

## **Notice on the possibility of exercising the preemptive right to acquire additionally issued shares of Open joint stock company of power industry and electrification of Kuban**

Open joint stock company of power industry and electrification of Kuban (hereafter – the Issuer, the Company, “Kubanenergo” JSC), Company’s address: 2 Stavropolskaya str., Krasnodar, hereby notifies the shareholders that on 06.05.2013 the Federal Financial Markets Service of the Russian Federation conducted the state registration of the additional issue of securities and the securities prospectus of “Kubanenergo” JSC, placed by means of the public offering: **un-certified registered ordinary shares, each with a par value of one 100 (one hundred) rubles in amount of 214 877 270 (two hundred fourteen million eight hundred seventy seven thousand two hundred seventy) shares** (hereinafter - Shares).

The additional issue of the Shares was assigned **State Registration Number 1-02-00063-A-004D**.

In accordance with Articles 40 and 41 of the Federal Law No.208 dd 26.12.1995 “On Joint-Stock Companies,” the Company’s shareholders, owning ordinary shares and participated in general meeting of shareholders on March 18, 2013, on which it was decided to increase the authorized capital by additional issue of shares, have the preemptive right to acquire the quantity of publicly placed additional ordinary shares in proportion to the quantity of the Company’s ordinary shares that they hold.

List of persons with preemptive right to purchase shares is made on the basis of information from registry of Company’s securities holders as of February 8, 2013, which is the date of making the list of persons entitled to participate in extraordinary general meeting of shareholders on March 18, 2013.

### **1. Price of shares placement:**

The price of shares, as well as for persons included in the list of persons with preemptive right to purchase shares, is 121 (one hundred twenty one) rubles 82 kopeks per share.

### **2. Period, within which applications should be sent to the Issuer (Period of exercising the preemptive right to purchase the Shares):**

The Preemptive Right Period with respect to the shares is 80 (eighty) days. The preemptive right period starts upon implementing by the issuer of the last of the following: sending to each person included in the list of persons with the right to purchase additional shares notice on the preemptive right, publishing notice on the preemptive right in the newspaper “Kubanskiye novosti” and at the Company's website in the Internet.

### **3. Procedure for determining the amount of Shares for offering to every person with preemptive right:**

The maximum quantity of the Shares that may be acquired by any person through exercising the preemptive right to acquire the Issuer’s Shares is proportional to the quantity of the Issuer’s registered ordinary shares held by such person as of February 8, 2013, and shall be calculated in accordance with the

following formula:

$X = Y \times (214\,877\,270 / 142\,942\,830)$ , where

X is the maximum quantity of the Shares of this additional issue that may be acquired by the person having the preemptive right to acquire the placed Shares;  
Y is the quantity of the Issuer's registered ordinary shares held by the person having the preemptive right to acquire the placed Shares as of February 8, 2013 (the date of the decision adopted by the Board of Directors to increase the authorized capital of the Company by means of the placement of the additional Shares);

214 877 270 - is the quantity of the Shares placed by the Issuer in accordance with the Decision on the Additional Securities Issuer;

142 942 830 – is the quantity of the Issuer's previously placed ordinary shares.

If the calculation of the quantity of the 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.

In the register maintenance system, fractional shares accounted for in registered persons' personal accounts shall not be subject to rounding up or down

#### **4. Procedure for exercising the preemptive right to acquire the placed Shares:**

The additional Shares shall be distributed to the persons having the preemptive right to acquire the placed Shares on the basis of the written applications (hereinafter also, the "Application(s)") submitted by such persons (hereinafter also, the "Applicant(s)") to acquire the placed Shares.

The persons having the preemptive right to acquire the placed Shares shall be entitled to exercise their preemptive right in full or in part in the quantity proportional to the quantity of the Issuer's registered ordinary shares that they hold.

When using the preemptive right, Contracts on purchase of Shares are to be concluded with the Applicants.

Prior to the expiration of the Preemptive Right Period with respect to the Shares, the Shares may not be placed otherwise than by virtue of the exercise of this preemptive right.

The Applications shall be submitted within the Preemptive Right Period.

#### **The Application shall contain the following information:**

- title: Application to acquire "Kubanenergo" JSC shares through exercising the preemptive right;
- full name (full corporate name) of the Applicant;
- place of residence (location) of the Applicant;

- quantity of the acquired Shares;

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

1. Taxpayer Identification Number (INN) of the person having the preemptive right to acquire placed securities (if any).

2. In the case of an individual, identity document data (date and place of birth; series, number, and date of issue; issuing authority).

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).

3. Number of the Applicant's personal account on the Issuer's register of holders of registered securities on the Issuer's register of holders of registered securities, which personal account shall be used for depositing the acquired Shares.

If the Applicant's custody account is operated by any nominee holder and on 29.03.2013 the account of nominee holder was opened in the registry of nominee holders in "NRD" CJSC then the Application shall specify:

3.1. Information on the First-Tier Custodian – nominee holder of central depository (hereafter – "NSD" Non-banking financial company CJSC):

Full corporate name: Non-banking financial company closed joint stock company "National Settlement Depository");

Certificate of state registration: No. 3294 dated 27.06.1996

Name of the public registrar: Central Bank of Russian Federation;

OGRN (Unified State Register of Legal Entities): 1027739132563.

Body that made an entry to Unified State Register of Legal Entities and assigned OGRN: Russia Interdistrict Tax Inspectorate of the Ministry of Taxes and Levies No. 39 in Moscow.

Date of making the entry to Unified State Register of Legal Entities: 30.08.2002.

Number of account in registry of Issuer's securities holders: 20901714.

3.2 If the Applicant's custody account (as related to placed securities) is operated by any nominee holder that is a depositor (hereinafter, the "Second-Tier Custodian") of any other nominee holder (hereinafter, the "First-Tier Custodian"), then the Application shall specify:

full corporate name;

state registration particulars (Principal State Registration Number (OGRN), state registration authority, date of state registration and registration of the custodian on the Uniform State Register of Juridical Persons);

number and date of the intercustodial agreement between the Custodians.

This information shall be specified about all nominee holders, beginning with the nominee holder with which the Applicant has a custody account (as related to placed securities) and ending with the nominee holder having a personal account on the Issuer's register of holders of registered securities.

3.3. Number of the Applicant's custody, number and date of the custodial

agreement between the Custodian of last tier and the Applicant (as related to placed securities).

4. Banking details of the Applicant that may be used for refund purposes.

5. Contact information of the Applicant (postal address and fax number, including area code, e-mail).

6. Information that the Application is accompanied by a document confirming the Applicant's payment for placed securities.

**The Application shall be accompanied by a document confirming the payment for securities.**

The Application shall be signed by the person having the preemptive right to acquire the placed Shares or by an authorized person, provided that the Application is accompanied by the original or a notarized copy of the duly issued power of attorney or any other document confirming the representative's authority) and shall, in the case of a corporate entity, bear the corporate seal (if any).

The recommended forms of the Application that can be used by individuals and corporate entities are attached as an appendix to this Notice and posted by the Issuer on the Internet at: [www.kubanenergo.ru](http://www.kubanenergo.ru).

The Applicant shall be responsible for the reliability of the information contained in the Application and for its being consistent with the information contained in the Issuer's shareholder register.

Payment for the purchased Shares shall be performed by the Applicant according to the rules set in paragraph 8.6 of Decision on additional issue of securities.

The Applications may be delivered from 10:00 a.m. to 3:00 p.m. (Moscow time) daily except Saturdays, Sundays, and public holidays to: "Kubanenergo" JSC, 108 office, 2 Stavropolskaya str., Krasnodar.

Postal address for sending Applications: "Kubanenergo" JSC, Department for corporate management and interaction with shareholders, 2 Stavropolskaya str., Krasnodar, Russian Federation 350033.

The Applications shall be registered on a register of received Applications, specifying the time and date of receipt of each Application.

The Issuer shall be entitled to refuse the exercise of the preemptive right by the person submitting the Application if:

- the Application fails to satisfy the requirements set forth above;
- the Application does not allow the person on whose behalf the Application is submitted to be identified as the person having the preemptive right to acquire the placed Shares;
- the Application does not include a document confirming the payment for the Shares by the person having the preemptive right to acquire the Shares
- the Issuer receives the Application and/or a document confirming the payment for the Shares after the expiration of the Preemptive Right Period.

In the event the Issuer refuses to accept the Application, the Issuer shall, not later than 30 (thirty) business days after the expiration of the Preemptive Right

Period, refund the money paid as specified in the documents confirming the payment for the placed Shares and accompanying the Application.

If the Application states quantity of the Shares that is less than such quantity of the Shares paid for as specified in the documents confirming the payment for the placed Shares and accompanying the Application, then such Application will be accepted by the Issuer with respect to the quantity of the Shares specified in the Application. In this connection, the Issuer shall, not later than 30 (thirty) business days after the expiration of the Preemptive Right Period, refund to the Applicant the money in excess of the value of such quantity of the placed Shares as specified in the Application.

If the Application states quantity of the Shares that is more than such quantity of the Shares paid for as specified in the documents confirming the payment for the placed Shares and accompanying the Application, then the Applicant shall be deemed to exercise the Applicant's preemptive right to acquire the Shares with respect to the quantity of the Shares that are paid for

If the Application states quantity of the Shares that is more than such quantity of the Shares as may be acquired by the Applicant, then the Application shall, subject to fulfilling all other conditions, be accepted to the fullest possible extent with respect to the quantity of the Shares that may be distributed to the Applicant in accordance with the calculation procedure described in paragraph 3 of the Notice. In this connection, the Issuer shall, not later than 30 (thirty) business days after the expiration of the Preemptive Right Period, refund to the Applicant the money in excess of the value of the maximum quantity of the Shares that may be acquired by the Applicant.

Contract on purchase of the Shares is concluded with the Applicant upon the receipt by the Issuer of the Application accompanied by a document confirming payment for the Shares.

Along with it, if the Application and the documents on payment for the Shares are received by the Issuer before the date of placement of the Shares, the Contract on Shares purchase is concluded at the date of the placement of the Shares.

At concluding the Contract on the acquisition of the Shares with the Applicant, at the same time by the agreement of both parties in accordance with Article 434 of the Civil Code of the Russian Federation a contract could be made in the form of a single document signed by the parties in amount of copies agreed by the parties.

Upon the receiving by the Issuer a written request to acquire additional shares and the payment of additional shares by the person that used the preemptive right, the Issuer sends to its registrar (Open Joint Stock Company "Registrar R.O.S.T.", OGRN 1027739216757, License of the Federal Commission for the Securities Market to perform activity in the sphere of keeping the registry No.10-000-1-00264 dated 03.12.2002) a transfer order, which is the basis for making an entry in the personal account of the Applicant or the order to carry out operations involving personal account of Non-banking financial company closed joint stock company "National Settlement Depository if the Applicant is a client of a nominee holder.

Registrar within 3 (three) days from the receipt of the transfer order or orders for the conduct of operations involving personal account of Non-banking financial company “NSD” JSC performs an operation of the charging off from the account of the Issuer the relevant number of Shares and credits them to the personal account of the Applicant or Non-banking financial company “NSD” JSC, specified by the Applicant (if the Applicant is a client of nominee holder).

Every Applicant which is a client of a nominee holder shall receive from the Issuer a written notice on the assignment of a unique identification number of the applicant - the Reference that shall be used by the Applicant for admission of the Shares acquired on its securities account. The Applicant shall directly transfer to its nominee holder a counterparty order on entering of Shares in the custody account (with the obligatory indication of the Reference).

Shares shall be considered as placed upon the entry into the registry of shareholders - holders of securities of the Issuer a record of admission of the Shares to the Applicant’s account or to Non-banking financial company “NSD” JSC if the applicant is a client of a nominee holder.

**5. Procedure of payment for Shares by the persons using the preemptive right:**

The Applicant in full extend pays for the purchased Shares at the price of placement by transferring payment in non-cash way in rubles of Russian Federation to settlement account of the Issuer:

Full name of the recipient :	Open joint stock company of power industry and electrification of Kuban
Abbreviated name:	“Kubanenergo” JSC
INN (TIN) / KPP (tax registration reason code) of the recipient:	2309001660 / 997450001
Full name of the credit company:	Open joint stock company Sberbank of Russia
Abbreviated name of the credit company:	Sberbank of Russia JSC
Name of the branch of the credit company	Krasnodar branch No. 8619
Location of the credit company	19 Vavilov Street, Moscow 117997
Location of the branch of the credit company	34 Krasnoarmeiskaya street, Krasnodar, Krasnodar region 350000
Settlement account:	40702810630000001699
Correspondent account:	30101810100000000602
BIK (sort code)	040349602

Obligation to pay for Shares is considered as fulfilled upon the receipt of funds on specified bank account of the Issuer.

When exercising the preemptive right to acquire the securities, the Shares shall

be fully paid by the Applicant within the period of the preemptive right.

Texts of the Decision on the Additional Securities Issue and Prospectus are published on the website of “Kubanenergo” JSC in the Internet: [www.kubanenergo.ru](http://www.kubanenergo.ru).

Also, it is possible for the interested parties to find these documents, as well as get the copies for a fee not exceeding the cost of making the copy, within no more than 7 (seven) days from the date of request, at weekdays from 8:00 to 17:00 (on Friday till 15:00 p.m.) Moscow time at the following address: “Kubanenergo” JSC office 108, 2 Stavropolskaya street, Krasnodar, Russian Federation.

For questions related to the procedure of using the preemptive right to acquire shares, the shareholders of “Kubanenergo” may apply to the Department of corporate governance and interaction with shareholders at “Kubanenergo” by phone: (861) 212-2510, 212-2309, 212-2409.

### **Additional information for shareholders of “Kubanenergo” JSC**

Please note that any person registered on the Company’s shareholder register is required by paragraph 5 of Article 44 of Federal Law No. 208-FZ dated 26.12.1995 “On Joint-Stock Companies” to notify the Company’s Registrar of any change of such person’s particulars.

If any shareholder’s details have been changed but the Registrar does not have the relevant registered person questionnaire or corporate entity documents, then such shareholder should provide to central office “Registrar R.O.S.T.” JSC or to its branch the information concerning the change of such shareholder’s details and/or the missing documents in accordance with the procedure provided for in the applicable regulations.

Failure by registered persons to submit the information concerning the change of their details and/or the necessary documents may render it impossible to make credit entries in acquirers’ accounts, and “Kubanenergo” JSC and the Company’s Registrar (“Registrar R.O.S.T.” JSC) shall not be held liable for any losses caused in connection therewith.

Please note, that the law allows to purchase fractional shares when exercising the preemptive right, but a fractional shares as a rule does not significantly influence on the amount of possessed votes at the general meeting of shareholders, does not significantly increase the sum of the dividends (if the dividends are payable to shareholders ), along with it, carve-out of fractional shares may take extra expenditures and efforts that exceed the benefits the fractional shares give . Taking it into account, it reasonable to say that that purchase of full shares is preferable.

Annex: Recommended forms of Applications

**Acting director general of “Kubanenergo” JSC**

**Gavrilov A.I.**