

APPROVED

Resolution of the annual General Shareholders Meeting
PJSC Gazprom
dated June 26, 2020, Minutes No. 1

Regulation on Audit Commission of PJSC Gazprom

New revision

This Regulation has been developed in compliance with the current legislation, the Articles of Association of PJSC Gazprom (hereinafter referred to as the “Company”), and the Code of Corporate Governance of Gazprom.

1. General provisions

1.1. This Regulation defines:

- the status, composition, goals and authority of the Audit Commission of the Company (hereinafter referred to as the “Audit Commission”);
- the rules of procedure for the Audit Commission and for its interaction with the management bodies of the Company;
- the rules of election and early termination of powers of the members of the Audit Commission.

This Regulation also governs other matters concerning the activities of the Audit Commission.

1.2. The Audit Commission is a standing elective body of the Company elected by the General Shareholders Meeting.

1.3. The Audit Commission:

- reports to the General Shareholders Meeting;
- is governed by the current legislation of the Russian Federation, the Articles of Association of the Company, resolutions of the General Shareholders Meeting, and this Regulation.

1.4. The main responsibilities of the Audit Commission are:

- oversight over the generation of reliable accounting records and financial statements of the Company and other information on the financial and economic activities and property status of the Company;
- oversight over the statutory compliance of accounting record-keeping and the presentation of financial statements and information by the Company to the appropriate bodies and shareholders;
- preparation of proposals on enhancing the management efficiency with regard to the

Company's assets and other financial and operating activities, mitigating financial and operational risks, and improving the internal control system.

2. Composition and term of office of Audit Commission

2.1. The Audit Commission composed of 5 persons is elected by the General Shareholders Meeting for a period until the next annual General Shareholders Meeting in accordance with the procedure stipulated by the Federal Law on Joint Stock Companies and the Articles of Association of the Company.

2.2. The authority of individual members or the entire Audit Commission may be terminated early by resolution of the General Shareholders Meeting, including in case of unscrupulous practices or infliction of damage to the Company through:

- destruction of, willful damage to, or falsification of documents and materials;
- concealment of information on identified abusive practices of executive officers or other employees of the Company;
- intentional deception of executive officers, other employees of the Company, or shareholders regarding the Company's operations;
- divulgence of state secrets or confidential information on the Company's operations;
- other actions harmful to the Company.

2.3. In case of early termination of the authority of a member of the Audit Commission or withdrawal of a member from the Audit Commission, the authority of other members of the Audit Commission shall not be terminated.

2.4. The members of the Audit Commission shall be deemed withdrawn in case of voluntary resignation, decease or inability to exercise their authority for any other reason.

A member of the Audit Commission shall be deemed withdrawn from the date following the receipt by the Audit Commission of the corresponding resignation letter, or from the date of death, or from the date of receipt by the Company of the documents confirming the inability of the member of the Audit Commission to exercise his/her authority.

2.5. The members of the Audit Commission may not simultaneously be Members of the Company's Board of Directors or hold other positions in the management bodies of the Company.

3. Scope of authority of Audit Commission

3.1. The scope of authority of the Audit Commission shall be stipulated by the laws of the Russian Federation and the Company's Articles of Association.

3.2. In compliance with the legislation, the Audit Commission shall:

- conduct inspections (audits) of the financial and economic activities of the Company

based on the annual results, as well as at any time at its own initiative, by resolution of the General Shareholders Meeting, the Company's Board of Directors or upon demand from a shareholder (shareholders) of the Company possessing a total of no less than 10 percent of the Company's voting shares;

- confirm the validity of data contained in the annual report of the Company, annual financial statements, and other reports and financial documents of the Company;
- report identified violations of the statutory rules of accounting record-keeping or presentation of financial statements, or of the legal acts of the Russian Federation in the course of financial and economic activities.

3.3. In addition to the issues outlined in the Federal Law on Joint Stock Companies, the scope of authority of the Audit Commission also includes the following in accordance with the Company's Articles of Association:

- audit and analysis of the Company's financial condition, solvency, internal controls, the system of financial and operational risks management, liquidity of assets, and debt-to-equity ratio;
- control of timeliness and correctness of settlement transactions with counterparties and the budget, including payment of salaries, social security, dividend distribution and payouts, and other settlement transactions;
- control of compliance of the use of material, labor and financial resources in operating, financial and economic activities of the Company with current norms and standards, approved cost estimates and other documents regulating the Company's operations, and control of the execution of resolutions of the General Shareholders Meeting;
- monitoring of the legality of the Company's business transactions carried out on the basis of agreements and deals executed on behalf of the Company;
- audit of cash in hand and assets of the Company, efficiency of the use of assets and other resources of the Company, and identification of causes of unproductive losses and expenses;
- control of compliance with the instructions on eliminating violations and defects identified by the Audit Commission;
- control of compliance of decisions on the financial and economic activities made by the Management Committee and the Board of Directors with the Company's Articles of Association and resolutions of the General Shareholders Meeting.

3.4. The Audit Commission may make suggestions on the work plans of the Company's management bodies and may request, in line with the established procedure and according to their competence, for a meeting of the Management Committee or the Board of Directors of the Company or an extraordinary General Shareholders Meetings to be convened if there is a threat to any substantial interests of the Company or if cases of abuse by executive officers of the Company are discovered, as well as on other issues.

3.5. Upon its request or demand, the Audit Commission shall be provided with minutes of meetings of the Company's Board of Directors, committees and commissions of the Board of Directors, and the Management Committee of the Company.

3.6. The Audit Commission may request from the Members of the Company's Board of Directors, Chairman of the Management Committee, Members of the Management Committee, or the person controlling the Company or entitled to provide the Company with mandatory instructions, the following information:

- on legal entities controlled by them, their spouses, parents, children, siblings and half-siblings, adoptive parents and adopted children and/or their affiliates, or legal entities to which they, their spouses, parents, children, siblings and half-siblings, adoptive parents and adopted children and/or their affiliates are authorized to give mandatory instructions;
- on legal entities where they, their spouses, parents, children, siblings and half-siblings, adoptive parents and adopted children and/or their affiliates hold positions in the management bodies;
- on any transactions known to them, whether being concluded or proposed, where they may be recognized as related parties.

3.7. The Chairman of the Audit Commission or any member of the Audit Commission may attend the meetings of the Company's Board of Directors, committees and commissions of the Board of Directors and the Management Committee of the Company during the reviews of the results of inspections (audits) of the Company's operations, as well as other meetings upon invitation from the Company's Board of Directors, committees and commissions of the Board of Directors and the Management Committee of the Company.

4. Chairman and Secretary of Audit Commission

4.1. The Chairman and Secretary of the Audit Commission shall be elected by the Audit Commission with their consent at the first meeting from among the members thereof by a majority vote of the members of the Audit Commission taking part in the meeting.

4.2. The Audit Commission may relieve the Chairman and/or Secretary of the Audit Commission of their duties and elect a new one, as decided by a majority vote of the members of the Audit Commission taking part in the meeting.

4.3. The Chairman and/or Secretary of the Audit Commission may voluntarily step down while remaining a member of the Audit Commission, from the date of receipt of the corresponding resignation letter by the Audit Commission.

4.4. In case of withdrawal of the Chairman and/or Secretary of the Audit Commission on the grounds specified by items 2.4 or 4.3 hereof, its members elect a new Chairman and/or Secretary of the Audit Commission within one month.

4.5. The Chairman of the Audit Commission is responsible for managing its operations, preparing its work plan, convening and holding meetings of the Audit Commission, and presides over the meetings, signs the meeting minutes, summaries of findings and other documents of the Audit Commission, signs demands, requests, informational messages and other appeals required for the Audit Commission to exercise its powers stipulated by item 6.4 hereof in accordance with its decisions, and solves other issues mentioned herein.

4.6. During the absence of the Chairman of the Audit Commission, an acting Chairman of the Audit Commission is elected by the Audit Commission by a majority vote of the members of the Audit Commission taking part in the meeting.

4.7. The Secretary of the Audit Commission is a person responsible for organizational support of the operations of the Audit Commission.

4.8. The Secretary of the Audit Commission is responsible for record-keeping, storage of meeting minutes and other materials of the Audit Commission, notification of the members of the Audit Commission and invited persons about meetings, provision of materials to the members of the Audit Commission, drafting of meeting minutes and extracts thereof, and other functions stipulated by this Regulation and decisions of the Audit Commission.

5. Procedures for conduct of Audit Commission meetings and rendering of decisions

5.1. During its meetings, the Audit Commission reviews issues in accordance with the work plan approved by the Audit Commission. The meeting agenda is approved by the Chairman of the Audit Commission. The Chairman of the Audit Commission informs the members of the Audit Commission of the date and place of the meeting at least 5 days before its date and sends out the meeting agenda.

5.2. The Chairman of the Audit Commission may convene extraordinary meetings at his/her own initiative or upon suggestion from the members of the Audit Commission.

5.3. Meetings of the Audit Commission can be held in person (including via video- and teleconferencing) or by absentee voting. In-person meetings of the Audit Commission are held at the address of the Company: 16 Nametkina St., Moscow, Russian Federation.

5.4. The first meeting of the Audit Commission shall be held not later than one month after the date of the General Shareholders Meeting at which the members of the Audit Commission were elected, on the basis of a notification to the Company which shall be sent at least 5 days before the meeting date, indicating the place and time of the meeting. If no notification is sent by the Company within 1 month, the right to convene the first meeting of the Audit Commission shall be given to any member of the Audit Commission.

5.5. Meetings of the Audit Commission are attended by the members of the Audit Commission and by invited persons.

The members of the Audit Commission cannot transfer their powers to other persons, including by power of attorney.

5.6. A meeting of the Audit Commission of the Company shall be considered quorate if no less than half of the members of the Audit Commission take part in the meeting.

If the number of the members of the Audit Commission is insufficient for the said quorum, the Audit Commission must request a meeting of the Company's Board of Directors to be convened regarding the holding of an extraordinary General Shareholders Meeting in order to elect new members to the Audit Commission of the Company to replace the withdrawn ones.

5.7. Each member of the Audit Commission has one vote.

Decisions of the Audit Commission are made by a majority vote of the members of the Audit Commission taking part in the meeting (in person or via absentee voting).

In case of a tied vote, the Chairman of the Audit Commission shall have the casting vote.

The members of the Audit Commission remaining in the minority may submit written minority reports, which will be attached to the meeting minutes of the Audit Commission.

5.8. When determining a quorum and voting results on agenda items, the Audit Commission may take into account a written opinion of a member who is not present at the meeting if the following conditions are met simultaneously:

- the written opinion on the agenda item is received by the Audit Commission before the meeting;
- the member of the Audit Commission unambiguously expresses a position on the agenda item by indicating in writing a vote in favor or against the proposed draft resolution or an abstention;
- at least 3 members of the Audit Commission are present at the meeting.

A written opinion containing amendments or reservations to the proposed draft resolution is not taken into account when determining a quorum and voting results. If amendments to the draft resolution are made during the meeting of the Audit Commission, the written opinion is not taken into account when determining a quorum and voting results.

If a written opinion was not sent to the members of the Audit Commission along with the notification on the meeting, the meeting chair shall read out the written opinion at the meeting.

Written opinions are taken into account when determining a quorum and voting results for each separate agenda item, which is recorded in the meeting minutes.

5.9. During an in-person meeting of the Audit Commission, meeting minutes shall be kept and signed by the meeting chair of the Audit Commission. Meeting minutes shall be finalized within 10 days from the date of the meeting. The minutes shall contain:

- date, time and place of the meeting;
- list of persons present at the meeting;
- meeting agenda;
- issues put to vote;
- voting results;
- decisions made.

The materials (summaries of findings, audit reports and other documents) that served as the basis for the decisions shall be attached to the minutes.

5.10. In order to hold an absentee vote, all members of the Audit Commission shall be provided with a notice on holding an absentee vote and voting ballots no later than 7 business days prior to the submission date indicated in the ballots.

5.11. The voting ballots that have been filled in and signed by the members of the Audit

Commission shall be submitted to the Secretary of the Audit Commission.

5.12. The members of the Audit Commission shall be considered as having participated in the absentee vote if their ballots were submitted before the date specified in the ballots.

5.13. A ballot can be fully or partially invalidated with regard to individual agenda items if the voting member of the Audit Commission puts any marks in more than one checkbox per item, fails to sign the ballot, or indicates any amendments and/or reservations to the proposed draft resolution in the ballot.

5.14. Based on the results of the absentee vote, minutes shall be made with the following data:

- date of finalization of the minutes;
- members of the Audit Commission who submitted voting ballots;
- meeting agenda;
- issues put to vote;
- voting results;
- decisions made.

The materials (summaries of findings, audit reports and other documents) that served as the basis for the decisions shall be attached to the minutes together with the submitted voting ballots.

5.15. Meeting minutes of the Audit Commission shall be sent to parties concerned within 5 days from the date of signing thereof.

6. Inspection procedure

6.1. The Audit Commission conducts yearly inspections (audits) of the financial and economic activities of the Company based on the annual results, as well as at any time at its own initiative, by resolution of the General Shareholders Meeting, the Company's Board of Directors or upon demand from a shareholder (shareholders) of the Company possessing a total of no less than 10 percent of the Company's voting shares.

6.2. The inspections (audits) of the Company's activities conducted by the Audit Commission shall comply with this Regulation and the current legislation of the Russian Federation.

6.3. The Chairman and members of the Audit Commission who are employed at the Company shall be exempt from their official duties in their main jobs for as long as they conduct inspections (audits) or fulfill other obligations as members of the Audit Commission, with pay, on the basis of summons from the Chairman of the Audit Commission and its work plan.

6.4. The Audit Commission may within its scope of authority:

- request an inventory of the Company's tangible assets to be taken, the scopes of work completed to be measured, and the cash registers, warehouses, storerooms and

- other working spaces to be placed under seal if necessary;
- check the correctness of the allocation of manufacturing costs of materials, salaries, services and other costs;
- request the contractors of the Company and banks to provide necessary information and documents on the operations with the Company;
- inform the Board of Directors of the Company and/or executive bodies of the Company about all cases of failure by the employees of the Company, including persons acting in a managerial capacity, to comply with the requests of the Audit Commission regarding the provision of the necessary documents and about refusals to make explanations on any issues set forth by the Audit Commission;
- raise issues before the Board of Directors of the Company and executive bodies of the Company on corrective measures and remedial periods for violations found by the Audit Commission;
- enlist the services of independent experts and consultants on a contractual basis according to the procedure established by the Audit Commission, as well as the services of the Company's employees.

6.5. The Audit Commission must:

- ensure oversight of the Company's performance;
- report the identified violations or abuses in the inspection (audit) documents in an unbiased manner, indicating their reasons, responsible persons and the extent of property damage done;
- submit for review by the Board of Directors of the Company a summary of the findings based on the inspection (audit) of the annual results of the financial and economic activities of the Company, within the time limits set by the laws of the Russian Federation and the Company's Articles of Association;
- communicate in a timely manner to the Company's Board of Directors, the Management Committee and the Chairman of the Management Committee of the Company the results of the conducted inspections (audits) of the Company's activities, summaries of findings of the Audit Commission, proposals on the elimination of causes and conditions causing violations of the financial and economic discipline, and proposals on improving the internal control system and increasing the operating efficiency of the Company;
- ensure the integrity of information that represents business or trade secrets of the Company in accordance with the current laws of the Russian Federation.

6.6. Upon request from the Audit Commission, persons holding positions in the Company's management bodies must present documents on the financial and economic activities of the Company.

6.7. In the course of audits, executive officers and other employees of the Company may:

- be present during the inventorying of tangible assets entrusted to them, inspection measurements, examinations and other actions of the Audit Commission;
- examine the contents of intermediate and final inspection (audit) reports pertaining to their professional activities and provide written explanations and objections

thereto;

- examine accounting books, reports and other documents serving as the basis for conclusions on violations, abuses or deficiencies;
- check the calculations made by the Audit Commission of amounts of property damage to be compensated and present written objections, documents or other evidence of the relevance of their objections.

6.8. Based on the results of auditing the financial and economic activities of the Company, the Audit Commission prepares a summary of its findings including a confirmation of the validity of data contained in the reports and other financial documents of the Company, and information on the identified violations of accounting record-keeping rules or presentation of financial statements and infringement on the rights and legitimate interests of the Company and its shareholders.

6.9. The members of the Audit Commission must take measures to identify possible violations and assist in addressing them.

In their actions, the members of the Audit Commission shall apply the principles of honesty, good faith, reasonableness and lack of bias.

The members of the Audit Commission shall be held responsible in accordance with the laws of the Russian Federation:

- for non-performance or improper performance of their duties;
- for failure to ensure integrity of information constituting business and/or trade secrets of the Company in accordance with the current laws of the Russian Federation;
- in other cases stipulated by the current laws of the Russian Federation.

6.10. Requests for information to the Company and its executive officers shall be formed based on proposals by the members of the Audit Commission on request contents.

7. Funding of Audit Commission and remuneration of its members

7.1. To ensure the functioning of the Audit Commission, the Company provides the Audit Commission with the necessary space and access thereto, as well as with technical equipment and materials.

The Company pays the expenses of the Audit Commission according to the established corporate standard within the limits set by the Company's Board of Directors based on the proposal of the Audit Commission.

7.2. The Audit Commission may enlist the services of independent experts and consultants on a contractual basis in accordance with the Procedure established by the Audit Commission.

Remuneration of the experts and consultants engaged is carried out at the expense of the Company in accordance with item 7.1 hereof.

7.3. Based on resolution of the General Shareholders Meeting, the members of the Audit Commission during their term of office may be remunerated and/or have their expenses arising thereunder compensated by the Company. The amounts of such remunerations and compensations are set by the General Shareholders Meeting upon recommendations of the Board of Directors of the Company.

8. Final provisions

8.1. This Regulation shall come into effect on the date of its approval by the General Shareholders Meeting.

8.2. If amendments are made to the laws of the Russian Federation, the norms of this Regulation that come into conflict with the legislation shall become void, and the activities of the Audit Commission shall be regulated by the relevant legislation of the Russian Federation and the Articles of Association of the Company.

8.3. This Regulation, upon coming into effect, supersedes the new revision of the Regulation on Audit Commission of OJSC Gazprom approved by the resolution of the General Shareholders Meeting of OJSC Gazprom dated June 28, 2013.