



# Dividend policy

Under the Regulations on JSC FPC's Dividend Policy, if depreciation and external funding sources are insufficient to finance the Investment Programme, the Company may draw additional funds from the net profit that would be due as dividends to RZD.

The General Shareholders Meetings held in 2010–2013 resolved not to pay out any dividends.

In 2014, RUB 4.1 billion were allocated to dividends and RUB 4.5 billion were contributed by RZD to the Company's authorised capital to finance its Investment Programme.

In 2015, the Company made a net profit of RUB 141,081,000. RUB 70.5 million were paid out as dividends. A decision on the amount of dividends for 2016 will be made by the annual General Shareholders Meeting in June 2017.

## Calculating the amount of dividends

On 17 December 2012, JSC FPC's Board of Directors approved the Regulations on JSC FPC's Dividend Policy.

In accordance with the Regulations, the amount of a full year dividend is a sum total of a fixed dividend (DIV1) and a residual dividend (DIV2).

Fixed dividend (DIV1) = net profit for the reporting year\* (fixed dividend payable (no less than 25%) + fixed dividend adjustment coefficient reflecting the variance between the Company's actual net profit and the target value (CT).

Where the variance between the actual and target net profit is no greater than 15%, CT is equal to 0.

Where the variance between the actual and target net profit is greater than 15% but less than 50%, CT is equal to 5%.

Where the variance between the actual and target net profit is greater than 50%, CT is equal to 10%.

Residual dividend (DIV2) = net profit for the reporting year – the amount of mandatory contributions deducted

from the net profit (reserve fund and charities) – the amount of fixed dividend (DIV1) – the portion of the Company profit used to finance the Company's Investment Programme (investment programme – depreciation – borrowings).

