

## DYNAMICS OF ADR TRADING OF GAZPROM NEFT PJSC, RUSSIA FTSE IOB INDEX, AND URALS OIL PRICES IN 2017 [%]

Source: LSE



## 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;
- 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.



The approved Dividend Policy Regulation of Gazprom Neft PJSC is available at:  
<http://ir.gazprom-neft.com/vnutrennie-dokumenty/>

## DIVIDEND HISTORY

### COMPANY'S DIVIDEND HISTORY

Indicator	2013	2014	2015	2016	9M 2017 <sup>1</sup>
Amount of dividends accrued per one share, RUB	9.38 (including dividends for H1 2013)	6.47 (including dividends for H1 2014)	6.47 (including dividends for H1)	10.68	10.0
Total amount of dividends accrued per share of a particular category, RUB	44,473,390,614	30,676,208,664	30,676,208,664	50,637,080,144	47,412,996,390
Percentage of US GAAP/IFRS net profit	25	25	28	25	25
Compilation date of list of persons entitled to receive dividends	23/06/2014	22/06/2015	27/06/2016	26/06/2017	29/12/2017
Meeting date of issuer's governing body at which the decision was made to pay dividends and the date and number of the minutes	06/06/2014 Minutes No. 0101/01 dated 10/06/2014	05/06/2015 Minutes No. 0101/01 dated 09/06/2015	10/06/2016 Minutes No. 0101/01 dated 14/06/2016	09/06/2017 Minutes No. 0101/01 dated 14/06/2017	15/12/2017 Minutes No 0101/02 dated 20/12/2017
Deadline given for payment of declared dividends	before 28/07/2014	before 27/07/2015	before 01/08/2016	before 31/07/2017	before 12/02/2018
Form and other conditions of payment of declared dividends	In cash form	In cash form	In cash form	In cash form	In cash form
Proportion of dividends paid in the total amount of announced dividends for shares of this category (type) (%)	99.99	99.99	99.96	99.98	99.99

## COMPARISON OF TOTAL RETURN

### SHAREHOLDER'S TOTAL RETURN IN 2017

Source: Company data, Moscow Exchange PJSC

Indicator	Gazprom Neft	LUKOIL	Rosneft	Tatneft	NOVATEK
Price at start of period (03/01/2017), RUB	222.60	3,575.00	419.50	445.20	783.00
Price at end of period (29/12/2017), RUB	244.10	3,334.50	291.50	478.80	677.70
Growth in market value, %	9.7	(6.7)	(30.5)	7.5	(13.4)
Dividends	10.68	195.00	5.98	22.81	13.90
Dividend yield, %	4.8	5.5	1.4	5.1	1.8
TSR, %	14.5	(1.3)	(29.1)	12.7	(11.7)

## DEBT PORTFOLIO AND CREDIT RATINGS

As far as funding for its activities, Gazprom Neft relies both on internal funding sources generated by income from operating activities as well as borrowed funds. When determining the ratio of debt and internal financing within the capital structure, the Company seeks to achieve an optimal balance between the overall value of capital, on the one hand, and ensuring long-term sustainable development, on the other hand.

<sup>1</sup> — 20 April 2018. The Company's Board of Directors recommended that the General Meeting of Shareholders pay dividends of RUB 15 per share (taking into account previously paid dividends for the first 9 months of 2017).