

APPROVED

by Extraordinary General Meeting of Shareholders
of Private Joint Stock Company “VF Ukraine”
(PrJSC “VF Ukraine”)
(Minutes No. 59 dated 01.04.2021)

**REGULATIONS
ON DIVIDEND POLICY**
**of Private Joint Stock Company
“VF Ukraine”**

Kyiv
2021

1. GENERAL PROVISIONS

- 1.1 This Regulations on Dividend Policy of Private Joint Stock Company “VF Ukraine” (hereinafter – the “Regulations”) has been developed in accordance with the applicable legislation of Ukraine and Charter of Private Joint Stock Company “VF Ukraine” (hereinafter – the “Company”), and the Company’s internal documents.
- 1.2 This Regulations is an internal document of the Company and is of advisory nature and serves as a guidance for the development of recommendations by the Company’s Supervisory Board in respect of the calculation on the amount of dividends on the Company shares and the procedure for their payment.
- 1.3 This Regulations is approved by the General Meeting of Company’s Shareholders (hereinafter – the “GMS”), and may be amended, supplemented, or cancelled only upon decision of the GMS.
- 1.4 The objective of the Regulations is to provide recommendations for paying dividends which are transparent and clear to the Company’s Shareholders, as well as to ensure a balance between the interests of the Shareholders and the Company’s needs for further development and investments.
- 1.5 Taking a decision on payment of dividends is a right, not an obligation of the Shareholders. GMS is entitled to take a decision to pay dividends in full, not to pay dividends or to pay incomplete dividends.
- 1.6 The Supervisory Board of the Company is responsible for the formation and implementation of the key aspects of the dividend policy.
- 1.7 This Regulations shall be effective for 4 (four) years upon its approval by the GMS.

2. CALCULATION OF DIVIDENDS

- 2.1 In accordance with Ukrainian legislation the dividends shall be calculated on the basis of the Company’s profit after tax (net profit) for the reporting year and/or retained profit calculated on the basis of financial statements prepared according to Ukrainian legislation.
- 2.2 The recommended amount of dividend payments shall be determined by the Company’s Supervisory Board based on the recommendations of the Company’s Executive Committee.
- 2.3 When determining the recommended amount of dividend payments, the Supervisory Board of the Company shall take into account the amount of profit presented in the audited consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (hereinafter – IFRS), and shall also be guided by:
 - Implementation of strategic development;
 - Execution of investment programs;
 - Indebtedness that ensures the necessary indicators of solvency;
 - Investment opportunities available for business expansion.
- 2.4 The target level of dividend payments shall amount up to 50 per cent of the Company’s annual Net Profit based on the audited consolidated financial statements in 2021, 2022, 2023 and 2024 financial years. The amount of dividend payments may exceed the target level with the condition of compliance with the covenants applicable to the Company.
- 2.5 The Company can also use the retained earnings accumulated over previous period for the payment of dividends.

3. RESOLUTION OF DIVIDENDS PAYMENT

- 3.1 The matter of dividend payment shall be preliminarily considered by the Executive Committee of the Company on the basis of audited the consolidated financial statements.
- 3.2 The Supervisory Board of the Company, on the basis of the recommendations of the Executive Committee, shall determine the amount of dividend payment and shall make recommendations to the GMS.
- 3.3 The decision on the payment of dividends and their amount shall be made by the GMS.
- 3.4 The amount of dividends may not exceed the amount recommended by the Supervisory Board of the Company.

4. PAYMENT OF DIVIDENDS

- 4.1 Dividends shall be paid within 30 (thirty) days after its approval by the GMS and announcement of the resolution to pay dividends, unless another procedure and terms of payment are established by the GMS that decided to declare and pay dividends; however, payment of dividends should be completed within a period not exceeding 6 (six) months from the date when the resolution to pay dividends is adopted by the GMS.
- 4.2 No dividends shall be paid on unissued shares and shares reacquired by the Company. Dividends shall not be declared and paid until the Authorized Capital is fully paid, with a decrease in the net asset value of the Company to the amount smaller than the amount of the Authorized Capital and Reserve fund, and in other cases determined by the applicable legislation of Ukraine
- 4.3 The Company shall pay dividends only in monetary form. For each payment the Supervisory Board of the Company shall establish the date of drawing up the list of persons entitled to receive dividends, procedure and the terms of its payment. The date of drawing up the list of persons entitled to receive dividends may not precede the date of the resolution to pay dividends. The Company shall notify individuals entitled to receive dividends on the date, amount, procedure and terms of payment by mail. If a Shareholder alienates their shares after the date of drawing up the list of persons entitled to receive dividends, but prior to the date of dividend payment, the person specified in this list shall remain eligible for dividends.
- 4.4 Upon the resolution to pay dividends, the Company shall comply with the restrictions established by the applicable legislation of Ukraine.
- 4.5 The Company acts as a tax agent when paying dividends to shareholders on the shares belonging to them. Dividends shall be paid by the Company to the shareholders less the amounts of taxes (if any) to be withheld according to the applicable legislation of Ukraine.

5. FINAL PROVISIONS

- 5.1 This Regulations shall be approved by the GMS by a majority vote of the shareholders holding the Company's voting shares and participating in the GMS.
- 5.2 Any and all amendments and/or supplements to this Regulations shall be introduced by approving a new version of the Regulations. A new version of the Regulations shall be approved by the GMS by a simple majority vote of the shareholders holding the Company's voting shares and participating in the GMS.
- 5.3 Proposals to introduce amendments and supplements to the Regulations and to approve a new version of the Regulations shall be filed by the Company Shareholders in accordance with the procedure established by the legislation of Ukraine and the Charter for filing proposals to the agenda of the Company's GMS.
- 5.4 If as a result of any changes in the legislation of Ukraine or the Charter of the Company certain articles of this Regulations come into contradiction with them, these articles shall become invalid, and the Regulations shall apply to the extent it is not in conflict with the current legislation of Ukraine and the Charter of the Company until amended.

Olga Volodymyrivna Ustynova, the Chief Executive Officer of Private Joint Stock Company "VF Ukraine" shall be authorized to sign this Regulations on Dividend Policy of PrJSC "VF Ukraine".

**Chief Executive Officer
of Private Joint Stock Company "VF Ukraine"**



O.V. Ustynova