

**Approved by the decision of
the General Meeting of
Stockholders of Air Astana JSC
dated 11 May 2009, Minutes №56
(with amendments dated 29 May 2015, Minutes №116)**

Dividend Policy Regulations of Air Astana JSC

ALMATY 2015

CONTENTS:

1. General provisions	4
2. Objective and basic principles of the Dividend Policy	4
3. Main conditions for payment of dividends	4
4. Determining the amount of dividends	5
5. Procedure for payment of dividends	5
6. Responsibility for in-time payment of dividends	7
7. Informing the Stockholders on the Dividend Policy	7
8. Conclusion	7

Following definitions are used in these Regulations of the Dividend Policy:

Legislation - the aggregate of legal enactments of the Republic of Kazakhstan adopted in accordance with the legislation of the Republic of Kazakhstan.

Company – JSC Air Astana.

Stockholders – BAE Systems (Kazakhstan) Ltd. - 49%; National Welfare Fund Samruk-Kazyna JSC - 51 %.

General Meeting - the general meeting of the Stockholders, being the highest body of the Company, as convened from time to time, including reconvened, annual and extraordinary general meetings of the Stockholders.

Board of Directors - the management body of the Company which carries out the overall management of the activities of the Company in accordance with the Legislation and the Charter.

Dividends – part of net profit of the Company as per the financial statements for the period reported, paid to the Stockholders on their stock holding.

IFRS – International Finance Reporting Standards.

Mass media – a periodical printed publication, radio- and TV program, documentary film, audio-visual record, and other form of periodical or continuous public distribution of mass information, including WEB sites in public telecommunication networks (Internet and others).

1. GENERAL PROVISIONS

- 1.1. The present Regulations of the Dividend Policy of the Company (the “Regulations”) have been developed in accordance with the current Legislation, Charter and internal documents of the Company and set up the basics of interaction of the Company with the Stockholders of the Company in terms of payment of dividends on their stocks.
- 1.2. Principles of interaction are developed with due consideration of proposals received from the Board of Directors of Company with regards to the procedure for the distribution of net profit and the definition of its part allocated to the payment of dividends, procedure for the calculation of the amount of dividends and procedure for their payment within the frames of the results of financial and operational activity of the Company and development strategy of the Company.
- 1.3. Terms and procedure of dividend payment to the Stockholders of the Company shall be regulated by the current Legislation, the Charter, the present Regulations and relevant decisions of the General Meeting of Stockholders.

2. OBJECTIVE AND BASIC PRINCIPLES

- 2.1. The objective of the Dividend Policy (the “Policy”) shall be provision of the balance of interests of the Stockholders and the Company and transparent approach to the defining of dividends amount and the conditions of their payment.
- 2.2. The Policy is based on the investment attractiveness of the Company and its capitalization, respect and strict observance of the Stockholders’ rights provided by the current Legislation, Charter and internal documents of the Company.
- 2.3. Basic principles of the Policy shall be the following:
 - Principle of exercising the Stockholders’ rights, including the right for receiving the part of the Company’s profit (dividends);
 - Principle of providing the financing the Company’s activity;
 - Principle of the required financing the investment projects of the Company.

3. MAIN CONDITIONS FOR PAYMENT OF DIVIDENDS

- 3.1 The conditions for the payment of dividends to the Stockholders shall be the following:
 - 1) The Company’s having net profit for the year as defined in accordance with the paragraphs 4.1 and 4.2 of the present Regulations;
 - 2) Lack of the restrictions for the payment of dividends provided by the paragraph 4.5 of the present Regulations;
 - 3) Recommendations of the Board of Directors of the Company with regards to the amount of dividends;
 - 4) Decision of the General Meeting of Stockholders.

4. DETERMINING THE AMOUNT OF DIVIDENDS

- 4.1. In accordance with the current Legislation, dividends on the stocks of the Company shall be derived out of the net income of the Company as per the financial statements prepared in accordance with IFRS and be paid on annual basis.
- 4.2. The Board of Directors of the Company, when determining the amount of dividend (payable for one stock) recommended to the General Meeting of Stockholders and the relevant part of the net income of the Company to be allocated for paying dividends, shall be based on the principle that the amount allocated for paying dividends shall be 30% of the net income as per the financial statements prepared in accordance with IFRS, unless the Stockholders decide differently in view of the actual situation, investment plans and financial position of the Company as of the date of the Stockholders' decision on the payment of dividends.
- 4.3. The amount of the recommended dividend (payable for one stock) of the Company shall be determined in view of the amount allocated for paying dividends and equal to the KZT denominated part of the net income of the Company, defined in accordance with p.4.2 of the present Regulations, divided by the number of the Company's stocks placed as at the date of the decision taken by the General Meeting of Stockholders¹.
- 4.4. The General Meeting of Stockholders shall have the right to make a decision on non-payment of dividends on common stocks of the Company.
- 4.5. No dividends shall be assessed and paid on stocks which have not been placed, or which have been repurchased by the Company, and also if the court or the General Meeting of Stockholders of the Company takes a decision on its liquidation.

It shall not be allowed to pay dividends on common stocks (and preferred stocks, if the Company issued preferred stocks) of the Company in the cases:

- where the equity capital of the Company is negative, or will become negative as a result of the payment of dividends on its stocks;
- where the Company falls under the definition of insolvency or default in accordance with the law of the Republic of Kazakhstan concerning bankruptcy, or where it will do so as a result of the payment of dividends on its stocks.

5. PROCEDURE FOR PAYMENT OF DIVIDENDS

- 5.1. The Company shall pay annual dividends to its Stockholders on common stocks held by them in accordance with a decision of the General Meeting of Stockholders. The Board of Directors shall give its recommendations to the General Meeting of Stockholders regarding payment of annual dividends, including recommendations on the expediency of paying such dividends and the amount of such dividends payable for one stock.

¹ A list of Stockholders entitled to dividends shall be compiled as at the date preceding the commencement date of payment of dividends (i.e. one day before the first date on which dividends will be paid). A Board of Directors meeting and a General Meeting of Stockholders will be conducted prior to the date of which a list of Stockholders will be compiled. Therefore, the quantity of shares would have to be established as at the date of the General Meeting of Stockholders.

5.2 Within 10 (ten) business days after the date of the decision to pay dividends on the Company common shares, such decision shall be published in the Mass Media. The decision to pay dividends shall include the following information:

- 1) the name, location, and banking and other details of the Company;
- 2) the period during which such dividends are to be paid;
- 3) the amount of dividend per one common share;
- 4) the commencement day of payment of dividends;
- 5) the procedure for and form of payment of dividends.

The information which the Company will publish about the decision to pay dividends shall clearly inform the Stockholders of the amounts, dates, procedures and form of payment of dividends.

- 5.3. The list of Stockholders entitled to dividends shall be compiled by the registrar that maintains the register of the Company security holders as of the date preceding the date of the commencement of payment of dividends. For the purpose of compiling list of Stockholders entitled to receiving dividends, the nominal holder of stocks shall, not later than 2 business days prior, provide the Company registrar that maintains the register of the Company security holders with information on the owners of the stocks.
- 5.4. Dividends shall be paid to the Stockholders within the terms established by the Legislation, Charter of the Company and by relevant decision of the General Meeting of Stockholders.
- 5.5. The Company and its Executive Body shall ensure in-time and full payment of dividends to the Stockholders.
- 5.6. The payment of dividends shall be transferring relevant cash amounts from the Company's account to the current accounts of the Stockholders, or in the form of securities of the Company with the written consent of the Stockholder, according to the decision made with regards to the terms and the procedure of payment of dividends.
- 5.7. Dividends shall be paid in the amount announced.
- 5.8. The payment of dividends shall be made in cash, and (or) in the form of securities (authorized stocks and issued bonds) of the Company with the written consent of the Stockholder.
- 5.9. Taxation of the dividends paid shall be carried out in the order established by the current Legislation.
- 5.10. Receiving dividends shall not be inconvenient and burdensome for the Stockholders.
- 5.11. A Stockholder shall be entitled to demand the payment of non-received dividends regardless of the time period in which the obligation of the Company arose.

6. RESPONSIBILITY FOR INTIME PAYMENT OF DIVIDENDS

- 6.1. The Executive Body of the Company shall be responsible for in-time payment of dividends in accordance with the current legislation of the Republic of Kazakhstan and Charter of the Company.

7. INFORMING THE STOCKHOLDERS ON THE DIVIDEND POLICY

- 7.1. The dividend policy of the Company shall be sufficiently transparent and open for access by Stockholders and potential investors.
- 7.2. The Company shall place the Regulations of the Dividend Policy and the amendments thereto in the Company's web-site in Internet and provide copies of such Regulations in accordance with the Charter of the Company.
- 7.3. The materials for making decision at the General Meeting of Stockholders provided to the Stockholders shall contain all necessary information, including financial documents of the Company, proving the existence or lack of the conditions for payment of dividends.

8. CONCLUSION

- 8.1 The present Regulations shall come into force on the date of approval thereof by the General Meeting of Stockholders of the Company.
- 8.2 The present Regulations may be amended and changed upon the decision of the General Meeting of Stockholders of the Company.
- 8.3 Should, as a result of amendments to the Legislation, certain clauses of the present Regulations contradict the current Legislation, such clauses shall cease to be in force and, until the moment of amending the present Regulations, the current Legislation shall be governed by.