

## **REGULATION ON NOMINATION AND REMUNERATION COMMITTEE OF GAZPROM BOARD OF DIRECTORS**

### **1. GENERAL PROVISIONS**

**1.1.** This Regulation sets out the procedure for the establishment, as well as the competence and operation of the Gazprom Board of Directors' Nomination and Remuneration Committee (hereinafter referred to as the "Committee").

**1.2.** The core objectives of the Committee are to carry out preliminary in-depth reviews of selected issues falling within the purview of the Board of Directors (hereinafter referred to as the "Board of Directors") and to prepare recommendations on resolutions to be made by the Board of Directors.

**1.3.** The Committee reports to the Board of Directors and acts within the limits of the authorities with which it is vested hereunder.

**1.4.** Proposals on establishing the Committee and nominating candidates into the Committee are introduced by the persons entitled to convene and request to convene meetings of the Board of Directors in accordance with the Articles of Association of Gazprom.

### **2. ACTIVITIES OF COMMITTEE**

**2.1.** The following functions fall within the purview of the Committee:

providing recommendations to the Board of Directors with regard to the policy of Gazprom (hereinafter referred to as the "Company") for remuneration of the Board of Directors Members and for financial incentives offered to the Management Committee Members and the Chairman of the Company's Management Committee, as well as supervising the adoption and implementation of the policy;

– producing recommendations to the Board of Directors for determining the amount of remuneration of and bonus payments to the heads of the Company's structural units in consideration of performing the corporate secretary functions;

– developing recommendations to the Board of Directors on the provisions to be applied in the event of early termination of contracts with the Management Committee Members and the Chairman of the Company's Management Committee, including all payments to be made by the Company and the conditions of such payments;

– preliminary review of the issues related to staff appointments, inter alia, ensuring the continuity of the Management Committee Members' activities; preparing recommendations to the Board of Directors on candidates to the positions of the Chairman of the Management Committee, Deputy Chairmen of the Management Committee, Management Committee Members, candidates to positions of the heads of the Company's structural units who perform the functions of the corporate secretary, and other key management personnel of the Company to be appointed by the Board of Directors;

– preliminary assessment of the performance of the Management Committee Members and the Chairman of the Company's Management Committee based on the results of the year in accordance with the Company's remuneration policy;

– developing recommendations to the Board of Directors on performing the annual detailed formal procedure of self-assessment or external assessment of the performance of the Board of Directors and its Members, as well as the Committees of the Board of Directors; developing recommendations to the Board of Directors on defining the priority areas for strengthening the staffing of the Board of Directors;

– interacting with the shareholders, without limiting the interaction to the largest shareholders, in order to provide them with recommendations regarding voting on the election of candidates to the Company's Board of Directors at the instruction of the Board of Directors.

### **3. RIGHTS AND OBLIGATIONS OF COMMITTEE AND ITS MEMBERS**

**3.1.** The Committee has the right to:

**3.1.1.** Under instructions from the Board of Directors, monitor the execution by the Company's bodies of the resolutions adopted by the Board of Directors in the Committee's areas of activities.

**3.1.2.** Receive documents, reports, executive summaries and other information, including information of confidential nature, from the Company's officers.

**3.1.3.** Invite the Members of the Board of Directors, Management Committee, Audit Commission, and other officers and employees of the Company to the meetings of the Committee.

**3.1.4.** Exercise other authorities as defined by the Board of Directors.

**3.2.** The Committee is obliged to:

**3.2.1.** In accordance with the applicable laws and internal documents of the Company, provide recommendations and other documents to the Board of Directors.

**3.2.2.** Submit to the Board of Directors reports on the work done under the Board of Directors' work plan, as well as extraordinary reports as requested by the Board of Directors.

**3.3.** The members of the Committee have the right to:

**3.3.1.** Study the documents and materials of the Company that are required to solve the issues falling within the purview of the Committee in accordance with this Regulation.

**3.3.2.** Make proposals, discuss and vote on agenda issues at the meetings of the Committee.

**3.3.3.** In line with the resolution of the General Shareholders Meeting, receive remuneration for their work in the Committee and/or compensation of costs associated with the execution of their functions. These remunerations and compensations shall be calculated in accordance with the rules established in the Company's internal document regulating the procedure for calculating the remuneration for the Board of Directors Members.

**3.3.4.** Exercise other authorities as defined by the Board of Directors.

**3.4.** The members of the Committee are obliged to:

**3.4.1.** Perform their duties as members of the Committee in good faith and act in an honest and responsible manner in the interest of the Company.

**3.4.2.** Take part in the meetings of the Committee.

**3.4.3.** If any member of the Committee has a conflict of interest with regard to an agenda item under discussion, notify other members of the Committee about such conflict.

**3.4.4.** Under no circumstances use or disclose to other parties any information about the Company's activities that, when disclosed to third parties, may have a substantial impact on the Company and its business reputation.

**3.4.5.** In the process of performing their functions, observe the requirements set forth by the applicable laws of the Russian Federation, the Articles of Association of Gazprom, the Regulation on the Board of Directors, and this Regulation.

**3.4.6.** Refrain from any actions that may cause a conflict between the interests of a member of the Committee and the Company's interests. Notify the Board of Directors of any conflict of interest in connection with the matters discussed by the Committee.

### **4. FORMATION OF COMMITTEE**

**4.1.** The Committee is established by resolution of the Board of Directors.

**4.2.** The Committee shall include at least three persons elected by a majority of votes of all members of the Board of Directors. The Board of Directors has the right to terminate the authority of any member of the Committee.

**4.3.** The authority of the Committee members is terminated simultaneously with the termination of the authority of the Board of Directors that established the Committee.

**4.4.** The Committee is headed by the Chairman elected by a majority of votes of all members of the Board of Directors. The Board of Directors has the right to terminate the authority of the Committee Chairman.

**4.5.** The main objective of the Committee Chairman is to ensure that the Committee operates efficiently and to oversee the execution of the resolutions adopted by the Board of Directors with regard to the activities of the Committee.

**4.6.** The Chairman of the Committee:

- organizes the work of the Committee;
- convenes and chairs the meetings of the Committee;
- defines the agenda for the meetings of the Committee;
- reports on the Committee’s work to the Board of Directors of the Company;
- represents the Committee in relations with executive officers, the Audit Commission, the Company’s auditor, and other individuals and organizations engaged by the Committee or the Company with regard to the activities of the Committee.

**4.7.** Administrative and technical support of the Committee is provided by the Secretariat of the Board of Directors (hereinafter referred to as the “Secretariat”).

## **5. OPERATING PROCEDURES OF COMMITTEE**

**5.1.** The Committee holds meetings as needed, at least once per quarter.

**5.2.** A decision to convene a meeting of the Committee is made by the Committee Chairman, independently or on the basis of a proposal made by the members of the Committee, Chairman of the Board of Directors and the Members of the Board of Directors, the Company’s auditor, or the Audit Commission of the Company.

**5.3.** Meetings of the Committee may be held in the form of in-person meetings (the Committee members who are not physically present at the venue of the Committee meeting may take part therein and, inter alia, vote on agenda items, by video- and teleconferencing, provided that there is a technical possibility for that) and in the form of absentee voting.

**5.4.** Issues for consideration by the Committee are brought forward:

- by resolution of the Board of Directors;
- at the initiative of the Chairman of the Board of Directors;
- at the initiative of the Chairman of the Committee;
- at the initiative of a member of the Committee;
- at the initiative of the Chairman of the Company’s Management Committee.

**5.5.** The Secretariat notifies the Committee members of the meeting by sending them notifications and materials for the meeting, translated into the English language if necessary, indicating the date, time, venue, form and agenda of the meeting at least 7 business days prior to the meeting date. If a meeting is held in absentia, voting ballots shall also be sent out.

The information is sent in a manner agreed with the members of the Committee (by post, email, or fax).

**5.6.** A quorum for a meeting (including when a meeting is held in absentia) shall constitute at least half of the elected members of the Committee.

**5.7.** A meeting of the Committee shall be opened and presided by its Chairman. In the absence of the Chairman, members of the Committee shall elect a chairperson for the meeting by a majority of votes of the members of the Committee attending the meeting.

**5.8.** The procedure for holding a Committee meeting shall be defined by the chairperson of the meeting, with due consideration of the opinions of the members of the Committee.

If the members of the Committee have no comments regarding the materials prepared for the meeting and there is no disagreement on the recommendations proposed, the materials can be adopted without discussion.

**5.9.** The Committee adopts resolutions by a majority of votes of its members taking part in the voting process, including during absentee voting. The Committee Chairman has the

casting vote in case there is a tie-breaking vote among the members of the Committee taking part in the voting process.

**5.10.** Transfer of vote from a member of the Committee to another member of the Committee or to any other person by proxy shall not be allowed.

**5.11.** Any member of the Committee who has a conflict of interest on an issue under discussion shall notify other members of the Committee thereof before voting.

**5.12.** A resolution to hold a vote in absentia is made by the Chairman of the Committee.

**5.13.** For a vote in absentia, all members of the Committee are sent notifications of absentee voting in accordance with clause 5.5 hereof, as well as voting ballots.

Voting ballots must indicate the deadline for ballot submission to the Committee.

Notifications for an absentee vote shall be sent to the members of the Committee no later than 7 (seven) business days before the established deadline for submitting filled-out ballots to the Committee.

**5.14.** The voting ballots that were filled out and personally signed by the members of the Committee shall be presented to the Secretariat.

**5.15.** The members of the Committee from whom the voting ballots were received before the deadline specified in the ballots shall be considered as having taken part in the absentee voting.

**5.16.** A ballot can be deemed fully or partially invalid on certain voting items if there are any marks in more than one voting option on a voting item, or if the ballot has no signature of the voting member of the Committee, or if the ballot has any corrections and/or reservations to the proposed draft resolution.

**5.17.** Based on the absentee voting results, a voting record shall be made in accordance with Section 6 hereof.

**5.18.** The Company's Board of Directors conducts its activities in accordance with its competence established by the Articles of Association of Gazprom, the Regulation on the Board of Directors of Gazprom, and the current laws of the Russian Federation; therefore, in adopting its resolutions, the Board of Directors does not depend on the availability/absence or contents of the Committee's resolutions.

## **6. PROCEDURE FOR RECORDING RESOLUTIONS OF COMMITTEE**

**6.1.** The minutes shall be kept for each meeting of the Committee.

**6.2.** The minutes of an in-person meeting shall be made within 3 (three) business days after holding the meeting; the minutes shall be approved by all members of the Committee who attended the meeting and signed by the chairperson of the Committee meeting. Any member of the Committee shall have the right to express a dissenting opinion in writing with regard to agenda items.

The minutes of an in-person meeting shall indicate the following:

- the venue and time of the meeting;
- the attendees of the meeting;
- the items brought up for vote, opinions of the Committee members on the matters under review, voting results, and resolutions adopted.

**6.3.** The minutes of a meeting held in absentia shall be drawn up not later than within 3 (three) business days from the date specified for submitting filled-out ballots, and shall be signed by the Committee Chairman.

The voting ballots signed by the Committee members shall be attached to the meeting minutes.

**6.4.** When resolutions are adopted by the Committee in the form of absentee voting, the meeting minutes (minutes of absentee vote) shall indicate the following:

- the date of the minutes;
- the members of the Committee who submitted the filled-out and signed voting ballots within the timeframes specified for submitting such ballots;
- the items brought up for vote and voting results;
- the resolutions adopted.

**6.5.** The minutes of the Committee meetings shall be kept at the Secretariat for 3 (three) years, whereupon the minutes shall be deposited in the archives of the Company.

**6.6.** Copies of the minutes of the Committee meetings shall be sent to the members of the Committee.

**6.7.** Recommendations made by the Committee shall be presented to the Board of Directors within 3 (three) business days from the date of the corresponding meeting of the Committee.

## **7. FINAL PROVISIONS**

**7.1.** Amendments and supplements to the Regulation are subject to approval by the Board of Directors.

**7.2.** In the event that the provisions set forth by this Regulation contradict the provisions set forth by the Articles of Association of Gazprom, the provisions of the latter shall prevail.