

Approved by  
the Board of Directors of JSC Gazprom Neft  
on January 25, 2010  
(Minutes # ПТ-0102/02 dated January 25,  
2010)

**Regulations for Dividend Policy of  
Joint Stock Company Gazprom Neft**

## **1. GENERAL PROVISIONS**

- 1.1. These Regulations for the Dividend Policy (hereinafter Regulations) have been developed in accordance with the Civil Code of the Russian Federation, Federal Law on the Stock Companies, and with the Charter, Code of Corporate Conduct, and other by-laws of Gazprom Neft (hereinafter Company). Additionally, these Regulations take into account the Code of Corporate Conduct recommended for stock companies by the Federal Securities Market Commission of Russia.
- 1.2. These Regulations have been developed to ensure that the mechanism of dividend calculation and payment is transparent to the shareholders and all stakeholders. Furthermore, the Regulations define the approach of the Company Board of Directors to developing recommendations to the General Meeting of Shareholders concerning calculation and payment of dividends on Company shares.
- 1.3. The Company's dividend policy is a set of principles and measures geared toward the exercise of the shareholders' right to obtain part of the Company's profit.
- 1.4. Dividend is a portion of the Company's profit after tax (the Company's net profit), distributed among the shareholders in proportion with their shareholding in the corresponding class of shares.
- 1.5. Making decisions on payment of dividends pertaining to shares of any class shall be regarded as the right of the Company rather than its obligation.

The General Meeting of Shareholders may decide not to pay dividends on the shares of specific classes or may refrain from making decisions on dividend payments

- 1.6. The Company is responsible for the payment of the declared dividends. The Company shall be liable to the shareholders for failure to perform the above responsibility in accordance with the current legislation of the Russian Federation
- 1.7. None of the norms outlined in these Regulations may be regarded as mandatory for the General Meeting of Shareholders.

The General Meeting of Shareholders has the right to disagree with the amount of dividends recommended by the Board of Directors or to decide not to pay dividends falling within the relevant period.

The amount of dividends may not exceed that recommended by the Company Board of Directors.

- 1.8. The Company's dividend policy is designed to meet the interests of the shareholders, to maintain the balance between the Company's and shareholders' interests, and to promote the welfare of the shareholders.

## **2. PRINCIPLES OF DIVIDEND POLICY**

- 2.1. The primary principles of the dividend policy are as follows:
  - Compliance with the legislation of the Russian Federation, Company Charter and by-laws;
  - Endeavoring to maintain the high standards of corporate governance;
  - Enhancing investment attractiveness of the Company;
  - Ensuring the growth of dividend amounts consistent with the increase of the Company's net profit;
  - Endeavoring to pay out dividends in the most convenient way for the shareholders;

- Endeavoring to make prompt dividend payments; and
- Ensuring the maximum transparency of dividend calculation mechanism.

### **3. CALCULATION OF DIVIDENDS, PROCEDURE FOR MAKING A DECISION ON DIVIDEND PAYMENT (DECLARATION OF DIVIDEND)**

- 3.1. The Company has the right to make decisions on the dividend payment (declare dividends) on the placed shares based on the results of the first quarter, the first semester, the first nine months of the financial year, and/or the results of the financial year unless otherwise provided by the Federal Law on the Stock Companies.

The decision to pay (declare) dividends based on the results of the first quarter, the first semester, and the first nine months (intermediate dividends) can be made within three months after the end of the relevant period.

- 3.2. The Company has the right to make decision on dividend payments (declare dividends) on shares and execute such payments subject to limitations specified in Article 43 of the Federal Law on the Stock Companies.
- 3.3. The Audit Committee of the Board of Directors of the Company shall tentatively determine whether the dividend payments based on the results of the reporting period are practical.
- 3.4. Taking into account the recommendations of the Audit Committee, the Company Board of Directors shall review the CEO's proposals concerning the key areas of the Company's profit distribution and recommend the amount of the net profit to be allocated for dividend payments.
- 3.5. The Board of Directors, while developing recommendations on dividend calculation for the General Meeting of Shareholders, shall take into account that the amount of annual dividends on Company shares shall constitute at least 15% of the Company's net profit determined in accordance with the Generally Accepted Accounting Principles (US GAAP).
- 3.6. Based on the recommendation of the Board of Directors, the General Meeting of Shareholders shall reach a decision on dividend payments and amount of the dividends.
- 3.7. The draft decision of the Company General Meeting of Shareholders on dividend payments shall specify:
- Class of shares on which the dividends were declared;
  - Total amount of dividends on Company shares;
  - Amount of dividend per share of specific class;
  - Form of dividend payment; and
  - Timeframe of dividend payment.
- 3.8. The dividends to be paid out to the shareholders shall be declared in the amount, which includes taxes imposed on the shareholders in accordance with the current legislation of the Russian Federation.

### **4. PERSONS ENTITLED TO DIVIDENDS. PROCEDURE FOR DIVIDEND PAYMENT**

- 4.1. The persons, included in the shareholders register as of the date of compiling a list of persons eligible to participate in the General Meeting of Shareholders at which the decision on dividend payments is made, are entitled to dividends.

The date of registration of the Company ADR holders shall be determined separately by a depository bank, which supervises the rights of these holders.

- 4.2. The list of persons entitled to dividends shall incorporate persons that are registered in the register maintenance system (except for nominee holders) and persons on whose behalf nominee holders hold the shares.

In order to compile a list of persons entitled to dividends, a nominee holder of shares shall submit data concerning the persons on whose behalf he/she holds the shares as of the record date.

- 4.3. In cases where several persons jointly hold the same Company share, the dividend shall be distributed between them commensurate with the fractions they own in this share, unless otherwise provided by the agreement between the above persons.

- 4.4. The dividends shall be paid in monetary form.

- 4.5. The dividends on shares of all classes shall be paid within the timeframe established in the Company Charter.

The Company has the right to pay out the declared dividends until the expiration of the period prescribed by the Company Charter.

The payment period for the declared dividends shall be determined in accordance with the Civil Code of the Russian Federation.

- 4.6. The sum of allocated dividends paid out to each Company shareholder shall be calculated separately for each class of share via multiplying a dividend per share by the total number of shares held by a shareholder.

- 4.7. The Company executive bodies shall ensure timely and full payments of dividends to the shareholders.

- 4.8. The Company has the right to contract third party organizations (hereinafter payment agents) for the purposes of organization and execution of dividend payments.

The contract with a payment agent shall stipulate the rights and responsibilities of both parties, as well as their liabilities and payment arrangements under the contract.

The outsourcing of the payment agent functions shall not discharge the Company from the liability to pay dividends to the shareholders.

- 4.9. The shareholders—legal entities will receive dividends via bank transfer made to the accounts specified in the Company register of shareholders.

The shareholders—natural persons may receive the dividends either via bank transfer made to the accounts specified in the Company register of shareholders or in cash from the Company pay office, or via post office wire.

- 4.10. To be able to receive the dividends via bank transfer, a shareholder must indicate full details of his/her bank account in the register of the securities holders.

To be able to receive dividends via post office wire, a shareholder-natural person must indicate full mailing address in the register of the securities holders.

The post office wire of dividends will be made at the expense of the recipient shareholder.

- 4.11. In the event a Company shareholder provided inaccurate bank details or mailing address, the Company shall not be held liable if such shareholder fails to receive the dividends.

- 4.12. The dividends paid out to the shareholders are tax deducted. The Company shall calculate, deduct, and transfer the sums of the relevant taxes imposed on dividends in the amounts and in compliance with the procedure and timeframe established by the current legislation of the Russian Federation.
- 4.13. Any shareholder has the right to request the Company to provide information concerning his/her inclusion/non-inclusion in the list of persons entitled to dividends, as well as the amount of dividends on shares, tax calculation and deduction procedure, and other terms of dividend payments.

The Company must prepare and provide the response to the shareholder within 7 (seven) days.

## **5. INFORMING SHAREHOLDERS AND OTHER STAKEHOLDERS OF COMPANY DIVIDEND POLICY**

- 5.1. The Company shall ensure transparency of the dividend policy by disclosing the relevant information on the Company's official website at <http://www.gazprom-neft.ru/>.
- 5.2. The information posted on the Company's official website shall include these Regulations, modifications and additions thereof, as well as the Company's dividend history.
- 5.3. Materials provided to the shareholders prior to the General Meeting of Shareholders shall include all required information concerning the conditions of dividend payments or the absence of such conditions.
- 5.4. Apart from information disclosed by the Company in accordance with the legislation requirements, the Company shall publish decisions of the General Meeting of Shareholders concerning dividend payments including the amount, timeframe, form, and procedure of these payments. These decisions shall be published as a separate press-release on the Company's official website at <http://www.gazprom-neft.ru/>.

The notice published by the Company in relation to decision of the Company General Meeting of Shareholders on dividend payments, including the amount of dividends, form, timeframe, and procedure for their payment, shall clearly and expressly explain these issues to shareholders.

At the same time, the above notice shall explain to shareholders their obligation to report the relevant changes of their bank details or/and mailing addresses to the Company registrar as well as the consequences of failure to comply with this obligation.

- 5.5. Where a payment agent is involved, the Company shall inform the shareholders of the contracted agent(s), including their replacement and termination of authorities, by posting relevant information on the Company's official website at <http://www.gazprom-neft.ru/>.

## **6. LIABILITY FOR INCOMPLETE OR/AND UNTIMELY DIVIDEND PAYMENT**

- 6.1. The Company CEO shall be responsible for full and timely payments of declared dividends.

- 6.2. If the Company fails to fulfill its obligations, it shall be held liable in accordance with the current legislation of the Russian Federation, and the shareholders shall have the right to require execution of such obligations via judicial procedure.
- 6.3. In accordance with the current legislation of the Russian Federation the Company shall not be liable for the losses incurred due to the failure to pay dividends to those shareholders who did not provide their bank details/ mailing addresses or report the relevant modifications to the Company registrar in a timely manner.

## **7. FINAL PROVISIONS**

- 7.1. These Regulations shall take effect beginning with the date of approval by the Company Board of Directors.
- 7.2. The Company Board of Directors shall approve all additions and modifications to these Regulations.
- 7.3. The current Russian Federation legislation and Company by-laws shall regulate the issues not addressed in these Regulations.

The issues not regulated by the current Russian Federation legislation and Company by-laws shall be resolved based on the principle of protecting rights and interests of the Company shareholders.

- 7.4. Should individual provisions of these Regulations contradict the current legislation of the Russian Federation and/or Company Charter, such provisions shall be deemed invalid and relevant norms of the Russian Federation legislation and/or Company Charter shall be applied.

The validity of the other provisions of these Regulations and/or the entirety of these Regulations shall not be affected thereby.