

Registered on 18 July 2019

state registration number

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

Bank of Russia

(name of the issuing body)

(signature of the authorized person)

(seal of the registration agency)

DECISION ON THE ADDITIONAL ISSUE OF SECURITIES
Public joint stock company of power industry and electrification of Kuban

Uncertified registered ordinary shares
at par value of 100 (one hundred) rubles each in the amount of 37 477 392 (thirty-seven million four hundred seventy-seven thousand three hundred ninety-two) pieces, publicly offered

Approved by the decision of the Board of Directors of Kubanenergo PJSC on 14 June 2019, minutes of meeting No.347/2019 of 17 June 2019,

on the basis of the decision to increase the authorized capital of Kubanenergo PJSC by offering additional shares, approved at the EGM of Kubanenergo PJSC on 17 April 2019, minutes of meeting No.41 of 19 April 2019.

Address of the Issuer: Krasnodar, Russian Federation

Phones: +7(861) 212 25 10, +7(861) 212 23 09

Acting Director General of Kubanenergo PJSC

_____ Shishigin I.N.

19 June 2019

1. Class, category (type) of securities: registered shares

Category: ordinary

These securities are inconvertible.

2. Form of securities: uncertified

3. Required mandatory centralized custody:

Mandatory centralized custody is not stipulated.

4. Par value of each security of the additional issue:

100 (one hundred) rubles

5. Quantity of securities of the additional issue:

37 477 392 (thirty-seven million four hundred seventy-seven thousand three hundred ninety-two) pieces

6. Total quantity of previously placed securities of this issue:

303 793 350 (three hundred three million seven hundred ninety-three thousand three hundred fifty) shares.

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

7.1. In the case of ordinary shares, the exact paragraphs of the joint-stock company's articles of association should be specified concerning shareholders' rights provided by 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"):

"6.2. Each ordinary registered share of the Company grants shareholders owning ordinary registered shares rights 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;

....."

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

7.2. Information is not specified for this category of shares.

7.3. Information is not specified for this type of shares.

7.4. Information is not specified for this type of shares.

7.5. The offered securities are not convertibles 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

8.2. Placement period:

Procedure for determining the start date of the placement:

The start date of placement of securities constituting this additional issue 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 are 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 securities is the earlier of:

- 1) the date when the last additionally issued security is placed**
- 2) 97th (ninety seventh) day after the state registration of the additional issue 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 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 a web source updated in real-time mode and provided by Information Agency Interfax: 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> (hereinafter jointly named as the "Websites")

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 10 (ten) business days from the date of state registration of the additional issue of securities. Within the specified period, the Issuer shall post a notice on the possibility of exercising the preemptive right to purchase shares on its web-site on the Internet: <http://kubanenergo.ru/>.

The Issuer shall publish the text of the registered Securities Prospectus on the Websites not later than the starter date of placement of securities constituting additional issue.

When publishing the text of the Securities Prospectus on the Websites, 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.

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: Kubanenergo PJSC, 2A Stavropolskaya street, Krasnodar, 350033.

The issuer shall provide a copy of the registered Securities Prospectus to the holders of the issuer's securities and other interested parties at their request for a fee not exceeding the cost of making such a copy, within 7 (seven) days from the date of receipt (submission) of such a request.

Notification on the date of commencement of securities placement shall be published by the Issuer:

- in the news: not later than 1 (one) day before the date of commencement of placement of the securities constituting this additional issue
- on the Websites: not later than 1 (one) day before the date of commencement of placement of the securities constituting this additional issue.

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 of this additional issue shall be placed by means of entering into agreements aimed at acquiring securities by initial holders in the course of placement (hereinafter also, the “Share Acquisition Agreement”).

Placement of additional 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 Issue of Securities (hereinafter – the “Decision on the Additional Issue of Securities”). Prior to the expiration of the Preemptive Right Period specified in paragraph 8.5 of this Decision on the Additional Issue of Securities, 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 used their 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. Offering additional shares to public shall be carried out by entering in the Share Acquisition Agreements in accordance with procedure specified in paragraph 8.3 of the Decision on the Additional Issue of Securities.

For the purposes of entering into the Share Acquisition Agreement, the Issuer shall publish in the news and on the Websites an invitation for the general public to submit bids (offers) with respect to the acquisition of placed securities (hereinafter also, the “Invitation to Offer”). The Invitation to Offer shall be published on the first business day following the day when the Issuer disclosed information on the results of exercising the preemptive right to purchase the shares, in accordance with the procedure specified in paragraphs 8.5 and 11 of the Decision on the Additional Issue of Securities.

Deadline for submitting bids (offers) to acquire the placed securities:

The bids (offers) on purchase of additional shares (hereinafter – the “Offers”) may be submitted to the Issuer within 10 (ten) days after the latest of the following acts done by the Issuer: posting invitations to make offers in the news, posting invitations to make offers on the Websites (hereinafter referred to as “Offer collection period”).

The Offers shall be submitted by potential Acquirers (hereinafter – the “Acquirers”) at the address of the Issuer (“Kubanenergo PJSC, office 108, 2A Stavropolskaya street, Krasnodar 350033) daily, on business days from 09:00 a.m. to 5:00 p.m. (Moscow time), in person or via the Acquirers’ authorized representatives having a duly issued power of attorney or any other document certifying the representative’s authority.

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

Each Offer shall contain the following information:

- Title: “Offer to Acquire Ordinary Registered Uncertified Shares of Kubanenergo PJSC.
- State registration number and date of state registration of the additional issue of securities;
- 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).

- Location (for legal entities) or place of residence (for individuals) of the Acquirer;
- If 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);
- If a corporate entity: information about state registration and making an entry to the Uniform State Register of Juridical Persons (primary state registration number and/or other registration number, if applicable, date, registration authority, registration certificate number);
- Consent of the Acquirer to the purchase the shares in the quantity specified in the Offer at the offering price set forth in the paragraph 8.4 of the Decision on Additional Issue of Securities;
- Quantity of acquired additional ordinary shares 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;
 - Number of the personal account of the Acquirer in the register of holders of registered securities of the issuer;
 - If the Acquirer has a custody account at the Central Depository and the placed shares shall be credited to the Acquirer’s deposit account in the Central Depository, then the full company name shall be specified – Non-bank credit organization joint Stock company “National Settlement Depository”, the 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 custody account of the Acquirer is maintained by a depository, which in turn is the depositor of the Central Securities Depository (hereinafter referred to as the “Second Level Depository”), then the following information shall be indicated in the Offer in respect of the Second Level Depository and all subsequent levels:

- full name of the depository
- information on the state registration (PSRN (OGRN), 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 between the Depository of the Second Level and the Acquirer (pertaining to the offered securities)
- 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.

- Banking details of the Acquirer that may be used for refund purposes;

- 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);
- Date of signing the Offer.

The Offer shall be signed by the Acquirer (or its 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 sample of the Offer and post it simultaneously with an invitation to make offers on the Internet at the Websites.

The Offer shall be accompanied:

- for 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 a 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.

Offers that do not meet the specified requirements will not be approved.

The Issuer registers the submitted Offers in a special record book of the received Offers (hereinafter – the “Record book”) on the day of their receipt.

The decision on acceptance of the Offer (bill of acceptance) or refusal to accept shall be made by the Issuer no later than 3 (three) days from the expiry of the Offer Collection Period.

The decision on the acceptance of the Offer is made by the issuer at its discretion from among the persons who have sent the Offer, only if it complies with the requirements set forth in the Decision on the Additional Issue of Securities. The answer about acceptance of the offer (bill of acceptance) is sent to persons determined by the issuer at its discretion from among the persons who have made such offers.

The submitted Offers, which at the discretion of the issuer are subject to approval, shall be approved by the issuer in full if the number of shares specified in the Offer does not exceed the number of shares remaining for placement after the Offers have been approved by others. If the number of shares specified in the Offer exceeds the number of shares remaining for placement after the other persons satisfy the Offer, then the Offer may be approved in the number of shares remaining for placement if the Offer has the consent of the Acquirer in the Offer to purchase a smaller number of shares than specified in the Offer.

Within 3 (three) business days from the date of the issuer's decision to accept the Offer or to refuse to accept the Offer, the issuer shall hand over to the Acquirer (their authorized representative) against receipt or send by registered mail to the postal address and (or) e-mail address and (or) the fax specified in the Offer, a reply on acceptance (approval) of the Offer (acceptance) or reply on refusal to satisfy the Offer.

The reply on acceptance of the Offer (approval) shall contain the number of shares in respect of which the Offer is approved, the price of placed shares, as well as other significant terms for placing securities.

The Share Acquisition 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 Acquisition Agreement may be issued in a single document signed by the parties. The Agreement may be signed on weekdays from 9.00 a.m. to 5.00 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 Acquirer shall pay for the shares within the deadlines set in paragraph 8.6 of the Decision on the 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.

In case the Acquirer partially fulfills their obligation to pay for the acquired shares or in case of full refusal of the issuer to fulfill the reciprocal obligation to transfer shares, if the Acquirer did not pay for the shares before the deadline for payment of the securities, funds received as part of the performance of the obligation to pay for the shares, or all the money the Acquirer paid for shares, shall be returned to the Acquirer by bank transfer in accordance with the bank details specified in the Offer no later than 30 (thirty) business days from the date of expiration securities placement.

The Issuer has the right not to send to the Acquirer the notice on refusal to fulfill reciprocal obligation to transfer the shares, but, at the Issuer's discretion, the notice may be delivered to the Acquirer personally or through the 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 securities to the Acquirer 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.

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 the basis for making credit records on personal accounts of the first owners and (or) nominal holders – the issuer's registrar:

Full business name: Joint Stock Company "Independent Registrar Company R.O.S.T."

Short name: JSC "Registrar R.O.S.T"

Location: Moscow

Address of the head office: 18 bldg. 13, Stromynka Street, Moscow 107996

Postal address: 18 bldg. 13, Stromynka Street, Moscow 107996

CBR License: No. 045-13976-000001

Date of issue: 03.12.2002

License validity period: indefinite

Licensing authority: Federal Commission on Securities Market (FCSM) of Russia

Phone: (495) 771-73-36

The issuer draws up and sends to the registrar an order on placement of the required number of securities in favour of the Acquirer after the Acquirer has fully paid for the purchased securities and no later than 3 (three) business days before the closing date for the placement of additional shares.

The issuer draws up and sends to the registrar an order on placement of the required number of securities in favour of the person exercising the preemptive right to purchase securities after concluding with such a person an agreement on acquiring shares of this additional issue (taking

into account the procedure for concluding such an agreement stipulated in paragraph 8.5 of the Decision on Additional Issue of Securities) and no later than the day of summarizing the results of exercising the preemptive right to acquire the securities.

Credit entries on the personal account of the Acquirer and (or) the nominal holder are made no later than the end date of placement of securities of the additional issue.

In the course of placement of securities, the preemptive right to purchase securities is granted.

The Issuer's shares are not placed by private subscription among all shareholders with the provision of the specified shareholders to purchase 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.

Placement of shares of this additional issue is carried out without the possibility of acquiring them outside the Russian Federation, including by placing the relevant foreign securities certifying rights to the shares in accordance with the foreign law.

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):

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.

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

Date of making the list of the persons having the preemptive right to acquire placed securities:

24.03.2019

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 such right within 10 (tenth) day after the date of the state registration of the additional issue of securities. Within the specified period, the notice of the possibility of exercising the preemptive right to acquire the shares (hereinafter referred to as the "Notice") is published by the Issuer on the Issuer's web site on the Internet <http://kubanenergo.ru/>.

The Preemptive Right Notice shall contain information concerning:

- quantity of placed additional shares
- their offering price (including their offering price if the preemptive right is exercised)
- procedure for determining the quantity of shares that may be acquired by each person having the preemptive right
- procedure for submitting to the Issuer the applications to acquire shares
- 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 have the preemptive right to acquire the Issuer’s additional shares in amount proportional to the quantity of the Issuer’s ordinary shares that they hold.

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.

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 Acquisition 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 Acquisition 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.

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

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.

The procedure of summarizing the results of implementation of preemptive right to purchase the securities:

Not later than 5 days from expiration of the preemptive right, the person performing the function of the sole executive body of the Issuer, summarizes the results of the implementation of preemptive right to purchase the shares, as well as determines the amount of shares of the additional issue that are subject to placement by public offering.

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 notice about the results of the preemptive right in news agency, as well as on the Websites.

8.6. Terms and procedure for payment for securities:

Payment in monetary funds is stipulated.

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.

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

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.

The shares purchaser by public subscription pays for the shares after the conclusion of the Share Purchase Agreement, but no later than 4 (four) business days before the end date of the placement of securities of this additional issue.

Non-monetary form of payment is not stipulated.

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

The document that contains the 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 Results of the Additional Securities Issue.

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

In case of changes in the legislation of the Russian Federation regulating the procedure and timing for disclosure of information by issuers of securities, the Company will be guided by the legislation in effect at the time of disclosure.

The Issuer is obliged to disclose information on the additional issue of securities in the manner prescribed by Section II of the Regulations.

The texts of notices the Issuer discloses at the stages of the issue in accordance with section II of the Regulations by publishing them on the Websites (<http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>) must be available on the Websites on the Internet for at least 12 (twelve) months from the date of expiration of the period established by the Regulations for their publication on the Internet, and if they are published on the Internet after the expiration of such period – from the date their publication on the Internet.

Information disclosure in the form of statements of material facts is carried out by publication of the relevant statement of a material fact within the following timeframe since the material fact occurred:

- in the News feed: no later than 1 (one) day
- on the Websites on the Internet: no later than 2 (two) days

The text of each statement of a material fact will be available on the Websites on the Internet for at least 12 (twelve) months from the date of expiration of the period established by 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 publishing it on the Internet.

In the case where, in accordance with the Regulations the information should be disclosed by publication in the news feed, 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 a 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.

2) Information on approval of a decision on additional securities shall be disclosed in the form of a statement of material fact on approval of the decision on additional securities issue.

The moment of occurrence of the material fact on adoption of the decision on issue of additional 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 BoD meeting at which the decision on placement of securities was adopted.

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

3.1) in the form of a statement of material fact on the state registration of the additional issue of securities.

The moment of occurrence of the material fact on the state registration of the additional issue of securities is the date of posting the information on the state registration of an additional issue of securities of the Issuer on the website of the registering authority on the Internet or the date when the Issuer receives a written notice from the registering authority on the state registration of the additional issue of securities by means of post, facsimile, electronic communication, handing in against signature, depending on which of the specified dates come earlier.

3.2) in the form of a Decision on the Additional Issue of Securities by posting on the Internet:

The Issuer shall publish the text of the registered Decision on the Additional Issue of Securities on the Websites before the commencement of placement of securities.

The text of the registered Decision 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 set by the Regulations, and if it is posted 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;

3.3) in the form of the Securities Prospectus published on the Websites.

The Issuer shall publish the text of the registered Securities Prospectus on the Websites before the date of commencement of placement of securities.

The text of the registered Securities Prospectus shall be available on the Internet with an expiration date set by the Regulations 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 the start date of the placement of securities is disclosed by the Issuer in the form of a message on the start date of the placement in the News feed and on the Websites no later than 1 (one) day before the start of the placement of securities.

4.1) If the Issuer makes a decision to postpone (change) the start date of the placement of securities, disclosed in the above-mentioned manner, the Issuer is obliged to publish a message about the change in the start date of the placement of securities in the News feed and on the Websites no later than 1 (one) days before that date.

5) The procedure for disclosing information on the possibility of concluding Share Acquisition Agreements outside the frameworks of the exercise of the preemptive right:

For the purpose of concluding Share Acquisition Agreements outside the frameworks of the exercise of preemptive rights, the Issuer publishes an Invitation to make offers general public in the News feed, as well as on the Websites. The invitation to make offers is published by the Issuer on the first business day following the day on which the Issuer, in the manner specified in clauses 8.5 and 11 of the Decision on the Additional Issue of securities, disclosed information on the results of the exercise of the preemptive right to purchase shares.

6) If 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 News feed and on the Websites.

A statement on suspension of securities placement shall be published by the Issuer within the periods listed below after the making the minutes of meeting (the expiration date of the period prescribed by the laws of the Russian Federation for issuing the minutes) 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 Websites: no later than 2 (two) days.

If placement of securities is suspended because the registering body has made a decision to suspend the issue of securities, information on suspension of securities shall be disclosed by the Issuer in the form of a statement of material fact on suspension of the issue of securities.

The moment of occurrence of a material fact on the suspension of the issue of securities is the date of publication of information on the suspension of the issue of the issuer's securities on the webpage of the registering body or the date the Issuer receives a written notice from the registering body on the suspension of the issue of securities by post, fax, electronic communication, delivery against receipt, whichever date occurs first.

7) After registration of changes to the Decision on the Additional Issue of Securities and (or) the Prospectus of securities within the term of the placement of securities, a decision to refuse to register such changes or to receive a written notice (notification, decision) of the authorized body during the period of placement of securities on permission to resume the placement of securities (termination of the grounds for suspension of the placement of securities), the Issuer is obliged to publish a message on the resumption of the placement of securities in news feed and Websites.

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 Websites: no later than 2 (two) days.

If any amendments to the Decision on the Additional Issue of Securities and/or the Securities Prospectus are registered, the Issuer shall publish the text of such registered amendments to the Decision on the Additional Issue of Securities and/or the Securities Prospectus on the Websites within 2 (two) days after the information concerning 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.

The text of the registered amendments to the Decision on the Additional Issue of Securities shall be available on the Internet from the expiration date of the period prescribed in the 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 Regulations for providing access on the Internet to the text of the registered decision on the additional securities issue.

The text of the registered changes to the Securities Prospectus shall be available on the Internet from the date of expiration of the period established by the Regulations for its publication on the Internet, and if it is published on the Internet after the expiration of such a period – from the date of its publication on the Internet and for at least 5 (five) years from the date of publication on the Internet of the text of the notice submitted to the registration authority on the results of the additional issue of securities.

If the placement of securities is resumed by the decision of the registration agency, 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.

The moment of the occurrence of a material fact on the resumption of the issue of securities is the date of publication of information on the resumption of the issuer's securities on the page of the registering authority on the Internet or the date the Issuer receives a written notice from the registering authority on the resumption of the issue of securities by post, fax, electronic communication, delivery against receipt whichever dates comes earlier.

8) Within 5 (five) days after the Issuer has summed up the results of exercising the preemptive right to purchase additional shares, the Issuer shall disclose information on the results of the implementation of the pre-emptive right in the News feed and on the Websites.

9) The Issuer shall disclose information about its intention to submit a notice on the results of the additional issue of securities before the placement of shares of this additional issue in the News feed and on the Websites. Moreover, publication on the Websites on the Internet is carried out after publication in the News feed.

10) Information on completion of the securities placement is disclosed in the form of a statement of a material fact on completion of the placement of securities.

The moment of occurrence of a material fact on completion of the securities placement is the date on which the placement of securities ends.

11) Information at the stage of submission of a notice on the results of an additional issue of

securities to the registering authority is disclosed by the Issuer in the form of a notice of a material fact on submission of a notice on the results of an additional issue of securities to the registering authority, as well as in the form of a notification of the results of an additional issue of securities by publishing it on the Websites on the Internet.

The moment of occurrence of the material fact on submission of a notice of the results of the additional issue of securities to the registering authority is the date of submission (sending) of the notice to the registering authority.

The Issuer shall publish the text of the notice of the results of an additional issue of securities submitted to the registration agency on the Websites within 2 (two) days after the date when the notice of the results of an additional issue of securities is submitted (sent) to the registration agency. The text of the notice of the results of an additional issue of securities shall be available on the Internet for at least 12 (twelve) months from the expiration date of the period prescribed in the 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.

12) Information that the additional issue of securities was declared void shall be disclosed by the Issuer in the form of a statement of material fact about declaring the issue of securities as void.

The material fact pertaining to information that the additional issue of securities is declared void shall be deemed to occur on the date when information that the additional issue of the Issuer's securities is declared void is posted on the registration agency's webpage or on the date when the Issuer receives from the registration agency the written notice that the additional issue of securities is declared void by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first.

Information on declaring the additional issue of securities as void is disclosed by the Issuer in the form of a statement of material on declaring the additional issue of securities invalid.

The moment of occurrence of the material fact on declaring the additional issue of securities invalid is the date the Issuer received the final legal act (decision, ruling, resolution) on the recognition of the additional issue of securities as invalid.

Information by publication in a printed periodical publication(s) is not disclosed.

Information is disclosed by posting it on pages on the Internet.

Addresses of such pages on the Internet:

<http://kubanenergo.ru/>

<http://www.e-disclosure.ru/portal/company.aspx?id=2827>

In addition, the Issuer is obliged to disclose information in the form of statements of material facts, as well as in the form of a quarterly report of the Issuer of securities in accordance with the requirements for the procedure, form and timing of its disclosure established by the Regulations.

The Issuer shall provide a copy of each statement, including a copy of each statement on a material fact published by the Issuer in accordance with the Regulations, as well as a copy of the registered Decision on the Additional Issue of Securities, the Securities Prospectus and amendments thereto, a notification on the results of additional issue of securities submitted to the registering authority, a copy of the issuer's quarterly report, a copy of other documents, the mandatory disclosure of which is provided for by the Regulations, to the owners issuer's securities and other interested parties at their request for a fee not exceeding the cost of making such copies within a period not exceeding 7 (seven) days from the date of receipt (making) of such requirements. The bank details of the issuer's current account(s) for payment for expenses on making copies of the above documents and the size (procedure for determining the size) of such expenses are published by the

Issuer on the Websites.

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 issue (additional 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 Issue of Securities for a fee not exceeding the cost of making such copies.

15. Obligation of the Issuer to ensure 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 undertakes 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. Disclosure of other information stipulated by the Regulations:

There is not any other information provided for by the Regulations of the Central Bank of the Russian Federation No.428-P of 11.08.2014 on standards for the issue of securities, the procedure for state registration of the issue (additional issue) of issue-grade securities, state registration of reports on the results of the issue (additional issue) of issue-grade securities and registration of securities prospectuses.