

ITEM № 2 ON DISTRIBUTION OF PROFITS AND LOSSES OF THE COMPANY (INCLUDING THE DIVIDEND PAYMENT (DECLARATION)) FOLLOWING THE RESULTS OF 2021



ITEM № 2 «ON DISTRIBUTION OF PROFITS AND LOSSES OF THE COMPANY (INCLUDING THE DIVIDEND PAYMENT (DECLARATION)) FOLLOWING THE RESULTS OF 2021»

Explanatory information on the item (justification of the proposed distribution of net profit)

ROSSETI

Public Joint stock company «Rosseti Centre»

EXTRACT FROM MINUTES of meeting of the Board of Directors of Rosseti Centre, PJSC (in the form of absent voting)

«20» May 2022 Moscow No. 27/22

Form of the meeting absent voting.

Total number of me Brost fits Board of Directors: 11 people.

Participants of the voting: A.V. Gobvtsov, Y.V. Goncharov, V.Y. Zarkhin, M.V. Korotkova, D.V. Krainskly,

Al. Krupenina, A.V. Mayova, V.V. Makovskly, A.V. Molsky, E.V. Prokhorov, A.V. Shevchuk

Members who dd not provide questionnaires: none.

The quorum is present.

Item 2. On recommendations on the distribution of profit (loss) of the Company following the results of 2021 Decision:

To recomm end that the Annual General Meeting of Shareholders of the Company approve the following profit (loss distribution of the Company for the reporting year of 2021:

Name	(thous. RUB)	
Retained earnings (loss) for the reporting period: To be distributed to:	4 147 149	
Reserve fund	0	
Profit for development	2 719 701	
Dividends	1 427 448	
Repayment of losses of previous years	0	

Decision taken unanimously.

Date of the minutes: 20,05,2022

Dissenting opinions were received on the item from members of the Board of Directors of the Company, V.Y. Zarkhin and A.V. Shevchuk (Appendices ##8-9).

Appendices: The dissenting opinions on agenda item # 2 from the members of the Board of Directors of the Company, V.Y. Zarkhin and A.V. Shevchuk (Appendices ## 8-9).

 Minutes signed by:
 A.V. Mayorov

 Chairperson of the Board of Directors
 A.V. Mayorov

 Corporate Secretary
 S.V. Lapinskaya

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 Corporate Secretary

 of Rossel Centre, PISC
 S.V. Lapinskaya

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 S.V. Lapinskaya

³ V.Y. Zarkhin: "I consider it necessary to direct all profits for development to repay the debt."
A.V. Shevchuk: "In the current situation, it is necessary to consider the option of directing part of the profit for development to pay off the debt, the Investment program should be financed from profit with a proper return on capital."

In accordance with Federal Law dated 26.12.1995 № 208-FZ "On Joint-Stock Companies", the agenda of the Annual General Meeting of Shareholders of the Company should include questions on the distribution of profits (including the payment (declaration) of dividends) based on the results of the reporting year, and on the date on which the persons entitled to receive dividends are determined.

These decisions are made by the shareholders' meeting only on the recommendation of the Board of Directors of the Company.

The source of payment of annual dividends is the profit of the Company after taxation (net profit), determined according to the data of the financial statements of the Company, drawn up in accordance with the requirements of the legislation of the Russian Federation.

At the same time, the specific amount of funds allocated for dividends depends on the degree of influence of the factors defined in the Company's Regulation on the dividend policy of IDGC of Centre, PJSC, approved by the Board of Directors of the Company on 02.02.2018 (Minutes # 03/18), with amendments approved on 10.08.2018 (Minutes # 27/18).

Following the results of activities of Rosseti Centre, PJSC in 2021, the Company received a net profit under RAS in the amount of RUB 4 147 149 thous. ROIC at the end of 2021 was 6.9%. The net profit of Rosseti Centre, PJSC following the results of activities in 2021 according to IFRS amounted to RUB 4 372 618 thous.

When distributing profits, the Board of Directors of the Company took into account the need to form the Company's Reserve Fund through annual deductions in the amount of 5% of the Company's net profit until the Reserve Fund reaches the established size. At the end of the reporting period, the size of the Company's Reserve Fund was fully formed and amounted to RUB 211 090 thous., which corresponds to the standard level (5% of the Company's authorized capital). Thus, at the end of 2021, additional funds are not allocated for the Company's Reserve Fund.

Based on the results of the implementation of the Investment Program in 2021, the Company achieved the following main goals:

- reliable and uninterrupted power supply to customers in the service area of the Company;
- fulfillment of the obligations of the Company for connection of customers to power grid facilities of the Company in accordance with the current legislation.

As part of increasing the investment case of Rosseti Centre, PJSC, respecting the rights and legitimate interests of the Company's shareholders, taking into account the previously mentioned factors affecting the specific amount of the net profit allocated for dividends, as well as taking into account the Regulation on the dividend policy of the Company, it is proposed to pay dividends on ordinary shares of the Company in the amount of RUB 1 427 448 thous.

The rest of the profit in the amount of RUB 2 719 701 thous. is planned to be spent on development, including financing of the Company's investment projects aimed at ensuring reliable power supply to consumers in the regions of the Company's service area, as well as fulfilling obligations for connection of customers to grids.

When deciding on the recommendation to the General Meeting of Shareholders on the amount of dividends on shares, the Board of Directors of the Company took into account Resolution of the Government of the Russian Federation No. 1094-r of 29.05.2017, Resolution of the Government of the Russian Federation No. 393-r of 07.03.2018, the provisions of the Regulation on Dividend Policy of the Company, as well the financial results of the Company's activities.

In accordance with paragraph 2 of Art. 42 of the Federal Law "On Joint Stock Companies", and the Regulation on the dividend policy, the Company focuses on the payment of dividends based on the results of the reporting period when the following criteria are met simultaneously:

- availability of net profit, determined according to financial statements, compiled in accordance with RAS, based on results of the reporting period;
- availability of net profit, determined according to financial statements, compiled in accordance with RAS, based on results of the reporting period, excluding income and expenses associated with revaluation of shares of subsidiaries circulating on the securities market.

For reference: The net asset value of Rosseti Centre, PJSC as of 31 December 2020 is RUB 61 335 321 thous., and the authorized capital is RUB 4 221 794 thous. Thus, the value of the Company's net assets exceeds the amount of the authorized capital by RUB 57 113 527 thous.



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ROSSETI

Public Joint stock company

EXTRACT FROM MINUTES of meeting of the Board of Directors of Rosseti Centre, PJSC (in the form of absent voting)

«20» May 2022

Form of the meeting: absent voting.

Total number of members of the Board of Directors: 11 people.

Participants of the voting: A.V. Golovtsov, Y.V. Goncharov, V.Y. Zarkhin, M.V. Korotkova, D.V. Krainskiy, A.I. Krupenina, A.V. Mayorov, I.V. Makovskiy, A.V. Molsky, E.V. Prokhorov, A.V. Shevchuk

Members who did not provide questionnaires: none. The quorum is present.

Date of the minutes: 20.05.2022.

Item 3. On recommendations on the amount of dividends on shares of the Company for 2021, their payment procedure and proposals to the Annual General Meeting of Shareholders of determining the record date of persons entitled to receive dividends.

To recommend that the Annual General Meeting of Shareholders take the following decision:

To pay dividends on common stocks of the Company following the results of 2021 in the amount of RUB 0.0338114 per ordinary share of the Company in cash.

The dividend payment period to a nominal holder and a beneficial owner being a professional securities market

participant is no more than 10 working days, to other registered shareholders - 25 working days from the record date of the list of persons entitled to receive dividends.

To define the record date of the list of persons entitled to receive dividends as 28 June 2022

Decision taken unanimously

Minutes signed by: Chairperson of the Board of Directors

A.V. Mayorov S.V. Lapinskaya

No. 27/22

Corporate Secretary

Extract is correct: of Rosseti Centre, PJSC

S.V. Lapinskaya

	The indicators used in the procedure for calculating dividends in accordance with Resolution of the Government of the Russian Federation of 29		Calculation of dividend payments, RUB thous.	
	May 2017 No. 1094-r, Order of the Government of the Russian Federation No. 393-r of 7 March 2018, the Dividend Policy of Rosseti Centre, PJSC	under RAS	under IFRS	
	Net profit of a joint stock company, determined according to financial statements	4 147 149	4 372 618	
	(-) income and expenses related to the revaluation of shares of joint stock companies traded on the securities market and related income tax	-14 182	Х	
	(-) actual investments made at the expense of net profit from electricity transmission, but not more than the amount provided for in the investment program approved by the Ministry of Energy of Russia	1 517 725	1 517 725	
	(-) the share of net profit received from activities for connection to electric grids, with the exception of actually received funds from the sale of services for grid connection, excluding VAT (but not more than the net profit received from activities for grid connection	0	0	
	(-) excess of depreciation of fixed assets and intangible assets of the current period, used to finance the investment program, according to RAS over depreciation of fixed assets and intangible assets according to IFRS	X	0	
	Net profit of a joint stock company used to calculate dividends:	2 643 606	2 854 893	
	The amount allocated for the payment of dividends is at least 50 percent of the net profit of the joint stock company used to calculate dividends	x 0,5	x 0,5	
		= 1321803	= 1 427 446	
	The amount of dividends (the larger of the two possible: according to RAS or according to IFRS)	1 427 446	1 427 446	
	Number of placed ordinary shares, pcs.	42 217 941 468	42 217 941 468	
	Amount of dividends per 1 ordinary share, RUB	0,0338114	0,0338114	
	Total amount of dividends (taking into account the amount of dividends per share)	1 427 448	1 427 448	

Consequently, the estimated amount of dividends per share (taking into account rounding to seven decimal places) will be RUB 0.0338114 per one ordinary share of the Company. The dividend yield on the Company's shares will be 8.52%*.

The term for the payment of dividends to shareholders depends on the date on which the persons entitled to receive them are recorded. Such a date cannot be set earlier than 10 days from the date of adoption by the General Meeting of Shareholders of the decision to pay dividends and later than 20 days from the date of such decision. Thus, it is proposed to set 28 June 2022 as the date on which the persons entitled to receive dividends are recorded.

The period for the payment of dividends to the nominee holder and the trustee, who are registered in the register of shareholders, must not exceed 10 days from the date on which the persons entitled to receive dividends are recorded.

Payment of dividends to persons entitled to receive them, registered in the register of shareholders, is carried out no later than 25 working days from the date on which the persons entitled to receive dividends are recorded.

The Company confirms that on the day of the decision on the payment of dividends and on the day of payment of dividends, the Company will not meet the signs of insolvency (bankruptcy) and these signs will not appear in the Company as a result of the payment of dividends in the amount recommended by the Board of Directors, and the net asset value of the Company will not be less than its authorized capital and the Reserve Fund and will not become less than their size as a result of the decision by the General Meeting of Shareholders to pay (declare) dividends.

There is no information on corporate actions that led to the deterioration of dividend rights of shareholders and (or) dilution of their shares, as well as on court decisions that established the facts of the use by shareholders of other, in addition to dividends and liquidation value, methods of earning income at the expense of the Company.

^{*} The dividend yield on shares is calculated by the Company as the ratio of dividends paid per share and the median value of the market prices of this share for the corresponding period.



POCCETIN ITEM № 2 «ON DISTRIBUTION OF PROFITS AND LOSSES OF THE COMPANY (INCLUDING THE DIVIDEND PAYMENT (DECLARATION)) FOLLOWING THE RESULTS OF 2021»

Draft resolution on item № 2

1. To approve the following profit (loss) distribution of the Company for the reporting year of 2021:

Name	(thous. RUB)
Retained earnings (loss) for the reporting period: To be distributed to:	4 147 149
Reserve fund	0
Profit for development	2 719 701
Dividends	1 427 448
Repayment of losses of previous years	0

2. To pay dividends on common stocks of the Company following the results of 2021 in the amount of RUB 0.0338114 per ordinary share of the Company in cash. The dividend payment period to a nominal holder and a beneficial owner being a professional securities market participant is no more than 10 working days, to other registered shareholders - 25 working days from the record date of the list of persons entitled to receive dividends. To define the record date of the list of persons entitled to receive dividends as 28 June 2022.