**Corporate action statement**

**“On decisions adopted by the Issuer’s Board of Directors”**

**(disclosure of inside information)**

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| 1. General data | |
| 1.1 Issuer’s full name | Open joint-stock company of Power and Electrification of Kuban |
| 1.2. Issuer’s short name | “Kubanenergo”, JSC |
| 1.3. Issuer’s location | 2, Stavropolskaya str., Krasnodar, Russian federation, 350033 |
| 1.4. Issuer’s PSRN | 1022301427268 |
| 1.5. Issuer’s TIN | 2309001660 |
| 1.6. Issuer’s unique code given by registering authority | 00063-A |
| 1.7. Web-page | [www.kubanenergo.ru](http://www.kubanenergo.ru)  <http://www.e-disclosure.ru/portal/company.aspx?id=2827> |
| 2. Statement content | |
| **2.1 Quorum of meeting of issuer’s BoD and results of voting on the adopted decisions:**  Number of BoD members: 11 persons  Member participated in the meeting: 8 persons  Quorum necessary for holding the meeting of Kubanenergo JSC Board of Directors is present.  Voting results:   |  |  |  |  | | --- | --- | --- | --- | | No. | Votes | | | | FOR | AGAINST | ABSTAINED | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | |  | 8 |  |  | | |
| **Disclosure of insider information on item No.1 “On choosing the agenda of Annual General Meeting of Company’s Shareholders”** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  To approve the following agenda of Annual General Meeting of Company’s Shareholders:   1. On approval of Company’s annual report. 2. On approval annual accounting report, including the profit and loss statement. 3. On approval of distribution of profit of the Company by the results of 2013. 4. On the amount, terms and form of paying the dividends by the results of 2013. 5. On election of Company’s Board of Directors members. 6. On election of Company’s Auditing commission members. 7. On approval of Company’s Auditor. 8. On approving Company’s restated Charter. 9. On approving Company’s internal document: restated Regulation on procedure of preparation and convening General meeting of shareholders. 10. On approving Company’s internal document: restated Regulation on Auditing Committee. | |
| **Disclosure of insider information on item No.2 “On preliminary approval of 2013 Annual Report of the Company”** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:  To preliminary approve the 2013 Annual Report of the Company. To recommend Annual General Meeting of Company’s Shareholders to approve the Annual Report, in accordance of annex 1 to the decision of the BoD. | |
| **Disclosure of insider information on item No.3 “On discussing the annual accounts for 2013 and providing recommendations on distribution of profit and loss by the results of 2013 financial year”** | |
| 2.2.3. Decision adopted by issuer’s Board of Directors:  1. To submit for approval of Annual General Meeting of Company’s Shareholders the annual accounts for 2013 (annex 2 to the decision of the BoD).  2. To recommend Annual General Meeting of Company’s Shareholders to approve the following distribution of profits (losses) of Company for 2013 financial year:   |  |  | | --- | --- | |  | (thousand rubles) | | Undistributed profit (loss) of reporting period: | (2 480 136) | | To distribute on: reserve fund | - | | Profit for development | - | | Dividends | - | | Undistributed deficit of prior years | - | | |
| **Disclosure of insider information on item No.4 “On recommendations on the amount of dividends and their payment by the results of 2013”** | |
| 2.2.4. Decision adopted by issuer’s Board of Directors:  To recommend Annual General Meeting of Company’s Shareholders to make the following decision:   * not to pay dividends on ordinary shares of the Company by the results of 2013. | |
| **Disclosure of insider information on item No.5 “On discussing the candidature of the Company's Auditor”** | |
| 2.2.45. Decision adopted by issuer’s Board of Directors:  To recommend Annual General Meeting of Company’s Shareholders to appoint “Ernst and Young” LLC (TIN/ tax registration reason code 7709383532/770501001; legal address: 1 building, 77 Sadovnicheskaya Naberezhnaya, Moscow 115035) as Company’s auditor. | |
| **Disclosure of insider information on item No.6 “On choosing of the type(s) of preferred shares, the holders of which are entitled to vote on the agenda of the Annual General Meeting of Shareholders”** | |
| 2.2.6. Decision adopted by issuer’s Board of Directors:  Due to the fact that Company did not issue preferred shares, it is decided not to adopt a decision on the type(s) of preferred shares, the holders of which are entitled to vote on the agenda of the Annual General Meeting of Shareholders. | |
| **Disclosure of insider information on item No.7 “**On making the list of information (materials) provided to shareholders of the Company during the preparation to the Annual General Meeting of Shareholders and the procedure of providing the information to the shareholders**”** | |
| 2.2.7. Decision adopted by issuer’s Board of Directors:  1. To decide that the following information should be provided to persons entitled to participate in General meeting of shareholders:   * annual financial statements, including the auditor's opinion, report of the Audit Committee by the results of audit of the annual financial statements; * Company's annual report; * report of the Audit Commission on the accuracy of the data contained in the annual report of the Company; * information on candidates to the Board of Directors; * information about the candidates to the Audit Committee of the Company; * information on the candidate to Company's Auditor; * information about the presence or absence of written consent of the candidates nominated for election to the Board of Directors and Audit Committee; * recommendation of the Board of Directors on the distribution of profits and losses of the Company for the fiscal year 2013; * recommendation of the Board of Directors on the amount of dividends on shares and the procedure of its payment; * prepared by the Audit Committee of the Board of Directors assessment of the auditor’s opinion; * tables with changes to the Charter , the Regulations on the procedure for the preparation and holding of the General Shareholders' Meeting, the Regulations on the Audit Commission; * current Charter of the Company; * draft Charter; * current Regulation on preparation and holding of the General Meeting of Shareholders of the Company; * draft Regulation on preparation and holding of the General Meeting of Shareholders of the Company; * current Regulation on the Audit Committee of the Company; * draft Regulations on the Audit Committee of the Company; * draft decisions of the Annual General Meeting of Shareholders.   2. Persons entitled to participate at annual General meeting Company’s shareholders can find the information within the period of 3 June 2014 – June 22, 2014 (except weekends and holydays) from 9:00 a.m. to 15:00 p.m., as well as on June 23, 2014 at:   * “Kubanenergo” JSC, 2 Stavropolskaya str., Krasnodar; * “R.O.S.T. Registrar” mail box 9, 18 Stromynka str, Moscow 107996 (the Company’s registrar);   The specified information is also available at Company’s web-site on 11 June 2014.  If person/entity registered in registry of Company’s shareholders is a nominee holder, the specified information will be sent by 2 June 2014 (inclusive) in e-form (electronic documents with digital signature) to such nominee holder. | |
| **Disclosure of insider information on item No.8 “On approving the form and content of the voting ballot at the Annual General Meeting of Shareholders”** | |
| 2.2.8. Decision adopted by issuer’s Board of Directors:  To approve the form and content of the voting ballot at the Annual General Meeting of Shareholders, in accordance of annexes 3, 4 and 5 to the decision of the BoD. | |
| **Disclosure of insider information on item No.9 “On setting the date on which the voting ballots should be sent to persons entitled to participate in the Annual General Meeting of Shareholders, on specifying the address where the filled-in ballots could be sent, and the deadline for receipt of filled-in ballots”** | |
| 2.2.9. Decision adopted by issuer’s Board of Directors:  1. To decided that by 2nd June 2014 voting ballots should be sent by registered mail (handed out against receipt) to persons entitled to participate in the Annual General Meeting of Shareholders.  2. To decide that filled-in bulletins could be sent to one of the following addresses:  - Kubanenergo JSC, 2 Stavropolskaya str., Krasnodar, Russian Federation 350033  - Registrar R.O.S.T. JSC, 9 p/o box, 18 Stromynka str., Moscow 107996  3. To decided that when determining quorum and summing up the results of voting only those votes will be taken into account that were received by the Company no later than 20th June 2014.  To instruct Company’s Director General to ensure that voting ballots are sent to shareholders in accordance with this decision. | |
| **Disclosure of insider information on item No.10 “On determining the procedure of informing the shareholders on conducting the Annual General Meeting, including the approval of the form and the text”** | |
| 2.2.10. Decision adopted by issuer’s Board of Directors:  1. To approve the form and the text of the announcement on holding the Annual General Meeting, in accordance of annex6 to the decision of the BoD.  2. To inform persons entitled to participate in Annual General Meeting on holding the Annual General Meeting:  - by sending them a letter via registered mail (or to hand out) to each person from the list of persons entitled to participate in Annual General Meeting on holding not later than 23th May 204;  - to publish announcement on holding Annual General Meeting in newspaper “Kubanskiye Novosti” no later than 23th May 2014;  - to place the announcement on the Internet at Company’s webpage no later than 23th May 2014.  If person/entity registered in registry of Company’s shareholders is a nominee holder, the announcement on holding Annual General Meeting will be sent by 23th May 2014 in e-form (electronic documents with digital signature) to such nominee holder. | |
| **Disclosure of insider information on item No.11 “On electing the Secretary of the Annual General Meeting of Shareholders”** | |
| 2.2.11. Decision adopted by issuer’s Board of Directors:  To appoint Russu Olga Vladimirovna, Company’s corporate secretary, as Secretary of the Annual General Meeting of Shareholders | |
| **Disclosure of insider information on item No.12 “On approval of cost estimates associated with the preparation and holding of the Annual General Meeting of Shareholders”** | |
| 2.2.12. Decision adopted by issuer’s Board of Directors:  1. To approve the cost estimates associated with the preparation and holding of the Annual General Meeting of Shareholders, in accordance of annex 6 to the decision of the BoD.  2.To instruct director general within 2 months after the Annual General Meeting of Shareholders to submit for consideration of the BoD a report on expenditures on preparation and holding of the Annual General Meeting of Shareholders. | |
| **Disclosure of insider information on item No.13 “On approving the terms of the contract with the Company's registrar”** | |
| 2.2.13. Decision adopted by issuer’s Board of Directors:  1. To approve the terms of the contract with the Company's registrar on organization, convening and holding general meeting of shareholders and fulfilling the functions of counting board, in accordance of annex 7 to the decision of the BoD.  2. To instruct director general to sign the contract on organization, convening and holding general meeting of shareholders and fulfilling the functions of counting board with the Company's registrar on conditions specified in annex 8 to the decision of the BoD. | |
| **Disclosure of insider information on item No.14 “On discussing the restated Charter”** | |
| 2.2.14. Decision adopted by issuer’s Board of Directors:  To propose the Annual General Meeting of Shareholders to adopt the restated Charter of the Company, in accordance of annex 9 to the decision of the BoD. | |
| **Disclosure of insider information on item No.15 “On discussing the draft of internal document: Regulations on preparation and holding of the General Meeting of Shareholders in new edition”** | |
| 2.2.15. Decision adopted by issuer’s Board of Directors:  To propose the Annual General Meeting of Shareholders to adopt Regulations on preparation and holding of the General Meeting of Shareholders in new edition, in accordance of annex 10 to the decision of the BoD. | |
| **Disclosure of insider information on item No.16 “On discussing the draft of internal document: Regulations on the Audit Committee of the Company in new edition”** | |
| 2.2.16. Decision adopted by issuer’s Board of Directors:  To propose the Annual General Meeting of Shareholders to adopt Regulations on the Audit Committee of the Company in new edition, in accordance of annex 11 to the decision of the BoD. | |
| **Disclosure of insider information on item No.17 “On fixing the sum of payment for Auditor’s services”** | |
| 2.2.4. Decision adopted by issuer’s Board of Directors:  To fix the sum of payment for services of Company’s auditor “KMPG” CJSC:   * for audit of accounting report prepared in accordance with RAS (Russian Accounting Standards) with regard of revaluated financial indicators – 499 900 (four hundred ninety nine thousand ninety) rubles, including VAT – 76 255 (seventy six thousand two hundred fifty five) rubles 93 kopeks. | |
| 2.3. Date of holding the meeting of Board of Directors: 16 May 2014  2.4. Date of making and number of minutes of meeting: 19 May 2014, minutes of meeting No.189/2014**.** | |
| 3. Signature | |

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| 3.1 Acting deputy director general in charge of corporate management (attorney dated 02.04.2014) |  |  | Konevets K.S. |  |
| (signature) |  |  |  |
| 3.2 Date: 19 May 2014 |  |  | | |
|  | seal |  | | |