



Materials that are made available for those  
entitled to participate in the Annual General Shareholders  
Meeting of PJSC “LUKOIL”  
to be held on 25 May 2023

(in the form of an absentee voting meeting)

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**NOTICE**  
**of the Annual General Shareholders Meeting**  
**of Public Joint Stock Company “Oil company “LUKOIL”**

**Dear Shareholder,**

Public Joint Stock Company “Oil company “LUKOIL” location: Moscow; address: Sretensky bulvar 11, Moscow, 101000, Russian Federation, hereby informs you that, by decision of the Board of Directors of PJSC “LUKOIL” of 20 April 2023 and based on Article 3 of Federal Law No.25-FZ of 25 February 2022, as amended by Federal Law No.519-FZ of 19 December 2022, the Annual General Shareholders Meeting of PJSC “LUKOIL” will take place on **25 May 2023 in the form of an absentee voting meeting**, with the following agenda:

- 1. Approval of the 2022 Annual Report of PJSC “LUKOIL”, the annual accounting (financial) statements, distribution of profits and adoption of a decision on payment (declaration) of dividends based on the 2022 annual results.**
- 2. Election of the members of the Board of Directors of PJSC “LUKOIL”.**
- 3. On the remuneration and reimbursement of expenses to members of the Board of Directors of PJSC “LUKOIL”.**
- 4. Appointment of the audit organisation of PJSC “LUKOIL”.**
- 5. Approval of Amendments to the Charter of Public Joint Stock Company “Oil company “LUKOIL”.**
- 6. Approval of Amendments to the Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”.**

The deadline for the receipt of ballots

**25 May 2023**

Postal address the completed and signed ballots must be sent to:

**OOO «Registrator «Garant», Krasnopresnenskaya Naberezhnaya 8, second floor, office 228, Presnensky Municipal District Intra-city territory of a city of federal significance, Moscow, 123100, Russian Federation**

The date of determining (formalizing) the persons entitled to take part in the Annual General Shareholders Meeting:

**1 May 2023**

Classes (types) of shares whose owners have the right to vote on all agenda items of the Annual General Shareholders Meeting:

**Registered Ordinary Shares**

Identification details of the shares whose holders are entitled to take part in the Annual General Shareholders Meeting:

**State Registration Number of the securities issue: 1-01-00077-A dated 25 June 2003**

The URL of the website in the information and telecommunications network Internet where the electronic voting ballot may be completed, and the QR-code for prompt connection to the said website:

**<https://evoting.reggarant.ru/Voting/Lk>**



Please kindly note that the persons entitled to participate in the Annual General Shareholders Meeting of PJSC “LUKOIL” (the Company) may take part in the Company’s Annual General Shareholders Meeting by completing their voting ballot electronically on the website <https://evoting.reggarant.ru/Voting/Lk> in the information and telecommunications network Internet, with the Instructions for users of the electronic voting solution available on the Company’s websites [www.lukoil.ru](http://www.lukoil.ru) (in Russian), [www.lukoil.com](http://www.lukoil.com) (in English) in the information and telecommunications network Internet. Access for completing the electronic voting ballot shall be granted from 2 May 2023 to the shareholders who register their title to shares in the Company’s Shareholder Register, while shareholders who are clients of nominee holders shall be granted access after the said nominee holders provide OOO «Registrator «Garant» (the Registrar) keeping the Company’s Shareholder Register with information on persons entitled to participate in the Annual General Shareholders Meeting of PJSC “LUKOIL”.

If the Company’s Shareholder Register contains information on the email address of a person entitled to participate in the General Shareholders Meeting, then the ballot for voting at the Meeting shall be sent to such person in the form of an electronic message to his/her email address specified in the Company’s Shareholder Register. In this case, voting can be performed by printing, completing and sending the ballot attached to the electronic message by mail to the address: OOO «Registrator «Garant»,

Krasnopresnenskaya Naberezhnaya 8, second floor, office 228, Presnensky Municipal District Intra-city territory of a city of federal significance, Moscow, 123100, Russian Federation. If so, the voting ballot must be signed without fail. Information on the shareholder's e-mail address may be provided by the shareholder by submitting the Registered Natural/Legal Person's Form containing information about the e-mail address to the Registrar. The Registrar charges no fee for submitting the Registered Natural/Legal Person's Form.

The ballots received by PJSC "LUKOIL" by the deadline for the receipt of ballots and the electronic ballots completed at <https://evoting.reggarant.ru/Voting/Lk> in the information and telecommunications network Internet by the said deadline will be counted for determining a quorum of the Annual General Shareholders Meeting of PJSC "LUKOIL" and tallying votes.

Information (materials) to be provided to persons entitled to participate in the Annual General Shareholders Meeting of PJSC "LUKOIL" in preparation for the Annual General Shareholders Meeting of PJSC "LUKOIL" will be available on the Company's websites [www.lukoil.ru](http://www.lukoil.ru) (in Russian), [www.lukoil.com](http://www.lukoil.com) (in English) in the information and telecommunications network Internet starting from the date of publication on the said websites (no later than 4 May 2023); and from 5 May 2023, from 10:00 a.m. to 05:00 p.m. on business days, in the premises of the executive body of PJSC "LUKOIL", at the address: Sretensky bulvar 11, Moscow, 101000 Russian Federation, tel. 8 (495) 981 7320 or 8 (495) 780 1943, as well as at the Registrar's addresses: Krasnopresnenskaya Naberezhnaya 8, Moscow, 123100, Russian Federation, tel. 8 (495) 221 3112, 8 (800) 500 2947; Nevsky prospect, 21 A, 13H-1/1, fifth floor, office 511, (Mertens Business Center), St. Petersburg, 191186, Russian Federation tel. +7 (812) 644 8768, +7 (495) 221 3112 (ext. 2936, 2937) and at the addresses of the transfer agents of OOO «Registrator «Garant» indicated on the Registrar's official website <http://www.reggarant.ru/index.php/ru/transfer-agentskie-punkyty>.

Access to information (materials) for the Annual General Shareholders Meeting shall be granted for voting electronically on the website <https://evoting.reggarant.ru/Voting/Lk> in the information and telecommunications network Internet.

The decisions taken by the Annual General Shareholders Meeting of PJSC "LUKOIL" and voting results will be communicated to the persons on the list of persons entitled to take part in the Meeting in the form of a Report on Voting Results to be made available on the Company's official websites [www.lukoil.ru](http://www.lukoil.ru), [www.lukoil.com](http://www.lukoil.com) in the information and telecommunications network Internet by 31 May 2023.

For the purpose of ensuring your rights as a shareholder of PJSC "LUKOIL", we kindly ask you to inform OOO «Registrator «Garant», the company keeping the Company's Shareholder Register, of any changes in your data (name, change in residence/domicile, change in banking details, passport and other data) in a timely manner by completing the Registered Natural/Legal Person's Form and submitting it to the Registrar. Pursuant to Clause 16, Article 8.2 of the Federal Law *On Securities Market* neither the Company nor the Registrar will be liable for the loss incurred, should you fail to provide information on such changes.

Dear Shareholder,

By participating in the Annual General Shareholders Meeting of PJSC "LUKOIL" you exercise your right to participate in managing the Company by taking decisions on the most significant matters of its business operations, which matters fall within the exclusive competence of the General Shareholders Meetings.

More details on the Annual General Shareholders Meeting of PJSC "LUKOIL" will be available if contacted at: 8 (495) 981 7320 or 8 (495) 780 1943, [shareholder@lukoil.com](mailto:shareholder@lukoil.com).

**Board of Directors of PJSC "LUKOIL"**



## **Agenda of the Annual General Shareholders Meeting of**

### **PJSC “LUKOIL”**

**Moscow, 25 May 2023**

1. Approval of the 2022 Annual Report of PJSC “LUKOIL”, the annual accounting (financial) statements, distribution of profits and adoption of a decision on payment (declaration) of dividends based on the 2022 annual results.
2. Election of the members of the Board of Directors of PJSC “LUKOIL”.
3. On the remuneration and reimbursement of expenses to members of the Board of Directors of PJSC “LUKOIL”.
4. Appointment of the audit organisation of PJSC “LUKOIL”.
5. Approval of Amendments to the Charter of Public Joint Stock Company “Oil company “LUKOIL”.
6. Approval of Amendments to the Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”.

**Draft decisions  
of the 2023 Annual General Shareholders Meeting  
of PJSC “LUKOIL”**

**Draft decision on item 1 on the agenda: *Approval of the 2022 Annual Report of PJSC “LUKOIL”, the annual accounting (financial) statements, distribution of profits and adoption of a decision on payment (declaration) of dividends based on the 2022 annual results:***

To approve the Annual Report of PJSC “LUKOIL” for 2022, the annual accounting (financial) statements and distribute the profits based on the 2022 annual results as follows:

The net profit of PJSC “LUKOIL” based on the 2022 annual results equalled 790,120,077,234 roubles 78 kopecks.

The net profit in the amount of 303,475,203,756 roubles based on the 2022 annual results (excluding the profit distributed as interim dividends of 177,373,635,072 roubles for the first nine months of 2022) be allocated for the payment of dividends.

The remainder of the profits in the amount of 309,271,238,406 roubles 78 kopecks shall be retained earnings.

To pay out dividends on ordinary shares of PJSC “LUKOIL” based on the 2022 annual results in the amount of 438 roubles per ordinary share (excluding the interim dividends of 256 roubles per ordinary share paid based on the results for the first nine months of 2022). The total amount of dividends payable for 2022 including the interim dividends already paid will be 694 roubles per ordinary share. To pay out dividends in the amount of 438 roubles per ordinary share in cash from PJSC “LUKOIL” bank account to nominee shareholders and trust managers who are professional market participants whose names are on the shareholder register of PJSC “LUKOIL” not later than 16 June 2023, and to other shareholders whose names are on the shareholder register of PJSC “LUKOIL” not later than 7 July 2023. The costs on the transfer of dividends, regardless of the means, will be borne by PJSC “LUKOIL”. To set 5 June 2023 as the date on which persons entitled to receive dividends based on the 2022 annual results will be determined.

**Draft decision on item 2 on the agenda: *Election of the members of the Board of Directors of PJSC “LUKOIL”:***

Draft decision on item 2 on the agenda is not disclosed in accordance with resolution of the Russian Government No. 351 dated March 12, 2022 (as amended by resolution of the Russian Government No. 2131 dated November 24, 2022).

**Draft decision on item 3 on the agenda: *On the remuneration and reimbursement of expenses to members of the Board of Directors of PJSC “LUKOIL”:***

1. To pay remuneration to members of the Board of Directors of PJSC “LUKOIL” pursuant to Appendix No.1 hereto.
2. To establish the amounts of remuneration for the newly elected members of the Board of Directors of PJSC “LUKOIL” pursuant to Appendix No.2 hereto.

To establish that during their service the newly elected members of the Board of Directors shall be reimbursed for the expenses related to the performance of their functions as members of the Board of Directors, the types of which were established by decision of the Annual General Shareholders Meeting of OAO “LUKOIL” of 24 June 2004 (Minutes No.1), in the amount of actually incurred and documented expenses, upon submission by members of the Board of Directors of written expense claims.

**Draft decision on item 4 on the agenda: *Appointment of the audit organisation of PJSC “LUKOIL”:***

To appoint the audit organisation of PJSC “LUKOIL” – JSC “Kept”.

**Draft decision on item 5 on the agenda: *Approval of Amendments to the Charter of Public Joint Stock Company “Oil company “LUKOIL”:***

To approve Amendments to the Charter of Public Joint Stock Company “Oil company “LUKOIL”, pursuant to the Appendix hereto.

**Draft decision on item 6 on the agenda: *Approval of Amendments to the Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”:***

To approve Amendments to the *Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”*, pursuant to the Appendix hereto.



**LUKOIL Position and recommendations of the Board of Directors of PJSC “LUKOIL”  
on items on the agenda of the Annual General Shareholders Meeting  
of PJSC “LUKOIL”**

**On item 1 on the agenda of the Meeting: ‘Approval of the 2022 Annual Report of PJSC “LUKOIL”, the annual accounting (financial) statements, distribution of profits and adoption of a decision on payment (declaration) of dividends based on the 2022 annual results’**

***Position:***

Pursuant to Clause 2, Article 54 of the Federal Law *On Joint Stock Companies*, agenda of a company’s Annual General Shareholders Meeting must include approval of its annual report, annual accounting (financial) statements of a company. Further, as provided in Clause 4, Article 88 of the Federal Law *On Joint Stock Companies*, the annual report of a company is subject to tentative approval by the company’s Board of Directors not later than 30 days before the date of its annual general shareholders meeting.

The Board of Directors of PJSC “LUKOIL” (the Company) hereby states that the Annual Report of PJSC “LUKOIL” for 2022 reviewed by the Audit Committee of the Board of Directors and tentatively approved by the Board of Directors on 20 April 2023 was composed in accordance with the Federal Law *On Joint Stock Companies*, requirements of the *Regulation on information disclosure by issuers of issuable securities* No. 714-P approved by the Bank of Russia as of 27 March 2020, as well as recommendations contained in the Corporate Governance Code.

The Board of Directors of PJSC “LUKOIL” believes that the Annual Report of PJSC “LUKOIL” for 2022 is fair, i.e. is presented in such a way as to ensure, in all material respects, to reflect all data subject to disclosure in accordance with requirements set by the regulatory bodies of the Russian Federation.

The accounting (financial) statements of PJSC “LUKOIL” for 2022 prepared in accordance with the Russian Accounting Standards (RAS) underwent a prior review of the Audit Committee of the Board of Directors of PJSC “LUKOIL”.

The Board of Directors of PJSC “LUKOIL” also reviewed the Audit Report of the Company’s independent audit organisation, JSC “Kept”, on the accounting (financial) statements of PJSC “LUKOIL” for 2022 prepared in accordance with the Russian Accounting Standards.

Relying on the audit organisation’s Report, the Board of Directors believes that the accounting (financial) statements of PJSC “LUKOIL” present fairly, in all material respects, its financial position as at 31 December 2022, results of its financial activities and the cash flows for 2022 in accordance with the RAS.

According to the *Regulations on the Dividend Policy of PJSC “LUKOIL”*, in order to ensure regular frequency of dividend payments the Company strives to pay dividends twice a year, including final dividends based on the results of the reporting year.

The Board of Directors, based on the financial results of the Company’s operations, as reflected in the accounting (financial) statements of PJSC “LUKOIL” for 2022, prepared in accordance with the RAS, and the net profit of 790,120,077,234.78 roubles received by PJSC “LUKOIL” for 2022, believes that the Company’s net profit for 2022 (excluding the profit distributed as interim dividends of 177,373,635,072 roubles for the first nine months of 2022) shall be distributed by allocating 303,475,203,756 roubles for the payment of dividends for 2022, with the remainder of the profits of 309,271,238,406.78 roubles as retained earnings.

The amount of the final dividend recommended by the Board of Directors is conditioned by the results of the Company’s operations and the necessity of maintaining financial stability of the Company in the environment of higher risks and volatility and also takes into account zero access to international capital markets.



The Board of Directors assumes that there are no restrictions imposed by the current legislation on dividend payments.

It is proposed to pay out dividends in cash from PJSC “LUKOIL” bank account within the period established by the acting legislation of the Russian Federation. The costs on the transfer of dividends, regardless of the means, will be borne by PJSC “LUKOIL” taking into account the established corporate practices.

Pursuant to the norms of the Federal Law *On Joint Stock Companies*, the Board of Directors proposes to set 5 June 2023 as the date on which persons entitled to receive dividends based on the 2022 annual results will be determined.

***Recommendation:***

To approve the Annual Report of PJSC “LUKOIL” for 2022, the annual accounting (financial) statements and distribute the profits based on the 2022 annual results as follows:

The net profit of PJSC “LUKOIL” based on the 2022 annual results equalled 790,120,077,234.78.

The net profit in the amount of 303,475,203,756.00 roubles based on the 2022 annual results (excluding the profit distributed as interim dividends of 177,373,635,072.00 roubles for the first nine months of 2022) be allocated for the payment of dividends.

The remainder of the profits in the amount of 309,271,238,406.78 shall be retained earnings.

Recommendations to the Annual General Shareholders Meeting of PJSC “LUKOIL” on the amount of dividends on shares of PJSC “LUKOIL” based on the results of 2022 and their payment procedure, as well as the proposal to establish the date on which persons entitled to receive dividends based on the 2022 annual results, were given by the Board of Directors of PJSC “LUKOIL” in decision on agenda item I *On recommendations on the amount of dividends on shares of PJSC “LUKOIL” based on the 2022 results and procedure for their payment* of this meeting.

The proposed decisions are based on the recommendations of the Audit Committee of the Board of Directors of PJSC “LUKOIL” (Minutes No.2 of 4 April 2023, Minutes No.3 of 11 April 2023) and the Strategy, Investment, Sustainability and Climate Adaptation Committee of the Board of Directors of PJSC “LUKOIL” (Minutes No.1 of 13 April 2023).

**On item 2 on the agenda of the Meeting: ‘Election of the members of the Board of Directors of PJSC “LUKOIL” ’**

***Position:***

Pursuant to point 9.2 of the Company Charter, members of the Board of Directors are elected by the General Shareholders Meeting of the Company by cumulative voting for the term lasting up to the next Annual General Shareholders Meeting, with the number of Board members determined by the General Shareholders Meeting. According to decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” of 21 June 2022 (Minutes No.2) the number of members of the Board of Directors of PJSC “LUKOIL” for election at the 2023 Annual Shareholders Meeting of PJSC “LUKOIL” was determined as 9.

Shareholders of PJSC “LUKOIL” holding at least two percent of voting shares in the Company put forward two nominees for election to the Board of Directors of PJSC “LUKOIL”.

Besides, pursuant to Clause 7, Article 53 of the Federal Law *On Joint Stock Companies*, at its meeting on 6 March (Minutes No.3) the Board of Directors of PJSC “LUKOIL” included seven nominees in the list of candidates for election to the Board of Directors of PJSC “LUKOIL” at its own discretion.

Therefore, the list of candidates to the Company’s Board of Directors consists of nine individuals.

The HR and Compensation Committee of the Board of Directors of PJSC “LUKOIL” has performed analysis of the professional qualifications and independence of all candidates to the Company’s Board of Directors based on their available personal data and the Independence Questionnaires received from the Board candidates. The candidates for the Board of Directors are recognized to have a flawless business reputation, possess professional qualifications, knowledge, skills and experience required for decision-making on issues within the competence of the Board of Directors and for the effective performance of their functions.

Based on the assessment of compliance of candidates to the Board of Directors of PJSC “LUKOIL” with the independence criteria established by the Listing Rules of PJSC Moscow Stock Exchange and provisions of the Corporate Governance Code, three candidates to the Board of Directors of PJSC “LUKOIL” shall be deemed independent.

The candidates have given their written consent to be elected to the Board of Directors of PJSC “LUKOIL”.

***Recommendation:***

To elect the Board of Directors of PJSC “LUKOIL” from the list of candidates approved by the Board of Directors of PJSC “LUKOIL” on 6 March 2023 (Minutes No.3) consisting of the number of members as determined by decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” of 21 June 2022 (Minutes No.2), i.e. 9 members.

The proposed decision is based on the recommendations of the Human Resources and Compensation Committee of the Board of Directors of PJSC “LUKOIL” (Minutes No.2 of 28 March 2023).

**On item 3 on the agenda of the Meeting: ‘On the remuneration and reimbursement of expenses to members of the Board of Directors of PJSC “LUKOIL” ’**

***Position:***

Pursuant to Clause 2, Article 64 of the Federal Law *On Joint Stock Companies*, by decision of the General Shareholders Meeting, during their term of office members of the Board of Directors of a company may receive remuneration and reimbursement of expenses related to their performance of the functions of the members of the Board of Directors of the company. The amount of such remuneration and reimbursement is established by decision of the General Shareholders Meeting.

The *Director Compensation and Expense Reimbursement Policy of PJSC “LUKOIL”* (hereinafter, the Policy) provides for the principles of remuneration (Board fee) and reimbursement of expenses of members of the Board of Directors of the Company, as well as types of remuneration paid to members of the Board of Directors.

The amounts of remuneration of the members of the Board of Directors of PJSC “LUKOIL” elected at the 2022 Annual General Shareholders Meeting were established by decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” on 21 June 2022 (Minutes No.2), including remuneration for performance of the functions of the members of the Board of Directors, for performance of the functions of the Chairman of the Board of Directors of PJSC “LUKOIL”, Vice-Chairman of the Board of Directors, chairmen and members of its committees, for their participation in each and every conference and other event on written instructions from the Chairman of the Board of Directors, for attendance in person at meetings of the Board of Directors or a committee of the Board of Directors where attendance requires a flight that lasts more than eight hours.

The Policy also provides for the possibility of a partial payment of remuneration for the performance of the duties of a member of the Board of Directors by decision of Extraordinary General Shareholders Meetings. The Extraordinary General Shareholders Meeting of PJSC “LUKOIL” of

5 December 2022 (Minutes No.3) passed a decision to pay a part of the remuneration to members of the Board of Directors of PJSC “LUKOIL” for performance of their functions (Board fee) for the period from the date the decision on the election of the Board of Directors was taken to the date the relevant decision was taken by the Extraordinary General Shareholders Meeting of PJSC “LUKOIL” on 5 December 2022 constituting one-half of the Board fee established by decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” on 21 June 2022 (Minutes No.2). Thus, given the partial payment, remuneration to the members of the Board of Directors of PJSC “LUKOIL” for their performance of the duties of members of the Board of Directors for the period from the date the decision was taken by the Extraordinary General Shareholders Meeting of PJSC “LUKOIL” on 5 December 2022 to the date a decision is taken by the Annual General Shareholders Meeting will amount to 6,000,000 roubles payable to each member of the Board of Directors.

For newly elected members of the Board of Directors of PJSC “LUKOIL” it is proposed to retain the remuneration at the level established by decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” of 2022.

The proposed remuneration is largely consistent with the balance of interests of the PJSC “LUKOIL” and the members of the Company’s Board of Directors, individual contribution of each member of the Board of Directors to the Board’s performance, takes their level of responsibility into account and reflects the scope of the Company’s operations and the complexity of its business management.

In addition, newly elected members of the Board of Directors are to be reimbursed for expenses incurred in relation to their performance of the functions of members of the Board of Directors, the types of which were established by decision of the Annual General Shareholders Meeting of OAO “LUKOIL” of 24 June 2004 (Minutes No.1), in the amount of actually incurred documented expenses.

### ***Recommendation:***

1. With the partial payment in mind made based on the decision of the Extraordinary General Shareholders Meeting of PJSC “LUKOIL” of 5 December 2022 (Minutes No.3) on a partial payment of the remuneration to members of the Board of Directors of PJSC “LUKOIL” constituting one-half of the Board fee established by decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” on 21 June 2022 (Minutes No.2), to pay remuneration to the members of the Board of Directors of PJSC “LUKOIL” for their performance of the duties of members of the Board of Directors for the period from the adoption of the decision by the Extraordinary General Shareholders Meeting of PJSC “LUKOIL” of 5 December 2022 to the date the decision is taken by the Annual General Shareholders Meeting of PJSC “LUKOIL”, in the amount of 6,000,000 roubles each.

2. In accordance with the decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” of 21 June 2022 (Minutes No.2), to pay the members of the Board of Directors the following remuneration, in addition to that for the performance of the duties of members of the Board of Directors:

- to the Chairman of the Board of Directors of PJSC “LUKOIL”, for performance of the functions of the Chairman of the Board of Directors of PJSC “LUKOIL” based on the actual term of performance of these functions for the period from the date of election as Chairman of the Board of Directors of PJSC “LUKOIL” to the date the decision is taken by the Annual General Shareholders Meeting of PJSC “LUKOIL” – 6,194,690 roubles;

- to the Vice-Chairman of the Board of Directors of PJSC “LUKOIL”, for performance of the functions of the Vice-Chairman of the Board of Directors of PJSC “LUKOIL” – 3,000,000 roubles;

- to the Chairmen of the Strategy, Investment, Sustainability and Climate Adaptation Committee of the Board of Directors of PJSC “LUKOIL”, the Audit Committee of the Board of Directors of PJSC “LUKOIL”, the Human Resources and Compensation Committee of the Board of Directors of PJSC “LUKOIL”, for chairing the respective committee – 1,300,000 roubles each;

- to the members of the Strategy, Investment, Sustainability and Climate Adaptation Committee of the Board of Directors of PJSC “LUKOIL”, the Audit Committee of the Board of Directors of PJSC “LUKOIL”, the Human Resources and Compensation Committee of the Board of Directors of PJSC “LUKOIL”, for performance of the functions of the members of the respective committee –

1,300,000 roubles each.

3. In addition to remuneration for performing their functions as members of the Board of Directors, to pay the members of the Board of Directors of PJSC “LUKOIL” for each attendance at meetings of the Board of Directors or a committee of the Board of Directors, where attendance requires a flight that lasts more than eight hours, and for each participation in conferences and other events on written instructions of the Chairman of the Board of Directors in the amount established by decision of the Annual General Shareholders Meeting of PJSC “LUKOIL” of 21 June 2022 (Minutes No.2);

The specific amount of remuneration due for payment shall be determined as at the date of the Annual General Shareholders Meeting of PJSC “LUKOIL”, in accordance with the actual participation of members of the Board of Directors at meetings and conferences (other events).

4. To establish the following amounts of remuneration for the newly elected members of the Board of Directors of PJSC “LUKOIL”:

- for performance of the duties of a member of the Board of Directors – 12,000,000 roubles;
- for performance by a member of the Board of Directors of the functions of the Chairman of the Board of Directors – 10,000,000 roubles;
- for performance by a member of the Board of Directors of the functions of the Vice-Chairman of the Board of Directors – 3,000,000 roubles;
- for performance by a member of the Board of Directors of the functions of the Chairman of a committee of the Board of Directors – 1,300,000 roubles;
- for performance by a member of the Board of Directors of the functions of a member of a committee of the Board of Directors – 1,300,000 roubles;
- for each attendance in person at a meeting of the Board of Directors or a committee of the Board of Directors where attendance requires a flight that lasts more than eight hours – 400,000 roubles. If a member of the Board of Directors takes a flight to attend the meetings of both a committee (committees) of the Board of Directors and of the Board of Directors itself, only a single amount of remuneration for the flight will be paid;
- for each participation in conferences and other events on written instructions of the Chairman of the Board of Directors, in an amount of 200,000 roubles.

5. To establish that during their service the newly elected members of the Board of Directors shall be reimbursed for the expenses related to the performance of their functions as members of the Board of Directors, the types of which were established by decision of the Annual General Shareholders Meeting of OAO “LUKOIL” of 24 June 2004 (Minutes No.1), in the amount of actually incurred and documented expenses, upon submission by members of the Board of Directors of written expense claims.

The proposed decisions are based on the recommendations of the Human Resources and Compensation Committee of the Board of Directors of PJSC “LUKOIL” (Minutes No.2 of 28 March 2023).

#### **On item 4 on the agenda of the Meeting: ‘Appointment of the audit organisation of PJSC “LUKOIL” ’**

##### ***Position:***

Pursuant to Clause 2, Article 86 of the Federal Law *On Joint Stock Companies*, the General Shareholders Meeting of PJSC “LUKOIL” shall appoint an audit organisation which should be independent under the law on auditing.

The Company’s Annual General Shareholders Meeting is advised to approve Joint Stock Company “Kept” (formerly JSC KPMG; hereinafter, JSC “Kept”) being an independent audit organisation and appraised by the Audit Committee of the Board of Directors of PJSC “LUKOIL” as the Company’s audit organisation.

The choice of JSC “Kept” as the Company’s audit organisation can be accounted for by the fact that JSC “Kept” is the leading audit service provider in Russia and also the audit organisation of the

majority of the LUKOIL Group entities. Besides, JSC “Kept” has a thorough knowledge of operational specifics of both PJSC “LUKOIL” and the entire LUKOIL Group, which fact facilitates to conduct audits in a highly professional manner. The fact that there is a single audit organisation for both the national and international financial statements makes it possible to establish a uniform approach to auditing and utilize the available knowledge and experience during audits thereby reducing the Company’s costs. Compliance by JSC “Kept” with international audit standards and the ethical requirements for audit independence ensures the high quality and confidentiality of the audits.

***Recommendation:***

To appoint the audit organisation of PJSC “LUKOIL” – JSC “Kept”.

The proposed decision is based on the recommendations of the Audit Committee of the Board of Directors of PJSC “LUKOIL” (Minutes No.1 of 6 March 2023).

**On item 5 on the agenda of the Meeting: ‘Approval of Amendments to the Charter of Public Joint Stock Company “Oil company “LUKOIL” ’**

***Position:***

Pursuant to Article 12 of the Federal Law *On Joint Stock Companies* (the JSC Law), amendments to the company’s charter are made by decision of the General Shareholders Meeting.

Amendments to the Charter of Public Joint Stock Company “Oil company “LUKOIL” are proposed for approval by the Annual General Shareholders Meeting of the Company, due to the need to clarify provisions related to the procedure of sending voting ballots to shareholders, the size of the Company’s Board of Directors, the authority of the Chief Executive Officer on preliminary approval of subsidiaries’ decisions on termination of subsoil use rights, namely:

- Paragraph 2 of point 8.7 of the Charter is being amended to provide for delivering of voting ballots to each person registered in the Company’s shareholder register and entitled to participate the General Shareholders Meeting in the form of an electronic message with a file of a ballot (ballots) as an attachment to the e-mail address of the relevant person. While the Company’s Board of Directors during preparations for the Meeting may take a decision on sending voting ballots by an additional method (for example, by registered mail);

- The provision on publishing of voting ballots forms in the newspaper *Rossiyskaya gazeta* should the number of persons entitled to participate in the Meeting exceed 500,000 is being excluded from the Charter taking into account Clause 3, Article 60 of the JSC Law, whereby no such provision is mandatory in the charter of a company also due to the reduction of copies of print media, including those of *Rossiyskaya gazeta*;

- Paragraph 1 of point 9.2 of the Charter is being amended with respect to determining the number of the Board members of the Company stipulating for forming the Company Board of Directors consisting of 9 members unless a larger size is envisaged by decision of the General Shareholders Meeting;

- Sub-point 10.3.19 of point 10.3 of the Charter is being amended to provide for preliminary approval by the Chief Executive Officer of the Company subsidiaries’ decisions on termination of rights to use subsoil blocks bearing zero recoverable reserves and the total book value of the fixed assets, subject for liquidation, associated with subsoil use and expenses for their liquidation do not exceed USD 20 million.

***Recommendation:***

To approve Amendments to the Charter of Public Joint Stock Company “Oil company “LUKOIL”.

**On item 6 on the agenda of the Meeting: ‘Approval of Amendments to the *Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”*’**

***Position:***

Pursuant to sub-point 8.2.19 of point 8.2 of the Charter of PJSC “LUKOIL”, approval of internal regulations governing the activities of the Company’s bodies is performed by decision of the General Shareholders Meeting of the Company. Based on point 8.16 of the Company Charter, the specified decision is adopted by the General Shareholders Meeting only on the proposal of the Board of Directors of the Company.

The Board of Directors of PJSC “LUKOIL” hereby proposes that the Annual General Shareholders Meeting of PJSC “LUKOIL” approve Amendments to the *Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”* (hereinafter, the GSM Regulations) dictated by the proposed amendments to the Charter of PJSC “LUKOIL” clarifying the provisions on the procedure for sending voting ballots to shareholders, namely:

- An addition is being made to point 3.1 of the GSM Regulations aiming to provide for a possibility for the Company’s Board of Directors during preparations for the Meeting to resolve on sending voting ballots by an additional method (for example, by registered mail).

- Point 10.2 is amended to provide for delivering of voting ballots to each person registered in the Company’s shareholder register and entitled to participate the General Shareholders Meeting in the form of an electronic message with a file of a ballot (ballots) as an attachment to the e-mail address of the relevant person specified the Company’s shareholder register;

- the provision on publishing voting ballots forms in print media *Rossiyskaya gazeta* should the number of persons entitled to participate in the Meeting exceed 500,000 is being excluded;

Besides, due to the lack of necessity to provide for various regulation of access to the information (materials) to be provided to persons entitled to participate in the General Shareholders Meeting during preparations for the General Shareholders Meetings in the form of the meeting (joint attendance) and in the form of an absentee voting meeting, provisions on special aspects of providing information to shareholders during preparations for absentee voting are being excluded thereof (point 5.5 of the GSM Regulations is being excluded and a relevant amendment is being made to point 5.6 of the GSM Regulations).

***Recommendation:***

To approve Amendments to the *Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”*.

**No special opinions on items on the agenda of the Annual General Shareholders Meeting of PJSC “LUKOIL” have been filed by the members of the Board of Directors of PJSC “LUKOIL” during preparations for the Annual General Shareholders Meeting of PJSC “LUKOIL”.**



## **Recommendations of the Board of Directors of the Company on the amount of dividends on shares and procedure for their payment**

The Board of Directors of PJSC “LUKOIL” recommends that the Annual General Shareholders Meeting of PJSC “LUKOIL” pay out dividends on ordinary shares of PJSC “LUKOIL” based on the 2022 annual results in the amount of 438 roubles per ordinary share (excluding the interim dividends of 256 roubles per ordinary share paid based on the results for the first nine months of 2022). The total amount of dividends payable for 2022 including the interim dividends already paid will be 694 roubles per ordinary share. Pay out dividends in the amount of 438 roubles per ordinary share in cash from PJSC “LUKOIL” bank account to nominee shareholders and trust managers who are professional market participants whose names are on the shareholder register of PJSC “LUKOIL” - not later than 16 June 2023, and to other shareholders whose names are on the shareholder register of PJSC “LUKOIL” - not later than 7 July 2023.

The costs on the transfer of dividends, regardless of the means, will be borne by PJSC “LUKOIL”.

The Board of Directors of PJSC “LUKOIL” proposes that the Annual General Shareholders Meeting of PJSC “LUKOIL” set 5 June 2023 as the date on which persons entitled to receive dividends based on the 2022 annual results will be determined.

## SUMMARY OF PJSC “LUKOIL” RESULTS IN 2022

### **Geological exploration and hydrocarbon reserves**

As at the end of 2022, the Group’s SEC proved hydrocarbon reserves amounted to 15.1 billion boe, including 76 percent of liquid hydrocarbons and 24 percent of gas. The proved reserves replacement ratio for hydrocarbons, excluding the effect of changes in macroeconomic factors on evaluation, totaled 144 percent in 2022. The Company’s proved hydrocarbon reserves life is 18 years.

Exploration drilling success rate in 2022 was 76 percent due to use of advanced exploration techniques. In Russia, the success rate was 84 percent. Four new fields and 48 deposits were discovered by the Group overall.

### **Oil and gas production**

Hydrocarbon production in 2022 totaled 2.3 million boe per day, with liquid hydrocarbons accounting for 76 percent of the total, and natural and associated petroleum gas accounting for 24 percent. Excluding the West Qurna-2 project, production rose by 7.0 percent year-on-year driven by the dynamics of external oil production limitations related to the OPEC+ agreement and the acquisition of interests in production assets in Russia, Azerbaijan, and Mexico in 2022. Excluding the acquisitions, production grew by 3.4 percent year-on-year.

Excluding the West Qurna-2 project, our 2022 oil and gas condensate production totaled 85.0 million tonnes, up 7.1 percent year-on-year. The reporting year saw a ramp-up in production at priority projects as planned. In particular, we continued to increase oil production at fields with low-permeability reservoirs in West Siberia and at license areas subject to the tax on additional income since 2019. In 2022, oil production was launched at 3 new fields in Volga region and Urals.

In 2022, gas production totaled 34.6 billion cubic meters, up 7.6 percent year-on-year. Overall 2022 gas production in Russia reached 17.7 billion cubic meters, up 10.0 percent year-on-year as a result of the acquisition of production assets in West Siberia. Gas production from our international projects rose by 5.2 percent to 16.9 billion cubic meters due to the acquisition of an interest in the Area 4 project in Mexico and an additional interest in the Shah Deniz project in Azerbaijan in 2022.



## Oil refining

In 2022, the throughput at the Group's own refineries was up 11.3 percent year-on-year to 70.1 million tonnes, supported mainly by ramped up utilization rates to their maximum at the Group's foreign refineries amid record-high refining margins. Throughput in 2022 amounted to 82 percent of LUKOIL's total oil production. Refineries in Russia accounted for 63 percent of total throughput volumes.

In 2022, the Group maintained its focus on driving operational excellence across its refineries. The key activities in this area were aimed at increasing capacity and conversion of secondary processes, driving energy efficiency gains, decreasing scheduled outages, and optimizing operating expenses.

In 2022, the Group completed the following projects: the Nizhny Novgorod Refinery completed the largest selective project as part of the Company's refinery modernization program, launching a 2.1 million tonne residue conversion complex; the Volgograd Refinery completed a large-scale revamp of its 3.5 million tonne CDU-VDU-5 crude distillation unit and the solvent extraction unit with annual production capacity of 300 thousand tonnes.

## Priority sales channels

**Retail sales.** In 2022, our retail sales of petroleum products totaled 14.9 million tonnes (including the acquired retail networks). Retail sales of petroleum products in Russia were 10.8 million tonnes in 2022, up 9.9 percent year-on-year (including 10.4 million tonnes sold through the core retail network, excluding acquisitions, a 5.5 percent increase over 2021). The increase in retail sales volumes was due to new customers attracted by, among other things, higher service levels, federal and regional marketing campaigns to promote sales of fuel and non-fuel goods and services, and advertising campaigns to raise customer awareness. International retail sales were 4.1 million tonnes, up 1.6 percent year-on-year. Gross profit from non-fuel sales reached RUB 14.7 billion in Russia, up 30 percent year-on-year, and RUB 8.0 billion outside Russia, flat year-on-year.

**Branded fuel.** In 2022, sales volumes of ECTO fuels in Russia were up 8.1 percent year-on-year to 8.7 million tonnes, and their share in total domestic retail sales increased to 83.5 percent from 81.8 percent in 2021. Sales of improved, higher performance ECTO 100 gasoline in Russia were up 12 percent to 196 thousand tonnes.

**Lubricants.** The Group's production of base lubricants and components in 2022 decreased by 7 percent year-on-year to 797 thousand tonnes. Production of finished lubricants increased by 2 percent year-on-year to 661 thousand tonnes. Sales of premium lubricants for motor engines and industrial uses grew by 32 percent thanks to efforts aimed at expanding the share of premium products in the sales mix and growing Teboil sales.

**Marine bunkering and aircraft fueling.** In 2022, the Group sold 1.1 million tonnes of bunker fuel. The decrease was driven by Russia's shrinking bunker fuel market and trading restrictions. In 2022, jet fuel sales in Russia were 2.8 million tonnes. The dynamics was attributable to lower passenger traffic, including due to suspensions on a number of international flights from Russia and the current temporary flight restrictions on airports in the south of Russia.

## **Corporate responsibility**

**Improvement of the sustainability management system.** At the beginning of 2022, the Board of Directors approved the LUKOIL Group Sustainability Policy. Also in the reporting year, the LUKOIL Group Human Rights Policy was developed and approved, which sets out the Company's main principles and obligations, as well as determines the mechanisms and tools for their implementation.

**Reducing environmental impact.** In 2022, the implementation of HSE programs continued. Thanks to the completion of a number of projects, pre-privatization waste across the Group decreased by 7 percent compared to 2021. Driven by remediation efforts, the contaminated acreage across the Group's Russian entities decreased by 80% year-on-year.

**Development of human capital.** In 2022, HR document management was fully automated, and a service for accessing current vacancies of LUKOIL Group entities was implemented. In addition, the Personnel Efficiency Management system was commissioned to track employees' performance against their targets.

## **Corporate governance**

In 2022, significant attention was paid to improving internal corporate procedures and practices in accordance with the recommendations of the Corporate Governance Code. We focused on the following areas:

- **The structure of the Company's executive bodies was streamlined.** The sole executive body – the Chief Executive Officer (CEO) - was formed, with the matters within the remit of the collegial executive body of the Company (Management Committee) were transferred to the sole executive body.
- **The Decarbonization Program of LUKOIL Group for 2022–2024** was approved.



## **Report on Interested Party Transactions Entered into by PJSC “LUKOIL” in 2022**

The list of transactions made by PJSC “LUKOIL” in 2022 and recognized as interested party transactions in accordance with the Federal Law on Joint Stock Companies is not disclosed in accordance with resolution of the Russian Government No. 351 dated March 12, 2022 (as amended by resolution of the Russian Government No. 2131 dated November 24, 2022).

# Independent Auditors' Report

**on the Financial Statements of  
Public Joint Stock Company "Oil company "LUKOIL"  
for the 2022 reporting year**

Set out below is an unofficial translation of the Independent Auditors' Report on the financial statements of Public Joint Stock Company "Oil company "LUKOIL" as at and for the year ended 31 December 2022. The financial statements to which the Independent Auditors' Report relates have been prepared in Russian in accordance with the accounting and reporting regulations of the Russian Federation. Russian accounting and reporting regulations differ from accounting frameworks in other jurisdictions. Consequently, the accompanying financial statements are not intended to present the financial position, financial performance and cash flows of PJSC "Oil company "LUKOIL" in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than the Russian Federation. This translation of these documents was undertaken for the convenience of users. In case of any divergence of the English text from the Russian text, the Russian text prevails.

# Independent Auditors’ Report

To the Shareholders of Public Joint Stock Company “Oil company “LUKOIL”

## Opinion

We have audited the financial statements of Public Joint Stock Company “Oil company “LUKOIL” (the “Company”), which comprise the statement of financial position as at 31 December 2022, the statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Russian Accounting Standards.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the independence requirements that are relevant to our audit of the financial statements in the Russian Federation and with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (*IESBA Code*), and we have fulfilled our other ethical responsibilities in accordance with the requirements in the Russian Federation and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recoverability of financial investments of the Company

Please refer to the Note 3.4 «Financial investments» in the financial statements.

The key audit matter	How the matter was addressed in our audit
The Company had significant financial investments in subsidiaries and other related parties as at reporting date. RAP 19/02 “Financial investments” requires to account for impairment loss for the financial investments not measured at fair value if there are triggers that the financial investments demonstrate a stable decline in their value. As at 31 December 2022 the financial investments of the Company are significant.	In this area our audit procedures included the following: <ul style="list-style-type: none"><li>analysis of the Company’s accounting policy in relation to determination of indications of a stable decline in the value of financial investments;</li><li>analysis of the facts that can indicate a stable decline in the value of the investments;</li></ul>

<p>The Company regularly monitors if the impairment triggers exist. The Company performs an impairment testing in case such triggers are identified. The Company uses the models of the discounted cash flows in order to determine the amount of future economic benefits from these investments.</p> <p>Because of the inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability, this is one of the key judgmental areas that our audit is concentrated on.</p>	<ul style="list-style-type: none"> <li>• analysis of the Company’s approach to determination of value in use;</li> <li>• testing of budgeting procedures at the group’s level upon which the forecasts are based,</li> <li>• testing of approach and methodology that the Company uses to prepare models of discounted cash flows.</li> </ul> <p>We used our own valuation specialists to assist us in evaluating the assumptions and methodologies used by the Company. We assessed management’s macroeconomic assumptions, which include prices and volumes growth rates, terminal period growth rate, inflation rates and interest rates.</p> <p>We compared the value of future economic benefits with the accounting value of financial investments to determine whether an amount of allowance for impairment of financial investments should be recorded in the financial statements.</p> <p>Also, we assessed whether appropriate financial investments disclosures were included in the notes to the financial statements.</p>
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## Other information

Management is responsible for the other information. The other information comprises the information included in the Report of the issuer of securities for 2022 year and in the Report of the issuer of securities for the first half of 2023 year, but does not include the financial statements and our auditors’ report opinion. The Reports of the issuer of securities are expected to be made available to us after the date of this auditors’ report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Russian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

## **Auditors’ Responsibilities for the Audit of the Financial Statements**

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Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The general director and engagement partner on the audit resulting in this independent auditors’ report is:

Klimanova L.V.

Principal registration number of the entry in the Register of Auditors and Audit organizations  
No. 21906100102

JSC “Kept”

Principal registration number of the entry in the Register of Auditors and Audit Organizations  
No. 12006020351

Moscow, Russia

31 March 2023



## INTERNAL AUDITORS' OPINION

### **following the assessment of the reliability and efficiency of risk management and internal control, as well as corporate governance of PJSC “LUKOIL” for 2022**

This Internal Auditors' Opinion has been prepared in accordance with the requirements of Federal Law No.208-FZ of 26 December 1995 *On Joint Stock Companies*.

#### **1. Opinion**

The assessment results of the Internal Audit Service of PJSC “LUKOIL” (hereinafter also “the Internal Audit Service”) prove that the risk management and internal control, as well as corporate governance system **functions properly in all material respects**.

#### **2. Basis for opinion**

The Internal Audit Service of PJSC “LUKOIL” has drawn its opinion based on the following:

- internal audit assessment of the reliability and efficiency of the risk management and internal control, as well as the corporate governance system of PJSC “LUKOIL” for 2022;
- results of audit engagements and consultations held during 2022 with respect to operations of LUKOIL Group organisations.

Based on the internal audits, recommendations were developed aimed at raising the reliability and efficiency of risk management, internal control and corporate governance system, with respective improvement activities put in place.

The Internal Audit Service of PJSC “LUKOIL” believes that the audit evidence obtained is sufficient and appropriate to provide a basis for an unbiased and independent opinion expressed herein.

#### **3. Description of approaches and assessment criteria**

The internal audit assessment of the reliability and efficiency of the risk management and internal control system, and of corporate governance at



PJSC “LUKOIL” was performed based on the methodologies designed by the Internal Audit Service of PJSC “LUKOIL”.

The methodologies used by the Internal Audit Service of PJSC “LUKOIL” take into account assessment criteria that are premised on principles of and approaches to successful organization and performance of risk management and internal control, as well as corporate governance, set out in:

- COSO enterprise risk management<sup>1</sup> and internal control<sup>2</sup> concepts;
- International standards of ISO 31000 series;
- The Code of Corporate Governance<sup>3</sup> recommended by the Bank of Russia for application by joint stock companies whose securities have been admitted to organised trading;
- Recommendations on the organization of risk management, internal control, internal auditing, operations of the audit committee of the board of directors (supervisory board) of public joint stock companies<sup>4</sup>.

During audit engagements (consultations) in 2022, the assessment of risk management, internal control and corporate governance processes was performed in respect to the audited lines of activities using specific assessment criteria for respective processes.

### **3.1. Results of reliability and efficiency of risk management**

The assessment of compliance of organisation and functioning of the risk management processes at the LUKOIL Group was performed on the basis of ISO 31000 and application of 20 principles of the respective COSO concept underlying 5 risk management components:

- Corporate management and culture,
- Strategy and setting of objectives,
- Efficiency of strategy and objectives,
- Assessment of results and adjustment,
- Information, communication and reporting.

**The assessment results of the risk management processes at the LUKOIL Group were deemed efficient and reliable, and operating at an acceptable (medium) level of development (at the level of the 2021 results).**

### **3.2. Results of assessment of internal control**

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<sup>1</sup> Document (concept) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) “Enterprise Risk Management – Integrating with Strategy and Performance” (2017).

<sup>2</sup> Document (concept) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) “Internal Control – Integrated Framework” (2013).

<sup>3</sup> Letter of the Bank of Russia No. 06-52/2463 of 10 April 2014 “On the Code of Corporate Governance”.

<sup>4</sup> Appendix to Letter of the Bank of Russia No. IN-06-28/143 of 1 October 2020.

The assessment of compliance of organisation and functioning of internal control processes at the LUKOIL Group was performed through the application of 17 principles of the relevant COSO concept underlying 5 internal control components:

- Control environment,
- Assessment of risks,
- Control procedures,
- Information and Communication,
- Monitoring and efficiency assessment.

**The assessment results of the internal control processes in PJSC “LUKOIL” were deemed efficient and reliable, and operating at an acceptable (medium) level of development (at the level of the 2021 results).**

### **3.3. Results of assessment of corporate governance**

The assessment of PJSC “LUKOIL” corporate governance processes was performed on the basis of the Methodology of audit assessment of corporate governance efficiency processes in PJSC “LUKOIL” taking into account the principles set out in the Code of Corporate Governance<sup>5</sup> recommended by the Bank of Russia and related to the following groups:

- Shareholder rights,
- Corporate governance and operations management,
- Monitoring of risk management and internal control processes,
- Ethical norms and values,
- Information disclosure,
- Material corporate actions.

**The assessment results of the corporate governance processes in PJSC “LUKOIL” were deemed efficient (at the level of the 2021 results) and complying with the recommendations of the Bank of Russia.**

## **4. Organisation of internal auditing and its independence**

Participants of Internal auditing across LUKOIL Group organisations are:

- the Head of Internal Audit (at present the Head of Internal Audit is Vice-President – Head of the Internal Audit Service of PJSC “LUKOIL”) and entities subordinated to him:
- the Internal Audit Service of PJSC “LUKOIL”;

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<sup>5</sup> Taking into account international practices in the area of corporate governance and corporate governance principles elaborated by the Organisation for Economic Co-operation and Development (OECD).

- Internal Audit Divisions of the Multifunctional Center of Business Support (OOO “LUKOIL-MTsPB”, a wholly-owned subsidiary of PJSC “LUKOIL”)<sup>6</sup>;
- Internal auditors of international subsidiaries (divisions and employees which perform internal audit functions according to the applicable law in 4 international organisations of the LUKOIL Group)<sup>6</sup>.

The Head of Internal Audit is functionally subordinate and accountable to the Board of Directors of PJSC “LUKOIL” and administratively subordinate to the President of PJSC “LUKOIL” (Chief Executive Officer of PJSC “LUKOIL”<sup>7</sup>).

No limitations on powers of internal auditing or other limitations which could affect the performance of the internal auditing function at PJSC “LUKOIL” were identified.

In April 2022, the Audit Committee of the Board of Directors of PJSC “LUKOIL”, having heard the report of Vice-President – Head of the Internal Audit Service, recommended that the Board of Directors of PJSC “LUKOIL”, specifically:

- Approve the performance of the Internal Audit Service of PJSC “LUKOIL” in respect to the efficiency assessment of the risk management and internal control system as well as assessment of corporate governance of PJSC “LUKOIL” implemented in compliance with the goals and objectives specified in the *Regulations on Internal Audit in PJSC “LUKOIL”*;
- Acknowledge that the internal audit activity at the LUKOIL Group corresponds to the Mission of Internal Audit, the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing and the Code of Ethics adopted by The Institute of Internal Auditors.

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<sup>6</sup> Functionally subordinate and accountable to the Head of Internal Audit.

<sup>7</sup> Amendments to the Charter of PJSC “LUKOIL” were approved by decision of the Extraordinary General Shareholders Meeting of PJSC “LUKOIL” of 5 December 2022 (Minutes No.3).



**MINUTES No. 2  
OF THE MEETING OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS**

**04 April 2023**

**Moscow**

**E X C E R P T No. KA2/04-04-23/B2/1**

**II. Assessment of the Independent Auditors' opinion  
for subsequent submission to shareholders as materials  
for the Company's Annual General Shareholders Meeting**

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...

*RESOLVED:*

Having considered the report of JSC “Kept”, the Company’s independent Auditor, on the accounting (financial) statements of PJSC “LUKOIL” for 2022 and based on the result of the analysis and the discussion of issues of material importance for the preparation of complete and reliable financial statements, and also in light of the fact that the audit of the accounting (financial) statements of PJSC “LUKOIL” for the period from 1 January through 31 December 2022 resulted in an unqualified audit opinion, to propose to the Board of Directors that it recommend to the Annual General Shareholders Meeting of the Company that the Meeting approve the audited accounting (financial) statements of the Company for 2022 and include the Independent Auditors’ Opinion examined by the Audit Committee of the Board of Directors of PJSC “LUKOIL” in the list of materials to be provided to shareholders when preparing for the General Shareholders Meeting.

*I hereby certify that this is a true and accurate excerpt from Minutes No.2 of 04 April 2023*

Corporate Secretary



**PJSC “LUKOIL” (not including subsidiaries and equity affiliates)**  
**BALANCE SHEET**  
**as at 31 December 2022**

million roubles

	As at 31.12.2022	As at 31.12.2021	As at 31.12.2020
<b><i>Non-current assets</i></b>			
Intangible assets	2,251	3,081	2,365
R&D	4	7	11
Intangible development assets	-	-	-
Tangible development assets	-	-	-
Property, plant and equipment	4,774	16,630	15,441
Financial investments	1,333,625	1,318,842	1,352,027
Deferred tax assets	9,161	3,563	15,494
Other non-current assets	43	58	621
<b><u>Non-current assets, total</u></b>	<b><u>1,349,858</u></b>	<b><u>1,342,181</u></b>	<b><u>1,385,959</u></b>
<b><i>Current assets</i></b>			
Inventories	43,046	64,450	55
VAT on purchased assets	67	37	228
Accounts receivable	571,731	501,892	218,441
Financial investments (other than cash equivalents)	4,385	115,628	107,674
Cash and cash equivalents	314,899	76,950	15,964
Other current assets	274	155	7
<b><u>Current assets, total</u></b>	<b><u>934,402</u></b>	<b><u>759,112</u></b>	<b><u>342,369</u></b>
<b><u>ASSETS TOTAL</u></b>	<b><u>2,284,260</u></b>	<b><u>2,101,293</u></b>	<b><u>1,728,328</u></b>
<b><i>Equity and reserves</i></b>			
Charter capital	17	17	17
Additional paid-in capital, including revaluation of non-current assets	(737)	(277)	(37)
Reserve capital	2	2	2
Retained earnings	1,265,885	1,025,005	772,201
<b><u>Equity and reserves, total</u></b>	<b><u>1,265,167</u></b>	<b><u>1,024,747</u></b>	<b><u>772,183</u></b>
<b><i>Non-current liabilities</i></b>			
Loans and borrowings	78,389	170,873	332,441
Deferred tax liabilities	5,032	8,490	1,201
Estimated liabilities	1,729	924	837
Other non-current liabilities	9	20	16

<b><u>Non-current liabilities, total</u></b>	<b><u>85,159</u></b>	<b><u>180,307</u></b>	<b><u>334,495</u></b>
<b><i>Current liabilities</i></b>			
Loans and borrowings	571,193	540,193	523,016
Accounts payable	359,933	354,014	94,084
Estimated liabilities	2,808	2,032	4,550
<b><u>Current liabilities, total</u></b>	<b><u>933,934</u></b>	<b><u>896,239</u></b>	<b><u>621,650</u></b>
<b><u>LIABILITIES AND EQUITY TOTAL</u></b>	<b><u>2,284,260</u></b>	<b><u>2,101,293</u></b>	<b><u>1,728,328</u></b>

**INCOME STATEMENT**  
for the year ended 31 December

million roubles

	2022	2021
<b>Net sales</b>	<b>2,874,037</b>	<b>2,389,317</b>
Including receipts from participation in the authorised capitals of other organisations	372,533	513,439
Cost of goods sold	(1,785,030)	(1,545,437)
<b>Gross profit</b>	<b>1,089,007</b>	<b>843,880</b>
Selling expenses	(117,340)	(101,269)
including Export customs duties	(33,323)	(35,657)
Administrative expenses	(35,600)	(33,932)
<b>Profit from sales</b>	<b>936,067</b>	<b>708,679</b>
Income from equity in other organisations	-	-
Interest receivable	51,430	25,351
Interest payable	(15,378)	(41,908)
Result of other income and expenses	(87,226)	(13,937)
<b>Profit before taxes</b>	<b>884,893</b>	<b>678,185</b>
Current income tax	(117,849)	(25,639)
Deferred income tax	8,946	(19,250)
Other	14,130	2,412
Redistribution of income tax inside the consolidated group of taxpayers	11,054	1,846
<b>Net profit</b>	<b>790,120</b>	<b>635,708</b>
Result of revaluation of non-current assets not included in net profit	-	-
Result of other transactions not included in net profit (loss) of the period	(570)	(301)
Profit tax of transactions with result not included in net profit (loss) of the period	110	61
<b>Cumulative financial result of the period</b>	<b>789,660</b>	<b>635,468</b>



## **Information on candidates to the Board of Directors of PJSC "LUKOIL"**

Information on candidates to the Board of Directors of PJSC "LUKOIL" is not disclosed in accordance with resolution of the Russian Government No. 351 dated March 12, 2022 (as amended by resolution of the Russian Government No. 2131 dated November 24, 2022).





## AMENDMENTS

### to the Charter of Public Joint Stock Company “Oil company “LUKOIL”

1. In point 8.7 of **Article 8 “Shareholders Meeting”**:

- revise paragraph 2 to read as follows:

“The Company shall send each person registered in the Company’s shareholder register and entitled to participate in the Meeting voting ballots on all issues on the agenda of the Meeting in the form of an electronic message with a file of a ballot (ballots) as an attachment to the e-mail address of the relevant person specified in the Company’s shareholder register no later than 20 days before the Shareholders Meeting and no later than 30 days before the Shareholders Meeting if the Meeting agenda includes an item on the reorganization of the Company. During preparations for the Meeting the Board of Directors may determine additional methods of sending voting ballots.”;

- delete paragraph 4.

2. Sentence 2 of paragraph 1 of point 9.2 of **Article 9 “The Board of Directors”** shall be revised to read as follows:

“The number of the Board members of the Company shall be nine members unless a larger size of the Company’s Board of Directors is envisaged by decision of the Shareholders Meeting.”.

3. Revise sub-point 10.3.19 of point 10.3 of **Article 10 “Single-Person Executive Body of the Company”** to read as follows:

“10.3.19. development and implementation of the general development strategy for Company subsidiaries, including uniform production, technical, fiscal, pricing, sales, social and staffing policies, preliminary approval of the decisions of Company subsidiaries on participation in other entities, as well as decisions on the acquisition of subsoil use rights which could lead to investment expenses in an amount exceeding the rouble equivalent of USD 150 million, and termination of rights to subsoil use at the initiative of the subsoil user, except termination of rights to use subsoil blocks with a lack of recoverable mineral reserves, and the total book value of the fixed assets, subject to liquidation, associated with subsoil use and expenses for their liquidation would not exceed USD 20 million, and coordination of the operations of Company subsidiaries, including approval of the documents regulating the activities of Company subsidiaries;”.

**Table of Amendments to the current version  
of the Charter of Public Joint Stock Company “Oil company “LUKOIL”**

№	Current version of the Charter	Proposed changes to the Charter	Comments
1.	<p>Paragraph 2 of point 8.7: «The Company shall send each person included in the list of persons entitled to take part in the Meeting voting ballots on all issues on the agenda of the Meeting via mail, e-mail or by personal delivery to the shareholder against a signature no later than 20 days before the Shareholders Meeting and no later than 30 days before the Shareholders Meeting if the Meeting agenda includes an item on the reorganization of the Company.».</p>	<p>Paragraph 2 of point 8.7: «<del>The Company shall send each person included in the list of persons entitled to take part in the Meeting</del> <b><u>registered in the Company’s shareholder register and entitled to participate in the Meeting</u></b> voting ballots on all issues on the agenda of the Meeting <del>via mail, e-mail or by personal delivery to the shareholder against a signature</del> <b><u>in the form of an electronic message with a file of a ballot (ballots) as an attachment to the e-mail address of the relevant person specified in the Company’s shareholder register</u></b> no later than 20 days before the Shareholders Meeting and no later than 30 days before the Shareholders Meeting if the Meeting agenda includes an item on the reorganization of the Company. <b><u>During preparations for the Meeting the Board of Directors may determine additional methods of sending voting ballots.</u></b>».</p>	<p>Taking into account provisions of Clause 2, Article 60 of Federal Law No.208-FZ of 26 December 1995 <i>On Joint Stock Companies</i> (the JSC Law) whereby a method of delivering ballots is selected at a company’s discretion, paragraph 2 of point 8.7 of the Charter is being amended to provide for delivering of voting ballots to each person registered in the Company’s shareholder register and entitled to take part in the General Shareholders Meeting in the form of an electronic message with a file of a ballot (ballots) as an attachment to the e-mail address of the relevant person. At the same time, during preparations for the Meeting the Company’s Board of Directors may take a decision on sending voting ballots by an additional method (for example, by registered mail).</p>
2.	<p>Paragraph 4 of point 8.7: «Where the number of persons entitled to participate in any Shareholders Meeting is more than 500,000, forms of voting ballots shall be published in the newspaper <i>Rossiyskaya gazeta</i>.».</p>	<p>Paragraph 4 of point 8.7 shall be deleted.</p>	<p>According to Clause 3, Article 60 of the JSC Law, inclusion of a provision on publishing voting ballots in a print media in the charter of a company with the number of shareholders exceeding 500,000 is not mandatory. With this in mind and due to the reduction of copies of print media, including those of</p>

			<i>Rossiyskaya gazeta</i> , it is proposed to exclude a provision on publishing voting ballots forms in the newspaper <i>Rossiyskaya gazeta</i> from the Company Charter, should the number of persons entitled to participate in the Meeting exceed 500,000.
3.	Sentence 2 of paragraph 1 of point 9.2: «The number of the Board members of the Company shall be determined by decision of the Shareholders Meeting but in any case shall not be less than 9 members.».	Sentence 2 of paragraph 1 of point 9.2: « <del>The number of the Board members of the Company shall be determined by decision of the Shareholders Meeting but in any case shall not be less than</del> <b><u>shall be nine members unless a larger size of the Company's Board of Directors is envisaged by decision of the Shareholders Meeting.</u></b> ».	Based on Clause 3, Article 66 of the JSC Law, paragraph 1 of point 9.2 is being amended with respect to determining the number of the Board members of the Company stipulating that the Company's Board of Directors shall be formed of nine members unless a larger size is envisaged by decision of the Shareholders Meeting.
4.	Sub-point 10.3.19 of point 10.3: «10.3.19. development and implementation of the general development strategy for Company subsidiaries, including uniform production, technical, fiscal, pricing, sales, social and staffing policies, preliminary approval of the decisions of Company subsidiaries on participation in other entities, as well as decisions on the acquisition of subsoil use rights which could lead to investment expenses in an amount exceeding the rouble equivalent of USD 150 million, and termination of rights to subsoil use at the initiative of the subsoil user, except termination of rights to use subsoil blocks with a lack of mineral reserves, and coordination of the operations of Company subsidiaries, including approval of the documents regulating the activities of Company subsidiaries;».	Sub-point 10.3.19 of point 10.3: «10.3.19. development and implementation of the general development strategy for Company subsidiaries, including uniform production, technical, fiscal, pricing, sales, social and staffing policies, preliminary approval of the decisions of Company subsidiaries on participation in other entities, as well as decisions on the acquisition of subsoil use rights which could lead to investment expenses in an amount exceeding the rouble equivalent of USD 150 million, and termination of rights to subsoil use at the initiative of the subsoil user, except termination of rights to use subsoil blocks with a lack of <b><u>recoverable</u></b> mineral reserves, <b><u>and the total book value of the fixed assets, subject to liquidation, associated with subsoil use and expenses for their liquidation would not exceed USD 20 million,</u></b> and coordination of the operations of Company subsidiaries, including approval of the documents regulating the activities of Company subsidiaries;».	This amendment made to clarify the authority of the Chief Executive Officer of the Company in connection with approval of decisions on termination of subsoil use rights is stipulated by a necessity to raise promptness of decision-making on termination of rights to use subsoil blocks bearing zero recoverable reserves and the total book value of the fixed assets, subject for liquidation, associated with subsoil use and expenses for their liquidation do not exceed USD 20 million.

Deleted provisions are shown in this table as strikethrough text, and new provisions are shown as bold and underlined text.

## **Amendments**

### **to the *Procedure for Preparing and Holding the General Shareholders Meeting of PJSC “LUKOIL”***

1. Revise the last paragraph of point 3.1 to read as follows:

“The Board of Directors of the Company may determine additional methods of sending voting ballots and also resolve that the Meeting procedure shall permit persons entitled to participate in the Meeting to complete the voting ballots electronically, through a website on the information and telecommunications network Internet, by establishing the URL of such a website.”.

2. Delete point 5.5.

3. Revise paragraph 1 of point 5.6 to read as follows:

“5.6. The information (materials) to be provided to persons entitled to participate in the Meeting will not be sent to shareholders during preparations for the Meeting. Shareholders are entitled to read this information at the premises of the Company’s single-person executive body, as well as at other places, the addresses of which are indicated in the Meeting Notice.”.

4. Revise point 10.2 to read as follows:

“10.2. The Company will send to each person registered in the Company’s shareholder register and entitled to participate in the Meeting ballots on all agenda items of the Meeting in the form of an electronic message with a file of a ballot (ballots) as an attachment to the e-mail address of the relevant person specified in the Company’s shareholder register no later than 20 days before the date of the Meeting, and if the agenda of the Meeting contains an item on the reorganization of the Company – no later than 30 days before the said date.

If the Meeting procedure, as resolved by the Company’s Board of Directors, allows for electronic completion of voting ballots through a website on the information and telecommunications network Internet, the Company shall, within the times set forth herein, make available such electronic voting ballots on the website on the information and telecommunications network Internet, the URL of which appears in the Meeting Notice. When completing the electronic voting ballots through the website on the information and telecommunications network Internet, the system shall record the date and time of such completion.”.

**Table of Amendments to the current version  
of the Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting  
of PJSC “LUKOIL” (the GSM Regulations)**

№	Current version of the GSM Regulations	New version of the GSM Regulations	Comments
1.	Last paragraph of point 3.1: «The Board of Directors of the Company may resolve that the Meeting procedure shall permit persons entitled to participate in the Meeting to complete the voting ballots electronically, through a website on the information and telecommunications network Internet, by establishing the URL of such website.».	Last paragraph of point 3.1: «The Board of Directors of the Company may <b><u>determine additional methods of sending voting ballots and also</u></b> resolve that the Meeting procedure shall permit persons entitled to participate in the Meeting to complete the voting ballots electronically, through a website on the information and telecommunications network Internet, by establishing the URL of such a website.».	This addition to the last paragraph of point 3.1 is dictated by the proposed amendment to the Charter of PJSC “LUKOIL” aiming to provide for a possibility for the Company’s Board of Directors during preparations for the Meeting to resolve on sending voting ballots by an additional method (for example, by registered mail). Also, see comment to item 4 of this Table.
2.	Point 5.5: «5.5. In the event of absentee voting, shareholders will be notified through the delivery thereto of the following documents: the text of the Meeting Notice; voting ballots; materials on the agenda items; the information needed by the shareholder to take a decision.».	Point 5.5 shall be deleted.	Due to the proposed amendments to the Regulations stipulating for adjustment of a method of sending voting ballots and provision for the access to information to be provided to persons entitled to participate in the Meeting (see points 1, 3 and 4 of the Table), it is proposed to exclude point 5.5 as excessive.

3.	<p>Paragraph 1 of point 5.6:  «5.6. The information (materials) to be provided to persons entitled to participate in the Meeting will not be sent to shareholders during preparations for the Meeting, except in those cases when the Meeting is to be held through absentee voting. Shareholders are entitled to read this information at the premises of the Company’s single-person executive body, as well as at other places, the addresses of which are indicated in the Meeting Notice.».</p>	<p>Paragraph 1 of point 5.6:  «5.6. The information (materials) to be provided to persons entitled to participate in the Meeting will not be sent to shareholders during preparations for the Meeting, <del>except in those cases when the Meeting is to be held through absentee voting.</del> Shareholders are entitled to read this information at the premises of the Company’s single-person executive body, as well as at other places, the addresses of which are indicated in the Meeting Notice.».</p>	<p>This amendment of paragraph 1 of point 5.6 is dictated by the lack of necessity to provide for varied regulation of access to the information (materials) to be provided to persons entitled to participate in the Meeting during preparations for the Meeting in the form of the meeting (joint attendance) and in the form of an absentee voting meeting, which is in line with the provisions of Article 52 of Federal Law No.208-FZ of 26 December 1995 <i>On Joint Stock Companies</i> (the JSC Law).</p>
4.	<p>Point 10.2:  «10.2. The Company will send to each person indicated in the list of persons entitled to participate in the Meeting ballots on all agenda items of the Meeting via mail, e-mail or by personal delivery to the shareholder against signature no later than 20 days before the date of the Meeting, and if the agenda of the Meeting contains an item on the reorganization of the Company – no later than 30 days before the said date. If the Meeting procedure, as resolved by the Company’s Board of Directors, allows for electronic completion of voting ballots through a website on the information and telecommunications network Internet, the Company shall, within the times set forth herein, make available such electronic voting ballots on the website on the information and telecommunications network Internet, the URL of which appears in the Meeting Notice. When completing the electronic voting ballots through</p>	<p>Point 10.2:  «10.2. The Company will send to each person <del>indicated in the list of persons entitled to participate in the Meeting</del> <b><u>registered in the Company’s shareholder register and entitled to participate in the Meeting</u></b> ballots on all agenda items of the Meeting <del>via mail, e-mail or by personal delivery to the shareholder against signature</del> <b><u>in the form of an electronic message with a file of a ballot (ballots) as an attachment to the e-mail address of the relevant person specified in the Company’s shareholder register</u></b> no later than 20 days before the date of the Meeting, and if the agenda of the Meeting contains an item on the reorganization of the Company – no later than 30 days before the said date.  If the Meeting procedure, as resolved by the Company’s Board of Directors, allows for electronic completion of voting ballots through a website on the information and telecommunications network Internet, the Company shall, within the times set</p>	<p>This amendment of point 10.2 is dictated by:  - the proposed amendments to the Charter of PJSC “LUKOIL” aiming to provide for delivering of voting ballots to each person registered in the Company’s shareholder register and entitled to participate the General Shareholders Meeting in the form of an electronic message with a file of a ballot (ballots) as an attachment to the e-mail address of the relevant person taking into account Clause 2, Article 60 of the JSC Law according to which a method of delivering ballots is selected at a company’s discretion;  - the proposed exclusion from the Charter of PJSC “LUKOIL” of a provision on publishing voting ballots forms in print media <i>Rossiyskaya gazeta</i>, should the</p>

	<p>the website on the information and telecommunications network Internet, the system shall record the date and time of such completion. Where the number of persons entitled to participate in the Meeting exceeds 500,000, ballot forms will be published in the newspaper “Rossiyskaya Gazeta”.».</p>	<p>forth herein, make available such electronic voting ballots on the website on the information and telecommunications network Internet, the URL of which appears in the Meeting Notice. When completing the electronic voting ballots through the website on the information and telecommunications network Internet, the system shall record the date and time of such completion.</p> <p><del>Where the number of persons entitled to participate in the Meeting exceeds 500,000, ballot forms will be published in the newspaper “Rossiyskaya Gazeta”.».</del></p>	<p>number of persons entitled to participate in the Meeting exceed 500,000, taking into account Clause 3, Article 60 of the JSC Law, stipulating that no provision on publishing voting ballots in a print media is mandatory for internal documents of a company with the number of shareholders exceeding 500,000.</p>
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Deleted provisions are shown in this table as strikethrough text, and new provisions are shown as bold and underlined text.

## MINUTES No. 2 of the Annual General Shareholders Meeting of Public Joint Stock Company “Oil company “LUKOIL”

**Full trade name of the company:** *Public Joint Stock Company “Oil company “LUKOIL”*

**Location of the company:** *Moscow*

**Address of the company:** *Sretensky bulvar 11, Moscow 101000 Russian Federation*

**Type of the General Meeting:** *annual*

**Form of the General Meeting:** *absentee voting*

**The date of determining (formalizing) the persons entitled to participate in the General Meeting:** *27 May 2022*

**The deadline for the receipt of ballots (Date of the General Meeting):** *21 June 2022*

**Postal address to which completed ballots had been sent:** *OOO «Registrator «Garant», Krasnopresnenskaya Naberezhnaya 8, second floor, office 228, Intra-city territory of a city of federal significance Municipal District Presnensky, Moscow, 123100, Russian Federation*

**The URL of the website on the information and telecommunications network “Internet” where electronic voting ballots may be completed:** *<https://evoting.reggarant.ru/Voting/Lk>*

**Date of preparation of the Minutes:** *21 June 2022*

**Chairman of the Annual General Shareholders Meeting of PJSC “LUKOIL” (hereinafter also the Meeting):** Chairman of the Board of Directors of PJSC “LUKOIL” Ravil Ulfatovich Maganov.

**Secretary of the Meeting:** Vladimir Nikolaevich Vinogradov.

**The functions of the Counting Commission** were performed by the Registrar of PJSC "LUKOIL" - Limited Liability Company «Registrator «Garant» (location: Krasnopresnenskaya Naberezhnaya 8, second floor, office 228, Intra-city territory of a city of federal significance Municipal District Presnensky, Moscow, 123100, Russian Federation).

**Persons authorized by the registrar performing the functions of the Counting Commission, who performed the vote counting:**

1. Dmitry Igorevich Irshenkov (by power of attorney No. 6 of 10 February 2022);
2. Marina Vladimirovna Uspenskaya (by power of attorney No. 7 of 10 February 2022);
3. Tatyana Mikhailovna Safronova (by power of attorney No. 5 of 10 February 2022).

The number of votes held by the persons included in the list of persons entitled to participate in the Annual General Shareholders Meeting of PJSC “LUKOIL” – 692,865,762 votes.

In accordance with Sub-point 2, Clause 5, Article 6 of Federal Law No. 114-FZ of 16 April 2022 *On Amending the Federal Law On Joint Stock Companies and Certain Legislative Acts of the Russian Federation* (hereinafter, Law No.114-FZ), the shares of PJSC “LUKOIL” registered at the securities account of depository programs in the amount of 167,483,970 shares shall represent no votes and shall not be counted while tallying votes.

The number of votes held by the persons who took part in the Annual General Shareholders Meeting of PJSC “LUKOIL” – 337,639,155 votes (64.2655%).

In accordance with Clause 1, Article 58 of the Federal Law *On Joint Stock Companies*, the Annual General Shareholders Meeting of PJSC “LUKOIL” is competent (has a quorum), thanks to participation of shareholders who collectively hold more than half of the votes of the issued voting shares of PJSC “LUKOIL”: taking into account Sub-point 2, Clause 5, Article 6 of Law No.114-FZ, the quorum is equal to 262,690,897 votes for all agenda items.

...

**Item 3 on the agenda. On the remuneration and reimbursement of expenses to members of the Board of Directors of PJSC “LUKOIL”.**

Resolution on Item 3 on the agenda (Ballot No.3):

«...

2. To establish the amounts of remuneration for the newly elected members of the Board of Directors of PJSC “LUKOIL” pursuant to Appendix No.2 hereto.

To establish that during their service the newly elected members of the Board of Directors shall be reimbursed for the expenses related to the performance of their functions as members of the Board of Directors, the types of which were established by decision of the Annual General Shareholders Meeting of OAO “LUKOIL” of 24 June 2004 (Minutes No.1), in the amount of actually incurred and documented expenses, upon submission by members of the Board of Directors of written expense claims.»



### **Voting results on Item 3 (point 2) on the agenda:**

1. The number of votes belonging to the persons included in the list of persons entitled to participate in the General Meeting on this Item:	692,865,762
2. The number of votes for the Company's voting shares on this agenda item determined taking into account the provisions of point 4.24 of the <i>Regulations on General Shareholders Meetings</i> , approved by the Bank of Russia on 16 November 2018 (No.660–P):	525,381,792
3. The number of votes belonging to the persons who took part in the General Meeting on this Item:	337,639,155 (64.2655%), the Item is quorate
The number of votes cast for each voting option:	
“For”	337,273,165 (99.8916%)
“Against”	93,185
“Abstain”	121,556

### **Decision taken on Item 3 (point 2) on the agenda:**

*To establish the amounts of remuneration for the newly elected members of the Board of Directors of PJSC “LUKOIL” pursuant to Appendix No.2 hereto.*

*To establish that during their service the newly elected members of the Board of Directors shall be reimbursed for the expenses related to the performance of their functions as members of the Board of Directors, the types of which were established by decision of the Annual General Shareholders Meeting of OAO “LUKOIL” of 24 June 2004 (Minutes No.1), in the amount of actually incurred and documented expenses, upon submission by members of the Board of Directors of written expense claims.*

Chairman of the Meeting

R.U. Maganov

Secretary of the Meeting

V.N. Vinogradov

*I hereby certify that this is a true and accurate excerpt from Minutes No.2*

*Corporate Secretary*

**Appendix to decision on Item 3 (point 2) on the agenda of the Annual General Meeting of Shareholders of Public Joint Stock Company “Oil company “LUKOIL” of 21 June 2022 (Minutes No.2)**

To establish the following amounts of remuneration for the newly elected members of the Board of Directors of PJSC “LUKOIL”:

- for performance of the duties of a member of the Board of Directors – 12,000,000 roubles;
- for performance by a member of the Board of Directors of the functions of the Chairman of the Board of Directors – 10,000,000 roubles;
- for performance by a member of the Board of Directors of the functions of the Vice-Chairman of the Board of Directors – 3,000,000 roubles;
- for performance by a member of the Board of Directors of the functions of the Chairman of a committee of the Board of Directors – 1,300,000 roubles;
- for performance by a member of the Board of Directors of the functions of a member of a committee of the Board of Directors – 1,300,000 roubles;
- for each attendance in person at a meeting of the Board of Directors or a committee of the Board of Directors where attendance requires a flight that lasts more than eight hours – 400,000 roubles. If a member of the Board of Directors takes a flight to attend the meetings of both a committee (committees) of the Board of Directors and of the Board of Directors itself, only a single amount of remuneration for the flight will be paid;
- for each participation in conferences and other events on written instructions of the Chairman of the Board of Directors, in an amount of 200,000 roubles.

**MINUTES No.1**  
**of the Annual General Meeting of Shareholders**  
**of Open Joint Stock Company “Oil company “LUKOIL”**

**Full trade name of the company:** *Open Joint Stock Company “Oil company “LUKOIL”*

**Location of the company:** *Sretensky bulvar 11, Moscow*

**Type of the General Meeting:** *annual*

**Form of the General Meeting:** *a meeting (joint attendance of shareholders to discuss agenda items and take decisions on issues put to a vote) with preliminary distribution (dispatch) of ballots before the conduct of the Annual General Meeting of Shareholders*

**Date of the General Meeting:** *24 June 2004*

**Place of the General Meeting:** *AO “LUKOIL”, Sretensky bulvar 11, Moscow*

**Opening of the General Meeting:** *11:00 a.m.*

**Closing of the General Meeting:** *01:50 p.m.*

**Start of registration of persons entitled to participate in the General Meeting:** *9:30 a.m.*

**End of registration of persons entitled to participate in the General Meeting (upon closing the discussion of the last item on the agenda):** *01:35 p.m.*

**Start of counting votes:** *01:40 p.m.*

**Postal address to which completed ballots had been sent:** *AO Registrator NIKoil, 3-ya ulitsa Yamskogo Polya 28, Moscow 125124, Russian Federation*

**Date of preparation of the Minutes:** *8 July 2004*

*Item 5 on the agenda. On the remuneration and compensation of expenses to the members of the Board of Directors and the Audit Commission of AO “LUKOIL”.*

**Resolution for voting on Item 5 on the agenda:**

...

*5.2. Establish the amounts of remuneration and the types of expenses for newly elected members of the Board of Directors and the Audit Commission for which members of the Board of Directors and Audit Commission shall be compensated in accordance with the Appendix hereto.*

...

**Decision taken on Item 5 on the agenda, point 5.2:**

*Establish the amounts of remuneration and the types of expenses for newly elected members of the Board of Directors and the Audit Commission for which members of the Board of Directors and Audit Commission shall be compensated in accordance with the Appendix hereto.*

*Chairman of the Meeting*

*V.I.Grayfer*

*Secretary of the Meeting*

*S.N.Malyukov*

I hereby certify that this is a true and accurate excerpt from Minutes No.1

Corporate Secretary

## EXCERPT

### Appendix to decision on Item 5 (point 5.2) on the agenda of the Annual General Meeting of Shareholders of Open Joint Stock Company "Oil company "LUKOIL" of 24 June 2004 (Minutes No.1)

...


4. To establish the following types of expenses for which members of the Board of Directors and Audit Commission shall be compensated during the term of performance of their duties:
  - expenses related to travel to the site of the meeting of the Board of Directors and from the site of the meeting to their point of destination, and related to their stay at the site of the meeting;
  - expenses related to travel to the site of the audit and/or meeting of the Audit Commission and from the site of the audit and/or meeting to their point of destination, and related to their stay at the site of the audit and/or meeting;
  - expenses related to participating in a meeting of the Board of Directors by telephone, using a teleconferencing system, dispatching a written opinion, and also related to absentee voting;
  - expenses related to the performance by members of the Board of Directors of their functions in the periods between meetings;
  - expenses related to engaging consultants and experts and obtaining the relevant opinions on issues of the activity of the Board of Directors in aggregate not exceeding the amount of funds planned for these purposes in the budget of the Company;
  - expenses of persons, accompanying a member of the Board of Directors during the performance thereby of the functions of a member of the Board of Directors (translator, consultant, administrative assistant), or representatives of the member of the Board of Directors on issues related to the activity of the Board of Directors, in the amount of actual documented expenses, not more than one person (support staff or representative) for each trip related to the activity of the member of the Board of Directors.

...

Instructions for shareholders of PJSC “LUKOIL”  
using the electronic voting solution  
for the General Shareholders Meeting of PJSC “LUKOIL”

Please be informed that access for completing electronic voting ballots shall be granted to the shareholders who register their title to shares in the Company’s shareholder register on the date following the date on which persons entitled to participate in the General Meeting are determined, while shareholders who are clients of nominee holders shall be granted access after the said nominee holders provide OOO «Registrator «Garant», the company keeping the Company’s Shareholder Register, with information on persons entitled to participate in the General Shareholders Meeting of PJSC “LUKOIL”.

To use the e-voting service:

<p>1. Follow the link:</p> <p><a href="https://evoting.reggarant.ru/Voting/Lk">https://evoting.reggarant.ru/Voting/Lk</a></p> <p style="text-align: center;">or</p> <p>use the QR code to reach the website immediately.</p>	
<p>2. On the opening page, choose your preferred identification method:</p> <ul style="list-style-type: none"> <li>- via your <b>certified</b> account at the State Services Portal (<a href="https://gosuslugi.ru">https://gosuslugi.ru</a>);</li> <li>- using your credentials issued by OOO «Registrator «Garant».</li> </ul> <p>If you are a registered user of the Shareholder’s Personal Account service, please use your credentials to enter.</p>	
<p>3. Check the relevant box to confirm that you agree with the e-voting rules. <b><i>(This is mandatory to continue using the Service).</i></b></p> <p>4. To receive notifications on the progress of the General Shareholders Meeting and on the voting results please provide your mobile phone number and/or email address and check <i>Email Notifications</i> and/or <i>Text (SMS) Notifications</i> boxes and confirm your mobile phone number by pressing “Confirm”.</p> <p>5. Save changes.</p>	

6. In the List of Meetings section, choose the available meeting and click on the VOTE button to proceed to the ballot.

Electronic voting

Registrator Garant

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Available meetings and accounts for voting:

>PJSC "LUKOIL"

Meeting date: XX/XX/XXXX  
Date of compilation: XX/XX/XXXX  
Meeting status: **Voting is in progress**

End of voting: XX/XX/XXXX  
Meeting Form: **Absentee voting**  
Meeting type: **Extraordinary**

\*Date of compilation\* – The date on which persons who have the right to participate in the general meeting of shareholders are determined (fixed).

Account in the register, number of shares: 85 Not registered **VOTE**

7. On the electronic voting ballot page:  
7.1. Read the Meeting agenda, resolutions on agenda items that have been put to the vote, and information (reference materials) for the Meeting;  
7.2. Click to choose the voting option ("FOR," "AGAINST," "ABSTAIN") on each item on the agenda;  
7.3. Click on the VOTE button.

Electronic voting

ЛУКОЙЛ НЕФТЯНАЯ КОМПАНИЯ

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[Back to the list of meetings](#)

## PJSC "LUKOIL"

**INFORMATION ON THE ISSUER**

Issuer: **PJSC "LUKOIL"**

Date of meeting: **XX/XX/XXXX**

**SHAREHOLDER INFORMATION**

Full name: **ИВАНОВ ИВАН ИВАНОВИЧ**

Registration data: **THE CITIZENSHIP PASSPORT OF THE RUSSIAN FEDERATION 1111 111111 issued by ОУФМС РОССИИ, issue date 01/01/2001**

Registration address: **617800 ПЕРМСКАЯ ОБЛ.**

Number of voting stocks: **85**

**Voting** **Materials**

1. On payment (declaration) of dividends based on the results of the first nine months of xxxx .

Decision: To pay dividends on ordinary shares of PJSC "LUKOIL" based on the results of the first nine months of xxxx in the amount of xx roubles per ordinary share. The dividends be paid using monetary funds from the account of PJSC "LUKOIL" as follows: to nominee shareholders and trust managers who are professional market participants registered in the shareholder register of PJSC "LUKOIL" to be made not later than XX/XX/XXXX , to other persons registered in the shareholder register ...

[Full description](#)

**FOR** **AGAINST** **ABSTAIN**

Recommended specifications:

### PC

OS: Windows 7 and higher  
Browser: Google Chrome 61+  
Channel throughput: 10Mb and higher

### Mobile devices:

OS: Android 4.2 and higher, IOS  
Browser: Google Chrome, Safari  
Display resolution: 1280x720 pixels and more

If you have any questions regarding the E-voting Service, please contact OOO «Registrator «Garant»: call +7 800 500 29 47 or email: [evoting@reggarant.ru](mailto:evoting@reggarant.ru).