

APPROVED:
by the resolution of the Board Meeting
of JSC “INK-Capital”
(Minutes No. 50 dated December 23, 2014)

REGULATIONS
ON DIVIDEND POLICY
of JSC “INK-Capital”
(revised version)

Regulations on Dividend Policy of JSC “INK-Capital”

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1. GENERAL PROVISIONS

1.1. The Regulations on Dividend Policy (or “Dividend Policy”) were developed in accordance with applicable laws of the Russian Federation, the Charter of JSC “INK-Capital” (the “Company”) and internal documents of the Company.

1.2. The Regulations are intended to be advisory in nature and to determine the approach of the Company’s Board of Directors towards issuing recommendations on the amount of dividend per share and on the procedure of dividend payments.

1.3. In case any issues relating to dividend payments are not governed by the Federal Law on Joint Stock Companies or other regulations of the Russian Federation, the Company’s Charter and this Dividend Policy, such issues shall be resolved based on the necessity to ensure rights and protect interests of shareholders.

1.4. In accordance with the Company’s Charter the chartered capital of the Company is divided into ordinary registered non-documentary shares, therefore this Dividend Policy addresses issues related to this category of shares only.

1.5. The Dividend Policy is the Company’s policy regarding profit allocation ensuring balance of interests between the Company and its shareholders at determining the amount of dividends. The Dividend Policy serves shareholders with a real opportunity to exercise their rights for a share in the Company’s profits.

The Dividend Policy is aimed at:

- establishing clear, transparent and understandable mechanism determining the amount of dividends and procedure of dividend payments;
- providing the shareholders with sufficient information to create precise understanding on presence of conditions for dividend payment and dividend payment procedure;
- improving wealth of Company’s shareholders;
- eliminating shareholders possible misleading of the financial position of the Group in relation to dividend payments;
- avoiding unreasonable complications in relation to dividend payments.

1.6. The key principles of the Dividend Policy are:

- 1.6.1. To respect interests of all shareholders and maximize their overall wealth;
- 1.6.2. To secure sufficient financing of the Group’s operation through investment of a part of profit to development of the Group in order to increase value of assets and shareholders equity;
- 1.6.3. To ensure the achievement of priority goals of the Group’s development using capitalized part of profit;
- 1.6.4. To maximize income on invested capital;

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1.6.5. To follow restrictions stipulated by Russian laws, Company’s Charter and internal documents of the Company at making resolutions (declaring) on dividend payments;

1.6.6. To pay equal amount of dividends per one share of the same category (type of shares).

1.7. These Regulations contain the following terms and abbreviations:

- Consolidated Statements – consolidated financial statements of JSC “INK-Capital” prepared under International Financial Reporting Standards;
- General Shareholders Meeting – general meeting of shareholders of JSC “INK-Capital”;
- Board of Directors – board of directors of JSC “INK-Capital”;
- Executive body – sole executive body (General Director) of JSC “INK-Capital”;
- IFRS – International Financial Reporting Standards;
- RAS – Russian Accounting Standards;
- Reporting period – the period which JSC “INK-Capital” should cover in its RAS or IFRS accounting (financial) statements;
- Group – group of legal entities including JSC “INK-Capital” as per Russian laws and/or requirements of IFRS;
- Registrar – a person maintaining the register of JSC “INK-Capital” shareholders.

2. DETERMINING THE AMOUNT OF DIVIDEND

2.1. In accordance with the requirements of Russian laws, dividends should be paid to Company’s shareholders from the Company’s profit after tax (net profit) calculated based on the accounting statements made under RAS and specified in the profit and loss statements of the Company subsequent to the results of work in the Reporting period.

For the purpose of determining the amount of dividend per each ordinary share, the portion of net profit allocated for payment of dividends should be divided by the number of ordinary shares. Number of shares under the applicable Russian laws include outstanding and reacquired shares at the date of preparation (making the list of persons entitled to receive dividends).

2.2. The Board of Directors submits its recommendations regarding the amount of dividends and procedure of dividend payment to the General Shareholders Meeting. Recommendations of the Board of Directors regarding the amount of dividends subsequent to the results of the Reporting period should be submitted to the Company’s shareholders under the applicable law in such a way that the shareholders could make final decision during the General Shareholders Meeting.

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The provision of the General Shareholders Meeting of recommendations concerning making the decision on payment (declaration) of dividends and the amount of dividends is a right, not an obligation of the Board of Directors.

2.3. The amount of dividends recommended to the General Shareholders Meeting should be determined by the Board of Directors based on the following conditions and factors:

- The Development Plan (including the current and subsequent year’s Business-Plan/Budget);
- Structure of working capital;
- Overall debt load of the Group determined under Consolidated Statements made as of the end of the Reporting period; and
- Debt/EBITDA ratio calculated under Consolidated Statements. At calculation of this ratio, the Board of Directors should take into consideration that this ratio at the end of the current Reporting period (in terms of RAS) should not exceed 3.0.

2.4. When the recommended amount of dividends is determined, the Board of Directors should take into consideration financial and business plans of the Group for future periods as well as current and future status of working capital and obligations of the Group. The Board of Directors should not recommend the payment (declaration) of dividends to the General Shareholders Meeting, if the Company has obligations to its shareholders, contractors limiting or impeding the payment of dividends and if the payment of dividends may result in the material additional borrowing by the Group or other costs which are not provided in the approved Development Plan and/or Business-Plan for the future periods, failure to implement work program of the Group, or non-compliance with financial covenants under current loan and other agreements by the Company and/or the whole Group or such payments may create wrong impression about the work of the Group.

3. RESOLUTION ON PAYMENT (DECLARATION) OF DIVIDENDS

3.1. In accordance with the requirements of applicable Russian laws and provisions of the Company’s Charter, the Company is entitled to resolve the payment (declaration) of dividends subsequent to the results of the 1st quarter, 6 months and 9 months of a fiscal year and (or) subsequent to the results of a fiscal year.

Resolution on payment (declaration) of dividends subsequent to the results of the 1st quarter, 6 months and 9 months of fiscal year could be passed within 3 months following the last day of such period.

Materials which are submitted to the shareholders during the General Shareholders Meeting for passing resolution on dividend payment may contain all necessary information

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confirming presence or absence of conditions required for payment of dividends and information about compliance of proposals of the Board of Directors with these Regulations.

3.2. Passing resolution on payment (declaration) of dividends is a right, not an obligation of the Company.

The Company is obliged to pay the declared dividend. The Company is liable to Company's shareholders for non-fulfillment of this obligation in accordance with applicable Russian laws.

3.3. Resolution on payment (declaration) of dividends including the amount of dividends should be passed by the General Shareholders Meeting. This resolution determines the amount of dividends on shares, form of payment, the date on which the persons entitled to receive dividends should be determined. The decision concerning establishing the date on which the persons entitled to receive the dividends should be determined shall be made only upon proposal of the Board of Directors.

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

Dividends should be declared with the taxes withheld from the shareholders in mind.

3.4. The Company may not resolve (declare) on dividends in the following cases:

- the charter capital of the Company is not paid in full;
- all shares are purchased in accordance with Article 76 of the Federal Law on Joint Stock Companies;
- the Company would be insolvent (going concern) as per applicable Russian laws on insolvency (bankruptcy) as a result of dividend payments;
- value of Company's assets would be lower than its paid-in charter capital and reserve fund; and
- other cases provided for by federal laws.

3.5. The Company may not pay declared dividends in the following cases:

- as of the date of payment, the Company would show indications of insolvency (bankruptcy) as per applicable Russian laws on insolvency (bankruptcy), or in case insolvency indications appear as a result of dividend payment; and
- other cases provided for by federal laws.

Upon termination of the above conditions the Company is obliged to pay declared dividends to shareholders immediately.

4. PROCEDURE OF DIVIDEND PAYMENT

4.1. The Company pays dividends in monetary form. Declared dividends are paid in Russian rubles or foreign currency as per the decision of General Shareholders Meeting, under recommendations of the Board of Directors.

The General Shareholders Meeting determines time of dividend payments, but it may not exceed 10 (ten) business days for the payment of dividends for the nominal shareholder and for fiduciary being a professional participant of securities market, which are registered in the register of shareholders of the Company, and in relation to other registered in the shareholders' register persons - 25 (twenty five) business days from the date on which the persons entitled to receive the dividends should be determined.

4.2. Dividends should be paid to persons who owned shares of the corresponding category (type) or exercised rights on these shares in accordance with Federal laws rights at the end of the business day of the date on which, in accordance with the resolution on payment (declaration) of dividends the persons the person entitled to receive the dividends are determined. In order to make the list of persons entitled to receive dividends, the nominee shareholder submits information about persons on whose behalf it holds the shares. The date on which the persons entitled to receive the dividends should be determined may not be earlier than 10 (ten) days from the date of the resolution on payment (declaration) of dividends and later than 20 (twenty) days from the date of such resolution. Should one share be in possession of several persons, dividends will be divided between such persons in proportion to their parts in share's value, unless otherwise stated in the agreement between such persons.

4.3. Any shareholder is entitled to make a request to the Company for provision of information regarding its inclusion/non-inclusion into the list of persons entitled to receive dividends, procedure of calculation of dividends, procedure of accrual and taxation of dividends and terms of their payment. The Company will prepare reply within 5 (five) business days upon receipt of such written request and will send it to the shareholder at mailing address stated in the Company's register unless another means of information receipt is specified.

4.4. Payment of dividends is made in cash, by the Company, the Registrar or credit organization by order of the Company.

The payment of cash dividends to the individuals whose rights on shares are registered in the register of shareholders of the Company can be made by postal money transfer or by wire transfer to their banking accounts and the payment to other persons whose rights on shares are registered in the register of shareholders of the Company – by transferring money by wire transfer. The obligation of the Company for the payment of dividends to such persons shall be

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considered fulfilled from the date of receiving remittances by federal postal service or from the date of receipt of cash in credit organization where a bank account of the person entitled to receive such dividends is opened.

Persons entitled to receive dividends and whose rights to shares are registered by nominal shareholder are entitled to receive dividends in cash as prescribed by securities laws of the Russian Federation. The nominal shareholder, which had received the dividends and which has not fulfilled obligations concerning their transfer owing to circumstances, is obliged to return the amount of dividends to the Company within 10 (ten) days after expiration of 1 (one) month from the date of expiry of the payment of dividends.

4.5. Updated bank details should be submitted by the shareholder to the Company's shareholder register by the date of the General Shareholders Meeting where the decision on dividend payment (declaration) is passed.

In the event that the shareholder specified wrong bank details or address for transfer of dividends, or failed to inform the Registrar about such bank details, or failed to do that in due time, the Company may not be held liable for damages caused to the shareholder for this reason. After return of dividends under incorrect transactions provided by the shareholder, another attempt would be made following correction less banking fees and other charges associated with such transaction.

4.6. No shareholder has an advantage in terms of time, form and procedure of dividends payment.

4.7. The Executive Body of the Company is liable for timely and accurate implementation of resolutions of the General Shareholders Meeting related to dividends payments. Should the resolution on dividends payment fail to be implemented or is implemented untimely, responsibility measures may be applied to Executive Body under applicable Russian laws.

In the event that the time for dividends payment determined by the General Shareholders Meeting is violated, the Company is obliged to accrue and pay the shareholders at their request. Interests for using such funds are accrued at the refinancing rate of the Central Bank of Russia for the whole period when it used dividends unpaid in due time.

The person which did not receive declared dividends due to the fact that the Registrar had no accurate and relevant address or bank details, or due any other delay, has the right to file a claim for the payment of such dividends within 3 (three) years from the date the decision on payment (declaration) of dividends was made. The term for filing a claim for the payment of unclaimed dividends is not subject to renewal in case of its omission, except situation if the person entitled to receive dividends, did not apply such claim under the influence of violence or threats. After this period, declared and unclaimed dividends are restored to the undistributed

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profits of the Company, and the obligation for payment is terminated. Interest on unclaimed dividends are not accrued and not paid.

Should the Company fail to perform its obligations, the shareholders are entitled to demand payment of declared in court.

4.8. The Company acts as a tax agent when it makes payment of dividends. . The Company makes calculations, withholds and transfers corresponding tax or implements privileged tax regime in accordance with procedure and time provided by international agreements governing tax matters and applicable Russian laws. Dividends are transferred to the shareholders net of withheld taxes stipulated by the applicable Russian laws.

5. INFORMING SHAREHOLDERS ABOUT THE DIVIDEND POLICY

5.1. The Company publishes the Dividend Policy and amendments thereto in Russian and English on the following websites: <http://irkutskoil.ru> and <http://irkutskoil.com>.

6. FINAL PROVISIONS

6.1. The Board of Directors of the Company approves this Policy.

6.2. Additions and/or amendments to the Regulations are made upon resolution of the Board of Directors of the Company.

6.3. If as a result of any changes of Russian laws and regulatory legal documents and Company's Charter or due to other reasons some articles of these Regulations are recognized to be invalid, ineffective or void, such articles shall cease to be in force, and as far as the Regulation are not updated, the Company and shareholders shall be governed by applicable laws and Company's Charter.