

of welfare benefits increased by 8% against 2018; and excluding retirement benefits from JV Vietsovpetro, the increase in welfare benefits amounted to 10%, as shown below.

Intangible incentives constitute an inherent part of the personnel motivation system. In order to encourage employees and labor collectives for significant contribution to Zarubezhneft JSC's development and for the achievement of prominent production, financial and economic indicators, as well as for the purpose of improving corporate culture, the Company established titles of honor such as "Honored Employee of Zarubezhneft JSC", "Long-Service Worker of Zarubezhneft JSC", and such awards as Zarubezhneft JSC Certificate of Appreciation and Zarubezhneft JSC Certificate of Acknowledgment.

Over the last year, 236 employees of Zarubezhneft Group won departmental and corporate awards.

RECRUITMENT AND ONBOARDING

The Group's priority in the area of recruitment is to meet the business need for highly qualified professionals through maximizing the use of internal candidates and personnel rotation.

Zarubezhneft JSC widely applies the employees' onboarding system: for new employees, an onboarding workshop is held, supervision and on-the-job training are practiced, and an individual onboarding plan for each employee is drawn up. For successful onboarding purposes, since 2018 at Zarubezhneft JSC, the automated personnel management system "WebTutor" has been functioning: on the first day of employment, a new employee of the Company gets access to his/her personal account, receives an invitation to take mandatory introductory courses and get familiar with the materials about the Company,

including "New Employee's Guidebook", "Corporate Code of Ethics", and other documents.

PERSONNEL EVALUATION, TRAINING AND DEVELOPMENT

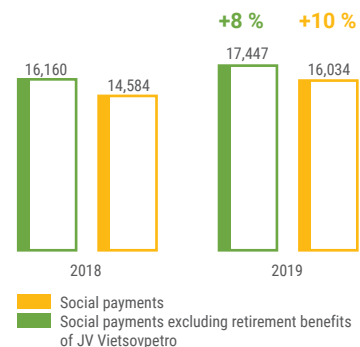
Pursuant to the Company's Human Resources Policies, personnel evaluation (assessment) is a flexible and transparent system of managing employees' performance, aimed at timely and high-quality fulfillment of strategic objectives through providing unbiased evaluation and ensuring efficient development of employees' performance and professional expertise.

The Company conducts annual personnel assessment on an ongoing basis, which allows us to systematically and objectively evaluate employee performance indicators, identify the most promising employees, encourage Company employees for prominent labor results and high professionalism, and determine the potential areas for both professional and personal development of employees.

Employees are evaluated against the following indicators:

- achievement of individual objectives/tasks by the employee over the past year;
- level of professional expertise development;
- level of development of corporate and managerial competencies;
- implementation of the development map/individual development plan for the past year;

Dynamics of social payments per one employee of Zarubezhneft Group, RUB



- level of the employee's potential for further career growth and development;
- total performance of the employee.

Based on the results of annual evaluation, employees are provided with detailed and substantiated information on the performance and level of development of the employee's expertise. Proposals are then formed and a decision is made as to the expediency of raising the professional status, changing the grade/position, promotion of the employee to a higher position, inclusion of the employee into the talented personnel pool, and priorities in the development of key expertise areas and individual objectives for the next year are determined for each employee.

The Company implements external assessment activities, such as the Assessment Center, 180/360-degree review, and various

Awards

Types of awards	Number of the awarded (persons)	Including foreign citizens
Departmental	34	33
Corporate	202	-
TOTAL	236	33