

**Draft decisions and explanatory note on the item on the agenda
of the extraordinary General Meeting of Shareholders of IDGC of North-West, PJSC**

(arrangement date: 31.12.2019)

Issue No. 1 on the agenda:

On the amount of dividends, the timing and form of payment according to the results of 9 months of 2019 and the establishment of the date on which persons entitled to receive dividends shall be determined.

Draft decision on the issue:

1. Pay dividends on ordinary shares of the Company from the net profit of the Company according to the results of 9 months of 2019 in the amount of 0.0019999807 rubles per ordinary share in cash.

2. The amount of accrued dividends per one shareholder of the Company is determined with an accuracy of one kopeck. The rounding of the number in the calculation is carried out according to the rules of mathematical rounding.

3. The term for payment of dividend to a nominal holder or a trustee being a professional participant of the security market shall not be in excess of 10 business days, to other shareholders registered in the register – 25 business days from the date when the list of persons having the right to receive dividend was generate.

4. Determine the date of compiling the list of persons entitled to receive dividends – the 14th day from the date of adoption by the extraordinary General Meeting of Shareholders of a decision on the payment of dividends.

**Explanatory note on issue on the agenda
of the extraordinary General Meeting of Shareholders of IDGC of North-West, PJSC**

Issue No. 1 on the agenda:

On the amount of dividends, the timing and form of payment according to the results of 9 months of 2019 and the establishment of the date on which persons entitled to receive dividends shall be determined.

In accordance with subparagraph 10.1 of paragraph 1 of Article 48 of the Federal Law “On Joint-Stock Companies” from 26.12.1995 N 208-FZ in the current version (hereinafter referred to as the Law), the competence of the General Meeting of Shareholders includes the payment (declaration) of dividends based on the results of nine months of the reporting year.

The procedure for dividend payment by the Company is determined by Article 42 of the Law.

According to the results of nine months of the reporting year, the Company is entitled to make a decision (declare) on payment of dividends on the placed shares.

In accordance with clause 7.4 of Article 7 of the Charter of IDGC of North-West, PJSC (hereinafter referred to as the Company), dividends are paid from the Company's after tax income (Company's net income). The Company's net income shall be determined based on the Company's accounting (financial) statements data.¹

In accordance with clause 7.2. of Article 7 of the Company's Charter, the decision on payment (declaration) of dividends is adopted by the General Meeting of Shareholders of the Company. This decision must determine the amount of dividends on shares of each category (type), the form of their payment, the procedure for paying dividends in non-monetary form, the date on which the persons entitled to receive dividends are determined.

The size of annual dividends may not be larger than that recommended by the Company's Board of Directors.

According to the accounting (financial) statements based on RAS principles, according to the results of the Company's work for 9 months of 2019, profit in the amount of 195,656 thousand rubles was received.

It is proposed to pay dividends on ordinary shares of the Company based on the results of nine months of the reporting year in the amount of 191,570 thousand rubles, which is 97.9% of net profit according to the accounting (financial) statements of the Company for 9 months of 2019.

In accordance with Article 42 of the Federal Law “On Joint-Stock Companies”, clause 7.5 of Article 7 of the Charter of the Company, the date of the list of persons entitled to receive dividends is determined by the decision of the General Meeting of Shareholders at the proposal of the Board of Directors. The specified date cannot be set earlier than 10 days from the date of the decision to pay dividends and later than 20 days from the date of such a decision.

The term for payment of dividends to a nominee holder and to a trustee who is a professional participant in the securities market, which are registered in the register of shareholders, should not exceed 10 business days, and to other persons registered in the register of shareholders – 25 business days from the date on which persons entitled to receipt of dividends.

¹The accounting (financial) statements based on RAS principles, according to the results of the Company's work for 9 months of 2019 is posted on the Company's website at: http://www.mrsksevzap.ru/id_1yearfinreport

By the decision of the Board of Directors of the Company as of 25.11.2019 (Minutes No. 338/15), the extraordinary General Meeting of Shareholders of the Company was recommended to:

1. Pay dividends on ordinary shares of the Company from the net profit of the Company according to the results of 9 months of 2019 in the amount of 0.0019999807 rubles per ordinary share in cash.

2. The amount of accrued dividends per one shareholder of the Company is determined with an accuracy of one kopeck. The rounding of the number in the calculation is carried out according to the rules of mathematical rounding.

3. The term for payment of dividend to a nominal holder or a trustee being a professional participant of the security market shall not be in excess of 10 business days, to other shareholders registered in the register – 25 business days from the date when the list of persons having the right to receive dividend was generate.

4. Determine the date of compiling the list of persons entitled to receive dividends – the 14th day from the date of adoption by the extraordinary General Meeting of Shareholders of a decision on the payment of dividends.

The shareholders are suggested to make a decision on voting on this issue taking into account the aforementioned.