

**APPROVED**

**by Resolution of the Board of Directors**

**Rosneft Oil Company**

**"10" August 2023**

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## **ROSNEFT POLICY**

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# **ENSURING SUCCESSION AND INDUCTION OF MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD OF ROSNEFT**

**No. P3-01 P-02 YUL-001**

**VERSION 1**

**MOSCOW  
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# TABLE OF CONTENTS

<b>1. INTRODUCTORY PROVISIONS.....</b>	<b>3</b>
PURPOSE.....	3
SCOPE OF APPLICATION.....	3
VALIDITY AND ENFORCEMENT PROCEDURE.....	3
<b>2. GENERAL PROVISIONS.....</b>	<b>5</b>
<b>3. SUCCESSION OF THE MEMBERS OF THE BOARD OF DIRECTORS .....</b>	<b>6</b>
3.1. PRINCIPLES OF THE BOARD OF DIRECTORS COMPOSITION.....	6
3.2. ELEMENTS OF ENSURING SUCCESSION OF THE BOARD OF DIRECTORS.....	7
<b>4. SUCCESSION OF THE MANAGEMENT BOARD MEMBERS .....</b>	<b>9</b>
4.1. PRINCIPLES OF THE MANAGEMENT BOARD COMPOSITION.....	9
4.2. ELEMENTS OF ENSURING SUCCESSION OF THE MANAGEMENT BOARD.....	9
<b>5. INDUCTION OF MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD..</b>	<b>11</b>
5.1. INDUCTION OF MEMBERS OF THE BOARD OF DIRECTORS .....	11
5.2. INDUCTION OF MEMBERS OF THE MANAGEMENT BOARD .....	13
<b>6. REFERENCES.....</b>	<b>15</b>

# 1. INTRODUCTORY PROVISIONS

## PURPOSE

This Policy establishes principles and approaches to ensuring succession, and procedure for familiarizing members of Rosneft Board of Directors and Management Board with Rosneft activities.

The Policy sets forth:

- The principles of composition of the Board of Directors and the Management Board.
- The procedure for identifying staffing/professional requirements of the Board of Directors and the Management Board.
- The approaches to ensuring succession in the membership of the Board of Directors and the Management Board.
- The procedure for induction of members of the Board of Directors and the Management Board.

This Policy incorporates the requirements of:

- Federal Law On Joint Stock Companies No. 208-FZ of 26.12.1995;
- The Code of Corporate Governance recommended by the Bank of Russia for application by the joint-stock companies whose securities are admitted to trading on a regulated market (Letter of the Central Bank of Russia On the Code of Corporate Governance No. 06-52/2463 of 10.04.2014);
- Rosneft Charter;
- Rosneft Regulations On the Board of Directors of Public Joint Stock Company Rosneft Oil Company;
- Rosneft Regulations On the Collegial Executive Body (Management Board) of Public Joint Stock Company Rosneft Oil Company;
- Regulations On Rosneft Board Committees
- The Company's Code Rosneft Code of Business and Corporate Ethics No. P3-01.06 P-01;
- Rosneft Corporate Governance Code No. P3-01 KS-01;
- Letters of the Bank of Russia Guidelines for Composition and Succession of the Board of Directors (Supervisory Board) in Public Joint Stock Companies No. IN-06-28/80 of 22.04.2020.

## SCOPE OF APPLICATION

The present Policy shall be binding upon all employees of Rosneft engaged in the process of ensuring the succession and induction of members of the Board of Directors and the Management Board.

This Policy shall apply to newly elected members of the Board of Directors and the Management Board, and to the members of the Board of Directors and the Management Board re-elected for a new term.

Access to this Policy shall not be restricted. An electronic copy of this Policy is available on Rosneft official website: [www.rosneft.ru](http://www.rosneft.ru) and [www.rosneft.com](http://www.rosneft.com).

## VALIDITY AND ENFORCEMENT PROCEDURE

This Policy is a standing local normative document.

The present Policy shall be approved, put into effect, amended or deemed void by a decision of the Board of Directors based on the proposal of the Board HR and Remuneration Committee.

## 2. GENERAL PROVISIONS

2.1. Ensuring the succession of the Board of Directors and the Management Board shall mean an ongoing process carried out by Rosneft to form and maintain optimal and well-balanced composition of the Board of Directors and the Management Board, consistent with Rosneft development strategy and providing for the following:

- Creating the continuity of experience and best practices of the Board of Directors and the Management Board for consistent performance of their tasks;
- Composing the Board of Directors to meet the requirements of internal documents of Rosneft, maintain the balance of independence, qualifications and experience of the directors;
- Forming the Management Board following the principle of representation of the main business streams, functional blocks and services of Rosneft that helps to maintain a balance of qualifications, skills and experience of the Management Board members and their compliance with Rosneft strategic objectives;
- Including in the Board of Directors membership independent directors who are able to improve the quality and effectiveness of the Board of Directors;
- Maintaining the necessary scope of competencies of the Board of Directors and the Management Board in case of changes in their membership.

2.2. Rosneft ensures that members of the Board of Directors and the Management Board get fully familiarized with Rosneft activities in a prompt and effective manner, including with its strategy, corporate and organizational structure, business practice and corporate governance practice, through:

- Giving the members of the Board of Directors and the Management Board the understanding of the nature of Rosneft activities, the role of the Board of Directors and the Management Board in the governance system, and their basic rights, duties and responsibilities, and rules and regulations for activities of the Board of Directors and the Management Board;
- Familiarization of the members of the Board of Directors and the Management Board with the development strategy, geographical footprint, and key business performance indicators of Rosneft.
- Ensuring effective communication between members of management bodies and top managers.

## 3. SUCCESSION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The principles and basic elements of ensuring the succession make it possible to develop a unified approach to the building up of succession of members of the Board of Directors, to distribute roles, duties and areas of responsibility of various participants at each stage of the process, and to implement a clear, consistent and transparent procedure for succession planning for the Board of Directors.

### 3.1. PRINCIPLES OF THE BOARD OF DIRECTORS' COMPOSITION

3.1.1. The following basic principles are sought to be observed by Rosneft to compose the Board of Directors:

- **The principle of diversification** - the Board of Directors should have a diversity of experience, areas of expertise, views and other factors. Diversified composition enables the Board to review matters from different perspectives, introduce new ideas in the process of discussion and take well-balanced decisions.
- **The principle of collective competencies** – the Board of Directors should be made up of a team of professionals; the unique knowledge and experience of each of whom together enable the Board to carry out effective management and control, to make comprehensive assessment of the key matters of Rosneft activities.
- **The principle of independence** – to ensure that the Board of Directors makes unbiased and independent decisions that meet the interests of Rosneft and its Shareholders.
- **The principle of information transparency** – Shareholders should be provided with information about candidates, their professional qualities, experience and competencies in the course of preparing and holding General Shareholder Meetings with the agenda that includes an item on composition of the Board of Directors.

3.1.2. The number and composition of the Board of Directors, taking into account their collective competence, experience and qualifications, make it possible to take an unbiased view of Rosneft activities, facilitate a comprehensive review of matters and taking the most balanced decisions, while respecting the balance of interests of all Shareholders, and also enable the effective performance of other functions entrusted to the Board of Directors.

3.1.3. Rosneft Shareholders seek to elect candidates to the Board of Directors who reflect a diversity of views with due regard for the composition of Rosneft Shareholders, counterparties and other stakeholders, and candidates with a diverse range of professional experience and qualifications, including in government institutions, the private sector, various industries, including international experience in the oil and gas, financial and banking sectors, and in sustainable development as well. Application and incorporation of the best foreign experience and expertise are in line with the international profile of Rosneft activities and contribute to strengthening its position in the foreign market.

3.1.4. The Board of Directors shall, among other things, include persons of sufficient independence to develop a position on the matters falling within the authority of the Board of Directors, independent of any influence exerted by the executive bodies of Rosneft, selected shareholder groups, or other stakeholders, and having sufficient professional skills and experience (independent directors).

In order to establish the independence of candidates (members of the Board of Directors) to the Board of Directors, their compliance with the independence criteria set forth by the Listing Rules of the Moscow Exchange and Rosneft Regulations On the Board of Directors of Public Joint Stock

Company Rosneft Oil Company, shall be assessed. Results of the assessment shall be reviewed by the Board HR and Remuneration Committee and by the Board of Directors.

In exceptional cases, the Board of Directors shall be entitled to recognizing a candidate (member of the Board of Directors) independent despite him/her having some formal criteria of affiliation with Rosneft, its significant shareholder, competitor and (or) counterparty, if such affiliation does not affect the ability of this person to make independent and objective judgments.

### **3.2. ELEMENTS OF ENSURING SUCCESSION OF THE BOARD OF DIRECTORS**

Succession planning for the Board of Directors is a comprehensive process aimed at shaping the composition of the Board of Directors that meets the principles specified in Clause 3.1 of this Policy.

3.2.1. The main elements of ensuring succession are:

- Identifying staffing/professional requirements of the Board of Directors;
- Interaction with various groups of Shareholders on the nomination of candidates and independent nomination of candidates by the Board of Directors;
- Establishing a procedure for induction of elected members of the Board of Directors

3.2.2. In order to ensure uninterrupted effective activity of the Board of Directors, the Board HR and Remuneration Committee, as part of the annual self-assessment and external assessment of performance of the Board and its Committees pursuant to Rosneft Regulations On the Board of Directors' Performance Assessment No. P3-01 R-0013 YUL-001, shall review and identify current and anticipated staffing/professional requirements of the Board of Directors, determine essential competencies that need to be added to the Board of Directors, identify areas for growth and competency development.

Staffing/professional requirements shall be identified through a questionnaire survey of the Board Members, which may result in the development of a "target competency matrix" - a list of current and desired competencies corresponding to the key areas and aspects of Rosneft activities, all of which are necessary for the Board of Directors to effectively perform its functions and implement Rosneft strategy.

Based on the analysis of the questionnaire survey results and of the data of the target competency matrix (if approved), the Board HR and Remuneration Committee, upon review of the candidates proposed by the Shareholders for election to the Board of Directors for the next corporate year, may recommend to the Board of Directors to add to the list independent candidates who comply with the competencies included in the target competency matrix.

Information on the results of assessment of independence and professional qualities of the candidates proposed by the Shareholders and the Board of Directors for election to the Board of Directors for the next corporate year, shall be included in the list of information and materials provided to all Shareholders during preparation and conduct of the General Shareholder Meeting in order to give them an understanding of the candidates' professional qualities, experience and competencies.

3.2.3. At the invitation of the Chief Executive Officer or other person authorized by him, candidates proposed for election to the Board of Directors may attend the General Shareholder Meeting in order to give Shareholders an opportunity to ask them questions and evaluate them.

3.2.4. In order to ensure complete and effective familiarization of elected members of the Board of Directors with Rosneft activities within the shortest possible period of time, Rosneft has developed an induction procedure in accordance with Clause 5.1 of this Policy, under which members of the

Board of Directors shall be provided with necessary information immediately after their election in order to give them a sufficient understanding of Rosneft and work practices of the Board.



## 4. SUCCESSION OF THE MANAGEMENT BOARD MEMBERS

The principles and basic elements of ensuring the succession make it possible to develop a unified approach to building up the succession of members of the Management Board, to distribute roles, duties and areas of responsibility of various participants at each stage of the process, and to implement a clear, consistent and transparent procedure for succession planning for the Management Board.

### 4.1. PRINCIPLES OF THE MANAGEMENT BOARD COMPOSITION

4.1.1. The following basic principles are sought to be observed to compose the Management Board:

- **The principle of diversification** - the Management Board should have a diversity of experience, ages, views, genders and other factors, which will enable the Management Board to review matters from different perspectives and make the most balanced decisions.
- **The principle of representation** – the Management Board should be made up of representatives of the key business streams and service blocks, and key support functions as well in accordance with Rosneft organizational structure.
- **The principle of balance** - the Management Board should be formed in such a way that the experience, knowledge and competencies of its members complement each other harmoniously and provide a synergistic effect, which contributes to making professional and objective decisions by the Management Board, and to timely risk identification and assessment.

4.1.2. Members of the Management Board shall be appointed by the Board of Directors based on the proposal of the Chief Executive Officer.

4.1.3. The number of members of the Management Board shall be determined by resolution of the Board of Directors and shall be odd.

4.1.4. The Chief Executive Officer *ex-officio* is the member of the Management Board and shall perform the functions of the Chairman of the Management Board.

### 4.2. ELEMENTS OF ENSURING SUCCESSION OF THE MANAGEMENT BOARD

4.2.1. The main elements of ensuring succession of members of the Management Board are:

- Identifying staffing requirements of the Management Board;
- Review and assessment by the Board HR and Remuneration Committee of the candidates proposed by the Chief Executive Officer;
- Establishing a procedure for induction of elected members of the Management Board.

4.2.2. When the staffing requirements of the Management Board are identified (including as part of planned rotation), the Chief Executive Officer shall draw up a list of candidates for election to the Management Board and submit it to the Board HR and Remuneration Committee for consideration.

Based on results of the review of each candidate, the Board HR and Remuneration Committee shall make recommendations to the Board of Directors for election to the Management Board of the candidates who have necessary competencies and meet the requirements set forth in Rosneft internal documents.

When considering this matter, the members of the Board HR and Remuneration Committee shall be entitled to interviewing a potential member of the Management Board to assess his/her level of experience and competency.

4.2.3. The decision to conclude an employment contract with a member of the Management Board, to approve its terms, to make any changes to it, and the decision to terminate an employment contract with a member of the Management Board as related to performance of his/her duties as a member of the Management Board, shall be made by the Board of Directors.

4.2.4. To ensure that newly elected Management Board Members get into action promptly, they are given the opportunity to review key information and documents necessary for effective work as a member of the Management Board.

The procedure for provision of the documents and information to the elected members of the Management Board is regulated by Clause 5.2 of the present Policy.

## 5. INDUCTION OF MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

### 5.1. INDUCTION OF MEMBERS OF THE BOARD OF DIRECTORS

Members of the Board of Directors shall be inducted no later than one month after the new Board of Directors is formed by the General Stockholder Meeting.

5.1.1. The induction of newly elected Members of the Board shall consist of the following activities:

5.1.1.1. Familiarization with the Charter and key internal documents of Rosneft.

Members of the Board of Directors shall be provided with the Charter and a list of key internal documents of Rosneft consisting of public documents (posted on the official website of Rosneft and (or) disclosed in accordance with the procedure provided for by the legislation of the Russian Federation), and non-public information.

The list of Rosneft key internal documents to be provided to the Board Members shall be first approved by the Board HR and Remuneration Committee.

Members of the Board of Directors shall mark those documents in the list that they would like to receive, and hand it over to the Corporate Secretary. The marked documents shall be sent to the members of the Board of Directors in a way suitable for them.

Provision of non-public documents of Rosneft to the Board Members shall be in accordance with the requirements of Rosneft local normative documents related to protection of confidential information following the signing of confidentiality agreements by Board Members.

The access to and use of Rosneft Insider Information shall be governed by the laws of the Russian Federation, regulatory legal acts, Rosneft Standard Internal Control Rules for Prevention, Detection and Suppression of Illegal Use of Insider Information of Rosneft and (or) Market Manipulation No. P3-01 R-0049 YUL-001, and other local normative documents of Rosneft in the area of countering illegal use of insider information.

5.1.1.2. Familiarization with the rights, duties and responsibilities, and provision of information on Rosneft activities and workflow of the Board of Directors, including:

- The schedule of meetings of the Board of Directors and its committees;
- Reporting information on the Board of Directors' performance results for the corporate year;
- Information on insurance terms for the liability of the Board Members;
- Information about the possibility to engage professional consultants on the matters related to the authority of the Board of Directors (at the expense of Rosneft);
- Information about the possibility to improve qualifications (at the expense of Rosneft) in accordance with his/her needs for the purposes of performing functions of the Board Member;
- Information on the procedure for handling materials containing confidential information, the procedure for access to insider information by members of the Board of Directors and their assistants, and the procedure for its termination.
- Information on the management bodies of Rosneft.

Information on previous and current members of the Board of Directors, their authority and status (executive/non-executive/independent director), as well as other information necessary for the newly elected members of the Board of Directors to get acquainted with Rosneft activities shall be provided to the members of the Board of Directors upon their assumption of office (if necessary).

The rights and duties of the Board Members shall also be communicated to them in the form of a signed contract, which regulates the relations between Rosneft and a member of the Board of Directors related to exercising the powers of a member of the Board of Directors, which are defined in Rosneft Charter and internal documents.

Members of the Board of Directors shall provide information about authorized persons who will be allowed to access the information provided to members of the Board of Directors as part of the meetings of the Board of Directors and its relevant committees.

Based on the submitted information, confidentiality agreements shall be concluded with authorized persons of the members of the Board of Directors, and such persons shall be included in Rosneft list of insiders.

For remote and secure work with materials for meetings of the Board of Directors and relevant committees, members of the Board of Directors and (or) their authorized persons shall have access to a specialized software and hardware complex (IT equipment), if necessary.

Introductory (working) meetings with the Chairman and other members of the Board of Directors, the Chief Executive Officer, members of the Management Board, other top managers and heads of business units, and representatives of external auditor, may be arranged for the members of the Board of Directors.

Meetings with the Chief Executive Officer are usually conducted on a one-on-one basis for each of newly elected members of the Board of Directors (if required).

Upon agreement with the Chief Executive Officer, visits to Rosneft production sites may be arranged for the members of the Board of Directors.

Individual activities may be added to the induction program at the request of the member of the Board of Directors.

5.1.2. Induction of the Board Members elected for the next term of office (re-elected) includes the following activities:

- Familiarization with the rights, duties and responsibilities (including through signing a contract with a member of the Board of Directors), and provision of information on Rosneft activities and workflow of the Board of Directors, including:
  - ♦ The schedule of meetings of the Board of Directors and its committees;
  - ♦ Information on insurance terms for the liability of the Board Members;
  - ♦ Information about the possibility to engage professional consultants on the matters related to the authority of the Board of Directors;
  - ♦ Information about the possibility to improve qualifications in accordance with his/her needs for the purposes of performing functions of the Board Member;
  - ♦ Information on the management bodies of Rosneft.

Individual activities may be added to the induction program at the request of the member of the Board of Directors.

5.1.3. Role of the Corporate Secretary.

The procedure for induction of the Board Members shall be coordinated by the Corporate Secretary.

The main task of the Corporate Secretary during the induction procedure is to ensure effective communication between members of the Board of Directors and the management bodies and top management.

At the request of a Board Member, the Corporate Secretary shall advise the Board Member on the matters related to activity of the Board of Directors and its committees, including:

- Clarifications on the matters of implementing rights and duties, the matters of responsibility of the Board Members;
- Procedures for preparation and conduct of the Board of Directors meetings;
- Reporting by the Board Committees and executive bodies of Rosneft to the Board of Directors;
- Brief description of the process and (or) local normative document of Rosneft in which the member of the Board of Directors is interested.
- Information on implementation of Rosneft Business Process Regulations Disclosure of Information in the Securities Market No. P3-01.05 RGBP-0001 YUL-001;
- Information about material changes in the legislation of the Russian Federation in the area of corporate governance

## **5.2. INDUCTION OF MEMBERS OF THE MANAGEMENT BOARD**

Members of the Management Board shall be inducted no later than two weeks after election by the Board of Directors.

The induction of newly elected members of the Management Board shall consist of the following activities:

### **5.2.1. Familiarization with key internal documents of Rosneft.**

Members of the Management Board shall be provided with a list of key internal documents of Rosneft consisting of public documents (posted on the official website of Rosneft, disclosed in accordance with the procedure provided for by the legislation of the Russian Federation), and non-public information.

The list of Rosneft key internal documents to be provided shall be first approved by the Board HR and Remuneration Committee.

Members of the Management Board shall mark those documents in the list that they would like to receive, and hand it over to the Corporate Secretary. The marked documents shall be sent to the members of the Management Board in a way suitable for them.

Members of the Management Board shall provide information about authorized persons who will be allowed to access the information provided to members of the Management Board as part of the meetings of the Management Board.

Based on the information provided, confidentiality agreements shall be concluded with authorized persons of the members of the Management Board in case they are not employees of the Headquarters.

The access to and use of Rosneft Insider Information shall be governed by the laws of the Russian Federation, regulatory legal acts, and Rosneft local normative documents in the area of countering illegal use of insider information.

### **5.2.2. Familiarization with the rights, duties and responsibilities, and provision of information on Rosneft activities and workflow of the Management Board, including:**

- Familiarization with the schedule of the Management Board meetings;
- Information on the Management Board's activity for the last reporting period (if needed);
- Information on the management bodies of Rosneft (if needed).

Information on previous and current members of the Management Board and other information shall be provided to the members of the Management Board upon their assumption of office (if needed).

### 5.2.3. Secretary of the Management Board.

The procedure for induction of members of the Management Board shall be coordinated by the Secretary of the Management Board.

The main task of the Management Board Secretary during the induction procedure is to ensure effective communication between members of the Management Board and all stakeholders.

At the request of the Management Board Member, the Secretary of the Management Board shall advise the Management Board Member on the matters related to activity of the Management Board, including

- Clarifications on the matters of rights and duties implementation, the matters of responsibility of members of the Management Board;
- Procedures for preparation and conduct of the Management Board meetings;
- Reporting of the Management Board to the Board of Directors;
- Brief description of the process and (or) local normative document of Rosneft in which the member of the Management Board is interested.
- Information on implementation of Rosneft Business Process Regulation Disclosure of Information in the Securities Market;
- Information about material changes in the legislation of the Russian Federation in the area of corporate governance.

## 6. REFERENCES

1. Federal Law On Joint-Stock Companies No. 208-FZ dated 26.12.1995.
2. Letter of the Bank of Russia Guidelines for Composition and Succession of the Board of Directors (Supervisory Board) of Public Joint Stock Companies No. IN-06-28/80 dated 22.04.2020.
3. Corporate Governance Code recommended by the Bank of Russia for application by joint-stock companies the securities of which are traded in the regulated market (Letter of the Bank of Russia On Corporate Governance Code No. 06-52/2463 dated 10.04.2014).
4. Charter of Rosneft approved by the resolution of the General Shareholder Meeting of Rosneft dated 27.06.2014 (Minutes u/n dated 02.07.2014).
5. Company's Code Rosneft Code of Business and Corporate Ethics No. P3-01.06 P-01;
6. Rosneft Corporate Governance Code No. P3-01 KS-01;
7. Rosneft Standard Internal Control Rules for the Prevention, Detection and Suppression of Illegal Use of Rosneft Insider Information and (or) Market Manipulation No. P3-01 R-0049 YUL-00.
8. Rosneft Business Process Regulations Disclosure of Information in the Securities Market No. P3-01.05 RGBP-0001 YUL-001.
9. Rosneft Regulations On the Board of Directors of Public Joint Stock Company Rosneft Oil Company approved by the resolution of General Shareholder Meeting of Rosneft on 27.06.2014 (Minutes u/n dated 02.07.2014).
10. Rosneft Regulations On the Collegial Executive Body (Management Board) of Public Joint Stock Company Rosneft Oil Company approved by the resolution of General Shareholder Meeting of Rosneft on 27.06.2014 (Minutes u/n dated 02.07.2014).
11. Rosneft Regulations On Assessment of the Board of Directors Performance No. P3-01 R-0013 YUL-001.