**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 | Public joint-stock company of Power Industry and Electrification of Kuban |
| 1.2. Issuer’s short name | “Kubanenergo”, PJSC |
| 1.3. Issuer’s location | 2A, 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  Members 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 | | **1** | **7** | **1** |  | | |
| **Disclosure of insider information on item No. 1 “On approval of agreement on arrangement and holding of purchase procedures for delivery of 35-220kV transformers for the needs of Purchaser, concluded between the Company and Scientific and Research Centre of IDGC as transaction of interest”.** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  1. To determine that the cost of services to conduct one procurement procedure under the agreement on the organization and conduct of procurement procedures for the supply of power transformers of 35-220 kV for the needs of the Customer (hereinafter - the Agreement, Appendix # 9 to this decision), concluded between Kubanenergo, PJSC and Scientific and Research Centre of IDGC, which is a related party transaction, is determined in accordance with Appendix 6 to the Agreement.  To determine that the total cost of services provided under the Agreement cannot constitute or exceed 2% of the net value of the Company's assets according to its financial statements as of the last reporting date, preceding the date of the transaction.  2. To approve the Agreement, concluded between the Company and Scientific and Research Centre of IDGC, which is a related party transaction, on the following essential conditions:  Parties of the Agreement:  Customer - Kubanenergo, PJSC  Contractor - Scientific and Research Centre of IDGC, JSC.  Subject of the Agreement:  Customer instructs, and Contractor undertakes on his own behalf, but at the expense of Customer to organize procurement procedures for the supply of power transformers of 35-220 kV for the needs of Customer.  Actions, related to the procurement procedures in the implementation of the Agreement, are carried out by Contractor on the basis of instructions of Customer.  Price of the Agreement:  The cost of the services rendered by Contractor on organization and implementation of one procurement procedure is determined in accordance with Appendix 6 to the Agreement.  Duration of the Agreement:  The Agreement shall enter into force upon the signature and shall be valid for 36 (thirty six) months. If 30 (thirty) days before the expiry of the Agreement, neither of the Parties declares its intention to renew the Agreement or to conclude a new agreement with other essential conditions, the Agreement is automatically extended for the same period.  Customer is entitled at any time to refuse from the Agreement, notifying Contractor, not later than 10 (ten) days before the expected date of termination of the Agreement, without incurring penalties and having  paid for services actually rendered by Contractor | |
| 2.3. Date of holding the meeting of Board of Directors: 29 October 2015  2.4. Date of making and number of minutes of meeting: 30 October 2015, minutes of meeting No.222/2015**.** | |
| 3. Signature | |

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| 3.1 Deputy director general in charge of corporate management (attorney No. 4D-1602 dated 01.07.2015) |  |  | Konevets K.S. |  |
| (signature) |  |  |  |
| 3.2 Date: 2 November 2015 |  |  | | |
|  | seal |  | | |