**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: 8 persons  Quorum necessary for holding the meeting of Kubanenergo JSC Board of Directors is present.  Voting results:   |  |  |  |  | | --- | --- | --- | --- | | No. | Votes | | | | FOR | AGAINST | ABSTAINED |  |  |  |  |  | | --- | --- | --- | --- | | **1** | **9** |  |  | | **2** | **9** |  |  | | **3** | **9** |  |  | | **4** | **9** |  |  | | **5** | **9** |  |  | | **6** | **9** |  |  | | **7** | **7** |  | **1** | | **8** | **8** |  |  | | **9** | **9** |  |  | | **10** | **8** |  |  | | **11** | **9** |  |  | | **12** | **9** |  |  | | **13** | **9** |  |  |   Gavrilov A.I. did not participate in voting on agenda items 7, 8 and 10 | |
| **Disclosure of insider information/approval of internal documents**  **on item No. 1 “On consideration of the report of Kubanenergo General Director on the implementation of a range of measures aimed at addressing the deficiencies noted in the act of the Audit Committee of the Company by the results of the audit of financial and economic activity of the Company in 2014, as of 31.12.2015”** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  To take into consideration the report of Kubanenergo General Director on the implementation of a range of measures aimed at addressing the deficiencies noted in the act of the Audit Committee of the Company by the results of the audit of financial and economic activity of the Company in 2014, in accordance with Annex 1 to the resolution of the BoD. | |
| **Disclosure of insider information on item No. 2 “On consideration of the report of Kubanenergo General Director on the Company's credit policy in the 4th quarter 2015”** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:  To take into consideration the report of Kubanenergo General Director on the Company's credit policy in the 4th quarter 2015, in accordance with Annex 2 to the resolution of the BoD. | |
| **Disclosure of insider information on item No. 3“On consideration of the report on the implementation of innovative development programmes of Kubanenergo PJSC" in 2015”** | |
| 2.2.3 Decision adopted by issuer’s Board of Directors:  To take into consideration the report on the implementation of innovative development programmes of Kubanenergo PJSC" in 2015, in accordance with Annex 3 to the resolution of the BoD. | |
| **Disclosure of insider information on item No. 4 “On the nomination of candidates of the auditors for organizations in which Kubanenergo participates”** | |
| 2.2.4 Decision adopted by issuer’s Board of Directors:  1. To nominate “PrestizhAudit” LLC (404 office, 1/4 Montazhnikov str, Krasnodar) for approval at the AGM as auditor of Recreation Centre “Energetik” JSC.  2. To nominate “PrestizhAudit” LLC (404 office, 1/4 Montazhnikov str, Krasnodar) for approval at the AGM as auditor of “Energoservis Kuban” JSC. | |
| **Disclosure of insider information on item No. 5 “On expressing opinion of Kubanenergo PJSC on the agenda of annual general meetings of shareholders of subsidiaries of the Company “Recreation Centre “Energetik” JSC and “Energoservis Kuban”** | |
| 2.2.5 Decision adopted by issuer’s Board of Directors:  1. To instruct representatives of Kubanenergo PJSC at the annual general meeting of shareholders of Recreation centre “Energetik” JSC:  1.1 On agenda item “Election of members to company’s Board of Directors” to vote “FOR” on the following resolution:   |  |  |  | | --- | --- | --- | | # | Name | Position | | 1 | Ocheredko Olga Vyacheslavovna | Deputy General Director for Economics and Finance,  Kubanenergo PJSC | | 2 | Didenko Yekaterina Yevgenievna | Head of Corporate Management And Shareholders Relations Department,  Kubanenergo PJSC | | 3 | Belik Vyacheslav Alexandrovich | Head of HR department and organization design, Kubanenergo PJSC | | 4 | Rodin Yegor Yegorovich | Deputy head of security department, KubanenergoP JSC | | 5 | Avtonoshkina Maria Alexandrovna | Leading expert of Division for provision of shareholders rights at Department of corporate governance and interaction with shareholders, Rosseti PJSC |   1.2 On agenda item “Election of the Audit Committee” to vote “FOR” on the following resolution:  To elect the Audit Committee of the company:   |  |  |  | | --- | --- | --- | | # | Name | Position | | 1 | Khort Alexey Grigorievich | Deputy head of sector for internal audit and risks at department of internal audit and control, Kubanenergo PJSC | | 2 | Gaidar Dmitry Viktorovich | Head of sector for internal audit at department of internal audit and control, Kubanenergo PJSC | | 3 | Udalova Tatiana Alxandrovna | Chief specialist of department of internal audit and control, Kubanenergo PJSC |   1.3 On agenda item “Distribution of profit (as well as payment of dividends) and losses by the results of 2015 fiscal year” to vote “FOR” on the following resolution:  1.3.1. Approve the distribution of profit (loss) of the company by the results of 2015 fiscal year:   |  |  | | --- | --- | |  | (thousand rubles) | | Profit of the reporting year | (4 205) | | Distribute to: Reserve fund | - | | Accumulation fund | - | | Dividends | - | | Recovery of undistributed deficit of prior years | - |   1.3.2. To decide not to pay out dividends on ordinary shares of Recreation centre “Energetik” JSC by the results of 2015.  2. To instruct representatives of Kubanenergo PJSC at the annual general meeting of shareholders of “Energoservis Kuban” JSC:  2.1 On agenda item “Election of members to company’s Board of Directors” to vote “FOR” on the following resolution:   |  |  |  | | --- | --- | --- | |  | Armaganyan Edgar Garrievich | First deputy director general – head of Sochi electric networks, branch of Kubanenergo PJSC, deputy director general in charge of selling services, Kubanenergo PJSC | |  | Dvorniy Vladimir Viktorovich | Head of department of energy saving and enhancement of energy efficiency, Kubanenergo PJSC | |  | Nischyuk Oleg Fyodorovich | Deputy head of department for selling services and energy accoutning, Kubanenergo PJSC | |  | Tsyba Irina Alexandrovna | Head of Economics department, Kubanenergo JSC | |  | Loza Andrey Alexandrovich | Acting director general of “Energoservis Kuban” JSC | |  | Ozhereliev Alexey Alexandrovich | Head of directorate for arrangement of management bodies activity, Rosseti JSC | |  | Nekhaev Sergey Viktorovich | Chief expert of directorate for balance and analysis of losses at Department of balance and metering of electric energy, Rosseti JSC |   2.2 On agenda item “Election of the Audit Committee” to vote “FOR” on the following resolution:  To elect the Audit Committee of the company:   |  |  |  | | --- | --- | --- | | # | Name | Position | | 1 | Khort Alexey Grigorievich | Deputy head of sector for internal audit and risks at department of internal audit and control, Kubanenergo PJSC | | 2 | Gaidar Dmitry Viktorovich | Head of sector for internal audit at department of internal audit and control, Kubanenergo PJSC | | 3 | Udalova Tatiana Alxandrovna | Chief specialist of department of internal audit and control, Kubanenergo PJSC |   2.3 On agenda item “Distribution of profit (as well as payment of dividends) and losses by the results of 2014 fiscal year” to vote “FOR” on the following resolution:  2.3.1. Approve the distribution of profit (loss) of the company by the results of 2014 fiscal year:   |  |  | | --- | --- | |  | (thousand rubles) | | Profit of the reporting year | (3 870) | | Distribute to: Reserve fund | - | | Accumulation fund | - | | Dividends | - | | Recovery of undistributed deficit of prior years | - |   Dividends on ordinary shares of “Energoservis Kuban” JSC shall not be paid by the results of 2015. | |
| **Disclosure of insider information on item No. 6 “On expressing opinion of Kubanenergo PJSC on the agenda issues of meetings of the Boards of Directors of subsidiaries and affiliates of Kubanenergo PJSC”** | |
| 2.2.6 Decision adopted by issuer’s Board of Directors:  1. To instruct representatives of Kubanenergo in the Board of Directors of “Recreation centre “Energetik” JSC on agenda item “Approval of the report on the results of business-plan implementation achieved in the 4th quarter of 2015 and in 2015” to vote “FOR” on the following resolution:  1.1 To approve the report on the results of business-plan implementation achieved in the 4th quarter of 2015 and in 2015.  1.2 To note that the following was not reached:  1.2.1. “Net profit (loss) by the results of 2015 was not reached, deficiency – 4 350 thousand rubles (plan: profit in the amount of 145 thousand rubles; actual indicator: - 4 205 thousand rubles)”.  1.2.2. deadlines for submission for consideration by the Board of Directors of report on implementation of the business plan of “Recreation centre “Energetik” JSC for 2015 according to paragraph 4.4.2 of the Rules of Business Planning of Kubanenergo PJSC (approved by the Board of Directors, Minutes of the meeting No.206/2016 dated 04.03.2015) were not met.  2. On the issue “On the reduction of the authorized capital of “Recreation centre “Energetik” JSC by reducing the nominal value of the shares of the Company” to vote for the following decision:  Propose to the Annual General Meeting of Shareholders of “Recreation centre “Energetik” JSC on agenda item “On the reduction of the authorized capital of “Recreation centre “Energetik” JSC by reducing the nominal value of the shares of the Company” to adopt the following decision:  1. To reduce the authorized capital of “Recreation centre “Energetik” JSC up to 34 665 373 (thirty four million six hundred and sixty five thousand three hundred and seventy three) rubles 59 kopecks by reducing the nominal value of the ordinary shares of the Company up to 87 kopecks per ordinary registered share.  2. The method of placement of shares – conversion of shares into shares of the same category (type) with lower par value.  3. The procedure for determining the date of the conversion – the 10th working day from the date of state registration of the shares issue.  The payment to the shareholders of “Recreation centre “Energetik” JSC cash and/or transfer of securities placed by another legal entity to “Recreation centre “Energetik” JSC is not provided.  3. To instruct representatives of Kubanenergo in the Board of Directors of “Energoservis Kuban” JSC on agenda item “Approval of the report on the results of business-plan implementation achieved in the 4th quarter of 20145 and in 2015” to vote “FOR” on the following resolution:  31 To approve the report on the results of business-plan implementation achieved in the 4th quarter of 2015 and in 2015.  3.2 To note that the following was not reached:  3.2.1. “Net profit (loss) by the results of 2015 was not reached, deficiency – 102 486 thousand rubles or 92.0% (plan: profit in the amount of 11 850.0 thousand rubles; actual indicator: 9 364.0 thousand rubles)”.  3.2.2. deadlines for submission for consideration by the Board of Directors of report on implementation of the business plan of “Energoservis Kuban” JSC for 2015 according to paragraph 4.4.2 of the Rules of Business Planning of Kubanenergo PJSC (approved by the Board of Directors, Minutes of the meeting No.206/2016 dated 04.03.2015) were not met. | |
| **Disclosure of insider information on item No. 7 “On approval of the agreement on debt restructuring agreement dated 03.09.2012 No.54/407/30-1530 between Kubanenergo PJSC and “Recreation Centre “Energetik” JSC is a transaction of interest”** | |
| 2.2.7 Decision adopted by issuer’s Board of Directors:  1. To determine price of the debt restructuring agreement No.54/407/30-1530 dated 03.09.2012 between Kubanenergo PJSC and “Recreation Centre “Energetik” JSC,as a transaction of interest, in the amount of 775 245 (seven hundred seventy five thousand two hundred forty five) rubles 00 kopecks, including 18% VAT.  2. To approve the debt restructuring agreement for the work performed under the contract No.54/407/30-1530 dated 03.09.2012 between Kubanenergo PJSC and “Recreation Centre “Energetik” JSC (hereinafter the Agreement) as a transaction of interest on the following conditions:  **Parties of the Agreement:**  Kubanenergo PJSC – Creditor  “Recreation Centre “Energetik” JSC – Debtor  **Subject of the Agreement:** The subject of the Agreement is to determine the procedure of repayment of the debt by the Debtor to the Creditor under the contract of lease of immovable property No.54/407/30-1530 dated 03.09.2012 in the amount of 775 245 (seven hundred seventy five thousand two hundred forty five) rubles 00 kopecks, including 18% VAT – 118 257 (one hundred eighteen thousand two hundred fifty seven) rubles 71 kopecks.  The procedure of payment by installments: The debtor is obliged to repay the debt in the amount of 775 245 (seven hundred and seventy five thousand two hundred and forty five) rubles 00 kopecks, including 18% VAT – 118 257 (one hundred eighteen thousand two hundred fifty seven) rubles 71 kopecks in the following order:  The debtor shall pay to the Lender the amount of the monthly payment of principal debt in the amount and for the period specified Annex 1 of the Agreement.  **Price of the Agreement:** Agreement price includes the amount owed by the Debtor under the real estate lease agreement No.54/407/30-1530 dated 03.09.2012 in the amount of 775 245 (seven hundred seventy five thousand two hundred forty five) rubles 00 kopecks, including VAT 18 % -118 257 (one hundred eighteen thousand two hundred fifty seven) rubles 71 kopecks;  **Term of the Agreement:** The Agreement comes into force upon the signature and is valid until full repayment of the Debtor's debt referred to in paragraph 2 of the Agreement. | |
| **Disclosure of insider information on item No. 8 “On approval of the agreement on termination of the contract dated 30.8.2013 No. 54/2013-02/407/30-1899 between Kubanenergo PJSC and “IT Energy Service” LLC as a transaction of interest”** | |
| 2.2.8 Decision adopted by issuer’s Board of Directors:  To approve the agreement on termination of the contract dated 30.8.2013 No. 54/2013-02/407/30-1899 between Kubanenergo PJSC and “IT Energy Service” LLC as a transaction of interest, in accordance with Annex 4 to the resolution of the BoD. | |
| **Disclosure of insider information on item No. 9 “On preliminary approval of the Company's transaction involving the alienation and acquisition of property which constitutes fixed assets that are not used for production, transmission, dispatching, distribution of electric and thermal energy, on contract of exchange that will be concluded with Kubanenergosbyt JSC”** | |
| 2.2.9 Decision adopted by issuer’s Board of Directors:   1. To determine that the price of the property that constitutes fixed assets, the purpose of which is not production, transmission, dispatching, distribution of electric and thermal energy, owned by a Kubanenergo PJSC – non-residential premises No.1-6, 14 of total area ​​75.7 sq. m., located at: 38 Shevchenko street, Gulkevichi village, Krasnodar region, equals to the market value determined by an independent appraiser “Alternative” LLC (Report No.50/2015) in the amount of 1 628 000 (one million six hundred twenty eight thousand) rubles 00 kopecks, including 18% VAT in the amount of 248 338 (two hundred forty eight thousand three hundred thirty eight) rubles 98 kopecks. 2. Determine that the price of the property that constitutes fixed assets, the purpose of which is not production, transmission, dispatching, distribution of electric and thermal energy, owned by a Kubanenergosbyt JSC – non-residential rooms No.7-11 of total area ​​77.2 square meters, located at: 95 Sovetskaya street, Novokubansk, Krasnodar region, equals to the market value determined by an independent appraiser “Alternative” LLC (Report No.40-5/2015) in the amount of 1 658 000 (one million six hundred fifty eight thousand) rubles 00 kopecks, including VAT 18% in the amount of 252 915 (two hundred fifty two thousand nine hundred fifteen) rubles 25 kopecks.   3. To approve the Company's transaction involving alienation, purchase of immovable property which constitutes fixed assets, the purpose of which is not production, transmission, dispatching, distribution of electric and thermal energy on a barter agreement to the following terms:  Parties of the Agreement:  Party 1 - Public Joint Stock Company of Power Industry and Electrification of Kuban;  Party 2 - Open Joint Stock Company Kuban Energy Retail Company.  Subject of the Agreement:  Party 1 shall transfer to the Party 2 the property specified in paragraph 1 of the present resolution of the Board of Directors.  Party 2 undertakes to transfer to the Party 1 property specified in paragraph 2 of the present resolution of the Board of Directors.  Price of the Agreement:  The Parties recognize the property belonging to the Party 1, and property belonging to the Party 2 as equivalent.  The order of transfer of the property:  Ownership of the property passes according to the procedure established by the legislation of the Russian Federation. | |
| **Disclosure of insider information on item No.10 “On approval of the contract on rendering services on organization and holding of the Interregional competitions of professional skills of staff for repair and maintenance of substation equipment and cable networks as a transaction of interest”** | |
| 1. To determine the price of the contract on rendering services on organization and holding of the Interregional competitions of professional skills of staff for repair and maintenance of substation equipment and cable networks as a transaction of interest between Kubanenergo PJSC and Lenenergo PJSC in the amount of 2 320 000.00 (two million three hundred twenty thousand rubles 00 kopecks) 00 kopecks, including VAT 18% – 353 898.31 (three hundred fifty three thousand eight hundred ninety eight rubles) 31 kopecks.   2. To approve the contract on rendering services on organization and holding of the Interregional competitions of professional skills of staff for repair and maintenance of substation equipment and cable networks as a transaction of interest between Kubanenergo PJSC and Lenenergo PJSC (hereinafter – the Contract), on the following conditions:  Parties of the Contract:  Customer – Kubanenergo PJSC  Contractor – Lenenergo PJSC  Subject of the Contract:  The Contractor undertakes to provide services for the organization and holding of the Interregional competitions of professional skills of staff for repair and maintenance of substation equipment and cable networks at the training ground of Lenenergo PJSC in the settlement Tervolovo of the Gatchina municipal district in the Leningrad region from 25 to 29 July 2016, in accordance with the Regulations for Holding the Interregional competitions of professional skills of staff for repair and maintenance of substation equipment and cable network, the Customer shall pay for the services in accordance with the terms of the Contract.  **Price of the Contract:**  The amount of services under the contract is 2 320 000 00 (two million three hundred twenty thousand rubles 00 kopecks), including VAT 18% - 353 898.31 (three hundred fifty three thousand eight hundred ninety eight rubles 31 kopecks).  Term of the Contract:  The Contract shall come into force upon the signature and be valid until the Parties fulfill their obligations.  All disputes, disagreements and claims arising from the contract (agreement) or in connection with it, including those related to its conclusion, efficacy, change, implementation, infringement, cancellation, termination and validity are to be settled through negotiations.  In case of failure to settle the dispute through negotiations, before applying to court, he shall be settled through the use of alternative dispute resolution procedures (mediation), on the terms and in the manner prescribed by law and the Rules of consideration and settlement of disputes and conflicts of interest within the Group Rossetti PJSC approved by the Board of Directors of Kubanenergo PJSC on 12.23.2015 (minutes of meeting No.227/2015 dated 25.12.2015).  If the parties fail to reach an agreement on the settlement of the dispute through mediation, it shall be settled by the Arbitration Court of the Russian Union of Industrialists and Entrepreneurs (RSPP Arbitration Court) (location - Moscow) in accordance with its rules in effect as of the date of filing a claim.  Decisions of the Court of Arbitration at the RSPP are binding, final and not subject to appeal. | |
| **Disclosure of insider information on item No.11 “On approval of the Regulations for the procedure of formation and use of sponsorship and charity fund of Kubanenergo PJSC”** | |
| 2.2.11 Decision adopted by issuer’s Board of Directors:  To approve the Regulations for the procedure of formation and use of sponsorship and charity fund of Kubanenergo PJSC, in accordance with Annex 5 to the resolution of the BoD. | |
| **Disclosure of insider information on item No.12 “On approval of budgets for the committees of the Board of Directors of Kubanenergo PJSC”** | |
| 2.2.12 Decision adopted by issuer’s Board of Directors:  1. To approve the budget of the Audit Committee of the BoD for the 1st half of 2016, in accordance with Annex 6 to this resolution of the BoD.  2. To approve the budget of the Committee of Strategy, Investment, Reforms sand Development of the BoD for the 1st half of 2016, in accordance with Appendix 7 to this resolution of the BoD.  3. To approve the budget of the Reliability Committee of the BoD for the 1st half of 2016, in accordance with Annex 8 to this resolution of the BoD  4. To approve the budget of the Personnel and Remuneration Committee of the BoD for the 1st half of 2016, in accordance with Annex 9 to this resolution of the BoD. | |
| **Disclosure of insider information on item No.13 “On approval of corporate structure of executive office of “Kubanenergo” PJSC”** | |
| 2.2.13 Decision adopted by issuer’s Board of Director:  1. To approve the corporate structure of Kubanenergo PJSC executive body in accordance with Annex 10 to the decision of the BoD and put it into operation in accordance with terms specified by Russian Federation legislation while changing and termination of labor agreements with employees.  2. Upon the date of introducing the corporate structure of executive, the previous corporate structure approved by the decision of “Kubanenergo” PJSC Board of Directors dd. 24.02.2015 (Minutes No. 2030/2015 dd. 25.02.2015) is to be considered as invalid. | |
| 2.3. Date of holding the meeting of Board of Directors: 31 May 2016  2.4. Date of making and number of minutes of meeting: 1 June 2016, minutes of meeting No.241/2016**.** | |
| 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: 2 June 2016 |  |  | | |
|  | seal |  | | |