APPROVED
by Resolution of
the Board of Directors of
“Surgutneftegas” PJSC,
Minutes No. 2 dated 05.10.2018.

Regulations
on the Dividend Policy of
“Surgutneftegas” PJSC
(revised)

Surgut
2018

1. General Provisions

1.1. These Regulations on the Dividend Policy of “Surgutneftegas” Public Joint Stock Company (hereinafter – the Regulations) are developed in compliance with the current legislation of the Russian Federation, the Charter of “Surgutneftegas” PJSC (hereinafter – the Company) and its internal documents.

1.2. The Company’s dividend policy is based on the balance of the Company’s and its shareholders’ interests as well as adherence to the rights of the shareholders provided for by the current legislation of the Russian Federation.

2. Basic Provisions on Dividend Payment

2.1. The Company shall pay declared dividends on shares, unless otherwise stated in the current legislation of the Russian Federation.

2.2. The General shareholders’ meeting shall have the right to adopt a resolution not to pay dividends.

2.3. In case there is no resolution to pay (declare) dividends, the Company shall not have the right to pay dividends and the shareholders shall not have the right to demand dividend payment.

2.4. Adoption of the resolution to pay dividends on shares of all categories (types) is a right but not an obligation of the Company.

2.5. The source of dividend payment shall be the Company’s profit after taxation (the Company’s net profit).

2.6. The Company’s net profit shall be determined based on the accounting (financial) statements of the Company prepared in accordance with the Russian standards.

3. Determination of the Dividend Amount

3.1. When making recommendations to the General shareholders’ meeting on determination of the amount of dividends on ordinary shares, the Company’s Board of Directors shall take into consideration:

the financial performance of the Company in the reporting year;

absence of external and internal changes which actually or potentially have a significant negative impact on future operations of the Company and also force majeure circumstances (natural disasters);

absence of facts of the Company’s insolvency (bankruptcy);

the Company’s and its shareholders’ prospects of development of the Company in the long term.

3.2. The total amount payable as dividend on each preference share shall be set at the rate of 10 percent of the Company’s net profit based on the results of the last reporting year divided by the number of shares accounting for 25 percent of the charter capital of the Company.

If the amount of dividends paid by the Company on each ordinary share in a certain year exceeds the amount payable as dividends on each preference share, the dividend amount paid on the latter shall be increased up to the dividend amount paid per ordinary share.

4. The Procedure for Adopting the Resolution to Pay Dividends

4.1. The resolution to pay (declare) dividends shall be adopted by the General shareholders' meeting in compliance with the current legislation of the Russian Federation.

4.2. The amount of dividends can not exceed the amount of dividends recommended by the Company's Board of Directors.

4.3. Recommendations on the amount of dividends shall be made by the Board of Directors to the shareholders of the Company for them to take a final decision at the General shareholders' meeting.

4.4. Dividend payment to the shareholders shall be performed net of taxes due thereon in compliance with the Russian and foreign legislation and also on the basis of the international double taxation treaties.

5. The Procedure of Dividend Payment

5.1. The right to receive dividends shall be granted to all persons registered in the shareholder register of the Company as of the date when the list of persons entitled to receive dividends is compiled in compliance with the current legislation of the Russian Federation.

5.2. Dividends shall be paid in the form of cash as prescribed by Clause 5.5 of these Regulations.

5.3. Dividends shall be paid within the terms established by the current legislation of the Russian Federation to:

a nominee holder and a trustee that is a professional participant of the securities market, both registered in the shareholder register – within 10 working days from the date as of which the persons entitled to dividends are determined;

other persons registered in the shareholder register – within 25 working days from the date as of which the persons entitled to dividends are determined.

5.4. The Company shall have the right to fulfill its obligation to pay dividends on any day within the term of dividend payment established by the current legislation of the Russian Federation.

5.5. Dividend payment in the form of cash to individuals whose rights on shares are registered in the shareholder register of the Company shall be made by transfer of funds to their bank accounts, the details of which are available from the Company's registrar, or via postal money transfer in case no bank details are available. Dividend payment to other individuals whose rights on shares are registered in the shareholder register of the Company shall be made by transfer of funds to their bank accounts.

6. Final Provisions

These Regulations as well as amendments and addenda hereto shall be approved by the Company's Board of Directors as prescribed by the Federal Law "On Joint Stock Companies" and the Company's Charter.