

Share Distribution and Dividend Policies

Structure of Shareholder Stock

As of January 1, 2013, the authorised capital stock of JSC FPC amounted to 147,635,848,133 roubles.

In 2013, JSC FPC initiated a scheduled issuance of additional Company shares in a sum of 5,000,000,000 roubles.

The issuance of additional shares will be completed in the first quarter of 2014.

Upon the completion of the procedure, the authorised capital stock of JSC FPC will amount to 152,635,848,133 roubles.

The size of the portion of JSC FPC shareholders of authorised capital stock did not change in the reported year: one share belongs to JSC Baminvest, the remaining shares to JSC RZD.

The Company independently maintains the register of holders of registered securities. At present, the legislation of the Russian Federation requires that a professional registering clerk maintains the register. At JSC FPC, the selection of a registering clerk is currently being worked on; during the second quarter of 2014, the Board of Directors plans to examine the issue of determining which company will in the future maintain the register of JSC FPC shareholders.

Dividend Policy

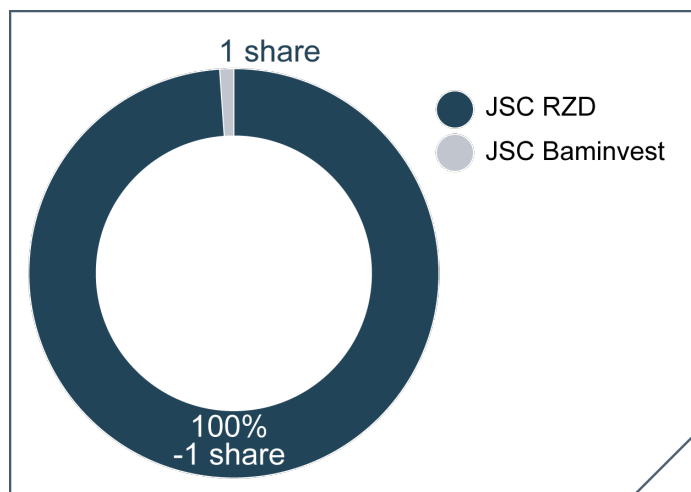
JSC FPC shareholders decided not to pay out dividends at the Annual General Shareholders Meetings of 2010, 2011 and 2012.

On December 17, 2012 the JSC FPC Board of Directors approved the Regulations for the JSC FPC dividend policy.

In accordance with the Regulations, the magnitude of dividend payouts according to the totals of the financial year are determined by the sums of a **fixed amount of dividend payments (DIV1)** and a **residual amount of dividend payments (DIV2)**¹.

The final decision will be made by the Annual General Shareholders Meeting of JSC FPC in June of 2014.

Structure of Shareholders of Stock at JSC FPC



1: fixed amount of dividend payments (DIV1) and a residual amount of dividend payments (DIV2) - Fixed dividend payments (DIV1) = Net profits for the reporting year * (fixed amount of dividends paid (no less than 25%)) + coefficient of variations to the dividend payments actually received by the Company by the deviation of the net profit from the target value (CP).

Where the deviation of actual net profits from the target value is no greater than 15%, CP is equal to 0.

Where the deviation of actual net profits from the target value is greater than 15% but no greater than 50%, CP is equal to 5%.

Where the deviation of actual net profits from the target value is greater than 50% CP is equal to 10%.

Residual dividend payments (DIV2) = Net profits for the reporting year — value of mandatory deductions from net income (reserve fund and charities) — the value of fixed dividend payments (DIV1) — the portion of the Company profits for the financing of the Company's investment programme (investment programme — depreciation — loans).

