

**Approved  
by the Board of Directors  
of JSC SIBUR Holding  
Minutes No. 165 dated June 25, 2013**

**REGULATION  
ON THE DIVIDEND POLICY  
OF JSC SIBUR HOLDING**

**(Version No. 4)**

**Saint Petersburg  
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## **1. GENERAL PROVISIONS**

- 1.1. This Regulation on Dividend Policy of JSC SIBUR Holding (hereinafter referred to as “**the Regulation**”) has been developed in accordance with the applicable laws of the Russian Federation, the Articles of JSC SIBUR Holding (hereinafter referred to as “**the Company**”) and its internal regulations. The purpose of this Regulation is to establish a procedure for adoption of a decision by the Board of Directors on recommendations to the General Meeting of Shareholders with regard to the amount of the dividends.
- 1.2. The Dividend Policy of the Company has been designed to balance the interests of the Company and its shareholders in determining the amount of dividend payments, to increase investment attractiveness and capitalization of the Company, to respect and strictly observe the shareholders' rights provided for by the applicable laws of the Russian Federation, the Articles of the Company and its internal documents.

## **2. DEFINITION OF THE DIVIDEND POLICY. DIVIDENDS OF THE COMPANY**

- 2.1. The dividend is a portion of the net profit of the Company 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 governing the optimal distribution of the Company's profit after taxation (hereafter referred to as “**net profit**”) in order to increase the wealth of the Company's shareholders both through distribution of a part of the net profit in the form of dividends and through increase of the Company's share value resulting from its increased capitalization.
- 2.3. The main objective of the Dividend Policy of the Company is to ensure the stable growth of Company's capitalization along with obligatory simultaneous annual payment of dividends to the Company's shareholders in the amount determined in accordance with this Regulation. Realizing the fact that the increase of Company's assets is one of the key factors for the growth of the capitalization, the Board of Directors recognizes the need to reinvest a significant part of the Company's profit in the development of the Company's production and investment activities.
- 2.4. Based on the results of a quarter, six months, nine months and / or the results of a financial year, the Company shall have the right to make a decision on (declare) dividend payment 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 on dividend payment shall be Company's right and not obligation.
- 2.6. The payment of declared dividends shall be Company's obligation. The Company shall be liable to the shareholders for failure to perform this obligation in accordance with the laws of the Russian Federation.

## **3. PRINCIPAL TERMS OF DIVIDEND PAYMENT TO THE SHAREHOLDERS OF THE COMPANY**

- 3.1. The terms of dividend payment to the shareholders of the Company shall be as follows:
  - 3.1.1. The Company has net profit for the reporting period, following which the dividends are paid, as determined pursuant to clause 4.1. hereof;
  - 3.1.2. Restrictions on dividend payment provided by article 43 of the Federal Law On Joint Stock Companies are not applicable;
  - 3.1.3. The Board of Directors has provided the recommendation on the amount of the dividend;

- 3.1.4. The General Meeting of Shareholders of the Company has made a decision on (declared) the dividend payment.

#### **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 profit 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 account.
- 4.2. According to the aforementioned objectives of the Dividend Policy, when adopting a decision on recommendations to the General Meeting of Shareholders of the Company on the amount of the dividends paid based on the results of the financial year, the Board of Directors of the Company shall consider the fact that the Company's goal is to allocate as dividends about 25% of the net profit attributable to the shareholders of the Parent Company as determined following the financial year based on the consolidated financial statement of the Company prepared in accordance with the International Financial Reporting Standards (IFRS). The specific amount of funds allocated for dividend payment shall depend on the financial condition and results of the Company's activities, cash receipts and future development prospects, general business conditions and other factors considered by the Board of Directors of the Company when preparing recommendations, and may be less than the above amount.
- 4.3. The amount of dividends accrued to each shareholder shall be determined by multiplying the dividend per share by the number of shares owned by the shareholder.

#### **5. PROCEDURE FOR ADOPTION OF A DECISION BY THE BOARD OF DIRECTORS ON RECOMMENDATIONS TO THE GENERAL MEETING OF SHAREHOLDERS WITH REGARD TO THE AMOUNT OF DIVIDENDS**

- 5.1. The possibility of dividend payment for a quarter, six months, nine months, and / or for a financial year shall be preliminarily considered by the Board of Directors of the Company based on the financial results of the Company.
- 5.2. The Board of Directors of the Company shall consider the main areas of profit distribution and provide recommendations with regard to the share of profit that will be expedient to allocate for dividend payments.
- 5.3. When making a decision on the recommendations to the General Meeting of Shareholders of the Company 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 Regulation on the Board of Directors of the Company.
- 5.5. The decision on payment (declaration) of dividends shall be made by the General Meeting of Shareholders of the Company. The amount of dividends may not exceed the amount recommended by the Company's Board of Directors.
- 5.6. The decision on payment (declaration) of dividends and on their amount based on the results of the first quarter, six months, nine months of the financial year may be made by an extraordinary General Meeting of Shareholders within three (3) months after completion of the relevant period.
- 5.7. The decision on payment (declaration) of dividends and on their amount based on the results of the financial year shall be made by an annual General Meeting of Shareholders.

## **6. DIVIDEND PAYMENT PROCEDURE**

- 6.1. The Board of Directors of the Company shall set the date for preparation of the list of persons entitled to participate in the General Meeting of Shareholders. The list of persons entitled to receive dividends shall be prepared by the Company's Registrar on the date of the list of persons entitled to participate in the General Meeting of Shareholders at which the decision on dividend payment will be made. To prepare the list of persons entitled to receive dividends, a nominee shareholder shall provide details of the persons for whose benefit he / she is holding the shares.
- 6.2. The sole Executive Body of the Company shall ensure timely and full payment of dividends to the shareholders.
- 6.3. If no information required for dividend payment is available in the Shareholder Registration System of the Company or if such information is unreliable, the dividends accrued but not claimed by the shareholders of the Company shall be included in the undistributed profits of the Company after three (3) years from the date of accrual.
- 6.4. Dividends shall be paid in the declared amount.
- 6.5. The paid dividends shall be subject to taxation in accordance with the procedure stipulated by the applicable laws of the Russian Federation.

## **7. INFORMING THE SHAREHOLDERS ON THE DIVIDEND POLICY OF THE COMPANY**

- 7.1. The Company shall publish the Company's Regulation on Dividend Policy and any amendments hereto on the official website of the Company.

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

- 8.1. The Company shall ensure timely and accurate execution of decisions made by the Meetings of Shareholders on dividend payments.
- 8.2. In case of incomplete and / or late payment of dividends to those shareholders who have timely informed the Company's 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.
- 8.3. The Company shall not be liable for failing to pay dividends to those shareholders who have not provided the Company's Registrar in a timely manner with their banking details and mailing addresses or information on any changes thereto.

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

- 9.1. This Regulation and any amendments hereto shall be approved by the Company's Board of Directors in accordance with the Articles of the Company and the Regulation on the Board of Directors and shall become effective from 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 regulations of the Company, and applicable laws.
- 9.3. If, as a result of changes in laws and regulations of the Russian Federation, some provisions of this Regulation come into conflict therewith, such articles shall lose their force.