

Approved
on April 20, 2015 by
the resolution of the Board of Directors of
Public Joint Stock Company
«Cherkizovo Group»
(Minutes No. 20/045Д dated April 23, 2015)

REGULATIONS ON
dividend policy
of Public Joint Stock Company
“Cherkizovo Group”
(Revision No. 1)

Moscow
2015

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1. GENERAL PROVISIONS

1.1 The present Regulations on dividend policy of Public Joint Stock Company “Cherkizovo Group” («the Regulations») have been developed in accordance with the effective laws of the Russian Federation, principal recommendations of the Corporate Governance Code, the Articles of Association, internal documents of Public Joint Stock Company “Cherkizovo Group” (the “Company”).

1.2 Dividend policy of the Company is based on the principle of rational distribution of profit with due consideration for the interests of shareholders and demand for investments into development of business of the Company.

2. PROCEDURE OF MAKING DECISION ON DIVIDEND PAYMENT

2.1 The issue of dividend payment shall be preliminarily considered by Investment and strategic planning committee of the Board of Director (“the Committee”) on the basis of proposals of the Management Board of the Company. Following the review results, the Committee shall forward to the Board of Directors of the Company the proposals as to dividend amount and the procedure of payment thereof.

2.2 Taking into account the proposals of the Committee and provisions of sections 4 and 5 of these Regulations, the Board of Directors of the Company shall make a decision on recommendations on dividend amount, form, procedure and terms of payment thereof.

2.3 Resolution on dividend payment (declaration) shall be made by General meeting of shareholders in accordance with the applicable law of the Russian Federation, the Articles and internal documents of the Company.

2.4 Resolution on dividend payment (declaration) on the results of the first quarter, six months and nine months of a financial year may be made by General meeting of shareholders of the Company within three (3) months following the end of the relevant period.

2.5 The Company shall declare the dividend amount excluding taxes thereon.

2.6 Dividend amount, approved by the Meeting, may not exceed the dividend amount, recommended by the Board of Directors.

2.7 In case of payment to the shareholders of excessive dividends, the Company may set off the excessive payment against forthcoming payments or propose that the shareholders should repay it on the basis of a resolution by General Meeting.

Herewith the Company is not entitled to compel the shareholders to repay the overpaid dividend amount.

3. SOURCES OF DIVIDEND PAYMENT

3.1 Dividends upon the Company’s shares shall be paid out of the net profit of the Company (in particular, if required, out of the undistributed profit of past years), as determined according to financial statements, prepared in accordance with the requirements of Russian laws as well as out of other sources, as prescribed by the applicable laws of the Russian Federation.

4. DETERMINATION OF DIVIDEND AMOUNT

4.1 For determination of dividend amount to be recommended to General meeting of shareholders, the Board of Directors of the Company shall proceed from the assumption that the amount of money, allocated for dividend payment, shall be minimum 20% of consolidated net profit, as determined on the basis of data of consolidated financial statements, prepared in accordance with the standards, applied by the Company for the purposes of making up financial statements for the relevant period, adjusted in accordance with cl.4.2 of the Regulations.

4.2 Consolidated net profit for the purposes of calculation of dividend amount may be adjusted considering incidental profits (losses), not related to current principal business of the Company.

4.3 The amount of money, allocated for dividend payment, in any case may not exceed the amount of the sources, out of which dividend payment may be made in accordance with the allocable legislation of the Russian Federation.

4.4 For determination of recommended dividend amount following the results of a financial year, the dividend amount, calculated in accordance with cl.4.1 and 4.2 of the Regulations, shall be reduced by the amount of dividend, declared for the preceding periods. Should the result of this calculation be negative, the Board of Directors of the Company shall recommend to General meeting of shareholders of the Company not to pay dividends following the results of a financial year.

4.5 Dividend amount per share shall be calculated by dividing the amount of money, allocated for dividend payment, determined in accordance with cl.4.1-4.4 of the Regulations, by the total number of placed ordinary shares of the Company.

4.6 For determination of dividend amount to be recommended to General meeting of shareholders, the Board of Directors of the Company shall take into account current financial and competitive position of the Company as well as its development prospects, including the forecast of operational cash flow and capital investments, demand for funds procurement and other factors, influencing its financial stability and flexible capital structure. Considering the above factors, the Board of Directors of the Company may recommend that General meeting of shareholders should not pay dividends or should allocate to dividend payment the amount, determined otherwise than in accordance with cl.4.1-4.4 of the Regulations.

5. PRINCIPAL CONDITIONS OF DIVIDEND PAYMENT

Dividends upon shares of the Company shall be paid on the following terms:

5.1 Receipt by the Company of net profit, as determined on the basis of financial statements for the relevant period, prepared in accordance with Russian accounting standards.

5.2 Lack of restrictions on dividend payment as provided for the applicable legislation of the Russian Federation.

5.3 Availability of recommendations of the Board of Directors of the Company as to dividend amount and payment procedure.

5.4 Adoption by General meeting of shareholders of the Company of the resolution on dividend payment (declaration).

6. PROCEDURE AND TIME OF DIVIDEND PAYMENT

6.1 Dividends shall be paid as and when determined by the resolution of General meeting of shareholders of the Company, with due consideration for the provisions of Federal Law “Joint stock companies”.

6.2 The Company shall not be responsible for non-payment and/or untimely payment of dividends, should the Register of Shareholders not contain correct and complete address and bank details of a registered person or if there is no timely notification of change of data, required for the purpose of dividend payment (transfer).

7. DISCLOSURE OF INFORMATION ON DIVIDEND POLICY OF THE COMPANY

7.1. The Company shall post the Regulations, amendments thereto and the dividend history of the Company on the Company’s web-site in the Internet at <http://www.cherkizovo.com> in information and telecommunications network Internet.