

Participation in depository receipts programme

Average monthly ADR trading volume of Gazprom Neft via the LSE IOB in 2018 stood at

\$ 12.5
M

The Company's American and global depository receipts programmes continued into 2018 with its receipts trading on the OTC markets of the USA, the UK, Germany and other countries. One ADR is equivalent to five ordinary shares of Gazprom Neft. The Bank of New York Mellon is the Company's depository bank for its depository receipts programmes.

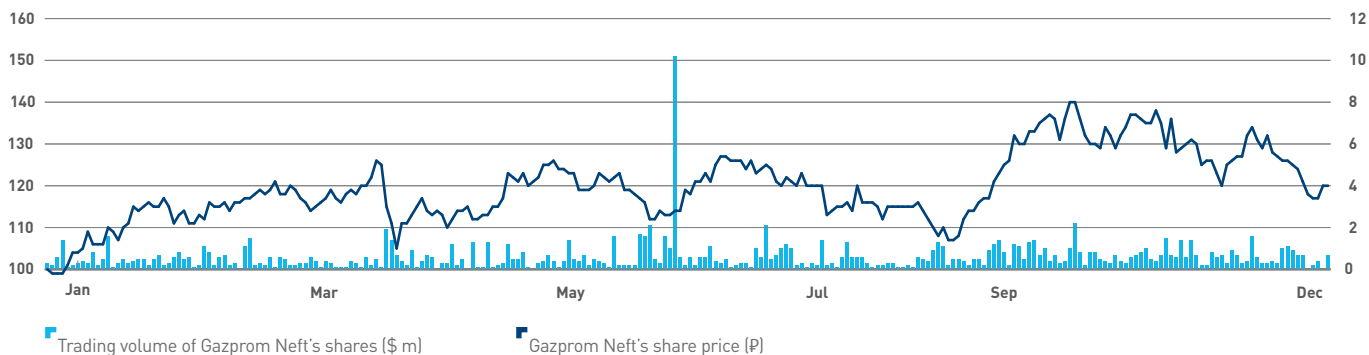
At the end of 2018, the total number of ADRs issued against Gazprom Neft's ordinary

shares was 90 million accounting for 1.9% of its authorised capital. The total number of outstanding ADRs went down as ADRs were being redeemed throughout the year amidst restrictions on new ADR issuances.

In 2018, the trading volume of Gazprom Neft's ADRs via the LSE IOB and the OTCQX totalled \$ 150.4 m and \$ 0.7 m, respectively. The average monthly ADR trading volume via the LSE IOB stood at \$ 12.5 m.

Gazprom Neft's share price performance on the London Stock Exchange in 2018 (\$ m)

Source: LSE



Dividend policy

The dividend policy is a critical pillar of corporate governance which shows how the Company observes the rights of its shareholders.

Gazprom Neft's Dividend Policy aims to ensure maximum transparency for shareholders and all stakeholders on how dividends are calculated and paid out and how the Board of Directors prepares recommendations for the General Meeting of Shareholders on the record date as well as the amount of dividends and the payout procedure.

The key principles that underlie the Company's dividend policy are as follows:

- > **Maximum transparency on how dividends are calculated and paid out.** The Dividend Policy sets out the minimum dividend amount payable on the Company's shares, which may not be less than the greater of:
 - 15% of Gazprom Neft's consolidated IFRS financial result; or
 - 25% of the Company's RAS net profit.



More details on dividends on the Company's website

> **Compliance with the applicable Russian laws, the Company's Charter and by-laws.**

Dividends are payable to each and every shareholder appearing on the shareholder register as of the record date fixed by the General Meeting of Shareholders when deciding on the dividend payout. Such date shall be set not earlier than 10 days and not later than 20 days after the adoption of the resolution to pay (declare) the dividends.

> **Commitment to the best corporate governance practices.**

The Company adheres to the principle of ensuring a steady dividend growth subject to the Company's increasing net profit. The approved Dividend Policy as well as Gazprom Neft's dividend history are available on the Company's website.



Gazprom Neft's Dividend Policy

Dividend history

Company's dividend history

Metric	2014	2015	2016	2017	9M 2018
Accrued dividend per share (₽)	6.47	6.47	10.68	15.0	22.05
Total amount of dividends accrued per share class (₽)	30,676,208,664	30,676,208,664	50,637,080,144	71,119,494,585	104,545,657,040
Share of IFRS net profit (%)	25	28	25	28	35
Dividend record date	22/06/2015	27/06/2016	26/06/2017	26/06/2018	28/12/2018
Date of the meeting of the issuer's governing body deciding on the dividend payout, minutes date and number	5 June 2015 Minutes No. 0101/01 dated 9 June 2015	10 June 2016 Minutes No. 0101/01 dated 14 June 2016	9 June 2017 Minutes No. 0101/01 dated 14 June 2017	9 June 2018 Minutes No. 0101/01 dated 13 June 2018	14 December 2018 Minutes No. 0101/02 dated 19 December 2018

Dividend yield in 2018¹ (%)

Metric	Gazprom Neft	Company 2	Company 3	Company 4	Company 5	Company 6	Company 7
Dividend yield	11	7	7	7	9	2	3

¹ Based on dividends declared in 2018 and share price as at 3 January 2018. Peer companies include: Rosneft, Lukoil, Tatneft, NOVATEK, Bashneft and Surgutneftegas.