

**APPROVED**

by the decision of the Board of Directors  
of PJSC ROSSETI of December 22, 2017  
Minutes No. 286 of December 25, 2017

**REGULATIONS  
FOR DIVIDEND POLICY OF PJSC ROSSETI**

**MOSCOW  
2017**

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### 1. GENERAL

1.1. These Regulations for Dividend Policy of PJSC ROSSETI (hereinafter, the “Regulations”) are an internal document of PJSC ROSSETI (hereinafter, the “Company”) and are formulated in accordance with the laws in force in the Russian Federation, the Articles of Association of PJSC ROSSETI, the recommendations of the Corporate Governance Code, and other internal documents of the Company.

1.2. The Company’s dividend policy is the set of principles and methods applied by the Company to determining the ratio between the portion of the Company’s profit to be capitalized and the portion of its profit to be paid in the form of dividends and is the system of relationships and principles that pertain to determining the procedure and dates for dividend payment and to holding the Company responsible for performing its dividend payment obligation.

1.3. The Company’s dividend policy is based on the strict observance of shareholders’ rights provided for in the laws in force in the Russian Federation and the Articles of Association and internal documents of the Company and focuses on making the Company increasingly attractive to investors and boosting its market capitalization.

1.4. These Regulations define the basic principles of the dividend policy to cause to be transparent the mechanism for determining the amount of dividends and dividend payment and inform shareholders and other stakeholders about the Company’s dividend policy, and also define the procedure for deciding on dividend payment (declaration), dividend payment conditions, the procedure for calculating the amount of dividends, including payment dates, places, and methods, and the Company’s liability for failure to pay dividends.

1.5. The terms and definitions used in these Regulations shall have the same meanings as used in the Russian laws on joint-stock companies and securities.

### 2. PRINCIPLES OF THE COMPANY’S DIVIDEND POLICY

2.1. The principles listed below underlie the Company’s dividend policy:

- the Company’s practices of dividend accrual and dividend payment shall comply with the laws of the Russian Federation and corporate governance standards (Ordinance of the Government of the Russian Federation No. 1094-r of May 29, 2017);
- a balance shall be kept between the interests of the Company’s shareholders and the Company’s need for resources to develop and perform the Company’s industry-wide functions in accordance with the Strategy for Development of the Electric Grid Sector (Ordinance of the Government of the Russian Federation No. 511-r of April 3, 2013);
- the amount of dividends shall be at least 50% of net profit according to financial statements, including consolidated financial statements prepared in accordance with

International Financial Reporting Standards, as calculated under the procedure set forth in these Regulations;

- measures shall be taken to ensure that dividends are paid on a quarterly basis, provided that the relevant criteria are met;
- the mechanism for determining the amount of dividends and defining the dividend payment procedure shall be maximally transparent (comprehensible);
- an upward trend shall be ensured in relation to dividend payouts, provided that the Company's net profit grows;
- information shall be available to shareholders and other stakeholders about the Company's dividend policy;
- no dividends on ordinary shares shall be paid unless dividends on preference shares are paid in full in accordance with the Articles of Association of the Company.

2.2. The recommended dividend payment amount shall be determined by the Board of Directors taking account of the Company's financial results.

### 3. DIVIDEND PAYMENT CONDITIONS

3.1. The Company shall be entitled, based on the results of the first quarter, half, or nine months of the reporting year and/or based on the results of the reporting year, to decide on (declare) payment of dividends on the Company's outstanding shares, unless otherwise provided for in the Federal Law "On Joint-Stock Companies." Any decision to pay (declare) dividends based on the results of the first quarter, half, or nine months of the reporting year may be adopted within three months after the end of the relevant period.

3.2. The Company may not decide on (declare) payment of dividends on shares:

- until the Company's authorized capital is paid in full;
- until all shares to be bought back under Article 76 of the Federal Law "On Joint-Stock Companies" have been bought back;
- if, on the date of such decision, the Company meets the insolvency (bankruptcy) criteria under the laws of the Russian Federation on insolvency (bankruptcy) or if said criteria are met as a result of dividend payment;
- if, on the date of such decision, the net asset value of the Company is less than its authorized capital and reserve fund and the excess of the liquidation value of outstanding preference shares specified in these Articles of Association over the par value or becomes so following such decision;
- otherwise as provided for in the laws of the Russian Federation.

3.3. In deciding to pay interim dividends on shares, the Company shall ensure that dividends are paid if dividend payment does not require debt financing and/or if dividend payment does not impair the Group's creditworthiness under the Regulations for Credit Policy approved by the Board of Directors of the Company.

3.4. The Company may not pay declared dividends on shares:

- if, on the date of such payment, the Company meets the insolvency (bankruptcy) criteria under the laws of the Russian Federation on insolvency (bankruptcy) or if said criteria are met as a result of dividend payment;
- if, on the date of such payment, the net asset value of the Company is less than its authorized capital and reserve fund and the excess of the liquidation value of outstanding preference shares specified in these Articles of Association over the par value or becomes so following such decision;
- otherwise as provided for in the laws of the Russian Federation.

Upon cessation of the circumstances specified above, the Company shall pay the declared dividends to its shareholders.

3.5. For the purposes of the distribution of profits and losses based on the results of the reporting year (including dividend payment (declaration)), the amount of net profit used for dividend payment and determined in accordance with the procedure set forth in these Regulations shall be decreased by the amount of profit distributed as dividends based on the results of the first quarter, half, or nine months of the reporting year.

3.6. The amount of net profit used for dividend payment based on the results of the first half or nine months of the reporting year shall be decreased by the amount of profit distributed as dividends based on the results of the first quarter or half of the reporting year respectively.

## **4. DETERMINING THE AMOUNT OF DIVIDEND PAYOUTS**

4.1. As provided for in the laws in force in the Russian Federation, dividends shall be paid out of the Company's profit after tax (the Company's net profit) computed in accordance with the rules applicable to accounting and the preparation of accounting (financial) statements and shall be distributed to shareholders in proportion to the quantity of shares of the relevant category (type) that they hold.

4.2. The recommended amount of dividends on shares in the Company shall be determined by the Company's Board of Directors. The sole executive body of the Company shall submit for consideration by the Company's Board of Directors proposals for the amount of dividends on shares in the Company.

4.3. The amount of dividends payable on shares shall be determined by the General Meeting of Shareholders on the recommendation of the Board of Directors and may not be in excess of the amount recommended by the Board of Directors.

4.4. The amount of dividends payable on one ordinary share shall be calculated by dividing the total amount of dividends payable on the Company's ordinary shares by the number of the Company's ordinary shares on which dividends may be distributed in accordance with law.

4.5. The amount of dividends payable on one preference share shall be determined in accordance with the procedure set forth in the Articles of Association of the Company and the share issue documents.

4.6. The amount of dividends based on the results of any reporting period shall be calculated in the manner described below.

Subject to the terms and conditions specified in Article 3 of these Regulations, the Company shall ensure that dividends based on the results of the reporting period are paid if both of the following criteria are met:

- based on the results of the reporting period, there is net profit according to accounting (financial) statements prepared in accordance with Russian Accounting Standards (“RAS”);
- based on the results of the reporting period, there is net profit according to accounting (financial) statements prepared in accordance with RAS, less income and expense associated with the revaluation of subsidiaries’ shares traded in the securities market.

4.7. The amount of dividend payment based on the results of the reporting year is calculated under the Procedure for Calculating Dividend Payouts according to the following general formula:

$$DIV = \text{MAX} \left\{ DIV^1; DIV^2 \right\} - DIV^{int}, \text{ where:}$$

DIV is the total amount of net profit to be paid out as dividends on preference and ordinary shares;

$DIV^{int}$  is the amount of interim dividends paid for the first quarter, half, or nine months of the reporting year;

$DIV^1$  is dividends based on the joint-stock company’s net profit according to accounting (financial) statements prepared in accordance with RAS.

$DIV^2$  is dividends based on the joint-stock company’s net profit according to consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and attributable to the Owners of the Company.

However, the amount of dividends ( $DIV^2$ ) may not be in excess of net profit according to accounting (financial) statements in accordance with RAS for the reporting year, less income and expense associated with the revaluation of subsidiaries’ shares traded in the securities market and the related profit tax, less profit used to provide financial support for such development plans of subsidiaries in connection with ensuring their financial stability and development as approved by the Board of Directors of PJSC ROSSETI, and less obligatory deductions to the reserve and other funds in accordance with the Company’s Articles of Association.

4.8. Any decision to pay interim dividends (for the first quarter, half, or nine months of the reporting year) shall be subject to the provisions specified in paragraphs 3.3 and 4.6 of these Regulations and subject to the terms and conditions specified in the Procedure for Calculating Dividend Payouts.

4.9. The Procedure for Calculating Dividend Payouts is contained in the Annex to these Regulations. The indicators used for the dividend calculation procedure shall be included in materials provided for meetings of the Company's management bodies determining the amount of dividends on shares in the Company and defining the dividend payment procedure for the reporting period.

### **5. PROCEDURE FOR ADOPTING DECISIONS TO PAY DIVIDENDS**

5.1. Any decision to pay (declare) dividends shall be subject to approval by the General Meeting of Shareholders. Such decision shall determine the amount of dividends on shares of each category (type), the dividend payment method, the dividend payment procedure other than in cash, and the date on which the persons entitled to dividends are determined. In this connection, any decision related to setting the date on which the persons entitled to dividends are determined shall be made only as proposed by the Company's Board of Directors.

5.2. The decision to pay dividends on outstanding shares based on the results of any reporting year shall be adopted by the Annual General Meeting of Shareholders as a separate item on the agenda of the General Meeting of Shareholders with respect to preference and ordinary shares separately.

The decision to pay dividends on outstanding shares based on the results of the first quarter of the reporting year shall be adopted by the Annual General Meeting of Shareholders as a separate item on the agenda of the General Meeting of Shareholders with respect to preference and ordinary shares separately.

The decision to pay dividends on outstanding shares based on the results of the first half or nine months of the reporting year shall be adopted by the Extraordinary General Meeting of Shareholders as a separate item on the agenda of the General Meeting of Shareholders with respect to preference and ordinary shares separately.

5.3. The recommendations provided by the Board of Directors and the decision adopted by the General Meeting of Shareholders on dividend payment shall specify:

- the category and type of shares on which dividends are declared;
- the amount of dividends on one share of a specific category and type;
- the procedure and dates for dividend payment;
- the dividend payment method;
- the date of the list of the persons entitled to dividends.

5.4. Any decision to pay (declare) dividends on a certain type of preference share shall be adopted by a majority of votes held by the Company's voting share holders attending the General Meeting of Shareholders. In this connection, any votes held by preference share holders owning such type of preference share and cast "against" and "abstained" in relation to the voting variants shall not be taken into account for the purposes of tallying the votes and for the purposes of determining whether the General Meeting of Shareholders has a quorum to decide on such issue.

5.5. The decision to pay (declare) dividends may be adopted, provided that dividend payment (declaration) is not subject to any legal restrictions.

## **6. LIST OF THE PERSONS ENTITLED TO DIVIDENDS**

6.1. The date of the list of the persons entitled to dividends shall be determined by the General Meeting of Shareholders as recommended by the Board of Directors. Such date may not be earlier than 10 days after the date of such decision to pay dividends or later than 20 days after the date of such decision.

6.2. The list of the persons entitled to dividends shall be made by the Company's registrar on the Company's instructions.

6.3. The list of the persons entitled to dividends shall include:

- shareholders registered in the shareholder register maintenance system as of the date of the list;
- other persons (pledgees, asset managers, etc.) registered in the shareholder register maintenance system as of the date of the list and empowered to exercise the rights attaching to shares unless otherwise provided for in agreements between such persons and shareholders;
- nominee shareholders acting for shareholders and registered in the shareholder register maintenance system as of the date of the list.

6.4. In the event that any shares are held in shared joint ownership, the list of the persons entitled to dividends shall include all joint owners of such shares.

6.5. Information concerning the method for receiving dividends is contained in the questionnaire of a person registered on the register. The responsibility for providing authentic information to make any alterations to the questionnaire of a person registered on the register shall rest with the owner of shares.

6.6. For the purpose of protecting its shareholders' rights to receive dividends, the Company will, in its relationship with the registrar, use its best efforts to obligate the registrar to cause information contained in the list of the persons entitled to dividends and information

concerning the method (form) of receiving dividends to correspond to information contained in the shareholder register of the Company.

6.7. In the event of any change in the list of the persons entitled to dividends, the Company will request that the registrar make known the reasons therefor.

6.8. Any shareholder may request that the Company inform such shareholder whether or not such shareholder is included on the list of the persons entitled to dividends.

6.9. The Company shall, within seven business days after the request for information specified in paragraph 6.8 is received, prepare and send its reply to the shareholder's postal address unless any other method for receiving information is specified in the request for information.

## **7. PROCEDURE, DATES, AND METHOD FOR DIVIDEND PAYMENT**

7.1. Payment of dividends shall be made in cash unless otherwise provided for in a decision adopted by the General Meeting of Shareholders of the Company. Dividends shall be paid, less deducted taxes.

7.2. Any dividend payment period in the case of nominee shareholders and asset managers that are professional securities market participants shall not exceed 10 business days or, in the case of any other persons registered on the shareholder register, 25 business days after the date on which the persons entitled to dividends are determined. Any decision on dividend payment may specify a shorter dividend payment period.

7.3. Payment of dividends in cash shall be made by bank transfer by the Company or, on its instructions, by the registrar keeping the Company's shareholder register or by a credit institution.

7.4. Payment of dividends in cash to any individuals whose rights to shares are recorded in the Company's shareholder register shall be made by bank transfer into their accounts, whose details are available to the Company's registrar, or, in the absence of the details of bank accounts, by postal order and, in the case of any other persons whose rights to shares are recorded in the Company's shareholder register, by bank transfer into their accounts.

The persons that are entitled to dividends and whose rights to shares are recorded with any nominee shareholder shall receive dividends in cash in accordance with the procedure provided for in the securities laws of the Russian Federation. Any nominee shareholder that receives dividends and fails to perform the obligation to deliver such dividends as provided for in the securities laws of the Russian Federation for any reason beyond the control of such nominee shareholder shall return them to the Company within 10 days after the expiration of a period of one month after the expiration date of the dividend payment period.

Any person failing to receive dividends because the correct and necessary address or bank details are not available to the Company or the registrar or due to any other delay on the part of the creditor shall have the right to submit a request to pay such dividends (unclaimed dividends) within three years after the decision to pay such dividends.

If any deadline for requests to pay unclaimed dividends is missed, such deadline may not be reset unless any person entitled to dividends fails to submit such request on account of violence or threats.

Upon the expiration of such period, the declared dividends that have not been claimed by any shareholder shall be restored as part of the Company's undistributed profit, and the obligation to pay such dividends shall terminate.

7.5. The Company shall be obligated to pay any declared dividends prior to the expiration of the approved period.

7.6. No interest shall be charged on unclaimed dividends.

7.7. The Company shall be deemed to have performed its obligation to pay dividends as of the date when money is accepted by a federal postal organization for such postal order or as of the date when money is received by the credit institution that maintains the bank account of the person entitled to such dividends or, if such person is a credit institution, is credited to the credit institution's account.

7.8. Any owner of shares may at any time make alterations to the registered person's questionnaire, changing the method for receiving money income from shares, or the postal address or banking details used for the payment of dividends, by providing the Company's registrar with the registered person's questionnaire accompanied by the relevant instructions. The Company shall not be liable for any losses caused to the shareholder due to sending any dividends to the shareholder, using the details specified in the list of the persons entitled to dividends.

## **8. DIVIDEND TAXATION**

8.1. Paid dividends shall be subject to tax in accordance with the procedure set forth in the laws in force in the Russian Federation.

8.2. The amount of declared dividends shall include any taxes payable by shareholders in accordance with the laws of the Russian Federation. In accordance with the procedure provided for in the tax law of the Russian Federation, the tax agent shall withhold tax amounts from dividends accrued for shareholders and pay such amount to the budget.

The tax agent for the persons registered on the register shall be the Company. In the case of any persons whose shares are held by nominee shareholders or asset managers that

are professional securities market participants, the tax agent shall be nominee shareholders or asset managers that are professional securities market participants respectively under the relevant agreements.

8.3. If any shareholder is entitled to tax benefits, such shareholder shall have the right to submit to the tax agent the documents in support of the application of such benefits prior to the date when the Company's General Meeting of Shareholders decides to pay dividends.

### **9. DISCLOSURE OF DIVIDEND POLICY, DECLARATION, AND PAYMENT**

9.1. The Company shall ensure that the Regulations for Dividend Policy of PJSC ROSSETI as amended from time to time are continuously available on the Company's corporate website at [www.rosseti.ru](http://www.rosseti.ru).

9.2. Information concerning any adopted decision on dividend payment and on the amount, dates, method, and form of dividend payment shall be disclosed in accordance with the procedure set forth in the laws in force in the Russian Federation.

9.3. The materials provided for shareholders in order for them to decide on dividend payment at the General Meeting of Shareholders shall contain the following information:

- justification for the proposed distribution of net profits and an assessment of whether such distribution is in accordance with the Company's dividend policy, including the distribution for dividend payment and the Company's business needs, with explanations and economic justification for the necessity to allocate a certain portion of net profits for business needs;
- detailed information on the procedure for calculating the amount of dividends on preference shares with respect to which the Articles of Association of the Company prescribes the procedure for their calculation (if the Company has outstanding preference shares);
- information on any corporate actions that impair the dividend rights of shareholders and/or lead to share dilution and on any court rulings that shareholders use any methods other than dividends and liquidation value to receive income from the Company.

### **10. RESPONSIBILITY OF THE COMPANY FOR DIVIDEND PAYMENT**

10.1. The Company shall be obligated to pay any declared dividends in the amount and within the period determined in the decision adopted by the General Meeting of Shareholders and in the Articles of Association of the Company. If the Company fails to perform its obligations, shareholders may demand that the declared dividends be paid by recourse to court action.

10.2. The Company shall not be held liable for any failure to perform the obligations to pay dividends if the shareholder register does not contain such accurate and complete details of the registered person as necessary to pay (make available) dividends to such person.

### **11. FINAL PROVISIONS**

11.1. Any issues in connection with dividends payable to the Company's shareholders not covered by the applicable legal regulations of the Russian Federation, the Articles of Association of the Company, or these Regulations shall be settled in such a way as to cause the rights and legitimate interests of the Company's shareholders to be safeguarded.

11.2. Any decision on amendments or supplements hereof (a restated version of these Regulations) shall be adopted by the Board of Directors of the Company in accordance with the procedure set forth in the applicable laws and the Articles of Association and internal documents of the Company.

11.3. If, as a result of any change in the laws of the Russian Federation, any provisions of these Regulations come into conflict therewith, such provisions shall become null and void, and the activities of the Company shall, until these Regulations are amended, be governed by the requirements set forth in the laws of the Russian Federation.

## Procedure for Calculating Dividend Payouts of PJSC ROSSETI

### 1. Calculation procedure for dividends for the reporting year

Any amount of dividend payment based on the results of the reporting year may not be lower than the two values calculated by the following formula:

$$i = \max\{i^1; i^2\} - i_i \quad (1)$$

where:

DIV is the total amount of net profit to be paid out as dividends on preference and ordinary shares for the reporting year;

DIV<sub>int</sub> is the total amount of interim dividends paid for the first quarter, half, or nine months of the reporting year and calculated in accordance with Section 2 of this Procedure.

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

where:

$k$  is the coefficient of 50 percent applied to dividend payouts;

$NP_{adj}^1$  is the joint-stock company's net profit according to accounting (financial) statements prepared in accordance with RAS as calculated by the following formula:

$$NP_{adj}^1 = NP_{RAS} - I_{rev} + E_{rev} - NP_{FS} \quad (3)$$

where:

$NP_{RAS}$  is the joint-stock company's net profit according to accounting (financial) statements prepared in accordance with RAS (Item 2400, Statement of Financial Performance), less the following values:

$I_{rev}$  is income from the revaluation of subsidiaries' shares traded in the securities market and the related profit tax (Item 8020, Section 5.11 "Other Income and Expense," Appendix to the Accounting Statements);

$E_{rev}$  is expense from the revaluation of subsidiaries' shares traded in the securities market and the related profit tax (Item 8124, Section 5.11 "Other Income and Expense," Appendix to the Accounting Statements);

$NP_{FS}$  is net profit used to provide financial support for such development plans of subsidiaries and dependent companies of PJSC ROSSETI in connection with ensuring their

financial stability and development as approved by the Board of Directors of PJSC ROSSETI and calculated by the following formula:

$$NP_{FS} = FS - DNP_{FS} \quad (4)$$

where:

FS is the total amount of financial support for PJSC ROSSETI's subsidiaries, dependent companies, and subsidiary subsidiaries as approved (adjusted) by the Board of Directors of PJSC ROSSETI at the time of any decision to pay dividends for prior periods and for the reporting period;

$DNP_{FS}$  is PJSC ROSSETI's net profit distributed as financial support for PJSC ROSSETI's subsidiaries, dependent companies, and subsidiary subsidiaries for prior periods as approved by the General Meeting of Shareholders.

$$i^2 = \min(k \cdot NP_{adj}^2; NP_{RAS} - I_{rev} + E_{rev} - NP_{FS} - Ded_{obl}) \quad (5)$$

where:

$k$  is the coefficient of 50 percent applied to dividend payouts;

$Ded_{obl}$  is obligatory deductions to the reserve and other funds in accordance with the Company's Articles of Association;

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

$$NP_{adj}^2 = NP_{IFRS} - NP_{FS} - NP_{actual}^{capex} - D \wedge A_{IFRS}^{RAS} - NP_{connect} + R_{connect} \quad (6)$$

where:

$NP_{IFRS}$  is the joint-stock company's net profit according to consolidated financial statements prepared in accordance with IFRS ("Profit for the Year," Consolidated Statement of Profit or Loss, Consolidated Financial Statements) and attributable to the Owners of the Company;

$NP_{FS}$  is net profit used to provide financial support for such development plans of subsidiaries and dependent companies of PJSC ROSSETI in connection with ensuring their financial stability and development as approved by the Board of Directors of PJSC ROSSETI and calculated by the formula (4) of this Procedure;

$NP_{actual}^{capex}$  is actual investments out of net profit from electricity transmission and distribution services, but not in excess of the amount specified in the capital investment program approved by the Ministry of Energy of the Russian Federation according to RAS (Item 1.1.1, Form II “Financing Sources for the Investment Program,” Section 6 “Investment Program,” Report on Business Plan Implementation; total for PJSC ROSSETI’s subsidiaries, dependent companies, and subsidiary subsidiaries<sup>1</sup> engaged in electricity transmission and distribution, but not in excess of the amount specified in paragraph 1.1.1.1 of the Form “Planned Targets of Investment Program Implementation,” Section 3 “Financing Sources for the Investment Program,” attached as an appendix to the order of the Ministry of Energy of the Russian Federation to approve the investment program for the planning period; total for PJSC ROSSETI’s subsidiaries, dependent companies, and subsidiary subsidiaries<sup>2</sup> engaged in electricity transmission and distribution), plus the share of profit attributable to the Owners of the Company;

$D \wedge A_{IFRS}^{RAS}$  is the excess of depreciation and amortization for the current period to finance the investment program according to RAS (Item 1.2, Form II “Financing Sources for the Investment Program,” Section 6 “Investment Program,” Report on Business Plan Implementation; total<sup>3</sup> for PJSC ROSSETI’s subsidiaries, dependent companies, and subsidiary subsidiaries<sup>2</sup> engaged in electricity transmission and distribution) over depreciation and amortization according to IFRS (“Operating Expenses,” Notes to the Consolidated Financial Statements), plus the share of profit attributable to the Owners of the Company;

$NP_{connect}$  is net profit from network connection services according to RAS<sup>4</sup> (Item 14.2, Section 8 “Statement of Financial Performance,” Report on Business Plan Implementation; total for PJSC ROSSETI’s subsidiaries, dependent companies, and subsidiary subsidiaries<sup>2</sup> engaged in electricity transmission and distribution), plus the share of profit attributable to the Owners of the Company;

$R_{connect}$  is revenue from network connection services, net of VAT, according to RAS (Item 1.1.2, Section 11 “Cash Flow Budget,” Report on Business Plan Implementation; total for PJSC ROSSETI’s subsidiaries, dependent companies, and subsidiary subsidiaries<sup>2</sup> engaged in electricity transmission and distribution), but not in excess of net profit from network connection services,<sup>5</sup> plus the share of profit attributable to the Owners of the Company.

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1The calculation of dividend payouts shall use the results of the following subsidiary subsidiaries engaged in electricity distribution: AO Tyvaenergo (a subsidiary of PJSC IDGC of Siberia), JSC ENCE (a subsidiary of IDGC of Urals, JSC), AO Saint Petersburg Power Grid (a subsidiary of PJSC LENENERGO)

2The calculation of dividend payouts shall use the results of the following subsidiary subsidiaries engaged in electricity distribution: AO Tyvaenergo (a subsidiary of PJSC IDGC of Siberia), JSC ENCE (a subsidiary of IDGC of Urals, JSC), AO Saint Petersburg Power Grid (a subsidiary of PJSC LENENERGO)

3A total of deviations for each of PJSC ROSSETI’s subsidiaries, dependent companies, and subsidiary subsidiaries engaged in electricity transmission and distribution

4In the case of FGC UES, PJSC, taking into account the different principles of recognizing revenue from network connection services according to IFRS and RAS

5Taking into account the excess for each of PJSC ROSSETI’s subsidiaries, dependent companies, and subsidiary subsidiaries engaged in electricity transmission and distribution separately. In the case of network connection contracts with payment for network connection services in installments, restrictions on the amount of net profit from network connection services shall not apply

## 2. Calculation procedure for interim dividends for the first quarter, half, and nine months of the reporting period<sup>6</sup>

$$\int \dot{d}_i = k \cdot NP_{adj\ i}^{\dot{d}} \quad (7)$$

In this connection,

$$\int \dot{d}_i \leq 25\% \cdot \dot{d}_{year}^{budget} \quad (8)$$

where:

$k$  is the coefficient of 50 percent applied to dividend payouts;

$i$  is the reporting period (first quarter, half, or nine months);

$\int \dot{d}_i$  is the amount of interim dividends for the reporting period  $i$ ;

$\dot{d}_{year}^{budget}$  is the total amount of dividends specified in the Company's Budget approved by the Board of Directors of PJSC ROSSETI at the time of any decision to pay interim dividends.

$NP_{adj\ i}^{\dot{d}}$  is net profit according to accounting (financial) statements prepared in accordance with RAS as calculated by the following formula:

$$\int \dot{d}_i = NP - I_{rev} + E_{rev} - NP_{FS} \quad (9)$$

where:

$NP$  is the joint-stock company's net profit according to accounting (financial) statements prepared in accordance with RAS (Item 2400, Statement of Financial Performance);

$I_{rev}$  is income from the revaluation of subsidiaries' shares traded in the securities market and the related profit tax (Item 8020, Section 5.11 "Other Income and Expense," Appendix to the Accounting Statements);

$E_{rev}$  is expense from the revaluation of subsidiaries' shares traded in the securities market and the related profit tax (Item 8124, Section 5.11 "Other Income and Expense," Appendix to the Accounting Statements);

$NP_{FS}$  is net profit used to provide financial support for such development plans of subsidiaries and dependent companies of PJSC ROSSETI in connection with ensuring their

<sup>6</sup>The calculation of interim dividends shall be subject to paragraph 3.6 of these Regulations and shall ensure that the total amount of interim dividends is not in excess of 25 percent of annual dividends provided for in the Company's Budget approved by the Board of Directors of PJSC ROSSETI

financial stability and development as approved by the Board of Directors of PJSC ROSSETI and calculated by the formula (4) of this Procedure.