

Information on related-party transactions

The General Shareholders Meeting of Rosneft is authorized to make resolutions on endorsement of related-party transactions in the instances as provided for under Article 83 of the Federal Law on Joint Stock Companies (sub-item 9.2.3 of the Rosneft Charter).

In connection therewith, the following transactions (ballot No.5 Lists 1-10) are submitted for endorsement by the Annual General Shareholders Meeting under item 10 of the agenda (2015 results):

To endorse the related-party transactions, which may be executed by Rosneft in the future as part of the normal course of business¹:

1. Services (works) provided by OOO RN-Yuganskneftegaz (contractor) to Rosneft Oil Company, related to hydrocarbons production at oil and gas fields, relevant development licenses being held by the Company, including:

- 64,734.7 kt of crude oil ;
- associated gas in the amount of 5,144.9 mmcm

and transfer of the produced hydrocarbon resources to the Company for further sale for a maximum total of 261,514,501.3 k rubles.

2. Rosneft Oil Company (Buyer) transaction with AO Vankorneft (Supplier) to purchase in period: H2 2016 – H1 2017 for purchase of crude oil in the quantity of 24,095.56 Kt to the total maximum amount of 583,716,269.22 k rubles, including VAT.

3. Rosneft Oil Company (Buyer) transaction with PAO Orenburgneft (Supplier) to purchase: H2 2016 – H1 2017 for purchase of crude oil in the quantity of 16,863.38 Kt to the total maximum amount of 426,542,994.76 k rubles, including VAT.

4. Rosneft (Customer) transaction with OAO AK Transneft (Provider) for transportation of 181 437,681 k tons of crude oil to Rosneft , by trunk oil pipelines, for a total maximum of 302,754,463.2 k rubles.

5. Rosneft Oil Company (Client) transactions, under the General Agreement with Bank VBRR (AO) (Bank) on the general terms and conditions of deposit banking, for cash placement by Rosneft into deposits (including structured ones) in rubles, and/or in USA dollars, and/or in EURO and/or in Chinese yuans, or any other currencies, to the total maximum of 4,200 000,000.0 k rubles:

- term - from one day to seven years (inclusive);

- interest rate:

- for Russian rubles - no less than 0.01% annually;
- for USD - no less than 0.01% annually;
- for EURO - no less than 0.01% annually;
- for yuan China - no less than 0.01% annually;
- for other currencies - no less than 0.01% annually.

- transactions (for structured deposits) may include fixation of the exchange rate and linking the parties' liabilities to changes in the exchange rates.

6. Rosneft Oil Company (Client) transactions, under the General Agreement with VTB Bank (PAO) (Bank) on the general terms and conditions of deposit banking, for cash placement by Rosneft into deposits (including structured ones) in rubles, and/or in USA dollars, and/or in EURO and/or in Chinese yuans, and/or in any other currencies, to the total maximum of 4,200,000,000,0 k rubles:

- deposit period – from one day to seven years (inclusive);

- interest rate:

- for Russian rubles - no less than 0.01% annually;

¹ Terms of the transactions including the total maximum amount have been previously reviewed by the Rosneft Board of Directors and recommended for endorsement by the resolution of 22.04.2016 (Minutes No. 16 of 25.04.2016).

- for USD - no less than 0.01% annually;
 - for EURO - no less than 0.01% annually;
 - for yuan China - no less than 0.01% annually;
 - for other currencies - no less than 0.01% annually.
- transactions (for structured deposits) may include fixation of the exchange rate and linking the parties' liabilities to changes in the exchange rates.

7. Rosneft (Client) transactions, under the General Agreements on deposit banking and deposit banking with transaction conversion, with Bank GPB (AO) (Bank), on Rosneft cash funds placing into deposits (including structured ones), in rubles, and/or in USA dollars, and/or in EURO and/or in Chinese yuan, and/or any other currencies, to the total maximum of 4,200,000,000.0 k rubles

- deposit period – from one day to seven years (inclusive);

- interest rate:

- for Russian rubles - no less than 0.01% annually;
- for USD - no less than 0.01% annually;
- for EURO - no less than 0.01% annually;
- for yuan China - no less than 0.01% annually;
- for other currencies - no less than 0.01% annually.

- transactions (for structured deposits) may include fixation of the exchange rate and linking the parties' liabilities to changes in the exchange rates.

8. Rosneft (Client) transactions, under the General Agreement on the general terms and conditions of conversion operations, with VBRR Bank (AO) (Bank), on sale and purchase of foreign currency (conversion transactions), including together with reverse purchase and sale of currency, with the following currency pairs: USD/RUR, EURO/RUR, EURO/USD and/or any other currency pairs (including USD/Japanese yen, USD/Chinese yuan, USD/ Singapore dollar, USD/ Hong Kong dollar), to the total maximum 4,200,000,000.0 k rubles:

- for USD purchase/sale for rubles – no less/more than maximum/minimum rate at MICEX as of the day of transaction plus/minus 10% of the maximum/minimum rate;

- for EURO purchase/sale for USD – no less/more than maximum/minimum rate at MICEX as of the day of transaction plus/minus 10% of the maximum/minimum rate;

- for EURO purchase/sale for USD – no less/more than maximum/minimum rate at MICEX as of the day of transaction plus/minus 10% of the maximum/minimum rate;

- for other currency purchase/sale (including USD/Japanese yen, USD/Chinese yuan, USD/ Singapore dollar, USD/ Hong Kong dollar), - no less/more than maximum/minimum rate according to Thomas Reuters, Bloomberg information agency as of the day of transaction, plus/minus 10% of the maximum/minimum rate.

9. Execution by Rosneft (Client), under the General Agreement on forward deals at financial markets and the General Agreement on the general terms and conditions of conversion operations using electronic means of communication, of transactions with the VTB Bank (PAO) on sale and purchase of foreign currency (forex transactions), including the combination with reverse currency exchange, with the following currency pairs: USD/RUR, EURO/RUR, EURO/USD and/or other currency pairs, USD/Japanese yen, USD/Chinese yuan, USD/ Singapore dollar, USD/ Hong Kong dollar for the total maximum amount of 4,200,000,000.0 k rubles

- for USD purchase/sale for rubles – no less/more than maximum/minimum rate at MICEX as of the day of transaction plus/minus 10% of the maximum/minimum rate;

- for EURO purchase/sale for USD – no less/more than maximum/minimum rate at MICEX as of the day of transaction plus/minus 10% of the maximum/minimum rate;

- for EURO purchase/sale for USD – no less/more than maximum/minimum rate at MICEX as of the day of transaction plus/minus 10% of the maximum/minimum rate;

- for other currency purchase/sale (including USD/Japanese yen, USD/Chinese yuan, USD/ Singapore dollar, USD/ Hong Kong dollar), - no less/more than maximum/minimum rate according

to Thomas Reuters, Bloomberg information agency as of the day of transaction, plus/minus 10% of the maximum/minimum rate.

10. Rosneft (Client) transactions, under the General Agreement on the general terms and conditions of foreign currency purchase and sale (conversion operations), with GPB Bank (AO) (Bank), on sale and purchase of foreign currency (conversion transactions), including together with reverse purchase and sale of currency, with the following currency pairs: USD/RUR, EURO/RUR, EURO/USD and/or any other currency pairs (including USD/Japanese yen, USD/Chinese yuan, USD/ Singapore dollar, USD/ Hong Kong dollar), to the total maximum 4,200,000,000.0 k rubles:

- for USD purchase/sale for rubles – no less/more than maximum/minimum rate at MICEX as of the day of transaction plus/minus 10% of the maximum/minimum rate;
- for EURO purchase/sale for USD – no less/more than maximum/minimum rate at MICEX as of the day of transaction plus/minus 10% of the maximum/minimum rate;
- for EURO purchase/sale for USD – no less/more than maximum/minimum rate at MICEX as of the day of transaction plus/minus 10% of the maximum/minimum rate;
- for other currency purchase/sale (including USD/Japanese yen, USD/Chinese yuan, USD/ Singapore dollar, USD/ Hong Kong dollar), - no less/more than maximum/minimum rate according to Thomas Reuters, Bloomberg information agency as of the day of transaction, plus/minus 10% of the maximum/minimum rate.

11. Execution by Rosneft (Client) of transactions with Bank VBRR (AO) (Bank) on raising loans by Rosneft (including overdrafts and credit lines) in rubles and/or foreign currency to the maximum amount of 4,200,000,000.0 k rubles on the following terms and conditions:

- term – no more than 30 days;
- interest rate:
 - for Russian rubles – no higher than that of MosPrime (MIBOR) for the respective term minus 10% p.a.;
 - for USD – no higher than Libor (US dollars) for the respective term plus 10% p.a.;
 - for EURO – no higher than Libor (EURO) for the respective term plus 10% p.a.;
 - for yuan China – no higher than Shibor (China yuan) for the respective term plus 10% p.a.;
 - for other currencies – no higher than the indicative average market rate for the corresponding period according to Thomson Reuters and Bloomberg information agencies, plus 10% p.a.

12. Rosneft (Client) transactions with Bank VTB (PAO) (Bank) on raising loans (including overdrafts and credit facilities), including under the Agreement on the procedure for credit transactions using the Reuters-Dealing system and other telebanking services, as well as long-term loans in rubles and/or foreign currency to the total maximum of 4,200,000,000.0 k rubles.

1) loans for the period up to 1 year:

- total maximum amount - 3,315,000,000.0 k rubles;
- term – up to 1 year (inclusive);
- interest rate:

- for Russian rubles – no higher than that of MosPrime (MIBOR) for the respective term minus 10% p.a.;
- for USD – no higher than Libor (US dollars) for the respective term plus 10% p.a.;
- for EURO – no higher than Libor (EURO) for the respective term plus 10% p.a.;
- for yuan China – no higher than Shibor (China yuan) for the respective term plus 10% p.a.;
- for other currencies – no higher than the indicative average market rate for the corresponding period according to Thomson Reuters and Bloomberg information agencies, plus 10% p.a.

2) long term loans (credit facilities):

- total maximum amount - 885,000,000 k rubles;
- loan period – from 365 days to 7 years;
- interest rate:

- for Russian rubles – no higher than MosPrime (MIBOR) for the corresponding period plus 10% p.a., or the Key CBR Rate plus 10% p.a., or a fixed rate - no more than 22% p.a.;
 - for USD – no higher than Libor (US dollars) for the respective term plus 10% p.a., or a fixed rate - no more than 11% p.a.;
 - for EURO – no higher than Libor (EURO) for the respective term plus 10% p.a., or a fixed rate - no more than 12% p.a.;
 - for yuan China / other currencies – no more than 15% p.a.
- financing arrangement fee - no more than 1% of the credit amount;
- loan interest – no more than 3.0% pa.

13. Execution by Rosneft (Client) of transactions with Bank GPB (AO) (Bank) on raising loans (including overdrafts and credit lines) including those being part of the Agreement on the procedure for execution of credit transactions using the Reuters-Dealing system and other telebanking services, in rubles and/or foreign currency to the total maximum amount of 4,200,000,000.0 k rubles on the following terms and conditions:

- loan period – no more than 30 days;
- interest rate:
 - for Russian rubles – no higher than that of MosPrime (MIBOR) for the respective term minus 10% p.a.;
 - for USD – no higher than Libor (US dollars) for the respective term plus 10% p.a.;
 - for EURO – no higher than Libor (EURO) for the respective term plus 10% p.a.;
 - for yuan China – no higher than Shibor (China yuan) for the respective term plus 10% p.a.;
 - for other currencies – no higher than the indicative average market rate for the corresponding period according to Thomson Reuters and Bloomberg information agencies, plus 10% p.a.

14. Conclusion of REPO / reverse REPO transactions between Rosneft (Client) and VTB Bank (PAO) (Bank) to the total maximum amount of 4,200,000,000.0 k rubles or an equivalent in a foreign currency at the exchange rate established by the Central Bank of the Russian Federation as of the date of a relevant transaction subject to the following terms and conditions:

- subject – bilateral sale (purchase) of securities;
- direct REPO rate:
 - for Russian rubles – no higher than that of MosPrime (MIBOR) for the respective term minus 10% p.a.;
 - for USD – no higher than Libor (US dollars) for the respective term plus 10% p.a.;
 - for EURO – no higher than Libor (EURO) for the respective term plus 10% p.a.;
 - for yuan China – no higher than Shibor (China yuan) for the respective term plus 10% p.a.;
 - for other currencies – no higher than the indicative average market rate for the corresponding period according to Thomson Reuters and Bloomberg information agencies, plus 10% p.a.
- term – from one day to seven years (inclusive);
- reverse REPO rate:
 - for Russian rubles - no less than 0.01% annually;
 - - for USD - no less than 0.01% annually;
 - - for EURO - no less than 0.01% annually;
 - - for yuan China - no less than 0.01% annually;
 - - for other currencies - no less than 0.01% annually.
- term – from one day to seven years (inclusive);

15. Conclusion of transactions on sale and purchase of bonds and promissory notes between Rosneft (Client) and Bank VTB (PAO) (Bank/broker) to the total maximum amount of 4,200,000,000.0 k rubles or an equivalent in a foreign currency at the exchange rate established by

the Central Bank of the Russian Federation as of the date of a relevant transaction subject to the following conditions:

- subject – unilateral sale (purchase) of securities; (bonds, promissory notes of various issuers);
- expected yield to maturity (except for Rosneft bonds):
 - for Russian rubles - no less than 0.01% annually;
 - for USD - no less than 0.01% annually;
 - for EURO - no less than 0.01% annually;
- for other currencies - no less than 0.01% annually.

16. Conclusion of transactions between Rosneft (Client) and Bank VTB (PAO) (Bank) for purchase and sale of Credit Linked Notes to the amount of 4,200,000,000.0 k rubles or an equivalent in a foreign currency at the exchange rate established by the Central Bank of the Russian Federation as of the date of a relevant transaction subject to the following conditions:

- subject – purchase and sale of equity securities (Credit Linked Notes), having ID-number in European Depository and Clearing Center Euroclear;
- level of yield:
 - for Russian rubles - no less than 0.01% annually;
 - for USD - no less than 0.01% annually;
 - for EURO - no less than 0.01% annually;
 - for yuan China - no less than 0.01% annually;
 - for other currencies - no less than 0.01% annually.
- term - up to seven years.

17. Rosneft (Client) REPO/ reverse REPO transactions with VTB Bank (PAO) (broker/bank), for the sale and purchase of Rosneft bonds during the Initial Public Offering to the total maximum of RUR 1,000,000,000.0 ths. or an equivalent in a foreign currency at the exchange rate established by the Central Bank of the Russian Federation as of the date of Offering.

18. Conclusion by Rosneft Oil Company (Client) of transactions with OAO Bank VTB (Bank) for the currency and commodity derivatives (forwards, options, currency swaps, option structures, combined (forwards and options) structures, including combination of the above instruments) to the total maximum amount of 312,000,000.0 k rubles or an equivalent in a foreign currency at the exchange rate established by the Central Bank of the Russian Federation as of the date of a relevant transaction subject to the following conditions:

- the subject matter is changing the basic currency to other currency under general agreements on derivative financial instrument deals in financial markets (RISDA) under the conditions for the selected type of the currency derivative;
- basis asset – currency pairs;
- economic result – in respect of the currency pares: fixing prices for basis assets at the level not lower than the prices fixed in the Company's business plan; in respect of the Company's liabilities: fixing and/or reducing the deposit rate for Rosneft liabilities in the currency different from USD;
- term – up to 10 years.

19. Conclusion by Rosneft (Client) and Bank VTB (PAO) (Bank) in the framework of the General Agreement for forward transactions in the financial markets of currency and interest (cross currency) swap to the total maximum amount of 500,000,000.0 thousand RUR or an equivalent in a foreign currency at the exchange rate established by the Central Bank of the Russian Federation as of the date of a relevant transaction subject to the following conditions:

- subject – periodic (one-off) payment by each party of sums of money depending on change in the basis asset price;
- basis asset – credit rates in various currencies, including those based on volatility indicators (MosPrime (MIBOR), Libor (US dollars), EURibor), charged on the interest swap nominal expressed in various currencies;

- economic result – replacement of the Company currency obligations, fixing and/or reduction of interest rates on the Rosneft loans;
- term – up to 10 years.

20. Conclusion by Rosneft (Client) and Bank VTB (PAO) (Bank) in the framework of the General Agreement for the forward transactions on the interest swap financial markets and possible combinations of interest derivatives to the total maximum amount of 606,000,000.0 k rubles or an equivalent in a foreign currency at the exchange rate established by the Central Bank of the Russian Federation as of the date of a relevant transaction subject to the following conditions:

- subject – periodic (one-off) payment by each party of sums of money depending on change in the basis asset price;
- basis asset – credit rates in various currencies, based on volatility indicators (MosPrime (MIBOR), Libor (US dollars), EURibor), charged on the interest swap nominal expressed in various currencies;
- economic result – fixing and/or reduction of interest rates on the Rosneft loans;
- term – up to 10 years.

In accordance with article 81 of the Federal Law on Joint Stock Companies, all transactions are related party transactions on the following grounds:

1. Transactions made by Rosneft with its Subsidiaries (OOO RN-Yuganskneftegaz, AO Vankorneft; Bank RRDB (AO)) are related-party transactions because subsidiaries of Rosneft - parties to the transaction are affiliated to AO ROSNEFTEGAZ holding over than 20% of the voting shares of Rosneft (subsidiaries of the Company and AO ROSNEFTEGAZ are parts of one group of entities); AO ROSNEFTEGAZ jointly with its affiliated entity Rosneft, holds over 20 percent of the shares (participatory interests) of the subsidiaries – parties to the transaction.

2. The transaction executed by Rosneft with PAO Orenburgneft is a related party transaction because E. Liron, member of Rosneft Management Board, is the Chairman of the Board of Directors of PAO Orenburgneft - a party to the transaction;

3. The transaction executed by Rosneft with OAO AK Transneft is a related party transaction, since:

- Deputy Chairman of the Board of Directors of Rosneft M.Warnig. is a member of the Board of Directors of OAO AK Transneft - a party to the transaction.
- member of the Board of Directors of Rosneft A.V.Novak is chairman of the Board of Directors of OAO AK Transneft - a party to the transaction.

4. Transactions made by Rosneft with Bank VTB (PAO) are related party transactions because M. Warnig, Deputy Chairman of Rosneft Board of Directors, is a member of the Supervisory Board, a member of the Audit Committee of Bank VTB (PAO) – a party to the transactions.

5. Transactions made by Rosneft with Bank GPB (AO) are related party transactions, because:

5.1. Affiliates of Rosneft shareholder holding over 20% of the voting shares of the Company – AO ROSNEFTEGAZ are as follows:

- A.I. Akimov, a member of the Board of Directors of AO ROSNEFTEGAZ is the Deputy Chairman of the Board of Directors and Chairman of the Management Board of Bank GPB (AO) - a party to the transactions;
- S.S. Ivanov, a member of the Board of Directors of AO ROSNEFTEGAZ is a member of the Board of Directors of Bank GPB (AO) - a party to the transactions.

5.2. - A.I. Akimov, a member of the Board of Directors of Rosneft is Deputy Chairman of the Board of Directors, the Chairman of the Management Board of Bank GPB (AO) - a party to the transactions.