

APPROVED BY
the Resolution of the Board of Directors of
PJSC MOSTOTREST
as of December 23, 2016
Minutes as of December 23, 2016 sine numero

DIVIDEND POLICY
of Public Joint Stock Company
MOSTOTREST

Moscow
2016

TABLE OF CONTENTS

- 1. GENERAL PROVISIONS..... 3
- 2. DIVIDEND TERMS 3
- 3. DIVIDEND ASSESSMENT 4
- 4. DIVIDEND PAYMENT (DECLARATION) RESOLUTIONS 5
- 5. DIVIDEND PAYMENT..... 5
- 6. COMPANY'S DIVIDEND POLICY DISCLOSURE..... 6
- 7. RESPONSIBILITY FOR SHORT OR LATE DIVIDEND PAYMENTS TO THE COMPANY'S SHAREHOLDERS..... 7
- 8. APPROVAL OF AND AMENDMENTS TO THIS POLICY 7

1. GENERAL PROVISIONS

1.1. This Dividend Policy of Public Joint Stock Company MOSTOTREST (hereinafter referred to as the Regulations) has been developed in accordance with the Civil Code of the Russian Federation, the Federal Law On Joint Stock Companies, other laws, statutes, codes, rules, regulations and requirements of the Russian Federation, the Articles of Association and other bylaws of PJSC MOSTOTREST (hereinafter referred to as the Company).

1.2. The purpose of this Policy is to establish the strategy of the Company's Board of Directors for development of recommendations on the amount of dividends payable on shares and on their payment procedure.

1.3. The Dividend Policy of the Company is based on the balance of interests of the Company and its shareholders when assessing dividend payouts, on the expansion of the Company's investment prospects and increase in its capitalization, on the strict respect for the rights of shareholders described by the existing legislation of the Russian Federation, the Articles of Association and bylaws of the Company.

2. DIVIDEND TERMS

2.1. The Company seeks to increase capitalization alongside the amount of dividends paid to shareholders based on the net profit and needs for development of the Company's operations and investments.

2.2. The dividends are paid to shareholders of the Company on the following terms and conditions:

2.2.1. no restrictions on payment of dividends set forth by the Federal Law On Joint Stock Companies;

2.2.2. the Company having the net profit assessed as per subclauses 3.1. – 3.3. hereof;

2.2.3. the Company having retained earnings from prior years and earnings remaining at the disposal of but not applied by the Company;

2.2.4. maintaining the required financial standing of the Company, ensuring development prospects of the Company;

2.2.5. need to expand investment prospects of the Company;

2.2.6. recommendations issued by the Company's Board of Directors on the amount of dividends payable on shares and their payment procedure and on the date, as at which the persons entitled to dividends are determined;

2.2.7. resolution passed by the General Shareholders Meeting of the Company.

3. DIVIDEND ASSESSMENT

3.1. The Russian law demands that dividends be paid to shareholders of the Company from the net profit of the Company assessed as per accounting (financial) statements executed in accordance with statutory requirements of the Russian Federation.

The dividends may be paid both from the net profit of the Company for the reporting financial year and retained earnings of the Company from prior years, including earnings remaining at the disposal of the Company.

3.2. If the net profit is available, the Company applies its limited amount to pay dividends.

A part of profit remaining at the disposal of the Company is applied chiefly for reinvestment to increase the company's capitalization and if it is not applied as intended above it may be applied to pay dividends to shareholders.

3.3. When assessing the amount of dividends recommended to the General Shareholders Meeting of the Company (as per share) and the corresponding share of the Company's net profit applied to pay dividends, the Company's Board of Directors first relies on the net profit assessed by consolidated financial statements of the Company and its subsidiaries executed in accordance with the International Financial Reporting Standards (IFRS) and takes account of major areas proposed by the Director General of the Company for disposition of the Company's profit prepared subject to the Corporate Development Strategy Fundamentals adopted by the Board of Directors.

The amount of dividend payouts is recommended by the Company's Board of Directors based on the Company's financials at the lesser of 30% (Thirty percent) of the IFRS adjusted consolidated net profit of the Company and its subsidiaries and must be approved by the General Shareholders Meeting of the Company.

The IFRS adjusted consolidated net profit of the Company and its subsidiaries is calculated as follows:

$$ACNP = NP - NCA$$

where:

ACNP – adjusted consolidated net profit;

NP – net profit due to shareholders of the Company as set out in the consolidated statement of IFRS comprehensive income for the past year;

NCA – non-cash consolidation adjustments, which include, but are not limited to, adjustments for:

- negative goodwill (business reputation);
- results of accounting of investments in associated enterprises and joint ventures by the equity method;
- results of revaluation of financial assets and liabilities at the fair value;

- results of issue and revaluation of financial instruments (including derivatives) related to purchase and sale of shares of the Company or its subsidiaries, joint ventures, and associated enterprises;
- non-monetary results of consolidation, acquisition, and retirement of shares of subsidiaries, joint ventures, and associated enterprises of the Company and its subsidiaries;
- results of issue and revaluation of guarantees and letters of comfort, and other financial instruments;
- deferred taxes inasmuch as the aforementioned adjustments affect their calculation.

Should the net profit of the Company assessed by accounting (financial) statements executed in accordance with statutory requirements of the Russian Federation be not enough to pay dividends calculated as above, the Company's Board of Directors resolves to recommend that dividends be paid in the lesser amount subject to requirements set forth in Article 43.1 of the Federal Law On Joint Stock Companies.

3.4. The amount of recommended dividends (as per share) of the Company is based on the money applied to make dividend payouts and is numerically equal to the ruble counterpart of the net profit share calculated in accordance with clause 0 hereof, divided by the number of the Company's shares placed and outstanding on the date, as at which persons entitled to receive the same are determined as per the dividend payment (declaration) resolution.

4. DIVIDEND PAYMENT (DECLARATION) RESOLUTIONS

4.1. The Company's Board of Directors assesses the recommended amount of dividends payable on shares at the financial year end. The Company's Board of Directors is guided by section 3 hereof as they pass their respective resolution.

4.2. The recommendation on the amount of dividends and their payment procedure and on the date, as at which persons entitled to receive dividends are determined, is issued by the Company's Board of Directors for shareholders to pass a final resolution at the General Shareholders Meeting of the Company in accordance with the legislation of the Russian Federation, the Articles of Association, and other bylaws of the Company.

4.3. The resolution to pay (declare) dividends, which determines, among other things, the amount of dividends on ordinary shares, the form of their payment, and the date, as at which persons entitled to receive dividends are determined, is passed by the General Shareholders Meeting of the Company. The amount of dividends may not exceed the amount recommended by the Company's Board of Directors.

5. DIVIDEND PAYMENT

5.1. The date, as at which persons entitled to receive dividends are determined as per the dividend payment (declaration) resolution, is approved by the General Shareholders Meeting of the Company at the suggestion of the Company's Board of Directors, but the said date may not be set

earlier than in 10 (ten) days of the dividend payment (declaration) resolution and 20 (twenty) days after such resolution.

5.2. The term for payment of dividends to a nominee shareholder and a trustee, being a professional securities trader entered in the share register of the Company shall not exceed 10 (ten) business days; while the term for payment of dividends to other persons entered in the share register of the Company – 25 (twenty-five) business days of the date, as at which persons entitled to receive dividends are determined.

5.3. The Company may pay dividends on any day during the term of dividend payments.

5.4. The dividends are paid by the Company in the declared amount.

5.5. The Company and the Director General of the Company ensure that dividends are paid to shareholders in due time and in full.

5.6. The dividends owed to individuals, whose share rights are accounted on the share register of the Company, are paid by money order or in the case of the respective application from the said individuals – by transfer to their bank accounts. In the meantime, the dividends owed to other persons, whose share rights are accounted on the share register of the Company, are paid by transfer to their bank accounts.

The persons entitled to receive dividends, whose share rights are accounted by the nominee shareholder, receive dividends as set forth by the securities legislation of the Russian Federation.

5.7. The Company's obligation to pay dividends is deemed to have been performed upon receipt by the federal postal organization of money so transferred or upon receipt of money by the credit institution, with which the person entitled to receive such dividends opened a bank account.

5.8. The dividends are paid by cash.

5.9. In order to ensure dividends are paid in due time, the Company may engage a paying agent.

5.10. The dividends so paid are taxed as set forth by the existing laws of the Russian Federation.

6. COMPANY'S DIVIDEND POLICY DISCLOSURE

6.1. The Company informs shareholders of the Policy and amendments hereto as required by the Russian legislation and set out on the official website of the Company at www.mostro.ru.

6.2. The materials furnished for shareholders to pass resolutions at the General Shareholders Meeting shall contain all required information, indicating whether or not there are any conditions necessary for payment of dividends.

6.3. In order to ensure dividends are paid in due time, the Company, in the notice of the General Shareholders Meeting, informs shareholders that they must notify the administrator of the Company's share register (hereinafter referred to as the Registrar) of any changes in the data contained in the security holder's questionnaire, including bank details and addresses, and of consequences of a failure to comply with the said obligation.

6.4. Information on the resolution passed by the General Shareholders Meeting of the Company to pay (declare) dividends, on the amount, terms, method, and form of their payment is disclosed as set forth by the legislation of the Russian Federation.

7. RESPONSIBILITY FOR SHORT OR LATE DIVIDEND PAYMENTS TO THE COMPANY'S SHAREHOLDERS

7.1. The Company bears responsibility for late and partial execution of the resolution passed by the General Shareholders Meeting of the Company on payment of dividends in accordance with the legislation of the Russian Federation.

7.2. Should a person entered in the share register of the Company fail to provide information on changes in their data, neither the Company, nor the Registrar shall be responsible for any losses, arising therefrom.

8. APPROVAL OF AND AMENDMENTS TO THIS POLICY

8.1. This Policy and all supplements and amendments hereto are approved by the Company's Board of Directors.

8.2. This Policy supersedes the Dividend Policy of Open Joint Stock Company MOSTOTREST approved by the Company's Board of Directors as of April 24, 2014 (Minutes of the Board of Directors Meeting of OJSC MOSTOTREST as of April 28, 2014 sine numero) upon its commencement.

8.3. Should changes in legislation of the Russian Federation or the Articles of Association of the Company lead to conflict with any clauses hereof, these clauses cease to be in force and until this Policy is amended accordingly the legislation of the Russian Federation or the Articles of Association of the Company shall govern.