

**INFORMATION (MATERIALS) PROVIDED TO SHAREHOLDERS IN  
PREPARATION FOR THE ANNUAL GENERAL SHAREHOLDERS'  
MEETING OF PJSC GAZPROM IN 2018**

Saint Petersburg, 2018

**List  
of information (materials) provided to shareholders  
in preparation for the annual General Shareholders' Meeting  
of PJSC GAZPROM**

1. Announcement of the annual General Shareholders' Meeting of PJSC GAZPROM.
2. PJSC GAZPROM Annual Report for 2017 and Annual Accounts (Financial Statements) for 2017, including the Auditor's Report.
3. Report on PJSC GAZPROM related party transactions made in 2017.
4. Opinion of PJSC GAZPROM Audit Commission on reliability of data contained in PJSC GAZPROM Annual Report for 2017, Annual Accounts (Financial Statements) for 2017 and in the Report on PJSC GAZPROM related party transactions made in 2017.
5. Review of PJSC GAZPROM Auditor's Report by the Audit Committee of PJSC GAZPROM Board of Directors.
6. Profit allocation recommendations of PJSC GAZPROM Board of Directors, in particular, the amount, timing and form of payment of the annual dividends on the Company's shares and the date, as of which the persons entitled to the dividends are determined.
7. Information on the candidacy for PJSC GAZPROM Auditor.
8. Proposals on the amount of remuneration to members of PJSC GAZPROM Board of Directors.
9. Proposals on the amount of remuneration to members of PJSC GAZPROM Audit Commission.
10. Draft Amendments to the Regulation of General Shareholders' Meeting of PJSC GAZPROM and the comparative table of amendments thereto vs the current version.
11. Information on candidates to PJSC GAZPROM Board of Directors, in particular, on the availability of their consent to be elected.
12. Information on candidates to PJSC GAZPROM Audit Commission, in particular, on the availability of their consent to be elected.
13. PJSC GAZPROM Environmental Report for 2017.
14. Report on PJSC GAZPROM Long-Term Development Program implementation.
15. Report on fulfillment of KPIs established by PJSC GAZPROM.
16. Draft resolutions of the annual General Shareholders' Meeting of PJSC GAZPROM.
17. Information on shareholders' agreements.

**Announcement  
of the annual General Shareholders' Meeting of  
PJSC GAZPROM**

PJSC GAZPROM Board of Directors (PJSC GAZPROM location: Moscow, Russian Federation) hereby notifies of the annual General Shareholders' Meeting of PJSC GAZPROM (hereinafter the Meeting) scheduled for June 29, 2018. The Meeting will be held at: Conference Hall D, the EXPOFORUM Convention and Exhibition Centre, Letter A, Building 1, 64 Peterburgskoye shosse, Shushary settlement, Saint Petersburg, Russian Federation.

The Meeting is scheduled to begin at 10:00 a.m. The Meeting is held as an assembly (joint presence of shareholders to discuss agenda issues and to resolve on issues put to vote).

Holders of the Company's ordinary shares are entitled to vote on all agenda issues of the Meeting.

The list of persons entitled to participate in the Meeting is made (fixed) as of the close of business on June 04, 2018.

The Meeting participants will be registered by the Counting Board on June 27, 2018, from 10.00 a.m. to 5.00 p.m., and on June 29, 2018, from 9.00 a.m. to the time when the last agenda issue of the Meeting, for which the quorum is available, have been discussed, at: Conference Hall D, the EXPOFORUM Convention and Exhibition Centre, Letter A, Building 1, 64 Peterburgskoye shosse, Shushary settlement, Saint Petersburg, Russian Federation.

Counting Board phone number: (495) 719 40 15; (812) 413 76 16.

To get registered, the Meeting participant will present:-

Shareholder (individual): an ID;

Shareholder's (individual's) representative: a Power of Attorney issued by the shareholder and the representative's ID;

Shareholder's (legal entity's) representative: a Power of Attorney issued by the legal entity and the representative's ID;

Head of the legal entity being the Company's shareholder: the document evidencing his/her official capacity in accordance with the applicable law and his/her ID;

Legal successors of the persons entitled to participate in the Meeting will also present the documents evidencing their legal successor powers.

The documents evidencing powers of legal successors and representatives of the persons included into the list of persons entitled to participate in the Meeting (their copies certified in the established manner) are attached to voting ballots sent by these persons or handed over to the Counting Board.

The number of PJSC GAZPROM shareholders is several hundreds of thousands of holders residing in the Russian Federation and abroad, which makes the Meeting personal attendance by all shareholders difficult. In view of the above, it is recommended that shareholders exercise their right to participate in the Meeting through their representatives by proxy, or by sending their filled-in voting ballots to the Company, and also by giving instructions (instructing) the nominal

holder, the foreign nominal holder, the foreign entity entitled, in line with its own law, to account for securities and for transfer of rights thereto (in case these entities account for rights to shares).

The ballots may be sent by mail at: PJSC GAZPROM, 16 Nametkin Street, Moscow, GSP-7, 117997, or handed in personally at: 16 Nametkin Street, Moscow. The votes represented by voting ballots and declarations of intention received before 6:00 p.m. on June 26, 2018, will be counted in determining the Meeting quorum and voting results.

### **Agenda of the annual General Shareholders' Meeting of PJSC GAZPROM**

1. Approval of the Company's annual report.
2. Approval of the Company's annual accounts (financial statements).
3. Approval of the Company's profit allocation in 2017.
4. Approval of the past retained profit allocation.
5. On the amount of dividends, the timing and form of their payment based on the 2017 performance, and on establishing the date, as of which the persons entitled to dividends are determined.
6. Approval of the Company's auditor.
7. On payment of the remuneration for serving on the board of directors (the supervisory board) to the board of directors members, other than civil servants, in the amount established in the Company's internal documents.
8. On payment of the remuneration for serving on the audit commission to the audit commission members, other than civil servants, in the amount established in the Company's internal documents.
9. On amendments to the Regulation of general shareholders' meeting of PJSC GAZPROM.
10. Election of members of the Company's board of directors (supervisory board).
11. Election of members of the Company's audit commission.

The information/materials to be provided to the persons entitled to participate in the Meeting in preparation for the Meeting will be available from June 08, 2018, in the premise of PJSC GAZPROM at: 16 Nametkin Street, Room 331, Building 2, Moscow (telephone: (812) 609 76 57); and from the Registrar, AO DRAGA, the branches of AO DRAGA, and Gazprombank (Joint Stock Company) offices at the addresses listed below, as well as on the Company's website, [www.gazprom.ru](http://www.gazprom.ru), in the Internet information and telecommunications network.

**Addresses  
of the Registrar, AO DRAGA, the branches of AO DRAGA,  
and Gazprombank (Joint Stock Company) offices**

No.	Entity
1.	<b>AO DRAGA</b> 117420, Moscow, Novocheremushkinskaya str., 71/32 Phone: (8-499) 550-88-18
2.	<b>Volgograd branch of AO DRAGA</b> 400001, Volgograd, Klinskaya str., 32a Phone/fax: (844-2) 99-05-35, 99-05-36
3.	<b>Ivanovo branch of AO DRAGA</b> 153012, Ivanovo, Sovetskaya str., 22A, office 306 Phone/fax: (493-2) 34-51-31
4.	<b>Kazan branch of AO DRAGA</b> 420021, Republic of Tatarstan, Kazan, Narimanova str., 66 Phone/fax: (843) 292-54-79
5.	<b>Korolev branch of AO DRAGA</b> 141070, Moscow Region, Korolev, Tsiolkovskogo str., 4A Phone/fax: (495) 513-88-54
6.	<b>Samara branch of AO DRAGA</b> 443011, Samara, Akademika Pavlova str., 35, Phone/fax: (846) 276-63-10, 276-63-11
7.	<b>Saint Petersburg branch of AO DRAGA</b> 190005, Saint Petersburg, Izmailovsky proezd., 4, letter A, room 3 Phone/fax: (812) 676-18-13
8.	<b>Saratov branch of AO DRAGA</b> 410017, Saratov, Shelkovichnaya str., 11/15 Phone/fax: (845-2) 39-22-70, 39-22-72
9.	<b>Depository Center of GPB (JSC)</b> 115419, Moscow, 2 <sup>nd</sup> Verkhny Mikhailovsky proezd, 9, bld. 11 Phone: (495) 913-74-74 – unified information system of GPB (JSC) Phone: (495) 913-74-01 (answerphone), fax: (495) 719-18-62
10.	<b>GPB (JSC) Branch <i>Vostochno-Sibirsky</i></b> 660041, Krasnoyarsk, str. Akademika Kirenskogo, 87-B Phone: (391) 274-58-27
11.	<b>GPB (JSC) Branch <i>Vostochno-Sibirsky</i></b> 664011, Irkutsk, str. Sverdlova, 41 Phone: (3952) 28-32-26
12.	<b>GPB (JSC) Branch <i>Dalnevostochny</i></b> 690091, Vladivostok, str. Uborevicha, 5-A Phone: (423)265-20-55
13.	<b>Operational Office of GPB (JSC) Branch <i>Dalnevostochny</i></b> 680000, Khabarovsk, str. Turgeneva, 46 Phone: (4212) 41-69-40
14.	<b>Operational Office of GPB (JSC) Branch <i>Dalnevostochny</i></b> 675000, Amur Region, Blagoveschensk, pereulok Svyatitelya Innokentiya, 2, letter A Phone: (4162) 31-80-04

15.	<b>Subsidiary Office of GPB (JSC) Branch <i>Dalnevostochny</i></b> 681000, Khabarovsk Area, Komsomolsk-on-Amur, prospekt Pervostroiteley, 21 Phone: (4217) 24-10-05
16.	<b>Operational Office of GPB (JSC) Branch <i>Dalnevostochny</i></b> 693007, Yuzhno-Sakhalinsk, prospekt Pobedy, 30 Phone: (4242) 454-026
17.	<b>GPB (JSC) Branch <i>Zapadno-Sibirsky</i></b> 630099, Novosibirsk, str. Oktyabrskaya magistral, 3 Phone: (383) 236-28-88
18.	<b>Operational Office of GPB (JSC) Branch <i>Zapadno-Sibirsky</i></b> 656049, Barnaul, Partizanskaya str., 92 Phone: (3852) 536-160
19.	<b>Operational Office of GPB (JSC) Branch <i>Zapadno-Sibirsky</i></b> 644099, Omsk, str. Tarskaya, 13 B Phone: (3812) 21-00-13
20.	<b>GPB (JSC) Branch <i>Zapadno-Uralsky</i></b> 614000, Perm, str. Monastyrskaya, 61 Phone/fax: (342) 211-05-61
21.	<b>Subsidiary Office of GPB (JSC) Branch <i>Zapadno-Uralsky</i></b> 617763, Perm Area, Chaikovsky, str. Mira, 20 Phone/fax: (34241) 22-3-54
22.	<b>Operational Office of GPB (JSC) Branch <i>Zapadno-Uralsky</i></b> 426034, Udmurt Republic, Izhevsk, str. Udmurtskaya, 247-G Phone: (3412) 91-29-61
23.	<b>GPB (JSC) Branch in Kazan</b> 420111, Republic of Tatarstan, Kazan, str. Levo-Bulachnaya, 32 Phone: (843) 221-73-37
24.	<b>GPB (JSC) Branch in Kaliningrad</b> 236000, Kaliningrad, pr. Leninsky, 5 Phone: (4012) 307-803
25.	<b>GPB (JSC) Branch in Kemerovo</b> 650099, Kemerovo, str. Sobornaya, 3 Phone: (3842) 345-095
26.	<b>GPB (JSC) Branch in Novy Urengoy</b> 629300, Tyumen Region, YaNAO, Novy Urengoy, str. 26 syezda KPSS, 4 Phone: (3494) 93-54-67
27.	<b>Subsidiary Office of GPB (JSC) Branch in Novy Urengoy</b> 629736, Tyumen Region, YaNAO, Nadym, str. Komsomolskaya, 5-A Phone: (3499) 53-54-15
28.	<b>Subsidiary Office of GPB (JSC) Branch in Novy Urengoy</b> 629008, Tyumen Region, YaNAO, Salekhard, str. Gubkina, 1 Phone/fax: (34922) 3-56-01, (34922) 3-56-25
29.	<b>GPB (JSC) Branch <i>Povolzhsky</i></b> 443010, Samara, str. Lva Tolstogo, 30 Phone: (846) 212-35-14
30.	<b>Subsidiary Office of GPB (JSC) Branch <i>Povolzhsky</i></b> 445051, Samara Region, Togliatti, str. Marshala Zhukova, 8 Phone: (8482) 66-33-17
31.	<b>Operational Office of GPB (JSC) Branch <i>Povolzhsky</i></b> 432017, Ulyanovsk, str. Engels, 50 Phone: (8422) 41-09-40

<b>32.</b>	<b>Operational Office of GPB (JSC) Branch <i>Povolzhsky</i></b> 460001, Orenburg, str. Chkalova, 70/2 Phone/fax: (3532) 76-92-41
<b>33.</b>	<b>Operational Office of GPB (JSC) Branch <i>Povolzhsky</i></b> 410005, Saratov, str. Volskaya, 91 Phone: (8452) 675-136
<b>34.</b>	<b>Operational Office of GPB (JSC) Branch <i>Povolzhsky</i></b> 440000, Penza, Leninsky District, str. Slavy, 4 Phone: (8412) 52-26-31
<b>35.</b>	<b>GPB (JSC) Branch <i>Privolzhsky</i></b> 603000, Nizhny Novgorod, str. Maksima Gorkogo, 65-B Phone: (831) 422-18-01
<b>36.</b>	<b>Operational Office of GPB (JSC) Branch <i>Privolzhsky</i></b> 430005, Republic of Mordovia, Saransk, str. Kommunisticheskaya, 15 Phone: (8342) 77-73-33
<b>37.</b>	<b>Operational Office of GPB (JSC) Branch <i>Privolzhsky</i></b> 424006, Republic of Mariy-El, Ioshkar Ola, str. Uspenskaya, 17 Phone: (8362) 69-16-33
<b>38.</b>	<b>Operational Office of GPB (JSC) Branch <i>Privolzhsky</i></b> 610000, Kirov, str. Moskovskaya, 31 Phone: (8332) 38-25-95, (8332) 35-85-50
<b>39.</b>	<b>Subsidiary Office of GPB (JSC) Branch <i>Privolzhsky</i></b> 607220, Nizhny Novgorod Region, Arzamas, prospekt Lenina, 208 Phone: (83147) 6-56-16
<b>40.</b>	<b>Operational Office of GPB (JSC) Branch <i>Privolzhsky</i></b> 428000, Cheboksary, square Rechnikov, 5, room 3 Phone: (8352) 30-30-16
<b>41.</b>	<b>GPB (JSC) Branch <i>Severo-Zapadny</i></b> 191167, Saint Petersburg, str. Sinopskaya Naberezhnaya, 22, letter A Phone: (812) 325-21-42, (812) 365-13-09
<b>42.</b>	<b>Operational Office of GPB (JSC) Branch <i>Severo-Zapadny</i></b> 169313, Ukhta, prospekt Lenina, 33 Phone: (8216) 79-67-60
<b>43.</b>	<b>Operational Office of GPB (JSC) Branch <i>Severo-Zapadny</i></b> 160001, Vologda, str. Lenina, 11 Phone: (8172) 59-78-90 ext. 4523
<b>44.</b>	<b>Operational Office of GPB (JSC) Branch <i>Severo-Zapadny</i></b> 163000, Arkhangelsk, prospekt Troitsky, 95, bld. 1 Phone: (8182) 639-025
<b>45.</b>	<b>GPB (JSC) Branch <i>Severo-Kavkazsky</i></b> 355000, Stavropol, str. Dzerzhinskogo, 114 Phone: (8652) 26-63-17
<b>46.</b>	<b>Operational Office of GPB (JSC) Branch <i>Severo-Kavkazsky</i></b> 367012, Republic of Dagestan, Makhachkala, str. Yermoshkina, 24 Phone: (8722) 67-53-46
<b>47.</b>	<b>GPB (JSC) Branch <i>Srednerussky</i></b> 300026, Tula, prospekt Lenina, 106 Phone: (4872) 33-28-09
<b>48.</b>	<b>Operational Office of GPB (JSC) Branch <i>Srednerussky</i></b> 248030, Kaluga, str. Ryleeva, 4 Phone: (4842) 22-22-00, (4842) 79-54-64

<b>49.</b>	<b>Operational Office of GPB (JSC) Branch <i>Srednerussky</i></b> 390000, Ryazan, str. Kudryavtseva, 56 Phone: (4912) 27-28-48, 27-07-80
<b>50.</b>	<b>Operational Office of GPB (JSC) Branch <i>Srednerussky</i></b> 214004, Smolensk, str. Nikolayeva, 27-A Phone: (4812) 35-49-88, (4812) 64-49-86
<b>51.</b>	<b>Operational Office of GPB (JSC) Branch <i>Srednerussky</i></b> 241050, Bryansk, square Partizan, 4 Phone: (4832) 58-94-34
<b>52.</b>	<b>GPB (JSC) Branch in Surgut</b> 628417, Tyumen Region, KhMAO-Yugra, Surgut, bulvar Svobody, 12 Phone: (3462) 76-99-00
<b>53.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628417, Tyumen Region, KhMAO-Yugra, Surgut, str. Universitetskaya, 1/1 Phone: (3462) 76-99-00
<b>54.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628402, Tyumen Region, KhMAO-Yugra, Surgut, str. Geologicheskaya, 26 Phone: (3462) 50-38-67
<b>55.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628609, Tyumen Region, KhMAO-Yugra, Nizhnevartovsk, str. Omskaya, 1 Phone: (3466) 49-42-49
<b>56.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628611, Tyumen Region, KhMAO-Yugra, Nizhnevartovsk, str. Lenina, 38a Phone: (3466) 42-21-92
<b>57.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628310, Tyumen Region, KhMAO-Yugra, Nefteyugansk, District 12, bld. 29, room 3 Phone: (3463) 23-12-49
<b>58.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 629800, Tyumen Region, YaNAO, Noyabrsk, str. Respubliki, 18 Phone/fax: (3496) 36-90-51
<b>59.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 629830, Tyumen Region, YaNAO, Gubkinsky, District 12, bld. 45 Phone: (34936) 5-26-80
<b>60.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 629800, Tyumen Region, YaNAO, Noyabrsk, str. Lenina, 49 Phone/fax: (3496) 32-04-30
<b>61.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628684, Tyumen Region, KhMAO-Yugra, Megion, str. Gubkina, 18 Phone: (34643) 36-508
<b>62.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628260, Tyumen Region, KhMAO-Yugra, Yugorsk, str. Lenina, 31 Phone: (34675) 20-241
<b>63.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628128, Tyumen Region, KhMAO-Yugra, Oktiabrsky District, Un'yugan settlement, str. Gazpromovskaya, 14 Phone: (34672) 4-87-04
<b>64.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628158, Tyumen Region, Berezovsky District, Pripolyarny settlement, Estate 4, bld. 1, Apt.14 Phone: (34674) 3-44-31

<b>65.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628260, Tyumen Region, KhMAO-Yugra, Yugorsk, str. Mira, 15 Phone: (34675) 2-28-43
<b>66.</b>	<b>Operational Office of GPB (JSC) Branch in Surgut</b> 624570, Sverdlovsk Region, Ivdel, str. Trosheva, 38 Phone: (34316) 5-38-48
<b>67.</b>	<b>Operational Office of GPB (JSC) Branch in Surgut</b> 624582, Sverdlovsk Region, Ivdel District, settlement Pelym, str. Stroiteley, 2 Phone: (34386) 4-55-70
<b>68.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628012, Tyumen Region, Khanty-Mansiisk, str. Mira, 52 Phone: (3467) 30-00-23
<b>69.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628162, Tyumen Region, KhMAO-Yugra, Beloyarsky, str. Molodosti, 7-A Phone/fax: (34670) 3-71-37
<b>70.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628169, Tyumen Region, KhMAO-Yugra, Beloyarsky District, Sorum settlement, str. Tsentralnaya, 34, Office 6 Phone: (34670) 36-1-60
<b>71.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628173, Tyumen Region, KhMAO-Yugra, Beloyarsky District, Lykhma settlement, Administrative Building of Bobrovsky LPU MG Phone/fax: (34670) 48-3-09
<b>72.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628177, Tyumen Region, KhMAO-Yugra, Beloyarsky District, settlement Sosnovka, str. Shkolnaya, 15, Apt. 11 Phone/fax: (34670) 46-9-06
<b>73.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628172, Tyumen Region, KhMAO-Yugra, Beloyarsky District, Verkhnekazymsky settlement, Estate 4, bld. 2, apt. 38 Phone/fax: (34670) 47-8-95
<b>74.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628146, Tyumen Region, KhMAO-Yugra, Berezovsk District, urban-type settlement Igrim, str. Kooperativnaya, 33 Phone/fax: (34674) 32-3-25
<b>75.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628156, Tyumen Region, KhMAO-Yugra, Berezovsk District, Khulimsunt settlement, Estate 2, 10, apt. 19 Phone/fax: (34674) 33-2-08
<b>76.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628147, Tyumen Region, KhMAO-Yugra, Berezovsk District, settlement Svetly, str. Naberezhnaya, 7, apt. 14 Phone/fax: (34674) 58-0-45
<b>77.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628126, Tyumen Region, KhMAO-Yugra, Oktyabrsk District, settlement Priobie, str. Sportivnaya, 15 Phone/fax: (34678) 51-3-83
<b>78.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628181, Tyumen Region, KhMAO-Yugra, Nyagan, District 2, 44, apt. 1 Phone: (34672) 5-54-08

<b>79.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628125, Tyumen Region, KhMAO-Yugra, Oktyabrsk District, urban-type settlement Andra, District Zapadny, 50A Phone/fax: (34678) 49-1-90
<b>80.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628109, Tyumen Region, KhMAO-Yugra, Oktyabrsk District, settlement Peregrebnoye, str. Spasennikova, 16-A Phone/fax: (34678) 38-7-45
<b>81.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 628012, Tyumen Region, Khanty Mansiysk, str. Lenina, 56 Phone: (3467) 92-82-72
<b>82.</b>	<b>Subsidiary Office of GPB (JSC) Branch in Surgut</b> 629600, Tyumen Region, YaNAO, Muravlenko, str. Lenin, 94a Phone: (34938) 6-30-78
<b>83.</b>	<b>GPB (JSC) Branch in Tomsk</b> 634009, Tomsk, pereulok 1905 goda, 7 Phone: (3822) 610-150, (3822) 610-605, (3822) 610-626
<b>84.</b>	<b>GPB (JSC) Branch <i>Uralsky</i></b> 620014, Yekaterinburg, str. Uritskogo, 7 Phone/fax: (343) 269-72-19
<b>85.</b>	<b>Subsidiary Office of GPB (JSC) Branch <i>Uralsky</i></b> 622001, Sverdlovsk Region, Nizhny Tagil, str. Krasnoarmeyskaya, 9 Phone/fax: (3435) 42-31-00, (3435) 42-31-04
<b>86.</b>	<b>Operational Office of GPB (JSC) Branch <i>Uralsky</i></b> 625000, Tyumen, str. Sovetskaya, 20 Phone: (3452) 54-04-88
<b>87.</b>	<b>Subsidiary Office of GPB (JSC) Branch <i>Uralsky</i></b> 624200, Sverdlovsk Region, Lesnoy, prospekt Kommunistichesky, 37 Phone/fax: (34342) 6-62-94
<b>88.</b>	<b>Subsidiary Office of GPB (JSC) Branch <i>Uralsky</i></b> 624136, Sverdlovsk Region, Novouralsk, str. Lenina, 132-A Phone/fax: (34370) 6-18-16
<b>89.</b>	<b>Subsidiary Office of GPB (JSC) Branch <i>Uralsky</i></b> 624222, Sverdlovsk Region, Nizhnyaya Tura, str. 40 let Oktyabrya, 44 Phone: (34342) 2-33-82
<b>90.</b>	<b>Subsidiary Office of GPB (JSC) Branch <i>Uralsky</i></b> 624992, Sverdlovsk Region, Serov, str. Lenina, 149-A Phone: (34385) 7-19-02
<b>91.</b>	<b>Operational Office of GPB (JSC) Branch <i>Uralsky</i></b> 640002, Kurgan, str. Gogolya, 109 Phone: (3522) 29-09-07
<b>92.</b>	<b>Operational Office of GPB (JSC) Branch <i>Uralsky</i></b> 641870, Kurgan Region, Shadrinsk, str. Yefremova, 64 Phone: (35253) 3-20-93
<b>93.</b>	<b>Subsidiary Office of GPB (JSC) Branch <i>Uralsky</i></b> 624460, Sverdlovsk Region, Krasnoturyinsk, str. Oktyabrskaya, 28 Phone: (34384) 6-95-83
<b>94.</b>	<b>Operational Office of GPB (JSC) Branch <i>Uralsky</i></b> 454091, Chelyabinsk, str. Krasnoarmeyskaya, 116 Phone: (351) 268-94-72

<b>95.</b>	<b>Operational Office of GPB (JSC) Branch <i>Uralsky</i></b> 627756, Tyumen Region, Ishim, str. Karl Marx, 1A/6 Phone/fax: (34551) 7-59-42
<b>96.</b>	<b>Operational Office of GPB (JSC) Branch <i>Uralsky</i></b> 626150, Tyumen Region, Tobolsk, District 4, 29a/1 Phone: (3456) 34-30-95
<b>97.</b>	<b>GPB (JSC) Branch in Ufa</b> 450022, Republic of Bashkortostan, Ufa, str. Mendeleeva, 138 Phone: (347) 256-59-84
<b>98.</b>	<b>Operational Office of GPB (JSC) Branch <i>Tsentralny</i>, Moscow Region</b> 156000, Kostroma, Sovetskaya str., 8-A Phone: (4942) 490-919
<b>99.</b>	<b>Operational Office of GPB (JSC) Branch <i>Tsentralny</i>, Moscow Region</b> 150000, Yaroslavl, Chaikovskogo str., 30 Phone: (4852) 590-000
<b>100.</b>	<b>Operational Office of GPB (JSC) Branch <i>Tsentralny</i>, Moscow Region</b> 153000, Ivanovo, Varentsovoi str., 11 Phone: (4932) 773-292
<b>101.</b>	<b>GPB (JSC) Branch <i>Tsentralno-Chernozemny</i></b> 394018, Voronezh, str. Kirova, 11 Phone: (473) 200-81-67
<b>102.</b>	<b>Operational Office of GPB (JSC) Branch <i>Tsentralno-Chernozemny</i></b> 308012, Belgorod, Kostyukova str., 36-G Phone/fax: (4722) 58-81-57
<b>103.</b>	<b>Operational Office of GPB (JSC) Branch <i>Tsentralno-Chernozemny</i></b> 398016, Lipetsk, str. Kosmonavtov, 24/1 Phone: (4742) 505-513
<b>104.</b>	<b>Operational Office of GPB (JSC) Branch <i>Tsentralno-Chernozemny</i></b> 305035, Kursk, str. Krasnoy Armii, 100 Phone: (4712) 54-92-00
<b>105.</b>	<b>GPB (JSC) Branch <i>Yuzhny</i></b> 350033, Krasnodar, str. Dmitriyevskaya Damba, 11 Phone: (861) 210-48-07
<b>106.</b>	<b>Operational Office of GPB (JSC) Branch <i>Yuzhny</i></b> 414024, Astrakhan, str. Naberezhnaya Privolzhskogo zatona, 5, letter A Phone: (8512) 45-10-32
<b>107.</b>	<b>Operational Office of GPB (JSC) Branch <i>Yuzhny</i></b> 400074, Volgograd, str. V.I. Lenina, 56a Phone: (8442) 24-87-77
<b>108.</b>	<b>Operational Office of GPB (JSC) Branch <i>Yuzhny</i></b> 344006, Rostov-on-Don, prospekt Voroshilovskiy, 20/17 Phone: (863) 203-02-25
<b>109.</b>	<b>Operational Office of GPB (JSC) Branch <i>Yuzhny</i></b> 347922, Rostov Region, Taganrog, str. Grecheskaya, 17/ pereulok Pervy Krepostnoy, 24 Phone/fax: (8634) 314-729

**OPINION**  
**of PJSC GAZPROM Audit Commission**  
**on reliability of data contained in PJSC GAZPROM Annual Report for 2017,**  
**Annual Accounts (Financial Statements) for 2017 and in the Report on**  
**PJSC GAZPROM Related Party Transactions Made in 2017**

City of Moscow

April 27, 2018

The Audit Commission elected by the annual General Shareholders' Meeting of PJSC GAZPROM (hereinafter 'the Company') on June 30, 2017, acting pursuant to the Regulation on the Company's Audit Commission, conducted the scheduled audit of the Company's 2017 financial and business operations.

The audit of the Company's 2017 financial and business operations involved the review and use of:-

PJSC GAZPROM Articles of Association;

Regulation on PJSC GAZPROM Audit Commission;

Regulation on PJSC GAZPROM Accounting Policy for Financial and Tax Accounting in 2017; and

other regulations and documents.

When conducting the audit, the Audit Commission reviewed and analyzed throughout: the Company's Annual Report, Accounts (Financial Statements) for 2017, written information on findings of PJSC GAZPROM 2017 Accounts (Financial Statements) audit, as drafted by Financial and Accounting Consultants audit firm, the Report on PJSC GAZPROM Related Party Transactions Made in 2017 and resolutions of the Company's Board of Directors and Management Committee.

**The audit found:-**

The Company's Annual Report for 2017 was prepared in compliance with Russian applicable law;

the Company's Accounts (Financial Statements) for 2017 were prepared in compliance with accounting and reporting rules applicable in the Russian Federation; and

resolutions on financial and business operations, as adopted by the Company's Board of Directors and Management Committee, meet applicable law,

the Company's Articles of Association and resolutions of the General Shareholders' Meeting.

Upon the audit of the Company's 2017 financial and business operations,

**the Audit Commission confirms that:-**

No actual violations of the accounting and reporting procedures established in laws and regulations of the Russian Federation and of Russian laws and regulations on financial and business operations, which could have a material impact on the Company's financial performance, have been revealed;

The Company's Accounts (Financial Statements) are reliable and represent a true and fair view of the Company's financial standing in all material respects as of December 31, 2017, and its financial and business performance from January 1 to December 31, 2017; and

The information contained in the Report on PJSC GAZPROM Related Party Transactions Made in 2017 is reliable.

**M.I. Mironova**

**Chairman, Audit Commission**

**PJSC GAZPROM**

**REVIEW**  
**of PJSC GAZPROM Auditor's Report by the Audit Committee of PJSC**  
**GAZPROM Board of Directors<sup>1</sup>**

Having considered the Auditor's Report on the Accounts (Financial Statements) of PJSC GAZPROM for 2017 issued by the Company's external Auditor, Financial and Accounting Advisors Limited Liability Company, as approved by PJSC GAZPROM annual General Shareholders' Meeting on June 30, 2017, the Audit Committee of PJSC GAZPROM Board of Directors has resolved that the external Auditor's Report on the Accounts (Financial Statements) of PJSC GAZPROM for 2017 issued by PJSC GAZPROM's Auditor, Financial and Accounting Advisors Limited Liability Company, is executed in accordance with ISA 700 *Forming an Opinion and Reporting on Financial Statements* (revised), ISA 701 *Communicating Key Audit Matters in the Independent Auditor's Report* and ISA 720 *The Auditor's Responsibilities Relating to Other Information* (revised) put in force in the Russian Federation territory by the RF Ministry of Finance Order No 207n dated November 09, 2016, contains an unmodified opinion on the reliability of PJSC GAZPROM Annual Accounts (Financial Statements) prepared in accordance with the Regulations on Accounting and Reporting in the Russian Federation, and on the fair presentation, in all material respects, of PJSC GAZPROM's financial position as of December 31, 2017, financial performance and cash flows for 2017 in the Accounts (Financial Statements) of PJSC GAZPROM.

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<sup>1</sup> Review of PJSC GAZPROM Auditor's Report by the Audit Committee of PJSC GAZPROM Board of Directors is cited in accordance with PJSC GAZPROM Board of Directors Audit Committee meeting Minutes No.61 of April 24, 2018.

**Profit allocation recommendations of PJSC GAZPROM Board of Directors, in particular, the amount, timing and form of payment of the annual dividends on the Company's shares and the date, as of which the persons entitled to the dividends are determined<sup>2</sup>**

**Recommendations of PJSC GAZPROM Board of Directors on PJSC GAZPROM 2017 profit allocation**

1. Approve of PJSC GAZPROM profit allocation as of the end of 2017 in the amount of RUB 100,297,977,000.00 fully for dividend payments.
2. Recommend PJSC GAZPROM annual General Shareholders' Meeting to approve of PJSC GAZPROM profit allocation as of the end of 2017, as proposed by PJSC GAZPROM Board of Directors.

**Recommendations of PJSC GAZPROM Board of Directors on PJSC GAZPROM past retained profit allocation**

1. Approve of PJSC GAZPROM past retained profit allocation in the amount of RUB 90,037,067,000.00 for dividend payments.
2. Recommend PJSC GAZPROM annual General Shareholders' Meeting to approve of the Company's past retained profit allocation, as proposed by PJSC GAZPROM Board of Directors.

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<sup>2</sup> Minutes of PJSC GAZPROM Board of Directors meeting of 16.05.2018 No. 1198.

**Recommendations of PJSC GAZPROM Board of Directors, in particular, the amount, timing and form of payment of the annual dividends on the Company's shares and the date, as of which the persons entitled to the dividends are determined**

PJSC GAZPROM Board of Directors recommends PJSC GAZPROM annual General Shareholders' Meeting to resolve as follows:-

To pay annual dividends based on the Company's performance in 2017, in monetary form, in the amount of RUB 8.04 per ordinary share in PJSC GAZPROM with the par value of RUB 5, i.e. RUB 190,335,044,000.00 out of the net profit for 2017 amounting to RUB 100,297,977,000.00 and the past retained profit amounting to RUB 90,037,067,000.00;

To establish July 19, 2018, as the date as of which the persons entitled to the dividends are determined;

To establish August 2, 2018, as the end date for payment of dividends to nominal holders and trust managers being professional stock market participants registered in PJSC GAZPROM Shareholders' Register; and

To establish August 23, 2018, as the end date for payment of dividends to other persons registered in PJSC GAZPROM Shareholders' Register.

## **Information on the candidacy for PJSC GAZPROM Auditor**

*Financial and Accounting Advisors LLC (FAA LLC, hereinafter also FAA)* has been registered and operates in the Russian Federation in the established manner; it is a member of the Self-Regulatory Auditors' Association *Sodruzhestvo* (PSRN – 11506030481).

FAA LLC holds FSS of Russia license No. 28396 for works related to use of the information that constitutes state secret, valid till June 20, 2021. FAA LLC professional risks are insured against with INGOSSTRAKH Open Joint Stock Insurance Company.

FAA LLC is registered with the Voluntary Certification System GAZPROMCERT ROSS RU.3022.04ГO00. Compliance Certificates Nos. ГO00.RU.1415.K00407, ГP.OC.0004.01-000100 K1469 certify FAA LLC quality assurance system's compliance with GAZPROM CS 9001-2012 requirements.

FAA LLC was founded in 1990. Since its inception and till present, FAA managers and specialists have taken the most active part in development of laws and shaping the law-enforcement practice; they have made part of management bodies of the leading professional and business associations.

FAA provides professional services in the following core lines of business: audit and related services; other associated audit services, including putting in place, recovering and maintaining accounts and tax accounts, accounting and financial reporting; accounting, tax and law consulting; audit-related legal support; management consulting; information technologies consulting; investment business support; business planning; appraisals.

Over 27 years of cooperation between FAA and Russian business leaders in all of the key branches of economy, the Company has managed to gain the unique hands-on experience in implementation of major projects.

Provision of comprehensive services with guaranteed quality, a broad product range and, at the same time, strong specialized expertise, the impeccable goodwill, highly qualified staff, modern technologies and methods distinguish FAA and secure trust in its services on the part of major companies, governmental authorities, and the expert community.

FAA has got the unique experience of dealings with fuel and energy enterprises, for which hundreds of successful projects have been implemented. Constant liaising with representatives of the oil and gas industry enables a deep insight of the Company's experts into the industry's urgent concerns and tasks.

Since 1996, FAA has cooperated with PJSC GAZPROM. It audited PJSC GAZPROM Long-Term Development Program implementation in 2015 and 2016. As part of advisory services to GAZPROM Group of Companies, FAA professionals have implemented over 230 major projects and provided a great deal of consultations. Over 80 projects for drafting financial/business and feasibility studies, investment project efficiency assessments, for designing enterprise financial models, business plans and development strategies have been implemented.

According to Article 5, Statutory Audit, Federal Audit Business Law No. 307-FZ of December 30, 2008, the audit of PJSC GAZPROM Accounts (Financial Statements) is mandatory.

The audit company for the 2018 statutory audit purposes was selected by a public tender for the right to conclude a service agreement for auditing the Accounts (Financial Statements) of PJSC GAZPROM, the consolidated Accounting Statements of GAZPROM Group and the consolidated Financial Statements of GAZPROM Group for 2018 under the International Financial Reporting Standards (IFRS), in the manner envisaged in Federal Law of April 5, 2013, No. 44-FZ, On the Contractual System in Procurement of Goods, Work, Services to Meet Federal and Municipal Needs. Based on the tender results, Financial and Accounting Advisors Limited Liability Company (FAA LLC) was found the winner.

**The biggest customers of FAA LLC in Russia include:**

PJSC GAZPROM*	OOO EvrazHolding*
OOO Gazprom transgaz Yugorsk*	AO EVRAZ West Siberian Metallurgical Plant*
OOO Gazprom transgaz Ukhta*	OOO EVRAZ Kachkanarsky Mining&Processing Plant*
OOO Gazprom transgaz Surgut*	OOO EVRAZ Nizhny Tagil Metallurgical Plant*
OOO Gazprom transgaz Saint Petersburg*	AO Atomenergoprom*
OOO Gazprom transgaz Moscow*	AO Rosenergoatom Concern*
OOO Gazprom Dobycha Yamburg*	AO Atomredmetzoloto*
OOO Gazprom Dobycha Urengoy*	JSC SCA
OOO Gazprom Dobycha Nadym*	AO RUSNANO
OOO Gazprom Dobycha Astrakhan*	AO MCC EuroChem*
OOO Gazprom Dobycha Orenburg*	JSC Azot*
OOO Gazprom Pererabotka*	JSC Nevinnomysky Azot*
AO ROSNEFTEGAZ*	ALROSA JSC (Public Company)
Transnefteproduct, JSC*	SIBUR Holding Public Company
Sberbank of Russia Public Company	AO Rosoboronexport*
Rosseti Public Company	AO Apatit*
Transneft PJSC	ZAO CV Protek Firm*
PJSC MMC Norilsk Nickel	Deposit Insurance Agency SC*
EN+ Management LLC	AO ALFA-BANK*
Central Bank of the Russian Federation (Bank of Russia)*	Bank Rossiysky capital (PJSC)*
GPB (JSC)	
Vnesheconombank SC	

\* – audit services

**Proposals on  
the Amount of Remuneration to Members of PJSC Gazprom Board of  
Directors<sup>3</sup>**

PJSC Gazprom Board of Directors recommends PJSC Gazprom Annual General Shareholders' Meeting to establish remuneration to members of PJSC Gazprom Board of Directors, who do not occupy public positions in the Russian Federation and public service positions, namely:-

to Chairman of the Board of Directors: RUB 30,073,060.00;

to Deputy Chairman of the Board of Directors: RUB 29,109,310.00;

to the Board of Directors member who serves as Chairman of the Audit Committee of PJSC Gazprom Board of Directors and, at the same time, is a member of the Nomination and Remuneration Committee of PJSC Gazprom Board of Directors: RUB 26,539,310.00;

to the Board of Directors member who serves as Chairman of the Nomination and Remuneration Committee of PJSC Gazprom Board of Directors and, at the same time, is a member of the Audit Committee of PJSC Gazprom Board of Directors: RUB 26,539,310.00;

to the Board of Directors member who is a member of the Audit Committee of PJSC Gazprom Board of Directors and a member of the Nomination and Remuneration Committee of PJSC Gazprom Board of Directors: RUB 25,575,560.00;

to the Board of Directors members who do not perform additional functions in the Board of Directors: RUB 24,290,560.00 to each.

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<sup>3</sup>Minutes of PJSC Gazprom Board of Directors meeting of May 16, 2018, No. 1198.

**Proposals on  
the Amount of Remuneration to Members of PJSC Gazprom Audit  
Commission<sup>4</sup>**

PJSC Gazprom Board of Directors recommends the Annual General Shareholders' Meeting of PJSC Gazprom to establish the following remunerations to PJSC Gazprom Audit Commission members, who do not occupy public positions in the Russian Federation and public service positions, namely:-

Chairman of the Audit Commission: RUB 5,072,433.00;

Members of the Audit Commission: RUB 3,901,872.00 to each.

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<sup>4</sup>Minutes of PJSC Gazprom Board of Directors meeting of May 16, 2018, No. 1198.

**Draft Amendments to the Regulation of General Shareholders' Meeting of PJSC GAZPROM and the Comparative Table of Amendments thereto vs the Current Version<sup>5</sup>**

**Amendments  
to the Regulation of General Shareholders' Meeting  
of PJSC GAZPROM, as approved by the Resolution  
of General Shareholders' Meeting of PJSC GAZPROM  
of June 30, 2016, Minutes No. 1**

Clause 15.3, Article 15, to be supplemented with the second paragraph as follows:

‘When the General Shareholders’ Meeting is held in presentia, additional premises equipped for the General Shareholders’ Meeting online TV broadcasting, and for shareholders’ posing questions to spokespersons and stating their participation in debates, may be used.’

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<sup>5</sup> Draft Amendments to the Regulation of General Shareholders' Meeting of PJSC GAZPROM have been submitted for consideration on the initiative of PJSC GAZPROM Board of Directors (Minutes of PJSC GAZPROM Board of Directors meeting of May 16, 2018, No. 1198).

**Comparative table of amendments to the Regulation of General Shareholders' Meeting of PJSC GAZPROM vs the current version**

<b>No.</b>	<b>The current version of the Regulation of General Shareholders' Meeting of PJSC GAZPROM</b>	<b>The Regulation of General Shareholders' Meeting of PJSC GAZPROM, as amended</b>
<b>1.</b>	<b>Clause 15.3, Article 15</b>	
	<p>15.3. The General Shareholders' Meeting shall be held at the location of the Company's registered office and also may be held in St. Petersburg. The Company Board of Directors or any other persons authorized to convene the Meeting may choose any other locality in the Russian Federation as the venue of the Meeting, including the place of primary residence, or primary registered location, of the shareholders.</p>	<p>15.3. The General Shareholders' Meeting shall be held at the location of the Company's registered office and also may be held in St. Petersburg. The Company Board of Directors or any other persons authorized to convene the Meeting may choose any other locality in the Russian Federation as the venue of the Meeting, including the place of primary residence, or primary registered location, of the shareholders.</p> <p>When the General Shareholders' Meeting is held in presentia, additional premises equipped for the General Shareholders' Meeting online TV broadcasting, and for shareholders' posing questions to spokespersons and stating their participation in debates, may be used.</p>

**Information on Candidates to PJSC GAZPROM Board of Directors,  
in particular, on the Availability of Their Consent to Be Elected<sup>6</sup>**

Mr. Andrey Igorevich Akimov	Chairman, Gazprombank (Joint Stock Company) Management Committee (the consent is available)
Mr. Viktor Alekseevich Zubkov	Special Representative of the Russian Federation President, Liaising with the Gas Exporting Countries Forum (the consent is available)
Mr. Timur Kulibaev	Chairman, Association of Legal Entities – Kazakhstan Association of Oil, Gas and Energy Sector Companies KAZENERGY; Chairman of the Presidium, National Chamber of Entrepreneurs of the Republic Kazakhstan ‘Atameken’ (the consent is available)
Mr. Denis Valentinovich Manturov	Minister of Industry and Trade of the Russian Federation (the consent is available)
Mr. Vitaly Anatolievich Markelov	Deputy Chairman, PJSC GAZPROM Management Committee (the consent is available)
Mr. Viktor Georgievich Martynov	Principal, I.M. Gubkin Russian State Oil and Gas University (National Research University) (federal state-owned budgetary educational institution of higher education) (the consent is available)
Mr. Vladimir Alexandrovich Mau	Principal, the Russian Presidential Academy of National Economy and Public Administration (federal state-owned budgetary educational institution of higher education) (the consent is available)
Mr. Alexey Borisovich Miller	Chairman, PJSC GAZPROM Management Committee (the consent is available)

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<sup>6</sup> The information on candidate positions was updated on 21.05.2018, the date of the Information (Materials) Provided to Shareholders in Preparation for the Annual General Shareholders’ Meeting of PJSC GAZPROM in 2018.

Mr. Alexander Valentinovich Novak	Minister of Energy of the Russian Federation (the consent is available)
Mr. Dmitry Nikolaevich Patrushev	Minister of Agriculture of the Russian Federation (the consent is available)
Mr. Mikhail Leonidovich Sereda	Deputy Management Committee Chairman – Management Committee Administration Head, PJSC GAZPROM (the consent is available)

**Information on Candidates to PJSC GAZPROM Audit Commission,  
in particular, on the Availability of Their Consent to Be Elected**  
(the information on positions of the candidates is provided according to the  
information submitted by shareholders in their nomination proposals)

Mr. Vadim Kasymovich Bikulov	Deputy Department Head – Division Head, PJSC GAZPROM (the consent is available)
Mr. Alexander Alexeevich Gladkov	Department Head, Ministry of Energy of the Russian Federation (the consent is available)
Ms. Margarita Ivanovna Mironova	Senior Deputy Head, Management Committee Administration – Department Head, PJSC GAZPROM (the consent is available)
Mr. Yury Stanislavovich Nosov	Deputy Head, Management Committee Administration – Department Head, Management Committee Executive Secretary, PJSC GAZPROM (the consent is available)
Mr. Karen Iosifovich Oganyan	Department Head, PJSC GAZPROM (the consent is available)
Ms. Alexandra Andreevna Petrova	Deputy Unit Head, Russian Federal Agency for State Property Management (the consent is available)
Mr. Sergey Revazovich Platonov	Deputy Department Head, Finance Ministry of the Russian Federation (the consent is available)
Ms. Oksana Valerievna Tarasenko	Department Head, Ministry of Economic Development of the Russian Federation (the consent is available)
Ms. Tatiana Vladimirovna Fisenko	Department Head, Ministry of Energy of the Russian Federation (the consent is available)

## **Report on PJSC Gazprom Long-Term Development Program Implementation in 2017**

### **I. PJSC Gazprom Strategic Planning System**

The system of strategic targets (SST) that quantify PJSC GAZPROM objectives in achieving its strategic goals across all of the Company's lines of business underlies long-term planning at PJSC GAZPROM.

PJSC GAZPROM's strategic planning system uses SSTs of Level 1 and Level 2 (hereinafter SST<sub>1</sub> and SST<sub>2</sub>, respectively). SST<sub>1</sub> are established by PJSC GAZPROM Board of Directors for the end of the planning decade. SST<sub>2</sub> break down SST<sub>1</sub> by areas and lines of business, describing production, marketing, economic, corporate, innovation and personnel objectives in a greater detail.

SST<sub>1</sub> approved of by the Company's Board of Directors form the basis for shaping PJSC GAZPROM Long-Term Development Program (hereinafter 'the Program') that is designed annually according to JSC Gazprom Planning Procedure using SSTs (approved of by JSC Gazprom Management Committee Resolution No. 34 of June 26, 2006) and the Development Guidelines on Long-Term Development Programs for Strategic Open Joint Stock Companies and Federal State-Owned Unitary Enterprises, and Open Joint Stock Companies where the Russian Federation Capital Stake Exceeds Fifty Percent (the Russian Government instructions of April 15, 2014, No. VIII-II13-2583). Upon the Management Committee preliminary approval, the Program is submitted to the Company's Board of Directors for approval.

The Program aims to design a comprehensive integrated plan that secures well-balanced and efficient development of the Company, achievement of SSTs and maximization of the systemic economic effect, taking into account the analysis of risks and opportunities.

The Program is a tool for PJSC GAZPROM Development Strategy implementation in the long run and, at the same time, for long-term and current planning systems integration as it contains the indicators required for budgeting and the list of top priority projects for investment planning. Based on the Program indicators, the system of targets and control indicators (TCIs) is created to detail the Program for the 1-3-year budget period and to establish budgeting benchmarks.

When shaping the Program, primary information and indicators provided by PJSC GAZPROM business units and subsidiaries as well as resolutions of PJSC GAZPROM management entities, including the Company's Board of Directors resolutions adopted in furtherance of the Russian Federation Government directives for representatives of the state on PJSC GAZPROM Board of Directors, are taken into account.

PJSC GAZPROM Long-Term Development Program (gas business, 2018/2027) was approved of by the Board of Directors Resolution No. 3059 of December 19, 2017. It accounts for the country's socio-economic development forecasts made by the Russian Ministry of Economic Development, reflects the most

recent resolutions on the Company's system-shaping promising projects, such as *Power of Siberia*, *Amursky Gas Processing Plant*, *Nord Stream 2*, *Baltic LNG*, *Stage 3 of Sakhalin-2*, *TurkStream*, and the project for LNG production at Portovaya compressor plant.

According to the Board of Directors resolutions made in 2014/2016, the Program additionally covers the following:-

- A set of efforts (list of events) to enhance efficiency and transparency of the Company's business as well as its investment appeal, as concerns the supply of standard-quality fuel and energy resources at affordable prices to domestic market consumers and the fulfillment of technological and environmental safety requirements;
- A set of procurement efforts (list of procurement events) aimed at scheduled and stage-by-stage substitution of foreign-made products (work, services) with equivalent (by technical features and consumer properties) Russian-made products (work, services) used in investment projects and current operations;
- A separate section devoted to top priority projects in Eastern Siberia and the Far East;
- Information on the integral key performance indicator of PJSC GAZPROM innovation activities;
- A list of efforts aimed at enhancing labor productivity in the Company and labor productivity targets, the establishment procedure for which was approved in March 2015;
- A labor demand forecast, in particular, for engineering and technical professionals, including high school graduates; this forecast is also broken down by federal districts of the Russian Federation.

In 2017, the Program was also supplemented with a section on development of the Company's production operations abroad.

PJSC GAZPROM works on a scheme for extending the strategic planning system using SSTs over the oil and electric power lines of business. To this end, SST lists for the oil and electric power lines of GAZPROM Group business were created in the reporting year.

In furtherance of the Russian Federation Government directives No. 4955p-P13 of July 17, 2014, the Company's Board of Directors approved of the Audit Standard for PJSC GAZPROM Long-Term Development Program Implementation (Resolution of November 26, 2015, No. 2629) and the ToR of PJSC GAZPROM Long-Term Development Program Implementation Audit (Resolution of March 01, 2017, No. 2908).

In 2017, 2016 implementation of PJSC GAZPROM Long-Term Development Program (gas business, 2016/2025) approved of by the Company's Board of Directors Resolution No. 2649 of December 28, 2015, was audited.

**II. Efforts Taken in 2017 and Aimed at Fulfillment of PJSC GAZPROM Long-Term Development Program Approved of by PJSC GAZPROM Board of Directors in September 2016.**

PJSC GAZPROM Long-Term Development Program (gas business, 2017/2026) was approved of by the Board of Directors resolution in September 2016. As part of the Program implementation, the following efforts were taken in 2017:-

- *Power of Siberia* gas pipeline construction for gas transportation from the Yakutsk and Irkutsk gas production centers to consumers in the Russian Far East and China continued, over 900 km, and since the construction commencement, over 1,383 km (as of 31.12.2017), run, which means progress ahead of the construction schedule;
- Chayandinskoye oil-gas condensate field infrastructure development, gas well cluster sites, gas-gathering collector, power supply facilities construction continued, main technological equipment installation carried out. Moreover, the riverside loading wharf for machines and large-scale cargo in Peleduy settlement, the domestic solid garbage dump commissioned;
- Kovyktinskoye field preparation for transfer from the pilot commercial development to the operation and maintenance phase continued. Comprehensive geological exploration carried out. In particular, two exploratory wells drilled, 3D seismic surveying of 2,400 sq. km performed;
- Amur gas processing plant construction, Russia's biggest natural gas processing facility intended to become a major link in the technological chain of gas supply to China via the *Power of Siberia* pipeline, continued. The future plant site engineering preparation completed, the construction support infrastructure developed, Zeya riverside wharf built, railway communications and facilities construction continued;
- Active development of Cenomanian-Aptian deposits in Bovanenkovskoye field continued. The GP-1 80 MW booster compression station and 13 operating gas wells commissioned;
- The *Nord Stream 2* project financing agreements signed, whereby western financial investors provided EUR 1,394.1 mln of mezzanine financing in June/July 2017 and EUR 226 mln of temporary (bridge) financing in December 2017, pipe supply and concrete solidification works continued;
- In IVQ2017, full-scale construction under the project for expanding the gas transmission network in Russia, to secure gas supplies to the *Nord Stream 2* gas pipeline (the Project titled Development of Gas Transmission Facilities of the North Western Region UGSS, Gryazovets/ Slavyanskaya compressor plant section), started, in particular, Slavyanskaya compressor plant and Pikalevskaya compressor plant sites preparation launched in December 2017;
- *Ukhta-Torzhok line II* gas pipeline construction, to enable supply of additional gas volumes to the Russian North-West for gasification and gas delivery to domestic consumers as well as export supplies via *Nord Stream 2*, continued, 571.4 km gas pipeline commissioned, 772.4 km run;
- In May 2017, the *TurkStream* offshore gas pipeline construction started. As of 31.12.2017, 700 km offshore gas pipeline run;
- In June 2017, at the St. Petersburg International Economic Forum, PJSC GAZPROM and ROYAL DUTCH SHELL PLC signed the Master Agreement

for the Leningrad Region LNG production plant construction and operation project joint venture. The Agreement defines functioning principles of the joint venture for designing and attracting finance for the *Baltic LNG* project. The parties also entered into the Framework Agreement for the project joint feasibility study, development of which the companies launched in the reporting year;

- For the reporting period, the increase by prospecting in Russian hydrocarbon A+B<sub>1</sub>+C<sub>1</sub> category reserves achieved 852.9 bcm of natural gas, 95.6 mln t of gas condensate and 3.3 mln t of oil, including the 0.6 mln t increase in oil reserves of the enterprises with investments classified as joint operations;
- A significant increase in gas reserves achieved in Tambeiskoye and Malyginskoye fields (Yamal peninsula) – 596.6 bcm, in Achim deposits of Urengoyskoye field (Yamal-Nenets Autonomous Area) – 194.9 bcm, in Yuzhno Lunskoye field (the Sea of Okhotsk shelf) – 48.9 bcm. As a result of geological exploration performed, four new fields discovered, namely: Yuzhno Lunskoye on the Sea of Okhotsk shelf, Salairskoye in the Krasnoyarsk Territory, (named after) Zhagrin in the Khanty-Mansi Autonomous Area, Novozarinskoye in the Orenburg Region, as well as 47 new deposits in YNAA, KMAA-Yugra, the Tomsk Region and the Orenburg Region fields discovered earlier.

## Report on Fulfillment of KPIs established by PJSC GAZPROM

Corporate-wide KPI for executives for 2017	Target	Actual	KPI achievement, as % of target	Reasons for actual KPI deviations from target KPI
<b>Financial and economic KPIs</b>				
Unit costs in the Production business, RUB per ton of oil equivalent	993.19	955.06	104	Increase in gas production and commodity transportation work vs values adopted in calculating the targets because of the growing gas supplies to foreign and Russian consumers
Unit costs in the Transportation business, RUB per commodity transportation work unit, in '000 m3 per 100 km	71.86	68.83	104	
Reduction in operating expenses (costs), %	2	2.14	107	Operating expenses (costs) dynamics on the 2016 base year in comparable conditions (adjustment for inflation and change in the average annual ruble exchange rate, which are factors beyond the Company's management control)
Return on shareholder investments, shares	0.10	-0.102	-	Decrease in PJSC GAZPROM share market value on the PJSC Moscow Exchange
Return on capital, %	6	6.29	105	Increasing sales profit due to growing sales volumes and prices for key commodities sold by GAZPROM Group, partly balanced by the negative influence of RUB to USD and RUB to EUR exchange rates
Labor productivity, '000 RUB/man-hour	66.39	70.56	106	PJSC GAZPROM higher revenues earned in less costs of commodities purchased for resale and man-hours worked vs values adopted in calculating the target
<b>Industry KPIs</b>				
Gas sales in natural terms, bcm	427.25	443.88	104	Increase in demand for gas on the part of foreign and Russian consumers vs values adopted in calculating the target
Commissioning of top priority production facilities, units	9	8	89	Severe environment in constructing the Kaliningrad Region facility
Integral key innovation efficiency indicator, %	95	105.7	111	PJSC GAZPROM Innovative Development Program efforts taken and efficient innovation activities

**Draft Resolutions**  
**of the annual General Shareholders' Meeting of PJSC GAZPROM**  
(for information)

**1. Re the first agenda item:** Approval of the Company's annual report:  
*Approve of PJSC GAZPROM annual report for 2017.*

**2. Re the second agenda item:** Approval of the Company's annual accounts (financial statements):  
*Approve of PJSC GAZPROM Annual Accounts (Financial Statements) for 2017.*

**3. Re the third agenda item:** Approval of the Company's profit allocation in 2017:  
*Approve of PJSC GAZPROM profit allocation as of the end of 2017.*

**4. Re the fourth agenda item:** Approval of the past retained profit allocation:  
*Approve of PJSC GAZPROM past retained profit allocation in the amount of RUB 90,037,067,000.00.*

**5. Re the fifth agenda item:** On the amount of dividends, the timing and form of their payment based on the 2017 performance, and on establishing the date, as of which the persons entitled to dividends are determined:

*Approve of the amount, timing, and form of payment of the annual dividends on the Company's shares and the date, as of which the persons entitled to the dividends are determined, as proposed by PJSC GAZPROM Board of Directors: to pay out annual dividends based on the Company's performance in 2017, in the monetary form, in the amount of RUB 8.04 per PJSC GAZPROM ordinary share with the par value of RUB 5, i.e. RUB 190,335,044,000.00 out of the net profit for 2017 amounting to RUB 100,297,977,000.00 and the past retained profit amounting to RUB 90,037,067,000.00; to establish July 19, 2018, as the date as of which the persons entitled to the dividends are determined; to establish August 2, 2018, as the end date for payment of dividends to nominal holders and trust managers being professional stock market participants registered in PJSC GAZPROM Shareholders' Register; to establish August 23, 2018, as the end date for payment of dividends to other persons registered in PJSC GAZPROM Shareholders' Register.*

**6. Re the sixth agenda item:** Approval of the Company's auditor:  
*Approve of the Financial and Accounting Consultants Limited Liability Company as PJSC GAZPROM Auditor.*

**7. Re the seventh agenda item:** On payment of the remuneration for serving on the board of directors (the supervisory board) to the board of directors members, other than civil servants, in the amount established in the Company's internal documents:

*Pay out remunerations to members of the Board of Directors in the amounts recommended by the Company's Board of Directors.*

**8. Re the eighth agenda item:** On payment of the remuneration for serving on the audit commission to the audit commission members, other than civil servants, in the amount established in the Company's internal documents:

*Pay out remunerations to members of the Audit Commission in the amounts recommended by the Company's Board of Directors.*

**9. Re the ninth agenda item:** On amendments to the Regulation of general shareholders' meeting of PJSC GAZPROM:

*Approve of the amendments to the Regulation of General Shareholders' Meeting of PJSC GAZPROM.*

**10. Re the tenth agenda item:** Election of members of the Company's board of directors (supervisory board):

*Elect the following members to PJSC GAZPROM Board of Directors:....*

**11. Re the eleventh agenda item:** Election of members of the Company's audit commission:

*Elect the following members to PJSC GAZPROM Audit Commission: ....*

The Draft Resolutions are in accordance with the resolution wordings included in the ballots for voting on the agenda items of PJSC GAZPROM annual General Shareholders' Meeting.

### **Information on Shareholders' Agreements**

PJSC GAZPROM has not received any notices of shareholder agreement executions, as provided for by Article 32.1, Federal Joint Stock Companies Law.