

**EXPLANATORY NOTE AND DRAFT RESOLUTION OF THE EXTRAORDINARY  
GENERAL MEETING OF SHAREHOLDERS  
IDGC OF SOUTH, PJSC**

**QUESTION NO. 2: Introduction of amendments to the Company's Charter related to the increase in the number of authorized shares.**

In accordance with Article 48 of the Federal Law "On Joint-Stock Companies", Sub-clause 1 of Clause 10.2 of the Charter of IDGC of the South, PJSC (hereinafter referred to as the Charter of the Company), amendments and addenda to the Charter of the Company are referred to the competence of the General Meeting of Shareholders of the Company.

The Board of Directors of IDGC of the South, PJSC (Protocol No. 336/2019 dated 04.10.2019) proposed to the General Meeting of Shareholders of the Company to adopt the following resolution:

"To increase the authorized capital of IDGC of the South, PJSC by placing additional ordinary registered uncertificated shares in the amount of 98,520,013,264 (ninety-eight billion five hundred and twenty million thirteen thousand two hundred and sixty four) shares with the par value of 10 (ten) kopecks each for the total amount of 9,852,001,326 (nine billion eight hundred and fifty-two million one thousand three hundred and twenty-six) roubles and 40 kopecks, under the following basic conditions:

- type of offering: public offering;
- placement price of one additional ordinary registered uncertificated share (including persons included in the list of persons having a preemptive right to purchase additional shares to be placed): 10 (Ten) kopecks;
- manner of payment: payment for additional ordinary registered uncertificated shares of the Company shall be made in rubles of the Russian Federation in non-cash form."

In accordance with clause 3 of Article 28 of the Federal Law "On Joint-Stock Companies", additional shares may be placed by the Company only within the limits of the number of authorized shares established by the Charter of the Company. At the same time, the issue of increasing the charter capital of the company by placing additional shares may be resolved by the general meeting of shareholders simultaneously with the decision to introduce into the charter of the company the provisions on the declared shares required in accordance with the Law

"On Joint Stock Companies" to adopt such a decision, or to change the provisions on the declared shares.

In accordance with the current version of the Company's Charter, the number of declared ordinary registered uncertificated shares is 19,963,551,259 (Nineteen billion nine hundred and sixty-three million five hundred and fifty-one thousand two hundred and fifty-nine) shares with a par value of 10 (Ten) kopecks each for a total amount of 1,996,355,125 (One billion nine hundred and ninety-six million three hundred and fifty-five thousand one hundred and twenty-five thousand) rubles 90 kopecks.

The General Meeting of Shareholders of the Company is proposed to amend the Company's Charter related to the provisions on the Company's declared shares in terms of increasing their number to 98,520,013,264 (ninety-eight billion five hundred and twenty million and thirteen thousand two hundred and sixty four) pieces.

According to the clause 4 of article 49 of the Federal Law "On Joint Stock Companies" and clause 10.5 of the Charter of IDGC of the South, PJSC, the decision on this issue shall be made by the majority of three quarters of the votes of the shareholders owning voting shares attending the General Meeting of Shareholders of the Company.

In accordance with clause 10.8 of Article 10 of the Charter of IDGC of the South, PJSC, voting at the General Meeting of Shareholders on this issue is carried out on the principle of "one voting share - one vote".

**DRAFT RESOLUTION:**

To amend the Charter of IDGC of the South, PJSC as follows:

"Clause 4.5 of Article 4 of the Company Charter shall be amended as follows:

4.5. The reduction of the authorized share capital of the Company is carried out in the manner prescribed by the legislation of the Russian Federation and these Articles of Association.

The Company is obliged to reduce its authorized share capital in cases provided for by the Federal Law "On Joint-Stock Companies".

The Company announces in addition to the outstanding shares 98,520,013,264 (ninety-eight billion five hundred and twenty million thirteen thousand two hundred and sixty four) ordinary registered uncertificated shares with a par value of 10 (ten) kopecks each for a total amount of 9,852,001,326 (nine billion eight hundred and fifty-two million one thousand three hundred and twenty-six) rubles 40 kopecks.

Ordinary registered shares declared by the Company for placement represent their owners the rights provided for in 6.2. of this Charter."