**DRAFT RESOLUTION**

**OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**OF KUBANENERGO PJSC**

**ITEM No. 3:**

**“Approval of the** **allocation of profit of the Company based on the results of 2019”.**

**DRAFT RESOLUTION:**

To approve the following allocation of profit (losses) of the Company based on the results of 2019”:

|  |  |
| --- | --- |
| **Name** | (thousand rubles) |
| Accumulated profit (accumulated losses) of the reporting period: | 2,428,011 |
| Distribute into: Reserve fund | 121,401 |
| Profit for development | 1,669,696 |
| Dividends | 636,914 |
| Repayment of losses for past years | 0 |

**NOTES TO THE**

**DRAFT RESOLUTION OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF KUBANENERGO PJSC**

**“Approval of the allocation of profit of the Company**

**based on the results of 2019”**

Regarding the results of financial and economic activities of Kubanenergo PJSC (hereinafter referred to as the Company), net profit for 2019 amounted to 2,428,011 million rubles. Receipt of net profit for 2019 was mainly caused by one-time revenue receipts for technological connection from the large declarant of the Federal State Institution “Rostransmodernizatsiya”.

The amount of dividends on shares of the Company for 2019 is determined in accordance with the Regulation on dividend policy of the Company (Minutes No. 297/2018 of February 1, 2018) taking into consideration the requirements of the Decree of the Government of the Russian Federation of May 29, 2017 No. 1094-r. Regarding the results of 2019, it is suggested to allocate 636,914 million rubles for dividend payment.

In accordance with Section 8 of the Charter of the Company, the Company forms a Reserve fund in the amount of 5 (five) percent of the authorized capital of the Company.

The amount of obligatory annual contributions to the Reserve fund of the Company amounted to 5 (five) percent of the Company’s net profit until the Reserve fund reaches the fixed amount.

Regarding the results of 2019, the authorized capital of Kubanenergo PJSC amounted to 33,465,784 thousand rubles, the capital reserve amounted to 302,820 thousand rubles.

In accordance with the requirements of the legislation of the Russian Federation (Section 35 of Federal Law of December 26,1995 No.208-FZ “On Joint Stock Companies”), the share of net profit in the amount of 121,401 thousand rubles will be allocated to the Company’s reserve fund in order to achieve the level of the reserve fund, established by the Charter of the Company.

It is suggested to allocate the share of net profit in the amount of 1,669,696 thousand rubles for Company development.

The following allocation of the Company’s profit based on the results of 2019 was recommended for approval by the Annual General Meeting of Shareholders of Kubanenergo PJSC in accordance with the resolution of the Board of Directors of Kubanenergo PJSC of April 28, 2020 (Minutes No. 386/2020 of April 30, 2020).

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| --- | --- |
| **Name** | (thousand rubles) |
| Accumulated profit (accumulated losses) of the reporting period: | 2,428,011 |
| Distribute into: Reserve fund | 121,401 |
| Profit for development | 1,669,696 |
| Dividends | 636,914 |
| Repayment of losses for past years | 0 |