**Corporate action statement**

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

**(disclosure of inside information)**

|  |  |
| --- | --- |
| 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: 10 persons  Quorum necessary for holding the meeting of Kubanenergo JSC Board of Directors is present.  Voting results:   |  |  |  |  | | --- | --- | --- | --- | | No. | Votes | | | | FOR | AGAINST | ABSTAINED | | **1** | **9** |  | **1** | | **2** | **10** |  |  | | **3** | **10** |  |  | | **4** | **10** |  |  | | **5** | **9** |  | **1** | | **6** | **9** |  | **1** | | **7** | **9** | **1** |  | | **8** | **9** |  |  | | **9** | **10** |  |  | | **10** | **9** |  |  | | **10** | **9** |  |  | | |
| **Disclosure of insider information on item / On approval of internal document of the issuer No. 1 “On approval of Company’s internal document: The Regulations on Company’s Insurance”.** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  1. To approve “The Regulations on Insurance Kubanenergo PJSC”, in accordance with Appendix 1 to the resolution of Company’s Board of Directors.  2. To fix the date of the Regulation coming into force – 01.01.2016. | |
| **Disclosure of insider information on item No. 2 “On taking into consideration the report of Director General on provision of Company’s insurance in the 3rd quarter of 2015”.** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:  To take into consideration the report of Director General on provision of Company’s insurance in the 3rd quarter of 2015, in accordance with Appendix 2 to the resolution of the BoD. | |
| **Disclosure of insider information on item No. 3 “On approval of the Plan of procurements of Kubanenergo PJSC in 2016”** | |
| 2.2.3. Decision adopted by issuer’s Board of Directors:  To defer the discussion to a later date. | |
| **Disclosure of insider information on item No. 4 “On taking into consideration the report of Director General on implementation of a range of activities aimed at elimination of violations specified in the report of the Auditing Committee by the results of audit of Company’s business activity in 2014”** | |
| 2.2.4. Decision adopted by issuer’s Board of Directors:  Trade secret | |
| **Disclosure of insider information on item No. 5 “On approval of budgets of the Committee under the BoD of Kubanenergo PJSC”** | |
| 2.2.5. Decision adopted by issuer’s Board of Directors:  1. To defer the discussion of issue “On approval of the budget of the Audit Committee under the Board of Directors” to a later date.  2. To approve the budget of the Committee for Strategy, Development, Investments and Reform under the Board of Directors for the 2nd half of 2015 in accordance with Appendix 4 to the resolution of the BoD.  3. To approve the budget of the Reliability Committee under the Board of Directors for the 2nd half of 2015 in accordance with Appendix 5 to the resolution of the BoD.  4. To approve the budget of the Committee for Technological Connection under the Board of Directors for the 2nd half of 2015 in accordance with Appendix 6 to the resolution of the BoD.  5. To ensure minimization of Company’s expenses on payments related to Committees’ activity for 2015, for the purpose of implementing the Order of RF Government No. 2303п-П13 dated 16.04.2015 on reduction of operating expenses by 2-3% annually. | |
| **Disclosure of insider information on item No.6 “On approval of the list of investment projects that presuppose construction, modernization, upgrading of capital construction facilities with the budgeted costs of ≥1.5 billion rubles each (including VAT) at all stages of projects implementation”** | |
| 2.2.6. Decision adopted by issuer’s Board of Directors  To approve the list of investment projects that presuppose construction, modernization, upgrading of capital construction facilities with the budgeted costs of ≥1.5 billion rubles each (including VAT) at all stages of projects implementation: preparation and design, implementation (including phased implementation), commissioning, in accordance with Appendix 7 to the resolution of the BoD. | |
| **Disclosure of insider information on item No.7 “On taking into consideration the report on the reasons of implementation of unscheduled projects of the investment programme by the results of the 1st half of 2015, information on the planned volume of indicators on technological connection of beneficiary consumers in 2015 and suggestions on the funding sources for activities on technological connection of beneficiary consumers in 2015 ”** | |
| 2.2.7. Decision adopted by issuer’s Board of Directors  To defer the discussion to a later date | |
| **Disclosure of insider information on item No.8 “On approval of agreement between “Kubanenergo” PJSC and “Mobile GTES” JSC on cooperation while eliminating accidents (emergency situation) at grid facilities, as an interested party transaction”** | |
| 2.2.8. Decision adopted by issuer’s Board of Directors  1. To determine that the price of agreement between “Kubanenergo” PJSC and “Mobile GTES” JSC on cooperation while eliminating accidents (emergency situation) at grid facilities, as an interested party transaction, cannot be 2 or more percent of the net value assets of “Kubanenergo” PJSC, according to its financial statements as of the last reporting date.  2. To approve the agreement between “Kubanenergo” PJSC and “Mobile GTES” JSC on cooperation while eliminating accidents (emergency situation) at grid facilities (hereinafter – the Agreement – Appendix 8 to the decision of the Board of Directors), as an interested party transaction on the following terms:  Parties of the Agreement:  “Mobile gas turbine power plant” JSC  “Kubanenergo” PJSC.  Subject of the Agreement:  The agreement defines the rights and obligations of the Parties and their interaction in the prevention and elimination of consequences of accidents (emergencies) at the facilities of electric grid complex, involving damage to equipment and cutoffs of consumers caused by natural disasters and severe weather (natural) phenomena, as well as the need to disconnect the supply of electricity in order to eliminate the threat to life and health, property damage and other causes in the area of ​​ responsibility of the Parties.  The concept (definition) of the accident is understood in the sense in which it is treated by the Rules of investigation of the causes of accidents in the power sector, approved by the Government of the Russian Federation No.846 dated October 28, 2009.  Liability of the Parties:  For non-performance or improper performance of their obligations under the Agreement, the Parties shall be liable in accordance with the legislation of the Russian Federation.  Term of Agreement:  The Agreement shall enter into force upon the signature, valid until July 30, 2016.  If none of the Parties declares on termination of the Agreement in advance of 30 (thirty) days before it expires, the Agreement shall be extended for each subsequent year, without limiting the number of renewals.  Settlement of disputes:  All disputes related to the implementation of the Agreement, the Parties shall endeavor to resolve by negotiation. Pending the negotiation process disputed issues shall be resolved in accordance with the legislation of the Russian Federation. | |
| **Disclosure of insider information on item No.9 “On determining the quantitative composition and election of Reliability Committee under the BoD of Kubanenergo PJSC”** | |
| 2.2.9. Decision adopted by issuer’s Board of Directors  To defer the discussion to a later date | |
| **Disclosure of insider information on item / On approval of agreements considered in accordance with the legislation of RF as large transactions and (or) as interested-party transactions**  **Item No.10 “On approval of agency agreement on project “500kV power line Rostovskaya – AES – Tikhoretskaya-2 with extension 500kV Tikhoretsk substation” between “Kubanenergo” PJSC and “FGC UES” PJSC as an interested-party transaction”** | |
| 2.2.10. Decision adopted by issuer’s Board of Directors  1. To determine that the price of the agency agreement on project “550kV power line Rostovskaya – AES – Tikhoretskaya-2 with extension 500kV Tikhoretsk substation” between “Kubanenergo” PJSC and “FGC UES” PJSC (hereinafter the Agreement), as an interested-party transaction, is the cost of the work entrusted to “FGC UES” PJSC by “Kubanenergo” PJSC, in the amount of 30 234 280 (thirty million two hundred and thirty-four thousand two hundred eighty) rubles 00 kopecks, including VAT (18%) – 4 612 010 (four one million six hundred twelve thousand and ten) rubles 00 kopecks, including the cost of agency fee in the amount of 118 000 (one hundred eighteen thousand) rubles, including VAT (18%) of 18 000 (eighteen thousand) rubles 00 kopecks.  2. the agency agreement on project “550kV power line Rostovskaya – AES – Tikhoretskaya-2 with extension 500kV Tikhoretsk substation” between “Kubanenergo” PJSC and “FGC UES” PJSC, as an interested-party transaction on the following essential terms and conditions:  Parties to the Agreement:  Agent – “FGC UES” PJSC;  Principal – “Kubanenergo” PJSC.  Subject of the contract:  Principal orders and the Agent in a manner and under conditions stipulated by the Agreement, on its own behalf, but at the expense of the Principal, or on behalf and for the account of the Principal, performs legal and other actions on the reconstruction of the Principal’s facilities, within the frameworks of the construction of the Agent’s Facility.  Price of the Agreement:  Contract Price is defined in the paragraph 1 of this decision.  Contract time:  The Agreement shall enter into force upon the signature and is valid until the Parties fulfill all their obligations under the Agreement. | |
| **Disclosure of insider information / On approval of agreements considered in accordance with the legislation of RF as large transactions and (or) as interested-party transactions on item No.11 “On approval of agreement on reimbursement of costs under the project “500kV power line Rostovskaya – AES – Tikhoretskaya-2 with extension 500kV Tikhoretsk substation” between “Kubanenergo” PJSC and “FGC UES” PJSC as an interested-party transaction”** | |
| 2.2.11. Decision adopted by issuer’s Board of Directors  1. To determine the price of agreement on reimbursement of costs under the project “500kV power line Rostovskaya – AES – Tikhoretskaya-2 with extension 500kV Tikhoretsk substation” (hereinafter – the Agreement) between “Kubanenergo” PJSC and “FGC UES” PJSC as an interested-party transaction, in the amount of 30 477 150 (thirty million four hundred seventy seven thousand one hundred fifty) rubles 00 kopecks, including 18% VAT – 4 649 056 (four million six hundred forty nine thousand and fifty six) rubles 78 kopecks.  2. To approve the agreement on reimbursement of costs under the project “500kV power line Rostovskaya – AES – Tikhoretskaya-2 with extension 500kV Tikhoretsk substation” (hereinafter – the Agreement) between “Kubanenergo” PJSC and “FGC UES” PJSC as an interested-party transactionon the following conditions:  Parties to the Agreement:  Owner – Kubanenergo PJSC  Company - FGC UES PJSC  Subject of the Agreement: The subject of the Agreement is compensation to the owner of expenses on implementation of measures for the benefit of and in connection with the activities of the Company for the construction of the Company's facilities, which involve the need for reconstruction of the facilities of the Owner.  Due to the compensation received by the Company under the Agreement, the Owner ensures the works on the upgrade of the Owner’s facilities, and also carries out other activities, the necessity in which papered in the result of Reconstruction.  Activities implemented by the Owner may include dismantling (demolition, removal), switches, moving and installation in a different configuration and different place of the Owner’s facilities, change the length and/or other parameters of the Owner’s facilities as well as other necessary measures (listed in Appendix 1 to the Agreement), including clearing of the territory for the construction and the creation of conditions for installation of the electric grid facilities of the Company and their commission in accordance with design and estimate documentation for the project “500kV power line Rostovskaya – AES – Tikhoretskaya-2 with extension 500kV Tikhoretsk substation.”  Activities implemented by the Owner are also aimed at preserving the connection point with the parameters necessary to connect to the reconstructed (built) the Company's facility.  Price of the Agreement:  The amount of compensation under the Agreement is 30 477 150 (thirty million four hundred seventy seven thousand one hundred fifty) rubles 00 kopecks, including 18% VAT – 4 649 056 (four million six hundred forty nine thousand and fifty six) rubles 78 kopecks.  Term of the Agreement:  The Agreement enters into force upon the signature and is valid until the Parties fulfill their obligations. | |
| 2.3. Date of holding the meeting of Board of Directors: 24 November 2015  2.4. Date of making and number of minutes of meeting: 26 November 2015, minutes of meeting No.224/2015**.** | |
| 3. Signature | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 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: 27 November 2015 |  |  | | |
|  | seal |  | | |