

**Dividend Policy
of Gazprom
Joint Stock Company**

1. General Provisions

- 1.1. The below Dividend Policy is developed in accordance with the valid laws of the Russian Federation, the Code of Corporate Behaviour recommended by the FCSM of Russia, Gazprom Articles of Association and Gazprom's internal documents (hereinafter – “the Company”).
- 1.2. This Dividend Policy lays out the principles to be observed by Gazprom Board of Directors in drafting the recommendations to the General Shareholders Meeting of the Company to resolve on the distribution of profits, including the payment of dividends.
- 1.3. In drafting the recommendations, Gazprom Board seeks to observe the shareholders' rights and increase their income, either through dividends or enhancing the corporate capitalization.

2. Terms and Definitions

For the purposes of this Dividend Policy the following terms and definitions shall apply:

Dividends – part of the Company net profit for the reporting year to be distributed to the shareholders on the basis of the resolution of the General Shareholders Meeting;

Capitalisation – the market value of the Company share capital, which is the product of the value of ordinary shares, traded on the MICEX Stock Exchange, by the number of issued shares of the Company;

Reserve Fund – part of the Company assets which serves to cover losses and redeem bonds and shares of the Company in the absence of other means. The Reserve Fund is established pursuant to the Federal Law “On Joint-Stock Companies” and the Company Articles of Association.

3. Dividend Calculation Principles

- 3.1. The dividends are calculated on the basis of the Company net profit recognized in the annual financial statements prepared according to the requirements of the Russian Federation laws.
- 3.2. The dividend calculation is subject to the following principles:
 - transparent mechanism for determining the amount of dividends;
 - balance of short-term (revenue) and long-term (development of the Company) shareholders' interests;
 - focus on increasing the investment attractiveness and capitalisation of the Company.

4. Dividend Calculation Procedure

- 4.1. The procedure for dividend calculation set forth herein allows allocating 17.5% to 35% of the Company net profit as dividends, provided that the Reserve Fund is fully established according to the Company Articles of Association.
- 4.2. The amount of dividends is calculated in the following sequence.
 - 4.2.1. Part of the net profit is directed to the Reserve Fund according to the Company Articles of Association. Distribution of the net profit to the Reserve Fund shall cease as soon as the latter reaches the amount stipulated in the Company Articles of Association.
 - 4.2.2. Part of the net profit equal to 10% is paid out as dividends.
 - 4.2.3. Part of the net profit equal to 75% but not less than 40% is reserved for investment purposes of the Company;
 - 4.2.4. Part of the net profit remaining after deductions stipulated in paragraphs 4.2.1 – 4.2.3 is equally divided between dividends and investment purposes of the Company.
- 4.3. The amount of the Company net profit serving the basis for dividend calculation according to paragraph 4.2, may be adjusted (reduced) by the final value of investments and business activities of similar economic nature. Part of the profit by which such adjustment was made is proposed to remain at the Company's disposal. In case of retirement of the revaluated assets, their depreciation and business activities of similar economic nature, the funds corresponding to the part of the profit remaining at the Company's disposal, may be taken into account during the dividend calculation as provided in paragraph 4.2.

5. Procedure for Preparing the Resolution on Dividend Payment

- 5.1. To pass a resolution on the payment of dividends, the Company Board of Directors submits the recommendations regarding the amount of dividends for discussion to the General Shareholders Meeting.
- 5.2. Recommendations are made in line with the provisions of the valid laws of the Russian Federation maintaining that:
 - the amount of dividends determined by the General Shareholders Meeting may not exceed the amount recommended by the Company Board;
 - the General Shareholders Meeting may resolve against payment of dividends.

6. Form and Term of Dividend Payment

- 5.3. Pursuant to the Company Articles of Association, dividends are paid in cash.
- 5.4. Dividends are paid in the time stipulated by the resolution of the General Shareholders Meeting of the Company which cannot last after the end of the year in which such resolution is made.

7. Information Disclosure

The Company publishes this Dividend Policy and any amendments hereto on Gazprom website: www.gazprom.ru.