

**Approved  
by the Board of Directors  
of “SIBUR Holding” OJSC  
Minutes No. 170, dated March 27, 2014**

**REGULATION  
REGARDING THE DIVIDEND POLICY  
OF “SIBUR HOLDING” OJSC**

**(Version No. 5)**

**St. Petersburg  
2014**

**TABLE OF CONTENTS**

1. GENERAL PROVISIONS .....	3
2. DEFINITION OF THE DIVIDEND POLICY. THE COMPANY’S DIVIDENDS.....	3
3. THE BASIC CONDITION UNDER WHICH DIVIDENDS ARE PAID TO THE SHAREHOLDERS OF “SIBUR HOLDING” OJSC.....	4
4. DETERMINING THE AMOUNT OF DIVIDENDS .....	4
5. THE PROCEDURE BY WHICH THE BOARD OF DIRECTORS MAKES A DECISION ABOUT RECOMMENDATIONS FOR THE GENERAL MEETING OF SHAREHOLDERS WITH REGARD TO THE AMOUNT OF THE DIVIDENDS .....	4
6. THE PROCEDURE FOR PAYING DIVIDENDS .....	5
7. INFORMING SHAREHOLDERS ABOUT THE COMPANY’S DIVIDEND POLICY .	6
8. LIABILITY FOR THE INCOMPLETE OR LATE PAYMENT OF DIVIDENDS TO SHAREHOLDERS.....	6
9. APPROVING AND AMENDING THE REGULATION .....	6

## 1. GENERAL PROVISIONS

- 1.1. This Regulation regarding the dividend policy of "SIBUR Holding" OJSC (hereinafter referred to as "*the Regulation*") has been developed in accordance with the applicable laws of the Russian Federation, the Articles of "SIBUR Holding" OJSC (hereinafter referred to as "*the Company*"), and its internal rules. The purpose of this Regulation is to establish a procedure by which the Board of Directors will prepare recommendations for the General Meeting of Shareholders with regard to the amount of dividends per share in the Company.
- 1.2. The company's Dividend Policy has been designed to balance the interests of the Company and its shareholders when determining the amount of the dividend payments, to make the Company more attractive for investment and increase its capitalization, and to respect and strictly observe the shareholders' rights as provided by the applicable laws of the Russian Federation, the Articles of the Company, and its internal documents.

## 2. DEFINITION OF THE DIVIDEND POLICY. THE COMPANY'S DIVIDENDS

- 2.1. A dividend is a portion of the Company's net profits that is distributed to the shareholders in proportion to the number of their shares of the relevant category (type).
- 2.2. The Dividend Policy is a set of principles of the Company that govern the optimal distribution of the Company's profits after taxation (hereafter referred to as "*net profits*") in order to increase the wealth of the Company's shareholders, both by distributing a portion of the net profits in the form of dividends as well as by increasing the Company's share value as a result of its increased capitalization.
- 2.3. The main objective of the Company's Dividend Policy is to ensure the stable growth of Company's capitalization while at the same time ensuring the mandated annual payments of dividends to the Company's shareholders in the amount determined in accordance with this Regulation. Realizing the fact that increasing the Company's assets is one of the key factors in the growth of its capitalization, the Board of Directors recognizes the need to reinvest a significant portion of the Company's profits in order to expand the Company's production and investment activities.
- 2.4. Based on the results of a quarter, six- or nine-month period, and/or the results of a fiscal year, the Company shall have the right to make a decision (declaration) regarding the payment of dividends on the outstanding registered ordinary shares, unless otherwise provided by the federal law, On Joint Stock Companies. The term "outstanding registered ordinary shares" means registered ordinary shares purchased and fully paid for by the shareholders, except for the ordinary shares repurchased by the Company from the shareholders in accordance with the provisions of the federal law, On Joint Stock Companies.
- 2.5. The decision about the payment of dividends shall be Company's right and not an obligation.
- 2.6. The Company is obligated to pay declared dividends. The Company shall be liable to the shareholders for the failure to meet this obligation, in accordance with the laws of the Russian Federation.

**3. THE BASIC CONDITION UNDER WHICH DIVIDENDS ARE PAID TO THE SHAREHOLDERS OF "SIBUR HOLDING" OJSC**

- 3.1. The conditions for paying dividends to the shareholders of the Company shall be as follows:
- 3.1.1. the Company must show net profits for the fiscal period after which the dividends are to be paid, as determined pursuant to clause 4.1. hereof
  - 3.1.2. the restrictions on dividend payments provided by article 43 of the federal law, On Joint Stock Companies are not applicable
  - 3.1.3. the Board of Directors has provided a recommendation on the amount of the dividend
  - 3.1.4. the General Meeting of Shareholders of the Company has made a decision to pay (declare) a dividend

**4. DETERMINING THE AMOUNT OF DIVIDENDS**

- 4.1. In accordance with the requirements of the applicable laws of the Russian Federation, dividends shall be paid to the Company's shareholders from the Company's net profits, which are calculated on the basis of financial statements prepared in accordance with the requirements of applicable laws and specified in the Company's profit and loss statement.
- 4.2. According to the aforementioned objectives of the Dividend Policy, when making a decision about recommendations for the Company's General Meeting of Shareholders regarding the amount of the dividends, based on the results of a particular fiscal period, the Board of Directors of the Company shall keep in mind that the Company's goal is to pay in the form of dividends 25% of the Company's profits belonging to the shareholders of the Company's parent company, as determined based on the results of the relevant fiscal period, on the basis of the Company's consolidated financial statement, which was drafted in accordance with International Financial Reporting Standards (IFRS) and adjusted for exceptional non-cash income and expenses, including:
- 1. the total amount for employee compensation on the basis of shares that were granted by the company that is not consolidated into the Company under IFRS
  - 2. nonrecurring (irregular) income and expenses.
- 4.3. The amount of accrued dividends payable to each shareholder shall be determined by multiplying the dividend per share by the number of shares owned by the shareholder.

**5. THE PROCEDURE BY WHICH THE BOARD OF DIRECTORS MAKES A DECISION ABOUT RECOMMENDATIONS FOR THE GENERAL MEETING OF SHAREHOLDERS WITH REGARD TO THE AMOUNT OF THE DIVIDENDS**

- 5.1. The question of whether to pay dividends for a quarter, six- or nine-month period, and/or based on the results of a fiscal year shall be considered in a provisional manner by the Company's Board of Directors, based on the Company's financial performance.
- 5.2. The Company's Board of Directors shall consider the main areas of focus for allocating profits and provide recommendations with regard to the share of profit that it considers to be rational to allocate for dividend payments.
- 5.3. When making a decision on the recommendations for the Company's General Meeting of Shareholders with regard to the amount of the dividends, the Board of Directors shall be guided by the principle that no dividends may be paid from borrowed funds raised by the Company.

- 5.4. The decision on the amount of dividends recommended to the General Meeting of Shareholders shall be made by the Company's Board of Directors in accordance with the Articles and the Rule regulating the Board of Directors of the Company.
- 5.5. The decision to pay (declare) dividends shall be made by the Company's General Meeting of Shareholders. The amount of dividends may not exceed the amount recommended by the Company's Board of Directors.
- 5.6. The decision to pay (declare) dividends and on their amount, based on the results of the first quarter or of a six- or nine-month period of the fiscal year may be made by an extraordinary General Meeting of Shareholders within three (3) months after end of the relevant period.
- 5.7. The decision to pay dividends and the decision regarding their amount based on the results of the fiscal year shall be made by the annual General Meeting of Shareholders.

## **6. THE PROCEDURE FOR PAYING DIVIDENDS**

- 6.1. The Board of Directors will make a proposal to the General Meeting of Shareholders regarding the date for determining which individuals are entitled to receive dividends. The date on which the determination is made, in accordance with the decision to pay (declare) dividends, about the individuals who are entitled to receive them, cannot be earlier than ten (10) days from the date of the decision to pay (declare) dividends, or later than 20 (twenty) days from the date of such decision.
- 6.2. The deadline for paying a dividend to a nominal holder who is a professional trader on the securities market for a trustee who is registered in the shareholder registry shall not exceed ten (10) business days, and in regard to other individuals registered in the shareholder registry – 25 (twenty-five) business days from the date on which the a determination was made about the individuals who are entitled to receive dividends.
- 6.3. Dividends are paid solely in monetary funds.
- 6.4. Dividends will be paid electronically either by the Company or on its behalf by the registrar that maintains the Company's shareholder registry, or by a credit organization.
- 6.5. Dividends are paid in in the form of monetary funds via a postal money order to individuals whose rights to shares are recorded in the Company's shareholder registry or, if those individuals submit the appropriate application, by transferring money to their bank accounts. Money will also be transferred to the bank accounts of other individuals whose rights to shares are registered in the shareholder registry. The company's obligation to pay dividends to such individuals is considered to have been met as of the date on which the transferred funds are accepted by the federal postal institution or on the date the funds are received by the credit organization at which a bank account has been opened for the individual who is entitled to receive such dividends.
- 6.6. Individuals who are entitled to receive dividends, and whose rights to those shares are registered as being held by the nominal holder of the shares, shall receive dividends in monetary form through the depository of which they are depositors, in the manner provided by the federal law, On the Securities Market. The Depository shall pay dividends on the Company's shares, by transferring funds to the bank accounts specified in the custodial agreement, to its depositors who are nominal holders and trustees, using professional traders on the securities market, no later than the next business day after their receipt, and will pay dividends on the Company's shares to other depositors no later than seven business days after the date of their receipt.
- 6.7. An individual who has not received declared dividends due to the fact that the Company or the registrar does not have the exact and necessary address information or banking details, or in connection with another reason for the Company's delay, may submit a request for the payment of such dividends (unclaimed dividends) within three years of the date on which a decision was made regarding their payment.

- 6.8. After this deadline has expired, any declared but unclaimed dividends will be returned to the retained earnings of the Company and the obligation to pay them in full terminates.
- 6.9. Taxes are imposed on paid dividends in accordance with the procedure stipulated by the current legislation of the Russian Federation.

#### **7. INFORMING SHAREHOLDERS ABOUT THE COMPANY'S DIVIDEND POLICY**

- 7.1. The Company shall publish the Company's Regulation on Dividend Policy on the Company's official website.

#### **8. LIABILITY FOR THE INCOMPLETE OR LATE PAYMENT OF DIVIDENDS TO SHAREHOLDERS**

- 8.1. The Company shall ensure the timely and accurate execution of decisions made by the Meetings of Shareholders regarding dividend payments.
- 8.2. In the case of incomplete and/or late payment of dividends to shareholders, or of transfers of dividends to the operating account of a depository, the depositors of which are shareholders in the Company, in the manner provided by the federal law, On The Securities Market, provided that the shareholders have promptly informed the registrar of their banking details or mailing addresses and any changes thereto, the officials directly responsible for such failure shall be liable in accordance with Russian laws.

#### **9. APPROVING AND AMENDING THE REGULATION**

- 9.1. This Regulation, and any amendments or addendums hereto, shall be approved by the Company's Board of Directors in accordance with the Articles of the Company and the Rule regulating the Board of Directors and shall take effect on the date of its approval by the Board of Directors.
- 9.2. All matters that are not covered herein shall be governed by the Articles of the Company, other internal rules of the Company, and applicable laws.
- 9.3. If changes in the laws or regulations of the Russian Federation cause conflicts with specific articles in this Regulation, those articles will no longer be valid.