

## ANTI-FRAUD AND ANTI-CORRUPTION POLICIES AND PROCEDURES

// In 2014, the Company adopted an Anti-Fraud and Anti-Corruption Policy that serves as the fundamental internal regulatory document of the Company and its subsidiaries in combatting corruption.

The Policy defines the concept of fraud and other anti-fraud terminology and stipulates that the Company's senior management must institute unified ethical standards to reject corruption in all its forms and manifestations. The Policy specifies the methods and procedures employed by the Company to combat fraud and corruption, in particular the Company's hotline, internal investigations and prosecution for instances when fraud is committed.

The Policy separately describes the risks of corruption that are typical for companies working in the oil production and refining industries.

The Policy contains a section that sets forth the fundamental principles for implementing the Company's business processes that are most susceptible to fraud risks, specifically: interaction with officials, the receiving and giving of gifts, entertainment expenses, charitable and sponsorship activities and financial relations with third parties.

The Anti-Fraud and Anti-Corruption Policy requires the Company's employees to be trained in the principles of rejecting fraud and the foundations of applicable law.

The Company's Deputy CEO for Security and Head of the Internal Audit Department periodically report to Company management on anti-fraud and anti-corruption matters.

**D&O INSURANCE** // Gazprom Neft started providing directors and officers (D&O) liability insurance for the Gazprom Neft Group in 2011. The policy covers all errors and omissions by directors and officers except for intentional violations of the law, fraud and other criminal offences. The total limit for all insurance coverage and extensions is EUR 45 million. The coverage area is worldwide.

EUR **45** mn  
Total limit for all insurance coverage and extensions.  
Worldwide coverage

**EXTERNAL AUDITOR** // Each year the Company hires a professional auditing firm that is not associated with the Company through property interests or its shareholders from among the top international auditing companies to audit and confirm the accuracy of its annual financial statements. The Audit Committee conducts the preliminary assessment of auditing firm candidates.

The Company does its best to ensure that the Auditor does not provide the Company with non-audit services or that the cost of non-audit services does not exceed 25% of the total cost of the audit services rendered by the Company. In 2015, the Auditor did not provide non-audit services.

The Company's Auditor is approved by the General Meeting of Shareholders based on a proposal from the Board of Directors following a competition to select auditing firms in accordance with existing law.

In order to assess the quality of work performed by the external Auditor, the Audit Committee reviews reports by the external Auditor and statements from management and also conducts in-person meetings with representatives of the Auditors.

In June 2015, JSC PricewaterhouseCoopers Audit was re-elected as the Company's Auditor at the General Meeting of Shareholders.

### In September 2015, the Board of Directors set payment for the Auditor's services at RUB 57 million (excluding VAT):

- RUB 11 million – audit services for Gazprom Neft statements according to Russian Accounting Standards (RAS);
- RUB 46 million – audit services for the consolidated statements according to International Financial Reporting Standards (IFRS), including services involving the audit of interim statements.