

APPROVED BY
the Resolution of the Board of Directors of
PJSC MOSTOTREST
as of October "31", 2017
Minutes as of October "31", 2017 sine numero

DIVIDEND POLICY
of Public Joint Stock Company
MOSTOTREST

Moscow
2017

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1. GENERAL PROVISIONS

1.1. This Dividend Policy of Public Joint Stock Company MOSTOTREST (hereinafter referred to as the Policy) 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 Public Joint Stock Company MOSTOTREST (hereinafter referred to as the Company).

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

1.3. The purpose of this Policy is to ensure the highest transparency for shareholders and all stakeholders of the dividend distribution and payment mechanism and to define the approach of the Board of Directors of the Company to issue of recommendations for the General Shareholders Meeting of the Company on the amount of dividends payable on the Company's shares, on the date as at which persons eligible to receive dividends are determined, and on the dividend payment procedure.

1.4. The Company may, but shall not be obligated to, resolve to pay dividends on shares.

1.5. Terms and definitions used herein shall have the meanings attributed to them by the legislation of the Russian Federation on joint stock companies and securities, unless otherwise provided by this Policy.

2. PRINCIPLES OF THE COMPANY'S DIVIDEND POLICY

2.1. The Dividend Policy of the Company is based on the following underlying principles:

- ensuring compliance of dividend distribution and payment practices adopted by the Company with the legislation of the Russian Federation and corporate governance standards;
- ensuring stability, long-termness, and predictability of the Company's dividend policy for shareholders and potential investors;
- expanding investment prospects and increasing market capitalization of the Company;
- ensuring an upward trend of payable dividend amounts subject to the growth of the Company's net profit;
- making available information on the Company's dividend policy to shareholders and other stakeholders.

3. PAYMENT OF DIVIDENDS TO THE COMPANY'S SHAREHOLDERS

3.1. The dividends are paid on condition that the Company has any profit after tax (net profit) assessed by the Company's accounts executed in compliance with statutory requirements of the Russian Federation. 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.

3.2. Based on the financials of the first quarter, half year, nine months of the financial year and/or financial year, the Company may resolve to pay (declare payment of) dividends on outstanding shares, unless otherwise stipulated by the Federal Law On Joint Stock Companies.

3.3. The Company may also resolve to pay dividends from retained earnings from prior years, including earnings retained by the Company. The Director General of the Company submits a proposal to pay dividends from retained earnings from prior years to the Board of Directors.

3.4. The Company resolves to pay dividends and pays the same with due account for restrictions set forth by Article 43 of the Federal Law On Joint Stock Companies.

3.5. As the Company distributes the profit to pay dividends following the financial year, the profit applied to pay dividends following the first quarter, half year and nine months of the financial year is excluded.

4. DIVIDEND ASSESSMENT

4.1. In accordance with Russian statutory requirements, dividends are paid to the shareholders of the Company from the Company's profit after tax (net profit of the Company) assessed subject to rules for maintaining and preparing accounting records and distributed among shareholders pro rata the number of ordinary shares held.

4.2. The recommended amount of dividends on the Company's shares is determined by the Company's Board of Directors with due account for the Company's needs to implement strategic development plans, including application of a part of the net profit to fund investment programs of the Company. The Director General of the Company submits proposals to distribute the profit, including proposals to pay dividends, to the Board of Directors.

4.3. When assessing the recommended amount of dividends following the first quarter, half year and nine months of the financial year, the Company's Board of Directors relies on the net profit of the Company assessed in accordance with the Russian Accounting Standards (RAS) for the respective reporting period.

4.4. When assessing the amount of dividends recommended to the Annual General Shareholders Meeting of the Company following the financial year, 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).

The amount of dividend payouts is recommended by the Company's Board of Directors based on the Company's financials in the amount of at least 30 (Thirty) percent of the IFRS adjusted consolidated net profit of the Company and its subsidiaries.

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

$$ACNP = NP - NMA$$

where:

ACNP – adjusted consolidated net profit;

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

NMA – non-monetary 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.

4.5. 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 equivalent of the net profit share calculated in accordance with clauses 4.3. and 4.4. hereof, divided by the number of the Company's shares placed and outstanding on the date, as at which persons eligible to receive the same are determined as per the dividend payment (declaration) resolution.

4.6. No dividends are accrued or paid:

- on outstanding shares of the Company held by the Company,
- where otherwise provided by the legislation of the Russian Federation.

5. DIVIDEND PAYMENT (DECLARATION) RESOLUTIONS

5.1. The resolution to pay (declare) dividends is passed by the General Shareholders Meeting of the Company.

Such resolution must specify the total amount of dividends payable on the Company's shares, amount of dividend per share, dividend payment form, dividend payment procedure where dividends are paid in a form other than cash, date, as at which persons eligible to receive

dividends are determined. The resolution on the date, as at which persons eligible to receive dividends are determined, shall be passed at the suggestion of the Company's Board of Directors only.

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

5.2. The resolution to pay dividends on outstanding shares following the financial year is passed by the Annual General Shareholders Meeting of the Company as a part of the resolution on distribution of the Company's profit following the financial year on the agenda of the Annual General Shareholders Meeting of the Company.

5.3. The resolution to pay dividends following the first quarter, half year, nine months of the financial year and pay dividends from retained earnings from prior years is passed by the Extraordinary General Shareholders Meeting of the Company as a separate item on the agenda of the Extraordinary General Shareholders Meeting of the Company.

6. DIVIDEND PAYMENT

6.1. The date, as at which persons eligible 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.

6.2. 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 eligible to receive dividends are determined.

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

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

6.5. The dividends are paid in cash, unless otherwise provided by the resolution of the General Shareholders Meeting of the Company. The dividends are paid less taxes withheld.

6.6. The Company is a withholding agent in payment of dividends to the Company's shareholders on the shares held by such shareholders and the rights for which are accounted on the share register of the Company. A respective nominee shareholder is a withholding agent for persons who have their shares held by the nominee shareholder.

Should a shareholder be entitled to apply tax benefits, such shareholder may furnish to the withholding agent any documents, which confirm that the benefit may be applied, before the General Shareholders Meeting of the Company resolves to pay dividends.

6.7. The dividends are paid by money transfer by the Company or as instructed by the Company by the registrar of the Company, maintaining the share register of the Company. 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 eligible 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.

6.8. 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 eligible to receive such dividends opened a bank account.

6.9. A shareholder of the Company, who does not receive dividends as the Company or the registrar has no accurate and necessary address data or bank details or for any other reason, may send the Company inquiries within three years of the resolution to pay dividends.

If inquiries requesting payment of unpaid dividends are not sent within a limitation period, such limitation period shall not be reset except where a person eligible to receive dividends does not request payment of dividends under the influence of violence or threat.

Upon expiry of such period, declared and unclaimed dividends shall be returned to the Company's retained earnings and an obligation to pay the same is terminated.

7. COMPANY'S DIVIDEND POLICY DISCLOSURE

7.1. The Company ensures that the Dividend Policy of PJSC MOSTOTREST and amendments thereto are posted on the website of the Company at: [http:// www.mostotrest.ru](http://www.mostotrest.ru).

7.2. 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.

7.3. 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.

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

8.1. The Company shall pay declared dividends in the amount and due time as set forth by the resolution of the General Shareholders Meeting and the Articles of Association of the Company. Should the Company fail to perform its obligations, the shareholders may demand in a court of law that declared dividends be paid.

8.2. The responsibility for full and timely payment of declared dividends is vested in executive bodies of the Company.

8.3. The Company is not responsible for a failure to pay dividends to shareholders, who do not furnish to the registrar of the Company their bank/postal details or information on any changes in their bank/postal details in due time.

9. FINAL PROVISIONS

9.1. This Policy comes into effect upon approval hereof by the Company's Board of Directors.

9.2. This Policy is amended and supplemented and approved as restated on the resolution of the Company's Board of Directors as set forth by the legislation of the Russian Federation, the Articles of Association and bylaws of the Company.

9.3. Any and all matters regarding payment of dividends to the Company's shareholders not covered by the Russian legislation, the Articles of Association of the Company and this Policy shall be decided on the basis of enforcement of rights and interests of the Company's shareholders.

9.4. This Policy supersedes the Dividend Policy of Public Joint Stock Company MOSTOTREST approved by the Company's Board of Directors as of December 23, 2016 (Minutes of the Board of Directors Meeting of PJSC MOSTOTREST as of December 23, 2016 sine numero) upon its commencement.

9.5. 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.