



ITEM № 2
ON DISTRIBUTION OF PROFITS AND LOSSES OF THE COMPANY (INCLUDING
THE DIVIDEND PAYMENT (DECLARATION)) FOLLOWING THE RESULTS OF 2019



ITEM № 2 «ON DISTRIBUTION OF PROFITS AND LOSSES OF THE COMPANY (INCLUDING THE DIVIDEND PAYMENT (DECLARATION)) FOLLOWING THE RESULTS OF 2019»

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



Interregional Distribution Grid Company of Centre,
Public Joint-Stock Company

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

«28» April 2020 Moscow No. 20/20

Form of the meeting: absent voting.
Total number of members of the Board of Directors: 11 people.
Participants of the voting: A.V. Varvarin, A.V. Golovtsov, V.Y. Zarkhin, A.I. Kazakov, A.V. Logatchin, I.V. Makovskiy, A.I. Pavlov, L.A. Romanovskaya, M.M. Saikh, D.A. Chevkin, A.V. Shevchuk.
Members who did not provide questionnaires: none.
The quorum is present.
Date of the minutes: 28.04.2020.

Item 9. On recommendations on the distribution of profit (loss) of the Company following the results of 2019.

Decision:
To recommend that the Annual General Meeting of Shareholders of the Company approve the following distribution of profit (losses) of the Company for the reporting year of 2019:

Name	(thous. RUB)
Retained earnings (loss) for the reporting period: To be distributed to:	214 681
Reserve fund	0
Profit for development	0
Dividends*	214 681
Repayment of losses of previous years	0
Retained earnings (loss) of previous years	19 887 184
Dividends*	692 418

*In accordance with the resolution of the Extraordinary General Meeting of Shareholders of the Company on 30.12.2019 (Minutes of 30.12.2019 # 02/19), it was decided to pay dividends on ordinary shares of the Company from the Company's net profit for 9 months of 2019 in the amount of RUB 0,0200649 per ordinary share in cash (RUB 0,1000000).

Voting results:
1. Alexander Viktorovich Varvarin - «FOR»
2. Alexander Viktorovich Golovtsov - «ABSTAINED»
3. Vitaliy Yuryevich Zarkhin - «ABSTAINED»
4. Alexander Ivanovich Kazakov - «FOR»
5. Andrey Vyacheslavovich Logatchin - «FOR»
6. Igor Vladimirovich Makovskiy - «FOR»
7. Alexey Igorevich Pavlov - «FOR»
8. Larisa Anatolievna Romanovskaya - «FOR»
9. Maxim Mikhailovich Saikh - «FOR»
10. Dmitry Alexandrovich Chevkin - «FOR»
11. Alexander Viktorovich Shevchuk - «ABSTAINED»

Total:
«FOR» - «8»
«AGAINST» - «0»
«ABSTAINED» - «3»

Decision is taken.

Minutes signed by:
Chairperson of the Board of Directors A.I. Kazakov
Corporate Secretary S.V. Lapinskaya

Extract is correct:
Corporate Secretary S.V. Lapinskaya
of IDGC of Centre, PJSC
28.04.2020.



Interregional Distribution Grid Company of Centre,
Public Joint-Stock Company

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

«28» April 2020 Moscow No. 20/20

Form of the meeting: absent voting.
Total number of members of the Board of Directors: 11 people.
Participants of the voting: A.V. Varvarin, A.V. Golovtsov, V.Y. Zarkhin, A.I. Kazakov, A.V. Logatchin, I.V. Makovskiy, A.I. Pavlov, L.A. Romanovskaya, M.M. Saikh, D.A. Chevkin, A.V. Shevchuk.
Members who did not provide questionnaires: none.
The quorum is present.
Date of the minutes: 28.04.2020.

Item 10. On recommendations on the amount of dividends on shares of the Company for 2019, their payment procedure and proposal to the Annual General Meeting of Shareholders of determining the record date of a list of persons entitled to receive dividends.

Decision:
To recommend that the Annual General Meeting of Shareholders take the following decision:
Not to pay dividends on ordinary shares of the Company for 2019 taking into account the payment of dividends for 9 months of 2019.

Voting results:
1. Alexander Viktorovich Varvarin - «FOR»
2. Alexander Viktorovich Golovtsov - «FOR»
3. Vitaliy Yuryevich Zarkhin - «ABSTAINED»
4. Alexander Ivanovich Kazakov - «FOR»
5. Andrey Vyacheslavovich Logatchin - «FOR»
6. Igor Vladimirovich Makovskiy - «FOR»
7. Alexey Igorevich Pavlov - «FOR»
8. Larisa Anatolievna Romanovskaya - «FOR»
9. Maxim Mikhailovich Saikh - «FOR»
10. Dmitry Alexandrovich Chevkin - «FOR»
11. Alexander Viktorovich Shevchuk - «ABSTAINED»

Total:
«FOR» - «9»
«AGAINST» - «0»
«ABSTAINED» - «2»

Decision is taken.

Minutes signed by:
Chairperson of the Board of Directors A.I. Kazakov
Corporate Secretary S.V. Lapinskaya

Extract is correct:
Corporate Secretary S.V. Lapinskaya
of IDGC of Centre, PJSC
28.04.2020.

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. In accordance with paragraph 4 of Art. 42 of the Federal Law “On Joint Stock Companies”, the amount of dividends may not be greater than the amount of dividends recommended by the Board of Directors of the Company.

The source of payment of annual dividends is the Company's profit after taxation (net profit) determined by the data of the Company's accounting (financial) statements compiled in accordance with the requirements of the legislation of the Russian Federation.

In accordance with the P&L Statement as of 31.12.2019, the Company's net profit amounted to RUB 214 681 thous. Following the results of 2019, ROIC was 3,85%, WACC 11,90%.

When distributing profits, the Board of Directors of the Company took into account the need to establish the Company's Reserve Fund through annual deductions of 5% of the Company's net profit until the Reserve Fund reaches the established amount. As of the end of the reporting period, the size of the Company's Reserve Fund was fully formed and amounts to RUB 211 090 thous., which corresponds to the normative level (5% of the Company's charter capital). Thus, according to the results of 2019, additional funds are not allocated to the Reserve Fund of the Company.

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 29.05.2018, Resolution of the Government of the Russian Federation No. 393-r of 07.03.2018, and the Regulation on Dividend Policy of the Company.

In accordance with the decision of the Extraordinary General Meeting of Shareholders of the Company on 30.12.2019 (Minutes of 31.12.2019 # 02/19), dividends on ordinary shares of the Company from the Company's net profit for 9 months of 2019 in the amount of RUB 847 099 thous. were paid to shareholders, at the rate of RUB 0,0200649 per ordinary share in cash.

Following the results of 2019, the net profit, received by the Company, (RUB 214 681 thous.), turned out to be less than the amount of dividends paid on ordinary shares of the Company based on the results of 9 months of 2019 (RUB 847 099 thous.).

Based on the foregoing, according to the results of the 2019 reporting year, it is recommended not to pay dividends in addition to the dividends paid according to the results of 9 months of 2019.

For reference: The net asset value of IDGC of Centre, PJSC as of 31.12.2019 is RUB 56 948 795 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 52 727 001 thous.

Draft resolution on item № 2

1. To approve the following profit (loss) distribution of the Company for the reporting year of 2019:

Name	(thous. RUB)
Retained earnings (loss) for the reporting period:	214 681
To be distributed to:	
Reserve fund	0
Profit for development	0
Dividends*	214 681
Repayment of losses of previous years	0
Retained earnings (loss) of previous years	19 857 164
Dividends*	632 418

**in accordance with the resolution of the Extraordinary General Meeting of Shareholders of the Company on 30.12.2019 (Minutes of 31.12.2019 # 02/19), it was decided to pay dividends on ordinary shares of the Company from the Company's net profit for 9 months of 2019 in the amount of RUB 0,0200649 per ordinary share in cash (RUB 847 099 thous.).*

2. Not to pay dividends on ordinary shares of the Company for 2019 taking into account the payment of dividends for 9 months of 2019.