

## **Notification on the Exercisability of the Preemptive Right to Acquire Additionally Issued Shares of Public joint stock company of power industry and electrification of Kuban**

Public joint stock company of power industry and electrification of Kuban (hereinafter – the Issuer, the Company, “Kubanenergo” PJSC), the Company’s address: 2A Stavropolskaya street, 350033, Krasnodar, Russian Federation, hereby informs its shareholders that on 15.12.2016 the Central Bank of the Russian Federation (the Bank of Russia) has conducted the state registration of the additional issue of securities and Securities Prospectus of “Kubanenergo” PJSC, that are offered by public subscription: **ordinary registered non-documentary shares with par value 100 (one hundred) rubles each in amount of 57 457 846 (fifty seven million four hundred fifty seven thousand eight hundred forty six) shares (hereinafter – the Shares).**

The additional issue of the Shares was assigned State Registration Number **1-02-00063-A**.

In accordance with Article 40 of the Federal Law No.208-FZ “On Joint Stock Companies” dated 26.12.1995, persons who are shareholders of the company at the date of determination (specification) of the persons entitled to participate in the Extraordinary General meeting of shareholders, which took the decision to increase the authorized capital of “Kubanenergo” PJSC by placing additional ordinary registered shares have a preemptive right to acquire publicly placed additional shares of the issuer in proportion to the number of ordinary shares of the issuer owned by them.

**The list of persons having the preemptive right to purchase the Shares** is made on the basis of the e registry of owners of the Company’s registered securities **as of August 26, 2016** – the date of determination (specification) of the persons entitled to participate in the Extraordinary General Meeting of Shareholders, held on **19 September 2016**.

**The amount of the placed Shares:** 57 457 846 (fifty seven million four hundred fifty seven thousand eight hundred forty six) shares.

**The offering price of the Shares, including to the persons from the list of persons having the preemptive right to purchase the shares is 100 (one hundred) rubles per share.**

**Duration of the preemptive right is 300 (three hundred) days** from the date of notification of the persons, included in the list of persons having the preemptive right to purchase additional shares, on the possibility of exercising the pre-emptive right to purchase additional shares, through the publication of the Notice of the preemptive right on the Issuer's website on the Internet at: <http://kubanenergo.ru/>.

Prior to the expiration of the pre-emptive right period with respect to the placed securities, the securities may not be placed otherwise than by virtue of the exercise of this pre-emptive right.

### **Procedure for exercising the preemptive right to acquire the placed additional shares:**

The person having the preemptive right to purchase additional shares (hereinafter – the Applicant) shall be entitled within the period of availability of the pre-emptive right to fully or partially exercise their preemptive right by sending to the Issuer of an application to purchase shares of additional issue (hereinafter – the Application) and fulfilling its obligations on payment for the shares.

The recommended form of application is published by the Issuer on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

The Application submitted by the person having the pre-emptive right to acquire the shares registered in the register of shareholders shall contain the information enabling the identification of the person who submitted it and the number of Shares purchased by such person.

The Application shall be submitted by sending or delivering by hand to the registrar of the Company a document in writing signed by the person submitting the Application and if it is

stipulated by the rules, according to which the registrar of the Company carries out its activity on maintenance of the registry, also by sending to the Company's registrar the electronic documents, signed by a qualified electronic signature. These rules may also make it possible to sign such electronic document by a simple or non-qualified electronic signature. In this case, the electronic document signed by a simple or unqualified electronic signature is recognized as equivalent of paper documents signed by a handwritten signature.

The Application on purchase of securities submitted or handed to the registrar of the Company is considered to be filed to the Company on the day of its receipt by the registrar of the Company.

It is recommended to provide the following information in the Application:

- title: “Application to acquire shares of “Kubanenergo” PJSC through exercising the preemptive right”;
- individuals should indicate their passport details (date, year and place of birth, series, number and date of issue of the passport (or other identity document), issuing body, the period of validity of the passport (or other identity documents), if applicable);
- corporate entities should indicate information on state registration of legal entities and registration at the Unified State Register of Legal Entities (primary state registration number and/or other registration number if applicable, date, registering authority, number of the certificate);
- the Applicant's bank account details to which the issuer transfer the refund;
- contact details of the Applicant (postal address, email address and fax number with zip code).

Information on the registrar of the Company: Joint Stock Company “Registrar R.O.S.T” (“Registrar R.O.S.T” JSC)

Registrar's Address: 18/13 Strominka street, 107996, Moscow

Address for registrar's mail correspondence: 18/13 Strominka street, 107996, Moscow

A person having the preemptive right to acquire the Shares, but not registered in the register of shareholders, exercises their pre-emptive right by giving the appropriate orders (instructions) to a person who exercises their rights for shares of the Company. The order (instruction) shall be given in accordance with the requirements of the Russian laws on securities and it must contain the number of purchased securities.

At the same time, an Application for the acquisition of securities is deemed as submitted to the Company on the day when the Company's registrar received from the nominal holder of shares registered in the register of shareholders, the message containing the will of the person.

Procedure for payment for the Shares:

Shares are paid for in monetary form in Russian rubles in cashless form by transfer to the account of the issuer.

Term of payment: When implementing the pre-emptive right to purchase securities, the acquired shares must be fully paid by the Applicant within the Term of the pre-emptive right.

Form of cashless settlement: by payment orders, receipts on the bank transfer of funds

Information on the credit institution and bank account details, to which the funds received as payment for the shares should be transferred:

Name of the payment recipient	Public joint stock company of power industry and electrification of Kuban
Abbreviated name of the payment recipient	“Kubanenergo” PJSC
Taxpayer Identification Number (INN) / Taxpayer Registration Justification Code (KPP) of the payment recipient	2309001660 / 997450001
Name of the credit organization	“Gazprombank” (Joint Stock Company) (Branch of “Gazprombank” (Joint Stock Company) in Krasnodar)
Abbreviated name of the credit	“Gazprombank” JSC (Branch of “Gazprombank”

organization	JSC in Krasnodar)
Taxpayer Identification Number (INN) of the credit organization	7744001497
Address of the credit organization	117420, г. Москва, ул. Наметкина, д. 16, корпус 1
Address of the branch of the credit organization	11 Dmitrievskaya Damba street, 350033, Krasnodar, Krasnodar region
Payment accounts	40702810060070000191 or 40702810500070010191
Correspondent account	30101810500000000781
BIK (Russian Bank Identifier Code)	040349781

Share Purchase Agreement with the person having the preemptive right to acquire additional shares shall be considered concluded from the moment of the last of the following steps:

- the Company received the Application;
- a person having the preemptive right to purchase the Shares implemented their obligation to pay for the Shares.

In the case, if the latter is an action carried out before the date of commencement of placement of the securities, the relevant contract is concluded as of the date of commencement of placement of the Shares.

Upon the consent of the parties, the Agreement on purchasing the Shares with the person having the preemptive right to purchase the Shares may be issued as a single document signed by the parties. Signing of the Agreement is carried out on weekdays from 9 a.m. to 4 p.m. (Moscow time) at the address: “Kubanenergo” PJSC, office 108, 2A Stavropolskaya street, Krasnodar, or by exchange of documents by mail to the address: “Kubanenergo” PJSC, Corporate Governance and Shareholders Relations Department, 2A Stavropolskaya street, 350033, Krasnodar, Russian Federation.

The Application will not be approved if:

- the Application fails to satisfy the above requirements;
- the Company receives the Application after the expiration of the preemptive right period for purchasing of the Shares.

If the Application of the person that submitted the Application is not subject to the satisfaction, then such person will receive a notification within later than 5 (five) working days from the receipt of the Application, stating the reasons on which the application shall not be satisfied. A person who wishes to carry out pre-emptive right, before the expiry of pre-emptive rights may re-apply, eliminating the shortcomings specified in the notification.

In the Issuer refuses to approve the Application, the Issuer returns to the Applicant the funds received by the Issuer as payment for the Shares, no later than 30 (thirty) business days from the date of expiration of the pre-emptive right. If the number of the Shares specified in the Application is less than the number of shares, the Applicant has paid for, it is considered that the applicant had exercised the preemptive right in respect of the number of shares specified in the Application; along with it the Application is approved in respect of the number of shares specified in it. In this case the overpaid funds shall be returned to the Applicant within 30 (thirty) business days from the date of expiration of the pre-emptive right.

If the number of the Shares specified in the Application exceeds the number of the Shares, the Applicant has paid for – it is considered that the Applicant had exercised the preemptive right in respect of the number of the Shares the Applicant paid for.

If the number of the Shares specified in the Application exceeds the maximum number of the Shares that may be acquired by the Applicant and the number of the Shares that are paid for is not less than the maximum number of shares that the applicant has the right to acquire in the exercise of preemptive rights, it is considered that the Applicant exercised the preemptive right in respect of the maximum number of the Shares which may be acquired by the Applicant when exercising

the preemptive right. In this case, the overpaid funds shall be returned to the Applicant within 30 (thirty) business days from the date of expiration of the pre-emptive right.

In the abovementioned cases, the overpaid money shall be returned by transfer to the account specified in the Application Return of funds is made to the bank account specified in the Application and if the Application does not contain the bank account details, then the details specified in the request for refund shall be used. If the request for refund does not contain bank details for the refund, and the demand for the return of funds was not received by the issuer within 30 (thirty) business days from the date of expiration of the preemptive right, a refund is made to the bank account specified in the registry of holders of registered securities of the issuer.

Procedure for determining the amount of additional securities for offering to every person with preemptive right:

The maximum quantity of the Shares that may be acquired by a person through exercising the preemptive right to acquire the Shares is proportional to the quantity of the Issuer's registered ordinary shares held by such person as of 26 August 2016, shall be calculated using the following formula:

$X = Y \times (57\,457\,846 / 282\,868\,130)$ , where:

X - is the maximum quantity of the additional shares of the additional issue that may be acquired by the person having the preemptive right to acquire the placed additional shares;

Y - is the quantity of the Issuer's registered ordinary shares held by the person having the preemptive right to acquire the shares as of 26 August 2016;

57 457 846 - is the quantity of the additional shares placed by the Issuer in accordance with the Decision on issue of additional securities;

282 868 130- is the quantity of the Issuer's earlier placed ordinary shares.

If the calculation of the quantity of the additional shares that may be acquired by any person having the preemptive right to acquire the additional shares by virtue of such person's preemptive right results in a fractional number, then such person shall be entitled to acquire the portion of a placed additional share (fractional share) corresponding to the fractional part of the calculated number.

Any fractional share shall vest in the shareholder owning such share the rights attaching to the relevant category of shares within the scope equal to the portion of a whole share constituted by such fractional share.

Fractional shares shall be traded on a par with whole shares.

The Issuer shall within 1 (one) business day after the expiration of the preemptive right send its registrar ("Registrar R.O.S.T" Joint-Stock Company, PSRN (primary state registration number) 1027739216757, license for activity on keeping the register of securities holders No.045-13976-000001 from 03.12.2002) a transfer order, which is the basis for making a credit entry in the personal account of the Applicant or the nominee holder of the Central depository, specified by the Applicant in the Application.

Registrar shall within 3 (three) business days from receipt of the transfer order produce a debit of the number of Shares from the Issuer's account specified in the transfer order and transfer them to the account of the Applicant or the nominee holder of the Central Depository, specified by the Applicant in the Application.

Securities are deemed placed from the date of making to the register of holders of securities an entry on acceptance to the account of the person that exercises the pre-emptive right, or to the account of the nominal holder of the Central Depository, specified by the Applicant in the Application.

**Additional information:**

The texts of the Decision on the Additional Securities Issue and the text of the Securities Prospectus with respect to the Shares are posted by the Issuer on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

Also, it is available to familiarize yourself with the documents, as well as to receive their copies for a fee not exceeding the costs of copying, in a period not exceeding 7 (seven) days from the

date of receipt of the respective requirements, on weekdays from 8 a.m. to 5 p.m. (on Friday until 3 p.m.) Moscow time at the following address: “Kubanenergo” PJSC, office 108, 2A Stavropolskaya street, Krasnodar.

For questions related to the procedure of exercising the pre-emptive right to purchase the Shares, shareholders of “Kubanenergo” PJSC may call on:

–the Corporate Governance and Shareholders Relations Department of “Kubanenergo” PJSC: +7 (861) 212-2510, +7 (861) 212-2672.

–the Company's registrar –“Registrar R.O.S.T.” JSC: + 7 (495) 771-73-36.

**Director General of “Kubanenergo” PJSC**

**A.I. Gavrilov**