

+ taking into account the changes made  
by the Board of Directors of the Company  
Minutes from «10» August 2018 # 27/18

## Procedure for Calculating Dividend Payments of IDGC of Centre, PJSC

### 1. Procedure for calculating dividend payments following the results of the reporting year

The amount to be paid for dividend payments as of the end of the reporting year cannot be less than the larger of the 2 values determined by the formula:

$$DIV = \max\{DIV^1; DIV^2\} - DIV_{interim} \quad (1),$$

where

$DIV$  – the total amount of net profit allocated to dividends on ordinary shares following the results of the reporting year;

$DIV_{interim}$  – the total amount of interim dividends paid on the basis of the results of the first quarter, six months, nine months of the reporting year, calculated in accordance with Section 2 of this Procedure;

$$DIV^1 = k \cdot NP_{adj}^1 \quad (2),$$

where

$k$  – the ratio that determines the percentage of dividend payments that is 50 percent;

$NP_{adj}^1$  – net profit of the joint-stock company, determined according to the accounting (financial) statements, compiled in accordance with RAS and calculated by the following formula:

$$NP_{adj}^1 = NP_{RAS} - I_{rev} + E_{rev} - NP_{fact}^{ip} - NP_{GC} + I_{GC} \quad (3),$$

where

$NP_{RAS}$  – net profit of the joint-stock company determined according to the accounting (financial) statements prepared in accordance with RAS (financial statement form "P&L statement", line 2400), subject to the following exceptions:

$I_{rev}$  – income from revaluation of shares of **joint stock companies** traded on the

securities market and related income tax (line 8020 of appendix 5.11 to the accounting statements "Other income and expenses");

$E_{rev}$  – expenses from revaluation of shares of **joint stock companies** traded on the securities market and related income tax (line 8124 of appendix 5.11 to the accounting statements "Other income and expenses");

$NP_{fact}^{ip}$  - actual investments made at the expense of net profit for transmission of electric energy, but not more than the amount stipulated in the investment program approved by the Ministry of Energy of the Russian Federation (line 1.1.1 of form II "Sources of financing of the investment program" section No. 6 "Investment program" of the report on the execution of the business plan, but not more than the amount specified in clause 1.1.1.1 of the form "Planned indicators for the implementation of the investment program" Section 3. Sources of financing of the investment program, which is the Annex to the Order of the Russian Ministry of Energy on approval of the Company's investment program for the planned period);

$NP_{GC}$  - net profit from activities related to connection to electric grids (line 14.2 of section No. 8 "P&L statement" of the report on the implementation of the business plan);

$I_{GC}$  - proceeds from the sale of services from grid connection without VAT (line 1.1.2 of section No. 11 "Cash flow budget" of the report on the implementation of the business plan), but not more than the net profit received from the activity of connection to electric grids<sup>1</sup>.

$$DIV^2 = \min(k \cdot NP_{adj}^2; NP_{RAS} - I_{rev} + E_{rev} - Ded_{RF}) (4),$$

where

$k$  – the ratio that determines the percentage of dividend payments that is 50 percent;

$Ded_{RF}$  - mandatory contributions to the reserve and other funds in accordance with the Company's Articles of Association;

$NP_{adj}^2$  - net profit, determined according to the consolidated financial statements prepared in accordance with IFRS, calculated according to the following formula:

$$NP_{adj}^2 = NP_{IFRS} - NP_{fact}^{ip} - A_{IFRS}^{RAS} - NP_{GC} + I_{GC} (5),$$

where

$NP_{IFRS}$  - net profit of the joint stock company determined according to the consolidated financial statements prepared in accordance with IFRS (form of the Consolidated Financial Statements "Consolidated P&L statement" line "Profit for the reporting year");

$NP_{fact}^{ip}$  – actual investments made at the expense of net profit for transmission of

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<sup>1</sup> When concluding contracts for grid connection with the provision of paid installments for payment of services for grid connection, there is no restriction on the amount of net profit from activities related to connection to electric grids

electric energy, but not more than the amount stipulated in the investment program approved by the Ministry of Energy of the Russian Federation, under RAS (line 1.1.1 of form II "Sources of financing of the investment program" section No. 6 "Investment program" of the report on the execution of the business plan, but not more than the amount specified in clause 1.1.1.1 of the form "Planned indicators for the implementation of the investment program" Section 3. Sources of financing of the investment program, which is the Annex to the Order of the Russian Ministry of Energy on approval of the Company's investment program for the planned period);

$A_{IFRS}^{RAS}$  – excess of depreciation and amortization of fixed assets and intangible assets of the current period used to finance the investment program, under RAS (line 1.2. of form II "Sources of financing of the investment program" section No. 6 "Investment program" of the report on the execution of the business plan) over amortization of fixed assets and intangible assets under IFRS (Notes to the Consolidated Financial Statements Form "Operating expenses");

$NP_{GC}$  – net profit from activities related to connection to electric grids under RAS (line 14.2 of section No. 8 "P&L statement" of the report on the implementation of the business plan);

$I_{GC}$  – proceeds from the sale of services from grid connection without VAT under RAS (line 1.1.2 of section No. 11 "Cash flow budget" of the report on the implementation of the business plan), but not more than the net profit received from the activity of connection to electric grids<sup>1</sup>.

## 2. Procedure for calculating interim dividends following the results of 1 quarter, half year and 9 months of the reporting year<sup>2</sup>

$$DIV_i^{interim} = k \cdot NP_{adj}^{interim} \quad (6)$$

At this,

$$\sum_{i=1}^3 DIV_i^{interim} \leq 25\% \cdot DIV_{year}^{bp} \quad (7)$$

$k$  – the ratio that determines the percentage of dividend payments that is 50 percent;  
 $i$  – a reporting period (1 quarter, half year, 9 months);

$DIV_i^{interim}$  – the volume of interim dividends for  $i$  – reporting period;

$DIV_{year}^{bp}$  – the total amount of annual dividends planned in accordance with the Business Plan of the Company for the current year approved by the Board of Directors (line 15.2 of section No. 8 "P&L statement" of the Company's Business Plan for the current year).

$NP_{adj}^{interim}$  – net profit, determined according to the accounting (financial) statements, compiled in accordance with RAS and calculated by the following formula:

<sup>2</sup>When calculating interim dividends, paragraph 3.6 of the Regulation is taken into account, as well as the condition that the size of interim dividends totals no more than 25 percent of the value of annual dividends planned in accordance with the Business Plan of the Company approved by the Board of Directors for the current year

$$NP_{adj}^{interim} = NP - I_{rev} + E_{rev} - NP_{fact}^{ip} - NP_{GC} \quad (8)$$

$NP$  – net profit of the joint-stock company determined according to the accounting (financial) statements prepared in accordance with RAS (financial statement form "P&L statement", line 2400);

$I_{rev}$  – income from revaluation of shares of **joint stock companies** traded on the securities market and related income tax (line 8020 of appendix 5.11 to the accounting statements "Other income and expenses");

$E_{rev}$  – expenses from revaluation of shares of **joint stock companies** traded on the securities market and related income tax (line 8124 of appendix 5.11 to the accounting statements "Other income and expenses");

$NP_{fact}^{ip}$  - actual investments made at the expense of net profit for transmission of electric energy (line 1.1.1 of form II "Sources of financing of the investment program" section No. 6 "Investment program" of the report on the execution of the business plan);

$NP_{GC}$  - net profit from activities related to connection to electric grids under RAS (line 14.2 of section No. 8 "P&L statement" of the report on the implementation of the business plan).