

Information on the candidate for the Auditor of Rosneft Oil Company

In accordance with Clause 1, Article 5 of the Federal Law of 30.12.2008 No.307-FZ "On Audit Activities", the annual accounting statements of Rosneft are subject to mandatory audit, verifying the accuracy of reporting data of the Company's annual accounting statements.

The Rosneft Procurement Commission in the field of financial, auditor and consulting services approved the material terms of tendering for contracting statutory audit of RAS accounting (financial) statements and IFRS consolidated financial statements over 2016-2018 for Rosneft and its Major Subsidiaries, and selected the sole source contractor, Ernst&Young LLC.

Board of Directors Audit Committee found it expedient to contract statutory audit of RAS accounting (financial) statements and IFRS consolidated (financial) statements over 2016-2018 for Rosneft and its Major Subsidiaries from the contractor, Ernst&Young LLC.

Pursuant to the recommendations of the Code of Corporate Conduct of RF Central Bank as of 21.03.2014 and the internal documents of Rosneft, the Rosneft's Board Audit Committee has evaluated the candidate for the Company's Auditor, and based on par 1.3.2 of Provision on Rosneft's Board Audit Committee recommended the Rosneft Board of Directors to approve Ernst & Young LLC as the Auditor of Rosneft Oil Company and establish the above mentioned amount of the audit fee. The final cost of the audit services for Rosneft in 2016 is as follows:

- as per the audit of Russian Accounting Standards financial statements of Rosneft Oil Company (legal entity) to be not more than RUR 3,246,000.00 (VAT included).
- as per the audit of IFRS consolidated financial statements of Rosneft to be not more than RUR 95,059,290.74 (VAT included).

Ernst & Young LLC established under the laws of the Russian Federation is an independent member of the global Ernst & Young network providing the audit and consulting services, consultation on taxation and business practices. Ernst & Young is one of the Big Four audit firms.

Rosneft and EY (Ernst & Young) have been successfully cooperating since 2002. Currently, the auditor renders the following services to the Company:

- statutory audit of accounting (financial) statements of Rosneft (legal entity) prepared under the Russian Accounting Standards (RAS);
- statutory audit of consolidated financial statements of Rosneft (Group reporting) prepared under the International Financial Reporting Standards (IFRS);

- reviews of the interim consolidated financial statements envisaged by IFRS ISRE 2410.
- other one-off additional audit services with respect to the new assets purchased by Rosneft Group for the purposes of reflection in the consolidated IFRS reporting.

Ernst & Young LLC is also the auditor of a number of Rosneft's major domestic and international subsidiaries.

In accordance with Subclause 10, Clause 1, Article 48 of the Federal Law On Joint Stock Companies and Subclause 9.2.2 (3), Clause 9.2, Article 9 of Rosneft Charter, approval of the Company Auditor is under the authority of the general shareholders meeting.