>Cumulative financial result of the period</b>	<b>302,295</b>	<b>371,881</b>	<b>341,103</b>



**Amendments and addenda  
to the Charter of Public Joint Stock Company  
“Oil company “LUKOIL”**

**1. In Article 6 «Share Register»:**

a) revise the first paragraph of point 6.1 to read as follows:

“6.1. The Company shall maintain and ensure safekeeping of a share register through a professional securities market participant licensed to maintain a register of the holders of registered securities (hereinafter, the “Registrar”).”;

b) delete point 6.3.

**2. In Article 8 «Shareholders Meeting»:**

a) revise the second paragraph of point 8.7 to read as follows:

“The Company shall send each person included in the list of persons entitled to take part in the Meeting voting ballots on all issues on the agenda of the Meeting via mail, e-mail or by personal delivery to the shareholder against a signature no later than 20 days before the Shareholders Meeting and no later than 30 days before the Shareholders Meeting if the Meeting agenda includes an item on the reorganization of the Company”;

b) revise the first sentence of point 8.8 to read as follows:

“The Meeting shall be presided by the Chairman of the Board of Directors or the Vice Chairman of the Board of Directors.”;

c) add the third paragraph to point 8.9 reading as follows:

“Shareholders who, in accordance with the rules set out in the securities laws of the Russian Federation, gave voting instructions (directives) to persons keeping record of their rights to shares shall also be considered to have participated in the Meeting, if notifications with declaration of their intent have been received no later than two days before the date of the Meeting or the deadline for receiving ballots in case the Meeting is held in the form of absentee voting.”;

d) add the second paragraph to point 8.19 reading as follows:

“If on the date of determining (formalizing) persons entitled to participate in the Meeting a shareholder registered in the Company’s shareholder register is a nominee shareholder, information contained in the report on voting results shall be sent to the nominee holder of shares in accordance with the rules set out in the securities laws of the Russian Federation for the provision of information and materials to persons who exercise rights to securities.”.

**3. In Article 9 «Board of Directors»:**

a) revise point 9.5 to read as follows:

“9.5. The members of the Board of Directors shall elect a Chairman and a Vice Chairman from among their number for the entire term of office of the Board of Directors. In the Chairman’s absence, his/her functions shall be performed by the Vice Chairman of the Board of Directors.”;

b) revise the first paragraph of point 9.6 to read as follows:

“9.6. The Chairman of the Board of Directors (and in his/her absence, the Vice Chairman) shall preside over meetings of the Board. In the absence of the Chairman and Vice Chairman, Board members shall elect a person to preside over the meeting from among those present.”;

c) in sub-point 9.7.4 of point 9.7 replace the words “the date for compiling the list of persons entitled to participate in the Shareholders Meeting” with the words “the date of determining (formalizing) persons entitled to participate in the Shareholders Meeting”;

d) revise point 9.14 to read as follows:

“9.14. Agendas shall be prepared for Board meetings and clerical support shall be provided by the Secretary of the Board of Directors, whose functions shall be performed by the Corporate Secretary of the Company.”.

4. Delete the word “financial” in the first sentence of point 13.2 of **Article 13 «Profits, Dividends and Funds»**.

## Table of Amendments and addenda to the current version of the Charter of Public Joint Stock Company “Oil company “LUKOIL”

No	Current version of the Company Charter	New version of the Company Charter	Comments
1.	The first paragraph of point 6.1: «6.1. The Company shall maintain a share register through a professional securities market participant maintaining a register of the holders of registered securities (hereinafter, the “Registrar”).».	The first paragraph of point 6.1: «6.1. The Company shall maintain <b><u>and ensure safekeeping of</u></b> a share register through a professional securities market participant <b>licensed</b> to maintain a register of the holders of registered securities (hereinafter, the “Registrar”).».	The purpose of the amendment and addendum is to bring the wording of paragraph 1 of point 6.1 of the Charter of PJSC “LUKOIL” (hereinafter also the “Company”) in line with point 1 of article 44 of Federal Law No. 208-FZ of 26 December 1995 “On Joint Stock Companies” (as amended) (hereinafter the “Federal Law on JSCs”), point 4 of article 97 of the Civil Code of the Russian Federation, and point 1 of article 8 of Federal Law No. 39-FZ of 22 April 1996 “On Securities Market”.
2.	Point 6.3: «6.3. The Company shall provide for the safekeeping of the share register. The share register shall be kept at the premises of the Company or its Registrar.».	Delete point 6.3.	Regulations on the Safekeeping of the Register are included in the new version of paragraph 1 of point 6.1 of the Company’s Charter (see point 1 of this Table).
3.	The second paragraph of point 8.7: «The Company shall send to shareholders voting ballots on all issues on the agenda of the Meeting via mail, e-mail or by personal delivery to the shareholder against a signature no later than 30 days before the Annual Shareholders Meeting and no later than 25 days before the Extraordinary Shareholders Meeting.».	The second paragraph of point 8.7: «The Company shall send <b><u>each person included in the list of persons entitled to take part in the Meeting</u></b> <del>to shareholders</del> voting ballots on all issues on the agenda of the Meeting via mail, e-mail or by personal delivery to the shareholder against a signature no later than <del>20</del> <b>30</b> —days before the <del>Annual</del> Shareholders Meeting <b><u>and no later than 30 days before the Shareholders Meeting if the Meeting agenda includes an item on the reorganization of the Company</u></b> <del>and no later than 25 days before the Extraordinary Shareholders Meeting.</del> ».	The amendment providing for the reduction of the deadline for sending ballots from 30 to 20 days, and if the agenda of the Meeting contains an item on the reorganization – to 30 days, is preconditioned by the change from 1 July 2016 in the date of determining (formalizing) persons entitled to participate in the general shareholders meeting (hereinafter also the “Meeting”) that is stipulated by point 1 of article 51 of the Federal Law on JSCs (as amended

			by Federal Law No. 210-FZ of 29 June 2015 (hereinafter “Law No. 210-FZ”)), according to which the above date may not be set more than 25 days before the date of holding the Meeting (more than 55 days, if stipulated by point 2 of article 53 of the Federal Law on JSCs), and if the agenda of the Meeting contains an item on the reorganization of the company – more than 35 days before said date. Therefore, the date for sending ballots to the shareholders may not be set before the date of determining (formalizing) persons entitled to participate in the Meeting. The above amendment to paragraph 2 of point 8.7 of the Company’s Charter is in line with the provision in point 2 of article 60 of the Federal Law on JSCs (as amended by Law No. 210-FZ).
4.	The first sentence of point 8.8: «The Meeting shall be presided by the Chairman of the Board of Directors or a person designated by the Board of Directors.».	The first sentence of point 8.8: «The Meeting shall be presided by the Chairman of the Board of Directors or <b><u>the Vice Chairman of the Board of Directors</u></b> <del>a person designated by the Board of Directors.</del> ».	The amendment is preconditioned by the proposed inclusion in point 9.5 of the Company’s Charter of the provision on the election of the Vice Chairman of the Board of Directors, who will carry out functions of the Chairman of the Company’s Board of Directors in case of absence of the Chairman (see also comment to point 7 of this Table).
5.	Not present in the current version.	<b><u>Add the third paragraph to point 8.9 reading as follows:</u></b> <b><u>«Shareholders who, in accordance with the rules set out in the securities laws of the Russian Federation, gave voting instructions (directives) to persons keeping record of their rights to</u></b>	The addendum is preconditioned by defining the procedure for determining a quorum for the shareholders Meeting according to the last paragraph of point 1 of article 58 of the Federal Law on

		<u>shares shall also be considered to have participated in the Meeting, if notifications with declaration of their intent have been received no later than two days before the date of the Meeting or the deadline for receiving ballots in case the Meeting is held in the form of absentee voting.».</u>	JSCs (as amended by Law No. 210-FZ), which enters into force from 1 July 2016.
6.	Not present in the current version.	<u>Add the second paragraph to point 8.19 reading as follows:</u> <u>«If on the date of determining (formalizing) persons entitled to participate in the Meeting a shareholder registered in the Company's shareholder register is a nominee shareholder, information contained in the report on voting results shall be sent to the nominee holder of shares in accordance with the rules set out in the securities laws of the Russian Federation for the provision of information and materials to persons who exercise rights to securities.».</u>	The purpose of the amendment is to reflect in point 8.19 of the Company's Charter the provisions of paragraph 2 of point 4 of article 62 of the Federal Law on JSCs (as amended by Law No. 210-FZ), which stipulate the procedure for sending information contained in the report on voting results to the nominee holders of shares registered in the Company's shareholder register on the date of determining (formalizing) persons entitled to participate in the Meeting and enter into force from 1 July 2016.
7.	Point 9.5: «9.5. The members of the Board of Directors shall elect a Chairman from among their number for the entire term of office of the Board of Directors.».	Point 9.5: «9.5. The members of the Board of Directors shall elect a Chairman <u>and a Vice Chairman</u> from among their number for the entire term of office of the Board of Directors. <u>In the Chairman's absence, his/her functions shall be performed by the Vice Chairman of the Board of Directors.».</u>	The addendum is preconditioned by the advisability of electing a standing Vice Chairman of the Board of Directors who may carry out functions of the Chairman of the Company's Board of Directors in the absence of the latter for the purpose of taking urgent decisions related to convening and holding meetings of the Company's Board of Directors.
8.	The first paragraph of point 9.6 : «9.6. The Chairman of the Board of Directors shall preside over meetings of the Board. In his absence, Board members shall elect a person to preside over the meeting from among those present.».	The first paragraph of point 9.6 : «9.6. The Chairman of the Board of Directors ( <u>and in his/her absence, the Vice Chairman</u> ) shall preside over meetings of the Board. <u>In the absence of the Chairman and Vice Chairman,</u> Board members shall elect a person to preside over the	See comment to point 7 of this Table.

		meeting from among those present.».	
9.	Sub-point 9.7.4 of point 9.7: «9.7.4. setting the date for compiling the list of persons entitled to participate in the Shareholders Meeting, as well as other matters related to preparation and holding of the Shareholders Meeting provided for by the laws of the Russian Federation;».	Sub-point 9.7.4 of point 9.7: «9.7.4. setting the date for <b><u>determining (formalizing)</u></b> <del>compiling</del> the list of persons entitled to participate in the Shareholders Meeting, as well as other matters related to preparation and holding of the Shareholders Meeting provided for by the laws of the Russian Federation;».	The amendment is preconditioned by the replacement from 1 July 2016 of the phrase “the date the list of persons entitled to participate in the Meeting was compiled” with the phrase “the date persons entitled to participate in the Meeting were determined (formalized)” in the Federal Law on JSCs (as amended by Law No. 210-FZ).
10.	Point 9.14: «9.14. Agendas shall be prepared for Board meetings and clerical support shall be provided by the Secretary of the Board of Directors, who shall be appointed by decision of the Board of Directors on the recommendation of the Chairman of the Board of Directors.».	Point 9.14: «9.14. Agendas shall be prepared for Board meetings and clerical support shall be provided by the Secretary of the Board of Directors, <b><u>whose functions shall be performed by the Corporate Secretary of the Company.</u></b> <del>who shall be appointed by decision of the Board of Directors on the recommendation of the Chairman of the Board of Directors.»</del>	The purpose of the addendum is to reflect in the Charter the provision that functions of the secretary of the Company’s Board of Directors shall be carried out by the Secretary of the Company.
11.	The first sentence of point 13.2: «The Company shall create a reserve fund and may create other financial funds.».	The first sentence of point 13.2: «The Company shall create a reserve fund and may create other <del>financial</del> funds.».	The purpose of the amendment is to bring the wording of point 13.2 of the Company’s Charter in line with the wording of sub-point 12 of point 1 of article 65 of the Federal Law on JSCs and that of sub-point 9.7.14 of point 9.7 of the Company’s Charter.

Deleted provisions are shown in this table as strikethrough text, and new provisions are shown as bold and underlined text.

**Amendments and addenda**  
**to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO “LUKOIL”***

1. In the title of the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of OAO “LUKOIL”* the phrase “OAO “LUKOIL” shall be replaced with the phrase “PJSC “LUKOIL”.

2. In point 1.1 the word “Open” shall be replaced with the word “Public”.

3. Revise paragraph 1 of point 2.7 to read as follows:

“2.7. Proposals on introducing items to the agenda of a Meeting and proposals on nominating candidates to the Company’s management bodies will be submitted with an indication of the names (name) of the shareholders (shareholder) submitting them and the number and category (type) of shares belonging thereto, and should be signed by the shareholders (shareholder) or representatives thereof. Shareholders (shareholder) of the Company who are (is) not registered in the Company’s shareholder register are (is) entitled to submit proposals on items for the agenda of the Meeting and proposals on nominating candidates also by giving appropriate instructions (directives) to a person who keeps record of their rights to shares. Such instructions (directives) are given in accordance with the rules set out in the securities laws of the Russian Federation.”.

4. In point 3.1:

a) revise paragraphs 3, 4 and 5 to read as follows:

“the date, place and time of the Meeting, the time of the start of registration of persons participating in the Meeting, the postal address to which completed ballots can be sent, or if the Meeting is conducted through absentee voting – the deadline for receiving ballots and the postal address to which the completed ballots should be sent;

the date of determining (formalizing) persons entitled to participate in a Meeting;

the deadline for receiving proposals from shareholders on nominating candidates for election to the Board of Directors of the Company, if the agenda of an extraordinary Meeting contains an item on the election of members of the Company’s Board of Directors;”;

b) revise paragraph 9 to read as follows:

“the form and text of the ballots, as well as the wording of resolutions on items of the agenda of the Meeting, which are to be sent in electronic form (in the form of electronic documents) to nominee holders of shares registered in the Company’s shareholder register.”.

5. In Section 4 “Preparation of the list of persons entitled to participate in a Meeting”:

a) revise point 4.1 to read as follows:

“4.1. The list of persons entitled to participate in the Meeting will be compiled in accordance with the rules set out in the securities laws of the Russian Federation for the preparation of the list of persons who exercise rights to securities.”;

b) delete points 4.2–4.7;

c) point 4.8 shall be point 4.2 and shall read as follows:

“4.2. The list of persons entitled to participate in the Meeting, other than information on declaration of intent thereof, will be provided at the request of persons included in this list and having at least one per cent of votes. Information that may help identify individuals included in this list, other than full names thereof, may be provided solely with the consent from such individuals.”;

d) point 4.9 shall be point 4.3 and shall read as follows:

“4.3. Information on the date of determining (formalizing) persons entitled to participate in the Meeting shall be disclosed by the Company at least 7 days before said date.”.

6. In Section 5 “Notifying shareholders of the holding of a Meeting”:

a) in point 5.3:

- revise paragraph 3 to read as follows:

“the type of the Meeting (annual or extraordinary), the form in which the Meeting will be held (meeting or absentee voting), and identification attributes of shares whose holders are entitled to participate in the Meeting;”;

- revise paragraph 5 to read as follows:

“the date when persons entitled to participate in the Meeting will be determined (formalized);”;

b) revise point 5.4 to read as follows:

“5.4. Information (materials) which is (are) to be provided to persons entitled to participate in the Meeting when preparing for the Meeting must be made available to the above persons within 20 days, and if the agenda of the Meeting contains an item on the reorganization of the Company – within 30 days before the



date of the Meeting in the procedure established in points 5.6 and 5.7 of these Regulations.”;

c) in point 5.7:

- revise paragraphs 1, 2 and 3 to read as follows:

“5.7. The materials (information) to be provided to persons entitled to participate in the Meeting when preparing for the Meeting include(s):

the Company’s annual report and the report of the Audit Commission of the Company on the results of reviewing the annual report;

the annual financial statements, Auditors’ report, and opinion of the Company’s Audit Commission on the results of the audit of such financial statements;”;

- revise paragraphs 9 and 10 to read as follows:

“recommendations of the Company’s Board of Directors on distribution of profits (including on the payment (declaration) of dividends on the Company’s shares based on the results of the reporting year);

other information (materials) stipulated by effective legislation, in-house documents of the Company, and the decisions of the Company’s Board of Directors.”;

d) revise point 5.8 to read as follows:

“5.8. If a person listed in the Company’s shareholder register is a nominee holder of shares, the notice on the holding of the Meeting and information (materials) to be provided to persons entitled to participate in the Meeting during preparations for the Meeting shall be provided in accordance with the rules set out in the securities laws of the Russian Federation for the provision of information and materials to persons who exercise rights to securities.”.

7. In Section 6 “Methods of participation of shareholders and their representatives in a Meeting. Procedure for drafting powers of attorney”:

a) revise point 6.14 to read as follows:

“6.14. If shares are transferred after the date when persons entitled to participate in the Meeting have been determined (formalized), but prior to the holding of the Meeting, the person included in the list of persons entitled to participate in the Meeting will be required to issue a voting proxy to the buyer or vote at the Meeting according to the instructions of the buyer of shares, if this is stipulated by share transfer agreement.”;

b) in point 6.15 the phrase “after the list of persons entitled to participate in the Meeting has been drafted” shall be replaced with the phrase “the date when persons entitled to participate in the Meeting have been determined (formalized)”.

8. In Section 9 “Holding of the Meeting”:

a) paragraph 3, which shall read as follows, shall be added to point 9.3:

“Shareholders who, in accordance with the rules set out in the securities laws of the Russian Federation, gave voting instructions (directives) to persons keeping record of their rights to shares, shall also be considered to have participated in the Meeting, if notifications with declaration of their intent have been received no later than 2 days before the date of holding the Meeting or the deadline for receiving ballots in case the Meeting will be held in the form of absentee voting.”;

b) in paragraphs 1 and 4 of point 9.5 the phrase “date of compilation of the list of persons entitled to participate in the Meeting” shall be replaced with the phrase “date of determining (formalizing) persons entitled to participate in the Meeting”;

c) paragraph 2, which shall read as follows, shall be added to point 9.13:

“Any person entitled to participate in the Meeting (or a representative thereof) shall have the right to call for authorization by the Counting Commission of the copy of the ballot completed by him/her before the closing of the Meeting.”;

d) revise sentence 1 of point 9.16 to read as follows:

“The Meeting will be opened and run by the Chairman of the Board of Directors or Vice Chairman.”.

9. In Section 10 “Voting procedure”:

a) revise paragraph 1 of point 10.2 to read as follows:

“10.2. The Company will send to each person indicated in the list of persons entitled to participate in the Meeting ballots on all agenda items of the Meeting via mail, e-mail or by personal delivery to the shareholder against a signature no later than 20 days before the date of the Meeting, and if the agenda of the Meeting contains an item on the reorganization of the Company – no later than 30 days before said date. When determining quorum and voting results, ballots received by the Company by mail, e-mail with a certified electronic digital signature no later than 2 days before the date of the Meeting will be taken into account. In absentee voting, completed ballots should be received at the Company before the day that is the deadline for the receipt of ballots. The date of a Meeting held in the form of absentee voting is the date of the deadline for the receipt of ballots.”;

b) in point 10.4 the phrase “the date when the list of persons entitled to participate in the Meeting was compiled” shall be replaced with the phrase “the date when persons entitled to participate in the Meeting were determined (formalized)”.

10. In Section 11 “Counting of votes”:

a) in paragraph 2 of point 11.4 and paragraph 3 of point 11.5 the phrase “the date the list of persons entitled to participate in the Meeting was compiled” shall be replaced with the phrase “the date persons entitled to participate in the Meeting were determined (formalized)”;

b) revise paragraph 2 of point 11.9 to read as follows:

“If on the date of determining (formalizing) persons entitled to participate in the Meeting a shareholder registered in the Company’s shareholder register is a nominee shareholder, information contained in the report on voting results will be provided to the nominee shareholder in accordance with the rules set out in the securities laws of the Russian Federation for the provision of information and materials to persons who exercise rights to securities.”.

11. In Section 12 “Minutes of the Meeting”:

a) revise paragraph 5 of point 12.2 to read as follows:

“the date when persons entitled to participate in the Meeting were determined (formalized);”;

b) revise point 12.5 to read as follows:

“12.5. One copy of the minutes of the Meeting is held for storage in the Company’s archive, and one copy with the Secretary of the Company.”;

c) revise sentence 1 of point 12.7 to read as follows:

“If necessary, a copy of the minutes of the Meeting and/or an excerpt from the minutes of the Meeting will be issued and signed by the Secretary of the Company (in his/her absence, the Deputy Chief of Staff of PJSC “LUKOIL”) and certified by the round seal of the Company, intended for use in the activity of the Board of Directors of the Company.”.

**Table of amendments and addenda  
to the current version of the Regulations on the *Procedure for Preparing and Holding the General Shareholders Meeting*  
of OAO “LUKOIL” (hereinafter the “Regulations”)**

No.	Current version of the Regulations	Proposed amendments and addenda to the Regulations	Comments
1.	Name of the Regulations: “REGULATIONS on the procedure for preparing and holding the general shareholders meeting of OAO “LUKOIL”.”.	Name of the Regulations: “REGULATIONS on the procedure for preparing and holding the general shareholders meeting of <del>ОАО</del> <b>PJSC</b> “LUKOIL”.”.	The purpose of the amendment is to bring the name of the Company in line with point 1.1 of the Charter of PJSC “LUKOIL” (hereinafter referred to as the “Company”).
2.	Point 1.1: “1.1. The Regulations On The Procedure For Preparing And Holding The General Shareholders Meeting Of Open Joint Stock Company “Oil company “LUKOIL” (hereinafter the “Regulations”) have been drafted in accordance with the effective legislation of the Russian Federation and the Charter of Open Joint Stock Company “Oil company “LUKOIL” (hereinafter the “Company”), and regulate the procedural issues involved in the preparations for and conduct of a general shareholders meeting of the Company.”.	Point 1.1: “1.1. The Regulations On The Procedure For Preparing And Holding The General Shareholders Meeting Of <del>Open</del> <b>Public</b> Joint Stock Company “Oil company “LUKOIL” (hereinafter the “Regulations”) have been drafted in accordance with the effective legislation of the Russian Federation and the Charter of <del>Open</del> <b>Public</b> Joint Stock Company “Oil company “LUKOIL” (hereinafter the “Company”), and regulate the procedural issues involved in the preparations for and conduct of a general shareholders meeting of the Company.”.	See comment to point 1 of the Table.

No.	Current version of the Regulations	Proposed amendments and addenda to the Regulations	Comments
3.	<p>Paragraph 1 of point 2.7:</p> <p>“2.7. Proposals on introducing items to the agenda of a Meeting and proposals on nominating candidates for the Company’s management bodies will be submitted with an indication of the names (name) of the shareholders (shareholder) submitting them and the number and category (type) of shares belonging thereto, and should be signed by the shareholders (shareholder).”.</p>	<p>Paragraph 1 of point 2.7:</p> <p>“2.7. Proposals on introducing items to the agenda of a Meeting and proposals on nominating candidates to the Company’s management bodies will be submitted with an indication of the names (name) of the shareholders (shareholder) submitting them and the number and category (type) of shares belonging thereto, and should be signed by the shareholders (shareholder) <b><u>or representatives thereof. Shareholders (shareholder) of the Company who are (is) not registered in the Company’s shareholder register are (is) entitled to submit proposals on items for the agenda of the Meeting and proposals on nominating candidates also by giving appropriate instructions (directives) to a person who keeps record of their rights to shares. Such instructions (directives) are given in accordance with the rules set out in the securities laws of the Russian Federation.</u></b>”.</p>	<p>The purpose of the addenda is to bring the wording of paragraph 1 of point 2.7 of these Regulations in line with point 3 of article 53 of the Federal Law “On Joint Stock Companies” (hereinafter referred to as “the Federal Law on JSCs”) (as amended by the Federal Law “On the Introduction of Amendments to Certain Legislative Acts of the Russian Federation, and also on the Invalidity of Certain Provisions of Legislative Acts of the Russian Federation” No. 210-FZ of 29 June 2015 (hereinafter referred to as “Law No. 210-FZ”), with such amendments entering into force on 1 July 2016.</p>
4.	<p>Point 3.1:</p> <p>“3.1. When preparing for the holding of the Meeting, the Board of Directors of the Company will determine:</p> <p style="padding-left: 40px;">the form of the Meeting (a meeting (joint attendance of shareholders to discuss agenda items and take decisions on issues put to a vote) with preliminary distribution (dispatch) of ballots prior to the conduct of the Meeting (hereinafter also referred to as the “mixed form”)) or absentee voting);</p> <p style="padding-left: 40px;">the date, place and time of the</p>	<p>Point 3.1:</p> <p>“3.1. When preparing for the holding of the Meeting, the Board of Directors of the Company will determine:</p> <p style="padding-left: 40px;">the form of the Meeting (a meeting (joint attendance of shareholders to discuss agenda items and take decisions on issues put to a vote) with preliminary distribution (dispatch) of ballots prior to the conduct of the Meeting (hereinafter also referred to as the “mixed form”)) or absentee voting);</p> <p style="padding-left: 40px;">the date, place and time of the Meeting,</p>	<p>The purpose of the amendments is to bring the terminology and wording of point 3.1 of these Regulations in line with those of article 54 of the Federal Law on JSCs (as amended by Law No. 210-FZ) with due consideration of point 1 of article 60 of the Federal Law on JSCs (as amended by Law No. 210-FZ) that specifies that voting on the agenda items of a general shareholders meeting of a public joint stock company should be performed by ballots.</p>

No.	Current version of the Regulations	Proposed amendments and addenda to the Regulations	Comments
	<p>Meeting, the time of the start of registration of persons participating in the Meeting, and in those cases when completed ballots may be sent to the Company based on the Federal Law On Joint Stock Companies and the Company Charter – the postal address to which completed ballots can be sent, or if the Meeting is conducted through absentee voting – the deadline for receiving ballots and the postal address to which the completed ballots should be sent;</p> <p>the date when the list of persons entitled to participate in a Meeting will be prepared;</p> <p>the agenda of the Meeting;</p> <p>the procedure for notifying shareholders of the holding of a Meeting;</p> <p>the list of information (materials) to be provided to shareholders when preparing for the holding of a Meeting, and the procedure for delivering it (them);</p> <p>the form and text of the ballots, if voting is to be performed by ballot.”.</p>	<p>the time of the start of registration of persons participating in the Meeting, <del>and in those cases when completed ballots may be sent to the Company based on the Federal Law On Joint Stock Companies and the Company Charter</del> the postal address to which completed ballots can be sent, or if the Meeting is conducted through absentee voting – the deadline for receiving ballots and the postal address to which the completed ballots should be sent;</p> <p>the date <del>when the list of</del> <b><u>determining (formalizing)</u></b> persons entitled to participate in a Meeting <del>will be prepared</del>;</p> <p><b><u>the deadline for receiving proposals from shareholders on nominating candidates for election to the Board of Directors of the Company, if the agenda of an extraordinary Meeting contains an item on the election of members of the Company’s Board of Directors;</u></b></p> <p>the agenda of the Meeting;</p> <p>the procedure for notifying shareholders of the holding of a Meeting;</p> <p>the list of information (materials) to be provided to shareholders when preparing for the holding of a Meeting, and the procedure for delivering it (them);</p> <p>the form and text of the ballots, <del>if voting is to be performed by ballot</del> <b><u>as well as the wording of resolutions on items of the agenda of the Meeting, which are to be sent in electronic form (in the form of electronic documents) to nominee holders of shares registered in the Company’s shareholder</u></b></p>	

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		<u>register.</u> ".	
5.	Point 4.1: "4.1. The list of persons entitled to participate in the Meeting will be compiled by the Registrar based on the data from the Company's share register on the date established by the Board of Directors of the Company in accordance with the norms of the Federal Law On Joint Stock Companies."	Point 4.1: "4.1. The list of persons entitled to participate in the Meeting will be compiled <del>by the Registrar based on the data from the Company's share register on the date established by the Board of Directors of the Company in accordance with the norms of the Federal Law On Joint Stock Companies</del> <b><u>in accordance with the rules set out in the securities laws of the Russian Federation for the preparation of the list of persons who exercise rights to securities.</u></b> "	The purpose of the amendment is to bring the wording of point 4.1 of these Regulations in line with point 1 of article 51 of the Federal Law on JSCs (as amended by Law No. 210-FZ).
6.	Points 4.2–4.7: "4.2. The list of persons entitled to participate in a Meeting should contain the following information: the name of each person; the necessary identification data; data on the number and category (type) of shares belonging thereto that confer voting rights; the postal address in the Russian Federation to which the notice on the holding of a Meeting, ballots (in those cases when voting involves the sending of ballots), and the report on the voting results should be sent.	<b>Points 4.2–4.7 shall be deleted. Points 4.8–4.9 of these Regulations shall be considered points 4.2 and 4.3, respectively.</b>	Deletion of the above points related to the contents of the list of persons entitled to participate in a Meeting, as well as to introducing amendments thereto, is preconditioned by the change from 1 July 2016 in the procedure for compiling the list and complying with the rules set out in the securities laws of the Russian Federation for the preparation of the list of persons who exercise rights to securities. These rules are stipulated by article 8.7-1 of Federal Law No. 39-FZ of 22 April 1996 "On the Securities Market" (as amended by Law No. 210-FZ), however the list of data to be included in the list of persons who exercise rights to securities

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	<p>the number of the personal account (deposit account) of this person in the register.</p> <p>4.3. If the Company's shares constitute the property of unit trust investment funds, the management companies of these unit trust investment funds will be included in the list of persons entitled to participate in the Meeting.</p> <p>4.4. If the Company's shares have been deposited in the personal account (depot account) of a trust manager, the trust manager in the account of which the shares were deposited, or the founder of the trust, information on which has been provided by the trust manager will be included in the list of persons entitled to participate in the Meeting.</p> <p>4.5. The list of persons entitled to participate in the Meeting shall also present information on the number of shares registered on the account of unidentified persons.</p> <p>4.6. The list of persons entitled to participate in the Meeting shall also present information on the number of shares for which the nominee shareholder has not provided the information that is to be included in the given list.</p> <p>4.7. Changes in the list of persons entitled to participate in a Meeting may only be made in the event of the restoration of the violated rights of persons who were not included in the list on the date when it was</p>		<p>is not exhaustive and may be expanded by regulatory acts of the Bank of Russia. Accordingly, respective provisions related to the list of persons entitled to participate in the Meeting may be included in these Regulations, if any amendments have been introduced to the provisions of the Regulation on Additional Requirements to the Procedure for Preparing, Convening and Holding of the General Shareholders Meeting approved by Order of the Federal Financial Markets Service of the Russian Federation No. 12-6/pz-n of 2 February 2012 (as amended by Order of the Federal Financial Markets Service of the Russian Federation No. 13-65/pz-n of 30 July 2013), which govern the procedure for compiling the list of persons entitled to participate in the Meeting.</p>



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	prepared or the correction of mistakes made when it was prepared.”.		
7.	Point 4.8: “4.8. The list of persons entitled to participate in the Meeting or a copy thereof will be provided at the request of a person (persons) included in the indicated list and having at least 1 per cent of votes on any item on the agenda of the Meeting, according to the procedure established for providing information (materials) when preparing for the holding of a Meeting.”.	Point <b>4.2</b> : “ <b>4.2.</b> The list of persons entitled to participate in the Meeting, <b><u>other than information on declaration of intent thereof,</u></b> <del>or a copy thereof</del> will be provided at the request of a <del>person</del> (persons) included in <b><u>this</u></b> <del>the indicated</del> list and <del>(having)</del> at least <b><u>one</u></b> per cent of votes <del>on any item on the agenda of the Meeting,</del> according to the procedure established for providing information (materials) when preparing for the holding of a Meeting. <b><u>Information that may help identify individuals included in this list, other than full names thereof, may be provided solely with the consent from such individuals.</u></b> ”.	The purpose of the amendments and addenda is to bring the wording of point 4.8 of these Regulations in line with point 4 of article 51 of the Federal Law on JSCs (as amended by Law No. 210-FZ).
8.	Point 4.9: “4.9. Information on the date of preparation of the list of persons entitled to participate in the Meeting shall be disclosed by the Company at least 5 days before said date.”.	Point <b>4.3</b> : “ <b>4.3.</b> Information on the date of <b><u>determining (formalizing)</u></b> <del>preparation of the list of</del> persons entitled to participate in the Meeting shall be disclosed by the Company at least <del>5</del> <b><u>7</u></b> days before said date.”.	The extension of the term for disclosing by the Company of information on the date of determining (formalizing) persons entitled to participate in the Meeting from 5 to 7 days is preconditioned by taking effect from 1 July 2016 of amendments to point 11 of article 2.18 of Appendix No. 2 to the Listing Rules of CJSC “MICEX Stock Exchange” as approved by the Board of Directors of CJSC “MICEX Stock Exchange” on 27 February 2015 (Protocol No. 13), and recommendations contained in point 3 of Part B “Recommendations to Corporate Governance Principles” of the Code of Corporate Governance recommended by the Bank of Russia for application by joint stock companies, whose securities have been

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			admitted to organized trading, in its letter No. 06-52/2463 of 10 April 2014 (hereinafter referred to as the “CCG”). The phrase “the date of preparation of the list of persons entitled to participate in the Meeting” was replaced with the phrase “the date of determining (formalizing) persons entitled to participate in the Meeting” in accordance with the Federal Law on JSCs (as amended by Law No. 210-FZ).
9.	Paragraph 3 of point 5.3: “ the form in which the Meeting will be held (meeting or absentee voting);”	Paragraph 3 of point 5.3: “ <b><u>the type of the Meeting (annual or extraordinary),</u></b> the form in which the Meeting will be held (meeting or absentee voting), <b><u>and identification attributes of shares whose holders are entitled to participate in the Meeting;</u></b> ”	The purpose of the addenda is to reflect in these Regulations the requirements of the Bank of Russia in respect of the contents of the notice on the holding of a Meeting specified in point 75.5 of chapter 75 of the Regulations on the Disclosure of Information by Issuers of Issuable Securities approved by the Bank of Russia on 30 December 2014, with amendments introduced by the Directive of the Bank of Russia No. 3899-U of 16 December 2015 effective from 14 March 2016.
10.	Paragraph 5 of point 5.3: “ the date when the list of persons entitled to participate in the Meeting will be prepared;”.	Paragraph 5 of point 5.3: “ the date when <del>the list of persons</del> entitled to participate in the Meeting <b><u>will be determined (formalized)</u></b> will be prepared;”.	The purpose of the amendment is to bring the wording of paragraph 5 of point 5.3 of these Regulations in line with paragraph 5 of point 2 of article 52 of the Federal Law on JSCs (as amended by Law No. 210-FZ).
11.	Point 5.4: “5.4. The date of notification of shareholders on the holding of a Meeting will be determined as the date the text of the notice on the holding of the Meeting is posted to the Company’s official websites	Point 5.4: “5.4. <b><u>Information (materials) which is (are) to be provided to persons entitled to participate in the Meeting when preparing for the Meeting must be made available to the above persons within 20 days, and if the agenda of</u></b>	A new version of point 5.4 is preconditioned by the change from 1 July 2016 in the date of determining (formalizing) persons entitled to participate in the Meeting that was established by article 51 of the Federal Law on JSCs (as amended by Law No. 210-FZ), according to

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	www.lukoil.ru and www.lukoil.com.”.	<b><u>the Meeting contains an item on the reorganization of the Company – within 30 days before the date of the Meeting in the procedure established in points 5.6 and 5.7 of these Regulations.</u></b> ” <del>“The date of notification of shareholders on the holding of a Meeting will be determined as the date the text of the notice on the holding of the Meeting is posted to the Company’s official websites www.lukoil.ru and www.lukoil.com.”.</del>	which the above date may not be set more than 25 days before the date of holding the Meeting, and if the agenda of the Meeting contains an item on the reorganization of the company – more than 35 days before said date. The above amendment to point 5.4 of these Regulations is in line with the provision in paragraph 3 of article 52 of the Federal Law on JSCs (as amended by Law No. 210-FZ).
12.	<p>Point 5.7:  “5.7. The materials (information) to be provided to the shareholders when preparing for a Meeting include(s):</p> <p>the annual report, including the report of the Board of Directors;  the annual financial statements, Auditors’ report, and opinion of the Company’s Audit Commission on the results of the audit of the annual financial statements, containing a verification of the reliability of the data contained in the Company’s annual report and annual financial statements;  information on candidates for election to the Company’s Board of Directors, Audit Commission and the post of the single-person executive body;  information on the written consent (or lack thereof) of the nominated candidates to election to the relevant Company bodies;  draft amendments and addenda to the Company Charter, or a draft new version of the Company Charter;</p>	<p>Point 5.7:  “5.7. The materials (information) to be provided to <b><u>persons entitled to participate in the Meeting</u></b> the shareholders when preparing for the Meeting include(s):</p> <p><b><u>the Company’s annual report and the report of the Audit Commission of the Company on the results of reviewing the annual report;</u></b>  <del>including the report of the Board of Directors;</del>  the annual financial statements, Auditors’ report, and opinion of the Company’s Audit Commission on the results of the audit of <del>the annual financial statements</del> <b><u>such</u></b> financial statements, <del>containing a verification of the reliability of the data contained in the Company’s annual report and annual financial statements;</del>  information on candidates for election to the Company’s Board of Directors, Audit Commission and the post of the single-person executive body;  information on the written consent (or lack thereof) of the nominated candidates to election to the relevant Company bodies;</p>	<p>The purpose of the amendments is to bring the wording of point 5.7 of these Regulations in line with paragraph 4 of point 8.7 of the Company’s Charter and paragraph 1 of point 3 of article 52 of the Federal Law on JSCs (as amended by Law No. 210-FZ).</p>

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	<p>draft internal Company documents or amendments and addenda thereto;  draft decisions of the Meeting;  recommendations of the Company's Board of Directors on distribution of profits, including on the amount of dividends on the Company's shares and the procedure for their payment, and the Company's losses based on the results of the financial year;  other information (materials) stipulated by effective legislation, the regulatory legal acts related to the financial markets, and the decisions of the Company's Board of Directors.</p> <p>The indicated information and materials will also be available to the persons participating in the Meeting at the time when the Meeting is held.”.</p>	<p>draft amendments and addenda to the Company Charter, or a draft new version of the Company Charter;  draft internal Company documents or amendments and addenda thereto;  draft decisions of the Meeting;  recommendations of the Company's Board of Directors on distribution of profits <u>(including on the <b>payment (declaration)</b> amount of dividends on the Company's shares and the procedure for their payment, and the Company's losses based on the results of the financial <b>reporting</b> year);</u>  other information (materials) stipulated by effective legislation, <del>the regulatory legal acts related to the financial markets,</del> <u><b>in-house documents of the Company,</b></u> and the decisions of the Company's Board of Directors.</p> <p>The indicated information and materials will also be available to the persons participating in the Meeting at the time when the Meeting is held.”.</p>	
13.	<p>Point 5.8:  “5.8. If a person listed in the Company's shareholder register is a nominee holder of shares, the notice on the holding of a Meeting and also the information (materials) to be provided to persons entitled to participate in the Meeting during preparations for the Meeting will be sent to the nominee holder of shares in electronic form (in the form of electronic documents signed by a digital signature). The nominee holder of shares will be required to bring this notice on the holding of the Meeting to the attention of its depositors, along with</p>	<p>Point 5.8:  “5.8. If a person listed in the Company's shareholder register is a nominee holder of shares, the notice on the holding of the Meeting ; <del>and also</del> <u><b>and</b></u> information (materials) to be provided to persons entitled to participate in the Meeting during preparations for the Meeting <del>will be sent to the nominee holder of shares in electronic form (in the form of electronic documents signed by a digital signature). The nominee holder of shares will be required to bring this notice on the holding of the Meeting to the attention of its depositors, along with the information (materials) that it received</del> <u><b>shall be</b></u></p>	<p>The purpose of the amendment is to bring the wording of point 5.8 of these Regulations in line with point 4 of article 52 of the Federal Law on JSCs (as amended by Law No. 210-FZ).</p>

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	the information (materials) that it received in accordance with this point, according to the procedure and by the deadlines established by regulatory legal acts of the Russian Federation or the contract with the depositor.”.	<b><u>provided</u></b> in accordance with the <del>with this point, according to the procedure and by the deadlines established by regulatory legal acts</del> <b><u>rules set out in the securities laws</u></b> of the Russian Federation <del>or the contract with the depositor</del> <b><u>for the provision of information and materials to persons who exercise rights to securities.</u></b> ”.	
14.	Point 6.14: “6.14. If shares are transferred after the list of persons entitled to participate in the Meeting has been compiled, but prior to the holding of the Meeting (hereinafter “shares transferred after the compilation of the list”), the person included in the list will be required to issue a voting proxy to the buyer or vote at the Meeting according to the instructions of the buyer of the shares, if this is stipulated by the share transfer agreement.”.	Point 6.14: “6.14. If shares are transferred after the <b><u>date when</u></b> <del>the list of persons entitled to participate in the Meeting</del> <b><u>have been determined (formalized)</u></b> , <del>has been compiled but prior to the holding of the Meeting (hereinafter “shares transferred after the compilation of the list”)</del> , the person included in the list of <b><u>persons entitled to participate in the Meeting</u></b> will be required to issue a voting proxy to the buyer or vote at the Meeting according to the instructions of the buyer of shares, if this is stipulated by share transfer agreement.”.	The amendments are preconditioned by the replacement of the phrase “after the list of persons entitled to participate in the Meeting has been compiled” with the phrase “the date when persons entitled to participate in the Meeting have been determined (formalized)” in the Federal Law on JSCs (as amended by Law No. 210-FZ).
15.	Point 6.15: “6.15. If shares are transferred to two or more buyers after the list of persons entitled to participate in the Meeting has been drafted, the person included in the list of persons entitled to participate in the Meeting will be required, if specified by the share transfer agreement (agreements), to vote at the Meeting according to the instructions of each corresponding buyer of the shares or to issue each such buyer a voting proxy, indicating therein the number of shares on which voting rights are conferred.”.	Point 6.15: “6.15. If shares are transferred to two or more buyers after the <b><u>date when</u></b> <del>list of persons</del> <b><u>entitled to participate in the Meeting have been determined (formalized)</u></b> <del>has been drafted</del> , the person included in the list of persons entitled to participate in the Meeting will be required, if specified by the share transfer agreement (agreements), to vote at the Meeting according to the instructions of each corresponding buyer of the shares or to issue each such buyer a voting proxy, indicating therein the number of shares on which voting rights are conferred.”.	The amendment is preconditioned by the replacement of the phrase “after the list of persons entitled to participate in the Meeting has been drafted” with the phrase “the date when persons entitled to participate in the Meeting have been determined (formalized)” in the Federal Law on JSCs (as amended by Law No. 210-FZ).

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16.	The current version does not contain this text.	<b><u>Paragraph 3, which shall read as follows, shall be added to point 9.3:</u></b> <b><u>“Shareholders who, in accordance with the rules set out in the securities laws of the Russian Federation, gave voting instructions (directives) to persons keeping record of their rights to shares, shall also be considered to have participated in the Meeting, if notifications with declaration of their intent have been received no later than 2 days before the date of holding the Meeting or the deadline for receiving ballots in case the Meeting will be held in the form of absentee voting.”.</u></b>	The addendum is preconditioned by defining the procedure for determining a quorum for the general shareholders Meeting according to the last paragraph of point 1 of article 58 of the Federal Law on JSCs (as amended by Law No. 210-FZ).
17.	Point 9.5: “9.5. Quorum for the Meeting (quorum for issues on the agenda of the Meeting) is determined proceeding from the number of outstanding (circulating and uncanceled) voting shares of the Company as at the date of compilation of the list of persons entitled to participate in the Meeting, with the exception of: shares, title to which has passed to the Company; shares that constitute more than 30, 50 or 75 percent of the total number of outstanding ordinary shares in the Company, if such shares belong to a person that in accordance with the requirements of the Federal Law On Joint Stock Companies is obligated to make a mandatory offer and has not sent a mandatory offer to the Company, and also its affiliates;	Point 9.5: “9.5. Quorum for the Meeting (quorum for issues on the agenda of the Meeting) is determined proceeding from the number of outstanding (circulating and uncanceled) voting shares of the Company as at the date of <b><u>determining (formalizing)</u></b> <del>compilation of the list of persons</del> entitled to participate in the Meeting, with the exception of: shares, title to which has passed to the Company; shares that constitute more than 30, 50 or 75 percent of the total number of outstanding ordinary shares in the Company, if such shares belong to a person that in accordance with the requirements of the Federal Law On Joint Stock Companies is obligated to make a mandatory offer and has not sent a mandatory offer to the Company, and also its affiliates; shares cancelled after the date of	The amendments are preconditioned by the replacement of the phrase “date of compilation of the list of persons entitled to participate in the Meeting” with the phrase “date of determining (formalizing) persons entitled to participate in the Meeting” in the Federal Law on JSCs (as amended by Law No. 210-FZ).

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	<p>shares cancelled after the date when the list of persons entitled to participate in the Meeting was compiled and before the date when the Meeting is conducted;</p> <p>shares belonging to persons that in accordance with the Federal Law On Joint Stock Companies have an interest in the performance by the Company of a transaction (several related transactions), when determining a quorum for the issue of the approval of the transaction (several related transactions) of the Company in respect of which there is an interested party;</p> <p>shares belonging to the members of the Board of Directors of the Company or persons holding positions in the management bodies of the Company, when a quorum is determined for the issue of the election of the Audit Commission of the Company.</p> <p>When determining a quorum and counting votes, the part of the votes representing fractional shares are summed up without rounding.”.</p>	<p><b><u>determining (formalizing)</u></b> <del>when the list of</del> persons entitled to participate in the Meeting <del>was compiled</del> and before the date when the Meeting is conducted;</p> <p>shares belonging to persons that in accordance with the Federal Law On Joint Stock Companies have an interest in the performance by the Company of a transaction (several related transactions), when determining a quorum for the issue of the approval of the transaction (several related transactions) of the Company in respect of which there is an interested party;</p> <p>shares belonging to the members of the Board of Directors of the Company or persons holding positions in the management bodies of the Company, when a quorum is determined for the issue of the election of the Audit Commission of the Company.</p> <p>When determining a quorum and counting votes, the part of the votes representing fractional shares are summed up without rounding.”.</p>	
18.	The current version does not contain this text.	<p><b><u>Paragraph 2, which shall read as follows, shall be added to point 9.13:</u></b></p> <p><b><u>“Any person entitled to participate in the Meeting (or a representative thereof) shall have the right to call for authorization by the Counting Commission of the copy of the ballot completed by him/her before the closing of the Meeting.”.</u></b></p>	The purpose of the addendum is to reflect in these Regulations the recommendation contained in point 23 of Part B “Recommendations to Corporate Governance Principles” of the CCG related to the corporate governance principle specified in point 1.1.5 of Part A “Principles of Corporate Governance”, compliance with which is to be disclosed in the Report on Compliance with the Principles and

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			Recommendations of the Code of Corporate Governance which is to be included in the Company's annual report according to the Letter of the Bank of Russia No. IN-06-52/8 of 17 February 2016.
19.	Sentence 1 of point 9.16: "The Meeting will be opened and run by the Chairman of the Board of Directors or a person appointed by the Board of Directors."	Sentence 1 of point 9.16: "The Meeting will be opened and run by the Chairman of the Board of Directors or <del>a person appointed by the Board of Directors</del> <b><u>Vice Chairman.</u></b> "	The amendment is preconditioned by the proposed introduction to point 9.5 of the Company's Charter of the position of Vice Chairman of the Board, who will carry out functions of the Chairman of the Company's Board of Directors in case of absence of the Chairman.
20.	Paragraph 1 of point 10.2: "10.2. "The Company will send to shareholders ballots on all agenda items of the Meeting via mail, e-mail or by personal delivery to the shareholder against a signature no later than 30 days before the date of the annual Meeting and no later than 25 days before the date of an extraordinary Meeting. When determining quorum and voting results, ballots received by the Company by mail, e-mail with a certified electronic digital signature or via delivery by the shareholder to the Counting Commission no later than 2 days before the date of the Meeting will be taken into account. In absentee voting, ballots are sent to shareholders not later than 30 days before the date established as the deadline for the receipt of ballots by the Company. Completed ballots should be received at the Company before the day that is the deadline for the receipt of ballots. The date	Paragraph 1 of point 10.2: "10.2. The Company will send <b><u>to each person indicated in the list of persons entitled to participate in the Meeting</u></b> <del>shareholders</del> ballots on all agenda items of the Meeting via mail, e-mail or by personal delivery to the shareholder against a signature no later <del>30</del> <b><u>than 20</u></b> days before the date of the <del>annual</del> Meeting <del>and no later than 25 days before the date of an extraordinary Meeting,</del> <b><u>and if the agenda of the Meeting contains an item on the reorganization of the Company – no later than 30 days before said date.</u></b> When determining quorum and voting results, ballots received by the Company by mail, e-mail with a certified electronic digital signature <del>or via delivery by the shareholder to the Counting Commission</del> no later than 2 days before the date of the Meeting will be taken into account. In absentee voting, <del>ballots are sent to shareholders not later than 30 days before the date established as the deadline for the receipt of ballots by the</del>	The amendment providing for the reduction of the deadline for sending ballots from 30 to 20 days, and if the agenda of the Meeting contains an item on the reorganization – to 30 days, is preconditioned by the change from 1 July 2016 in the date of determining (formalizing) persons entitled to participate in the shareholders meeting that is stipulated by article 51 of the Federal Law on JSCs (as amended by Law No. 210-FZ), according to which the above date may not be set more than 25 days before the date of holding the Meeting, and if the agenda of the Meeting contains an item on the reorganization of the company – more than 35 days before said date. The above amendment to paragraph 1 of point 10.2 of these Regulations is in line with the provision in point 2 of article 60 of the Federal Law on JSCs (as amended by Law No. 210-FZ).



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	of a Meeting held in the form of absentee voting is the date of the deadline for the receipt of ballots.”.	<del>Company.</del> Completed ballots should be received at the Company before the day that is the deadline for the receipt of ballots. The date of a Meeting held in the form of absentee voting is the date of the deadline for the receipt of ballots.”.	
21.	<p>Point 10.4:  “10.4. The ballot should contain the following explanations:  the voter is entitled to select only one voting option, except in those cases when voting pursuant to the instructions of the persons that acquired shares after the date when the list of persons entitled to participate in the Meeting was compiled or pursuant to the instructions of the owners of depositary securities;  if more than one voting option is marked on a ballot, the number of votes given to each voting option must be indicated in the fields for setting down the number of votes given for each option, and a note should be made indicating that voting is being performed pursuant to the instructions of the purchasers of shares that were transferred after the date when the list of persons having the right to participate in the Meeting was compiled and/or pursuant to the instructions of the owners of depositary securities;  a person voting on the basis of a voting proxy issued in respect of shares transferred after the date when the list of persons entitled to participate in the</p>	<p>Point 10.4:  “10.4. The ballot should contain the following explanations:  the voter is entitled to select only one voting option, except in those cases when voting pursuant to the instructions of the persons that acquired shares after the date when <del>the list of</del> persons entitled to participate in the Meeting <b><u>were determined (formalized)</u></b> <del>was compiled</del> or pursuant to the instructions of the owners of depositary securities;  if more than one voting option is marked on a ballot, the number of votes given to each voting option must be indicated in the fields for setting down the number of votes given for each option, and a note should be made indicating that voting is being performed pursuant to the instructions of the purchasers of shares that were transferred after the date when <del>the list of</del> persons entitled to participate in the Meeting <b><u>were determined (formalized)</u></b> <del>was compiled</del> and/or pursuant to the instructions of the owners of depositary securities;  a person voting on the basis of a voting proxy issued in respect of shares transferred after the date when <del>the list of</del> persons entitled to participate in the Meeting <b><u>were determined (formalized)</u></b> <del>was compiled</del> should indicate the</p>	The amendments are preconditioned by the replacement of the phrase “the date when the list of persons entitled to participate in the Meeting was compiled” with the phrase “the date when persons entitled to participate in the Meeting were determined (formalized)” in the Federal Law on JSCs (as amended by Law No. 210-FZ).

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	<p>Meeting was compiled should indicate the number of votes given to a voting option in the appropriate field opposite the voting option, and make a note indicating that voting is being performed on the basis of a voting proxy for shares transferred after the date when the list of persons entitled to participate in the Meeting was compiled;</p> <p>if not all shares were transferred after the date when the list of persons entitled to participate in the Meeting was compiled, the voter should indicate the number of votes given to a voting option in the appropriate field opposite the voting option and make a note indicating that part of the shares were transferred after the date when the list of persons entitled to participate in the Meeting was compiled. If instructions of the buyers are received in relation to the shares transferred after the date when the list of persons entitled to participate in the Meeting was compiled, and these instructions correspond to the voting option chosen, then these votes are tallied.”.</p>	<p>number of votes given to a voting option in the appropriate field opposite the voting option, and make a note indicating that voting is being performed on the basis of a voting proxy for shares transferred after the date when <del>the list of</del> persons entitled to participate in the Meeting <b><u>were determined (formalized)</u></b> <del>was compiled</del>;</p> <p>if not all shares were transferred after the date when <del>the list of</del> persons entitled to participate in the Meeting <b><u>were determined (formalized)</u></b> <del>was compiled</del>, the voter should indicate the number of votes given to a voting option in the appropriate field opposite the voting option and make a note indicating that part of the shares were transferred after the date when <del>the list of</del> persons entitled to participate in the Meeting <b><u>were determined (formalized)</u></b> <del>was compiled</del>. If instructions of the buyers are received in relation to the shares transferred after the date when <del>the list of</del> persons entitled to participate in the Meeting <b><u>were determined (formalized)</u></b> <del>was compiled</del>, and these instructions correspond to the voting option chosen, then these votes are tallied.”.</p>	
22.	<p>Paragraph 2 of point 11.4:</p> <p>“This rule does not extend to ballots signed by the person that issued the voting proxy in respect of shares transferred after the date the list of persons entitled to participate in the Meeting was compiled, and/or persons acting on the basis of such voting proxies, in which the fields for marking the number of votes cast for each</p>	<p>Paragraph 2 of point 11.4:</p> <p>“This rule does not extend to ballots signed by the person that issued the voting proxy in respect of shares transferred after the date <del>the list of</del> persons entitled to participate in the Meeting <b><u>were determined (formalized)</u></b> <del>was compiled</del>, and/or persons acting on the basis of such voting proxies, in which the fields for marking the number of votes cast for each voting option</p>	<p>The amendment is preconditioned by the replacement of the phrase “the date the list of persons entitled to participate in the Meeting was compiled” with the phrase “the date persons entitled to participate in the Meeting were determined (formalized)” in the Federal Law on JSCs (as amended by Law No. 210-FZ).</p>

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	voting option indicate the number of votes cast for the corresponding voting option and which contain the corresponding notes stipulated by point 10.4 of these Regulations.”.	indicate the number of votes cast for the corresponding voting option and which contain the corresponding notes stipulated by point 10.4 of these Regulations.”.	
23.	Paragraph 3 of point 11.5: “This rule does not extend to ballots signed by a person voting on shares transferred after the date the list of persons entitled to participate in the Meeting was compiled, in accordance with the instructions received from the purchaser of such shares and/or a person voting on shares circulating outside the Russian Federation in the form of depositary securities, in accordance with the instructions received from the owners of depositary securities, and which contain the corresponding notes stipulated by point 10.4 of these Regulations.”.	Paragraph 3 of point 11.5: “This rule does not extend to ballots signed by a person voting on shares transferred after the date <del>the list of persons entitled to participate in the Meeting</del> <b>were determined (formalized)</b> <del>was compiled,</del> in accordance with the instructions received from the purchaser of such shares and/or a person voting on shares circulating outside the Russian Federation in the form of depositary securities, in accordance with the instructions received from the owners of depositary securities, and which contain the corresponding notes stipulated by point 10.4 of these Regulations.”.	The amendment is preconditioned by the replacement of the phrase “the date the list of persons entitled to participate in the Meeting was compiled” with the phrase “the date persons entitled to participate in the Meeting were determined (formalized)” in the Federal Law on JSCs (as amended by Law No. 210-FZ).
24.	Paragraph 2 of point 11.9: “If on the list date a shareholder registered in the Company’s shareholder register is a nominee shareholder, the report on voting results shall be sent in electronic form (in the form of an electronic document signed by a digital signature) to the nominee shareholder. The nominee shareholder must convey this report on voting results to its depositors, pursuant to the procedure and by the deadlines established by the regulatory legal acts of the Russian Federation or the contract with the depositor.	Paragraph 2 of point 11.9: “If on the <del>list</del> date of <b>determining (formalizing) persons entitled to participate in the Meeting</b> a shareholder registered in the Company’s shareholder register is a nominee shareholder, <b>information contained in the report on voting results will be provided</b> <del>sent in electronic form (in the form of an electronic document signed by a digital signature)</del> to the nominee shareholder. <del>The nominee shareholder must convey this report on voting results to its depositors, pursuant to the,</del> in <b>accordance with</b> the rules set out in the <del>procedure and by the deadlines established by the regulatory legal acts of the Russian Federation or the contract with the</del>	The purpose of these amendments is to bring the wording of paragraph 2 of point 11.9 of these Regulations in line with paragraph 2 of point 4 of article 62 of the Federal Law on JSCs (as amended by Law No. 210-FZ).

No.	Current version of the Regulations	Proposed amendments and addenda to the Regulations	Comments
		<del>depositor</del> <b><u>securities laws of the Russian Federation for the provision of information and materials to persons who exercise rights to securities.</u></b> ”.	
25.	Paragraph 5 of point 12.2: “ the date when the list of persons entitled to participate in the Meeting was compiled;”.	Paragraph 5 of point 12.2: “ the date when <del>the list of persons</del> entitled to participate in the Meeting <b><u>were determined (formalized)</u></b> was compiled;”.	The amendment is preconditioned by the replacement of the phrase “the date when the list of persons entitled to participate in the Meeting was compiled” with the phrase “the date when persons entitled to participate in the Meeting were determined (formalized)” in the Federal Law on JSCs (as amended by Law No. 210-FZ).
26.	Point 12.5: “12.5. One copy of the minutes of the Meeting is held for storage in the Company’s archive, and one copy with the structural division subordinate to the Vice-President-Chief of Staff of OAO “LUKOIL”. ”.	Point 12.5: “12.5. One copy of the minutes of the Meeting is held for storage in the Company’s archive, and one copy <b><u>with the Secretary of the Company</u></b> <del>structural division subordinate to the Vice-President-Chief of Staff of OAO “LUKOIL”.</del> ”.	The amendment regarding the place where one of the copies of the minutes is to be stored is preconditioned by the introduction of the position of the Company’s Secretary and the assignment of appropriate responsibility thereto.
27.	Sentence 1 of point 12.7: “12.7. “If necessary, a copy of the minutes of the Meeting and/or an excerpt from the minutes of the Meeting will be issued and signed by the Secretary of the Board of Directors (in his absence, the Deputy Chief of Staff of OAO “LUKOIL”) and certified by the round seal of the Company, intended for use in the activity of the Board of Directors of the Company.”.	Sentence 1 of point 12.7: “12.7. If necessary, a copy of the minutes of the Meeting and/or an excerpt from the minutes of the Meeting will be issued and signed by the <b><u>Secretary of the Company</u></b> <del>Secretary of the Board of Directors</del> (in his/her absence, the Deputy Chief of Staff of OAO <b><u>PJSC</u></b> “LUKOIL”) and certified by the round seal of the Company, intended for use in the activity of the Board of Directors of the Company.”.	The amendments are introduced in connection with the performance of functions of the Secretary of the Board by the Secretary of the Company, as well as in connection with the change in the abbreviated name of the Company.

In this table, deleted provisions are shown as strikethrough text, and new provisions are shown as bold underlined text.

**Amendments and addenda**  
**to the *Regulations on the Board of Directors of OAO “LUKOIL”***

1. In the title of the *Regulations on the Board of Directors of OAO “LUKOIL”*, paragraphs 3 and 4 of point 1.5., sentence 1 of point 3.16, as well as in headings and names of Appendices No. 1 and 2, the phrase “OAO “LUKOIL” shall be replaced with the phrase “PJSC “LUKOIL”.

2. Revise point 1.1 to read as follows:

“1.1. These *Regulations on the Board of Directors of PJSC “LUKOIL”* (hereinafter referred to as the “Regulations”) are prepared in accordance with the laws of the Russian Federation and the Charter of the Public Joint Stock Company “Oil company “LUKOIL” (hereinafter referred to as the “Company”), and shall determine the procedure for convening and holding meetings of the Board of Directors (hereinafter also referred to as the “Board”).”.

3. Revise point 1.2 to read as follows:

“1.2. In the interests of the Company, its shareholders, and its investors, the Board of Directors shall control the activity of the Company’s executive bodies and perform the overall management of the operations of the Company, except for issues assigned to the authority of the General Shareholders Meeting (hereinafter referred to as the “General Meeting”).”.

4. Paragraphs 5, 6 and 7, which shall read as follows, shall be added to point 1.5:

– inform the Board of Directors about the occurrence of a conflict of interests in respect of any agenda item of the meeting of the Board or a committee of the Board before the discussion of this item starts;

– refrain from voting on any item in respect of which they have a conflict of interests;

– inform the Board of Directors about their intent to become members of management bodies of other organizations (other than the Company’s associates and those controlled by the Company), and on the fact of being elected (appointed) to said bodies.”.

5. Points 1.6 and 1.7, which shall read as follows, shall be added to Section 1 “General provisions”:

“1.6. Members of the Board are entitled to receive information on the Company’s performance and review its accounting and other documentation, obtain access to documents and make information requests regarding the Company and organizations controlled thereby, as well as have other rights stipulated by effective legislation.

Executive bodies of the Company are responsible for providing information and documents requested by the members of the Board.

1.7. Independent members of the Board of Directors shall inform the Board about the circumstances terminating their independence within 5 working days from the date said circumstances have arisen.”.

6. Revise paragraph 1 of point 2.1 to read as follows:

“2.1. The Board of Directors shall conduct meetings in accordance with the approved plan of meetings, at least once every six weeks (including meetings held through absentee voting), and also as necessary at the request of persons indicated in point 2.3 of these Regulations. Each first meeting of the newly elected Board of Directors shall be conducted no later than 20 days from the date of the annual or extraordinary General Meeting electing such Board. The first meeting of the Board of Directors shall elect a Chairman of the Board of Directors (hereinafter referred to as the “Chairman”) and a Vice Chairman of the Board of Directors. The Board of Directors shall be entitled to re-elect its Chairman and/or Vice Chairman at any time by a majority vote of the total number of the Board members.”.

7. Paragraph 2, which shall read as follows, shall be added to point 2.2:

“In case of absence of the Chairman, the respective functions shall be carried out by the Vice Chairman of the Board of Directors.”.

8. Revise sentence 1 of point 2.6 to read as follows:

“The Secretary [of the Board of Directors] (hereinafter also referred to as the “Secretary”), whose functions shall be performed by the Secretary of the Company, shall carry out preparations for Board meetings under the direction of the Chairman.”.

9. Point 2.12, which shall read as follows, shall be added to section 2 “Term and procedure for convening and holding meetings”:

“2.12. The Chairman of the Board shall take measures to ensure that materials on agenda items of the meeting of the Board are timely provided to its members.”.

10. Revise point 3.4 to read as follows:

“3.4. Over the Board meetings the Chairman shall preside; in the absence of the Chairman Vice Chairman shall preside. In the absence of the Chairman and Vice Chairman, the Board shall appoint one of its members present at the meeting to preside.”.

11. Revise point 3.11 to read as follows:

“3.11. If urgent decisions must be taken, the Board may pass decisions by absentee voting. Absentee voting of members of the Board may be conducted on any issues under the authority of the Board of Directors, except for the following items that are to be considered at Board meetings held through joint attendance:

- 1) determination of priority areas of the Company’s activity;
- 2) convening of annual and extraordinary General Shareholders Meetings and taking decisions necessary for their convening and conducting;
- 3) preliminary approval of the Company’s annual report;
- 4) election and re-election of the Chairman of the Company’s Board of Directors;
- 5) formation of the Management Committee, the Company’s collective executive

body, early termination of its members' powers, determination of the principal terms and conditions of agreements entered into with the President and members of the Management Committee;

6) inclusion of an item on the reorganization of the Company in the agenda of the General Shareholders Meeting;

7) approval of major deals;

8) approval of the Company's registrar and the terms and conditions of the agreement with the registrar, and also termination of such agreement;

9) taking decisions on issues of increasing the Company's share capital in cases specified by the Charter of the Company (including determination of the value of assets contributed in payment for additional shares placed by the Company);

10) making an application on the listing of shares and/or issuable securities of the Company convertible into shares of the Company;

11) analysis of results of assessing the efficiency of the Board of Directors and executive bodies of the Company;

12) approval of the risk management policy;

13) approval of the dividend policy of the Company.”.

12. Revise point 3.13 to read as follows:

“3.13. The minutes shall indicate:

date, time and venue of the Board meeting or the date of absentee voting;

list of Board members participating in the consideration of agenda items, and also a list of other attendees at the meeting of the Board of Directors;

agenda;

issues put to a vote and the voting returns;

enumerator;

decisions taken.”.

13. Revise paragraph 2 of point 3.14 to read as follows:

“The minutes of the Board of Directors containing decisions taken through absentee voting shall be signed by the Chairman of the Board of Directors. In the event of circumstances which prevent the Chairman of the Board of Directors from signing the minutes of the Board on the results of absentee voting, the minutes shall be signed by Vice Chairman of the Board.”.

**Table of amendments and addenda  
to the current version of the *Regulations on the Board of Directors of OAO “LUKOIL”*  
(hereinafter the “Regulations”)**

No.	Current version of the Regulations	Proposed amendments and addenda to the Regulations	Comments
1.	Name of the Regulations: “REGULATIONS ON THE BOARD OF DIRECTORS OF OAO “LUKOIL”.	Name of the Regulations: “REGULATIONS ON THE BOARD OF DIRECTORS OF <u>PJSC</u> OAO “LUKOIL”.	The purpose of the amendment is to bring the name of the Company in line with point 1.1 of the Charter of PJSC “LUKOIL” (hereinafter referred to as the “Company”).
2.	Point 1.1: “1.1. These Regulations on the Board of Directors of the Open Joint Stock Company “Oil company “LUKOIL” (hereinafter referred to as the “Regulations”) are prepared in accordance with the laws of the Russian Federation and the Charter of OAO “LUKOIL” (hereinafter referred to as the “Company”), and shall determine the procedure for convening and holding meetings of the Board of Directors (hereinafter also referred to as the “Board”).”.	Point 1.1: “1.1. These Regulations on the Board of Directors of <del>the Open Joint Stock Company “Oil company “LUKOIL”</del> <u>PJSC</u> “LUKOIL” (hereinafter referred to as the “Regulations”) are prepared in accordance with the laws of the Russian Federation and the Charter of the <del>OAO</del> <u>Public Joint Stock Company “Oil company</u> “LUKOIL” (hereinafter referred to as the “Company”), and shall determine the procedure for convening and holding meetings of the Board of Directors (hereinafter also referred to as the “Board”).”.	See comment to point 1 of the Table.
3.	Point 1.2: “1.2. In the interests of the Company, its shareholders, and its investors, the Board of Directors shall perform the overall management of the operations of the Company, except for issues assigned by the effective legislation of the Russian Federation and the Company Charter to the authority of the General Shareholders Meeting (hereinafter referred to as the “General Meeting”).”.	Point 1.2: “1.2. In the interests of the Company, its shareholders, and its investors, the Board of Directors shall <u>control the activity of the Company’s executive bodies and</u> perform the overall management of the operations of the Company, except for issues assigned <del>by the effective legislation of the Russian Federation and the Company Charter,</del> to the authority of the General Shareholders Meeting (hereinafter referred to as the “General Meeting”).”.	The purpose of the amendment and addendum is to bring functions of the collective management body on the Company – the Board of Directors – in line with point 9.1 of the Company’s Charter and point 4 of article 65.3 of the Civil Code of the Russian Federation (hereinafter referred to as the “RF Civil Code”).
4.	Point 1.5: “1.5. When exercising their rights and performing	Point 1.5: “1.5. When exercising their rights and performing	Regarding the proposed amendments to point 1.5 of these Regulations see



No.	Current version of the Regulations	Proposed amendments and addenda to the Regulations	Comments
	<p>their obligations the members of the Board of Directors of the Company shall:</p> <ul style="list-style-type: none"> <li>– not disclose or use confidential information on the Company and insider information (pursuant to the definition of these terms given in internal Company documents) in their own interests or in the interests of third parties, or divulge this information to parties that do not have access thereto;</li> <li>– comply with all rules and procedures stipulated by internal Company documents concerning the performance of transactions with securities of OAO “LUKOIL”;</li> <li>– disclose information on transactions performed with securities of OAO “LUKOIL” according to the procedure and by the deadlines stipulated by internal Company documents.”.</li> </ul>	<p>their obligations the members of the Board of Directors of the Company shall:</p> <ul style="list-style-type: none"> <li>– not disclose or use confidential information on the Company and insider information (pursuant to the definition of these terms given in internal Company documents) in their own interests or in the interests of third parties, or divulge this information to parties that do not have access thereto;</li> <li>– comply with all rules and procedures stipulated by internal Company documents concerning the performance of transactions with securities of <b>PJSC OAO “LUKOIL”</b>;</li> <li>– disclose information on transactions performed with securities of <b>PJSC OAO “LUKOIL”</b> according to the procedure and by the deadlines stipulated by internal Company documents-;</li> <li><b><u>– inform the Board of Directors about the occurrence of a conflict of interests in respect of any agenda item of the meeting of the Board or a committee of the Board before the discussion of this item starts;</u></b></li> <li><b><u>– refrain from voting on any item in respect of which they have a conflict of interests;</u></b></li> <li><b><u>– inform the Board of Directors about their intent to become members of management bodies of other organizations (other than the Company’s associates and those controlled by the Company), and on the fact of being elected (appointed) to said bodies.”.</u></b></li> </ul>	<p>comment to point 1 of the Table.</p> <p>Point 1.5 of these Regulations has been supplemented with new responsibilities of members of the Company’s Board of Directors in connection with the recommendations contained in points 128 and 134 of Part B “Recommendations to Corporate Governance Principles” of the Code of Corporate Governance recommended by the Bank of Russia for application by joint stock companies, whose securities have been admitted to organized trading, in its letter No. 06-52/2463 of 10 April 2014 (hereinafter referred to as the “CCG”), which are related to the corporate governance principle specified in point 2.6.1 of Part A of the CCG, as well as in connection with the recommendation contained in point 142 of Part B of the CCG, which is related to the corporate governance principle specified in point 2.6.3 of Part A of the CCG; compliance with the above is to be disclosed in the Report on Compliance with the Principles and Recommendations of the Code of Corporate Governance which is to be included in annual reports of public joint stock companies according to the Letter of the Bank of Russia No. IN-06-52/8 of 17 February 2016 (hereinafter referred to as the “CCG Compliance Report”).</p>

No.	Current version of the Regulations	Proposed amendments and addenda to the Regulations	Comments
5.	The current version does not contain this text.	<b><u>New point 1.6:</u></b> <b><u>“1.6. Members of the Board are entitled to receive information on the Company’s performance and review its accounting and other documentation, obtain access to documents and make information requests regarding the Company and organizations controlled thereby, as well as have other rights stipulated by effective legislation. Executive bodies of the Company are responsible for providing information and documents requested by the members of the Board.”.</u></b>	Section 1 of these Regulations has been supplemented with the new point 1.6 that provides for rights of members of the Company’s Board of Directors in connection with the corporate governance principle specified in point 2.6.2 of Part A of the CCG and recommendations contained in points 144–145 and 148 of Part B of the CCG related to the corporate governance principle specified in point 2.6.4 of Part A of the CCG, compliance with which is to be disclosed in the CCG Compliance Report. Rights of members of the Company’s Board of Directors are equal to those of the corporate collective management body stipulated in point 4 of article 65.3 of the RF Civil Code.
6.	The current version does not contain this text.	<b><u>New point 1.7:</u></b> <b><u>“1.7. Independent members of the Board of Directors shall inform the Board about the circumstances terminating their independence within 5 working days from the date said circumstances have arisen.”.</u></b>	Section 1 of these Regulations has been supplemented with the new point 1.7 that provides for the liability of independent members of the Company’s Board of Directors to inform about their loss of independence in connection with the recommendations contained in point 111 of Part B of the CCG related to the corporate governance principle specified in point 2.4.2 of Part A of the CCG, compliance with which is to be disclosed in the CCG Compliance Report.
7.	Paragraph 1 of point 2.1: “2.1. The Board of Directors shall conduct	Paragraph 1 of point 2.1: “2.1. The Board of Directors shall conduct	Deletion from paragraph 1 of point 2.1 of the provision on the appointment of

No.	Current version of the Regulations	Proposed amendments and addenda to the Regulations	Comments
	meetings in accordance with the approved plan of meetings, at least once every six weeks (including meetings held through absentee voting), and also as necessary at the request of persons indicated in clause 2.3 of these Regulations. Each first meeting of the newly elected Board of Directors shall be conducted not later than 20 days from the date of the annual or extraordinary General Meeting electing such Board. The first meeting of the Board of Directors shall elect a Chairman of the Board of Directors (hereinafter referred to as the “Chairman”) and shall appoint a Secretary of the Board of Directors (hereinafter referred to as the “Secretary”) at the recommendation of the Chairman. The Board of Directors shall be entitled to re-elect its Chairman at any time by a majority vote of the total number of the Board members.”.	meetings in accordance with the approved plan of meetings, at least once every six weeks (including meetings held through absentee voting), and also as necessary at the request of persons indicated in point 2.3 of these Regulations. Each first meeting of the newly elected Board of Directors shall be conducted no later than 20 days from the date of the annual or extraordinary General Meeting electing such Board. The first meeting of the Board of Directors shall elect a Chairman of the Board of Directors (hereinafter referred to as the “Chairman”) <del>and shall appoint a Secretary of the Board of Directors (hereinafter referred to as the “Secretary”) at the recommendation of the Chairman</del> <b><u>and a Vice Chairman of the Board of Directors.</u></b> The Board of Directors shall be entitled to re-elect its Chairman <b><u>and/or Vice Chairman</u></b> at any time by a majority vote of the total number of the Board members.”.	the secretary of the Board of Directors at its first meeting is preconditioned by the assignment of functions of the Board secretary to the Secretary of the Company. The addendum is preconditioned by the advisability of electing a standing Vice Chairman of the Board of Directors who may carry out functions of the Chairman of the Company’s Board of Directors in the absence of the latter for the purpose of taking urgent decisions related to convening and holding meetings of the Company’s Board of Directors.
8.	The current version does not contain this text.	<b><u>New paragraph 2 of point 2.2:</u></b> <b><u>“In case of absence of the Chairman, the respective functions shall be carried out by the Vice Chairman of the Board of Directors.”.</u></b>	The addendum is preconditioned by the advisability of electing a standing Vice Chairman of the Board of Directors who may carry out functions of the Chairman of the Company’s Board of Directors in the absence of the latter for the purpose of taking urgent decisions related to convening and holding meetings of the Company’s Board of Directors.
9.	Sentence 1 of point 2.6: “The Secretary shall carry out preparations for Board meetings under the direction of the Chairman.”.	Sentence 1 of point 2.6: “The Secretary [of the Board of Directors] <b><u>(hereinafter also referred to as the “Secretary”), whose functions shall be performed by the Secretary of the Company,</u></b> shall carry out preparations for Board meetings under the direction	The purpose of the addendum is to reflect in these Regulations the provision that functions of the secretary of the Company’s Board of Directors shall be carried out by the Secretary of the Company.

No.	Current version of the Regulations	Proposed amendments and addenda to the Regulations	Comments
		of the Chairman.”.	
10.	The current version does not contain this text.	<b><u>New point 2.12:</u></b> <b><u>“2.12. The Chairman of the Board shall take measures to ensure that materials on agenda items of the meeting of the Board are timely provided to its members.”.</u></b>	Section 2 of these Regulations has been supplemented with the new point 2.12 in connection with the recommendation contained in point 124 of Part B of the CCG related to the corporate governance principle specified in point 2.5.3 of Part A of the CCG, compliance with which is to be disclosed in the CCG Compliance Report.
11.	Point 3.4: “3.4. The Chairman shall preside over the Board meetings. In the absence of the Chairman, the Board shall appoint one of its members to preside.”.	Point 3.4: “3.4. <del>The Chairman shall preside over the Board meetings the Chairman shall</del> <b><u>preside.</u></b> <del>in the absence of the Chairman</del> <b><u>Vice Chairman shall preside. In the absence of the Chairman and Vice Chairman, the Board shall appoint one of its members to preside</u></b> <del>the Board shall appoint one of its members present at the meeting to preside.”.</del>	See comment to point 8 of the Table.
12.	Point 3.11: “3.11. If urgent decisions must be taken, the Board may pass decisions by absentee voting. Absentee voting of members of the Board may be conducted on any issues under the authority of the Board of Directors.”.	Point 3.11: “3.11. If urgent decisions must be taken, the Board may pass decisions by absentee voting. Absentee voting of members of the Board may be conducted on any issues under the authority of the Board of Directors-, <b><u>except for the following items that are to be considered at Board meetings held through joint attendance:</u></b> <b><u>1) determination of priority areas of the Company’s activity;</u></b> <b><u>2) convening of annual and extraordinary General Shareholders Meetings and taking decisions necessary for their convening and conducting;</u></b> <b><u>3) preliminary approval of the Company’s</u></b>	The addendum is preconditioned by the corporate governance principle specified in point 2.7.3 of Part A of the CCG and the recommendation contained in point 168 of Part B of the CCG providing that the most important items should be considered through joint attendance at the Board meetings, compliance with which is to be disclosed in the CCG Compliance Report.

No.	Current version of the Regulations	Proposed amendments and addenda to the Regulations	Comments
		<u>annual report;</u> <u>4) election and re-election of the Chairman of the Company's Board of Directors;</u> <u>5) formation of the Management Committee, the Company's collective executive body, early termination of its members' powers, determination of the principal terms and conditions of agreements entered into with the President and members of the Management Committee;</u> <u>6) inclusion of an item on the reorganization of the Company in the agenda of the General Shareholders Meeting;</u> <u>7) approval of major deals;</u> <u>8) approval of the Company's registrar and the terms and conditions of the agreement with the registrar, and also termination of such agreement;</u> <u>9) taking decisions on issues of increasing the Company's share capital in cases specified by the Charter of the Company (including determination of the value of assets contributed in payment for additional shares placed by the Company);</u> <u>10) making an application on the listing of shares and/or issuable securities of the Company convertible into shares of the Company;</u> <u>11) analysis of results of assessing the efficiency of the Board of Directors and executive bodies of the Company;</u> <u>12) approval of the risk management policy;</u> <u>13) approval of the dividend policy of the Company.”.</u>	
13.	Point 3.13: “3.13. The minutes shall indicate:	Point 3.13: “3.13. The minutes shall indicate:	The purpose of the amendment and addendum is to bring point 3.13 of

No.	Current version of the Regulations	Proposed amendments and addenda to the Regulations	Comments
	<p>date, time and venue of the Board meeting or the date of absentee voting;</p> <p>list of Board members participating in the consideration of agenda items, and also a list of other attendees at the meeting of the Board of Directors;</p> <p>agenda;</p> <p>the issues put to a vote, and the voting results;</p> <p>decisions taken.”.</p>	<p>date, time and venue of the Board meeting or the date of absentee voting;</p> <p>list of Board members participating in the consideration of agenda items, and also a list of other attendees at the meeting of the Board of Directors;</p> <p>agenda;</p> <p>issues put to a vote and the voting <del>returns</del> voting results;</p> <p><b><u>enumerator:</u></b></p> <p>decisions taken.”.</p>	<p>these Regulations in line with point 4 of article 181.2 of the RF Civil Code and reflect the established corporate practice of the Company.</p>
14.	<p>Paragraph 2 of point 3.14:</p> <p>“The minutes of the Board of Directors containing decisions taken through absentee voting shall be signed by the Chairman of the Board of Directors. In the event of circumstances which prevent the Chairman of the Board of Directors from signing the minutes of the Board on the results of absentee voting, the minutes shall be signed by the oldest member of the Board of Directors of those taking part in the voting, who in this case shall be considered the Chairman of the meeting of the Board of Directors, held through absentee voting.”.</p>	<p>Paragraph 2 of point 3.14:</p> <p>“The minutes of the Board of Directors containing decisions taken through absentee voting shall be signed by the Chairman of the Board of Directors. In the event of circumstances which prevent the Chairman of the Board of Directors from signing the minutes of the Board on the results of absentee voting, the minutes shall be signed by <b><u>Vice Chairman of the Board</u></b> <del>the oldest member of the Board of Directors of those taking part in the voting, who in this case shall be considered the Chairman of the meeting of the Board of Directors, held through absentee voting.</del>”.</p>	<p>See comment to point 8 of the Table.</p>
15.	<p>Sentence 1 of point 3.16:</p> <p>“Excerpts from the minutes of Board meetings shall be issued and signed by the Secretary of the Board of Directors (or in his/her absence by the Deputy Chief of Staff of <b>OAO “LUKOIL”</b>), and certified by the Company seal used to certify Board documents.”.</p>	<p>Sentence 1 of point 3.16:</p> <p>“Excerpts from the minutes of Board meetings shall be issued and signed by the Secretary of the Board of Directors (or in his/her absence by the Deputy Chief of Staff of <b>PJSC OAO “LUKOIL”</b>), and certified by the Company seal used to certify Board documents.”.</p>	<p>See comment to point 1 of the Table.</p>
16.	<p>Header and title of Appendix No. 1 to the Regulations:</p> <p>“Appendix No. 1 to the Regulations on the Board of Directors of OAO “LUKOIL”</p>	<p>Header and title of Appendix No. 1 to the Regulations:</p> <p>“Appendix No. 1 to the Regulations on the Board of Directors of <b>PJSC OAO “LUKOIL”</b></p>	<p>See comment to point 1 of the Table.</p>

No.	Current version of the Regulations	Proposed amendments and addenda to the Regulations	Comments
	<b>Written opinion FORM on agenda items</b> of the member of the Board of Directors of OAO “LUKOIL”.	<b>Written opinion FORM on agenda items</b> of the member of the Board of Directors of <del>PJSC OAO</del> “LUKOIL”.	
17.	Header and title of Appendix No. 2 to the Regulations: “Appendix No. 2 to the Regulations on the Board of Directors of OAO “LUKOIL” <b>BALLOT</b> of the member of the Board of Directors of OAO “LUKOIL”.	Header and title of Appendix No. 2 to the Regulations: “Appendix No. 2 to the Regulations on the Board of Directors of <del>PJSC OAO</del> “LUKOIL” <b>BALLOT</b> of the member of the Board of Directors of <del>PJSC OAO</del> “LUKOIL”.	See comment to point 1 of the Table.

In this table, deleted provisions are shown as strikethrough text, and new provisions are shown as bold underlined text.

**REGULATIONS  
ON THE MANAGEMENT COMMITTEE OF PJSC “LUKOIL”**

**1. General provisions**

- 1.1. These *Regulations on the Management Committee of PJSC “LUKOIL”* (hereinafter the “Regulations”) have been prepared in accordance with the legislation of the Russian Federation and the Charter of Public Joint Stock Company “Oil company “LUKOIL” (hereinafter the “Company”), and establish the term, procedure for convening and holding of meetings of the Management Committee of the Company, and the procedure for taking decisions at the meetings of the Management Committee.
- 1.2. The Management Committee is the collective executive body of the Company.
- 1.3. The President of the Company shall perform the duties of the chairman of the Management Committee.
- 1.4. In its activity the Management Committee is governed by the legislation of the Russian Federation, the Company Charter, these Regulations and the other internal documents of the Company.
- 1.5. The procedure for formation and competence of the Management Committee are determined by the Company Charter.

**2. Schedule and procedure for convening and holding meetings of the Management Committee**

- 2.1. Meetings of the Management Committee shall be convened by the President of the Company as and where necessary.
- 2.2. The agenda of a meeting of the Management Committee shall be determined by the President of the Company, including on the basis of proposals received from members of the Management Committee.
- 2.3. The Company President shall organise the activity and holding of meetings of the Management Committee.
- 2.4. The Management Committee shall appoint a Secretary of the Management Committee (hereinafter the “Secretary”) at the proposal of the President of the Company.
- 2.5. Under the supervision of the President of the Company, the Secretary shall perform preparations for the meetings of the Management Committee, collect materials on the agenda items, arrange and distribute them to Committee members, and prepare and edit draft decisions of the Management Committee. The Secretary shall ensure the keeping of records on the activity of the Management Committee. Records in the Management Committee shall be kept in Russian.



- 2.6. Proposals for the agenda of meetings of the Management Committee shall be sent in writing and via the 'Management Committee Meetings' electronic system.

The proposal should contain:

- the wording of the issue to be considered by the Management Committee and the reasons for its inclusion in the agenda;
  - the draft decision of the Management Committee, with necessary attachments;
  - a reference statement containing an explanation of the issue being sent for consideration, with supporting materials attached (calculations, diagrams, charts, conclusions of consultants, etc.).
- 2.7. The initiator of inclusion of an issue in the agenda of a meeting of the Management Committee shall send the proposal to the Secretary. The draft decision on the issue being sent for consideration of the Management Committee should be agreed with the relevant divisions of the Company.
- 2.8. The Secretary shall have the right to return a draft decision for revision and additional approval. The initiator of the inclusion of the issue shall be required to consider the comments and proposals of the Secretary.
- 2.9. The Secretary shall send the members of the Management Committee a notice on a meeting at least three days prior to the meeting. The notice should contain the agenda, proposed decisions, and the documents and materials for the meeting. Notices shall be sent to the individual mobile electronic devices of the Committee members.

### **3. Procedure for the Conduct of Meetings of the Management Committee**

- 3.1. Meetings of the Management Committee shall be held through the joint attendance of members. Management Committee meetings shall have a quorum if at least one-half of the elected Committee members are present at the meeting. When opening the meeting, the chairman shall determine whether the meeting has a quorum.

A Management Committee member may take part in a Management Committee meeting by telephone or via videoconferencing. Participation in the meeting using the above means shall qualify as attendance in person.

- 3.2. The Company President shall chair the meetings of the Management Committee. In the absence of the Company President, and on the instructions thereof, the First Executive Vice-President or one of the first vice-presidents of the Company shall chair the meeting of the Management Committee.
- 3.3. Employees of the Company and its subsidiaries, as well as other parties that have prepared information and materials on the items to be considered at the meeting, may be invited to a meeting of the Management Committee.
- 3.4. The time set aside for speeches at a meeting of the Management Committee shall be established as no more than 15 minutes, for joint speeches and debates – no more than 5 minutes, for questions – no more than 3 minutes. If necessary, the chairman of a meeting

of the Management Committee can alter the time allotted for speeches. The members of the Management Committee and parties invited to the meeting to discuss individual issues can participate in debates, forward proposals, make comments, and give answers on the issues being discussed.

- 3.5. Minutes shall be kept at the meetings of the Management Committee. The Secretary shall make sure that the minutes of the meeting are kept. The minutes of the Management Committee meeting shall be signed by the Company President and the Secretary. The information contained in the minutes of a meeting of the Management Committee shall be confidential, and shall not be disclosed.

The minutes of the meeting shall indicate:

- the date, place and time of the meeting;
  - a list of members of the Management Committee present at the meeting, with an indication of whether the meeting was quorate;
  - the agenda of the meeting;
  - the issues put to a vote, and the voting results;
  - the decisions taken; and
  - the person who counted the votes.
- 3.6. Copies of the minutes shall be sent to the members of the Management Committee. The minutes of the meeting of the Management Committee shall be provided to the members of the Company's Board of Directors, the Audit Commission and the Company Auditor at their request.

A shareholder (shareholders) that holds (in aggregate hold) at least 25 percent of the voting shares in the Company shall have the right to receive access to the minutes of the meetings of the Management Committee.

- 3.7. The Secretary shall ensure the storage and use in work of minutes of the meetings of the Management Committee. The minutes of the meetings of the Management Committee shall be stored at the location of the Company's executive bodies.
- 3.8. If necessary, excerpts from the minutes of a meeting of the Management Committee will be issued and signed by the Secretary and certified by the stamp of Management Committee.

The excerpt shall indicate:

- the number of the minutes;
- the place and time of the meeting;
- a list of members of the Management Committee present at the meeting, with an indication of whether the meeting was quorate;
- the agenda item for which the excerpt was requested;
- the decisions adopted on the given agenda item or the individual points thereof;
- the voting results on the given agenda item.

#### **4. Adoption of decisions at meetings of the Management Committee**

- 4.1. Each member of the Management Committee shall have one vote. A member of the Management Committee may not transfer his/her vote to other persons, including other members of the Management Committee.
- 4.2. Decisions at a meeting of the Management Committee shall be taken through open voting by a majority vote of the Committee members present at the meeting. In the event of a tie vote, the vote of the chairman shall be decisive.
- 4.3. The decisions of the Management Committee of the Company contained in the instructions to the Company's subsidiaries are mandatory for performance by subsidiaries.

#### **5. Control over execution of decisions of the Management Committee**

- 5.1. The Secretary shall make sure that the decisions adopted by the Management Committee and the relevant instructions are brought to the attention of the executors, and organise the collection of information on the performance of the decisions of the Management Committee.
- 5.2. The members of the Management Committee and other persons who were given instructions by the decisions adopted by the Management Committee shall submit written reports on the performance of the decisions of the Management Committee (hereinafter the "Reports"). The Reports should contain the substantial results of performance of the decisions and instructions of the Management Committee. In the event of non-performance of instructions, including by the deadlines set forth in a decision of the Management Committee, the Report should also indicate the reasons for non-performance and contain proposals on their elimination.
- 5.3. The Secretary shall collect the Reports and analyse the performance of the Management Committee's decisions.
- 5.4. The Reports shall be considered by the Company President, who shall assess the performance of the members of the Management Committee. The President shall have the right to adopt a decision on consideration of the Reports at a meeting of the Management Committee.

#### **6. Approval and amendment of the Regulations**

- 6.1. These Regulations and all amendments and addenda hereto shall be approved by the General Meeting of Shareholders of the Company by a majority vote of the shareholders participating in the meeting.
- 6.2. Proposals on amendments and addenda to the Regulations shall be made pursuant to the procedure stipulated by the Company Charter for making proposals for the agenda of an Annual or Extraordinary General Shareholders Meeting.
- 6.3. If as a result of a change in the legislation of the Russian Federation or the Company Charter, certain points of these Regulations come into conflict with them, these points will lose force, and until such time as amendments are made to these Regulations the said issues must be governed by the laws of the Russian Federation or the Charter of the Company.

**MINUTES No. 1**  
**of the Annual General Meeting of Shareholders**  
**of Open Joint Stock Company “Oil company “LUKOIL”**

**Full trade name of the company:** *Open Joint Stock Company “Oil company “LUKOIL”*

**Location of the company:** *Sretensky bulvar 11, Moscow 101000 Russian Federation*

**Type of the General Meeting:** *annual*

**Form of the General Meeting:** *a meeting (joint attendance of shareholders to discuss agenda items and take decisions on issues put to a vote) with preliminary distribution (dispatch) of ballots before the conduct of the Meeting*

**The date of preparation of the list of persons entitled to take part in the General Meeting:** *12 May 2014*

**Date of the General Meeting:** *26 June 2014*

**Place of the General Meeting:** *OAo “LUKOIL”, Sretensky bulvar 11, Moscow*

**Opening of the General Meeting:** *11:00 a.m.*

**Closing of the General Meeting:** *01:55 p.m.*

**Start of registration of persons entitled to participate in the General Meeting:** *9:30 a.m.*

**End of registration of persons entitled to participate in the General Meeting:** *01: 30 p.m.*

**Start of counting votes:** *01:35 p.m.*

**Postal address to which completed ballots had been sent:** *OAo Registrator NIKoil, ulitsa Ivana Franko 8, Moscow, 121108 Russian Federation*

**Date of preparation of the Minutes:** *30 June 2014*

***Item 4 of the agenda. On the remuneration and reimbursement of expenses to members of the Board of Directors of OAo “LUKOIL”.***

**Decision taken on Item 4 on the agenda, point 2:**

*To establish remuneration for newly elected members of the Board of Directors of OAo “LUKOIL” according to Appendix No.2.*

*Chairman of the Meeting*

*V.I. Grayfer*

*Secretary of the Meeting*

*A.V. Gaidamaka*

I hereby certify that this is a true and accurate excerpt from Minutes No.1

Secretary of the Board of Directors

E.L. Khavkin

**Appendix to decision on Item 4 (point 2) on  
the agenda of the Annual General Meeting of  
Shareholders of Open Joint Stock Company  
“Oil company “LUKOIL” of 26 June 2014  
(Minutes No.1)**

To establish the following amounts of remuneration for the newly elected members of the Board of Directors of OAO “LUKOIL”:

- for performance of the duties of a member of the Board of Directors – 5,200,000 roubles;
- for performance by a member of the Board of Directors of the functions of the Chairman of the Board of Directors – 1,200,000 roubles;
- for performance by a member of the Board of Directors of the functions of the Chairman of a committee of the Board of Directors – 600,000 roubles;
- for attendance in person at a meeting of a committee of the Board of Directors by a member of the Board of Directors who is a member of the committee – 120,000 roubles;
- for attendance in person at a meeting of the Board of Directors or a committee of the Board of Directors which involves a transcontinental flight (a flight from one continent to another that lasts more than eight hours) – 300,000 roubles. If a member of the Board of Directors takes a transcontinental flight to attend the meetings of both a committee (committees) of the Board of Directors and of the Board of Directors itself, only a single amount of remuneration for the transcontinental flight will be paid;
- for participation in conferences and other events on written instructions of the Chairman of the Board of Directors, in an amount of 120,000 roubles.

## Information on an interested-party transaction

In accordance with article 83 of the Federal Law *On Joint Stock Companies* (hereinafter also the “Law”), interested-party transactions must be approved by the Board of Directors or General Shareholders Meeting of the company prior to their conclusion.

One interested-party transaction is being sent for the consideration of the Annual General Shareholders Meeting of PJSC “LUKOIL”: Policy (contract) on insuring the liability of directors, officers and corporations between PJSC “LUKOIL” (Policyholder) and OAO «Kapital Insurance» (Insurer).

The amount of this transaction does not exceed 2% of the book value of the assets of PJSC “LUKOIL” according to its financial statements as at 31 March 2016 (two percent equals 40,540,464,140 roubles). The transaction is being sent for the approval of the General Shareholders Meeting of the Company based on point 3 of article 83 of the Federal Law *On Joint Stock Companies*, since all the members of the Board of Directors of PJSC “LUKOIL” qualify as parties interested in the conclusion of the transaction. Under this transaction, all members of the Board of Directors of the Company are considered interested parties to this transaction as beneficiaries under the transaction, as they will be entitled to a compensation should an insured event occur.

Under the Policy (contract) on insuring the liability of directors, officers and corporations for 2016-2017 (hereinafter the “Policy”), insured is the liability of the sole executive body, members of management bodies, employees of PJSC “LUKOIL” and/or subsidiaries of PJSC “LUKOIL”, and/or other organisations with the participation of PJSC “LUKOIL” and/or its subsidiary based on whose proposals the sole executive body and/or members of management bodies of such organisations were elected (Cover A); the liability of PJSC “LUKOIL”, subsidiaries of PJSC “LUKOIL”, other organisations with the participation of PJSC “LUKOIL” and/or its subsidiary based on whose proposals the sole executive body and/or members of management bodies of such organisations were elected (Cover B); the liability of PJSC “LUKOIL” and its subsidiaries in connection with claims in respect of securities (Cover C). PJSC “LUKOIL” undertakes to pay the insurance premium and OAO «Kapital Insurance» undertakes to pay the insurance coverage/indemnification (as the situation requires) under the Policy to respective Insured and/or any other person entitled to such indemnification should any insured event specified in the Policy occur, within the insurance premium (liability limit) determined by the Policy. The total aggregate limit for Covers A, B and C is at least USD 150,000,000. Insurance premium for Covers A, B and C is up to USD 450,000. The insurance premium will be paid in roubles at the exchange rate determined by the Parties as of the date the Policy is signed, in accordance with the terms and conditions of the Policy. The terms and conditions of the Policy submitted for approval have not changed compared the Policy approved by the previous Annual General Shareholders Meeting of the Company held on 25 June 2015.

It is noteworthy that in accordance with point 3 of article 49 of the Federal Law *On Joint Stock Companies*, by decision of 25 April 2016 the Board of Directors of PJSC “LUKOIL” recommended that the said transaction be approved by Annual General Shareholders Meeting of the Company, and pursuant to article 77 of the Law determined the price parameters of this transaction.

## **Public Joint Stock Company “Oil Company “LUKOIL”**

### **Summary of 2015 performance results and main objectives for 2016**

In 2015, despite the unfavorable macroeconomic conditions and economic sanctions, activities of PJSC “LUKOIL” (hereinafter also the Company) were focused on increasing the market capitalization, maintaining return on invested capital at the competitive level, increasing shareholder return and optimizing the Company’s activities given the new fiscal conditions, which was ensured through high production efficiency and meeting the deadlines for implementing key investment projects. The steps taken will make it possible to enhance shareholder return thanks to growth of dividends to RUB177 per share<sup>1</sup> (+15% versus 2014). The dividend yield may reach 6.9%<sup>2</sup>.

#### **Exploration work and reserves of oil and gas**

2015 saw a landmark event: LUKOIL Group (hereinafter also the Group) obtained its first license in the Eastern Siberia, the subsoil license for the Eastern Taymyr. This enabled the Group to expand its hydrocarbon resources potentially opening up prospects for oil&gas production in the new Eastern Siberia region, if the exploration works prove to be successful.

In 2015, 18 fields (with the D41, D33, D6 South, the Baltic Sea shelf area, being the biggest ones) and 54 deposits were discovered by the Group. The success rate of the Group’s exploration drilling reached 85% in 2015.

The Group is one of the leaders both in Russia and worldwide in terms of proven hydrocarbon reserves. The proven reserve life is 19 years.

LUKOIL group possesses a well-diversified portfolio of assets both in Russia and abroad. The Western Siberia and the Bolshekhetskaya Depression account for more than half of the Company’s proven reserves, while the share of international projects is 12%. 59% of all the proven reserves are classified as drilled with oil reserves accounting for 66% and gas reserves for 34%. Such a reserve structure clearly indicates a high potential of expanding production by the Group in the mid-run, especially the gas production.

Having significant contingent resources (13.9 bln BOE) at its disposal, the Group is actively conducting exploration works using innovation technologies to speed up the conversion of resources into reserves as the time for their development is coming up. Increase in contingent resources by 1.9 bln BOE from 2014 was made possible by successful exploration works in the Baltic Sea shelf, the Western Siberia and the Komi Republic, as well as by the conversion of a portion of reserves into contingent resources.

The majority of the Group’s proven reserves are conventional with only 4.7% of such reserves (3.4% of 3P reserves) being high-viscosity oil reserves and 5.5% (7.5% of 3P reserves) offshore reserves. This kind of structure helps the Group monitor its development costs effectively and promptly put new fields into operation.

Having ample resources, the Group is doing its best to take advantage of them and convert into proven resources for further development. Exploration works and discoveries made as a result, as well as production drilling, contributed to expanding proven reserves by 546m BOE. The biggest part of the growth was ensured by active development of the West

<sup>1</sup> The dividends recommended by the Board of Directors for payment based on the 2015 performance results (including interim dividends of RUB65 per ordinary share).

<sup>2</sup> The dividend yield for 2015 is calculated based on the dividends recommended by the Board of Directors for payment based on the 2015 performance results equal to RUB177 per share and the average market price of the Company’s ordinary share at the MICEX for the relevant period.

Qurna-2 field. At the same time the disposal of a 50% share in Caspian Investment Resources Ltd. deprived the Group of 49m BOE in overseas reserves.

### **Oil and gas production**

In 2015, the oil production went up 3.6% reaching a record 100.7m t (736m barrels). Hydrocarbon production began at 14 new fields. The average yield of oil wells in the projects where the Group participates rose 3.7% making up 103 barrels/day (14.1 t/day).

The following works aimed at developing the Group's key projects were completed as planned: development of the Bolshekhetskaya Depression deposits and the Imilorsko-Istochny license area in the Western Siberia; development of the Denisovskaya Depression license area and the Yaregskoye field; facilities construction at the Filanovsky field in the Caspian; meeting the annual production targets set for the West Qurna-2 field in Iraq. Production at the Kuvachi-Alat field was launched in Uzbekistan as part of the Kandym early gas project.

In 2015, the Group's production of marketable gas (after own consumption, injection in the formation and transport losses) reached 20.3 bln m<sup>3</sup> (119.2m BOE), a 1.4% increase compared to 2014. It was the Kandym early gas project that contributed most to the increase in marketable gas production (the Severnye Shady area and the Kuvachi-Alat field put into operation).

### **Oil refining**

In 2015, the Company put into operation key assets as part of a large-scale refining investment project, including a facility for refining bottom products using the delayed coking method at the Perm Refinery; the second catalyst cracker and vacuum tar fractionation facility VT-2 at the Nizhny Novgorod Refinery; an atmospheric-vacuum pipe still unit at the Volgograd Refinery and a heavy still bottoms conversion complex at the Burgas refinery. Thanks to the ongoing modernization, the Group's output of light petroleum products reached 62.6%, while the production of fuel oil shrank by 10.5% across the Group and by 19% at the Russian refineries. High-octane gasoline now accounts for 100% in the total production of automotive gasoline in Russia.

Given the current market conditions against the backdrop of the "tax maneuver", margins of the oil product market redistributed from the wholesale channel to the retail one. This resulted in the Russian refineries utilization rate going down from 99% to 84% yoy. The refining volumes in Russia decreased by 7.6% to 41.9m t, while the refining volumes at the Group's overseas refineries went up 6.4% in 2015 totaling 22.6m t, which reflects 71% growth (yoy) in refining margins in Europe.

In the reporting year, the Company continued active development of the premium segments of its business channeling its efforts into the development of a promising line of oils, particularly marine oils. The Group is the leader in the Russian lubricant market with a 17% market share. In 2015, its share in the international marine oil market rose to 9.5% from 5% (2014). Steps were also taken to increase sales of aircraft fuel for into-plane fueling.

### **Power supply**

In 2015, the Company completed the program under Capacity Supply Agreements. Over the five years, facilities with a total capacity of 949 MW were put into operation, which is 59 MW more than what the Company was obliged to provide under the agreements. The



facilities included CCGT-410 at the Krasnodar heat power station, CCGT-110, CCGT-235 in Astrakhan and CCGT-135 in Stavrolen. Thus the Company fulfilled all its obligations to the state fully and in a timely manner.

The total output of electrical power in 2015 was 17.8 billion kWh. The total output of thermal power reached 12.8m GCal. The volume of thermal and electrical power produced was determined based on the conditions in the power generation market.

### **Sale of oil and gas**

The aggregate amount of oil sold by the Company in 2015, including that refined at its own refineries, reached 143m t. Given higher profitability of oil exports compared to most domestic supplies, significant volumes of oil supplies were redirected from less profitable domestic channels to export markets. Although the export margins were lower in 2014 than the domestic market margins, the “tax maneuver” introduced in the oil sector in 2015 was a game changer.

Due to the redistribution of oil supplies, the export volumes went up 14.8% reaching 34.2m t in 2015. The share of exports outside the Customs Union rose from 87% to 89% with the utilization rate of the Company’s own transport infrastructure increasing due to growth in production in the Komi Republic.

2015 saw increase in the amount of oil transported through the East Siberia–Pacific Ocean system and Kozmino Port. The amount of oil shipped so made up 1.5m t. This route enables to ensure sales of light crude maintaining its quality and with greater efficiency than traditional exports to the West. Tapping the Asia-Pacific Region market is in line with the Company's strategy to diversify its distribution.

### **Sale of oil products**

Exports of oil products decreased by 12.5 % to 20.4m t in 2015, which was driven mainly by reduction in refining volumes and lower margins against the backdrop of the tax maneuver in the Russian oil sector. The commissioning of large secondary plants in 2015 resulted in exports of light oil products going up and dark oil products going vice versa down.

The daily average sales per petrol station in Russia amounted to 12.6 t/day shrinking 4.5% due to reduction in consumer demand driven by the unfavorable economic conditions.

The sales of non-fuel goods rose by 25%. Following 2015, 6.5m t of oil products (+19% versus 2014) worth more than RUB279 bln were sold in Russia through the LICARD system using fuel cards (non-cash settlements for legal entities) and Customer loyalty Program cards (private individuals). The total number of cards circulating in Russia reached about 7.9m, 16% more than in 2014, which was driven by customer loyalty cards introduced as part of a joint project with PJSC Rosgosstrakh.

### **Corporate social responsibility**

Among private Russian oil and gas companies, PJSC “LUKOIL” is the only operator of offshore deposits, where strict compliance with the zero-emission principle ensures the preservation of the natural environment.

In 2015, the Company focused its attention on issues of health, safety and the environment in its regions of presence.

The key impacts on the environment were mitigated, including the reduction in air emissions by 17.7%, discharge of waste water by 5.9%, the area of polluted lands by 36.7%. The number of incidents resulting in environmental impacts went down. The percentage of annual pipeline replacements in the total length of pipelines was 2.4% with the average Russian ratio of about 2%.

As part of the APG Sustainable Use Program, 25 facilities were commissioned in the Caspian, Komi Republic, Perm and the Western Siberia in 2015. Reconstruction works were conducted at the Usinsky GPP.

In 2015, the second audit review was conducted completing the 2013–2015 certification cycle aimed at confirming the compliance of LUKOIL Group organizations with the requirements of ISO 14001 and OHSAS 18001 standards. This helped mitigate the risk of emergencies in the Group.

The vertical integration of process management and staff optimization drove growth in the efficiency indicators. Thus revenues per employee rise 8.5% to RUB54.1m.

Over the last years, there is a stable trend of decrease in the number of casualties. The growth of the number of casualties in 2015 was, *inter alia*, due to reasons beyond the Group's control (air crash).

The Company actively supports socially important projects in the regions of its operations annually stepping up investment in sponsor and charitable activities. Thus, 2015 saw 20.5% growth in this area due to increase in sports investments (almost threefold), providing support to the Far North peoples and preserving the cultural and historical heritage.

### **Corporate governance**

The effective corporate governance system helps decrease the weighted average value of capital and investment risks of the Company contributing to its investment appeal and thereby growth of its shareholder value. One of PJSC "LUKOIL" priorities in this area is the protection of minority shareholders' rights.

Being a company incorporated in Russia, LUKOIL conducts its operations, *inter alia*, in accordance with the Corporate Governance Code recommended for use by the Bank of Russia pursuant to Letter No. 06-52/2463 dated 10.04.2014.

Since its establishment, the Company has been gradually increasing the amount of dividends per share maintaining leading positions in terms of dividend yield in the sector. Based on the 2015 results, despite the decrease in oil prices and weakened financial performance, the Board of Directors recommended to raise the dividends by 15% to RUB177 per share in line with best industry practices. The dividend yield may reach 6.9%, which is more than the average offered by peers.

In the reporting year, the following measures were taken to enhance information transparency and ensure that the shareholders' rights are respected:

- conferences, the Investor's Day, one-on-one meetings, the offsite AGM (Volgograd) organized;
- letters and requests, including those received by e-mail or telephone by the Investor Relations Department, processed;
- regular reports of the Company published.

### **Stock market**

During 2015, decrease in oil prices, ongoing geopolitical tensions and economic downturn put a pressure on the Russian stock indices. The average price for Urals-grade oil

went down 47% in 2015, which resulted in the devaluation of the Russian rouble against the USD dollar by 23% for the same period. Therefore the RTS Index calculated in the USD dollars shrank 4.3%, while the MICEX rouble index rose 26.1%. This kind of performance may be explained by weaker rouble.

The Company's shares trading on the MICEX increased 5.4% to RUB2,354.9 per share, while the shares trading on the LSE went down 19.1% to USD32.2 per depository receipt.

### **Main objectives for 2016**

The Company's strategy consists in seeking to increase the long-term shareholder value and shareholder return. The Company is completing a large-scale investment program establishing new efficient growth areas for steady development in the future. Investments in new projects are aimed at reinforcing the raw materials base, and at modernizing refining capacities to improve efficiency.

The key priority areas of PJSC "LUKOIL" for 2016 include:

- ensuring smooth operations and financial stability of the Company in the unfavorable macroeconomic conditions through strict investment discipline, energy and labor efficiency improvement;
- remaining competitive in the international and domestic markets in terms of the key performance indicators;
- ensuring growth and competitiveness of dividend payments given inflation and devaluation changes;
- raising accountability of management and professionals of all the grades, and providing incentives to them, for meeting the targets and key strategic goals.