**Corporate action statement**

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

**(disclosure of inside information)**

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| 1. General data
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| 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 personsMembers participated in the meeting: 9 persons Quorum necessary for holding the meeting of Kubanenergo JSC Board of Directors is present.Voting results:

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| --- | --- |
| No. | Votes |
| FOR | AGAINST | ABSTAINED |
|  | **9** |  |  |
|  | **9** |  |  |
|  | **9** |  |  |
|  | **8** | **1** |  |
|  | **8** |  |  |
|  | **9** |  |  |
|  | **8** | **1** |  |
|  | **8** |  |  |
|  | **9** |  |  |
|  | **9** |  |  |
|  | **8** |  | **1** |

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| **Disclosure of insider information on item No. 1 “On approval of restated Internal Audit Policy of “Kubanenergo” PJSC”.** |
| 2.2.1. Decision adopted by issuer’s Board of Directors:1. To approve the restated Internal Audit Policy of “Kubanenergo” PJSC, in accordance with Annex 1 to the resolution of the BoD.2.Beginning on the date of adoption of the decision Audit Policy of “Kubanenergo” PJSC that was approved by the BoD on 12.09.2014 is considered as invalid (minutes of meeting 196/2014). |
| **Disclosure of insider information on item No. 2 “On approval of restated Internal Control Policy of “Kubanenergo” PJSC”.** |
| 2.2.2. Decision adopted by issuer’s Board of Directors:1. To approve the restated Internal ControlPolicy of “Kubanenergo” PJSC, in accordance with Annex 2 to the resolution of the BoD.2.Beginning on the date of adoption of the decision, Internal ControlPolicy of “Kubanenergo” PJSC that was approved by the BoD on 12.09.2014 is considered as invalid (minutes of meeting 196/2014). |
| **Disclosure of insider information on item No. 3“On approval of the Regulations on the Audit Committee under the Board of Directors of “Kubanenergo” PJSC in the new edition”** |
| 2.2.3 Decision adopted by issuer’s Board of Directors:1. To approve the restated the Regulations on the Audit Committee under the Board of Directors of “Kubanenergo” PJSC, in accordance with Annex 3 to the resolution of the BoD.2. Beginning on the date of adoption of the decision, the Regulations on the Audit Committee under the Board of Directors that was approved by the BoD on 16.04.2015 are considered as invalid (minutes of meeting 204/2015). |
| **Disclosure of insider information on item No. 4 “On facilitation of the procurement procedures for the provision of financial services aimed at providing emergency financing of “Kubanenergo” PJSC if necessary”** |
| 2.2.4 Decision adopted by issuer’s Board of Directors:To set a simplified procedure of procurement for the provision of financial services aimed at providing emergency financing of “Kubanenergo” PJSC when necessary, in accordance with Annex 4 to the resolution of the BoD. |
| **Disclosure of insider information on item No. 5 “Consideration of the report of the Director general on the provision of insurance coverage in the 4th quarter of 2015”** |
| 2.2.5 Decision adopted by issuer’s Board of Directors:To take into consideration the report of the Director general on the provision of insurance coverage in the 4th quarter of 2015, in accordance with Annex 5 to the resolution of the BoD. |
| **Disclosure of insider information on item No. 6 “ Consideration of the report of the Director general of “Kubanenergo” PJSC on the implementation of decisions taken by the Board of Directors in the 4th quarter of 2015”** |
| 2.2.6 Decision adopted by issuer’s Board of Directors:1. To take into considerationthe report of the Director general of “Kubanenergo” PJSC on the implementation of decisions taken by the Board of Directors in the 4th quarter of 2015, in accordance with Annexes 6-11 to the resolution of the BoD.2. confidential3. confidential |
| **Disclosure of insider information on item No. 7 “On approval of the report on the implementation of the Group's business plan based on principles of RAS in 9 months of 2015”** |
| 2.2.7 Decision adopted by issuer’s Board of Directors:To approve the report on the implementation of the Group's business plan based on principles of RAS in 9 months of 2015, in accordance with Annex 12 to the resolution of the BoD. |
| **Disclosure of insider information on item No. 8 “On approval of the agreement for implementation of design and survey works between PJSC “Kubanenergo” PJSC and “Energoservis Kuban” as a transaction of interest”** |
| 2.2.8 Decision adopted by issuer’s Board of Directors: To defer the discussion to a later date. |
| **Disclosure of insider information on item No. 9 “On taking into consideration report on the implementation of Plan of activities aimed at increase of business efficiency and improvement of financial state of the Company in 2015”** |
| 2.2.9 Decision adopted by issuer’s Board of Directors:To take into consideration the report on the implementation of Plan of activities aimed at increase of business efficiency and improvement of financial state of the Company in 2015, in accordance with Annex 4 to the resolution of the BoD. |
| **Disclosure of insider information on item No.10 “On introducing amendments to the Regulations on the Committee for Strategy, Development, Investments and Reform attached to Board of Directors of “Kubanenergo” PJSC”** |
| 1. To add to paragraph 2.2 of chapter 2 “Aims and objectives of the Committee” of the Regulations on the Committee for Strategy, Development, Investments and Reform (hereinafter - the Regulations), subparagraph 7:“7) control over the arrangement and functioning of the risk management system.”2. To make changes in paragraph 3.1 of chapter 3 “Competence Committee” of the Regulations by adding subparagraph 20:“20) in the field of risk management:a) reports of executive bodies on arrangement, functioning and effectiveness of the risk management system shall be discussed prior to submission to the Board of Directors;b) the Company's internal documents defining the strategy of the organization and development of the Company's risk management system, risk management policies and proposals for their improvement shall be discussed prior to submission to the Board of Directors;c) chapter of annual report of the Company “internal control and risk management system” shall be discussed and recommendation shall be given prior to submission to the Board of Directors;d) timely informing of the Board of Directors on the risks associated with the Company's activities within the competence of the Committee;e) consideration of the semi-annual report of the executive body of the Company's management on operational risk in accordance with established procedures;f) interaction with the Audit Committee on the issues related to operation of the Company's risk management system and its effectiveness, arrangement of activities to identify and eliminate potential significant deficiencies in the system of risk management;g) consideration of proposals to clarify the list and risk profile (risk registers) of the Company, assignment of risk owners;h) consideration of proposals for improving the system of risk management, including risk identification and adjustment of risk parameters; discussion with the executive body of the essential (key) risks of the Company, their indicators;i) assessment of the completeness, effectiveness and impact of the activities developed by the executive body for the management of essential (key) risks of the Company.j) participation in the discussion of candidates for positions in the Company, related to risk management. “ |
| **Disclosure of insider information on item No.11 “On preliminary approval of the decision on the Company’s entering into a transaction associated with transferring title to the property intended for generation, transmission, dispatching, and distribution of electricity and heat – backup power sources”** |
| 2.2.110 Decision adopted by issuer’s Board of Directors:To approve free of charge transfer of property intended for generation, transmission, dispatching, and distribution of electricity and heat – backup power sources on the following conditions:* Specification of property and balance are stated in Annex 14 to the resolution of the BoD;
* Method of alienation of property is stated in Annex 15 to the resolution of the BoD
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| 2.3. Date of holding the meeting of Board of Directors: 17 March 20162.4. Date of making and number of minutes of meeting: 18 March 2016, minutes of meeting No.233/2016**.** |
| 3. Signature |

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| 3.1 Head of corporate management and shareholders relations department (acting under letter of attorney 119/10-2849 dated 17.03.2016) |  |  | Didenko Ye.Ye. |  |
| (signature) |  |  |  |
| 3.2 Date: 21 March 2016 |  |  |
|  | seal  |  |