



**Recommendations of the Board of Directors of  
the Open Joint Stock Company Joint-Stock Oil Company Bashneft (JSOC Bashneft)  
to the annual general meeting of JSOC Bashneft shareholders**

**On Agenda item № 3: « Approval of the distribution of the Company's profit for 2014»:**

«3.1. Approve the following distribution of JSOC Bashneft profit for the financial year 2014:

Net profit of 65 272 010 thous. rubles for the financial year 2014 shall be distributed as follows:

- 1) part of the Company's net profit in the amount of 20 072 698,6 thous. rubles shall be paid in dividends;
- 2) the remaining part of the net profit shall be retained by the Company.»

**On Agenda item № 4: « Size of dividends for 2014, time and form of their payment and the date of record »:**

«4.1. Dividends shall be paid in the monetary form:

- following the results of 2014 financial year 113 rubles per ordinary share of the Company;
- following the results of 2014 financial year 113 rubles per preferred share of class A of the Company.

4.2. The date of record shall be July 17, 2015».

4.3. Dividends shall be paid to the nominal holders and the trust managers, who are professional participants of the securities market, registered in the register of shareholders, no later than 10 working days from the date of record while dividend payments to all other shareholders registered in the register of shareholders, shall be made within 25 days of the date of record.

*The amount of dividends was determined in accordance with the current Regulations on the Dividend Policy of JSOC Bashneft taking into account the requirements for the size of dividends based on the net profit according to IFRS following the results of 2014 financial year (not less than 10% of the Company's net profit owned by the shareholders of the parent company for 2014 financial year according to IFRS), as well as in accordance with the Decree of the RF Government # 774-p dt.29.05.2006 «On forming the position of the shareholder – the Russian Federation in joint-stock companies, whose shares are in federal ownership » (not less than 25 per cent of the Company's net profit).*

*Dividends payout ratio in the reporting year amounts to 30,75 % of the Company's net profit according to RAS and 46,52 % of the net profit owned by the shareholders of the parent company for 2014 financial year according to IFRS.*

*When determining the amount of dividends the Company continues to be governed by the established practice in respect of profit distribution and accrual of dividends. Maintaining the balance of shareholders' interests and Company's needs to develop successfully in the long-term perspective remains to be the basic principle of the dividend policy.*