

APPROVED

by Resolution of the Board of Directors
of JSC INK-Capital
Minutes No. 109 dated March 5, 2021
Chairman of the Board of Directors

**REGULATIONS
ON THE DIVIDEND POLICY
OF JSC INK-CAPITAL**

New revision

Irkutsk

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I. GENERAL PROVISIONS

- 1.1 The Regulations on the Dividend Policy (hereinafter referred to as the Dividend Policy, or the Regulations) are drafted in accordance with the applicable laws of the Russian Federation, the Charter of Joint Stock Company INK-Capital (hereinafter referred to as the Company) and other internal documents of the Company.
- 1.2 The Regulations are advisory in nature and are intended to determine the approach of the Board of Directors towards issuing recommendations on the amount of dividend per share and on the procedure for payment thereof.
- 1.3 In case any issues relating to dividend payments are not governed by the Federal Law *on Joint Stock Companies*, other legal acts of the Russian Federation, the Charter and this Dividend Policy, such issues shall be resolved with an aim to ensure rights and protect interests of shareholders.
- 1.4 In accordance with the Charter, the charter capital of the Company is divided into ordinary shares; therefore, this Dividend Policy addresses issues related to this class of shares only.
- 1.5 The Dividend Policy is aimed at ensuring a balance of interests between the Company and its shareholders in determining the amount of dividend. The Dividend Policy provides shareholders with an opportunity to exercise their right to receive dividends from the Company's profits.

The Dividend Policy is aimed at:

- establishing a clear, transparent and understandable for the shareholders mechanism of determining the amount of dividend and procedure for their payment;
 - providing the shareholders with sufficient information to develop a clear understanding on presence of conditions for dividend payment and procedure for their payment;
 - improving wealth of the Company's shareholders;
 - excluding the possibility of misleading the shareholders regarding the financial position of the Group in relation to dividend payments.
- 1.6 The key principles of the Dividend Policy are:
 - to respect interests of all shareholders and the Company;
 - to implement best corporate governance practices;
 - to secure sufficient financing of the Group's operations through investment of part of the profit to development of the Group in order to increase value of its assets and shareholders' equity (capitalization);

- to ensure achievement of priority goals of the Group's development using capitalized part of the profit;
- to follow restrictions established by the laws of the Russian Federation, the Charter and internal documents of the Company when resolving on payment (declaration) of dividends;
- to pay equal amount of dividend per one share of the same class (type).

1.7 For the purposes of the Regulations, the following terms and abbreviations are used:

Term	Definition
Group	The Company and companies that are controlled by the Company in accordance with IFRS.
Executive body	The sole executive body (General Director) of the Company.
Consolidated Statements	Consolidated financial statements of the Company prepared in accordance with IFRS.
IFRS	International Financial Reporting Standards.
General Meeting	The General Shareholders Meeting of the Company (its supreme management body).
Company	Joint Stock Company INK-Capital.
Reporting period	The period which the Company should cover in its RAS or IFRS accounting (financial) statements.
Official website of the Group	The Official website of the Group: http://irkutskoil.ru (Russian language version) и http://irkutskoil.com (English language version).
Regulations, Dividend Policy	These Regulations on the Dividend Policy of the Company.
Registrar	A person maintaining the shareholders register of the Company.
RAS	Russian Accounting Standards.
Board of Directors	The Board of Directors of the Company.
Charter	The Charter the Company.

II. DETERMINING THE AMOUNT OF DIVIDEND

- 2.1 In accordance with the requirements of the laws of the Russian Federation, dividends to the Company's shareholders shall be paid from the Company's profit after tax (net profit, calculated based on the accounting statements prepared in accordance with RAS and specified in the profit and loss statement of the Company based on the results of work in the Reporting period), or from retained earnings of previous years, calculated based on the accounting statements prepared in accordance with RAS, at the end of the Reporting period.

For the purpose of determining the amount of dividend per each ordinary share, a portion of net profit allocated for payment of dividends is divided by the number of ordinary shares on which, in accordance with the applicable laws of the Russian Federation, dividends may be accrued (including placed and outstanding shares as of the date on which the persons entitled to receive dividends are determined).

- 2.2 The Board of Directors provides its recommendations regarding the amount of dividend and procedure for their payment to the General Meeting. Recommendation of the Board of Directors regarding the amount of dividend based on the results of the Reporting period is presented to the Company's shareholders during the Board meeting which agenda includes the issue on which the Board of Directors provides its recommendations regarding the amount of dividend, under the applicable laws to enable the shareholders pass a respective resolution during the General Meeting.

Provision of recommendations to the General Meeting regarding payment (declaration) of dividends and the amount of dividend is a right, but not an obligation of the Board of Directors.

- 2.3 The amount of dividend recommended to the General Meeting may be determined by the Board of Directors based on the following conditions and factors:

- development plan (including business plan/ budget for the current and subsequent years);
- structure of working capital;
- aggregate debt load of the Group determined based on the last signed Consolidated Statements;
- Net Debt/ EBITDA ratio based on the last signed Consolidated Statements. At calculation of this ratio, the Board of Directors should take into consideration that this ratio should not violate restrictions from the Company's creditors.

- 2.4 The Board of Directors shall not recommend payment (declaration) of dividends to the General Meeting, if their payment may lead to significant increase in debt financing or other costs, not provided for by the approved budget and/or business plan for the respective period, or result in failure to implement the Group's production plan, or non-compliance by the Company and/or the Group with financial indicators (covenants) under existing loan agreement and other

agreements, or such dividend payment may create wrong impression about the Company's activities.

III. RESOLUTION ON PAYMENT (DECLARATION) OF DIVIDENDS

- 3.1 In accordance with the requirements of the applicable laws of the Russian Federation and provisions of the Charter, the Company may resolve on payment (declaration) of dividends based on the results of the first quarter, six months and nine months of a reporting year and (or) based on the results of a reporting year.

Resolution on payment (declaration) of dividends based on the results of the first quarter, six months and nine months of a reporting year may be passed within 3 (Three) months following the last day of such period.

Materials, which are provided to the shareholders during the Shareholders Meeting for passing a resolution on dividend payment, shall contain all necessary information 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 a resolution on payment (declaration) of dividends on shares is a right, but not an obligation of the Company.

The Company has an obligation to pay out declared dividends. The Company is liable to its shareholders for non-fulfillment of this obligation in accordance with the applicable laws of the Russian Federation.

- 3.3 Resolutions on payment (declaration) of dividends including the amount of dividend are passed by the General Meeting. Such resolution determines the amount of dividend on shares, form of payment, the date on which the persons entitled to receive dividends shall be determined. A resolution establishing the date on which the persons entitled to receive the dividends are determined shall be passed only upon proposal of the Board of Directors.

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

- 3.4 The Company may not resolve on payment (declaration) of dividends on shares:
- until the charter capital of the Company is not paid in full;
 - until redemption of all shares that shall be redeemed in accordance with Article 76 of the Federal Law *On Joint Stock Companies*;
 - if at the time of such resolution the Company has signs of insolvency (bankruptcy) pursuant to the applicable laws of the Russian Federation *On Insolvency (Bankruptcy)* or the Company acquires such signs as a result of dividend payment;
 - if at the time of such resolution the net asset value of the Company is less than its charter capital or the reserve fund or becomes less than the charter capital and the reserve fund as a result of such resolution;

- as otherwise provided for by the federal laws.

3.5 The Company may not pay out declared dividends on shares:

- if at the time of such payment the Company has signs of insolvency (bankruptcy) pursuant to the applicable laws of the Russian Federation *On Insolvency (Bankruptcy)* or the Company acquires such signs as a result of dividend payment;
- if at the time of such payment the net asset value of the Company is less than the sum of its charter capital and the reserve fund or becomes less than the sum of its charter capital and the reserve fund as a result of such dividend payment;
- as otherwise provided by the federal laws.

Upon termination of the circumstances specified in this clause, the Company shall pay declared dividends to the shareholders for the entire period.

IV. PROCEDURE FOR DIVIDEND PAYMENT

4.1 The Company pays out dividends in monetary form. Declared dividends are paid in Russian rubles or foreign currency as determined by resolution of the General Meeting and recommendations of the Board of Directors.

The General Meeting determines the time period for dividend payments, but it shall not exceed 10 (Ten) business days for the payment of dividends to the nominal shareholder and to a fiduciary being a professional participant of the securities market, which are registered in the register of shareholders of the Company, and to other persons registered in the shareholders register – not more than 25 (Twenty five) business days from the date on which the persons entitled to receive the dividends are determined.

4.2 Dividends are paid to the persons who owned shares of the corresponding class (type) or exercised rights on such shares in accordance with the federal laws as of the end of the business day on which, in accordance with the resolution on payment (declaration) of dividends, the persons entitled to receive the dividends are determined. In order to compile the list of persons entitled to receive dividends, a nominee shareholder submits information about the persons on whose behalf it holds the shares. The date on which the persons entitled to receive the dividends are 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 are distributed in proportion to their part in the 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 on whether its name is included into the list of persons entitled to receive dividends, as well as on the procedure for calculation of dividends, procedure for accrual and taxation of dividends and conditions of their payment.

The Company shall prepare a reply within 5 (Five) business days upon receipt of such written request and send it to the shareholder at the mailing address specified in the Company's shareholders register unless another means of obtaining information is specified in the request.

- 4.4 Payment of dividends is made by wire transfer by the Company itself, or by the Registrar or a credit institution on its behalf.

Payment of dividends in monetary form to the individuals whose rights on shares are registered in the shareholders register of the Company is made by way of wire transfer to their banking accounts or special accounts of financial platform operators opened pursuant to the Federal Law *On Concluding Financial Transactions Using a Financial Platform*, if the Registrar has the respective account details, or if the Registrar has no information about bank accounts, special accounts of financial platform operators - by postal money transfer; payment to other persons whose rights on shares are registered in the shareholders register of the Company is made by way of wire transfer to their banking accounts. The Company's obligation to pay dividends to such persons shall be deemed fulfilled from the date of the money receipt by the federal postal service or from the date of the money receipt by the credit institution where a bank account of the person entitled to receive dividends is opened, or if such person is a credit institution – the date when the money is debited at its account.

Persons entitled to receive dividends and whose rights to shares are registered by a nominee shareholder are entitled to receive dividends in monetary form as prescribed by securities laws of the Russian Federation. The nominee shareholder, which received the dividends but did not perform its obligation on their transfer due to reasons beyond its control, shall return dividends to the Company within 10 (Ten) calendar days after expiration of 1 (One) month from the end of the dividend payment period.

- 4.5 Updated bank details shall be provided by the shareholder to the Registrar not later than 4 (Four) business days prior to the date of compiling a list of persons entitled to receive profit from the dividends.

In the event that the shareholder specified wrong bank details or address for the postal money transfer, or failed to inform the Registrar about such bank details, or failed to do that in due time, the Company shall not be held liable for such damages caused to the shareholder. After return of dividends due to the reasons specified in this clause, another attempt to transfer money to the shareholder according to the specified details is possible only subject to compliance with Clauses 4.6 and 4.7, net of costs of their return and re-transfer (including banking and other expenses).

- 4.6 The Executive Body of the Company is responsible for timely and accurate implementation of resolutions of the General Meeting related to dividend payments. Should the resolution on dividend payment fail to be implemented or is implemented in undue time, the Executive Body may be held liable as stipulated by the applicable laws of the Russian Federation.

In the event that the time period for dividend payment determined by the General Meeting is not observed, the Company, at the request of the shareholders, shall

accrue and pay to the shareholders, as soon as reasonably possible, an interest for using such funds, in the amount established by the laws the Russian Federation, for the entire period of using unduly paid dividends.

A person that did not receive declared dividends due to the fact that the Registrar had no accurate and relevant address or bank details, or due to any other delay, has the right to file a request for the payment of such dividends within 3 (Three) years from the date of the resolution on payment thereof. The time period for filing a claim for the payment of unclaimed dividends is not subject to renewal in case of its omission, unless the person entitled to receive dividends, did not file such request under the influence of violence or threat. After expiration of such period, declared and unclaimed dividends become part of the retained earnings of the Company, and the obligation for their payment is terminated. No interest is accrued or paid on unclaimed dividends.

The request for the payment of unclaimed dividends shall be sent to the Company. The Company, to which a shareholder has filed its request for the payment of unclaimed dividends, may not unreasonably refuse to accept such request.

Dividends to be paid in accordance with the request for the payment of unclaimed dividends are paid in accordance with the general procedure provided for by the laws of the Russian Federation and this Dividend Policy for the payment of dividends on shares in monetary form.

- 4.7 The request for the payment of unclaimed dividends by decision of the person entitled to receive them states that unclaimed dividends in monetary form shall be paid by way of wire transfer to the shareholder's banking account or to a special custody account of a nominee shareholder that records the rights on shares of the Company of the person specified in this clause, if such nominee shareholder is a credit institution - the money to be paid on the account of such credit institution.

The following documents shall be attached to the request for the payment of unclaimed dividends:

- statement of securities account of the person who applied for the payment of unclaimed dividends (document of a foreign nominee shareholder or a foreign institution entitled, in accordance with its internal regulations, to record and transfer rights to securities), confirming the number of shares of the Company owned by such person as of the date of compiling the list of persons entitled to receive dividends;
- translation into Russian of the document of a foreign nominee shareholder or a foreign institution entitled, in accordance with its internal regulations, to record and transfer rights to securities), confirming the number of shares of the Company owned by the person who filed its request for the payment of unclaimed dividends as of the date of compiling the list of persons entitled to receive dividends, if the specified document is attached to the request for the payment of unclaimed dividends;
- a document confirming the transfer to the person who applied for the payment of unclaimed dividends of the rights to receive them by way of universal succession, if the rights to receive unclaimed dividends had been

transferred to the person who applied for the payment of unclaimed dividends, as a result of universal succession;

- a document confirming the authority of the representative of the person who applied for the payment of unclaimed dividends, if a representative of the person entitled to receive the unclaimed dividends filed such request.

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

4.9 The Company acts as a tax agent when it makes payment of dividends to the shareholders in the manner prescribed by the tax legislation of the Russian Federation and international agreements on the avoidance of double taxation concluded by the Russian Federation. Shareholders who are not tax residents of the Russian Federation are obliged to submit to the Company a package of documents stipulated by the above legislation (or the relevant international agreement) for the purpose of determining and confirming the preferential rate of income tax on dividends, in the period from the date of the resolution on payment (declaration) of dividends to the date which is not later than 7 (Seven) calendar days before the scheduled date of dividend payment. Dividends are transferred to the shareholders net of withheld taxes stipulated by the applicable laws of the Russian Federation.

V. INFORMING SHAREHOLDERS ON THE DIVIDEND POLICY OF THE COMPANY

5.1 The Company publishes the Dividend Policy and amendments thereto in Russian and English on the Official website of the Group.

VI. FINAL PROVISIONS

6.1 These Regulations are approved by resolution of the Board of Directors and become effective upon its approval.

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

6.3 If, as a result of any changes in the laws and statutory acts of the Russian Federation, the Charter, or on other grounds, some clauses of the Regulations shall be deemed invalid, unenforceable or void, such clauses cease to be in force; and until the relevant amendments are introduced into the Regulations, the Company and the shareholders shall act in accordance with the applicable laws and the Charter.