

3.5.2. Report on work performed by PJSC NCSP's Board of Directors in 2018

The Board of Directors held 16 meetings in 2018, where it considered 49 issues.

The Board of Directors continued to devote most of its attention to issues of strategy and priority areas of the Company's business.

The Board:

- Made a decision to develop and approve a program (internal document) for managing rights to the results of intellectual activity
- Approved the organizational structure of PJSC NCSP management
- Confirmed the new composition of the Management Board
- Made a decision to increase PJSC NCSP's equity interest in LLC IPP to 100%
- Approved the business plan for the "LLC NMT Reconstruction – Light Oil Products" investment project

- Approved the Regulation on Procurement by PJSC NCSP and its subsidiaries and affiliates
- Approved the PJSC NCSP material risks map for 2019

The Board also considered other issues within its mandate in the reporting year, including issues concerning the organization and holding of the annual and extraordinary General Meetings of PJSC NCSP shareholders. The Board has plans to prepare a new version of the Company's Corporate Governance Code, Regulation on Dividend Policy and Regulation on Information Policy.

In accordance with the Regulation on Disclosure of Information by Issuers of Issuable Securities, approved by Central Bank of Russia order No. 454-P, dated December 30, 2014, decisions of the Board of Directors are disclosed on the websites of Interfax and PJSC NCSP at:

<http://nmtp.info/ncsp/>

<http://www.e-disclosure.ru/portal/company.aspx?id=3900>

PARTICIPATION OF DIRECTORS IN MEETINGS OF THE BOARD OF DIRECTORS FROM JANUARY 1, 2018 TO DECEMBER 31, 2018

Board directors	Number of meetings director attended / was supposed to attend
Sergey Andronov	15/16
Maxim Grishanin	15/16
Sergey Kireev	12/12
Lev Kuznetsov	4/4
Igor Levitin	13/16
Leyla Mammadzada	2/4
Alexander Potapushin	3/4
Dmitry Pristanskov	11/12
Alexander Tikhonov	10/12
Yury Tsvetkov	0/0
Rashid Sharipov	15/16

3.5.3. Board committees

In order to assure the efficiency and quality of the Board's work when solving issues that fall under the authority of the Board of Directors of PJSC NCSP, standing committees are formed for the term of the Board of Directors. The Board of Directors approves the regulations on committees and amends them as needed. The Board of Directors currently has three standing committees, the Audit Committee, the Nomination and Remuneration Committee and the Strategy Committee. The committees are consultative and advisory bodies that act within their mandates and report to the Board of Directors.

3.5.3.1. Audit Committee

Key functions:

- Analyzes financial statements and external and internal audits and submits recommendations to the Board of Directors
- Monitors:

- Quality and completeness of financial statements
- Qualifications and independence of external auditor
- Activities of Internal Control and Risk Management Service
- Activities of Internal Audit Service
- Works closely with external auditor, Audit Commission and Internal Control Service
- Handles other issues as per the Regulation on the Committee

The Committee was made up of two nonexecutive and two independent directors at the beginning of 2018. The Committee members in 2018 were:

- From January 1 to April 12, 2018: Leyla Mammadzada, Alexander Potapushin and Rashid Sharipov
- From April 13 to June 28, 2018: Sergey Andronov, Maxim Grishanin and Rashid Sharipov
- From July 23 to September 27, 2018: Sergey Andronov, Maxim Grishanin and Rashid Sharipov
- From December 21 to December 31, 2018: Sergey Andronov, Maxim Grishanin and Rashid Sharipov