

Executive bodies – **MANAGEMENT BOARD** (collective executive body) and **CEO** (sole executive body who performs the functions of the Chairman of the Management Board). The CEO and the Management Board are accountable to the Board of Directors and the General Shareholders Meeting. As of 31 December 2015, the Management Board was comprised of 11 members<sup>1</sup>.

The Company's CEO is Alexander Dyukov.

The Company has mechanisms that aim to eliminate the possibility of a conflict of interests in the supreme governing bodies<sup>2</sup>.

## REMUNERATION FOR MEMBERS OF THE BOARD OF DIRECTORS AND MANAGEMENT BOARD

The remuneration programme for the Company's top and senior executives includes base remuneration that is determined individually and fixed in the employment contract, an annual bonus and a long-term incentive programme<sup>3</sup>. The annual bonus aims to motivate key management personnel to achieve the annual goals. When determining the size of the annual bonus, the degree to which executives fulfilled a fixed set of KPIs and business initiatives is analysed and approved. This set of KPIs includes performance indicators with respect to the Company's strategic goals as well as corporate, financial and performance targets,

and starting in 2016 it also comprises indicators demonstrating compliance with industrial safety and occupational safety standards. In addition to the annual bonus, Gazprom Neft employs a long-term incentive system based on the dynamics of the Company's market capitalisation over a three-year period. The amount of remuneration for members of the Board of Directors depends on the Company's financial results and is annually approved by shareholders, which eliminates the risk of potential abuses of the remuneration programme.

## Information policy

Gazprom Neft maintains a high level of information openness and transparency. The Company promptly and regularly discloses information about its activities to an extent that is capable of influencing its financial and business operations.

Gazprom Neft has an Information Policy that ensures effective information interaction between the Company, shareholders, investors and all stakeholders. The Board of Directors monitors the compliance of the information policy. The Company discloses balanced and objective information, which is above all evidenced by the fact that Gazprom Neft does not avoid disclosing negative information about itself since it understands the importance of such information for shareholders and potential investors.

Gazprom Neft publishes all the main forms of its financial statements prepared in accordance with IFRS and RAS as well as its sustainable development reporting in the "Investors" section of its official website (<http://www.gazprom-neft.com>). The reporting is confirmed by audit reports. The Company also publishes documents governing the activities of Gazprom Neft's management and supervisory bodies, financial and production indicators and information about the impact of the Company's activities on the economy, environment and society. Information is published in Russian and English.

### THE CORE PRINCIPLES OF THE COMPANY'S INFORMATION POLICY ARE

- the regular, consistent and prompt provision of information;
- the objectivity, accuracy, completeness and comparability of all disclosed data;
- neutrality of information, i.e. eliminating the possibility of the preferential satisfaction of the interests of one group over those of another;
- ensuring shareholders and other stakeholders have the opportunity for free and easy access to information disclosed by the Company;
- maintaining a reasonable balance between the Company's transparency and its commercial interests.