

The Company's largest shareholder is PJSC Gazprom, which owns a 95.68% stake in the Company's common shares. The remaining shares (4.32%) are distributed among minority shareholders that include individuals and legal entities. The Company supports securities trading on the Moscow Stock Exchange through the regular disclosure of information and the release of documents in accordance with the requirements of the Exchange.

EMPLOYEES

ENGAGEMENT MECHANISMS:

- internal corporate communications system;
- meetings between work teams and managers at Gazprom Neft enterprises devoted to the current agenda of business and cooperation issues;
- studies of the social and psychological climate at the Company's enterprises;
- feedback tools;
- corporate events;
- cultural and sporting events.

KEY ISSUES:

- remuneration and social support system;
- safe working conditions;
- labour relations;
- employee training and development.

The Company's interaction with employees is governed by internal regulations, collective agreements, and the Corporate Code. In following the principles of social partnership, the Company actively interacts with trade union organisations representing the interests of workers. Gazprom Neft has a well-developed internal corporate communications system. Employee feedback tools are an essential component of the system. These tools are governed by the corresponding regulation that ensures compliance with the deadlines for considering requests and the guaranteed response to the request, including the publication of responses for the broadest possible audience via the corporate media system.

Gazprom Neft and its subsidiaries regularly conduct studies on the social and psychological climate within the Company. Based on the study results, the Company identifies significant problems in the workforce and develops measures to eliminate these problems.

GOVERNMENT AUTHORITIES

ENGAGEMENT MECHANISMS:

- agreement on socioeconomic partnership;
- joint working groups, roundtables and meetings;
- corporate reporting;
- participation in commissions and conferences.

KEY ISSUES:

- improvements to the regulation and stimulation of the development of the oil and gas sector;
- the Company's strategic development;
- the development of the raw materials base;
- the Company's role in developing its regions of operations;
- the environmental impact of the Company's production activities;
- compliance of the Company's activities with the legislative norms of the Russian Federation.

The Company is committed to contributing to the sustainable development of the regions where it operates and the country as a whole as well as modernise and develop the oil industry taking into account the actual socioeconomic situation and the goals for the development of the regions and the industry.

Gazprom Neft works with government authorities at the federal and regional levels.

The Company's cooperation with regional authorities aims to institute the following changes:

- create a favourable financial, economic and legal environment for Gazprom Neft's activities in the regions;
- improve quality of life and create a comfortable social environment for the local community, including Company employees and their families;
- create a system of environmental safety measures and take action to reduce the industrial impact on the environment and people.

Gazprom Neft is actively involved in the development and improvement of regional legislation and the regulatory framework of the industry. Company experts are involved in the legislative process at the federal and regional levels.

In 2015, one of the most significant projects as far as interaction with the federal authorities was the Company's participation in improvements to key reforms for the oil industry on the taxation of the production and export of oil and petroleum products. The reform calls for shifting the fiscal burden from oil exports to production and eventually creating conditions to transition to taxation system based on a company's financial result.



The Company also took part in the formation of a number of regional legislative initiatives in 2015.

RESULTS OF REGIONAL LEGISLATIVE INITIATIVE WORK //

Region	Result
ORENBURG REGION	<ul style="list-style-type: none"> ➤ The procedure for endorsing environmental protection plans was simplified. ➤ With the transfer of land plots from one category to another, subsoil resource users were released from the requirement to obtain a number of previously mandatory endorsements.
KHANTY-MANSI AUTONOMOUS DISTRICT – YUGRA	<ul style="list-style-type: none"> ➤ The need to prepare, endorse and submit a number of reporting documents was eliminated, thereby simplifying the procedure for the acceptance of reclaimed land. ➤ Amendments were made to the resolution on the procedure for establishing a register of investment projects. Clarifications were made to the conditions for excluding projects from the register, in particular due to the submission of unreliable information. This reduced the likelihood of investment projects being eliminated from the register based on formal and arbitrary grounds.
OMSK REGION	<ul style="list-style-type: none"> ➤ Corporate profit and property tax rates were reduced for manufacturers of oil refining catalysts.

NEW STATE EXPERT EVALUATION SCHEME

VADIM YAKOVLEV

First Deputy CEO of Gazprom Neft



“ The use of the new State Expert Evaluation arrangement for reserves will not only improve the efficient management of the geological exploration and production process within Gazprom Neft but also facilitate the Company's interaction with controlling bodies. We support and are actively involved in improving expert evaluation mechanisms, which is essential for the successful development of Gazprom Neft and the entire industry”.

Gazprom Neft was the first Russian oil company to protect its geological reserves using the new State Expert Evaluation arrangement. A pilot project was implemented for the Tsarichanskoye, Kapitonovskoye and Verkhne-Salymskoye fields.

The new classification of reserves reduces the time required to approve reserves and draft solutions from 22 months to 14 months and gradually transition from managing resources to managing the economic efficiency of their extraction.