

REGULATION ON AUDIT COMMITTEE OF GAZPROM BOARD OF DIRECTORS

This Regulation on the Audit Committee of the Board of Directors of PJSC Gazprom (hereinafter referred to as the “Regulation”) has been developed in accordance with the Articles of Association of Gazprom, the Code of Corporate Governance (Behavior) of Gazprom, the Regulation on the Board of Directors of Gazprom, the Standard Regulation on the Committee of the Gazprom Board of Directors, and the applicable laws of the Russian Federation.

1. GENERAL PROVISIONS

1.1. This Regulation sets out the procedure for the establishment and operation of the Audit Committee of the Gazprom Board of Directors (hereinafter referred to as the “Committee”).

1.2. The Committee assists the Gazprom Board of Directors (hereinafter referred to as the “Board of Directors”) in exercising control over the financial and business operations of Gazprom (hereinafter referred to as the “Company”). 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 and to prepare recommendations on resolutions to be made by the Board of Directors.

1.3. The Audit 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 main functions of the Committee are:

to assess candidates for the position of the Company’s auditor and evaluate the auditor’s opinion;

- to ensure independence and fairness of the internal and external audit functions;
- to provide oversight of the completeness, accuracy and reliability of the Company’s financial statements;
- to monitor the reliability and efficiency of the risk management and internal control system.

As part of its functions, the Committee reviews and, if necessary, prepares recommendations for the Board of Directors and/or draft resolutions on the following:

2.1.1. Financial statements of the Company:

a) review and assessment of deliverables of external audits, including comments contained in the opinion of the Company’s auditor, as well as measures taken by the Company’s executive bodies as a result of audits and/or per recommendations of the Company’s auditor, in terms of validity and acceptability of current accounting procedures, as well as principles of generating financial statements of the Company, significant estimates made in financial statements and adjustments, modifications concerning the accounting policy, and methods of accounting and financial reporting;

b) review of other matters which, in the opinion of the Committee, may impact the reliability of financial statements.

2.1.2. The functioning of the risk management and internal control system (hereinafter referred to as the “RMICS”)¹:

- a) oversight over the reliability and efficiency of the RMICS;
- b) preliminary reviews of:

- internal documents of the Company governing the Company’s policy in the area of risk management and internal control, including principles of and approaches to the establishment, functioning and development of the RMICS;

- maximum permissible and threshold levels of risks for the Company and the Gazprom Group;

- issues pertaining to the establishment, functioning and efficiency of the RMICS, including the results of RMICS assessments and self-assessments, drafting of recommendations on RMICS improvements if necessary;

- c) consideration of consolidated reports on risks and internal control procedures, results of internal control procedures and risk management efficiency assessments.

2.1.3. Compliance with the Code of Corporate Ethics of Gazprom.

2.1.4. Activities of the Internal Audit Department (hereinafter referred to as the “Department”):

- a) review and approval of the Regulation on the Department and amendments thereto;

- b) annual review and approval of the Department Work Plan (as part of the Look-Ahead Audit Plan and the Annual Audit Plan) and significant amendments to the Department Work Plan;

- c) regular, at least once a year, hearing of the performance report made by the head of the Department;

- d) discussion of issues related to improving the Department’s efficiency;

- e) regular, at least once a year, hearing of the report made by the head of the Department on the status of the program aimed at improving internal audit quality;

- f) regular, at least once a year, hearing of the issue regarding the confirmation of the Department’s organizational independence;

- g) review of significant limitations preventing the Department from achieving its objectives.

2.1.5. Interaction with the Company’s Audit Commission:

- a) review of the findings of the Audit Commission based on the annual audit of the financial and business operations of the Company and other information presented by the Audit Commission;

- b) discussion with the Audit Commission of the issues regarding the oversight of the Company’s financial and business operations.

2.1.6. External audit of the Company:

- a) facilitation of the selection of the Company’s auditor;

- facilitation of the preparation of proposals regarding the composition of the bidding committee for selecting an auditing company to carry out the mandatory annual audit of the Company (hereinafter referred to as the “Bidding Committee”) in view of the fact that the Chairman of the Bidding Committee will be appointed from among the members of the Committee, as well as regarding the operating procedures of the Bidding Committee and the timeframes for the selection process, coordination and submission thereof for approval to the Chairman of the Company’s Management Committee;

- harmonization of the bidding documentation, review of the results of evaluation and comparison of bids by the Bidding Committee and preparation of recommendations to the Board of Directors concerning the Company’s potential auditors;

- b) discussion of the scope and timeframes of the audit with the Company’s auditor;

- c) discussion of the intermediate and final audit results with the Company’s auditor prior to the submission thereof to the Board of Directors, as well as the results of consulting and other services provided by the Company’s auditor;

¹ According to the Policy on the risk management and internal control system of Gazprom approved by resolution of the Gazprom Board of Directors No. 3195 dated December 25, 2018.

d) discussion with the Company's auditor and executive bodies with respect to the relations between the auditor and the Company (including services provided by the auditor to the Company) that may impact the auditor's independence;

e) receipt from the Company's auditor and review of the annual official written report with a description of all relations between the auditor and the Company, as well as between the auditor and the Company's subsidiaries, in order to determine the circumstances that may impact the independence of the Company's auditor;

f) preliminary review and approval of acceptable types and scopes of non-audit services provided by the Company's auditor, and the amount of remuneration paid by the Company for such services;

g) formation of an opinion on the independence of the Company's auditor and preparation of recommendations for the Board of Directors to take measures that would ensure the independence of the Company's auditor;

i) assessment of the auditor's performance.

2.2. The Committee grants provisional approval with regard to the candidacy of the head of the Department, his/her extension of powers and dismissal, as well as the basic conditions of the corresponding labor agreement.

2.3. By resolution of the Board of Directors, other issues that fall within the purview of the Committee may be brought for consideration by the Committee.

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 following persons to the meetings of the Committee:

- Members of the Board of Directors, Management Committee, Audit Commission;
- representatives of the Company's auditor;
- head of the Department;
- other officers and employees of the Company.

3.1.4. Engage, including by invitation, independent experts and consultants in its meetings.

3.1.5. Hold meetings with the Company's auditor and staff of the Department without the participation of representatives of the Company's executive bodies.

3.1.6. 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. Receive the required information about the Company's activities and consult constituent documents, records, reports, administrative and other documents of the Company, including documents of confidential nature.

3.3.2. Demand in writing the convening of a meeting of the Committee.

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

3.3.4. Express in writing their opinions on or dissent with resolutions adopted by the Committee and communicate the same to the Committee Chairman.

3.3.5. 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.

3.3.6. 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 or to reelect all members 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 reelect the Committee Chairman before term.

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 (including by video- and teleconferencing) 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. Resolutions of the Committee may be adopted in absentia (by polling).

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

5.14. 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 business days before the established deadline for submitting filled-out ballots to the Committee.

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

5.16. 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.

5.17. 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.

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

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 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 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 years, whereupon the minutes shall be deposited in the archives of Gazprom.

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 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 Company's Articles of Association, the provisions of the latter shall prevail.