**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 | 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:

|  |  |
| --- | --- |
| No. | Votes |
| FOR | AGAINST | ABSTAINED |

|  |  |  |  |
| --- | --- | --- | --- |
| **1** | **9** |  |  |
| **2** | **9** |  |  |
| **3** | **9** |  |  |
| **4** | **9** |  |  |
| **5** | **9** |  |  |
| **6** | **9** |  |  |
| **7** | **9** |  |  |
| **8** | **9** |  |  |
| **9** | **9** |  |  |
| **10** | **7** |  | **1** |
| **11** | **9** |  |  |
| **12** | **9** |  |  |
| **13** | **9** |  |  |
| **14** | **7** |  |  |
| **15** | **7** |  | **1** |
| **16** | **9** |  |  |
| **17** | **9** |  |  |

A.I. Gavrilov did not vote on items 10 and 15, A.I. Gavrilov and Niyazmetov did not vote on item14. |
| **Disclosure of insider information/approval of internal documents** **on item No. 1 “On approval of amended consolidated on principles of RAS and IFRS business-plan of Kubanenergo Group for 2016 and estimates for 2017-2020”** |
| 2.2.1. Decision adopted by issuer’s Board of Directors:To approve the amended consolidated on principles of RAS and IFRS business-plan of Kubanenergo Group for 2016 and estimates for 2017-2020, in accordance with Annexes 1 and 2 to the resolution of the BoD. |
| **Disclosure of insider information on item No. 2 “On approval of Programme of non-state pension provision for employees of Kubanenergo PJSC for the second half of 2016”** |
| 2.2.2. Decision adopted by issuer’s Board of Directors:To approve the Programme of non-state pension provision for employees of Kubanenergo PJSC for the second half of 2016, in accordance with Annex 3 to the resolution of the BoD. |
| **Disclosure of insider information on item No. 3“On approval of report on the results of implementation of business-plan (as well as investment programme and information on key operational risks) of Kubanenergo PJSC in the 1st quarter of 2016”** |
| 2.2.3 Decision adopted by issuer’s Board of Directors:To approve the report on the results of implementation of business-plan (as well as investment programme and information on key operational risks) of Kubanenergo PJSC in the 1st quarter of 2016, in accordance with Annex 4 to the resolution of the BoD. |
| **Disclosure of insider information on item No. 4 “On approval of results of implementation of key indicators of efficiency of Director General of Kubanenergo PJSC in the 1st quarter of 2016”** |
| 2.2.4 Decision adopted by issuer’s Board of Directors:To approve the results of implementation of key indicators of efficiency of Director General of Kubanenergo PJSC in the 1st quarter of 2016, in accordance with Annex 5 to the resolution of the BoD. |
| **Disclosure of insider information on item No. 5 “On approval of Regulations for interaction between Kubanenergo PJSC and branches of System Operator of Unified Energy System (SO UES) JSC – Interregional Dispatching Office of the South and Kuban Regional Dispatching Office while working out, discussing and approving documents for grid connection and construction (modernization) of power grid facilities”** |
| 2.2.5 Decision adopted by issuer’s Board of Directors:To approve the Regulations for interaction between Kubanenergo PJSC and branches of System Operator of Unified Energy System (SO UES) JSC – Interregional Dispatching Office of the South and Kuban Regional Dispatching Office while working out, discussing and approving documents for grid connection and construction (modernization) of power grid facilities, in accordance with Annex 6 to the resolution of the BoD. |
| **Disclosure of insider information on item No. 6 “On approval of Regulations for interaction between Kuban Regional Dispatching Office and System Operator of Unified Energy System (SO UES) JSC while working out and approving programmes of development of 35kV and higher power lines on the territorial subjects of the Russian Federation and discussion of schemes and programmes of power industry development in territorial subjects of RF”** |
| 2.2.6 Decision adopted by issuer’s Board of Directors:To approve the Regulations for interaction between Kuban Regional Dispatching Office and System Operator of Unified Energy System (SO UES) JSC while working out and approving programmes of development of 35kV and higher power lines on the territorial subjects of the Russian Federation and discussion of schemes and programmes of power industry development in territorial subjects of RF, in accordance with Annex 7 to the resolution of the BoD. |
| **Disclosure of insider information on item No. 7 “On termination of authorities of a member of the Company’s Management Board”** |
| 2.2.7 Decision adopted by issuer’s Board of Directors:To terminate the term of office member of the Management Board: Konevets Kirill Sergeyevich |
| **Disclosure of insider information on item No. 8 “On implementation of resolutions passed by the BoD on 27.04.2016 on items 14 paragraphs 3.4 and 3.5 (minutes of meeting No.237/206 dated 28.04.2016)”** |
| 2.2.8 Decision adopted by issuer’s Board of Directors:To take into consideration the report on follow-up revision of documents and on causes of deviations specified in paragraphs 24. – 2.6 of resolutions of the BoD adopted on 27.04.2016 on item 14 (minutes of meeting NO.237/2016 dated 28.04.2016) that occurred in the course of implementation of the Company’s investment programme 2015, in accordance with Annex 8 to the resolution of the BoD. |
| **Disclosure of insider information on item No. 9 “On discussion of report of Director General of Kubanenergo PJSC on implementation of resolutions in the 1st quarter of 2016 passed by the Board of Directors”** |
| 2.2.9 Decision adopted by issuer’s Board of Directors:To take into consideration the report of Director General of Kubanenergo PJSC on implementation of resolutions in the 1st quarter of 2016 passed by the Board of Directors, in accordance with Annex 9 to the resolution of the BoD. |
| **Disclosure of insider information on item No.10 “On approval of agreement on debt restructuring for repair works between Kubanenergo PJSC and “Recreation Centre “Energetik” JSC as an interested-party transaction”** |
| 1. To determine that the price of the agreement on restructuring of the debt for completed repair works between Kubanenergo PJSC and Recreation Centre “Energetik” JSC as a transaction of interest, amounts 1 000 000 (one million) rubles 00 kopecks, including 18% VAT.2. To approve the agreement on restructuring of the debt for completed repair works between Kubanenergo PJSC and Recreation Centre “Energetik” JSC as a transaction of interest on the following terms:Parties to the agreement:Lender – Kubanenergo PJSCDebtor – Recreation Centre “Energetik” JSCSubject of the Agreement:The subject of the Agreement is to determine the procedure of repayment of the debt by the Debtor to the Creditor for the completed repair works, resulting in the period March-June 2005 in the amount of 1 000 000 (one million) rubles 00 kopecks, including 18% VAT – 152 542 (one hundred and fifty two thousand five hundred forty two) rubles 37 kopecks, existing as of 31.03.2016.Price of the Agreement:Agreement price includes the amount of the Debtor's debt for completed repairs – 1 000 000 (one million) rubles 00 kopecks, including 18% VAT – 152 542 (one hundred fifty two thousand five hundred forty two) rubles 37 kopecks.Repayment of the debt:The debtor is obliged to repay the debt for completed repairs – 1 000 000 (one million) rubles 00 kopecks, including 18% VAT – 152 542 (one hundred fifty two thousand five hundred forty two) rubles 37 kopecks, in the following order:The debtor, since June 2016 shall pay to the Lender the amount of the monthly payment of principal in the amount and for the period in accordance with Annex 1to the Agreement.Term of the Agreement:The Agreement shall enter into force upon the signature and is valid until full repayment of its debt by the Debtor. |
| **Disclosure of insider information on item No.11 “On discussion of report Audit Committee under the BoD of Kubanenergo PJSC on activity in 2015-2016 corporate year”** |
| 2.2.11 Decision adopted by issuer’s Board of Directors:To take into consideration the report Audit Committee under the BoD of Kubanenergo PJSC on activity in 2015-2016 corporate year, in accordance with Annex 10 to the resolution of the BoD. |
| **Disclosure of insider information on item No.12 “On discussion of report of sole executive body of Kubanenergo PJSC on certification of maximum capacity of consumers of electric energy”** |
| 2.2.12 Decision adopted by issuer’s Board of Directors:1. To take into consideration the report of the sole executive body of “Kubanenergo” PJSC on certification of maximum output of consumers of electric energy, in accordance with Annex 11 to the resolution of the BoD.2. To instruct the Company’s CEO: 2.1. By 31.12.2016 to ensure the completion of the work on making the necessary changes (additions) in the service contract for electricity transmission concluded with the guaranteeing suppliers (retailing, supplying organizations) and (or) regional network organizations that provide: an indication information on the maximum power of consumers of electrical energy, which devices’ maximum power of power is not less than 670 kW, on the technical characteristics of power devices of connection points (transmission facilities) consumer and related network organizations; presence of conditions for sharing information on indications of accounting and controlling metering devices that measure the hourly volumes of consumption (production) of electrical energy, including the provision of remote access for acquisition of data of accounting systems.2.2. To provide information and submit to the Board of Directors the report on the implementation of the order specified for in paragraph 2.1 of resolution the Company's Board of Directors in the 1st quarter of 2017. |
| **Disclosure of insider information on item No.13 “On approval of candidates for particular positions in executive office of the Company, determined by the BoD”** |
| 2.2.13 Decision adopted by issuer’s Board of Director:To appoint Shmakov Igor Vladimirovich for the position of deputy director general in charge of controlling  |
| **Disclosure of insider information on item No. 14 “On approval of contractor's agreement between Kubanenergo PJSC and IDGC of the South PJSC for elimination of consequences of accidents at grid facilities of IDGC of the South PJSC related to damage of equipment caused by nature disasters, as an interested-party transaction”** |
| 2.2.14 Decision adopted by issuer’s Board of Directors:1.1. To set the preliminary price of the contract for implementation of works on liquidation of consequences of accidents at energy facilities of “IDGC of the South” PJSC, caused by damage resulting from natural disasters between “Kubanenergo” PJSC and “IDGC of the South” PJSC, as an interested-party transaction: 995 757.16 (nine hundred ninety five thousand seven hundred fifty seven rubles 16 kopecks), including 18% VAT – 151 895.16 (one hundred fifty one thousand eight hundred ninety five rubles 16 kopecks).To specify that the cost of work under the Contract cannot equal 2 or more % from balance sheet cost of assets owned by Kubanenergo PJSC in accordance with the accounts as of the last reporting date.1.2. To approve the contract for implementation of works on liquidation of consequences of accidents at energy facilities of “IDGC of the South” PJSC, caused by damage resulting from natural disasters between “Kubanenergo” PJSC and “IDGC of the South” PJSC, as an interested-party transaction on the following conditions:Contract parties:Customer – Kubanenergo PJSCContractor – IDGC of the South PJSC Subject of the contract: The Contractor undertakes to perform work to eliminate the consequences of accidents at facilities of Kubanenergo branches caused by damaged equipment in result of natural disaster and to deliver the results of work to the Customer. Types of work, the volume and description are discussed by the Parties in the activity dependent cost estimate (Annexes 1, 1.1-1.5 to the Contract).The concept (definition) of the accident is understood in the sense in which it is treated in the Rules of investigation of the causes of accidents in the power industry, approved by RF Government Decree No. 846 on 28 October 2009.Contract price: The preliminary price of the work performed by the Contractor amounts to 995 757.16 (nine hundred ninety five thousand seven hundred fifty seven rubles 16 kopecks), including 18% VAT – 151 895.16 (one hundred fifty one thousand eight hundred ninety five rubles 16 kopecks), in accordance with planned volume of work specified in the activity dependent cost estimate (Annexes 1, 1.1-1.5 to the Contract).Term of the Contract: The Contract comes into force upon the signature and covers legal relationship between the parties that occurred from 29 March 2015 and is valid until complete fulfillment of all contractual obligations by the Parties.Term of fulfilling the work: 29 March 2015 to 3 April 2015.Settlement of Disputes: Disputes and disagreements that may arise when performing the contract will be solved via negotiation possible. If it is impossible to resolve the dispute by negotiation before going to court, it shall be settled through the use of alternative dispute resolution procedures 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 23.12.2015 (minutes of meeting No.227/2015 dd. 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 Commercial Court of the Russian Union of Industrialists and Entrepreneurs (Commercial Court) (location - Moscow) in accordance with its rules in effect as of the date of filing a claim.Decisions of the Commercial Court at the RSPP are binding, final and are not subject to appeal. |
| **Disclosure of insider information on item No.15 “On approval of service contract between Kubanenergo PJSC and “Energoservis Kuban” JSC as an interested-party transaction”** |
| 2.2.15 Decision adopted by issuer’s Board of Directors:1. To determine the price of service contracts between Kubanenergo PJSC and Energoservis Kuban JSC, which is a transaction of interest, in the amount of 28 579 284.76 (twenty eight million five hundred seventy nine thousand two hundred eighty four) rubles 76 kopecks (including VAT).2. To approve the service contracts between Kubanenergo PJSC and Energoservis Kuban JSC (hereinafter – the Contract), which is a transaction of interest, on the following essential terms:Parties to the contract:Customer: Kubanenergo PJSCEnergy Service Company (the ESC): Energoservis Kuban JSCSubject of the contract:Within the framework of the Contract, the ESC performs services aimed at energy saving and enhancement of energy efficiency of using energy resources (including reduction of technological consumption (losses) of electricity during its transmission via networks) by identifying and reducing losses in electric networks of the Customer, and the Customer pays for the services of Energy Service Company at the expense of savings from payment for the consumption of energy resources costs (including compensation for losses of electricity costs) as a result of these actions (further - saving energy).The subject of the Contract is the provision of services – implementation of actions aimed at energy conservation and efficient use of energy resources (reduction of energy losses during transmission via networks and the growth of the volume of services rendered) in the branch of Kubanenergo PJSC – Krasnodar Electric Networks (Teuchezhsky distribution zone, feeder VD -6, VD-8).Price of the contract:Contract Price is defined in accordance with the Contract price negotiation protocol specified in Annex 2 to the Contract, and is 28 579 284.76 (twenty eight million five hundred seventy nine thousand two hundred eighty four) rubles 76 kopecks (including VAT).Duration of the contract: The contract shall enter into force upon signature by both Parties and is valid during the period corresponding to the term of the Contract referred to in the Appendix 3 to the Contract.Settlement of disputes:All disputes, controversies and claims arising from the Contract or in connection with it, including those related to its conclusion, alteration, implementation, breach, termination, the Parties shall settle using the complaint procedure. Term to response to the claim: 15 (fifteen) calendar days from the date of its receipt.In case of failure to reach an agreement between the parties out of court (by means of a claim), all disputes, disagreements and claims arising from the Contract or in connection with it, including related to its conclusion, alteration, implementation, breach, termination and validity are to be settled by the Arbitration court of the Krasnodar region. |
| **Disclosure of insider information on item No.16 “On approval of the list of positions for the category of top managers of Kubanenergo PJSC”** |
| 2.2.16 Decision adopted by issuer’s Board of Directors:1. To approve list of posts fall to a category of high-ranking managers of “Kubanenergo” PJSC in the following version:1st rankMembers of Company’s Management BoardFirst deputy director general – director of Sochi electric networks branchDeputy Director GeneralChief accountant - head of department of maintenance of accounting and tax records and accounting.2nd rankDirector of branch 2. To recognize list of posts that fall to a category of high-ranking managers approved by decision of Company’s BoD dd. 24.02.2015 (Minutes No. 203/2015 dd. 25.02.2015) as invalid. |
| **Disclosure of insider information on item No. 17 “On approval of report on implementation of consolidated on the principles of RAS business-plan of Kubanenergo Group in the 1st quarter of 2016”** |
| 2.2.13 Decision adopted by issuer’s Board of Directors:To approve the report on implementation of consolidated on the principles of RAS business-plan of Kubanenergo Group in the 1st quarter of 2016, in accordance with Annex 12 to the resolution of the BoD. |
| 2.3. Date of holding the meeting of Board of Directors: 22 June 20162.4. Date of making and number of minutes of meeting: 24 June 2016, minutes of meeting No.243/2016**.** |

|  |
| --- |
| 3. Signature  |
| 3.1 Head of corporate governance and investor relations department (by power of attorney No. 1-847 dated 27.05.2016) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(signature) | Ivanova I.V. |
| 3.2 Date: 27 June 2016 | stamp  |  |