

## **Notification on the Exercisability of the Preemptive Right to Acquire Additional Ordinary Registered Shares**

**Public joint stock company of power industry and electrification of Kuban** (address: 2A Stavropolskaya street, Krasnodar 350033, Krasnodar region, Russian Federation; primary state registration number 1022301427268) (hereinafter – the Issuer and the Company), hereby informs its shareholders on the possibility of exercising their preemptive right to purchase the placed additional ordinary shares.

**On 18 July 2019, the Bank of Russia conducted the state registration of the additional issue of ordinary registered uncertified shares; state registration number 1-02-00063-A:**

Method of placement of the shares constituting additional issue: **public offering.**

The number of the placed ordinary registered shares: **37 477 392 (thirty-seven million four hundred seventy-seven thousand three hundred ninety-two).**

The offering price of one additional ordinary registered uncertified share (as well as for the persons from the list of persons having the preemptive right to purchase the additional shares) is **100 (one hundred) rubles.**

In accordance with Article 40 of the Federal Law “On Joint Stock Companies”, the issuer’s shareholders have a preemptive right to acquire publicly placed ordinary shares in the amount proportional to the number of the issuer’s ordinary shares belonging to them.

The date of making the list of persons having the preemptive right to purchase the placed securities: **24 March 2019.**

**The procedure in which applications of persons with a preemptive right to purchase shares shall be submitted to the issuer:**

The person having the preemptive right to purchase additional shares 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.

In the process of exercising the preemptive right to acquire the shares, the civil law contracts shall be concluded with the persons exercising such right (hereinafter, the Applicants) in accordance with the procedure described below.

**If an Applicant is a person that is registered on the Issuer’s shareholder register:**

1) The Application shall contain:

- information making it possible to identify the Applicant;
- quantity of securities acquired by the Applicant.

2) The Application shall be submitted by sending or delivering against receipt, to the Issuer’s registrar a written document signed by the person submitting the Application and, if provided for in the register maintenance rules applied by the Issuer’s registrar, also by means of sending to the Issuer’s registrar an electronic document certified with a qualified digital signature. The rules specified above may also allow such electronic document to be certified with a simple or unqualified digital signature. In this case, any electronic document certified with a simple or unqualified digital signature shall be deemed to have the same force and effect as a document in hard copy form certified with a personal signature.

3) The Application sent or delivered to the Issuer’s registrar shall be deemed to be submitted on the date of its receipt by the Issuer’s registrar.

**If an Applicant is a person that is not registered on the Issuer’s shareholder register:**

1) The Applicants shall exercise their preemptive rights by means of issuing the relevant orders (instructions) to the person that accounts for their rights to the Issuer’s shares. Such orders (instructions) shall be issued in accordance with the requirements set forth in the securities laws of the Russian Federation and shall specify the quantity of acquired securities.

2) The Application shall be deemed to be submitted to the Issuer on the date when the Issuer's registrar receives a notice containing the Applicant's intent from a nominee shareholder registered on the Issuer's shareholder register.

The registrar shall transfer the Application to the issuer on the first working day following the day of its receipt.

**It is recommended that the following information also be included in the Application (orders (instructions) to the person that accounts for the rights of the Applicants that is not registered on the Issuer's shareholder register to the Issuer's shares):**

- title: "Application for purchase of additional ordinary shares of Kubanenergo PJSC through exercising the preemptive right"

- surname, name, patronymics (full business name) of the person having the preemptive right to acquire additional ordinary shares

- place of residence (location) of the person having the preemptive right to acquire additional ordinary shares

- for individuals: passport data (date and place of birth; series, number, and date of issue of passport (other identity document); issuing authority.

- for corporate entities: information on state registration of a legal entity and registration in 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)

- taxpayer identification number (INN) of the person having the preemptive right to purchase additional shares;

- if the Applicant in accordance with Clause 1 of Article 25 of the Federal Law No. 414-FZ of 07.12.2011 "On the Central Depository", has an open depository account at the Central Depository and the shares are to be credited to the Applicant's custody account at the Central Depository, then the following shall be indicated: the full company name – Non-Bank Credit Organization Joint-Stock Company "National Settlement Depository", the number of the Applicant's custody account at the Central Securities Depository, the number and date of the depository agreement concluded between the Central Securities Depository and the Applicant.

If the custody account of the Applicant is maintained by the depository, which in turn is the depositor of the Central Securities Depository (hereinafter referred to as the Second Level Depository), then it is recommended to indicate the following information in the Application with respect to the Second Level Depository and all subsequent levels:

- full name of the depository
- data on state registration (OGRN (Principle State Registration Number), name of the body that carried out the state registration, date of state registration and making an entry about the depository in the Register);
- number and date of the depository agreement concluded between the Second Level Depository and the Applicant;
- number and date of inter-depository agreement concluded between depositories.

This information shall be indicated for all depositories, starting with the depository, at which the Applicant has opened their securities account, and ending with a depository that is a depositor of the Central Depository;

- an indication of the bank details of the Applicant, so that the issuer can return the money;
- contact details of the Applicant (postal address, e-mail address and fax number with indication of the city code).

Upon the consent of the parties, the Share Purchase Agreement with the person having the preemptive right to purchase the additional shares may be issued as a single document signed by the parties. The Agreement can be signed on weekdays from 9 a.m. to 5 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 shall be signed by the Applicant (their authorized representative, with the original attached or a notarized copy of a duly executed power of attorney or other document confirming the representative's authority) and, for legal entities, it shall contain an imprint of the seal (if any). Within 3 (three) business days from the date of receipt of the Application, the issuer shall consider it and send the Applicant a notice on approval of the Application or a notice of refusal to approve the Application indicating the reasons why the Application was not approved. The notice of approval of the Application (of refusal to approve the Application) is sent to:

- to persons registered in the register of shareholders of the issuer: by registered mail to the address of the Applicant specified in the Application (and in the absence of the address in the Application – to the address specified in the register of shareholders of the issuer) or handed over against signature;

- to persons not registered in the issuer's shareholder register: by registered mail to the Applicant's address specified in the Application (and if the Application does not have an address – in accordance with the rules of the Russian legislation on securities for providing information and materials to persons exercising the securities rights).

**The issuer has the right to refuse to approve the Application in the following cases:**

- the application does not meet the requirements stipulated by the legislation of the Russian Federation, clause 8.5 of the Decision on the Additional Issue of Securities;

- the application does not allow to identify the person on whose behalf the Application is submitted, as a person having the preemptive right to purchase shares;

- the application submitted by a representative of the person having the preemptive right to purchase the shares is not accompanied by the original or a notarized copy of a duly executed power of attorney or other document confirming the authority of the representative.

In case of receipt of a notice of refusal to approve the Application, a person who wishes to exercise the preemptive right to purchase shares has the right to re-submit the Application before the expiration of the Term of the preemptive right, eliminating the shortcomings for which the Application was not approved.

The issuer also has the right to deny the possibility of exercising the preemptive right to the person who sent the Application in the following cases:

- the person having the preemptive right to purchase shares did not fulfill the obligation to pay for the securities within the period established by clause 8.6 of the Decision on the Additional Issue of Securities. In this case, the issuer sends such a person a notice of denial of the possibility to exercise the preemptive right within 10 (ten) business days from the expiration date of the Preemptive right indicating the reasons why the preemptive right to acquire additional shares cannot be exercised;

- the issuer received the application from the person having the preemptive right to purchase shares after the expiration of the Preemptive right period. In this case, the issuer sends such a person a notice of denial of the possibility of exercising the preemptive right no later than 10 (ten) business days from the date of receipt of the Application indicating the reasons why the preemptive right to acquire additional shares cannot be exercised.

Notification of refusal of the possibility of preemptive right is sent to:

- to persons registered in the register of shareholders of the issuer: by registered mail to the address of the Applicant specified in the Application (and in case of absence of the address in the Application – to the address specified in the register of shareholders of the issuer) or handed over against signature;

- to persons not registered in the issuer's shareholder register: by registered mail to the Applicant's address specified in the Application (and if the Application does not have an address – in accordance with the rules of the Russian legislation on securities for providing information and

materials to persons exercising the rights to papers).

A Share Purchase Agreement with a person who has the preemptive right to purchase additional shares shall be deemed concluded from the moment of the completion of the last of the actions:

- the Company received the Application;
- the person with the preemptive right to purchase additional shares paid for additional shares.

In this case, if the last of these actions is carried out before the date of commencement of the placement of securities, the relevant agreements are considered to be concluded on the date of commencement of securities placement.

**Information about the procedure for determining the quantity of the Shares that may be acquired by each person having the preemptive right to purchase them:**

The maximum quantity of the additional shares that may be purchased by any person through exercising the preemptive right to acquire the Issuer's additional shares is proportional to the quantity of the Issuer's registered ordinary shares held by such person as of 24 March 2019 and is determined using the following formula:

$X = A \times (37\,477\,392 / 303\,793\,350)$ , where

X is the maximum quantity of the shares of this additional issue of Kubanenergo that may be purchased by the person having the preemptive right to purchase the placed securities;

A is the quantity of the Issuer's registered ordinary shares held by the person having the preemptive right to purchase placed securities as of 24 March 2019;

37 477 392 is the quantity of the additional Shares placed by the Issuer in accordance with the Decision on the Additional Issue of Securities;

303 793 350 is the quantity of the Issuer's previously placed registered ordinary shares.

If the calculation of the quantity of the placed shares that may be acquired by any person having the preemptive right to acquire the 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.

If the issuer refuses to exercise the preemptive right to the person who submitted the Application, the issuer returns the payment for the shares no later than 30 (thirty) business days from the expiry date of the preemptive right.

If the number of purchased shares specified in the Application is less than the number of shares paid by the Applicant and less than the maximum number of shares that the Applicant has the right to acquire through the exercise of the preemptive right to purchase shares, it is considered that the Applicant exercised the preemptive right to acquire shares in the ratio of the whole number of shares specified in the Application; at the same time, the Application is satisfied in relation to the whole number of shares indicated in it. In this case, the overpaid money is subject to return to the Applicant in the manner and time provided for in paragraph 8.5 of the Decision on the Additional Issue of Securities.

If the number of acquired shares specified in the Application is greater than the number of shares paid for, it is considered that the Applicant exercised the preemptive right to acquire shares in relation to the whole number of shares that were paid for.

If the number of shares specified in the Application exceeds the maximum number of shares that can be acquired by the Applicant, it is considered that the Applicant, subject to all other conditions, exercised the preemptive right to acquire shares in respect of the maximum possible number of whole shares for this person in accordance with the above-mentioned procedure for calculation of

shares; at the same time, the Application shall be approved in relation to the maximum possible number of whole shares for this person in accordance with the procedure for calculation of shares. In this case, the overpaid money is subject to return to the Applicant in the manner and time specified in paragraph 8.5 of the Decision on the Additional Issue of Securities.

**The procedure for the refund of excess monetary assets paid by the Applicant in the course of exercise of the preemptive right to purchase additional shares**

In the above cases, the overpaid money shall be returned by bank transfer, no later than 30 (thirty) business days from the expiration date of the Preemptive Right Term. Refunds are made according to the bank details specified in the Application, and if the details are not specified in the Application, then the details specified in the request for the return of funds. If the Application does not include bank details for the return of funds, and the Issuer has not received the request for the return of funds within 30 (thirty) business days from the expiration date of the Preemptive Right Term, the refund is made according to the details specified in the register of holders of the issuer's registered securities.

**Preemptive Right Term:**

The period of the preemptive right (the term for submission of the Application for Acquisition of Placed Securities and Fulfillment of the Payment Obligation) is 45 (forty-five) days from the date of publication of the Notice on the Issuer's website on the Internet: [www.kubanenergo.ru](http://www.kubanenergo.ru) Until the expiration of the term of the preemptive right to acquire the placed securities, the placement of securities other than through the exercise of the said preemptive right is not allowed.

**Payment for the additional placed shares:**

**Conditions and procedure for payment for securities:** payment for additional ordinary registered uncertified shares of the issuer is made in monetary assets in Russian rubles by bank transfer. The obligation to pay for the corresponding number of shares shall be considered fulfilled from the moment the funds are transferred to the issuer's current account specified in clause 8.6 of the Decision on the Additional Issue of Securities.

**Due date:**

When the shareholders exercise their preemptive right to acquire the additional shares, they shall pay for the shares no later than the end of the Preemptive Right Term specified in clause 8.5 of the Decision on the Additional Issue of Securities.

Payment in cash is not stipulated. Non-cash payment by bank transfer is stipulated.

Ways of non-cash payments: payment orders; in case of payment at the bank cashier office – by the documents issued for such payment

Information about the credit institution

Full company name: **Branch “Yuzhny” of Gazprombank (Joint-stock company)**

Abbreviated company name: **Branch Bank GPB (JSC) “Yuzhny”**

Location of the credit organization: **Moscow**

Branch address: **11 Dmitrievskaya Damba street, Krasnodar 350033, Krasnodar region**

Taxpayer Identification Number (INN): **7744001497**

Bank details of accounts for transfer of payment for securities:

BIC (Bank Identification Code): **040349781**

Correspondent account: **3010181050000000781**

Settlement account: **40702810060070000191**

Account holder - **Public joint-stock company of power industry and electrification of Kuban**

**Taxpayer Identification Number (INN) / Taxpayer Registration Justification**

**Code (KPP): 2309001660 / 997650001**

**Non-monetary form of payment is not stipulated.**

**Additional information:**

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

Also, within the period of 7 (seven) days after the request, all interested parties can examine the contract of these documents and receive a copy of them for a fee not exceeding the cost of making such copy on weekdays from 8a.m. to 5p.m. (on Friday till 3p.m.), Moscow time, at the following address Kubanenergo PJSC, 108<sup>th</sup> office, 2A Stavropolskaya street, Krasnodar, Russian Federation.

For more detailed information about how to exercise the preemptive right to acquire the Shares, the shareholders of Kubanenergo PJSC may contact:

- Corporate Governance and Shareholder Relations Department of Kubanenergo PJSC:  
+7 (861) 212-2510, +7 (861) 212-2672
- The Company's Registrar – Independent Registrar Company R.O.S.T. JSC:  
+7 (495) 780-73-63, +7 (495) 989-76-50

Director General of Kubanenergo PJSC

Sergeyev S.V.