

# 1,435

US\$ MILLION

*the amount of dividends  
for 2018 paid by PAO  
Sovcomflot in 2019*



## 5.3. Dividend policy

The dividend policy is based on maintaining an optimal balance of interests between PAO Sovcomflot and its shareholder when distributing net profit, and on the need to increase the investment appeal of the Company and its capitalisation.

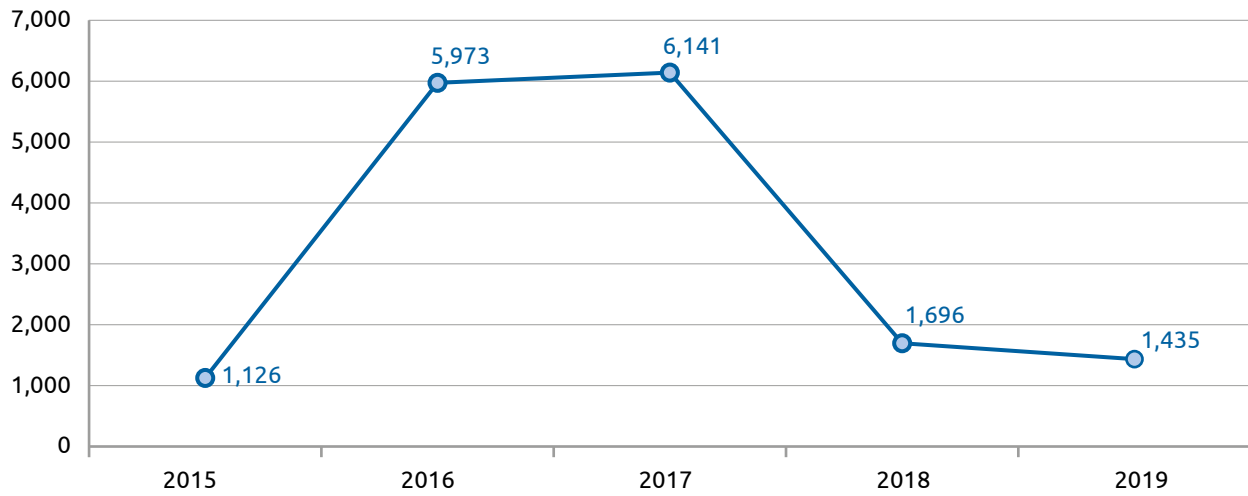
On 14 December 2012 the OAO Sovcomflot Board of Directors approved the Dividend Policy, which sets dividends at a level no lower than 25 % of the net profit attributable to the PAO Sovcomflot shareholder, in accordance with the audited consolidated financial statements prepared under IFRS, and converted into roubles at the CBR exchange rate at the end of the reporting period.

On 23 May 2019 the Board of Directors recommended that the General Meeting of Shareholders allocate RUB 1,435 million in dividend payments, based on the 2018 results<sup>1</sup>. This amount of dividends accounted for 50 % of the RAS net profit of PAO Sovcomflot.

On 26 June 2019 the Annual General Meeting of Shareholders of PAO Sovcomflot adopted a resolution on the payment of dividends in accordance with recommendations from the Board of Directors<sup>2</sup>. The amount of dividends was transferred in full by PAO Sovcomflot on 8 July 2019. Dividends based on the operating results for 2018 were paid in 2019 in full and by the deadlines set by Russian legislation. As at 31 December 2019 PAO Sovcomflot had no outstanding dividend payments.

<sup>1</sup> Minutes No. 182 dated 27 May 2019.

<sup>2</sup> Instructions No. 373-r of the Federal Agency for State Property Management dated 26 June 2019.

**Dynamics of dividend payments to the Russian Federation, 2015–2019 (RUB million)**

On 7 April 2020, considering the financial results according to the consolidated financial statements of PAO Sovcomflot and its subsidiaries as at 31 December 2019 prepared under IFRS, the Board of Directors made a preliminary recommendation that the Annual General Meeting of Shareholders of PAO Sovcomflot allocate to dividend payment RUB 7,181 million, representing 50 % of the consolidated profit attributable to the owners of PAO Sovcomflot according to the IFRS financial statements prepared in accordance with the requirements of Federal Law No. 208-FZ «On Consolidated Financial Statements» dated 27 July 2010.

