

Remuneration and liability insurance for Members of Board of Directors, Members of Management Committee and Chairman of Management Committee

Principles of remuneration for Members of Gazprom Board of Directors

The Company's Board of Directors approved the Regulation on the Remuneration Procedure for Members of the Gazprom Board of Directors (Decision No. 2523 dated April 15, 2015, as amended by Decision No. 3635 dated August 20, 2021).

In accordance with the Regulation, remuneration payable to each Member of the Board of Directors consists of the basic, additional and bonus parts.

Basic remuneration is paid for the performance of the duties of a Member of the Company's Board of Directors. Its amount is calculated based on the average number of issues reviewed annually, as well as qualifications and scope of responsibility of Directors conditioned by the scale of the Company's activities.

Additional remuneration is paid for additional responsibilities taken on by a Member of the Board of Directors when functioning as Chairman of the Board of Directors, Deputy Chairman of the Board of Directors, or serving on the Board of Directors' committees.

Bonus remuneration is variable depending on the Company's year-end results for the completed fiscal year, taking into account the degree of achievement of the corporate-wide KPIs as of the end of the fiscal year.

The Regulation also stipulates that the Board of Directors may advise the General Shareholders Meeting not to pay remuneration to the Members of the Board of Directors or to pay less than the amount calculated under this Regulation in case of any unforeseen circumstances that occurred during the membership period, having a significant impact on the performance of the Members of the Board of Directors and/or on the operating results of the Company.

In the event the matter of unilateral refusal to pay interest on bonds without a maturity date issued by a subsidiary company of Gazprom is submitted for consideration by the Board of Directors, the Board of Directors shall, simultaneously with rendering the decision on such refusal, consider reducing in full the remunerations payable to Members of the Board of Directors in the year when such refusal is stipulated.

Liability insurance for directors, officers and Gazprom

The liability insurance program for the Board of Directors Members (including independent directors), the Management Committee Members and the Chairman of the Management Committee, as well as Heads of Departments at Gazprom who are not on the Gazprom Management Committee (hereinafter the “D&O Insurance”) has been implemented at Gazprom since 2008. The D&O Insurance reimburses shareholders, lenders or other persons against damages caused by unintended wrong actions (failure to act) of the company’s executives when carrying out their managerial duties. Having such a D&O liability insurance is a standard practice introduced at large public companies, as well as a mandatory condition for placing securities on international financial markets and a major factor in promoting the positive image of the company.

The D&O Insurance program is relevant for Gazprom due to the integration of Gazprom’s activities in the global economy and the implementation of the external financial borrowings program, as well as in order for the Company to cover the risks of damage to its valuable interests.

The existing D&O Insurance of Gazprom covers the following risks:

1. Claims filed by third parties against the Gazprom Board of Directors Members (including independent directors, but except for individuals who are governmental officials), the Chairman of the Gazprom Management Committee, the Gazprom Management Committee Members, and Heads of Departments at Gazprom who are not on the Company’s Management Committee (the insured individuals) for the reimbursement of losses caused by unintended wrong actions of the insured individuals when carrying out their managerial duties;

2. Claims filed by third parties against Gazprom for the reimbursement of losses caused by unintended wrong actions of the insured individuals when carrying out their managerial duties, with such claims being based on:

- claims asserted with regard to Gazprom’s securities;
- claims initially asserted against the insured individuals.

The amount of the insurance compensation and other parameters of the insurance program remain unchanged in the reporting period.

The insurance compensation under the D&O Insurance of Gazprom corresponds to the needs of the Company and the international D&O insurance standards in general.