

registered on 15 December 2016

state registration number

1 - 0 2 - 0 0 0 6 3 - A

Bank of Russia

(name of the issuing body)

(signature of authorized person)

(seal of the registering body)

DECISION ON ADDITIONAL ISSUE OF SECURITIES

Public joint stock company of power industry and electrification of Kuban

Uncertified registered ordinary shares with par value of 100 (one hundred) rubles each in amount of 57 457 846 (fifty seven million four hundred fifty seven thousand eight hundred forty six) pieces, offered under public subscription

Approved by the decision of the Board of Directors of Public joint stock company of power industry and electrification of Kuban on 28 November 2016, minutes of meeting No.255/2016

on the basis of the decision to increase the authorized capital of Public joint stock company of power industry and electrification of Kuban by placement of additional shares, approved at the AGM of Public joint stock company of power industry and electrification of Kuban on 19 September 2016, minutes of meeting No.38 dated 21 September 2016

Location of the Issuer: Krasnodar, Russian Federation

(861) 212 25 10, (861) 212 23 09

Director General

_____ Gavrilov A.I.

30 November 2016

1. Class, category (type) of securities:

registered shares

Category of shares: **ordinary**

These securities are inconvertible.

2. Form of securities: **uncertified**

3. Required mandatory centralized custody:

Is not specified for this type of securities

4. Par value of each security of the additional issue: **100 rubles**

5. Quantity of securities of the additional issue: **57 457 846 shares**

6. Total quantity of previously placed securities of this issue: **282 868 130 shares.**

7. Rights of the holder of each security of the additional issue:

In the case of ordinary shares, the exact provisions of the joint-stock company's articles of association should be specified concerning shareholders' rights attaching to their ordinary shares: the right to receive declared dividends, the right to take part in the general meeting of shareholders with a right to vote on all issues falling within its competence, and the right to receive some of the joint-stock company's property in the event of its liquidation.

In accordance with the paragraph 6.2 of the Charter of Kubanenergo PJSC (hereinafter also, the "Issuer" or "Company") shareholders- owner of ordinary registered shares are entitled to:

1) attend in person or by representatives the General Meeting of the Company's Shareholders, having the right to vote on any matter within his competence;

4) receive dividends, declared by the Company;

6) receive part of the property in case of the Company's liquidation;

11) Exercise other rights, stipulated by the law of the Russian Federation and this Charter."

The Charter of the Company does not provide restriction of the maximum amount of votes belonging to one shareholder.

7.2. is not indicated for the given type of securities.

7.3. is not indicated for the given type of securities.

7.4. is not indicated for the given type of securities.

7.5. is not indicated for the given type of securities.

7.6. The securities are not securities intended for qualified investors.

8. Terms and method of placement of securities of the additional issue:

8.1. Placement method: public offering

Procedure for determining the start date of the placement:

The start date for the placement of securities constituting this additional issue (hereinafter – “shares”, “additional shares”, “securities”, “placed securities”) of the Issuer’s securities shall be the day following the date when the persons included on the list of the persons having the preemptive right to acquire additional shares have been notified that they may exercise the preemptive right to acquire additional shares. However, the placement start date may not be earlier than the date from which the Issuer provides access to the Securities Prospectus.

Procedure for determining the end date of the placement:

The end date for the placement of shares is the earliest of the following dates:

- 1) the date of placement of the last additionally issued share,
- 2) 1 (one) year from the date of state registration of the additional securities issue (the “end date for the placement of securities”).

The dates of the placement of securities are determined on the basis of specifying the dates of disclosure of information concerning the additional issue of securities.

Procedure for disclosing such information:

Information on the state registration of the additional issue of securities shall be disclosed by the Issuer in the form of a statement of material the state registration of the issue (additional issue) of securities within the following deadlines from the date of publication of information on the state registration of the additional issue of securities on the registering agency's website on the Internet or reception of a written notice from the registering body on the state registration of the additional issue of securities by mail, fax or electronic mail, delivery by hand, depending on which of the date comes earlier:

- in the news – within 1 (one) day;
- on the Internet within 2 (two) days: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

The persons from the list of persons having the preemptive right to purchase additional shares, shall be notified by the Issuer on the possibility to exercise this right within 8 (eight) business days from the date of state registration of the additional issue of securities by publishing a notice on the possibility of exercising the preemptive right to purchase shares on the Issuer’s web-site on the Internet: <http://kubanenergo.ru/>.

Access to the Securities Prospectus is carried out according to the following procedure:

The Issuer shall publish the text of the registered Securities Prospectus on pages on the Internet at the following addresses: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> not later than the date of securities placement. When publishing the text of the Securities Prospectus on the Internet page, the Issuer indicates the state registration number of the additional issue of securities in respect of which the Prospectus is registered, the date of its registration and the registration authority that registered the Securities Prospectus.

The text of the registered Securities Prospectus shall be available on the Internet starting from the expiration date set by the Regulations on information disclosure by Issuer s of securities approved by the Bank of Russia on 11.08.2014 No. 454-P (hereinafter – the Regulations) for its publication on the Internet, and if it is published on the Internet after the expiration of such period – from the date of its publication on the Internet and before the expiry of at least 5 years from the date of publication on the Internet of the text of notification on the additional issue of securities submitted to the registering body.

The Issuer is obliged to provide access to any interested party to the information contained in the registered Securities Prospectus by placing copies at the address (at location) of the Issuer’s permanent executive body (in the absence of the Issuer

’s permanent executive body – another body or person entitled to act on the Issuer’s behalf without a power of attorney), used to communicate with the Issuer , specified in the unified state register of legal entities, and before the expiry of the placement of securities, as well as at places specified in the advertising message of the Issuer containing information on securities placement.

The Issuer shall provide a copy of the registered Securities Prospectus of the Issuer to the securities owners and other interested parties upon their request for a fee not exceeding the cost of making such copies within a period not exceeding seven days from the date of receipt of such requirement. Notification on the date of commencement of securities placement shall be published by the Issuer in the news and on the Internet at the following addresses: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> no later than 1 day before the date of commencement of placement of the securities.

8.3. Placement procedure:

Procedure and conditions for entering into agreements aimed at transferring securities to initial holders in the process of placing securities:

Shares shall be placed by means of entering into agreements aimed at acquiring placed securities (hereinafter also, the “Share Acquisition Agreement”).

The placement of shares to the persons exercising the preemptive right to acquire placed securities shall be in accordance with the procedure provided for in paragraph 8.5 of this Decision on the Additional Securities Issue in accordance with their written applications to acquire placed securities. Prior to the expiration of the Preemptive Right Period specified in paragraph 8.5 of this Decision on the Additional Securities Issue, shares may not be placed otherwise than by virtue of the exercise of the preemptive right.

If during the term of the preemptive right to purchase the shares of the Issuer, not all shareholders use the preferential right to purchase the shares or did not use the advantage of this right to full extent, the remaining unsold shares are distributed among the public through public subscription. For the purposes of entering into the Share Acquisition Agreement otherwise than by virtue of the exercise of the preemptive right, the Issuer shall, not later than five (5) days after the date when the Issuer’s sole executive body conducts the registration of the exercised preemptive right to acquire additional shares, but not before the disclosure of the results of exercising the preemptive right to purchase the shares, published in the newswire and on the Internet at the following addresses: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> an invitation for the general public to submit bids (offers) with respect to the acquisition of placed securities (hereinafter also, the “Invitation to Offer”).

Deadline for submitting offers to acquire the placed securities (hereinafter also, the “Offers”):

The Offers may be submitted to the Issuer within 21 (twenty one) days after the latest of the following acts done by the Issuer : posting invitations to make offers in the newswire, posting invitations to make offers on the pages of the Internet at the following addresses: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> (hereinafter referred to as the Offer collection period).

Receipt of Offers is carried out daily, except Saturdays, Sundays and public holidays, from 10:00 a.m. to 3:00 p.m. (Moscow time), at the address of the Issuer: “Kubanenergo” PJSC, office 108, 2A Stavropolskaya street, Krasnodar.

The Offer shall be submitted by the potential Acquirer (hereinafter – the Acquirer) in person or via the Acquirer's authorized representative having a duly issued power of attorney or any other document certifying the representative's authority.

Offer may be submitted by the Acquirer by mail to the address: “Kubanenergo” PJSC, Corporate Governance and Shareholders Relations Department, 2A Stavropolskaya street, 350033, Krasnodar, Russian Federation.

Each Offer shall contain the following information:

1. Title: “Offer to Acquire Ordinary Registered Uncertified Shares of “Kubanenergo” PJSC.
2. State registration number and date of state registration of the additional issue of securities;
3. Full corporate name of the Acquirer (for legal entities); surname, first name and patronymic of the Acquirer (for individuals); Taxpayer Identification Number (INN) of the Acquirer (if any).
4. Location (for legal entities) or place of residence (for individuals) of the Acquirer;
5. In the case of an individual – identity document data (date and place of birth; series, number,

and date of issue; issuing authority (or other identity document); passport expiration date (or other document of identification), if applicable);

6. in the case of a corporate entity, incorporation particulars (including, in the case of a Russian corporate entity, information about state registration/registration on the Uniform State Register of Juridical Persons (date, registration authority, registration certificate number));

7. Consent of the Acquirer to the purchase the placed shares in the quantity specified in the Offer at the offering price set forth in the Offer.

8. quantity of acquired securities that may be expressed in one of the following ways:

- as the exact number of shares that the Acquirer undertakes to acquire;
- as the minimum number of shares that the Acquirer undertakes to acquire. Where the minimum number of shares is specified, this means that the Acquirer submitting the Offer has offered to acquire any number of placed shares in the quantity that is not less than the specified minimum number of shares;
- as the maximum number of shares that the Acquirer undertakes to acquire. Where the maximum number of shares is specified, this means that the Acquirer submitting the Offer has offered to acquire any number of placed shares in the quantity that is not more than the specified maximum number of shares;
- as the minimum and maximum number of shares that the Acquirer undertakes to acquire. Where the minimum and maximum number of shares is specified, this means that the Acquirer submitting the Offer has offered to acquire any number of placed shares in the quantity that is not less than the specified minimum number of shares and not more than the specified maximum number of shares;
- 9. If the Acquirer in accordance with paragraph 1 of article 25 of the Federal law No.414-FZ “On the Central Depository” dd 07.12.2011 has a **custody** account at the Central Depository and the placed shares shall be credited to the purchaser's deposit account in the Central Depository, then its full company name shall be specified – Non-bank credit organization joint Stock company “National Settlement Depository”, Acquirer's **custody** account number at the Central Depository, the number and date of the depositary agreement concluded between the Central Depository and the Acquirer.

If the Acquirer's custody account is maintained by a nominee holder that in its turn is a depositor of another nominee (hereinafter – the Second Level Depository), then the following information shall be specified in the Offer for each of such Custodians:

- full company name;
- data on the state registration (PSRN, name of the body that conducted the state registration, date of the state registration and entering the depository in the Unified State Register of Legal Entities);
- number and date of the depositary agreement concluded between the Depository of the Second Level and the Acquirer;
- number and date of inter-depository agreement concluded between the depositories.

This information shall be indicated for all the nominal holders – starting with the nominal holder, at which the Acquirer opened a custody account, and ending with the depository that is depositor of the Central Depository.

10. Banking details of the Acquirer that may be used for refund purposes.

11. Contact information (mailing address, e-mail address and (or) fax number, phone number, including zip code) for sending a notification of acceptance of the Offer (acceptance) and the reference (a unique ID number required to carry out operations with the personal account of nominal holder of the Central depository).

The Offer shall be accompanied:

- in the case of a corporate entity – by a notarized copy of constitutive documents and documents certifying the authority of the person empowered to act on behalf of the corporate entity without a power of attorney;

- if the person submitting the Offer is required by law to acquire the quantity of shares specified in the Offer with the prior consent of the antimonopoly authority, by a copy of the antimonopoly authority's consent thereto;
- if the person submitting the Offer is required by law to acquire the quantity of shares specified in the Offer with the prior consent of the Acquirer's authorized management body, by a copy of the resolution to approve the transaction related to the acquisition of placed securities.

Offer shall be signed by the Acquire (or authorized representative, an original or certified copy of a duly executed power of attorney or other document confirming the representative's authority shall be attached) and, for legal entities the Offer has to have a stamp (if available).

The Issuer may determine the recommended form of the Offer and publish it simultaneously with an invitation to make offers on the Internet at the following addresses: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

The Issuer refuses to accept the Offer if the Offer does not meet the requirements of the Russian Federation and (or) the Decision on the additional issue of securities.

The submitted Offers shall be registered in a special record book of the received proposals (hereinafter – the Record book) on the day of their receipt.

Based on the data from the Record book, the Issuer sends a notification on acceptance of the Offer (bill of acceptance) to the acquirers, determined by the Issuer in its sole discretion from among the Acquirers who sent Offers corresponding to the requirements established by the Russian Federation legislation and paragraph 8.3 of the Decision on the additional issue of securities.

The decision on acceptance of the Offer (bill of acceptance) may be adopted by the Issuer no later than 3 (three) days from the expiry of the Offer Collection Period.

The notification on acceptance of the Offer (bill of acceptance), containing the number of shares placed for the Acquirer that submitted the Offer, is handed over to the Acquirer personally or their authorized representative, or sent by e-mail and (or) fax and (or) the postal address specified in the Offer no later than 2 (two) business days following the date of the Issuer's decision on acceptance of the Offer.

Share Purchase Agreement is concluded at the time when the Acquirer (the authorized representative of the Acquirer submitting the Offer) that sent the Offer, receives the Issuer's response to the Offer (acceptance).

As agreed by the parties, the Share Purchase Agreement may be issued in a single document signed by the parties. Signing of the Agreement is carried out on weekdays 9.00 a.m. to 4.00 p.m. (Moscow time) at the address: "Kubanenergo" PJSC, office 108, 2A Stavropolskaya street, Krasnodar, or by exchange of documents by mail: "Kubanenergo" PJSC, Corporate Governance and Shareholders Relations Department, 2A Stavropolskaya street, 350033, Krasnodar, Russian Federation.

The purchased securities must be paid in full by the Acquirer that received from the Issuer a reply on the Offer (acceptance), within 5 (five) business days prior to the date of the deadline of placement of shares (hereinafter – Securities Payment Period).

The obligation to pay for the shares shall be considered fulfilled upon the receipt of funds to the bank account of the Issuer referred to in paragraph 8.6 of the Decision on additional issue of securities.

If within the specified period the obligation to pay for the shares is not fulfilled or is partially fulfilled, the Issuer has the right to refuse to fulfill its reciprocal obligation to transfer shares to the Acquirer.

If the total value of funds paid by the Acquirer as payment for the acquired shares exceeds the value of the shares in respect of which the acceptance was issued, the Issuer shall within 30 (thirty) business days from the date of the placement of securities, return to the Acquirer funds that exceed the cost of shares received by the Issuer as payment for the purchased shares. The Issuer shall use the bank account specified in the Offer.

In case the Acquirer partially fulfills obligations to pay for the shares within the specified period, the issuer has the right to fulfill its reciprocal obligation to transfer shares to the Acquirer in the amount paid by the Acquirer. In the case the Issuer agrees to fulfill its reciprocal obligation to transfer shares to the Acquirer in the amount paid by the Acquirer, the Share Purchase Agreement with the Acquirer shall be considered amended upon the transfer to the Acquirer the amount of paid shares.

In case the Acquirer partially fulfills obligations to pay for the shares or the Issuer refuses to fulfill its reciprocal obligation to transfer shares if the Acquirer has not paid for the shares before the end of the Payment term of the securities, the cash received as a partial fulfillment of the obligation or, respectively, all money paid by the Acquirer for the shares shall be returned to the Acquirer by bank transfer to the bank account specified in the Offer, within 30 (thirty) business days from the date of the placement of securities.

Issuer has the right not to send to the Acquirer the notice on refusal to fulfill its reciprocal obligation to transfer the shares, but, at the Issuer's discretion, the notice may be delivered to the Acquirer personally or through their authorized representative, or sent to the postal address and (or) fax number and (or) e-mail address specified in the Offer.

The Issuer's obligation to transfer the Acquirer of the securities is considered fulfilled from the moment of making the appropriate entry at the personal account of the Acquirer or the nominee account of the Central Depository specified in the Offer of the Acquirer.

Any agreements entered into for the purposes of the placement of shares may be amended and/or terminated for the reasons and in accordance with the procedure provided for in Chapter 29 of the Civil Code of the Russian Federation.

When placing securities the Issuer provides a pre-emptive right to purchase securities in accordance with Article 40 and 41 of the Federal Law "On Joint Stock Companies".

Securities are registered, the registry keeping is carried out by the registrar.

The person to whom the Issuer issues (sends) a transfer order which is serving as the ground for making a credit entry in the personal account or custody account of the first owner, deadline and other conditions of issuing a share transfer form:

After the Acquirer has paid for the placed securities in the manner specified in paragraph 8.6 of the Decision on additional issue of securities, and no later than 3 (three) business days prior to the date of the deadline of placement of shares, the Issuer shall send to the registrar ("Registrar R.O.S.T." Joint-Stock Company, OGRN (Primary State Registration Number) 1027739216757, license for activity on keeping register of securities holders No. 045-13976-000001 dated 03.12.2002) a transfer order, which is the basis for making an entry in the register of the Issuer's shareholders about the personal account of the Acquirer or personal account of nominee of the Central depository, specified by the Acquirer in the Offer.

Registrar shall within 3 (three) business days from receipt of the transfer order and not later than the date of the deadline of securities placement, perform writing-off from the Issuer's account specified in the transfer order the number of securities of this additional issue and transfer them to the account of the Acquirer or nominee account at the Central depository specified by the Purchaser in the Offer.

Shares are considered as placed starting from the date of making in the register of securities holders an entry on transfer of securities to the account of the Acquirer or nominee account at the Central Depository specified by the Acquirer in the Offer.

The Issuer's shares are not placed by private subscription only among all shareholders with the provision of the specified shareholders to purchase a whole number of the placed securities proportional to the number of shares of the relevant category (type) they own.

Securities are not placed by private subscription in several stages, placing conditions on each of which are not the same (different).

The securities are not placed through bidding-based subscription.

The Issuer and (or) its authorized person does not intend to enter into preliminary agreements, the obligation to enter into future master agreements aimed at disposal of placed securities to the first owner, or collect preliminary offers for the purchase of securities.

Brokers providing the Issuer with services in relation to the placement and/or organization of the placement of securities are not engaged to make the placement of the securities.

Shares of this additional issue are not intended for distribution outside the Russian Federation, including by means of the placement of any relevant foreign securities.

It is not planned, at the same time as placing the securities, to offer for acquisition, including outside the Russian Federation by means of the placement of any relevant foreign securities, any of the Issuer's previously placed (outstanding) securities of the same class or category (type).

As defined by the Federal Law "On the Procedure for Making Foreign Investments in Economic Entities of Strategic Importance to Ensuring the Country's Defense and National Security," the Issuer is not an economic entity that is of strategic importance to ensuring the country's defense and national security.

Conclusion of agreements aimed at transfer of the Issuer's securities to their initial holders during the course of their placement does not require prior consent of the specified agreements in accordance with the Federal Law "On the Procedure for Making Foreign Investments in Economic Entities of Strategic Importance to Ensuring the Country's Defense and National Security".

8.4 Offering price(s) or procedure for determining the offering price(s):

Offering price (including with respect to the persons included on the list of the persons having the preemptive right to acquire placed additional shares) of one additional share: 100 (one hundred) rubles.

The specified price of securities placement is fixed in accordance with the requirements of the Federal Law "On Joint Stock Companies" by the resolution of the Board of Directors of "Kubanenergo" PJSC taken on 29.07.2016 (Minutes of meeting No.247/2016 dd 01.08.2016).

8.5. Procedure for exercising the preemptive right to acquire placed securities.

Date of the list of the persons having the preemptive right to acquire placed securities: **26 August 2016**

Procedure for notifying the persons having the preemptive right to acquire placed securities that they may exercise the preemptive right:

The persons included on the list of the persons having the preemptive right to acquire additional shares shall be notified that they may exercise the preemptive right to acquire additional shares after the state registration of the additional issue of securities and not later than the eighth (8th) day after the date of the state registration of the additional issue of securities by publishing the Preemptive Right Notice through the newswire and on the Internet at <http://kubanenergo.ru/> on the same day.

The Preemptive Right Notice shall contain information concerning the quantity of placed additional shares, their offering price (including their offering price if the preemptive right is exercised), the procedure for determining the quantity of shares that may be acquired by each person having the preemptive right, the procedure for such persons' submitting to the Issuer their applications to acquire shares and the deadline for the Issuer's receiving such applications ("Preemptive Right Period")

Procedure for exercising the preemptive right to acquire placed securities:

In accordance with Article 40 of the Federal Law "On Joint-Stock Companies", persons who were shareholders of the Company as of the date of determination the persons entitled to participate in the Extraordinary General Meeting of Shareholders that adopted the decision to increase the authorized capital of "Kubanenergo" PJSC by placing additional ordinary registered shares, shall have the preemptive right to acquire the quantity of the Issuer's additional shares in proportion to the quantity of the Issuer's ordinary shares that they hold.

A person having the preemptive right to purchase additional shares (hereinafter - the "Applicant"), during its period of validity, shall be entitled to fully or partially exercise their pre-emptive right

by submitting an application to acquire the placed securities (hereinafter - the “Application”) and the obligation to their payment.

The Issuer may approve the recommended application form. In this case, the sample of application is published on the Issuer's website on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> before the start date of the Term of the preemptive right.

Application of a person having the pre-emptive right to acquire additional shares, who is registered in the register of shareholders, shall contain the information enabling the identification of the person who submitted such application and the number of securities to be acquired.

The application shall be submitted by sending or delivering to the registrar of the Company a document in writing signed by the person submitting such application, and if it is provided 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 with a qualified electronic signature. These rules allow signing such electronic document with a simple or non-certified digital signature. In this case, the electronic document signed by a simple or non-certified digital signature is recognized equivalent to paper documents signed by a handwritten signature.

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

The Application should contain the following information:

- title: “Application to Acquire Ordinary Registered Uncertified Shares of “Kubanenergo” PJSC Through Exercising the Preemptive Right
- In the case of an individual, identity document data (date and place of birth; series, number, and date of issue; issuing authority) ((or other identity document);
- In the case of a corporate entity, incorporation particulars (including, in the case of a Russian corporate entity, information about state registration/registration on the Uniform State Register of Juridical Persons (date, registration authority, registration certificate number))
- banking details of the Acquirer that may be used for refund purposes
- contact details of the applicant (postal address, email address and fax with area 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.

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.

Payment for the acquired shares shall be made by the Applicant in the manner and time prescribed by paragraph 8.6 of the Decision on the additional issue of securities.

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.

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.

Preemptive Right Period:

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

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

The procedure of summarizing the results of implementation of pre-emptive right to purchase the securities:

Not later than 5 days from the date of expiration of the pre-emptive right, the person performing the function of the sole executive body of the Issuer, summarizes the results of the implementation of pre-emptive right to purchase the shares.

Procedure for disclosing information concerning the exercised preemptive right to acquire placed securities:

Within 5 (five) days from the date of summing up the results of implementation of the pre-emptive right to purchase additional shares, the Issuer discloses a message about the results of the pre-emptive right in news agency, as well as on the Internet at: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

8.6. Terms and procedure for payment for securities:

Payment may be made in monetary funds.

Procedure for payment for securities:

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.

Securities purchased under public subscription shall be paid in full by the Acquirer, that received a reply from the Issuer on acceptance of the Offer, not later than in 5 (five) business days prior to the end-date of the Deadline for placement of shares.

Payment may not be made in cash. Payment shall be made by bank transfer.

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

Credit institution details

Full corporate name: **“Gazprombank” (Joint Stock Company) (Branch of “Gazprombank” (Joint Stock Company) in Krasnodar)**

Abbreviated corporate name: **“Gazprombank” JSC (Branch of “Gazprombank” JSC in Krasnodar)**

Address of the credit institution: 16/1 Nametkina street, 117420, Moscow

Address of the branch: 11 Dmitrievskaya Damba, Krasnodar, 350033, Krasnodar region

TIN: 7744001497

BIC (Bank Identification Code): 040349781

Account number: 40702810060070000191

Correspondent account: 30101810500000000781

Full corporate name: **“Gazprombank” (Joint Stock Company) (Branch of “Gazprombank” (Joint Stock Company) in Krasnodar)**

Abbreviated corporate name: **“Gazprombank” JSC (Branch of “Gazprombank” JSC in Krasnodar)**

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TIN: 7744001497

BIC (Bank Identification Code): 040349781

Account number: 40702810060070000191

Correspondent account: 30101810500000000781

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) of the payment recipient: 2309001660

Non- monetary form of payment is not stipulated.

8.7. Information concerning the document that contains the actual results of the placement of securities and is submitted upon completion of the placement of securities

The document that contains the actual results of the placement of securities and shall be submitted by the Issuer to the registration agency upon completion of the placement of securities is the Notification on the Additional Securities Issue Results

9. Procedure and conditions of bond redemption and payment of income from bonds

This paragraph applies to bonds only

10. Information concerning the acquisition of bonds

This paragraph applies to bonds only

11. Procedure for disclosing information concerning the additional issue of securities:

Securities of the additional issue are placed by public subscription and state registration of additional issue of securities is accompanied by registration of the Securities Prospectus.

The procedure for the disclosure of information by the Issuer on the additional issue of securities:

The Issuer discloses information in accordance with the procedure stipulated by the legislation of the Russian Federation, including the Federal Law “On the Securities Market” No.39-FZ dated 22.04.1996, the Regulations on Standards of securities issue, the procedure of state registration of the issue (additional issue) of securities, state registration of the reports on issue (additional issue) of securities and registration of securities prospectuses approved by the Bank of Russia on August

11, 2014, No.428-P, and the Regulation on information disclosure by Issuer of securities approved by the Bank of Russia No.454-II dated 30.12.2014, as well as other legal documents of the Bank of Russia (hereinafter – the Regulation of disclosure of information).

If at the time of the event, of which the Issuer must disclose information, the applicable federal laws and normative legal acts of the Bank of Russia change the procedure and terms of disclosure of information about the event and it will differ from the procedure and terms stipulated by the Decision on the additional issue securities and the Securities Prospectus, information on such event shall be disclosed in the manner and time stipulated by the federal laws and regulations of the federal executive body for the securities market in force at the time of occurrence of such events. In the case where, in accordance with the Regulation information should be disclosed by publication in the news bulletin, the disclosure of such information in other ways, including, in accordance with the requirements of the Regulation, up to the moment of its publication in the news bulletin is not allowed.

1. Information on the adoption of a decision on placement of securities is disclosed in the form of material fact notice on the decision on placement of securities. The moment of occurrence of the material fact on adoption of the decision to place securities shall be the date of making the minutes of meeting (the expiration date established by the legislation of the Russian Federation for making the minutes of meeting) of the general meeting of shareholders at which the decision on placement of securities was adopted:

- in the news – no later than 1 (one) day;

- on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> – no later than 2 (two) days.

2. Information on approval of a decision on additional securities, information shall be disclosed by the Issuer in the form of a statement of material fact on approval of the decision on (additional) securities issue from the date of making the minutes of meeting (the expiration date established by the legislation of the Russian Federation for making the minutes of meeting) of the general meeting of shareholders at which the decision on placement of securities was adopted:

- in the news – no later than 1 (one) day;

- on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> – no later than 2 (two) days.

3. Information on the state registration of the additional issue of securities shall be disclosed:

a) in the form of statement of material fact on the state registration of the additional issue of securities within the following period starting from the date of publication of information on the state registration of the additional issue of the Issuer's securities on the registering agency's website on the Internet or the date of receipt of a written notice form the on state registration of the additional issue of securities by post, fax, electronic communication, delivery by hand, depending on which of the date comes earlier:

- in the news – no later than 1 (one) day;

- on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> – no later than 2 (two) days.

b) in the form of a Decision on the additional issue of securities by way of publication on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

The Issuer shall publish the text of the registered Decision on the additional issue of securities on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> before the date of commencement of placement of securities.

When publishing the text of the registered Decision on the additional issue of securities on the Internet the Issuer must specify the state registration number of the additional securities issue, the date of its state registration and registering authority that carried out the state registration of the additional issue of securities.

The text of the registered Resolution on the additional issue of securities shall be available on the Internet from the date of expiration of the deadlines for its publication on the Internet, and if it is

published in the Internet after the expiration of such period – from the date of its publication on the Internet and to maturity of the additional issue of securities;

c) in the form of the Securities Prospectus published on the Internet pages: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

The Issuer shall publish the text of the registered Securities Prospectus on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> before the date of commencement of placement of securities. When publishing the text of the Securities Prospectus on the Internet the Issuer must specify the state registration number of the additional securities issue, the date of its state registration and registering authority that carried out the state registration of the Securities Prospectus.

The text of the registered Securities Prospectus shall be available on the Internet with an expiration date set by the Regulation for its posting on the Internet, and if it is published in the Internet after the expiration of such period – from the date of its publication on the Internet and before the expiration of at least 5 (five) years from the date of publication on the Internet of the text of notification on the results of additional issue of securities submitted to the registration authority.

4. Information on additional issue of securities at the stage of placement of securities shall be disclosed by the Issuer in the form of:

a) Information on the date of commencement of placement of securities shall be disclosed by the Issuer in the news and on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> not later than in 1 (one) day prior to the placement of securities.

b) In case the Issuer decides to postpone (change) the date of placement of the securities, disclosed in paragraph a), the Issuer must publish a notice on the change of the date of securities placement in the news and on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> not later than 1 (one) day prior to such date.

c) In the event that, during the securities placement period, the Issuer decides to amend the Decision on the Additional Securities Issue and/or the Securities Prospectus and/or in the event that, during the share placement period, the Issuer receives from the Bank of Russia a written request (order, prescript) to suspend the placement of securities, then the Issuer shall suspend the placement of securities and publish a statement of the suspension of the placement of securities through the newswire and on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

A statement on suspension of securities placement shall be published by the Issuer within the periods listed below after the date of the minutes (the expiration date of the period prescribed by the laws of the Russian Federation for issuing the minutes) of the meeting of the Issuer's authorized management body that has adopted the decision to amend the Decision on the Additional Securities Issue and/or the Securities Prospectus or, in the event of any change in the terms and conditions set forth in the securities placement decision, after the date of the minutes (the expiration date of the period prescribed by the laws of the Russian Federation for issuing the minutes) of the meeting of the Issuer's authorized management body that has adopted the decision to change such terms and conditions or after the date of receipt by the Issuer from the Authorized Agency a written request (order, prescript) to suspend the placement of securities by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first:

- in the news – no later than 1 (one) day;

- on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> – no later than 2 (two) days.

If placement of securities is suspended in connection with the adoption by the registering authority of resolution to suspend the issuance of securities, information on suspension of securities shall be disclosed by the Issuer in the form of a statement of material fact on the suspension of the issue of securities within the following period starting from the date of publication of the information on the suspension of the issue of securities by the Issuer on the registration agency's website on the Internet or the date of receipt of a written notice from the registering authority to suspend the

issuance of securities by mail, fax or electronic mail, delivery by hand depending on which of the date comes earlier:

- in the news – no later than 1 (one) day;

- on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> – no later than 2 (two) days.

d) During the securities placement period, after amendments to the Decision on the Additional Securities Issue and/or the Securities Prospectus are registered, after it is decided to refuse to register such amendments, or after a written notice (prescript, decision) is received during the securities placement period from the Authorized Agency stating permission to resume the placement of securities (termination of grounds for suspending the placement of securities), the Issuer shall publish a statement of the resumption of the placement of securities through the newswire and on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

A statement of the resumption of the placement of securities shall be published by the Issuer within the periods listed below after the date when information concerning the registration of amendments to the Decision on the Additional Securities Issue and/or the Securities Prospectus or the refusal to register such amendments is posted on the registration agency's webpage or after the date when the Issuer receives from the registration agency a written notice of the registration of amendments to the Decision on the Additional Securities Issue and/or the Securities Prospectus or the refusal to register such amendments or a written notice (prescript, decision) from the Authorized Agency stating permission to resume the placement of securities (termination of grounds for suspending the placement of securities) by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first:

- in the news – no later than 1 (one) day;

-on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> – no later than 2 (two) days.

If any amendments to the Decision on the Additional Securities Issue and/or the Securities Prospectus are registered, the Issuer shall publish the text of such registered amendments to the Decision on the Additional Securities Issue and/or the Securities Prospectus on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> within two (2) days after information concerning the registration of such amendments is posted on the registration agency's webpage or after the Issuer receives from the registration agency a written notice of the registration of such amendments by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first, but not earlier than the date of posting on the Internet the text of the registered Decision on the additional issue of securities and (or) the registered Securities Prospectus, respectively. When publishing the changes introduced to the text of the Decision on the additional issue of securities and (or) the Securities Prospectus on the web site, the Issuer must specify the date of registration of these changes and the registering authority that effected their registration.

The text of registered amendments to the Decision on the Additional Securities Issue shall be available on the Internet from the expiration date of the period prescribed in the Disclosure Regulations for its publication on the Internet or, if published on the Internet after such expiration date, from the date of its publication on the Internet until the expiration of the period prescribed in the Disclosure Regulations for providing access on the Internet to the text of the registered decision on the additional securities issue.

The text of registered amendments to the Decision on the Additional Securities Issue shall be available on the Internet from the expiration date of the period prescribed in the Disclosure Regulations for its publication on the Internet or, if published on the Internet after such expiration date, from the date of its publication on the Internet until the expiration of the period prescribed in the Disclosure Regulations for providing access on the Internet to the text of the registered decision on the additional securities issue.

If the placement of securities is resumed due to the registration agency's deciding to resume the issue of securities, then information concerning the resumed issue of securities shall be disclosed by the Issuer in the form of a statement of material fact about the resumption of the issue of securities within the periods listed below after the date when information that the issue of the Issuer's securities is resumed is posted on the registration agency's webpage or the date when the Issuer receives from the registration agency a written notice that the issue of securities is resumed by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first:

- in the news – no later than 1 (one) day;

- on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> – no later than 2 (two) days.

The Issuer shall resume the placement of securities only after the announcement of the resumption of securities placement in the news and on the Internet at the following addresses: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

a) Information on completion of securities placement shall be disclosed in the form of a material fact notice on the completion of the securities placement within the following period starting from the date on which the placement of securities is completed (the date of making the last entry on the personal account (securities account) of the first owner, and in case of not all of the securities of the additional issue are placed – the date of expiry of the term of the placement of securities) shall be indicated:

- in the news – no later than 1 (one) day;

- on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> – no later than 2 (two) days.

5) Information on the stage of submission to the registry a Notification on the results of the additional issue of securities shall be disclosed by the Issuer:

A) in the form of statement of material fact on submission of a notification to the registration authority on the additional issue of securities in the following periods starting from the date of submission (sending) such Notification of the additional issue of the securities to the registering authority:

- in the news – no later than 1 (one) day;

- on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> – no later than 2 (two) days.

B) in the form of Notification on the additional issue of securities by posting on the Internet at the following addresses: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

The Issuer shall publish the text of the Notification submitted to the registering body on the Internet at: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> within 2 (two) days from the date of submission (sending) such Notification on the additional issue of the Issuer's securities to the registering authority.

Text of Notification on the additional issue submitted to the registry shall be available on the website for at least 12 months from the date of expiry of the period established by the Regulations for disclosure of information for its publication on the Internet, and if it is published on the Internet after the expiration of such period – the date of its publication on the Internet.

6) Information about recognition of the additional issue of securities as invalid shall be disclosed by the Issuer in the form of statement of material fact on the recognition of the issue (additional issue) of securities as invalid in the following period starting from the date of publication of such information on registering agency's website or the date of receipt of a written notice from the registering authority on recognition of the additional issue of securities as invalid by mail, fax or e-mail, delivery by hand, depending on which of the date comes earlier:

- in the news – no later than 1 (one) day;

- on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> – no later than 2 (two) days.

7) Information about recognition of the additional issue of securities as invalid shall be disclosed by the Issuer in the form of statement of material fact on the recognition of the issue (additional issue) of securities as invalid in the following period starting from the date when the Issuer received a judicial act (decision) that has entered into force (the date of entry into force) and that recognizes the additional issue of securities as invalid:

- in the news - no later than 1 (one) day;

- on the Internet: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> – no later than 2 (two) days.

8) Procedure for disclosure of information on the results of exercising the pre-emptive right to purchase the securities.

Within 5 (five) days after the Issuer has summed up the results of exercising the pre-emptive right to purchase additional shares, the Issuer shall disclose information on the results of the implementation of the pre-emptive right in the news and on the Internet at the following websites: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

9) Procedure for disclosure of information on the possibility of concluding a Share purchase agreement beyond the frameworks of the pre-emptive rights:

For the purpose of concluding an agreement to acquire the shares beyond the frameworks of pre-emptive rights, the Issuer shall within 5 (five) days after the sole executive body has summed up the results of exercising the pre-emptive right to acquire additional shares, but not before the disclosure of the results of exercising the preemptive right to purchase the shares, publish in the news and on the Internet at the following websites: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> an invitation to make offers (offer) to acquire placed securities (hereinafter - the invitation to make an offer) addressed to the general public.

10) The Issuer shall provide to any interested party the information contained in each message, including each of the statements of material facts published by the Issuer in accordance with the Regulations on information disclosure, as well as in the registered Resolution on the additional issue of securities, Securities Prospectus and changes to them, the Notice on the additional issue of securities, quarterly report, the consolidated financial statements and other documents, mandatory disclosure of which is stipulated by Articles II, VII and VIII of the Regulations on information disclosure by placing their copies at the address (location) of the permanent executive body of the Issuer (in case of absence of the permanent executive body of the Issuer – other authority or person authorized to act on the Issuer's behalf without a power of attorney). This address shall be used to contact the Issuer and shall be specified in the unified state register of legal entities. This information shall be also available before the end of securities placement period at places specified in the advertising messages of the Issuer containing information on the placement of securities.

The Issuer shall provide the copy of each statement, including copy of each of the statements of material facts published by the Issuer in accordance with the Regulations on information disclosure, as well as in the registered Resolution on the additional issue of securities, Securities Prospectus and changes to them, the Notice on the additional issue of securities, quarterly report, the consolidated financial statements and other documents, mandatory disclosure of which is stipulated by Articles II, VII and VIII of the Regulations on information disclosure to securities holders and other interested parties upon their request at fee not exceeding the expenses on production of such copy, within 7 days after receiving such request.

Bank details of the settlement account (s) of the Issuer for payment of the expenses on making copies of the above documents and the amount (procedure of determining) of such expenses are published on the Internet at the following websites: <http://kubanenergo.ru/aktsioneram-i-investoram/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

Copies of the documents, which shelf life in accordance with the Russian legislation is not permanent, shall be provided by the Issuer at the request of shareholders within the shelf life established for such documents.

Information about this additional issue of securities by publication in a periodical (magazines) is not disclosed.

Information is disclosed by posting on the Internet at the following webpages: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

The Issuer shall disclose information in the form of quarterly reports and statements of material facts in accordance with the requirements of the Federal Law No. 39-FZ “On the Securities Market”, 22 April 1996.

12. Information concerning collateral for bond obligations related to the additional issue):

This paragraph applies to bonds only

13. Information concerning the representative of bond holders

This paragraph applies to bonds only

14. Obligation of the Issuer or the registrar keeping the Issuer’s register of holders of registered securities to make, upon request, available to any person concerned a copy of this decision on the additional securities issue for a fee not to exceed its duplication costs:

The Issuer and/or the registrar keeping the Issuer’s register of holders of registered securities shall,, upon request, make available to any person concerned a copy of this Decision on the Additional Securities Issue for a fee not to exceed its duplication costs.

15. Obligation of the Issuer to ensure the exercise of the rights of holders of securities, if they comply with the procedure for exercising such rights set forth in the laws of the Russian Federation:

The Issuer assumes the obligation to ensure the exercise of the rights of holders of securities, if they comply with the procedure for exercising such rights set forth in the laws of the Russian Federation.

16. Obligation of the persons putting up collateral for bonds to ensure the performance of the Issuer’s obligations to bond holders in the event that the Issuer refuses to perform its obligations or delays performing its obligations related to bonds in accordance with the terms and conditions of such collateral:

This paragraph applies to bonds only.

17. Other information required by the Regulations on the Standards of Securities Issue, the Procedure for the State Registration of the Issue (Additional Issue) of Issue-Grade Securities, the State Registration of Reports on the Results of the Issue (Additional Issue) of Issue-Grade Securities, and the Registration of Securities Prospectuses:

None.