

**Approved by decision of the
Board of Directors of PJSC “LUKOIL”,
22 November 2016 (Minutes No.24),
with amendments approved by decision of the
Board of Directors of PJSC “LUKOIL” of
14 December 2017 (Minutes No.21) and
13 October 2022 (Minutes No.20)**

Director Compensation and Expense Reimbursement Policy
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Preamble

The *Dktgevt Cqorgpucvkqp cpf Ezrgpug Rgkodwtugogpv Pqnke{ qh PJSC ðLWKOILö* (the Policy) has been developed in accordance with applicable Russian law and the Corporate Governance Code, approved by the Board of Directors of the Bank of Russia on March 21, 2014.

The Policy is an important part of the corporate governance structures at PJSC “LUKOIL” (the Company) based on best national and international practices. By determining the approaches to reasonable and *bona fide* performance of duties by Board members, including through remuneration, the Policy is designed to reward Board members for value delivered to the Company as well as to attract appropriately skilled and competent candidates to the Board and compensate for time and effort spent by the individual Member to enable him or her to be properly prepared for the performance of the role.

Members of the Board of Directors of PJSC “LUKOIL” are chosen, through an objective process, to ensure that the Board of Directors as a whole has the range of skills and competencies necessary to guide the Company successfully and to monitor its performance on behalf of all of its shareholders and stakeholders in the environments in which it operates.

Regular evaluation of the Board is designed to monitor the performance and compensation of the Board as a whole and of its individual members to ensure continued effectiveness.

1. Goals and Objectives

The Policy is designed to pursue the following goals:

- build an efficient and transparent practice of remuneration of members of the Company’s Board of Directors (Board members);

- involve in cooperation highly qualified professionals with expertise in governance and skills required to improve the Board of Director’s performance and provide sufficient incentives for them to serve on the Board of Directors;

- ensure that the interests of the Board members are aligned with those of the Company’s shareholders;

- disclose information to stakeholders for them to be able to assess whether the level of remuneration of members of the Board of Directors corresponds to their duties and the Company’s performance indicators;

- fully report to stakeholders all the components of the Board’s remuneration system, including basic principles and types of payments due to the Board members;

- assist the Company’s long-term and sustainable development.

The Company is seeking to create a remuneration system for the Board members that would promote the following:

support independence in decision making, as expected from each member of the Board of Directors;

be aligned to the scope of the Company’s activities and complexity of managing its business;

take into account the responsibility of members of the Board of Directors, their authority and time required to make optimal and efficient business decisions;

correspond to the contribution of each member of the Board of Directors to his/her performance.

Subject to the resolution of the Company’s General Shareholders Meeting, members of the Board of Directors shall be remunerated and the expenses connected with their performance of the Board of Directors functions shall be reimbursed.

The amount of remuneration payable to members of the Company’s Board of Directors shall be determined by the Annual General Shareholders Meeting.

2. Principles of Remuneration and Reimbursement of Expenses to Members of the Board of Directors

The amount of remuneration and reimbursements payable by the Company to its Board members shall be sufficient to provide good incentives for their efficient work enabling the Company to attract and retain competent and qualified professionals. The Company shall pursue the following principles of remuneration and reimbursement of expenses to members of its Board of Directors:

Equality principle

The amounts of remuneration and reimbursements to the Board members established by the Company shall be applicable to all the Board members irrespective of whether the member is an executive, non-executive or independent director.

Accessibility principle

The Company shall seek to ensure that the structure of remuneration, including additional remuneration and reimbursable expenses, should be understandable to members of the Board of Directors, shareholders and other stakeholders.

Transparency principle

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The Board fee

- expenses of the persons (translator, consultant, administrative assistant) accompanying a member of the Board of Directors who is performing his/her functions or representatives of the Board of Directors member on matters associated with the Board of Directors activities, in the amount actually incurred and supported by documentary evidence by one person (accompanying person or representative) for each travel connected with the activities of this member of the Board of Directors.

Reimbursement of expenses to members of the Board of Directors means reimbursement of what was actually incurred and supported by documentary evidence.

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reimbursed during the reporting period, shall be included in the Company's Annual Report.

The Annual Report of PJSC "LUKOIL" discloses information on the total amount of remuneration paid to members of the Company's Board of Directors in the reporting period.

8. Final Provisions

The Human Resources and Compensation Committee of the Company' Board of Directors may monitor the remuneration of members of the boards of directors, as it is practiced at public joint-stock companies in the Russian Federation, and come up with proposals on amending or revising the Policy in line with the Policy's announced goals and objectives.

This Policy and all amendments and addenda hereto shall become effective upon approval by the Company' Board of Directors.