

Materials that are made available for those entitled to participate in  
the Extraordinary General Shareholders Meeting of  
PJSC “LUKOIL”  
to be held on December 3, 2019

(in the form of absentee voting)

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**NOTICE  
of the Extraordinary 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 16 October 2019, an Extraordinary General Shareholders Meeting of PJSC "LUKOIL" will take place on **3 December 2019 in the form of absentee voting**, with the following agenda:

- 1. On payment (declaration) of dividends based on the results of the first nine months of 2019.**
- 2. On payment of a part of the remuneration to members of the Board of Directors of PJSC "LUKOIL" for their performance of the functions of the members of the Board of Directors.**
- 3. On payment of remuneration to members of the Audit Commission of PJSC "LUKOIL".**
- 4. Approval of a new version of the Charter of Public Joint Stock Company "Oil company "LUKOIL".**
- 5. On the early termination of powers of members of the Audit Commission of PJSC "LUKOIL".**
- 6. Approval of Amendments to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of PJSC "LUKOIL"*.**
- 7. Approval of Amendments to the *Regulations on the Board of Directors of PJSC "LUKOIL"*.**
- 8. Approval of an Amendment to the *Regulations on the Management Committee of PJSC "LUKOIL"*.**
- 9. On invalidating the *Regulations on the Audit Commission of OAO "LUKOIL"*.**
- 10. On reducing the Charter Capital of PJSC "LUKOIL" through acquisition of a portion of issued shares in order to reduce the total number thereof.**

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

The date of determining (formalizing) the persons entitled to take part in the Extraordinary General Shareholders Meeting:

The deadline for the receipt of ballots

Classes (types) of shares whose owners have the right to vote on all agenda items of the Extraordinary General Shareholders Meeting:

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

The URL of the website on the information and telecommunications network "Internet" where electronic voting ballots may be completed, and the QR-code for prompt connection to the said website:

Please kindly note that the persons entitled to participate in the Extraordinary General Shareholders Meeting of PJSC "LUKOIL" (the Company) may take part in the Company's Extraordinary General Shareholders Meeting by completing their voting ballots electronically on the website <https://evoting.reggarant.ru/Voting/Lk> in the information and telecommunications network Internet, with the Instructions for users of the electronic voting solution available on the Company's websites [www.lukoil.ru](http://www.lukoil.ru) (in Russian), [www.lukoil.com](http://www.lukoil.com) (in English) in the information and telecommunications network Internet. Access for completing electronic voting ballots shall be granted from 9 November 2019 to the shareholders who register their title to shares in the Company's shareholder register, while shareholders who are clients of nominee holders shall be granted access after the said nominee holders provide OOO "Registrar "Garant" (the Registrar) keeping the Company's Shareholder Register with information on persons entitled to participate in the Extraordinary General Shareholders Meeting of PJSC "LUKOIL".

The ballots received by PJSC "LUKOIL" by the deadline for the receipt of ballots and the electronic ballots completed at <https://evoting.reggarant.ru/Voting/Lk> in the information and telecommunications network Internet by the said deadline will be counted for determining a quorum of the Meeting and tallying votes.

**ООО «Registrar «Garant», Krasnopresnenskaya  
Naberezhnaya, 6, Moscow, 123100, Russian Federation**

**8 November 2019**

**3 December 2019**

**Registered Ordinary Shares**

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

**<https://evoting.reggarant.ru/Voting/Lk>**



Information (materials) to be provided to persons entitled to participate in the Extraordinary General Shareholders Meeting of PJSC "LUKOIL" in preparation for the Extraordinary General Shareholders Meeting of PJSC "LUKOIL" will be available on the Company's websites [www.lukoil.ru](http://www.lukoil.ru) (in Russian), [www.lukoil.com](http://www.lukoil.com) (in English) in the information and telecommunications network Internet starting from the date of publication on the said websites (by 2 November 2019); and from 13 November 2019, 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 or 8 (495) 981 7320, as well as at the Registrar's addresses: Krasnopresnenskaya Naberezhnaya 6, Moscow, 123100, Russian Federation, tel. 8 (495) 221 3112, 8 (800) 500 2947; Ulitsa Italianeskaya 4 A (third floor), St. Petersburg, 191186, Russian Federation tel. 8 (812) 644 8768, 8 (495) 221 3112 (ext. 2936, 2937) and to the addresses of the transfer agents of OOO «Registrar «Garant» indicated on the Registrar's official website <http://www.reggarant.ru/index.php/ru/transfer-agentskie-punkty>.

Access to information (materials) for the General Shareholders Meeting shall be granted for voting electronically on the website <https://evoting.reggarant.ru/Voting/Lk> in the information and telecommunications network Internet.

The decisions taken by the Extraordinary General Shareholders Meeting of PJSC "LUKOIL" and voting results will be communicated to the persons on the list of persons entitled to take part in the Meeting in the form of a Report on Voting Results to be made available on the Company's official websites [www.lukoil.ru](http://www.lukoil.ru), [www.lukoil.com](http://www.lukoil.com) in the information and telecommunications network Internet through 7 December 2019.

Should the Extraordinary General Shareholders Meeting of PJSC "LUKOIL" take a decision '*On reducing the Charter Capital of PJSC "LUKOIL" through acquisition of a portion of issued shares in order to reduce the total number thereof*' the notice of acquisition of shares of PJSC "LUKOIL", including the recommended forms for applying for the sale of shares and for recalling applications, will be posted on the Company's websites [www.lukoil.ru](http://www.lukoil.ru) (in Russian), [www.lukoil.com](http://www.lukoil.com) (English) in the information and telecommunications network Internet.

For the purpose of ensuring your rights as shareholders of PJSC "LUKOIL", we kindly ask you to inform OOO "Registrar «Garant», the company keeping the Company's Shareholder Register, of any changes in your data (name, change in residence/domicile, change in banking details, passport and other data) in a timely manner by completing the Registered Natural/Legal Person's Form and submitting it to the Registrar. Pursuant to Clause 16, Article 8.2 of the Federal Law *On Securities Market* neither the Company nor the Registrar will be liable for the loss incurred, should you fail to provide information on such changes.

Dear Shareholder,

By participating in the Extraordinary 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.

More details on the Extraordinary General Shareholders Meeting of PJSC "LUKOIL" will be available if contacted at: 8 (800) 200 9402 or 8 (495) 981 7320, [shareholder@lukoil.com](mailto:shareholder@lukoil.com).

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

**AGENDA**  
**of the 2019 Extraordinary General Shareholders Meeting**  
**of PJSC "LUKOIL"**

1. On payment (declaration) of dividends based on the results of the first nine months of 2019
2. On payment of a part of the remuneration to members of the Board of Directors of PJSC "LUKOIL" for their performance of the functions of the members of the Board of Directors.
3. On payment of remuneration to members of the Audit Commission of PJSC "LUKOIL".
4. Approval of a new version of the Charter of Public Joint Stock Company "Oil company "LUKOIL".
5. On the early termination of powers of members of the Audit Commission of PJSC "LUKOIL".
6. Approval of Amendments to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of PJSC "LUKOIL"*.
7. Approval of Amendments to the *Regulations on the Board of Directors of PJSC "LUKOIL"*.
8. Approval of an Amendment to the *Regulations on the Management Committee of PJSC "LUKOIL"*.
9. On invalidating the *Regulations on the Audit Commission of OAO "LUKOIL"*.
10. On reducing the Charter Capital of PJSC "LUKOIL" through acquisition of a portion of issued shares in order to reduce the total number thereof.

## **Position and recommendations of the Board of Directors of PJSC “LUKOIL” on items on the agenda of the Extraordinary General Shareholders Meeting of PJSC “LUKOIL”**

### **On item 1 on the agenda of the Meeting: ‘On payment (declaration) of dividends based on the results of the first nine months of 2019’**

#### ***Position:***

The current legislation provides for payment of dividends to shareholders of PJSC “LUKOIL” more than once a year.

According to the *Regulations on the Dividend Policy of PJSC “LUKOIL”* (the Regulations), to ensure steady dividend payouts, the Company seeks to pay dividends to its shareholders at least twice a year: based on its results for the first nine months of the reporting year (the “Interim Dividends”), and based on the reporting year results (the “Final Dividends”). The Company’s current practice of interim dividend payments contributes to higher investment attractiveness of PJSC “LUKOIL”.

The Board of Directors believes that the recommended Interim Dividend of 192 roubles per ordinary share based on the Company’s results for the first nine months of 2019 appears optimal, as it:

- Complies with all the Interim Dividend calculation guidelines stipulated by the Regulations;
- Reflects the Company’s financial performance in the reporting period and is relevant to its financial position;
- Ensures the competitive level of dividend income for shareholders of PJSC “LUKOIL”.

Also, the dividend based on the Company’s results for the first nine months of 2019 and recommended by the Board of Directors of PJSC “LUKOIL” is consistent with the following core dividend policy principles approved by decision of the Board of Directors of PJSC “LUKOIL” (Minutes No.17 of 16 October 2019) to be used as a basis for drafting a revised version of the *Regulations on the Dividend Policy of PJSC “LUKOIL”* by the end of 2019 with due regard to the recommendations of the Strategy, Investment and Sustainability Committee of the Board of Directors of PJSC “LUKOIL” (Minutes No.6 of 03 October 2019):

- the total amount of dividends on the Company’s issued shares, excluding the shares held by LUKOIL Group entities, equals at least 100% of the Company’s adjusted free cash flow;
- the adjusted free cash flow is calculated on the basis of PJSC “LUKOIL” consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and is determined as net cash provided by operating activities less capital expenditures, interest paid, repayment of lease obligations, and expenses for purchase of Company’s stock;
- dividend per share is rounded to the nearest Russian rouble;
- dividends are paid twice a year, with the amount of interim dividends calculated based on the consolidated financial statements for the six-month period.

There are no restrictions imposed by the effective legislation of the Russian Federation on dividend payments based on results for the first nine months of 2019.

In accordance with the norms of the Federal Law *On Joint Stock Companies*, the dividend payout period is dependent on the date on which persons entitled to receive dividends (dividend record date) are determined. Such date is determined only based on a proposal by the Board of Directors of a company and may not be set earlier than 10 days from the date a decision on payment (declaration) of dividends is passed by the general shareholders meeting or later than 20 days after such a decision. Given the above

limitations, it is being proposed to set 20 December 2019 as the date on which persons entitled to receive dividends based on the results of the first nine months of 2019 will be determined.

Dividend payments to nominee shareholders and trust managers registered in the shareholder register must take place within 10 business days from the date on which persons entitled to receive dividends are determined, and to other persons registered in the shareholder register – within 25 business days from that date. The dividends are proposed to be paid within the deadlines stipulated by law using monetary funds from the account of PJSC “LUKOIL”, with all costs on the transfer of dividends, given the current corporate practices, be covered by PJSC “LUKOIL”.

***Recommendation:***

To pay dividends on ordinary shares of PJSC “LUKOIL” based on the results of the first nine months of 2019 in the amount of 192 roubles per ordinary share. The dividends be paid using monetary funds from the account of PJSC “LUKOIL” as follows: 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 10 January 2020, to other persons registered in the shareholder register of PJSC “LUKOIL” to be made not later than 31 January 2020. The costs on the transfer of dividends, regardless of the means, will be paid by PJSC “LUKOIL”.

To propose that the Extraordinary General Shareholders Meeting set 20 December 2019 as the date on which persons entitled to receive dividends based on the results of the first nine months of 2019 will be determined.

The proposed decisions are based on the recommendations of the Strategy, Investment and Sustainability Committee of the Board of Directors of PJSC “LUKOIL” (Minutes No.6 of 03 October 2019).

**On item 2 on the agenda of the Meeting: ‘On payment of a part of the remuneration to members of the Board of Directors of PJSC “LUKOIL” for their performance of the functions of the members of the Board of Directors’**

***Position:***

In accordance with Clause 2, Article 64 of Federal Law *On Joint Stock Companies*, by decision of the general meeting of shareholders, the members of the board of directors of a company may be paid remuneration in the period during which they perform their duties. The amount of such remuneration shall be established by decision of a general meeting of shareholders.

The *Director Compensation and Expense Reimbursement Policy of PJSC “LUKOIL”* provides that subject to a decision by an Extraordinary General Shareholders Meeting, members of the Company’s Board of Directors may be paid a part of the remuneration for their performance of responsibilities as members of the Board of Directors.

Also, the *Procedure for the remuneration and reimbursement of expenses of members of the Board of Directors and Audit Commission of PJSC “LUKOIL”* stipulates a possibility of a partial payment, prior to the Annual General Shareholders Meeting, of the remuneration to members of the Board of Directors for the performance of their functions (Board fee) by decision of the Company’s Extraordinary General Shareholders Meeting.

Partial payments of the remuneration to members of the Board of Directors for the performance of their functions have become a company practice since 2015, being widely used by Russian issuers. A partial payment of the Board fee will compensate Directors’ inflation losses, and align with the current macroeconomic environment and the balance of interest between the Company and its Board members.

The Board fee for the newly elected members of the Board of Directors of PJSC “LUKOIL” was established by the Annual General Shareholders Meeting of PJSC “LUKOIL” on 20 June 2019 (Minutes No.1) in the amount of 7,000,000 roubles. The Board of Directors recommends that one-half of this amount (i.e. 3,500,000 roubles) be paid to each member of the Board of Directors.

***Recommendation:***

To pay a part of the remuneration to members of the Board of Directors of PJSC “LUKOIL” for performance of their functions (Board fee) for the period from the date the decision on the election of the Board of Directors was taken to the date a decision is taken by the Extraordinary General Shareholders Meeting of PJSC “LUKOIL” constituting one-half (i.e. 3,500,000 roubles each) of the Board fee established by decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” on 20 June 2019 (Minutes No.1).

The proposed decision is based on the recommendations of the Human Resources and Compensation Committee of the Board of Directors of PJSC “LUKOIL” (Minutes No.5 of 03 October 2019).

**On item 3 on the agenda of the Meeting: ‘On payment of remuneration to members of the Audit Commission of PJSC “LUKOIL”’**

***Position:***

As provided in the second paragraph of Clause 1, Article 85 of the Federal Law *On Joint Stock Companies*, members of the audit commission of a company may receive remuneration during their term of office by decision of its general shareholders meeting. The amount of such remuneration is established by decision of a general meeting of shareholders.

The Annual General Shareholders Meeting of PJSC “LUKOIL” held on 20 June 2019 (Minutes No.1) resolved to retain the amount of the remuneration (RUB 3,500,000) payable to each member of the Audit Commission of PJSC “LUKOIL” established by decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” of 23 June 2016 (Minutes No.1). Given that the Meeting Agenda includes an item *On the early termination of powers of members of the Audit Commission of PJSC “LUKOIL”*, the Extraordinary General Shareholders Meeting is being proposed to resolve to pay the above amount of remuneration to the members of the Audit Commission.

***Recommendation:***

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

I.N. Vrublevskiy – 3,500,000 roubles  
A.V. Otrubyannikov – 3,500,000 roubles  
P.A. Suloev – 3,500,000 roubles.

The proposed decision is based on the recommendations of the Human Resources and Compensation Committee of the Board of Directors of PJSC “LUKOIL” (Minutes No.5 of 03 October 2019).

**On item 4 on the agenda of the Meeting: ‘Approval of a new version of the Charter of Public Joint Stock Company “Oil company “LUKOIL”’**

***Position:***

In accordance with Article 12 of the Federal Law *On Joint Stock Companies* amendments to the charter of a company shall be made by decision of a general meeting of shareholders.

The revised Charter of Public Joint Stock Company "Oil company "LUKOIL" (hereinafter referred to as the Charter) is hereby proposed for approval by the Extraordinary General Shareholders Meeting. The rationale for approval of the amended Charter is dictated primarily by the:

- need to add consistency to the wording of the Charter, the current version whereof was approved back in 2011, and all and any amendments and addenda made thereto to ease the perception of provisions contained therein and cut back on the costs incurred in having copies of the Company Charter and a total of 12 amendments and addenda thereto notarized; and

- exclusion from the Charter of the provisions regarding the Audit Commission of PJSC "LUKOIL", its corporate control/supervisory body, by virtue of Clause 1, Article 85 of the Federal Law *On Joint Stock Companies* which does not make it binding upon public companies to set up audit commissions. Termination of the Company's Audit Commission is intended to rule out any potential overlapping of functions of the Audit Committee of the Company's Board of Directors, the Internal Audit Service, and the Audit Commission regarding supervision of the Company's business activities, and to reduce the costs incurred in relation to the Audit Commission activities.

The Company Charter is also amended as follows:

- sub-point 3.2.12, point 3.2 of the Charter, whereby the Company engages in health, safety, and environmental activities, is amended to the extent that OHSAS 18001 is superseded with ISO 45001, which is due to the fact that LUKOIL Group chose to align its Health, Safety and Environment Management System with ISO 45001, enacted on 12 March 2018, rather than with OHSAS 18001;

- greater clarity has been introduced as regards authority of the Company's Board of Directors, as outlined in sub-point 9.7.8, point 9.7 of the Charter, with regard to deletion of the provisions governing the approval of securities issuance reports, which is explained by the enactment on 1 January 2020 of the amended and restated Article 25 of the *Federal Securities Market Law*, which does not require approval of the securities issuance reports by the company's competent body, and by changing the name of the securities issuance resolution consistent with the terms used in Sub-Clause 7.1, Clause 1, Article 65 of the Federal Law *On Joint Stock Companies*, as amended by Federal Law No. 514-FZ of 27 December 2018, taking effect on 1 January 2020;

- the Company Charter is modified to contain amendments of legal and technical nature that are designed to clarify the wording and terminology of the Company Charter in line with provisions of the Federal Law *On Joint Stock Companies*.

### ***Recommendation:***

To approve a new version of the Charter of Public Joint Stock Company "Oil company "LUKOIL".

### **On item 5 on the agenda of the Meeting: 'On the early termination of powers of members of the Audit Commission of PJSC "LUKOIL"'**

### ***Position:***

As stipulated in sub-point 8.2.9, point 8.2 of the Charter of PJSC "LUKOIL", early termination of the appointed members of the Audit Commission of PJSC "LUKOIL" shall be approved by the General Shareholders Meeting of the Company.

In the context of the proposed exclusion from the Charter of the provisions regarding the Company's control body, i.e. the Audit Commission of PJSC "LUKOIL", by virtue of Clause 1, Article 85 of the Federal Law *On Joint Stock Companies*, stipulating that a public company shall set up an audit commission solely if and when the Charter of such public company expressly provides for the existence of such a commission, it is therefore expedient that the appointment of all members of the Audit Commission of PJSC "LUKOIL" be terminated early.

***Recommendation:***

To terminate early the powers of all of the members of the Audit Commission of PJSC “LUKOIL”: I.N. Vrublevskiy, A.V. Otrubyannikov, P.A. Suloev.

**On item 6 on the agenda of the Meeting: ‘Approval of Amendments to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”*’**

***Position:***

As stipulated in sub-point 8.2.19, point 8.2 of the Charter of PJSC “LUKOIL”, internal by-laws regulating activities of the Company’s governing bodies shall be approved by decision of the Company’s General Shareholders Meeting. Such decision under point 8.16 of the Company Charter shall be passed by the General Shareholders Meeting solely at the suggestion of the Company’s Board of Directors.

The Board of Directors of PJSC “LUKOIL” hereby proposes that its Extraordinary General Shareholders Meeting approve Amendments to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”* dictated by the proposed exclusion from the Charter of PJSC “LUKOIL”, as required by Clause 1, Article 85 of the Federal Law *On Joint Stock Companies*, of any provisions regarding the Audit Commission of PJSC “LUKOIL”, and providing that all and any mentioning of the Company’s Audit Commission, its members, or opinions issued by the Audit Commission be deleted from the Regulations.

***Recommendation:***

To approve Amendments to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”*.

**On item 7 on the agenda of the Meeting: ‘Approval of Amendments to the *Regulations on the Board of Directors of PJSC “LUKOIL”*’**

***Position:***

As stipulated in sub-point 8.2.19, point 8.2 of the Charter of PJSC “LUKOIL”, internal by-laws regulating activities of the Company’s governing bodies shall be approved by decision of the Company’s General Shareholders Meeting. Such decision under point 8.16 of the Company Charter shall be passed by the General Shareholders Meeting solely at the suggestion of the Company’s Board of Directors.

The Board of Directors of PJSC “LUKOIL” hereby proposes that its Extraordinary General Shareholders Meeting approve Amendments to the *Regulations on the Board of Directors of PJSC “LUKOIL”*, specifying the periodicity of Board meetings and introducing changes to the list of persons authorized to request convention of meetings of the Company’s Board of Directors, namely:

- revise point 2.1 of the Regulations stipulating that meetings of the Company’s Board of Directors be as a rule held at least once every two months, as per recommendations contained in Clause 156, Part B of the Recommendations On Principles Of Corporate Governance of the Corporate Governance Code, recommended in its letter No. 06-52/2463 of 10 April 2014 by the Bank of Russia to be applied by joint stock companies whose securities are listed and publicly traded;

- point 2.3 of the Regulations is revised so that the list of persons authorized to request convention of meetings of the Company’s Board of Directors no longer includes members of the Audit Commission, which is due to the proposed exclusion from the Charter of PJSC “LUKOIL”, as required by Clause 1, Article 85 of the Federal Law *On Joint Stock Companies*, of all and any provisions

regarding the Audit Commission of PJSC “LUKOIL”, and includes the Company’s Head of the Internal Audit Service, as required by Clause 1, Article 68 of the Federal Law *On Joint Stock Companies*.

***Recommendation:***

To approve Amendments to the *Regulations on the Board of Directors of PJSC “LUKOIL”*.

**On item 8 on the agenda of the Meeting: ‘Approval of an Amendment to the *Regulations on the Management Committee of PJSC “LUKOIL”*’**

***Position:***

As stipulated in sub-point 8.2.19, point 8.2 of the Charter of PJSC “LUKOIL”, internal by-laws regulating activities of the Company’s governing bodies shall be approved by decision of the Company’s General Shareholders Meeting. Such decision under point 8.16 of the Company Charter shall be passed by the General Shareholders Meeting solely at the suggestion of the Company’s Board of Directors.

The Board of Directors of PJSC “LUKOIL” hereby proposes that its Extraordinary General Shareholders Meeting approve an Amendment to the *Regulations on the Management Committee of PJSC “LUKOIL”* (point 3.6 of the Regulations), so that the list of persons authorized to request minutes of meetings of the Company’s Management Committee no longer includes members of the Audit Commission, which is due to the proposed exclusion from the Charter of PJSC “LUKOIL”, as required by Clause 1, Article 85 of the Federal Law *On Joint Stock Companies*, of all and any provisions regarding the Audit Commission of PJSC “LUKOIL”, the Company’s control body, but includes Head of the Company’s Internal Audit Service, as required by the second paragraph of Clause 2, Article 70 of the Federal Law *On Joint Stock Companies*.

***Recommendation:***

To approve an Amendment to the *Regulations on the Management Committee of PJSC “LUKOIL”*.

**On item 9 on the agenda of the Meeting: ‘On invalidating the *Regulations on the Audit Commission of OAO “LUKOIL”*’**

***Position:***

In the context of the proposed exclusion from the Charter of the provisions regarding the Company’s control body, i.e. the Audit Commission of PJSC “LUKOIL”, by virtue of Clause 1, Article 85 of the Federal Law *On Joint Stock Companies*, stipulating that a public company shall set up an audit commission solely if and when the Charter of such a public company expressly provides for the existence of such a commission, it is hereby proposed to invalidate the *Regulations on the Audit Commission of OAO “LUKOIL”* approved by the Annual General Shareholders Meeting of OAO “LUKOIL” on 27 June 2002 (Minutes No.1), with amendments approved by the Annual General Shareholders Meetings of OAO “LUKOIL” on 26 June 2003 (Minutes No.1) and 28 June 2006 (Minutes No.1).

***Recommendation:***

To invalidate the *Regulations on the Audit Commission of OAO “LUKOIL”* approved by the Annual General Shareholders Meeting of OAO “LUKOIL” on 27 June 2002 (Minutes No.1), with amendments approved by the Annual General Shareholders Meetings of OAO “LUKOIL” on 26 June 2003 (Minutes No.1) and 28 June 2006 (Minutes No.1).

**On item 10 on the agenda of the Meeting: ‘On reducing the Charter Capital of PJSC “LUKOIL” through acquisition of a portion of issued shares in order to reduce the total number thereof’**

***Position:***

Under Clause 1, Article 72 of the Federal Law *On Joint Stock Companies* a company shall have the right to acquire its issued shares by decision of its general meeting of shareholders on the reduction of its charter capital by way of acquiring a part of the issued shares for the purpose of reducing their total amount, if this is provided for by the company’s charter. According to sub-point 4.3.3, point 4.3 of the Charter of Public Joint Stock Company “Oil company “LUKOIL” the Company may reduce its Charter Capital through acquisition of a portion of shares in order to reduce the total number thereof.

Based on the above norms of the Federal Law *On Joint Stock Companies* and the Company Charter, the Extraordinary General Shareholders Meeting of PJSC “LUKOIL” shall be advised to make a decision to reduce the Charter Capital of PJSC "LUKOIL" through acquisition of a portion of issued shares in an amount of 25,000,000 (twenty-five million) shares to reduce their total number. At the same time, if the total number of shares to be sold to the Company based on shareholders’ applications exceeds the amount of shares that can be acquired by the Company (25,000,000 shares), the shares shall be acquired from the shareholders in proportion to the requests submitted. Should the Extraordinary General Shareholders Meeting make the respective decision and the Company acquire the specified holding of shares, those shares shall be redeemed upon their acquisition, while the Company’s Charter Capital of RUB 17,875,000 will be reduced by RUB 625,000 thus coming to RUB 17,250,000.

Under Clause 4, Article 72 and Article 77 of the Federal Law *On Joint Stock Companies* the Board of Directors determined the purchase price for the Company per one registered ordinary share of PJSC “LUKOIL” being equal to RUB 5,300 (five thousand three hundred) based on its market value in view of the information provided by Public Joint Stock Company Moscow Exchange MICEX-RTS on the weighted average price of one ordinary share of PJSC "LUKOIL" for the period from 15 April 2019 to 14 October 2019 calculated based on the current calculations methodology of Public Joint Stock Company Moscow Exchange.

The Board of Directors believes that acquisition of a portion of issued shares and their redemption will help optimize the Company’s share capital structure, including due to the acquisition and redemption of quasi-treasury shares held by the Company-controlled legal entity, will increase the shareholders interest in the Company’s Charter Capital and the unit indicators per issued share, thereby bringing the key value multiples in line with the actual number of shares in circulation and contributing to higher investment attractiveness of the Company’s shares.

***Recommendation:***

To reduce the Charter Capital of PJSC “LUKOIL” through acquisition of a portion of issued shares of PJSC “LUKOIL” in order to reduce the total number thereof, on the following terms:

- class (type) of shares to be acquired: uncertified registered ordinary shares;
- number of shares of PJSC “LUKOIL” of the said class (type) to be acquired: 25,000,000 (twenty-five million) shares;
- purchase price: RUB 5,300 (five thousand three hundred) per share;

- period during which shareholders are authorized to file or recall respective applications to sell shares of PJSC “LUKOIL” owned by them, namely: from 27 December 2019 through 25 January 2020;
- payment due date for the shares to be acquired by PJSC “LUKOIL”: 07 February 2020 at the latest;
- method of payment for the shares to be acquired: in cash.

**No special opinions on items on the agenda of the Extraordinary General Shareholders Meeting of PJSC “LUKOIL” have been filed by the members of the Board of Directors of PJSC “LUKOIL” during preparations for the Extraordinary General Shareholders Meeting of PJSC “LUKOIL”.**

**Recommendations of the Board of Directors of PJSC "LUKOIL"  
on the amount of dividends on shares of PJSC "LUKOIL"  
and the procedure for their payment**

The Board of Directors of PJSC "LUKOIL" recommends that the Extraordinary General Shareholders Meeting of PJSC "LUKOIL":

Pay dividends on ordinary shares of PJSC "LUKOIL" based on the results of the first nine months of 2019 in the amount of 192 roubles per ordinary share. The dividends be paid using monetary funds from the account of PJSC "LUKOIL" as follows: 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 10 January 2020, to other persons registered in the shareholder register of PJSC "LUKOIL" to be made not later than 31 January 2020. The costs on the transfer of dividends, regardless of the means, will be paid by PJSC "LUKOIL".

Set 20 December 2019 as the date on which persons entitled to receive dividends based on the results of the first nine months of 2019 will be determined.

**DRAFT DECISIONS  
OF THE 2019 EXTRAORDINARY GENERAL SHAREHOLDERS MEETING  
OF PJSC "LUKOIL"**

**Draft decision on item 1 on the agenda:** “On payment (declaration) of dividends based on the results of the first nine months of 2019”:

To pay dividends on ordinary shares of PJSC “LUKOIL” based on the results of the first nine months of 2019 in the amount of 192 roubles per ordinary share. The dividends be paid using monetary funds from the account of PJSC “LUKOIL” as follows: 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 10 January 2020, to other persons registered in the shareholder register of PJSC “LUKOIL” to be made not later than 31 January 2020. The costs on the transfer of dividends, regardless of the means, will be paid by PJSC “LUKOIL”.

To set 20 December 2019 as the date on which persons entitled to receive dividends based on the results of the first nine months of 2019 will be determined.

**Draft decision on item 2 on the agenda:** “On payment of a part of the remuneration to members of the Board of Directors of PJSC “LUKOIL” for their performance of the functions of the members of the Board of Directors”:

To pay a part of the remuneration to members of the Board of Directors of PJSC “LUKOIL” for performance of their functions (Board fee) for the period from the date the decision on the election of the Board of Directors was taken to the date this decision is taken constituting one-half (i.e. 3,500,000 roubles each) of the Board fee established by decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” on 20 June 2019 (Minutes No.1).

**Draft decision on item 3 on the agenda:** “On payment of remuneration to members of the Audit Commission of PJSC “LUKOIL””:

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

I.N. Vrublevskiy	– 3,500,000 roubles
A.V. Otrubyannikov	– 3,500,000 roubles
P.A. Suloev	– 3,500,000 roubles.

**Draft decision on item 4 on the agenda:** “Approval of a new version of the Charter of Public Joint Stock Company “Oil company “LUKOIL””:

To approve a new version of the Charter of Public Joint Stock Company “Oil company “LUKOIL” according to the Appendix hereto.

**Draft decision on item 5 on the agenda:** “On the early termination of powers of members of the Audit Commission of PJSC “LUKOIL””:

To terminate early the powers of all of the members of the Audit Commission of PJSC “LUKOIL”: I.N. Vrublevskiy, A.V. Otrubyannikov, P.A. Suloev.

**Draft decision on item 6 on the agenda:** “Approval of Amendments to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”*”:

To approve Amendments to the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”* according to the Appendix hereto.

**Draft decision on item 7 on the agenda:** “Approval of Amendments to the *Regulations on the Board of Directors of PJSC “LUKOIL”*”:

To approve Amendments to the *Regulations on the Board of Directors of PJSC “LUKOIL”* according to the Appendix hereto.

**Draft decision on item 8 on the agenda:** “Approval of an Amendment to the *Regulations on the Management Committee of PJSC “LUKOIL”*”:

To approve an Amendment to the *Regulations on the Management Committee of PJSC “LUKOIL”* according to the Appendix hereto.

**Draft decision on item 9 on the agenda:** “On invalidating the *Regulations on the Audit Commission of OAO “LUKOIL”*”:

To invalidate the *Regulations on the Audit Commission of OAO “LUKOIL”* approved by the Annual General Shareholders Meeting of OAO “LUKOIL” on 27 June 2002 (Minutes No.1), with amendments approved by the Annual General Shareholders Meetings of OAO “LUKOIL” on 26 June 2003 (Minutes No.1) and 28 June 2006 (Minutes No.1).

**Draft decision on item 10 on the agenda:** “On reducing the Charter Capital of PJSC “LUKOIL” through acquisition of a portion of issued shares in order to reduce the total number thereof”:

To reduce the Charter Capital of PJSC “LUKOIL” through acquisition of a portion of issued shares of PJSC “LUKOIL” in order to reduce the total number thereof, on the following terms:

- class (type) of shares to be acquired: uncertified registered ordinary shares;
- number of shares of PJSC “LUKOIL” of the said class (type) to be acquired: 25,000,000 (twenty-five million) shares;
- purchase price: RUB 5,300 (five thousand three hundred) per share;
- period during which shareholders are authorized to file or recall respective applications to sell shares of PJSC “LUKOIL” owned by them, namely: from 27 December 2019 through 25 January 2020;
- payment due date for the shares to be acquired by PJSC “LUKOIL”: 07 February 2020 at the latest;
- method of payment for the shares to be acquired: in cash.

**CHARTER**  
**of Public Joint Stock Company**  
**“Oil company “LUKOIL”**  
**(new version)**

**Public Joint Stock Company** “Oil company “LUKOIL” (hereinafter referred to as the “Company”) was established in accordance with Decree No. 1403 of the President of the Russian Federation *On Specific Features of the Privatization and Transformation into Joint Stock Companies of State Enterprises and Industrial and Research-Industrial Associations in the Oil and Oil-Refining Industries and Oil Product Supply*, dated November 17, 1992 and Directive No. 299 of the Council of Ministers - Government of the Russian Federation *On the Establishment of Open Joint Stock Company “Oil company “LUKoil”*, dated April 5, 1993, for the purpose of industrial-economic and financial-investment activity.

## **Article 1. Name and Location of the Company**

1.1. The full official name of the Company is Публичное акционерное общество «Нефтяная компания «ЛУКОЙЛ».

The abbreviated official name of the Company is ПАО «ЛУКОЙЛ».

The full company name in English is Public Joint Stock Company “Oil company “LUKOIL”.

The abbreviated company name in English is PJSC “LUKOIL”.

1.2. The location of the Company: Moscow.

The address of the Company is: Sretensky bulvar 11, Moscow, 101000, Russian Federation.

## **Article 2. Legal Status of the Company**

2.1. The Company is a legal entity under the laws of the Russian Federation. The Company acquires the rights of a legal entity from the date of its state registration. The Company is a public joint stock company.

2.2. The Company has a round seal bearing its full name in Russian and indicating its location, stamps and letterheads with its name, its own logo, duly registered trademarks, and other means of visual identification, as determined by the internal documents of the Company.

The rules on the use of means of visual identification shall be established by applicable law, the Company’s internal regulations and agreements entered into by the Company.

2.3. The Company shall have the right to open bank accounts inside and outside the Russian Federation pursuant to the established procedure.

2.4. The Company shall have the right to enter into any transactions in its own name in compliance with the laws of the Russian Federation, to acquire and exercise civil rights and incur civil obligations, and act as plaintiff and defendant in a court of law.

2.5. As an independent business entity, the Company may own, use and dispose of its separate property accounted for on its independent balance sheet.

2.6. The founder of the Company is the Council of Ministers - Government of the Russian Federation (hereinafter referred to as the “Founder”).

2.7. The provisions of this Charter shall be amended, or a new version of this Charter shall be approved by decision of the General Meeting of Shareholders (hereinafter referred to as the “Shareholders Meeting” or the “Meeting”) of the Company or, in such cases as provided for by this Charter, by the Board of Directors, subject to the requirements of effective legislation and the provisions of this Charter.

2.8. The Company is the owner of assets transferred thereto as contributions, payment for shares or otherwise to the charter capital by its Founder and shareholders, and also of assets received as a result of its activity and from other sources.

2.9. The Company is liable for its obligations to the extent of its assets. The Company is not liable for the obligations of its shareholders.

Shareholders are not liable for the Company's obligations and bear the risk of losses related to the Company's operations to the extent of the value of the Company's shares owned by shareholders.

The state and its bodies are not liable for the Company's obligations; likewise, the Company is not liable for the obligations of the state and its bodies.

2.10. The Company has the right to own an interest in other for-profit and non-profit organizations.

2.11. The Company may establish subsidiaries.

2.12. The Company shall have the right to establish branches and open representative offices, both in the Russian Federation and abroad.

2.13. The Company's branches and representative offices are not legal entities and shall act on behalf of the Company. The Company's branches and representative offices shall operate on the basis of the Regulations on the Branch (Representative Office) in compliance with the laws of the jurisdiction in which such branch or representative office is located.

2.14. The Company shall take part in negotiations on concluding inter-state and inter-governmental agreements on the supply of oil and oil products by the Company.

2.15. The Company shall independently plan and carry out its activity, determine the remuneration of its employees (hereinafter, "Company employees"), the prices of products and services, the procedure and form of settlements under its transactions, unless otherwise is provided by applicable law.

2.16. The Company shall disclose information according to applicable law and the obligations it assumes, including in connection with the listing of the Company's securities on stock exchanges.

2.17. The relationship between the Company and the governmental authorities of the political subdivisions of the Russian Federation and the local governmental authorities in the regions where the Company explores and extracts oil, gas and other mineral resources shall be governed by applicable law and any contracts and agreements between them, with due account of the interests of the Company and the population of such regions.

2.18. The Oil Concern LUKOIL, registered by the Moscow Registration Chamber on April 22, 1992 and entered into the Register under No. 2106-14, was reorganized through a takeover by the Company. The Company is the legal successor to all property and personal non-property rights and obligations of the Oil Concern LUKOIL.

### **Article 3. Objective and Types of Activity of the Company**

3.1. The main objective of the Company is to make profit.

3.2. The main types of the Company's activity are as follows:

3.2.1. Exploration at oil and gas fields and other deposits, geological survey of the subsoil, drilling of wells, extraction, transportation and refining of oil and gas, production of oil products, petrochemical and other products (including consumer goods and services), sale of oil, oil products and other products of the refining of hydrocarbons and other raw materials (including retail sales and exports);

3.2.2. Investment and financial activities in Russia and abroad;

3.2.3. Coordination of activities of the Company's subsidiaries;

3.2.4. Procedures for the issue of the Company's securities in compliance with applicable law;

3.2.5. Creation of production facilities and performance of actions furthering the objectives of the Company and the interests of its shareholders, including advertising, publishing and printing activity, organization of exhibitions, trade exhibitions, and auctions;

3.2.6. Exports and imports of goods and services, development of new forms of mutually beneficial foreign economic relations, trade, economic, scientific and technological cooperation with foreign companies;

3.2.7. Organisation and performance of actions on preparation for mobilization, registration for military service and reservation of individuals eligible for military call-up in the Russian Federation, civil defence, prevention and liquidation of emergencies, and the protection of information constituting a state or trade secret in accordance with the laws and regulatory acts of the Russian Federation as well as performance of work related to the use of information constituting a state secret and provision of services on the protection of a state secret;

3.2.8. Organisation and performance of research and technical, design and exploration, and commissioning activity;

3.2.9. Construction, renovation and operation of facilities for oil and gas extraction, transportation, oil and gas refining, production and sale of oil, gas, oil products and petrochemicals, and also housing, social, and cultural facilities;

3.2.10. Legal support and provision of legal services;

3.2.11. Intermediary, consulting, educational and marketing activities, provision of telecommunications services to legal entities and individuals and any other types of activities that do not contravene the Company's objectives and are not prohibited by applicable law;

3.2.12. Environmental protection, occupational and industrial safety in accordance with Russian legislation, international standards ISO 14001 and ISO 45001.

3.3. The Company's activities to execute orders for the implementation of federal special-purpose programs and the purchase and supply of products to meet state needs shall be carried out on the basis of state supply contracts to meet state needs, and state supply agreements entered into in connection therewith.

## **Article 4. Charter Capital**

4.1. The Charter Capital of the Company shall consist of the par value of shares acquired by shareholders (placed) and shall be 17,875,000 roubles 00 kopecks (seventeen million eight hundred seventy five thousand roubles and zero kopecks).

4.2. The Charter Capital of the Company is divided into 715,000,000 registered ordinary shares with a par value of 2.5 kopecks per share, representing in aggregate 100 percent of the Charter Capital.

4.3. As necessary and pursuant to the procedure stipulated by the laws of the Russian Federation and this Charter, the Company may:

4.3.1. increase the Charter Capital by placing additional shares within the limit of the authorized shares established by this Charter, or by increasing the par value of shares;

4.3.2. consolidate issued shares or split them into shares of smaller par value;

4.3.3. reduce the amount of the Charter Capital by decreasing the par value of shares of the Company or through the purchase by the Company of a portion of the shares in order to reduce the total number thereof or through the retirement of shares not paid-up in full, and through the retirement of shares acquired or repurchased by the Company.

4.4. Any changes in the Company's Charter Capital shall be made pursuant to a decision on:

4.4.1. an increase in the Charter Capital:

4.4.1.1. by increasing the par value of shares, to be adopted by the Shareholders Meeting;

4.4.1.2. by placing additional shares, to be unanimously adopted by the Company's Board of Directors, except as otherwise stipulated by sub-points 4.4.1.3, 4.4.1.4 of point 4.4 of this Charter;

- 4.4.1.3. by placing additional shares through private subscription, to be adopted by the Shareholders Meeting;
- 4.4.1.4. by placing, through open subscription, ordinary shares equal to more than 25 percent of outstanding ordinary shares, to be adopted by the Shareholders Meeting;

4.4.2. a reduction of the Charter Capital through a decrease in the par value of shares or through the acquisition of a portion of shares in order to reduce the total number thereof, to be adopted by the Shareholders Meeting.

4.5. The price of additional shares placed by subscription shall be determined, or the procedure for determination of which shall be established, by the Board of Directors, but shall not be less than par value.

The value of assets contributed as payment for shares and other issuable securities shall be expressed in roubles.

4.6. The Company shall have the right to issue, in addition to shares already placed, 85,000,000 (eighty-five million) ordinary registered shares with a par value of 2.5 kopecks each, for a total par value of 2,125,000 (two million one hundred twenty-five thousand) roubles.

Ordinary registered shares declared for placement by the Company shall give their owners the rights stipulated by point 5.5 of article 5 of this Charter.

## **Article 5. Shares and Other Securities of the Company. Shareholders' Rights**

5.1. The issue, registration, and rules for the trading of the Company's securities and their offering shall be determined by this Charter and applicable securities law.

5.2. If the Company offers additional shares and issuable convertible securities by open subscription, the Company's shareholders shall have a preemptive right to acquire such additional shares and issuable convertible securities in an amount proportionate to the number of such class (type) of shares held by them.

If the Company offers shares and issuable convertible securities by private subscription, the Company's shareholders who voted against or who did not participate in the voting on such offering shall have a preemptive right to acquire such securities in an amount proportionate to the number of such class (type) of shares held by them. Such right shall not apply where shares and other issuable convertible securities are offered by private subscription to shareholders only, if the shareholders may acquire a whole number of the shares and other issuable convertible securities in proportion to the number of such class of shares held by them.

In each additional issue of shares or issuable convertible securities, the Company shall give notice to all holders of such class (type) of shares, at least 45 calendar days prior to the start of the offering according to the procedure stipulated for notifying of the holding of a Shareholders' Meeting, stating the amount of shares and issuable convertible securities so offered, their offering price or the procedure for determining the same, or that the price or the procedure for determining the same will be established by the Board of Directors of the Company no later than the start of placement of the securities, as well as the procedure for determining the number of securities to which any such shareholder shall be entitled, the procedure for submitting an application to the Company on the acquisition of shares or issuable securities convertible into shares, and the period during which these applications must be submitted to the Company.

5.3. The Company, acting in compliance with the laws of the Russian Federation, may acquire its outstanding shares based on a decision of the Board of Directors. The Company may not take such decision on the acquisition of shares by the Company if the par value of outstanding Company shares thereby becomes less than 90 percent of the Company's Charter Capital.

Shares acquired by the Company pursuant to the decision of the Board of Directors shall not provide voting rights, shall be disregarded for the purposes of tallying votes, and shall not accrue

any dividend. Such shares shall be sold within one year of their acquisition at the price not lower than their market value.

5.4. If a shareholder is unable acquire a whole number of shares in exercising the preemptive right to acquire additional shares or in consolidation of shares, fractional shares may be created (hereinafter, "fractional shares"). Fractional shares shall be traded *pari passu* with whole shares. Any fractional share shall grant to the holder thereof the rights granted by the relevant class (type) of shares in an amount equal to that portion of a share which it represents. In order to reflect the total number of shares outstanding in the Company's Charter, all outstanding fractional shares shall be aggregated. If the resulting number is a fraction, such fraction shall be specified in the Company's Charter to reflect the number of shares outstanding.

5.5. Each ordinary share shall grant equal rights to the holder thereof.

Pursuant to the procedure stipulated in this Charter, Company shareholders have the right:

5.5.1. to participate in the management of the Company through participation in the Shareholders Meetings of the Company in compliance with effective legislation and this Charter;

5.5.2. to purchase shares and other securities of the Company, including by exercising the preemptive right in accordance with the provisions of point 5.2 of this Charter;

5.5.3. to sell the shares owned by them without permission from other shareholders and the Company;

5.5.4. In cases and in accordance with the procedure stipulated by effective legislation and the Company Charter, to receive information about the Company's activities and have access to its accounting and other documentation;

5.5.5. to receive a portion of the Company's assets available after settlements with creditors are performed in the event of its liquidation;

5.5.6. to exercise their rights directly or by proxy, who may be other shareholders, or other persons acting on the basis of a power of attorney, issued in compliance with the procedure determined by applicable law;

5.5.7. to receive the Company's dividends.

Shareholders of the Company also have other rights stipulated by effective legislation and the Company Charter.

5.6. The shareholders shall be obligated not to disclose confidential information on the Company's operations.

Shareholders of the Company also have other duties stipulated by effective legislation and the Company Charter.

5.7. A party that has purchased more than 30 percent of the total shares of the Company, taking into account the number of shares already owned by the party or its related parties, shall be required to publicly offer to purchase the remaining ordinary shares in the Company and the issuable securities of the Company convertible into ordinary shares from the shareholders that hold them, according to the procedure and by the deadlines established by the effective legislation of the Russian Federation.

## Article 6. Share Register

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").

The Board of Directors shall adopt a decision to approve the Registrar, provided that its operation comply with the laws of the Russian Federation and generally accepted international practices.

6.2. The share register of the Company shall be maintained in accordance with the laws of the Russian Federation using a computer database that ensures identification of registered persons,

certification of title to securities registered on the personal accounts of registered persons, and which also allows information to be received and sent to registered persons.

## **Article 7. Governing Bodies**

7.1. The Company shall establish the following governing bodies for the purpose of conducting Company's activities:

- 7.1.1. The General Shareholders Meeting;
- 7.1.2. The Board of Directors;
- 7.1.3. The President (General Director) – a single-person executive body (hereinafter, the “President”);
- 7.1.4. The Management Committee – a collective executive body.

7.2. Members of the Board of Directors, the President of the Company and other members of the Management Committee shall be officers of the Company (hereinafter, the “officers of the Company”).

7.3. The Company shall employ the necessary specialists to support daily operations.

7.4. The Company's executive bodies shall be located at the Company's location.

## **Article 8. Shareholders Meeting**

8.1. The General Shareholders Meeting shall be the highest governance body of the Company.

The Shareholders Meeting 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 prior to the conduct of the Meeting shall be held in the city where the Company is located (Moscow) or in the cities of Volgograd, Kogalym, Astrakhan, Nizhny Novgorod and Perm.

8.2. The following issues shall be within the jurisdiction of the Shareholders Meeting:

8.2.1. amendments and addenda to the Company Charter or approval of any new versions of the Company Charter;

8.2.2. reorganization of the Company;

8.2.3. liquidation of the Company, appointment of the liquidation commission and approval of interim and final liquidation balance sheets;

8.2.4. determination of the number of members of the Company's Board of Directors, election of its members, early termination of their powers, determination of remuneration and compensation payable to the Board members;

8.2.5. determination of the amount, par value, class (type) of authorized shares and the rights granted by these shares;

8.2.6. increase in the Charter Capital through:

8.2.6.1. an increase in the par value of the shares;

8.2.6.2. placement of additional shares by private subscription;

8.2.6.3. placement of additional shares representing more than 25 percent of outstanding shares, by open subscription;

8.2.7. decrease in the Charter Capital of the Company through:

8.2.7.1. a decrease in the par value of shares;

8.2.7.2. acquisition by the Company of part of the shares in order to reduce the total number thereof;

8.2.7.3. the retirement of shares acquired or repurchased by the Company in accordance with the laws of the Russian Federation;

- 8.2.8. appointment of the President; early termination of the powers of the President;
- 8.2.9. approval of the Company's Auditor;
- 8.2.10. payment (declaration) of dividends based on the results of the first three, six and nine months of the reporting year;
- 8.2.11. approval of annual reports, annual accounting (financial) statements of the Company;
- 8.2.12. Distribution of profits (including through the payment (declaration) of dividends, with the exception of payment (declaration) of dividends based on the results for the first quarter, half year, and first nine months of the reporting year) and losses of the Company based on the results of the reporting year;
- 8.2.13. determination of the rules for the conduct of Shareholders Meetings;
- 8.2.14. split and consolidation of shares;
- 8.2.15. Adoption of decisions on consent or subsequent approval of interested-party transactions, as provided by the Federal Law On Joint Stock Companies;
- 8.2.16 Adoption of decisions on:
  - 8.2.16.1 consent or subsequent approval of major transactions, as provided by the Federal Law On Joint Stock Companies;
  - 8.2.16.2 consent or subsequent approval of a major transaction requiring decision on consent or subsequent approval of the Board of Directors in accordance with sub-point 9.7.17 of point 9.7 of this Charter, if the Board of Directors has not reached unanimity on the issue;
- 8.2.17. acquisition by the Company of outstanding shares in order to reduce the total number thereof;
- 8.2.18. decisions on participation in financial-industrial groups, associations and other unions of for-profit organizations;
- 8.2.19. approval of internal regulations governing the activities of the Company's bodies;
- 8.2.20. placement of issuable convertible securities through private subscription, and placement through open subscription of issued convertible securities representing more than 25 percent of the Company's outstanding ordinary shares;
  - 8.2.20.1. Adoption of a decision on filing an application on the delisting of the Company's shares and/or issuable securities convertible into shares;
  - 8.2.21. other issues stipulated by effective legislation.
- 8.3. Shareholders Meetings may be annual and extraordinary.
- 8.4. Annual Shareholders Meetings shall be held annually, not earlier than two and not later than six months after the end of the reporting year.
  - The annual Shareholders Meeting shall settle issues of the election of the Board of Directors of the Company, approval of the Auditor of the Company, approval of the annual report and annual accounting (financial) statements, distribution of profits (including through the payment (declaration) of dividends) and losses based on the results of the reporting year. In addition, the annual Shareholders Meeting may decide on other issues within its jurisdiction in accordance with effective legislation.
  - 8.5. Extraordinary Shareholders Meetings shall be held by decision of the Company's Board of Directors, on its own initiative, or at the request of the Company's Auditor, or a shareholder (shareholders) holding at least 10 percent of the Company's voting shares as at the date of such request.
  - 8.6. Company shareholder (shareholders) holding in aggregate at least two percent of the Company's voting shares are entitled to propose items for the agenda of the Annual Shareholders Meeting and candidates to the Board of Directors, and to the office of President. The number of candidates such shareholders may nominate to the Board of Directors may not exceed the number of positions in this body. Such proposals shall be received by the Company not later than 60 days after the end of the reporting year of the Company.

In addition to issues proposed for the agenda of the Shareholders Meeting by shareholders, and to the candidates nominated by the shareholders to the relevant body of the Company, the Board of Directors may at its own discretion place issues on the agenda and/or nominate candidates to the relevant body. The number of candidates nominated by the Company's Board of Directors may not exceed the number of positions in the relevant body.

8.7. The notice of any Shareholders Meeting shall be placed on the Company's official websites ([www.lukoil.ru](http://www.lukoil.ru), [www.lukoil.com](http://www.lukoil.com)), at least 30 days prior to the date when it is to be held, unless an earlier deadline is stipulated by law.

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.

The Meeting procedure may, by resolution of the Company's Board of Directors, enable persons entitled to participate in the Meeting, to complete the voting ballots electronically, through a website on the information and telecommunications network "Internet", the URL whereof is established by the Board of Directors and included in the Meeting Notice.

Where the number of persons entitled to participate in any Shareholders Meeting is more than 500,000, forms of voting ballots shall be published in the newspaper *Rossiyskaya gazeta*.

The information (materials) to be provided to persons entitled to participate in the annual Shareholders Meeting includes the annual report; the annual accounting (financial) statements; the Auditors' Report on such accounting (financial) statements; information on candidates for election to the Board of Directors and the single-person executive body of the Company; the draft amendments and addenda to the Company Charter or the draft new version of the Company Charter; draft internal documents of the Company or amendments and addenda to such documents subject to approval by the Meeting; draft decisions of the Shareholders Meeting of the Company and other information (materials) stipulated by effective legislation, internal documents of the Company and decisions of the Board of Directors of the Company.

If the agenda of the Shareholders Meeting includes the issue of reorganization of the Company, shareholders will be informed, *inter alia*, of the reason for the reorganization and provided with the annual accounting (financial) statements of all organizations participating in the reorganization for three completed reporting years.

8.8. The Meeting shall be presided by the Chairman of the Board of Directors or the Vice Chairman of the Board of Directors. Should they be absent from the Meeting, it will be presided by a person designated pursuant to the procedure stipulated by the *Regulations On The Procedure For Preparing And Holding The General Shareholders Meeting Of The Company*.

8.9. The meeting shall be authorized (quorate) if it is attended by shareholders holding in aggregate more than half of the outstanding voting shares of the Company. If the agenda of any Shareholders Meeting contains issues to be voted by different types of voters, quorum for voting on such issues shall be determined separately. In such cases, a lack of quorum for voting on issues to be voted by one set of voters shall not preclude voting on issues to be voted by another set of voters for which a quorum is present.

Shareholders registered to participate in the Meeting and shareholders whose ballots are received by the Company at least two days prior to the date of the Shareholders Meeting shall be deemed to have participated in the Meeting. In the event a Shareholders Meeting is held in the form of absentee voting, shareholders whose ballots are received prior to the deadline for receipt of ballots shall be deemed to have participated in the Meeting.

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.

If the Meeting procedure, as resolved by the Company's Board of Directors, enables persons entitled to participate in the Meeting to complete voting ballots electronically, shareholders shall be deemed to have attended the Shareholders Meeting, as long as they are registered on the website on the information and telecommunications network "Internet", as specified in the Meeting Notice, and filled out their voting ballots electronically via the website on the information and telecommunications network "Internet", as indicated in the Notice, at least two days prior to the Meeting, or if such Meeting is held in the form of an absentee vote, completed their voting ballots electronically through the website on the information and telecommunications network "Internet", as specified in the Meeting Notice, prior to the final date of acceptance of voting ballots.

8.10. In the absence of a quorum, the date of a rescheduled Shareholders Meeting with the same agenda shall be announced.

The rescheduled Shareholders Meeting convened in place of the canceled meeting shall be quorate if attended by shareholders (their proxies) holding in aggregate at least 30 percent of the outstanding voting shares of the Company.

8.11. The functions of the counting commission shall be performed by the Registrar authorized by the decision of the Board of Directors.

8.12. The right to participate in the Shareholders Meeting may be exercised by a shareholder in person or by proxy.

A shareholder's proxy shall act to the extent of the authority provided for in the orders of the federal bodies or the acts of the competent governmental or local authorities, or a written power of attorney.

8.13. Experts (including Company employees) may be invited to the Shareholders Meetings for assistance in the review of certain special issues included in the agenda.

8.14. The Shareholders Meeting shall make decisions by a majority vote of the shareholders holding voting shares and present at the Shareholders Meeting, with the exception of the cases stipulated by this Charter.

8.15. Decisions on the issues indicated in sub-points 8.2.1, 8.2.2, 8.2.3, 8.2.5, 8.2.6.2, 8.2.6.3, 8.2.7.1, 8.2.16.1, 8.2.17, 8.2.20 and 8.2.21 of point 8.2 of this Charter shall be taken by the Shareholders Meeting by a three-fourths majority vote of the shareholders holding voting shares present at the Shareholders Meeting.

8.16. Decisions on the issues indicated in sub-points 8.2.2, 8.2.6, 8.2.7.1, 8.2.14, 8.2.15, 8.2.16, 8.2.17, 8.2.18 and 8.2.19 of point 8.2 of this Charter shall be taken by the Shareholders Meeting only on the proposal of the Board of Directors of the Company.

8.17. Decisions on issues specified in sub-point 8.2.15 of point 8.2 of this Charter shall be made by a majority vote of the holders of the Company's voting shares participating in the Shareholders Meeting who have no material benefit (interest) in concluding the transaction.

For the purposes of taking a decision under sub-point 8.2.15 of point 8.2 of this Charter the Shareholders Meeting shall be deemed quorate irrespective of the number of shareholders, who own voting shares in the Company, participating in the Meeting and having no material benefit (interest) in concluding the transaction.

8.18. The minutes of the Shareholders Meeting shall be signed by the person presiding at the Shareholders Meeting (Chairman of the Meeting) and the Secretary of the Shareholders Meeting, and shall be certified with the Company seal.

The protocol on voting results shall be attached to the Minutes of the Shareholders Meeting.

8.19. The decisions adopted and the voting results may be announced at the Shareholders Meeting at which the voting was held, except for Meetings conducted in the form of absentee voting, and shall also be brought to the attention of the persons included in the list of persons entitled to participate in the Meeting in the form of a report on voting results not later than four

business days after the close of the Meeting or the deadline for acceptance of voting ballots if the Meeting is held through absentee voting, according to the procedure stipulated for notification on the holding of the Shareholders Meeting.

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.

8.20. A decision of the Shareholders Meeting may be adopted without holding a meeting (joint attendance of shareholders to discuss agenda items and adopt decisions put to voting) by an absentee vote, with the exception of the cases stipulated by effective legislation.

## **Article 9. The Board of Directors**

9.1. The Company's Board of Directors shall control the actions of the Company's executive bodies and exercise general management of the Company's activities, with the exception of issues within the jurisdiction of the Shareholders Meeting. The procedure for convocation and conduct of meetings of the Board of Directors shall be set forth in the *Regulations on the Board of Directors of the Company*.

9.2. Members of the Board of Directors shall be elected by the Shareholders Meeting through cumulative voting, for a term lasting until the next annual Shareholders Meeting. The Board shall consist of 11 members. If the annual Shareholders Meeting is not held within the period stipulated by law, the authority of the Board of Directors of the Company shall terminate as of the date following the last day of the period for holding the annual Shareholders Meeting stipulated by law, except for the authority to prepare, convene and hold the annual Shareholders Meeting.

Board members may be re-elected an unlimited number of times.

Shareholders shall make every effort to nominate and elect at least three independent directors to the Board of Directors.

In certain instances, when performing such evaluation, the Board of Directors may deem a particular candidate (Board member) to be independent even though he/she formally meets any criterion of affiliation with the company, its significant shareholders or any of its material trading partners or competitors, the state (the Russian Federation, a constituent entity of the Russian Federation) or a municipality provided that such affiliation does not affect his/her ability to make independent, objective and bona fide judgements.

9.3. Pursuant to a decision of the Shareholders Meeting, the authority of all members of the Board of Directors may terminate before the expiry of their term.

9.4. The Board of Directors shall retain its powers irrespective of any vacancies that may occur. If the number of the Board members becomes less than the number constituting a quorum, the Board of Directors shall decide on holding an extraordinary Shareholders Meeting to elect a new Board of Directors.

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.

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.

The Chairman of the Board of Directors shall sign contracts with the President of the Company on behalf of the Company.

9.7. The following issues shall be referred to the authority of the Board of Directors, with the exception of cases where decisions on the issues listed in this point may only be taken by the Shareholders Meeting in accordance with effective legislation:

9.7.1. definition of priorities of Company's activities;

9.7.2. convocation of the annual and extraordinary Shareholders Meetings of the Company except for cases provided for by the laws of the Russian Federation;

9.7.3 approval of the agenda of the Shareholders Meeting and including the following items on the agenda upon a proposal of the Board of Directors:

9.7.3.1. the issue provided for in sub-point 8.2.2 of point 8.2 hereof;

9.7.3.2. the issues provided for in sub-points 8.2.6 and 8.2.7.1 of point 8.2 hereof;

9.7.3.3. issues provided for in sub-points 8.2.14 – 8.2.19 of point 8.2 hereof;

9.7.3.4. other issues in accordance with the laws of the Russian Federation;

9.7.4 setting the date for determining (formalizing) 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;

9.7.5 deciding on the following issues relating to an increase of the Company's Charter Capital:

9.7.5.1 increase of the Company's Charter Capital by way of placement of additional shares within the quantity and classes (types) of the authorized shares, except for the cases provided for in sub-point 8.2.6 of point 8.2 hereof;

9.7.5.2. making amendments and addenda to this Charter related to the increase of the Company's Charter Capital in the events provided for by the laws of the Russian Federation and this Charter;

9.7.6. placement of bonds and other issuable securities by the Company, including securities convertible into the Company's shares, except as provided for in sub-point 8.2.20 of point 8.2 hereof;

9.7.7. determination of the value (monetary value) of assets, price of placement or the procedure for its determination and the redemption price of issuable securities in accordance with the laws of the Russian Federation;

9.7.8. approval of a decision on the issue of the Company shares and Company securities convertible into the Company shares, of a prospectus of the Company's securities issue;

9.7.9. acquisition of shares, bonds and other issuable securities placed by the Company, except for cases provided for in sub-point 8.2.17 of point 8.2 hereof;

9.7.10. formation of the Management Committee – the Company's collective executive body, termination of its members' powers before the expiration of their term, determination of the principal terms of contracts entered into by the President and members of the Management Committee;

9.7.11. determination of the amount of the Auditor's fee;

9.7.12. recommendation on the amount of dividends on shares and the procedure for their payment;

9.7.13. recommendations to shareholders at the initiative of the Board of Directors on voting on issues included in the agenda of the Shareholders Meeting;

9.7.14. use of the reserve and other funds of the Company;

9.7.15. approval of the internal corporate documents other than those the approval of which falls within the authority of the Shareholders Meeting and the Company's executive bodies;

9.7.16. establishment of branches and representative offices of the Company and their liquidation;

9.7.17. consent or subsequent approval of major transactions involving assets with a value of 25 to 50 percent of the book value of the Company's assets according to its accounting (financial) statements as of the latest reporting date, as provided by the Federal Law On Joint Stock Companies;

9.7.18. approval of a transaction or a series of related transactions relating to acquisition, disposal or the possibility of disposal of assets with a value of 10 to 25 per cent of the book value

of the Company's assets according to its accounting (financial) statements as of the latest reporting date with the exception of transactions made during the usual course of the Company's business;

9.7.19. consent or subsequent approval of interested party transactions, as provided in the Federal Law On Joint Stock Companies, involving members of the Company's Board of Directors, the Company President, members of the Company's Management Committee or any person acting as a controlling person of the Company, or a person authorized to issue instructions that are binding on the Company, except for transactions specified in sub-point 8.2.15 of point 8.2 hereof;

9.7.20. approval of the Company's Registrar and the terms of the agreement with the Registrar, termination of such agreement;

9.7.21. formation of committees of the Board of Directors and commissions under the Board of Directors, approval of internal regulations determining their authority and proceedings, composition, appointment and termination of chairmen and members of the committees and commissions;

9.7.22. filing an application on the listing of the Company's shares and/or issuable securities convertible into shares;

9.7.23. passing a decision on appointment and dismissal of the head of the internal audit subdivision accountable to the Board of Directors of the Company;

9.7.24. defining principles of and approaches to internal audit, approval of the internal audit policy (*Regulations on Internal Audit*) and other by-laws governing internal audit, action plans and the budget of the internal audit subdivision of the Company, review of the status reports of the action plans and internal audit activity;

9.7.25. passing a decision on appointment and dismissal of the Corporate Secretary, determining of the size of remuneration and principles of bonus payments for the Corporate Secretary of the Company, and approval of the *Regulations on the Corporate Secretary of the Company*;

9.7.26. Establish corporate principles and approaches that are embraced by the Company in regard to its risk management and internal control system, including approval of risk management and internal control policies;

9.7.27. Oversee the reliability and performance of the Company's risk management and internal control system;

9.7.28. Other issues provided for in the laws of the Russian Federation and this Charter.

9.8. The procedure for making decisions by the Board of Directors:

9.8.1. At a meeting, the Board of Directors shall make decisions by a majority vote of those participating in the meeting, unless more votes are required for making relevant decisions as provided for in the effective legislation, this Charter or the *Regulations on the Board of Directors*. In case of a tie vote, the Chairman of the Board of Directors shall have the casting vote;

9.8.2. Decisions on the following issues should be taken unanimously by all members of the Board of Directors (without taking into account votes of the members withdrawn from the Board of Directors):

9.8.2.1 the issue provided for in sub-point 9.7.5.1 of point 9.7 hereof;

9.8.2.2 the issue provided for in sub-point 9.7.6 of point 9.7 hereof;

9.8.2.3. the issue provided for in sub-point 9.7.17 of point 9.7 hereof. If a unanimous decision on the consent or subsequent approval of a major transaction referred to in sub-point 9.7.17 of point 9.7 of this Charter cannot be reached by the Board of Directors, such issue may be submitted to the Shareholders Meeting by decision of the Board of Directors made by a majority vote of its members present at the meeting;

9.8.3. Participation shall mean personal presence of a Board member at the meeting or a written opinion on the agenda items sent in the established manner by a Board member absent from such meeting.

The Board of Directors may adopt decisions by an absentee vote.

9.8.4. When establishing the basic conditions of the contracts to be concluded with the President and members of the Management Committee of the Company, the votes of the members of the Board of Directors that are simultaneously the President and/or members of the Management Committee of the Company shall not be taken into account when tallying votes.

9.9. The Board of Directors shall hold meetings as necessary. Meetings shall be called by the Chairman of the Board of Directors on his own initiative or at the request of a member of the Board of Directors, the Head of the Company's Internal Audit division, the Company's Auditor, the President or the Company's Management Committee.

Written notice of each Board meeting shall be sent to each member of the Board of Directors pursuant to the procedure and by the deadlines established by the *Regulations on the Board of Directors*. If necessary, any meeting of the Board of Directors may be temporarily adjourned, pursuant to the procedure set forth in the *Regulations on the Board of Directors*.

9.10. The meeting shall be quorate if at least half of the elected members of the Board of Directors are present; in addition, the presence of at least one independent director (if there are any on the Board of Directors) shall be mandatory. Board members present at the meeting and written opinions on agenda items received from the Board members absent from the meeting shall be taken into account when determining quorum.

9.11. No member of the Board of Directors may transfer his/her voting rights to any other person, including to other Board members.

9.12. Minutes of meetings of the Board of Directors shall be signed by the Chairman of the Board of Directors or, in his/her absence, by the person presiding at the meeting, and shall be certified by the Company seal.

9.13. 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 the Corporate Secretary of the Company.

9.14. During the period of the performance of their duties, Members of the Board of Directors may receive remuneration and (or) reimbursement of expenses related to the performance of their functions as the Members of the Board of Directors, pursuant to the decision of the Shareholders Meeting. The amounts of such remuneration and reimbursement shall be established by decision of the Shareholders Meeting.

9.15. All issues not settled by this Article shall be governed by the *Regulations on the Board of Directors of the Company*.

## **Article 10. President of the Company and the Management Committee**

10.1. The President of the Company, being the single-person executive body of the Company, shall manage the current operations of the Company and head the Management Committee, which is Company's collective executive body.

The President shall be appointed by the Shareholders Meeting for a term of five years.

10.2. Pursuant to the laws of the Russian Federation, the President of the Company is vested with all powers he may need to manage the Company.

The President shall act without the power of attorney on behalf of the Company within his competence set out by this Charter and effective legislation.

In the absence of the President of the Company (due to business travel, temporary disability, leave, or other reasons) the duties of the President of the Company shall be performed without power of attorney by the First Executive Vice-President or another person appointed acting President of the Company by executive order of the Company.

10.3. The authority of the Company's President shall include all issues relating to the management of the Company's current operations, except for those within the authority of the Shareholders Meeting or the Board of Directors of the Company. The President shall perform, *inter alia*, the following duties:

- 10.3.1. management of the day-to-day operations of the Company;
- 10.3.2. exercise of the right of first signature on financial documents of the Company;
- 10.3.3. management of the Company's assets for the purpose of the Company's current operations, within the limits established by the Charter;
- 10.3.4. represent the Company inside and outside the Russian Federation;
- 10.3.5. approval of personnel, conclusion of employment contracts with Company employees, establishment of incentives and imposition of penalties;
- 10.3.6. performance of the function of chairman of the Management Committee and organization of its work;
- 10.3.7. submission for the approval of the Board of Directors of a list of nominees to the Management Committee and signing of contracts with members of the Management Committee on behalf of the Board of Directors;
- 10.3.8. performance of transactions on the Company's behalf, issue of powers of attorney on the Company's behalf, and opening and closing of the bank accounts of the Company;
- 10.3.9. organisation of the financial and tax accounting and reporting of the Company and document flow in the Company;
- 10.3.10. issuing of orders and instructions binding on all employees of the Company;
- 10.3.11. filing of claims and suits on the Company's behalf against legal entities and individuals in the Russian Federation and abroad;
- 10.3.12 representing the Company at general shareholders (participants) meetings of its subsidiaries and other entities in which the Company holds an interest and voting on all issues on the agenda of such general meetings;
- 10.3.13. approval of the Company's structure and regulations on the Company's structural and separate subdivisions;
- 10.3.14. approval of the Company's internal documents governing its current operations, other than internal documents whose approval is assigned by this Charter to the authority of the Management Committee of the Company.

10.3.15. Appointment (approval) of the first executive vice-president, first vice-presidents, senior vice-presidents and vice-presidents.

10.3.16. appointment and dismissal of the head of the internal audit subdivision of the Company under an employment contract based on a resolution of the Company's Board of Directors;

10.3.17. appointment and dismissal of the Corporate Secretary of the Company under an employment contract based on a resolution of the Company's Board of Directors.

10.4. The Management Committee, the Company's collective executive body, shall be formed annually by the Board of Directors. The President of the Company shall, within one month of the election of the Board of Directors at the annual Shareholders Meeting, submit for approval to the Board of Directors a proposal on the composition and candidates to the Management Committee. The Board of Directors may reject any candidate to the Management Committee, but may not approve any members of the Management Committee without recommendation of the President.

Members of the Management Committee need not be employees of the Company and may, in particular, hold top management positions in the Company's subsidiaries, subject to the Board's consent.

10.5. The term of office of members of the Management Committee shall be reckoned from the time they are approved by the Board of Directors to the moment when a new Management Committee is approved by the Board of Directors. The authority of any Management Committee member may be terminated at any time by the Board of Directors on the recommendation of the President. During the year the President may propose additional candidates to the Management Committee for approval by the Board of Directors. Newly approved Management Committee members replacing previous members shall hold their positions until approval of the new Management Committee by the Board of Directors.

Any Management Committee member may withdraw from the Management Committee before the expiration of his/her term, by submitting written notice to the President. This issue shall then be submitted to the Board of Directors for a decision.

The time and procedure for convocation and holding meetings and the procedure for decision-making shall be determined by the *Regulations on the Management Committee* of the Company.

10.6. The authority of the Management Committee shall include the following issues:

10.6.1. organization of efficient day-to-day management of the current operations of the Company;

10.6.2. development and implementation of the Company's current business policy to enhance its profitability and competitiveness;

10.6.3. development and approval of the Company's quarterly, annual and future plans of action, budget and investment program, and control over the implementation thereof;

10.6.4. arranging for Shareholders Meetings and activities of the Company's Board of Directors, ensuring implementation of the decisions made by them;

10.6.5. Development and implementation of the general development strategy for Company subsidiaries, including uniform production, technical, fiscal, pricing, sales, social and staffing policies, preliminary approval of the decisions of Company subsidiaries on participation in other entities, as well as decisions on the acquisition of subsoil use rights which could lead to investment expenses in an amount exceeding the rouble equivalent of USD 150 million, and termination of rights to subsoil use at the initiative of the subsoil user, except termination of rights to use subsoil blocks with a lack of mineral reserves, and coordination of the operations of Company subsidiaries, including approval of the documents regulating the activities of Company subsidiaries;

10.6.6. decisions on the sale of shares and other issued Company securities repurchased by the Company;

10.6.7. appointment of representatives of the President of the Company for the political subdivisions of the Russian Federation and foreign countries on recommendation of the President of the Company;

10.6.8. monitoring of work on collection of the accounts receivable of the Company;

10.6.9. decisions on the observation of anniversaries and other significant dates, on awards and grants of honorary titles to employees of the Company and its subsidiaries;

10.6.10. decisions on the establishment by the Company of other legal entities, participation and termination of participation in other entities, except for cases provided for under sub-point 8.2.18 of point 8.2 hereof;

10.6.11. approval of the Company's internal documents on issues assigned by this Charter to the authority of the Management Committee;

10.6.12. decisions on a pproval of material transactions, entered into by the Company's subsidiaries; approval of the Company's internal documents establishing criteria and the procedure for approval of material transactions;

10.6.13. adoption of decisions on registration and use of Company trademarks, approval of the Company's corporate identity and recommendations on its use;

10.6.14. the Management Committee may exercise other authorities granted to it by the President of the Company, and may delegate any of its powers to the President.

## **Article 11. Duties of Officers and Other Persons**

11.1. When exercising their rights and performing their duties, the Company's officers and other persons in cases stipulated by effective legislation shall act in the interests of the Company and shall exercise their rights and perform their duties in respect of the Company reasonably and in good faith.

11.2. The officers of the Company and other persons in cases stipulated by effective legislation shall be liable to the Company for losses incurred by the Company through their fault if it is proved that such persons, when implementing their rights or performing their duties, were acting in bad faith and unreasonably, including if their actions (inaction) contradicted the common conditions of the turnover or common business risk.

The officers of the Company and other persons in cases stipulated by effective legislation shall be liable to the Company or shareholders for losses caused by their culpable actions (inaction) in violation of the procedure for acquiring shares in a public company stipulated by effective legislation.

No liability shall be borne by members of the Board of Directors and Management Committee of the Company who voted against a decision that caused losses to the Company or shareholder or who, acting in good faith, did not participate in the voting.

11.3. In determining the grounds and scope of liability of the persons specified in point 11.2 of this Charter, common conditions of the turnover and common business risk shall be taken into account.

11.4. If several persons are liable pursuant to the terms of this article of the Charter, they shall be jointly and severally liable to the Company, and in those cases stipulated by the second paragraph of point 11.2 of this Charter, to the shareholder.

11.5. The Company or a shareholder (shareholders) owning in aggregate not less than one percent of the outstanding ordinary shares of the Company shall have the right to file suit in court against the persons specified in point 11.2 of this Charter to recover the losses caused to the Company in cases stipulated in the first paragraph of point 11.2 of this Charter.

The Company or shareholder shall have the right to file suit in court against the persons specified in point 11.2 of this Charter to recover the losses caused to the Company (shareholder) in cases stipulated in the second paragraph of point 11.2 of this Charter.

11.6. The Company shall insure the liability of its officers in accordance with international practice.

## **Article 12. Profits, Dividends and Funds**

12.1. The Company's profits shall be determined pursuant to the procedure established by the laws of the Russian Federation. The Company's net profits shall remain at the disposal of the Company and shall be used by the Company at its own discretion.

12.2. The Company shall create a reserve fund and may create other funds. The procedure for the use of such funds shall be established by the Board of Directors.

12.3. The Company shall form a reserve fund in the amount of 15 percent of the Charter Capital. Until the reserve fund reaches this amount, annual deductions to the reserve fund shall be made in the amount of five percent of net profits.

The reserve fund shall be used to cover the Company's losses and to redeem Company bonds and repurchase Company shares in the absence of other resources.

12.4. The Company may decide on (declare) the payment of dividends on outstanding shares.

Dividends shall be paid from the Company's net profits.

12.5. Decisions on the payment (declaration) of dividends shall be adopted by the Shareholders Meeting. The decision on the payment (declaration) of dividends should determine the size of dividends on each class (type) of shares, the form of their payment, the procedure for the payment of dividends in non-cash form, and the date on which the parties entitled to receive

dividends is determined. The decision on the establishment of the date on which the parties entitled to receive dividends is determined will only be taken on the recommendation of the Board of Directors of the Company.

Annual dividends may not exceed the amount of dividends recommended by the Company's Board of Directors.

The term of dividend payments to a nominee holder and a trust manager who is a professional participant on the securities market who are registered in the Company's shareholder register should not exceed 10 business days, and to other parties registered in the shareholder register - 25 business days, from the date when the persons entitled to receive dividends is determined.

12.6. The date on which the persons entitled to receive dividends is established in accordance with the decision on payment (declaration) of dividends cannot be earlier than 10 days before or later than 20 days after the date of adoption of the decision on payment (declaration) of dividends.

12.7. Payment of dividends in cash to individuals whose rights to shares are recorded in the shareholder register of the Company is performed through wire transfer of funds to their bank accounts where the banking details are available to the Registrar or through postal money order if such banking details are not available, and to other persons whose rights to shares are recorded in the shareholders register of the Company through cash transfer to their bank accounts.

12.8. The tax on dividends payable to shareholders shall be withheld pursuant to the procedure established by applicable law.

### **Article 13. Accounting, Reporting and Audit**

13.1. The Company shall perform financial, tax and other types of accounting and provide financial, tax and other reports according to the procedure established by effective legislation.

The Company shall, alongside with its accounting (financial) statements, prepare its consolidated financial statements in accordance with the International Financial Reporting Standards, which shall bear the signature of the President and the Chief Accountant of the Company, or if absent, signatures of persons acting in such capacity in accordance with the established procedure. The annual consolidated financial statements shall be submitted to the Company shareholders within the times provided by the applicable laws, by publishing them on the Company's official websites on the information and telecommunications network "Internet", i.e. [www.lukoil.ru](http://www.lukoil.ru), [www.lukoil.com](http://www.lukoil.com).

13.2. The President is responsible for the organisation, maintenance and reliability of financial and tax accounting at the Company; the timely submission of accounting (financial) statements to the relevant bodies; and the information on the Company's operations to be provided to shareholders, creditors and the mass media.

The Chief Accountant of the Company will be responsible for keeping financial and tax accounts.

13.3. On an annual basis, the Company shall contract an independent Auditor not having property relations with the Company or its shareholders to audit and confirm the reliability of annual accounting (financial) statements.

13.4. The annual report of the Company shall be subject to preliminary approval by the Board of Directors of the Company, not later than 30 days prior to the date of the annual Shareholders Meeting.

### **Article 14. Reorganization and Liquidation of the Company**

14.1. Reorganization and liquidation of the Company shall be carried out in accordance with the requirements of the laws of the Russian Federation.

14.2. The reorganization of the Company (merger, takeover, split-up, spin-off, transformation) shall be carried out by decision of the Shareholders Meeting only on the recommendation of the Board of Directors, and also in cases stipulated by the laws of the Russian Federation.

14.3. In the event of reorganization of the Company, the transfer of the rights and duties of the Company to its legal successor(s) shall be performed in accordance with the procedure stipulated by effective legislation.

14.4. The liquidation of the Company shall be carried out pursuant to the decision of the Shareholders Meeting and also in cases stipulated by the laws of the Russian Federation.

14.5. The liquidation of the Company shall be carried out by a liquidation commission appointed by the Shareholders Meeting or by a court.

14.6. The liquidation commission shall publish, in the mass media where information on the state registration of legal entities is published, an announcement of the liquidation of the Company and the procedure and deadlines for the filing of claims by creditors.

14.7. From the time the liquidation commission is appointed, all authorities in the management of the Company shall pass to the liquidation commission.

14.8. The procedure and time period for the Company's liquidation shall be established by the Shareholders Meeting or a court. The deadline for filing of claims by creditors may not be less than two months from the date of publication of the announcement of the Company's liquidation.

14.9. The order in which the creditors' claims are satisfied in case of the Company's liquidation shall be determined by the laws of the Russian Federation.

14.10. The Company shall be deemed to have been reorganized or liquidated from the date the appropriate entry is made in the Unified State Register of Legal Entities.

14.11. In the event of a reorganization of the Company that results in the termination of the Company's activity, all documents shall be transferred to the legal successor in compliance with applicable rules. In the event of the liquidation of the Company, documents designated for permanent storage, having scientific and historical value, shall be transferred to the State Archives of the Russian Federation.

**Table of Amendments and Addenda to the current version  
of the Charter of Public Joint Stock Company “Oil company “LUKOIL”  
to be set out as a new version of the Charter of PJSC “LUKOIL”**

№	Current version of the Charter	New version of the Charter	Comments
1.	Sub-point 3.2.12.: « 3.2.12. Environmental protection, occupational and industrial safety in accordance with Russian legislation, international standard ISO 14001 and standard OHSAS 18001.».	Sub-point 3.2.12.: « 3.2.12. Environmental protection, occupational and industrial safety in accordance with Russian legislation, international standards ISO 14001 and <u>ISO 45001</u> standard OHSAS 18001.».	This amendment is being made to the core business activity performed by PJSC “LUKOIL” (the “Company”) with respect to health, safety, and environmental activities to the extent that OHSAS 18001 is superseded with ISO 45001, which is due to the fact that LUKOIL Group chose to align its Health, Safety and Environment Management System with ISO 45001, enacted on 12 March 2018, rather than with OHSAS 18001
2.	The title of Article 7: «Article 7. Control and Management Bodies».	The title of Article 7: «Article 7. <del>Control and Management</del> Governing Bodies».	The title of Article 7 is amended to exclude indication to the Company’s control body (its Audit Commission) by virtue of Clause 1, Article 85 of Federal Law No.208-FZ <i>On Joint Stock Companies</i> dated 26 December 1995 with subsequent amendments and addenda (the JSC Law) which stipulates that a public company shall set up an audit commission solely if and when the Charter of such public company expressly provides for the existence of such a commission and does not make it binding upon public companies to set up audit commissions. Therefore, the Company’s control body is proposed to be terminated.

3.	<p>Point 7.1. of Article 7:</p> <p>«7.1. The Company shall establish the following bodies of governance/management and control for the purpose of conducting Company's activities.</p> <p>7.1.1. Management bodies shall be:</p> <p>7.1.1.1. The General Shareholders Meeting;</p> <p>7.1.1.2. The Board of Directors;</p> <p>7.1.1.3. The President (General Director) – a single-person executive body (hereinafter, the “President”);</p> <p>7.1.1.4. The Management Committee – a collective executive body.</p> <p>7.1.2. The supervisory body shall be: the Audit Commission.».</p>	<p>Point 7.1. of Article 7:</p> <p>«7.1. The Company shall establish the following bodies of governance/management and control for the purpose of conducting Company's activities.</p> <p>7.1.1. Management bodies shall be:</p> <p>7.1.1.4. The General Shareholders Meeting;</p> <p>7.1.1.2. The Board of Directors;</p> <p>7.1.1.3. The President (General Director) – a single-person executive body (hereinafter, the “President”);</p> <p>7.1.1.4. The Management Committee – a collective executive body.</p> <p>7.1.2. The supervisory body shall be: the Audit Commission.».</p>	See comment to item 2 of this Table.
4.	<p>Sub-point 8.2.9. of point 8.2.:</p> <p>«8.2.9. election of members of the Audit Commission and early termination of their powers, determination of remuneration and compensation payable to the members of the Audit Commission;».</p>	<p>Sub-point 8.2.9. of point 8.2 of Article 8 «Shareholders Meeting» shall be deleted.</p> <p>Sub-points 8.2.10, 8.2.11, 8.2.12 and 8.2.12.1 shall be re-numbered as points 8.2.9, 8.2.10, 8.2.11 and 8.2.12, respectively.</p> <p>Sub-points 8.2.20.1 and 8.2.21 shall be re-numbered as points 8.2.21 and 8.2.22 too.</p>	See comment to item 2 of this Table.
5.	<p>Paragraph 2 of point 8.4.:</p> <p>«The annual Shareholders Meeting shall settle issues of the election of the Board of Directors and the Audit Commission of the Company, approval of the Auditor of the Company, approval of the annual report and annual accounting (financial) statements, distribution of profits (including through the payment (declaration) of dividends) and losses based on the results of the reporting year. In addition, the annual Shareholders Meeting may decide on other issues within its jurisdiction in accordance with effective legislation.».</p>	<p>Paragraph 2 of point 8.4.:</p> <p>«The annual Shareholders Meeting shall settle issues of the election of the Board of Directors and the Audit Commission of the Company, approval of the Auditor of the Company, approval of the annual report and annual accounting (financial) statements, distribution of profits (including through the payment (declaration) of dividends) and losses based on the results of the reporting year. In addition, the annual Shareholders Meeting may decide on other issues within its jurisdiction in accordance with effective legislation.».</p>	See comment to item 2 of this Table.
6.	<p>Point 8.5.:</p> <p>«8.5. Extraordinary Shareholders Meetings shall</p>	<p>Point 8.5.:</p> <p>«8.5. Extraordinary Shareholders Meetings shall be</p>	See comment to item 2 of this Table.

	<p>be held by decision of the Company's Board of Directors, on its own initiative or at the request of the Audit Commission, the Company's Auditor, or a shareholder (shareholders) holding at least 10 percent of the Company's voting shares as at the date of such request.».</p>	<p>held by decision of the Company's Board of Directors, on its own initiative, or at the request of the Audit Commission, the Company's Auditor, or a shareholder (shareholders) holding at least 10 percent of the Company's voting shares as at the date of such request.».</p>	
7.	<p>First sentence (in the Russian wording)/first two sentences (in the English wording) of paragraph 1, point 8.6.:</p> <p>«8.6. Company shareholder (shareholders) holding in aggregate at least two percent of the Company's voting shares are entitled to propose items for the agenda of the Annual Shareholders Meeting and candidates to the Board of Directors and Audit Commission, and to the office of President. The number of candidates such shareholders may nominate to the Board of Directors and Audit Commission may not exceed the number of positions in the relevant body.».</p>	<p>First sentence (in the Russian wording)/first two sentences (in the English wording) of paragraph 1, point 8.6.:</p> <p>«8.6. Company shareholder (shareholders) holding in aggregate at least two percent of the Company's voting shares are entitled to propose items for the agenda of the Annual Shareholders Meeting and candidates to the Board of Directors and Audit Commission, and to the office of President. The number of candidates such shareholders may nominate to the Board of Directors and Audit Commission may not exceed the number of positions in the relevant this body. ».</p>	See comment to item 2 of this Table.
8.	<p>Paragraph 5 of point 8.7.:</p> <p>« The information (materials) to be provided to persons entitled to participate in the annual Shareholders Meeting includes the annual report and the opinion of the Audit Commission of the Company on the results of its audit; the annual accounting (financial) statements; the Auditors' Report and the Audit Opinion of the Audit Commission of the Company on such accounting (financial) statements; information on candidates for election to the Board of Directors, the Audit Commission and the single-person executive body of the Company; the draft amendments and addenda to the Company Charter or the draft new version of the Company Charter; drafts of internal documents of the Company or amendments and addenda to such documents; draft decisions of the</p>	<p>Paragraph 5 of point 8.7.:</p> <p>«The information (materials) to be provided to persons entitled to participate in the annual Shareholders Meeting includes the annual report and the opinion of the Audit Commission of the Company on the results of its audit; the annual accounting (financial) statements; the Auditors' Report and the Audit Opinion of the Audit Commission of the Company on such accounting (financial) statements; information on candidates for election to the Board of Directors, the Audit Commission and the single-person executive body of the Company; the draft amendments and addenda to the Company Charter or the draft new version of the Company Charter; draft internal documents of the Company or amendments and addenda to such documents <b>subject to approval by the Meeting</b>;</p>	See comment to item 2 of this Table. Also, the wording of paragraph 5, point 8.7 of the Company Charter is amended in accordance with the wording of Paragraph 1, Clause 3, Article 52 of the JSC Law.

	Shareholders Meeting of the Company; and information (materials) stipulated by effective legislation, internal documents of the Company and decisions of the Board of Directors of the Company.».	draft decisions of the Shareholders Meeting of the Company; and <u>other</u> information (materials) stipulated by effective legislation, internal documents of the Company and decisions of the Board of Directors of the Company.».	
9.	Point 8.15.: «8.15. Decisions on the issues indicated in sub-points 8.2.1, 8.2.2, 8.2.3, 8.2.5, 8.2.6.2, 8.2.6.3, 8.2.7.1, 8.2.16.1, 8.2.17, 8.2.20 and 8.2.20.1 of point 8.2 of this Charter shall be taken by the Shareholders Meeting by a three-fourths majority vote of the shareholders holding voting shares present at the Shareholders Meeting.».	Point 8.15.: «8.15. Decisions on the issues indicated in sub-points 8.2.1, 8.2.2, 8.2.3, 8.2.5, 8.2.6.2, 8.2.6.3, 8.2.7.1, 8.2.16.1, 8.2.17, 8.2.20 and 8.2.20.1 of point 8.2 of this Charter shall be taken by the Shareholders Meeting by a three-fourths majority vote of the shareholders holding voting shares present at the Shareholders Meeting.».	This amendment is being made in connection with renumbering of sub-point 8.2.20.1 of the Company Charter (see item 4 of this Table).
10.	Paragraph 1 of point 8.18.: «8.18. The minutes of the Shareholders Meeting shall be signed by the Chairman of the Board of Directors or other person presiding at the Shareholders Meeting and the secretary of the Shareholders Meeting, and shall be certified with the Company seal.».	Paragraph 1 of point 8.18.: «8.18. The minutes of the Shareholders Meeting shall be signed by the <del>Chairman of the Board of Directors or</del> other person presiding at the Shareholders Meeting ( <b>Chairman of the Meeting</b> ) and the <del>Secretary</del> of the Shareholders Meeting, and shall be certified with the Company seal.».	This amendment is meant to align the wording of paragraph 1 of point 8.18 of the Company Charter and point 12.1 of the <i>Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of PJSC "LUKOIL"</i> approved by the Annual General Shareholders Meeting of PJSC "LUKOIL" on 20 June 2019.
11.	Paragraph 4 of point 9.2.: «In certain instances, when performing such evaluation, the Board of Directors may deem a particular candidate (Board member) to be independent even though he/she formally meets any criterion of affiliation with the company, its significant shareholders or any of its material trading partners or competitors, provided that such affiliation does not affect his/her ability to make independent, objective and bona fide judgements.».	Paragraph 4 of point 9.2.: «In certain instances, when performing such evaluation, the Board of Directors may deem a particular candidate (Board member) to be independent even though he/she formally meets any criterion of affiliation with the company, its significant shareholders or any of its material trading partners or competitors, <u>the state (the Russian Federation, a constituent entity of the Russian Federation) or a municipality</u> provided that such affiliation does not affect his/her ability to make independent, objective and bona fide judgements.».	This addendum is being made to reflect in Paragraph 4, point 9.2 of the Company Charter provisions stipulated in Clause 2.18 of Annex 2 to the Moscow Exchange Listing Rules as approved by the Supervisory Board of PJSC Moscow Exchange on 09 July 2019, whereby the Board of Directors of an issuer may deem a particular Board member (candidate) to be independent even though he/she formally meets any criterion of affiliation with the government/the state (the Russian Federation, a

			constituent entity of the Russian Federation) and/or a municipality provided that such affiliation does not affect his/her ability to make independent, objective and bona fide judgements.
12.	Sub-point 9.7.4. of point 9.7.: «9.7.4 setting the date for determining (formalizing) 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 determining (formalizing) 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;».	This amendment is being made (in Russian) to bring the wording of sub-point 9.7.4, point 9.7 of the Company Charter in accordance with the wording of Sub-Clause 4, Clause 1, Article 65 of the JSC Law.
13.	Sub-point 9.7.8. of point 9.7.: «9.7.8. approval of a decision on securities issue, a prospectus of securities issue and a report on the results of securities issue;».	Sub-point 9.7.8. of point 9.7.: «9.7.8. approval of a decision on <u>securities the issue of the Company shares and Company securities convertible into the Company shares, of</u> a prospectus of the <u>Company's</u> securities issue <u>and a report on the results of securities issue;</u> ».	This amendment is being made to make the wording of sub-point 9.7.8, point 9.7 consistent with Sub-Clause 7.1, Clause 1, Article 65 of the Federal Law <i>On Joint Stock Companies</i> , as amended by Federal Law No. 514-FZ of 27 December 2018 <i>On Amending the Federal Securities Market Law and Certain Legal Acts of the Russian Federation Regarding Improvement of the Legal Regulation of Securities Issues</i> , taking effect on 1 January 2020.
14.	Sub-point 9.7.11. of point 9.7.: «9.7.11. recommendation on the amount of remuneration and compensation payable to the members of the Company's Audit Commission and determination of the amount of the Auditor's fee;».	Sub-point 9.7.11. of point 9.7.: «9.7.11. recommendation on the amount of remuneration and compensation payable to the members of the Company's Audit Commission and determination of the amount of the Auditor's fee;».	See comment to item 2 of this Table.
15.	Sub-point 9.7.21. of point 9.7.: «9.7.21. formation of committees and commissions of the Board of Directors, approval of internal regulations determining their authority and proceedings, composition, appointment and	Sub-point 9.7.21. of point 9.7.: «9.7.21. formation of committees <u>of the Board of Directors</u> and commissions <u>under</u> the Board of Directors, approval of internal regulations determining their authority and proceedings,	This amendment is being made to bring the terms used in sub-point 9.7.21, point 9.7 of the Company Charter in accordance with the wording of Sub-Clause 9.1, Clause 1,

	termination of chairmen and members of the committees and commissions;».	composition, appointment and termination of chairmen and members of the committees and commissions;».	Article 65 of the JSC Law.
16.	Sub-point 9.7.24. of point 9.7.: «9.7.24. approval of the internal audit policy ( <i>Regulations on Internal Audit</i> ) and other bylaws governing internal audit, action plans and the budget of the internal audit subdivision of the Company, review of the status reports of the action plans and internal audit activity;».	Sub-point 9.7.24. of point 9.7.: «9.7.24. <b><u>defining principles of and approaches to internal audit</u></b> , approval of the internal audit policy ( <i>Regulations on Internal Audit</i> ) and other bylaws governing internal audit, action plans and the budget of the internal audit subdivision of the Company, review of the status reports of the action plans and internal audit activity;».	This addendum is being made to sub-point 9.7.24, point 9.7 of the Company Charter to reflect the function of the Board of Directors defined by Sub-Clause 9.2, Clause 1, Article 65 of the JSC Law.
17.	Paragraph 1 of point 9.9.: «9.9. The Board of Directors shall hold meetings as necessary. Meetings shall be called by the Chairman of the Board of Directors on his own initiative or at the request of a member of the Board of Directors, the Audit Commission, the Head of the Company's Internal Audit division, the Company's Auditor, the President or the Company's Management Committee.».	Paragraph 1 of point 9.9.: «9.9. The Board of Directors shall hold meetings as necessary. Meetings shall be called by the Chairman of the Board of Directors on his own initiative or at the request of a member of the Board of Directors, <del>the Audit Commission</del> , the Head of the Company's Internal Audit division, the Company's Auditor, the President or the Company's Management Committee.».	See comment to item 2 of this Table.
18.	Point 9.12.: «9.12. The Board of Directors may form committees and commissions, which may include Board members and Company employees. Such committees and commissions shall act on the basis of internal regulations governing the formation and operation of such committees and commissions, and also their functions and authority. Such regulations shall be approved by a simple majority vote of the Board of Directors.».	Point 9.12. of Article 9 «The Board of Directors» shall be deleted.  Points 9.13, 9.14, 9.15 and 9.16 shall be re-numbered as points 9.12, 9.13, 9.14 and 9.15, respectively.	This point is deleted due to the need to avoid duplication of provisions stipulated in sub-point 9.7.21, point 9.7 of the Company Charter.
19.	Article 12.: « 12.1. The Audit Commission shall exercise control over the financial and economic activity of the Company. The rules of the Audit Commission shall be set forth in <i>the Regulations on the Audit Commission</i> of the Company.	Article 12 «Audit Commission and Audit» shall be deleted.  Articles 13, 14 и 15 of Charter shall be re-numbered as 12, 13 и 14, respectively.	Exclusion of Article 12 regulating the procedure of creating and functions of the Company's Audit Commission from the Company Charter is dictated by Clause 1, Article 85 of the JSC Law whereby it is not binding upon

<p>12.2. The Audit Commission shall be elected by the annual Shareholders Meeting in accordance with the procedure established by this Charter and shall have three members. The term of office of the Audit Commission shall be reckoned from the time of its election by the annual Shareholders Meeting to the time of the election of a new Audit Commission by the next annual Shareholders Meeting.</p> <p>12.3. The authority of individual members or the entire Audit Commission may be terminated early by decision of the Shareholders Meeting. In the event the number of members of the Audit Commission is less than half of the figure stipulated by the Company Charter, the Board of Directors must convene an extraordinary Shareholders Meeting to elect a new Audit Commission. The remaining members of the Audit Commission shall perform their functions until a new Audit Commission is elected at an extraordinary Shareholders Meeting. In the event of the early termination of the authority of the Audit Commission or specific members thereof, the authority of the new Audit Commission shall be effective until the Audit Commission is elected (re-elected) by the annual Shareholders Meeting one year after the annual Meeting that elected the Audit Commission whose authority was terminated.</p> <p>12.4. Any shareholder or any person nominated by a shareholder may be a member of the Audit Commission. Members of the Audit Commission may not concurrently be members of the Board of Directors or hold any other positions in the management bodies of the Company.</p> <p>12.5. Members of the Audit Commission shall</p>		<p>public companies to set up audit commissions.</p> <p>At the same time, point 12.11 of the Charter referring to the Company's Auditor and its mandate is being transferred to Article 13 of the Company Charter «Accounting and Reporting» and is worded in accordance with Clause 5, Article 67.1 of the Civil Code of the Russian Federation.</p>
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<p>elect a chairman from among their number.</p> <p>12.6. An audit (review) of the financial and economic activities of the Company shall be conducted based on the Company's performance in the previous year. An audit (review) of the Company's financial and economic activities may be performed at any time on the initiative of the Audit Commission, by decision of the Shareholders Meeting or Board of Directors, or at the request of a shareholder (shareholders) of the Company holding in aggregate at least 10 percent of the voting shares of the Company.</p> <p>12.7. Persons holding positions in the Company's management bodies are obliged to provide documents about the Company's financial and economic activities at the request of the Audit Commission of the Company.</p> <p>12.8. The Audit Commission of the Company shall have the right to request the convocation of an extraordinary Shareholders Meeting pursuant to the procedure established by effective legislation, this Charter and the Company's internal documents.</p> <p>12.9. On the basis of audit of the Company's financial and economic activities, the Audit Commission of the Company shall prepare a report, which must contain the following: confirmation of the reliability of the data contained in the reports and other financial documents of the Company; information on violations of accounting and accounting (financial) reporting rules established by the legal acts of the Russian Federation, and on violations of the legal acts of the Russian Federation in the course of the performance of financial and economic activities.</p> <p>12.10. During the period of the performance of</p>		
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	<p>their duties, members of the Audit Commission may be paid remuneration and (or) reimbursement of related costs, pursuant to the procedure and in the amounts established by decision of the Shareholders Meeting.</p> <p>12.11. The Auditor of the Company shall be approved by the Shareholders Meeting. Acting on the basis of legal acts of the Russian Federation, the Auditor of the Company shall perform an audit of the Company's annual financial statements and confirm their reliability, on the basis of a signed contract.».</p>		
20.	<p>The title of Article 14 (Article 13 in the draft new version of the Charter): «Article 14. Accounting and Reporting».</p>	<p>The title of Article 13: «Article <u>143.</u> Accounting, and Reporting <b><u>and Audit</u></b>».</p>	<p>The title of Article 13 of the Company Charter is amended due to the transfer of provisions on the Company's Auditor previously contained in Article 12 «Audit Commission and Audit».</p>
21.	<p>Point 14.3: «14.3. The Company's Audit Commission shall confirm the reliability of information contained in the annual report and annual accounting (financial) statements of the Company.».</p>	<p>Point 14.3 shall be deleted.</p>	<p>See comment to item 2 of this Table.</p>
22.	<p>Not present in the current version.</p>	<p>Add point 13.3. to Article 13 «Accounting, Reporting and Audit» reading as follows: <b><u>13.3. On an annual basis, the Company shall contract an independent Auditor not having property relations with the Company or its shareholders to audit and confirm the reliability of annual accounting (financial) statements.</u></b>».</p>	<p>This addendum is being made to reflect provisions of Clause 5, Article 67.1 of the Civil Code of the Russian Federation regarding contracting an external Auditor to audit and confirm the reliability of annual accounting (financial) statements. Also see the comment to item 19 of this Table.</p>

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

In addition to the amendments and addenda specified in this table, the current version of the Charter of PJSC "LUKOIL" also contains editorial amendments (in points 8.8, 9.1, sub-point 9.8.1 of point 9.8, paragraph 2 of point 9.9, point 9.16 (point 9.15 in the draft new version of the Charter), paragraph 3 of point 10.5, points 11.4, 15.9 (point 14.9 in the draft new version of the Charter)).

**Amendments  
to the *Regulations on the Procedure for Preparing and Holding the General  
Shareholders Meeting of PJSC "LUKOIL"***

1. In point 2.1. and in paragraph 1 of point 2.2. the words «and other» shall be deleted.

2. In the first sentence of paragraph 1 of point 2.8. the word «(body)» shall be deleted.

3. Paragraphs 2 - 4 of point 5.7. shall be revised to read as follows:

«the Company's annual report;  
the annual accounting (financial) statements, Auditors' report on such financial statements;  
information on candidates for election to the Company's Board of Directors and the post of the single-person executive body;».

4. Point 6.2. shall be revised to read as follows:

«6.2. Shareholders that own shares and that are included on the list of shareholders entitled to participate in the Meeting, their authorized representatives, the Company Auditor, members of the Board of Directors, the Management Committee, the Company President and the Registrar, as well as the candidates included on the ballots for election to the governing bodies of the Company have the right to attend the Meeting held in mixed form.

The Company's Board of Directors will send invitations to attend the Meeting to the Company President, members of the Board of Directors, the Management Committee and the Company Auditor. The Company's Board of Directors will also send invitations to candidates in those cases when the Meeting will consider the election of the Company President, members of the Board of Directors and the approval of the Company Auditor. »

5. In point 7.3. the words «Audit Commission of the Company,» shall be deleted.

6. Paragraph 5 of point 9.5., and points 10.7, 11.5 and 11.6 shall be deleted.

7. Point 11.7. shall be re-numbered as point 11.5., paragraph 2 of this point shall read as follows:

«This rule also applies when the agenda of the Meeting includes items on the early termination of the powers of the Company President and on the appointment of a new Company President.».

8. Points 11.8-11.12 shall be re-numbered as points 11.6-11.10, respectively.

**Table of Amendments to the current version  
of the *Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting  
of PJSC "LUKOIL"* (the Regulations)**

<b>№</b>	<b>Current version of the Regulations</b>	<b>New version of the Regulations</b>	<b>Comments</b>
1.	<p>Point 2.1:</p> <p>«2.1. Proposals on introducing items to the agenda of the Meeting, proposals on nominating candidates for the Company's governing and other bodies, and requests on holding an extraordinary Meeting will be made according to the procedure stipulated by the Federal Law <i>On Joint Stock Companies</i>, the Federal Law <i>On the Securities Market</i>, regulatory acts of the Bank of Russia, the Company Charter and these Regulations.».</p>	<p>Point 2.1:</p> <p>«2.1. Proposals on introducing items to the agenda of the Meeting, proposals on nominating candidates for the Company's governing <del>and other</del> bodies, and requests on holding an extraordinary Meeting will be made according to the procedure stipulated by the Federal Law <i>On Joint Stock Companies</i>, the Federal Law <i>On the Securities Market</i>, regulatory acts of the Bank of Russia, the Company Charter and these Regulations.».</p>	<p>This item is amended to exclude indication to other bodies PJSC "LUKOIL" (the Company), hereby implying the Company's control body (its Audit Commission), dictated by the proposed exclusion from the Charter of PJSC "LUKOIL", in accordance with Clause 1, Article 85 of the <i>Federal Law On Joint Stock Companies</i>, of any provisions regarding the Company's control body (the Audit Commission of PJSC "LUKOIL"), whereby it is not binding upon public companies to set up audit commissions.</p>
2.	<p>Paragraph 1 of point 2.2.:</p> <p>«2.2. Proposals on introducing items to the agenda and proposals on nominating candidates for the Company's governing and other bodies (hereinafter jointly referred to as a "Proposal") and requests on holding an extraordinary Meeting (hereinafter a "Request") can be submitted as follows:».</p>	<p>Paragraph 1 of point 2.2.:</p> <p>«2.2. Proposals on introducing items to the agenda and proposals on nominating candidates for the Company's governing <del>and other</del> bodies (hereinafter jointly referred to as a "Proposal") and requests on holding an extraordinary Meeting (hereinafter a "Request") can be submitted as follows:».</p>	<p>See comment to item 1 of this Table.</p>
3.	<p>First sentence of paragraph 1 of point 2.8.:</p> <p>«A Request should indicate the person (body) demanding that an extraordinary Meeting be convened, and the wording of the items to be included in the agenda of the Meeting.».</p>	<p>First sentence of paragraph 1 of point 2.8.:</p> <p>«A Request should indicate the person <del>(body)</del> demanding that an extraordinary Meeting be convened, and the wording of the items to be included in the agenda of the Meeting.».</p>	<p>See comment to item 1 of this Table.</p>

4.	<p>Paragraphs 2 - 4 of point 5.7.:</p> <p>«the Company's annual report and the report of the Audit Commission of the Company on the results of reviewing the annual report;</p> <p>the annual accounting (financial) statements, Auditors' report and opinion of the Company's Audit Commission on the results of the audit of such financial statements;</p> <p>information on candidates for election to the Company's Board of Directors, Audit Commission and the post of the single-person executive body;».</p>	<p>Paragraphs 2 - 4 of point 5.7.:</p> <p>«<del>the Company's annual report and the report of the Audit Commission of the Company on the results of reviewing the annual report;</del></p> <p><del>the annual accounting (financial) statements, Auditors' report and opinion of the Company's Audit Commission on the results of the audit of such financial statements;</del></p> <p><del>information on candidates for election to the Company's Board of Directors, Audit Commission and the post of the single-person executive body;».</del></p>	<p>Exclusion of any provisions regarding the Audit Commission of PJSC "LUKOIL" is dictated by the proposed exclusion from the Charter of PJSC "LUKOIL" of any provisions regarding the Company's control body (the Audit Commission of PJSC "LUKOIL"), in accordance with Clause 1, Article 85 of the <i>Federal Law On Joint Stock Companies</i>, whereby it is not binding upon public companies to set up audit commissions.</p>
5.	<p>Point 6.2.:</p> <p>«6.2. Shareholders that own shares and that are included on the list of shareholders entitled to participate in the Meeting, their authorized representatives, the Company Auditor, members of the Board of Directors, the Management Committee and the Audit Commission of the Company, the Company President and the Registrar, as well as the candidates included on the ballots for election to the governing and supervisory bodies of the Company have the right to attend the Meeting held in mixed form.</p> <p>The Company's Board of Directors will send invitations to attend the Meeting to the Company President, members of the Board of Directors, the Management Committee and the Audit Commission of the Company, as well as the Company Auditor. The Company's Board of Directors will also send invitations to candidates in those cases when the Meeting will consider the election of the Company President, members of the Board of Directors, members of the Audit</p>	<p>Point 6.2.:</p> <p>«6.2. Shareholders that own shares and that are included on the list of shareholders entitled to participate in the Meeting, their authorized representatives, the Company Auditor, members of the Board of Directors, the Management Committee and the Audit Commission of the Company, the Company President and the Registrar, as well as the candidates included on the ballots for election to the governing and supervisory bodies of the Company have the right to attend the Meeting held in mixed form.</p> <p>The Company's Board of Directors will send invitations to attend the Meeting to the Company President, members of the Board of Directors, the Management Committee and the Audit Commission of the Company, as well as the Company Auditor. The Company's Board of Directors will also send invitations to candidates in those cases when the Meeting will consider the election of the Company President, members of the Board of Directors, members of the Audit</p>	<p>See comment to item 4 of this Table.</p>

	Commission of the Company, and the approval of the Company Auditor.».	Commission of the Company, and the approval of the Company Auditor.».	
6.	<p>Point 7.3.:</p> <p>«7.3. The Presidium of a Meeting convened by decision of the Board of Directors on its own initiative, at the request of the Audit Commission of the Company, the Company Auditor, as well as a shareholder (shareholders) owning at least 10 per cent of the Company's voting shares as at the date of the Request will consist of the members of the Company's Board of Directors. In all other cases the members of the Presidium of an extraordinary Meeting will be determined by the person (body) that is responsible, in accordance with effective legislation, for convening and holding an extraordinary Meeting.».</p>	<p>Point 7.3.:</p> <p>«7.3. The Presidium of a Meeting convened by decision of the Board of Directors on its own initiative, at the request of <del>the Audit Commission of the Company</del>, the Company Auditor, as well as a shareholder (shareholders) owning at least 10 per cent of the Company's voting shares as at the date of the Request will consist of the members of the Company's Board of Directors. In all other cases the members of the Presidium of an extraordinary Meeting will be determined by the person (body) that is responsible, in accordance with effective legislation, for convening and holding an extraordinary Meeting.».</p>	See comment to item 4 of this Table.
7.	<p>Paragraph 5 of point 9.5.:</p> <p>«shares owned by the members of the Board of Directors of the Company or persons holding positions in the governing bodies of the Company, when a quorum is determined for the election of the members of the Audit Commission of the Company;».</p>	Paragraph 5 of point 9.5. shall be deleted.	See comment to item 4 of this Table.
8.	<p>Point 10.7.:</p> <p>«10.7. Members of the Board of Directors and persons holding positions in other governing bodies of the Company may not take part in voting to elect members of the Audit Commission.».</p>	Point 10.7. shall be deleted.	See comment to item 4 of this Table.
9.	<p>Points 11.5 and 11.6:</p> <p>«11.5. When tallying votes in the election of the Audit Commission of the Company, votes on shares owned by the members of the Board of Directors and persons holding positions in other governing bodies of the Company are not</p>	<p>Points 11.5 and 11.6 shall be deleted.</p> <p>Points 11.7-11.12 shall be re-numbered as points 11.5-11.10, respectively.</p>	See comment to item 4 of this Table.

<p>counted.</p> <p>If a ballot for the election of members of the Audit Commission of the Company shows (states) a vote of "for" for a larger number of candidates than the number of persons to be elected to the Commission, the ballot is declared invalid as regards voting on this item.</p> <p>This rule does not apply when ballots signed by a person voting on the transferred shares in accordance with the instructions received from buyers of such shares and/or a person voting on shares rights to which are certified by depositary securities contain the notes stipulated by point 10.4 of these Regulations.</p> <p>If the ballot for the election of members of the Audit Commission of the Company shows (states) more than one voting option in respect of one or several candidates, then such ballot is declared invalid only as regards voting for the candidate (candidates), in respect of which more than one voting option was chosen (selected).</p> <p>11.6. If, simultaneous with the item on the election of members of the Audit Commission of the Company, the agenda of the Meeting includes items on the election of members of the Board of Directors of the Company and/or the single-person executive body of the Company, then when tallying votes for the election of members of the Audit Commission of the Company, votes on shares owned by candidates who were elected to the Board of Directors of the Company or to the position of the single-person executive body of the Company are not taken into account. At the same time, votes on shares owned by members of the Board of Directors and the single-person executive body of the Company whose powers</p>		
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	have been canceled are taken into account when determining a quorum and counting votes for the election of members of the Audit Commission of the Company.».		
10.	<p>Paragraph 2 of point 11.7.:</p> <p>«This rule also applies when the agenda of the Meeting includes items on the early termination of the powers of the Company President and on the appointment of a new Company President, or items on the early termination of the powers of members of the Audit Commission of the Company and on the election of a new Audit Commission of the Company.».</p>	<p>Paragraph 2 of point <b><u>11.5.</u></b>:</p> <p>«This rule also applies when the agenda of the Meeting includes items on the early termination of the powers of the Company President and on the appointment of a new Company President, <del>or items on the early termination of the powers of members of the Audit Commission of the Company and on the election of a new Audit Commission of the Company.</del>».</p>	See comment to item 4 of this Table.

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

**Amendments**  
**to the *Regulations on the Board of Directors of PJSC "LUKOIL"***

1. The first sentence of the first paragraph of point 2.1. shall be revised to read as follows:

«The Board of Directors shall conduct meetings in accordance with the approved work plan (the Plan of Meetings), as a rule, at least once every two months (including meetings held through absentee voting) and also as necessary at the request of persons indicated in point 2.3 of these Regulations.».

2. Point 2.3. shall be revised to read as follows:

«2.3. Meetings of the Board of Directors shall be called on the initiative of the Chairman or at the request of a member of the Board of Directors, the Head of the Internal Audit Service, the Company's Auditor, the Management Committee, and the President of the Company. ».

**Table of Amendments to the current version  
of the *Regulations on the Board of Directors of PJSC "LUKOIL"* (the Regulations)**

<b>№</b>	<b>Current version of the Regulations</b>	<b>New version of the Regulations</b>	<b>Comments</b>
1.	<p>The first sentence of the first paragraph of point 2.1.:</p> <p>«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.».</p>	<p>The first sentence of the first paragraph of point 2.1.:</p> <p>«The Board of Directors shall conduct meetings in accordance with the approved <u>work</u> plan of meetings (<u>the Plan of Meetings</u>), <u>as a rule</u>, at least once every <del>six weeks</del> <u>two months</u> (including meetings held through absentee voting) and also as necessary at the request of persons indicated in point 2.3 of these Regulations.».</p>	<p>This amendment is intended to specify the periodicity of meetings of the Board of Directors of PJSC "LUKOIL" (hereinafter also "the Company") in order to bring this norm in line with the recommendations contained in Clause 156, Part B of the Recommendations <i>On Principles Of Corporate Governance of the Corporate Governance Code</i>, recommended in its letter No. 06-52/2463 of 10 April 2014 by the Bank of Russia to be applied by joint stock companies whose securities are admitted to organized trading ("the Recommendations").</p> <p>This item also clarifies the name of the plan, according to which meetings of the Board of Directors of the Company are held, in accordance with established corporate practice and terminology used in Clauses 156 and 164 of the Recommendations.</p>

2.	<p>Point 2.3.:</p> <p>«2.3. Meetings of the Board of Directors shall be called on the initiative of the Chairman or at the request of a member of the Board of Directors, the Audit Commission, the Company's Auditor, the Board of Management, and the President of the Company. ».</p>	<p>Point 2.3.:</p> <p>«2.3. Meetings of the Board of Directors shall be called on the initiative of the Chairman or at the request of a member of the Board of Directors, <del>the Audit Commission</del> <b><u>the Head of the Internal Audit Service</u></b>, the Company's Auditor, the Management Committee, and the President of the Company.».</p>	<p>These amendments are intended to exclude the members of the Audit Commission from the list of persons authorized to request convention of meetings of the Company's Board of Directors, which is due to the proposed exclusion from the Charter of PJSC "LUKOIL", in accordance with Clause 1, Article 85 of the Federal Law <i>On Joint Stock Companies</i>, of all and any provisions regarding the Company's control body (the Audit Commission of PJSC "LUKOIL"), and includes the Company's Head of the Internal Audit Service, as required by Clause 1, Article 68 of the Federal Law <i>On Joint Stock Companies</i>.</p>
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Deleted provisions are shown in this table as strikethrough text, and new provisions are shown as bold and underlined text.

**Amendment**  
**to the *Regulations on the Management Committee of PJSC “LUKOIL”***

Revise point 3.6. to read as follows:

«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 Head of the Internal Audit Service, the Company Auditor at their request.

The Company also grants access to the minutes of the meetings of the Company’s Management Committee at the request of a shareholder (shareholders) that holds (hold) at least 25 percent of the voting shares in the Company.».

**Table of Amendments to the current version  
of the *Regulations on the Management Committee of PJSC "LUKOIL"* (the Regulations)**

№	Current version of the Regulations	New version of the Regulations	Comments
1.	<p>Point 3.6:          «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.</p> <p>A shareholder (shareholders) that holds (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..».</p>	<p>Point 3.6:          «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, <del>the Audit Commission</del> <b><u>the Head of the Internal Audit Service</u></b>, the Company Auditor at their request.</p> <p><b><u>The Company also grants</u></b> access to the minutes of the meetings of the <b><u>Company's</u></b> Management Committee <b><u>at the request of</u></b> a shareholder (shareholders) that holds (hold) at least 25 percent of the voting shares in the Company..».</p>	<p>Amendments to the first paragraph of point 3.6 are intended to exclude the members of the Audit Commission from the list of persons authorized to request minutes of meetings of the Company's Management Committee, which is due to the proposed exclusion from the Charter of PJSC "LUKOIL", in accordance with Clause 1, Article 85 of the Federal Law <i>On Joint Stock Companies</i> (the JSC Law), of all and any provisions regarding the Company's control body (the Audit Commission of PJSC "LUKOIL"), and includes the Company's Head of the Internal Audit Service, in accordance with Clause 2, Article 70 of the Federal Law <i>On Joint Stock Companies</i>.</p> <p>The wording of the second paragraph of point 3.6 of the Regulations is amended in accordance with the wording of Paragraph 5, Article 91 of the JSC Law.</p>

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

**M I N U T E S No. 1**  
**of the Annual General Meeting of Shareholders**  
**of Public Joint Stock Company “Oil company “LUKOIL”**

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

**Location of the company:** *Moscow*

**Address 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 determining (formalizing) the persons entitled to participate in the General Meeting:** *27 May 2019*

**Date of the General Meeting:** *20 June 2019*

**Place of the General Meeting:** *PJSC “LUKOIL”, Sretensky bulvar 11, Moscow, Vega Conference Hall (entrance from Kostyansky pereulok)*

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

**Closing of the General Meeting:** *01:52 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:** *01:14 p.m.*

**Start of counting votes:** *01:19 p.m.*

**Postal address to which completed ballots had been sent:** *OOO «Registrar «Garant», Krasnopresnenskaya Naberezhnaya 6, Moscow, 123100, Russian Federation*

**Date of preparation of the Minutes:** *25 June 2019*

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

**Voting results on Item 4 (point 2) on the agenda:**

1. The number of votes belonging to the persons included in the list of persons entitled to participate in the General Meeting on this Item:	750,000,000
2. The number of votes for the Company's voting shares on this agenda item determined taking into account the provisions of point 4.24 of the <i>Regulations on General Shareholders Meetings</i> , approved by Bank of Russia No.660 – P of 16.11.2018:	750,000,000
3. The number of votes belonging to the persons who took part in the General Meeting on this Item:	549,370,188 (73.2494%), the Item is quorate
The number of votes cast for each voting option:	
“For”	548,902,743 (99.9149%)
“Against”	9,481
“Abstain”	136,562

**Decision taken on Item 4 (point 2) on the agenda:**

*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.*

*To establish that during their service the newly elected members of the Board of Directors shall be reimbursed for the expenses related to the performance of their functions as members of the Board of Directors, the types of which were 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 and documented expenses, upon submission by members of the Board of Directors of written expense claims.*

Chairman of the Meeting

R.U. Maganov

Secretary of the Meeting

N.A. Illarionov

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

*Corporate Secretary* *N.I. Podolskaya*

**Appendix to decision on Item 4 (point 2) on  
the agenda of the Annual General Meeting of  
Shareholders of Public Joint Stock Company  
“Oil company “LUKOIL” of 20 June 2019  
(Minutes No.1)**

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 – 7,000,000 roubles;
- for performance by a member of the Board of Directors of the functions of the Chairman of the Board of Directors – 5,400,000 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 – 1,100,000 roubles;
- for performance by a member of the Board of Directors of the functions of a member of a committee of the Board of Directors – 1,100,000 roubles;
- for each 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 each participation in conferences and other events on written instructions of the Chairman of the Board of Directors, in an amount of 150,000 roubles.