

APPROVED

By resolution of the Board of Directors of
OJSC MOSTOTREST from April 24, 2014
Minutes w/out number dated April 28, 2014

**REGULATIONS
ON DIVIDEND POLICY
OF OPEN JOINT-STOCK COMPANY MOSTOTREST
(version No. 2)**

**Moscow
2014**

1. GENERAL PROVISIONS

- 1.1 These Regulations on Dividend Policy (the *Regulations*) have been developed in compliance with the Civil Code of the Russian Federation, Federal Law “On Joint-Stock Companies”, other legal rules and regulations of the Russian Federation, the Articles of Association and other internal regulatory documents of OJSC MOSTOTREST (the *Company*).
- 1.2 The purpose of these Regulations is to define the strategy of the Board of Directors of the Company in drawing up recommendations on the size of dividends on shares and procedure of payment thereof.
- 1.3 The dividend policy of the Company is based on a balance of interests of the Company and its shareholders when determining the size of payable dividends, on increase of investment attractiveness of the Company and its capitalization, on respect and strict observance of shareholders’ rights provided for by applicable laws of the Russian Federation, the Articles of Association and internal regulatory documents of the Company.
- 1.4 The decision on payment (announcement) of dividends on the issued shares shall be made by the Company in compliance with laws of the Russian Federation and the Articles of Association. The Company is obliged to pay the dividends announced.

2. BASIC TERMS OF PAYMENT OF DIVIDENDS TO SHAREHOLDERS OF THE COMPANY

- 2.1 The Company seeks to increase the size of dividends payable to shareholders on the basis of the net profit received and requirements with respect to development of operation and investment activities of the Company along with the growth of its capitalization.
- 2.2 Payment of dividends to shareholders of the Company shall be subject to the following terms and conditions:
 - 2.2.1 absence of limitations on dividend payment provided for by Federal Law “On Joint-Stock Companies”;
 - 2.2.2 availability of the Company’s net profit determined in compliance with clauses 3.1. - 3.3. hereof;

- 2.2.3 availability of the Company's retained profit for previous years and also profit retained but not used by the Company;
- 2.2.4 maintaining the required level of financial and logistical situation of the Company and securing the Company's development prospects ;
- 2.2.5 necessity to increase attractiveness of the Company;
- 2.2.6 recommendations of the Board of Directors of the Company on the size of dividends;
- 2.2.7 availability of resolution of the General Meeting of shareholders of the Company.

3. DETERMINATION OF DIVIDEND SIZE

- 3.1 In compliance with the Russian laws dividends shall be paid to shareholders of the Company from the net profit of the Company calculated on the basis of financial statements prepared in compliance with the laws of the Russian Federation.

Dividends may be paid from the Company's net profit for the accounting year and from retained profit and non-distributed profit for previous years, including without limitation, the profit left at the Company's disposal.

- 3.2 If net profit is available, the Company may allocate a limited part of it for paying dividends, while the remaining part of it shall be used by the Company mainly for reinvestment to increase the Company's capitalization and, if not used for said purpose, may be used for payment of dividends to shareholders.

- 3.3 When determining the size of dividends to be recommended to the General Meeting of shareholders, the Board of Directors of the Company shall be guided primarily by net profit amount determined on the basis of the consolidated financial statements of the Company and its subsidiaries prepared in conformity with the International Financial Reporting Standards (IFRS) and shall also consider main uses of the Company's profit as proposed by the General Director of the Company and identified with account of the Basic strategy of the Company development adopted by the Board of Directors.

The Board of Directors shall take into account the financial results of the Company and recommend to distribute as dividends not less than 30% (Thirty percent) of the adjusted consolidated profit of the Company and its subsidiaries

under IFRS subject to approval by the General Meeting of the Company's shareholders.

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

$$ACNP = NP - NCCA$$

where:

ACNP – Adjusted Consolidated Net Profit;

NP – Net Profit payable to shareholders of the Company as stated in the consolidated statement of aggregated income under the IFRS for the past year;

NCCA – Non-Cash Consolidated Adjustments which include but are not limited to adjustments for:

- negative goodwill;
- the results of the accounting for investments in associated companies and joint ventures under the participatory interest method;
- the results of revaluation of financial assets and liabilities at fair value;
- the results of issuance and revaluation of financial instruments (including derivative financial instruments) related to acquisition and sale of shares of the Company or its subsidiaries, joint ventures and associated companies;
- non-monetary results of mergers, acquisitions and disposal of shares in subsidiaries, joint ventures and associated companies of the Company and its subsidiaries;
- the results of issuance and revaluation of guarantees and sureties or other financial instruments;
- deferred taxes resulted from the above adjustments.

If the Company's net profit determined in the financial statements prepared in compliance with the Russian laws' requirements is not sufficient to pay dividends calculated in such manner, the Board of Directors shall recommend to pay dividends in a smaller amount subject to clause 1 of Article 43 of Federal Law "On Joint-Stock Companies".

3.4 The size of recommended dividends (per share) shall be determined on the basis of the value of funds for dividend payment and is numerically equal to the net profit share in rubles calculated in accordance with clause 3.3 of these Regulations and divided by the number of the Company's shares placed and circulating as of the date by which those entitled to dividends are determined in conformity with the decision on payment (announcement) thereof.

3.5 Dividends shall not accrue or be paid:

- on the issued shares of the Company owned by the Company;
- in other cases provided for by the laws of the Russian Federation.

3.6 Dividends shall be paid in cash and within a time period specified in clause 5.2. hereof.

3.7 The Company may not announce or pay dividends in cases and beyond limits specified by the laws of the Russian Federation.

4. **DECISION-MAKING ON DIVIDEND PAYMENT (ANNOUNCEMENT)**

4.1 The Board of Directors determines the recommended size of dividends on shares based on the results of the financial period. In making its decision the Board of Directors is guided by section 3 hereof.

4.2 The Board of Directors shall submit their recommendation on the size of dividends to shareholders to make their ultimate decision at the General Meeting of shareholders in compliance with the laws of the Russian Federation, the Articles of Association and other internal documents of the Company.

4.3 The resolution on dividends payment and the size of dividends on ordinary shares shall be adopted by the General Meeting of Shareholders of the Company. The size of dividends may not exceed the amount recommended by the Board of Directors of the Company.

5. **DIVIDENDS PAYMENT PROCEDURE**

5.1 The date as of which they determine the persons entitled to dividends, in accordance with the resolution to pay (announce) dividends, shall be fixed by the General Meeting of Shareholders of the Company at the suggestion of the Board of Directors of the Company and such date may not be

earlier than 10 (Ten) days from the date of the decision to pay (announce) dividends and later than 20 (Twenty) days from the date of such decision.

- 5.2 The time period for paying dividends to a nominee shareholder and to a beneficial owner registered in the Register of shareholders of the Company and being a professional member of the securities market, may not exceed 10 (Ten) business days, and to other persons registered in the Register of shareholders of the Company – may not exceed 25 (Twenty five) business days from the date as of which they compile a list of persons entitled to dividends.
- 5.3 The Company may discharge its obligation to pay dividends prior to expiration of the time period specified in clause 5.2 hereof.
- 5.4 The Company may discharge its obligation to pay dividends on any day during the time period for dividend payment.
- 5.5 Dividends shall be paid by the Company in the amount as announced.
- 5.6 The Company and the General Director of the Company shall ensure timely and full payment of dividends to shareholders.
- 5.7. The paid dividends shall be taxed as prescribed by the laws of the Russian Federation.

The Company determines the tax base of the taxpayers being recipients of dividends (non-residents of the Russian Federation) in the manner and amount specified in international agreements of the Russian Federation with the purpose to avoid double taxation on the basis of documentary evidence from the shareholder confirming his permanent residence outside the Russian Federation. The confirmation of the taxpayer's permanent residence must include the period of time, in respect of which the permanent residence is proved, be translated into Russian and, where necessary, legalized (apostilled).

- 5.8. For the purpose of securing the timely payment of dividends the Company may attract a paying agent and a technical agent.

6. **DISCLOSURE OF DIVIDEND POLICY OF THE COMPANY**

- 6.1 The Company shall inform the shareholders about the dividend policy and amendments to it in the manner prescribed by the law and specified on the Company's website at www.mostro.ru.

6.2 Information about the resolution on payment (announcement) of dividends, amount, timing, method and form of payment shall be disclosed in compliance with the laws of the Russian Federation.

6.3 The materials submitted to the shareholders to make decisions at the General Meeting of the Company shall contain all required information concerning payment of dividends, as well as a condition that a person registered in the Register of shareholders of the Company shall promptly inform the Registrar about the changes in personal details and information about the consequences of non-compliance with this obligation by the shareholder.

7. RESPONSIBILITY FOR INCOMPLETE OR DELAYED PAYMENT OF DIVIDENDS TO SHAREHOLDERS

7.1 The Company is responsible for the untimely and incomplete execution of resolutions of the general meetings of the Company to pay dividends in compliance with the laws of the Russian Federation.

7.2 According to Article 44 of the Federal Law “On Joint-Stock Companies” the Company and the Registrar shall not be liable for failure to pay dividends to those shareholders that fail to provide the Company’s Registrar with their correct bank details and mail addresses or alterations therein.

8. PROCEDURE OF APPROVAL AND MODIFICATION OF THESE REGULATIONS

8.1 These Regulations may be approved, modified and amended in the order established by the laws of the Russian Federation, the Articles of Association and other internal documents of the Company.

8.2 Regulations on dividend policy of the Open Joint-stock Company MOSTOTREST approved by resolution of the Board of Directors on September 30, 2010 (Minutes of the General Meeting of OJSC MOSTOTREST w/out number and dated 09/30/2010) shall become void from the date these Regulations take effect.