

DIVIDEND POLICY

The dividend policy – is one of the most important components of corporate governance and a key indicator of the Company's observance of its shareholders' rights.

The Gazprom Neft PJSC Regulation on the Dividend Policy is designed to ensure that the mechanism used to determine the amount of dividends and the procedure for their payment is as transparent as possible for shareholders and all stakeholders and also describes the approach of the Company's Board of Directors to preparing recommendations for the General Meeting of Shareholders on the amount of dividends to be paid on the Company's shares, the date as of which shareholders must be registered to receive dividends and the procedure for their payment.

The main principles of the Gazprom Neft PJSC dividend policy are:

- > Ensuring the maximum transparency of the mechanism used to determine the amount of dividends and the procedure for their payment.
 - The Dividend Policy Regulation specifies the minimum amount of dividend payments on the Company's shares – this amount must not be less than the largest of the following indicators:
 - 15% of the Gazprom Neft Group's consolidated financial result as determined in accordance with IFRS;
 - 25% of the Company's net profit as determined in accordance with RAS.

Gazprom Neft adheres to the principle of ensuring positive dynamics in dividend payments when the Company increases net profit.

- > Compliance with the standards of the existing laws of the Russian Federation as well as the Company's Charter and internal documents.
 - Each shareholder recorded in the shareholder register as of the date determined by the General Meeting of Shareholders at which the decision is made to pay dividends is entitled to receive dividends. This date may not be set earlier than 10 days from the date of the decision to pay (announce) dividends or 20 days later from the date of this decision.
- > Commitment to high corporate governance standards.
 - The Company adheres to the principle of ensuring positive dynamics in dividend payments, subject to growth in the Company's net profit;
 - The approved Gazprom Neft PJSC Dividend Policy Regulation is posted on the Company's official website, which also details the Company's dividend payment history.

DIVIDEND HISTORY

DIVIDEND HISTORY OF THE COMPANY

	2011	2012	2013	2014	2015
Amount of dividends accrued per one share, RUB	7.3	9.3	9.38 (including dividends for H1 2013)	6.47 (including dividends for H1 2014)	6.47 (including dividends for H1 2015)
Total amount of dividends accrued per share of a particular category, RUB	34,611,487,365	44,094,086,643	44,473,390,614	30,676,208,664	30,676,208,664
Percentage of US GAAP/IFRS net profit, %	22	25	25	25	28
Compilation date of list of persons entitled to receive dividends	24/04/2012	23/04/2013	23/06/2014	22/06/2015	27/06/2016
Meeting date of issuer's governing body at which the decision was made to pay dividends and the date and number of the minutes	08/06/2012 Minutes No. 0101/02 dated 14/06/2012	07/06/2013 Minutes No. 0101/03 dated 17/06/2013	06/06/2014 Minutes No. 0101/01 dated 06/06/2014	05/06/2015 Minutes No. 0102/18 dated 05/06/2015	10/06/2016 Minutes No. 0101/01 dated 14/06/2016
Deadline given for payment of declared dividends	Before 07/08/2012	Before 06/08/2013	Before 28/07/2014	Before 27/07/2015	Before 01/08/2016
Form and other conditions of payment of declared dividends	In cash form	In cash form	In cash form	In cash form	In cash form
Ratio of unpaid dividends to accrued dividends, ¹ %	0.02	0.03	0.05	0.02	0.02

COMPARISON OF TOTAL RETURN

SHAREHOLDER'S TOTAL RETURN

Source: Company data, Moscow Exchange PJSC

	2011	2012	2013	2014	2015	2016
Gazprom Neft						
Amount of dividends accrued per one share, RUB	7.3	9.3	9.38	6.47	6.47	10.68
Share price at start of period, RUB	130.47	150.80	143.75	147.67	142.00	152.90
Share price at end of period, RUB	148.18	142.52	146.77	143.00	153.95	214.00
TSR, %	19.2	0.7	8.6	1.2	13.0	46.9

¹ Dividends not paid to shareholders who failed to provide data for the calculation of dividends in accordance with clause 5 of Article 44 of Federal Law No. 208-FZ dated 26 December 1995 'On Joint-Stock Companies'. Dividends accrued for shares belonging to unidentified holders are paid once the rights of the shareholders to the securities have been established.