



APPROVED
by Resolution of the Rosneft
Board of Directors
of May 20, 2019
Minutes No. 24 of May 23, 2019

ROSNEFT REGULATIONS

ON THE INDUCTION OF ROSNEFT BOARD MEMBERS

No. P3-01.05 R-0032 UL-001

VERSION 2.00

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INTRODUCTORY PROVISIONS

PURPOSE

Regulations define the procedure for familiarizing newly elected Board members with the activities of Rosneft and a list of activities for the Rosneft Board members being elected for a new term. Regulations were developed in accordance with Federal Law No. 208-FZ “On Joint-Stock Companies” dated 26.12.1995, the Corporate Governance Code of the Bank of Russia, the Charter of Rosneft, the Regulations of Rosneft “On the Board of Directors of Rosneft” and the Corporate Governance Code of Rosneft No. P3-01 KS-01.

SCOPE OF APPLICATION

These Regulations are mandatory for all employees of Rosneft involved in the process of induction of the Board members.

The effect of these Regulations applies to the first-time elected Board members and the Board members being elected for a new term.

Board members elected for a new term shall be entitled to take part in all the activities provided for by these Regulations.

Directive, local regulatory and other internal documents shall not contradict these Regulations.

VALIDITY PERIOD AND AMENDMENT PROCEDURE

These Regulations are a permanent local regulatory document.

These Regulations shall be approved, amended and considered invalidated on the basis of the resolution of the Board of Directors of Rosneft.

Amendments to these Regulations shall be initiated by: The Corporate Governance Department of Rosneft and other structural units of Rosneft subject to approval of the Corporate Governance Department of Rosneft.

1. TERMS AND DEFINITIONS

TERMS AND DEFINITIONS FROM THE CORPORATE GLOSSARY

CORPORATE SECRETARY of ROSNEFT (CORPORATE SECRETARY) is an official of Rosneft, who ensures compliance by Rosneft with the current legislation, the Charter of Rosneft and internal documents of Rosneft in terms of corporate governance, guaranteeing the observance of rights and legitimate interests of shareholders of Rosneft, effective interaction with shareholders of Rosneft, support of efficient work of the Board of Directors, development of corporate governance practices of Rosneft in accordance with the interests of its shareholders and other concerned parties.

2. DESIGNATIONS AND ABBREVIATIONS

COMPANY is a group of legal entities of various organizational and legal forms, including Rosneft, to which the latter is a principal or controlling (participating) company.

STRUCTURAL UNIT OF ROSNEFT is a structural unit of Rosneft, which has independent functions, objectives and responsibilities within its competency as defined by the Regulations on structural unit.

ROSNEFT TOP MANAGERS mean Chief Executive Director of Rosneft, First Vice-Presidents of Rosneft, Vice-Presidents of Rosneft, Chief Accountant of Rosneft, Financial Officer of Rosneft, Press Secretary of Rosneft, advisors and heads of structural units of Rosneft having the rank of vice-presidents, heads of Rosneft services having the rank of vice-presidents.

LND is a local normative document.

3. GENERAL PROVISIONS

3.1. Rosneft provides the most prompt, complete and effective acquaintance of the Board members with the Company's activities, including strategy, corporate and organizational structures, business practices and corporate governance practices due to:

- forming an understanding by a Board member of the nature of the activities of Rosneft, the role of the Board of Directors in the management system, its basic rights, duties and responsibilities, rules and procedures of the Board of Directors;
- familiarizing a Board member with the development strategy, geography of activities, key performance indicators and financial statements of Rosneft;
- ensuring communication between the Board members, members of the Management Board and top managers of Rosneft.

4. GENERAL PRINCIPLES OF INDUCTION

4.1. The induction of the Board members shall be made no later than one month after electing a new Board of Directors by the General Shareholders Meeting.

4.2. The induction of the first-time elected Board members shall consist of the following activities:

4.2.1. Familiarization with the Charter and key internal documents of Rosneft.

The Board members shall be provided with the Charter and a list of key internal documents of Rosneft, consisting of public documents (posted on the official website of Rosneft, disclosed in another way provided for by the legislation of the Russian Federation) and non-public information.

The list of key internal documents of Rosneft shall be preliminary approved by the HR and Remuneration Committee of the Board of Directors of Rosneft.

The Board members shall mark in the list the documents they would like to receive, and hand it over to the Corporate Secretary. The marked documents shall be sent to the Board members in convenient ways.

Transfer of non-public documents of Rosneft to the Board members shall be carried out in accordance with the LND requirements for confidential information protection following the signing of confidentiality agreements by the Board members and inclusion of the Board members into the list of insiders.

The Confidentiality Agreement shall govern the relations between the parties on transfer, use and storage of confidential information.

The Confidentiality Agreement shall be also signed with the persons who have access to the confidential information on the initiative of the Board members (assistants to the Board members).

Regulation in the area of obtaining access to and use of information relating to the insider information of Rosneft shall be governed by the legislation of the Russian Federation, regulatory legal acts and the LND in the field of counteracting the unlawful use of insider information.

4.2.2. Familiarization with the rights, duties and responsibilities, informing about the activities of Rosneft and organizing the work of the Board of Directors, including:

- familiarizing with a succession plan of a Board member;
- familiarizing with plans of meetings of the Board of Directors and its relevant committees;
- providing reporting information on the results of the activities of the Board of Directors for a corporate year;
- informing about the terms of liability insurance of the Board members;
- informing about the possibility of involving professional consultants on the issues related to the competence of the Board of Directors;
- informing about the possibility of advanced professional training in accordance with the needs in order to fulfill the functions of a Board member;

- informing on the procedure for handling materials containing confidential information;
- providing a reminder of the composition of the Management Board and top managers of Rosneft on the lines of activity.

Rights and obligations of the Board members can also be communicated to them in the form of signing an agreement that governs the relationship between Rosneft and a Board member related to the exercise of powers of a Board member, which are defined by the Charter and internal documents of the Company.

4.2.3. The Board member shall be sent a request for providing information on the persons (assistants) who will be admitted to the information provided to the Board member as part of the meetings of the Board of Directors and its relevant committees.

4.2.4. In order to work remotely and securely with materials for meetings of the Board of Directors and relevant committees, the Board members and/or their assistants shall have the opportunity, if necessary, to gain access to specialized software and hardware (IT equipment).

4.2.5. As part of the induction, introductory (working) meetings with the Chairman and other Board members, the sole executive body, members of the Management Board, other top managers and heads of structural units of Rosneft and external auditor, as well as visits to the Company's production facilities can be provided for the Board members.

Acquaintance with all the Board members shall be made during the first in-person meeting of the Board of Directors of Rosneft.

Introductory meetings can be held for each Board member both individually and in the form of joint attendance.

Meetings with the sole executive body of Rosneft, as a rule, shall be held individually for each first-time elected Board member.

In order to comprehensively discuss the issues of activity and upon agreement with a Board member, the meeting may be attended by top managers and (or) heads of structural units of Rosneft.

The format and theme of the introductory (working) meetings shall be preliminarily agreed with the Board member (members).

Upon agreement with the sole executive body, trips to the Company's production facilities can also be organized for the Board members.

4.3. The induction of the Board members elected for a new term (re-elected) shall consist of the following activities:

- familiarizing with the rights, duties and responsibilities (including by signing an agreement with a Board member), informing about the activities of Rosneft and organizing the work of the Board of Directors, including:
 - ◆ informing about the possibility of involving professional consultants on the issues related to the competence of the Board of Directors;
 - ◆ informing about the possibility of advanced professional training in accordance with the needs in order to fulfill the functions of a Board member;

- ◆ providing a reminder of the composition of the Management Board and top managers of Rosneft on the lines of activity.

At the request of the Board member, other activities provided for in Paragraph 4.2. of these Regulations may be implemented.

4.4. The role of the Corporate Secretary of Rosneft.

The induction process for the Board members shall be conducted and coordinated by the Corporate Secretary.

The main task of the Corporate Secretary during the induction procedure shall be to ensure effective communication of the Board members with the Company.

At the request of the Board member, the Corporate Secretary shall provide it with advice on the work of the Board of Directors and its committees, including:

- clarifications on the exercise of rights and obligations, issues of responsibility of the Board members;
- procedures for preparing and conducting meetings of the Board of Directors;
- reporting of the Committees of the Board of Directors and the executive bodies of the Company to the Board of Directors;
- brief description of the process and (or) LND of interest to the Rosneft Board member;
- informing on the implementation of the policy of Rosneft on disclosure of information on the securities market;
- informing on significant changes in the legislation of the Russian Federation in the field of corporate governance.

5. REFERENCES

1. Federal Law No. 208-FZ “On Joint Stock Companies” of 26.12.1995.
2. The Corporate Governance Code recommended by the Bank of Russia for the use by joint-stock companies having listed securities (Letter of the Bank of Russia No. 06-52/2463 “On Corporate Governance Code” of 10.04.2014).
3. The Corporate Governance Code of Rosneft No. P3-01 KS-01 version 2.00 approved by the decision of the Board of Directors of Rosneft on 15.11.2017 (Minutes No. 6 of 17.11.2017).
4. Regulations of Rosneft “On the Board of Directors of Rosneft” approved by the decision of the General Shareholders Meeting of Rosneft dated 27.06.2014 (Minutes N/A dated 02.07.2014).

6. REGISTRATION OF AMENDMENTS TO THE LOCAL NORMATIVE DOCUMENT

Table 1
List of amendments to the Regulations of Rosneft

VERSION	TYPE AND NAME OF DOCUMENT	NUMBER OF DOCUMENT	DATE OF APPROVAL	DATE OF IMPLEMENTATION	DETAILS OF THE WD
1	2	3	4	5	6
1.00	Regulations of Rosneft On The Induction of Rosneft Board Members	No. P3-01.05 R-0032 UL-001	22.05.2015	22.05.2015	Approved by the decision of the Board of Directors of Rosneft on 22.05.2015 (Minutes No. 34 of 25.05.2015).