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Gazprom Neft has established the Corporate Culture and Ethics Working Committee to ensure compliance with the Company's Code. This committee is made up of Management Board members.

**The Corporate Governance Code requires the directors to:**

- > refrain from any actions that may result in a conflict of interest;
- > abstain from voting on matters where they have a personal interest;
- > refrain from disclosing or using for personal or third-party gain any confidential and/or insider information about the Company.

In 2018, an Extraordinary General Meeting of Shareholders approved a new version of the Regulation on the Board of Directors of Gazprom Neft. Now, it has a section

on identification and prevention of conflicts of interest on the Board of Directors specifying procedures to avoid the same, including:

- > mandatory notification of such conflicts;
- > the inclusion of information on a conflict in the materials provided at a meeting;
- > the right to suggest that the director involved in the conflict not be present at the discussion;
- > prohibited use of any direct or indirect benefits offered by persons promoting their interests in the decision making.

Information on directors' involvement with other companies is verified on a quarterly basis. In 2018, members of Gazprom Neft's Board of Directors and Management Board had no conflicts of interest.



Corporate Code

## Remuneration of the Board of Directors and the Management Board

The Company has put in place a remuneration scheme for the Management Board and senior management that is used to calculate bonuses for meeting short-term targets and a long-term incentive programme that rewards the Company's managers for increased stock prices in each of its three-year periods. Remuneration payable to the Board of Directors is linked to the Company's financial results and is subject to annual approval by the shareholders. The discretionary control by shareholders is necessary to prevent potential abuse of the remuneration process.

In 2018, the General Meeting of Shareholders resolved to allocate and pay 0.005% of EBITDA to the non-executive directors.

In addition to the base remuneration, the directors received additional payments for chairing the Board of Directors and its committees and membership in the Board's committees (50%, 50%

and 10% of remuneration payable to directors, respectively).

Total remuneration paid to the Board of Directors in 2018 amounted to ₺ 366.39 m, inclusive of personal income tax. The Company did not reimburse directors for expenses related to discharging their duties.

The members of the Management Board are entitled to the base remuneration as specified in their respective employment contracts, as well as annual bonuses and LTIP payments.