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 | Krasnodar, Russian federation |
| 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 for information disclosure | [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** | **8** | **1** |  | | **6** | **10** |  |  | | **7** | **10** |  |  | | **8** | **9** |  | **1** | | **9** | **10** |  |  | | |
| **Disclosure of insider information on item No. 1 “On preliminary approval of Collective Employment Agreement of Kubanenergo PJSC for 2016-2018”.** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  To approve the Collective Employment Agreement of Kubanenergo PJSC for 2016-2018, in accordance with Annex 1 to the resolution of the BoD. | |
| **Disclosure of insider information on item No. 2 “On introduction of changes to the Regulations on payment of remunerations and compensations to members of the Committees of the Company’s Board of Directors”.** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:  To introduce to all Regulations on payment of remunerations and compensations to members of the Committees of the Company’s Board of Directors the following changes:  To add to paragraph 2 of the Regulation the passage:  “If Chairperson and/or members of the Committees are at the same time members of the BoD, the procedure and amount of payments shall be made in accordance with internal document regulating payments to members of the BoD approved by the general meeting of shareholders.” | |
| **Disclosure of insider information on item No. 3“On determining the amount of members the Company’s Management Board, termination of terms of office of Management Board member”** | |
| 2.2.3 Decision adopted by issuer’s Board of Directors:  1. To decide that the Management Board of the Company shall consist of 11 members.  2. To terminate term of office of Rud Evgeniy Viktorovich, Director of Slavyanskiye Electric Networks, branch of "Kubanenergo" PJSС.  3. To elect Mikhailov Vladimir Alexandrovich, Director of Krasnodar Electric Networks, to the Management Board.  **Additional information:**  **Mikhailov Vladimir Alexandrovich**  Participatory interest of the person in the authorized capital of the Issuer, %: 0.0  Portion of the Issuer’s ordinary shares held by the person, %: 0.0  **Rud Evgeniy Viktorovich**  Participatory interest of the person in the authorized capital of the Issuer, %: 0.0001  Portion of the Issuer’s ordinary shares held by the person, %: 0.00001 | |
| **Disclosure of insider information on item No. 4 “On consideration of report prepared by Director General of the Company on selling non-core assets in 2015”** | |
| 2.2.4 Decision adopted by issuer’s Board of Directors:  1. To take into consideration of report submitted by Director general on selling of non-core assets in 2015.  2. Due to their selling the following items shall be excluded from the registry of non-core assets:  - from the section “Housing and communal facilities”: 5 Girdostroiteley str., Krasnaya Polyana village,Sochi, Adler district;  3. To exclude the following objects from the Register of non-core assets of Kubanenergo in connection with the liquidation (write-off):  - from the section “Facilities of production (commercial) purposes, not related to the service personnel and the provision of core business”: p.1.6.3- Public bath houses in Gulkevichsky district, Nikolenskoe village, 2 Energetikov street;  - from the section “Facilities of administrative, sanitary and domestic and other purposes for maintenance personnel and ensure core business”: p.1.7.1 - networking site building in Gulkevichsky district, Nikolenskoe village, 2 Energetikov street.  4.To add the following facilities to the Register of non-core assets of Kubanenergo:  -p.1.7.6. Warehouse. Area: 172.7 sq.m. Liter: G13. Address: 309 Kalinina street, Labinsk, Krasnodar region, Russian Federation;  -p.1.7.7. Oil depot. Area: 87.8 sq.m. Floor: 1. Liter G14 Address: 309 Kalinina street, Labinsk, Krasnodar region, Russian Federation;  -p.1.7.8. Automobile repair shop. Area: 139.8 sq.m. Liter: G15 Location: 309 Kalinina street, Labinsk, Krasnodar region, Russian Federation.  5. To set the new term for selling the following items: 1.2.3, 1.2.5, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.24, 3.2.2., 3.2.3., 3.2.4., 3.3.1. –– 4th quarter of 2016 | |
| **Disclosure of insider information on item No. 5 “On approval of service contract on support and adjustment of a soft-ware programme: “1C: Enterprise” between Kubanenergo PJSC and “Directorate of FOCL-power lines” as interested-party transaction”** | |
| 2.2.5 Decision adopted by issuer’s Board of Directors:  1. To determine that the price of service contract on support and adjustment of a soft-ware programme: “1C: Enterprise” between Kubanenergo PJSC and “Directorate of FOCL-power lines” as interested-party transaction, shall not exceed 10 937 150 (ten million nine hundred thirty seven thousand one hundred fifty) rubles 75 kopecks, including 18% VAT.  2. To approve the service contract on support and adjustment of a soft-ware programme: “1C: Enterprise” between Kubanenergo PJSC and “Directorate of FOCL-power lines” as interested-party transaction, under the following essential conditions:  Parties to the agreement:  Customer - Kubanenergo PJSC  Contractor: - Directorate of FOCL-power lines  Subject of the contract:  The Customer requests, and the Contractor undertakes to provide services to support and further develop the software product “1C: Enterprise”, belonging to the Customer on the right of ownership to the extent and in the manner stipulated in the Contract and its annexes.  Price of the contract:  The price of the contract cannot exceed 10 937 150 (ten million nine hundred thirty seven thousand one hundred fifty) rubles 75 kopecks, including 18% VAT.  For supervision, carried out by the Contractor in accordance with the terms of the Contract, in accordance with Annex 3, the Customer makes monthly payments to the Contractor during the term of the Contract in the amount of 642 152 (six hundred and forty-two thousand one hundred fifty two) rubles 50 kopecks, including VAT 18%.  The cost of setting up the software, calculated based on the volume of services rendered, determined in accordance with paragraph 3.5 of the Contract and the cost of an hour of services rendered, as set out in section 7.3 of the Contract cannot exceed 3 231 320 (three million two hundred and thirty one thousand three hundred twenty) rubles 75 kopecks, including 18% VAT.  Term of the Contract:  The Contract shall enter into force upon signature by the Parties and is valid until the Parties fulfill all their obligations. The Contract is applied to relations between the Parties, arising from 01.01.2016  Term of rendering services under the contract:  Term of rendering services under the Contract: 01.01.2016 - 31.12.2016 | |
| **Disclosure of insider information on item No. 6 “On approval of Regulations on the procedure of preparation and implementation of programme of innovative development of Kubanenergo PJSC”** | |
| 2.2.6 Decision adopted by issuer’s Board of Directors:  To approve the Regulations on the procedure of preparation and implementation of programme of innovative development of Kubanenergo PJSC”, in accordance with Annex 2 to the resolution of the BoD. | |
| **Disclosure of insider information on item No. 7 “On expressing Company’s opinion on agenda of extraordinary general meeting of shareholders of “Energoservis Kuban” JSC, affiliate of Kubanenergo PJSC”** | |
| 2.2.7 Decision adopted by issuer’s Board of Directors:  1. To instruct representatives of Kubanenergo PJSC at the Extraordinary General Meeting of Shareholders of “Energoservis Kuban” JSC:  On agenda item “On early termination of term of office of the BoD members and election of new members to the Board of Directors of “Energoservis Kuban” JSC” to choose “FOR” when voting on the following resolution:   * 1. To early terminate the terms of office of all members of the BoD of “Energoservis Kuban” JSC;   2. To elect the following persons to the Board of Directors of “Energoservis Kuban” JSC  |  |  |  | | --- | --- | --- | |  | Name | Position | |  | Armaganyan Edgar Garrievich | First deputy director general - Director of Sochi Electric Networks, branch of Kubanenergo PJSС | |  | Dvorniy Vladimir Viktorovich | Head of sector for accounting of electric energy, Kubanenergo PJSC | |  | Loza Andrey Aleksandrovich | Head of sector for operational supervision at Department of Department of services selling and energy accounting, Kubanenergo PJSC, acting director general of “Energoservis Kuban” JSC | |  | Piletsky Viktor Georgievich | Head of the Department of services selling and energy accounting, Kubanenergo PJSC | |  | Tsyba Irina Alexandrovna | Head of the Department of economics, Kubanenergo PJSC | |  | Ozhereliev Alexey Alexandrovich | Head of Directorate for arrangement of activity of governance board, Rosseti PJSC | |  | Nekhaev Sergey Viktorovich | Chief expert at Directorate of balance and loss analyses at the Department of balance and energy accounting, Rosseti PJSC | | |
| **Disclosure of insider information on item No. 8 “On discussion of draft of long-term investment programme for 2016-2021”** | |
| 2.2.8 Decision adopted by issuer’s Board of Directors:  1. To approve the draft of the Company’s long-term investment programme for the period from 2016 for the purpose of public discussion in accordance with paragraph 7 of the Rules of approval of investment programmes of electric power industry entities, approved by the order of the RF Government on 01.12.2009 No.977 “On the investment programmes for electric power industry”, in accordance with Annex 3 to the resolution of the BoD.  2. To entrust the sole executive body of the Company by the results of public discussion to submit for the consideration to the Board of the Company's draft project on long-term investment programme for the period from 2016 and attach reports received in accordance with paragraph 8 of the Rules of approval of investment programmes in electric power industry entities, approved by the order of the RF Government on 01.12.2009 No.977 “On the investment programmes for electric power industry” containing proposals with motivated opinion on information about including to the investment programme of such proposals or refusal of its inclusion.  Term: 04.04.2016 | |
| **Disclosure of insider information on item No. 9 “On discussion of report on implementation of Plan of activities aimed at enhancement of efficiency of the Company’s activity and improvement of its financial condition in 2015”** | |
| 2.2.59 Decision adopted by issuer’s Board of Directors:  To approve the report on implementation of Plan of activities aimed at enhancement of efficiency of the Company’s activity and improvement of its financial condition in 2015, in accordance with Annex 1 to the resolution of the BoD. | |
| 2.3. Date of holding the meeting of Board of Directors: 26 February 2016  2.4. Date of making and number of minutes of meeting: 29 February 2016, minutes of meeting No.231/2016**.** | |
| 3. Signature | |

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| 3.1 Deputy director general in charge of corporate management (attorney 7Д-3158 dated 25.11.2015) |  |  | Konevets K.S. |  |
| (signature) |  |  |  |
| 3.2 Date: 1 March 2016 |  |  | | |
|  | seal |  | | |