

**INFORMATION OF DECISION MAKING BY ROSNEFT BOARD OF DIRECTORS ON THE ISSUE
ON THE COMPLIANCE OF THE CANDIDATES TO ROSNEFT BOARD OF DIRECTORS THE CRITERIA OF INDEPENDENCE**

Meeting of the Board of Directors of Rosneft was held on 30.05.2019 (minutes dated 30.05.2019 No. 25).

Format: in absentia.

Attendees: F. Alsuwaidi, A.R. Belousov, M. Warnig¹, O.V. Viyugin, I. Glasenberg, R. Dudley, G. Quintero, A.V. Novak, H. Rudloff, I.I. Sechin, G. Schroeder. A quorum to hold the meeting was present.

Item No. 4: On the compliance of the candidates to Rosneft Board of Directors the criteria of independence.

Voting results: "For" - F. Alsuwaidi, A.R. Belousov, O.V. Viyugin, I. Glasenberg, R. Dudley, G. Quintero, A.V. Novak, H. Rudloff, I.I. Sechin, G. Schroeder, "Against" - none, "Abstained" - none.

The Board of Directors of Rosneft resolved as follows: *to recognize M. Warnig, a candidate to the Board of Directors of Rosneft, as independent, despite the formal criteria of his affiliation with the Company, the significant shareholder, the significant counterparties of Rosneft and the State, because, taking into account his professional experience and reputation, such affiliation does not affect his ability to make independent, objective and conscientious judgments as a member of the Board of Directors of Rosneft.*

When taking this resolution concerning M. Warnig the Board of Directors of Rosneft took into account the following:

According to the completed analysis, M. Warnig is not affiliated with the competitors of Rosneft.

M. Warnig has been holding senior positions for more than 20 years, he is highly professional and experienced, a renowned expert in economics and financial (banking) services. M. Warnig has an impeccable and unchallenged reputation, particularly among investors, which indicates his ability to form his own independent position objectively and in good faith on the items submitted to the Board of Directors of Rosneft for consideration.

Based on M. Warnig`s work experience as a Rosneft BoD member and on his voting practice at the BoD meetings, his position on the agenda items is not affected by the executive bodies, specific groups of shareholders or other interested parties and is based solely on his professional experience and knowledge. As the BoD member, M. Warnig made a substantial contribution to the implementation of the most important business projects of the Company, including international projects and introduction of the corporate governance best practices.

¹ M. Warnig hasn't taken part in voting on Item 4 of the agenda with the respect to recognizing him as independent.

Justification of the formal nature of M. Warnig, candidate to the Board of Directors of Rosneft, affiliation

No.	Affiliation criteria	Independence justification
1.	<p>Affiliation with the issuer (paragraph 9, clause 4 of Attachment No.4 to the Listing rules of Moscow Stock Exchange)</p>	<p>M. Warnig has performed his duties as the BoD member of Rosneft Oil Company since September 13, 2011. Thus, M. Warnig may be claimed as an affiliate with the Company as he took a position of the BoD member entirely of more than 7 years but less than 12 years.</p> <p>During the whole period of being the BoD member M. Warnig has been actively involved in the BoD process – takes part in the vast majority of BoD meetings (194 meetings out of 203 since 2011) and plays an active role in the BoD assessment procedure providing good suggestions regarding the improvement in quality of corporate governance system.</p> <p>Holding a position of the Chairman of HR & Remuneration Committee and Audit Committee member M. Warnig played an important role in developing recommendations to the BoD members on its significant areas such as providing his input on skills and creating successful working setting, assessment of Company’s governing bodies, and his view on the system performance efficiency in the field of internal risk and risk management.</p> <p>Decisions made by M. Warnig as the BoD member are aimed not at the interests of any separate groups of shareholders, any interested parties or executive bodies but at the interests of the Company in accordance with its development strategy and represent the interests of all Company’s shareholders. His exceptional experience, deep knowledge and skills in the field of finance, risk management and internal control, corporate governance system promote the Company’s development.</p> <p>Thus, the affiliation of M. Warnig and Rosneft Oil Company is of a formal nature and doesn’t affect his ability to make independent, objective and conscientious judgments.</p>
2.	<p>Affiliation with a significant shareholder of the issuer (sub-clause 3, clause 5 of Attachment No.4 to the Listing rules of Moscow Stock Exchange)</p>	<p>JSC ROSNEFTEGAZ and its controlling entity - the Russian Federation are significant shareholders of Rosneft.</p> <p>In addition to being a member of the Board of Directors of Rosneft, M. Warnig is a member of the Board of Directors (Supervisory/Administrative Board) of Transneft, VTB Bank (PJSC), GAZPROM Schweiz AG and Gas Project Development Central Asia AG. All four companies are controlled by the Russian Federation.</p> <p>Thus, M. Warnig is recognized as affiliated with a significant shareholder of Rosneft since he is a member of the Board of Directors in more than two legal entities controlled by a significant shareholder of the issuer. The nature of this affiliation must be determined, first of all, from the point of view of its influence on the reasons of a member of the Board of Directors when he/she votes on issues on the agenda, on his ability to make objective judgments independent of the position of a significant shareholder.</p> <p>Given that:</p> <p>1) M. Warnig has been nominated to the Board of Directors of Rosneft as an independent director, and therefore</p>

		<p>votes on the items within the competence of the Board of Directors of the Company independently, does not receive directives / written instructions for voting from a significant shareholder of Rosneft or controlling entity of a significant shareholder;</p> <p>2) the election of M. Warnig as a member of the Administrative Board of GAZPROM Schweiz AG and as a member of the Administrative Board of Gas Project Development Central Asia AG is not the intention of JSC ROSNEFTEGAZ or the Russian Federation;</p> <p>3) M. Warnig, holding managerial positions in financial groups more than 20 years, has a universally recognized impeccable reputation as a principled and independent expert in the field of economics and financial services;</p> <p>4) a significant shareholders of the Company do not exert any influence on M. Warnig's position in the exercise of his powers as a member of the Board of Directors of Rosneft,</p> <p>and taking into account the intention of the state and the state-controlled companies to engage the top requested and qualified directors with international experience in the conditions of (1) significant concentration of capital in the Russian market, including assets of the largest resource extractive and industrial enterprises, and (2) anti-Russian sanctions, and based on paragraph 109 of the Bank of Russia's Corporate Governance Code and clause 2.18 of the Listing Rules of the Moscow Stock Exchange, M. Warnig's affiliation with the significant shareholder of Rosneft is of a formal nature.</p>
3.	<p>Affiliation with a significant counterparty of the issuer (sub-clause 1, clause 6 of Attachment No.4 to the Listing rules of Moscow Stock Exchange)</p>	<p>1) M. Warnig is at the same time the member of the Board of Directors of Transneft and the member of the Supervisory Board of VTB Bank (PJSC) being counterparties of Rosneft. The scope of obligations under the contract (contracts) with each of the specified counterparties is more than 2% of the consolidated assets book value and 2% of the Company's consolidated revenues (income).</p> <p><u>Transneft</u></p> <p>Subject of the transaction with the natural monopoly Transneft is crude oil transportation services for the Company by trunk pipelines. Transneft is a sole possible counterparty for transactions of this kind. Transneft service tariffs are set by the authorized state executive authority – FAS of Russia. Given the above, Transneft BoD member M. Warnig has no opportunity to affect Transneft's pricing policy including the endorsement of transactions with Rosneft.</p> <p>When the Board of Directors of Rosneft makes decisions on the items, related to the execution of the transactions, including transaction price definition, M. Warnig, who is also Transneft BoD member, as a related party in transactions in accordance with applicable law, shall not participate in the voting on the specified items and shall not get the materials on these transactions.</p> <p><u>VTB Bank (PJSC)</u></p> <p>Based the on Decree of the Russian President dated 04.08.2014 No. 1009, Rosneft is included into the list of the strategic companies and in its work with the banks is guided by the requirement of the Federal Law dated 21.07.2014 No. 213-FZ “Opening of bank accounts and letters of credit, signing of bank deposit contracts by the companies of strategic importance for the military and industrial complex and national security of the Russian Federation and</p>

		<p>introduction of changes to specific legislative acts of the Russian Federation”, which limits the list of the Company's potential counterparty banks. Considering the Company's high requirements and standards concerning the reliability of the counterparty banks, Rosneft cooperates with the acknowledged leaders of the financial market, including Bank VTB (PJSC).</p> <p>When the Rosneft BoD makes decisions on the items, related to the execution of transactions with VTB Bank (PJSC), including transaction price definition, M. Warnig, who is also a VTB Bank Supervisory Board member, as a related party in such transactions in accordance with applicable law, shall not participate in the voting on the specified items and shall not get the materials on these transactions.</p> <p>Considering the above as well as the provisions of the current legislation, which limit the opportunities for M. Warnig to affect the decisions of the Company / counterparties on the transactions with the specified companies, affiliation of M. Warnig with the material counterparties – Transneft and VTB Bank(PJSC) is of a formal nature and does not affect his ability to make independent, objective and conscientious judgments.</p>
4.	<p>Affiliation with the State, (sub-clause 4, clause 7 of Attachment No.4 to the Listing rules of Moscow Stock Exchange)</p>	<p>M. Warnig is the Chief Executive Officer of Nord Stream 2 AG where a 100% stake in the authorized capital belongs to Gazprom controlled by the Russian Federation.</p> <p>Nord Stream 2 AG – is a project company established for the planning, construction and further operation of Nord Stream 2 gas pipeline.</p> <p>Nord Stream - 2 is an export pipeline running from Russia to Europe, supported by such companies as Uniper SE and BASF SE / Wintershall Holding GmbH (Germany), Royal Dutch Shell plc (UK and Netherlands), OMV AG (Austria) and Engie S.A. (France).</p> <p>M. Warnig's affiliation with the State is of a formal nature and does not affect his decisions or his ability to make independent, objective and conscientious judgements or to act in the interests of all shareholders of the Company for the following reasons:</p> <ul style="list-style-type: none"> – according to the Decree of the Russian Government dated 20.02.2019 No.251-r, M. Warnig is defined as an independent director from among the candidates nominated by the Russian Federation to the Board of Directors of Rosneft, and by the time of his recognition by the Board of Directors of Rosneft as an independent Board of Directors member, has no liabilities to vote in accordance with the Government directives of the Russian Federation; – the Russian Federation has indirect control on Nord Stream 2 AG, while Nord Stream 2 AG is governed through the Gazprom governance bodies, which neutralizes the Government's ability to influence M. Warnig's objective and independent decision-making.