

Notification of shareholders in connection with dividend payment by PJSC Enel Russia for 2017

For the purpose of complying with the Tax Code of the Russian Federation (hereinafter - the Tax Code of the Russian Federation) regarding taxation of dividends paid to various categories of shareholders, PJSC Enel Russia brings the following information to the notice.

1. **Shareholders - legal entities who are not tax residents of the Russian Federation**¹ eligible for taxation of income in the form of dividends in accordance with the international treaties, pursuant to Article 312 of the Tax Code of the Russian Federation, shall provide a confirmation to PJSC Enel Russia of their permanent residence in the state which has international treaty (agreement) with, regulating tax issues with the Russian Federation.

The specified confirmation shall be recognized as duly executed while complying with the following conditions:

- confirmation contains the following or similar wording: "This is to confirm that the company _____ (company name) _____ during _____ (specify the period) _____ is a resident of _____ (specify the state) _____ for the purpose of the Agreement (specify name of the international treaty) between the Russian Federation/USSR and _____ (specify the foreign state) _____";
- confirmation is certified by a competent authority of the foreign state for the purpose of the relevant agreement, and it is apostilled;
- confirmation is translated into Russian;
- confirmation is dated by the year when the dividends are paid (2018).

It is allowed to submit the specified confirmation both in the form of the original and notarized copy.

2. Pursuant to Article 312 of the Tax Code of the Russian Federation, corporate shareholders who are not tax residents of the Russian Federation, for the purpose of application of provisions of the international treaties of the Russian Federation, in addition to confirmation of permanent residence specified in cl. 1, shall submit confirmation to PJSC Enel Russia stating that these shareholders have beneficial ownership of dividends.

The following documents (information) can be used as such confirmation:

- documents (information) confirming that the recipient of income has the power of discretion with respect to disposal and use of the received dividends;
- documents (information) confirming receipt of income by recipient of income whose place of registration or tax residence is a state (territory) the Russian Federation concluded an international treaty with on avoidance of double taxation, tax liabilities payable and their existence confirms the absence of withholding tax savings in the Russian Federation with subsequent transfer of received monetary funds to third parties (their place of tax residence or registration is a state (territory) the Russian Federation did not conclude an international treaty with on avoidance of double taxation);
- documents (information) confirming the actual entrepreneurial activities performed by the recipient of income in a state (territory), its place of registration or tax residence is a state (territory) the Russian Federation concluded an international treaty with on avoidance of double taxation.

3. Should the international treaties (agreements) between the Russian Federation and foreign state contain provisions limiting the possibility of applying the specified treaties (agreements) to taxation of income of certain categories of persons, including dividends, residents of the specified foreign states shall provide additional confirmations in addition to documents specified in clauses 1 and 2.

Confirmations shall include information stating that residents of the specified states are not covered by limitations established in the relevant treaties (agreements). The specified confirmations can be included in the certificates of tax

¹ Pursuant to Article 246.2 of the Tax Code of the Russian Federation, the following companies are recognized as tax residents of the Russian Federation:

- 1) Russian companies;
- 2) foreign companies recognized as tax residents of the Russian Federation in accordance with the international treaty of the Russian Federation on tax issues - for the purposes of application of this international treaty;
- 3) foreign companies with the place of management in the Russian Federation, unless otherwise provided for in the international treaty of the Russian Federation on tax issues.

residence or in separate certificates issued by competent authorities of the relevant foreign state. The specified confirmations shall be apostilled and translated into Russian.

E.g. to confirm the possibility of application of benefits for taxation of dividends for tax resident shareholders of foreign states specified below, the document confirming permanent residence in a foreign state or a separate certificate shall contain the following wordings:

For tax residents of the United States of America

"[Shareholder's name] complies with the criteria specified in subclause [specify subclause] of clause 1 of Article 20 of the Treaty between the Russian Federation and the USA "On avoidance of double taxation and prevention of tax evasion with respect to income and capital taxes" dated 17.06.1992 and it is entitled to be exempt from taxation in accordance with the above treaty".

For tax residents of Great Britain

"[Shareholder's name] is subject to taxation and does not apply lower income or capital gains tax rates, in accordance with the laws of Great Britain providing for preferential conditions for raising foreign investment".

For tax residents of the French Republic

"[Shareholder's name], for purposes of provisions of the "Convention between the Government of the Russian Federation and the Government of the French Republic on avoidance of double taxation and prevention of tax evasion and violation of tax laws in relation to income and property taxes", is subject to income tax in accordance with the common law regime provided for in the tax laws of France and shall be exempt from this tax on the basis of these dividends".

4. Should international treaties (agreements) include provisions establishing additional conditions, if complied with, reduced tax rates may be applied to income in the form of dividends, in particular, if dependence of the tax rate on the amount of investments made is identified, tax residents of foreign states eligible for application of the specified reduced rates to their income in the form of dividends, in addition to documents specified in clauses 1-2, shall submit documents confirming their right to taxation at reduced rates (including certified copies of purchase and sale contracts for the whole package of shares, payment documents for the whole package of shares, confirmations of transfer of shares to the shareholder's account).

Documents shall be submitted to PJSC Enel Russia at the address: 7 Pavlovskaya Str., bldg. 1, Moscow 115093 **on or prior to July 5, 2018. Information about contact persons of the shareholder** eligible for taxation of dividends at reduced rates **(full name, phones and e-mail address) shall be provided together with documents.**

5. **Shareholders - individuals who are not tax residents of the Russian Federation**² eligible for taxation of income in the form of dividends in accordance with the international treaties shall submit documents confirming their permanent residence in states which concluded international treaties regulating tax issues with the Russian Federation, in accordance with the procedure established in Article 232 of the Tax Code of the Russian Federation before the dividends transfer.

Should the documents confirming the right to taxation of shareholders' income at reduced rates be not submitted within the established terms and/or submitted documents be not recognized as sufficient to justify the right to taxation of income in the form of dividends at reduced rates, taxation of specified income will be carried out at rates established by the laws of the Russian Federation.

² Pursuant to point 2 of the Article 207 of the Tax Code of the Russian Federation, individuals actually staying in the Russian Federation for at least 183 calendar days within 12 consecutive months shall be recognized as tax residents of the Russian Federation.