**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 name | Public joint-stock company of Power Industry and Electrification of Kuban |
| 1.2. Issuer’s abbreviated 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 disclosure ща information | [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 members  Members participated in the meeting: 11 members  Quorum necessary for holding the meeting of Kubanenergo PJSC Board of Directors is present.  Voting results:   |  |  |  |  | | --- | --- | --- | --- | | No. | Votes | | | | FOR | AGAINST | ABSTAINED | |  | **10** |  |  | |  | **10** |  |  | |  | **10** |  |  | |  | **10** |  |  | |  | **10** |  |  | |  | **10** |  |  | |  | **10** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “On early removal and election of new members to the Reliability Committee under the BoD of Kubanenergo PJSC”** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  1. To early terminate the powers of attorney of the following members of the Reliability Committee under the BoD of Kubanenergo PJSC:  - Leonov Andrey Nikolaevich;  - Matyushin Alexander Yuriyevich  2. To elect the following persons to the Reliability Committee under the BoD of Kubanenergo PJSC:  - Rozhkov Vasilii Vladimirovich, Head of Production Planning Divisions at Department of Operation and Process Management, Rosseti PJSC;  - Kanyuka Palina Nikolaevna, Deputy Head of Production Planning Divisions at Department of Operation and Process Management, Rosseti PJSC  3. To appoint Rozhkov Vasilii Vladimirovich the Chairperson of the Reliability Committee under the BoD of Kubanenergo PJSC. | |
| **Disclosure of insider information**  **Item No. 2 “On discussion of a report presented by the Company’ Director General on provision of insurance of the Company in the 4th quarter of 2016”** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:  To take into consideration the report presented by the Company’ Director General on provision of insurance of the Company in the 4th quarter of 2016, in accordance with Annex 1 to the present resolution of the Company’s BoD. | |
| **Disclosure of insider information/Approval of an internal document of the issuer**  **Item No.3 “On approval of the Programme of Kubanenergo PJSC on consolidation of electricity supply assets for 2017-2018”** | |
| 2.2.3. Decision adopted by issuer’s Board of Directors:  To postpone the discussion to a later date. | |
| **Disclosure of insider information/Approval of an internal document of the issuer**  **Item No.4 “On approval of the restated Regulations for preparation of investment programme and report on its implementation, enhancement of investment efficiency and reduction of expenses of Kubanenergo PJSC”** | |
| 2.2.4. Decision adopted by issuer’s Board of Directors:  1. To approve the restated Regulations for preparation of investment programme and report on its implementation, enhancement of investment efficiency and reduction of expenses of Kubanenergo PJSC, in accordance with Annex 2 to the present resolution of the Company’s BoD.  2. To consider invalid the Regulations for preparation and adjustment of investment programme and preparation of reports on implementation of the investment programme, enhancement of investment efficiency and reduction of expenses of Kubanenergo PJSC that was approved by the Coampny’s boD on 27.04.2016 (minutes of meeting No.237/2016 dd 28.04.2016). | |
| **Disclosure of insider information**  **Item No.5 “On implementation of the resolution adopted by the BoD of Kubanenergo PJSC on 21.12.2016 on item 1 paragraph 3 (minutes of meeting No.258/2016 dd 22.12.2016)”** | |
| 2.2.5. Decision adopted by issuer’s Board of Directors:  To postpone the discussion to a later date. | |
| **Disclosure of insider information**  **Item No.6 “On expressing company’s opinion on agenda items for the extraordinary general meeting of shareholders of subsidiary company of Kubanenergo – “Energoservis Kuban” JSC”** | |
| 2.2.6. Decision adopted by issuer’s Board of Directors:  To instruct representatives of Kubanenergo at the extraordinary general meeting of shareholders of “Energoservis Kuban” JSC:  To vote “FOR” the approval of the following resolution on agenda item “On election of the Company’s Board of Directors”:   * 1. To early terminate the powers of attorney of all members of the Board of Directors of “Energoservis Kuban” JSC.   2. To elect the following candidates to the Board of Directors of “Energoservis Kuban” JSC:  |  |  |  | | --- | --- | --- | |  | Name | Position | | 1 | Armaganyan Edgar Garrievich | First Deputy Director General – Director of Sochi electric grids, branch of Kubanenergo PJSС, Deputy Director General in charge of Sales Services | | 2 | Dvornyi | Head of Energy Saving and Efficiency Department, Kubanenergo PJSС | | 3 | Nischyuk Oleg Fyodorovich | Deputy Head of Sales Services and Electric Energy Accounting Department, Kubanenergo PJSС | | 4 | Tsyba Irina Alexandrovna | Head of Department of Economics, Kubanenergo PJSС | | 5 | Lebedev Vladimir Alexandrovich | Director General, “Energoservis Kuban” JSC | | 6 | Ozhereliev Alexey A;exandrovich | Head of Division for Arrangement of the Management Board and the Board of Directors activity, Interaction with Shareholders and Investors, Department of Corporate Governance and Interaction with Shareholders and Investors, Rosseti PJSC | | 7 | Buklanov Maxim Vladimirovich | Chief Expert at Division for Development of Electric Energy Accounting and Services, Department of Electric Energy Accounting and Interaction with Energy Market Participants, Rosseti PJSC |  1. To instruct representatives of Kubanenergo at the extraordinary general meeting of shareholders of “Energoservis Kuban” JSC:   To vote “FOR” the approval of the following resolution on agenda item “On approval of an interested-party transaction that is large transaction as well”:  To grant an approval on conclusion of an interested-party transaction that is large transaction as well – Service Contract, on the following conditions:  Parties:  Customer: Public joint-stock company of Power Industry and Electrification of Kuban  Service company – “Energoservis Kuban” Joint-stock company  Subject of the Contract:  Within the framework of the Contract, the Within the framework of the Contract, the ESC performs services aimed at energy saving and enhancement of energy efficiency in 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 the 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, implementation of energy-saving technologies and at the expense of the Service company at the network facilities of the Customer.  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 45 350 000 (forty five million three hundred fifty thousand) (VAT included).  Other terms of the transaction/procedure for their definition:  Contract duration: the contract duration is determined by the period of time during which the planned size of the economy in real terms will be achieved and the total amount of payments by the Customer to the Service company will be equal to the price of the contract, but not more than 8 (eight) years.  Persons interested in the transaction, and the grounds for such interest:  - Kubanenergo PJSC – an entity that controls the Service company;  - Armaganyan E.G. – a member of the Board of Directors of the Service company and at the same time a member of the Board of Directors of Kubanenergo PJSC, which is a party in the transaction. | |
| **Disclosure of insider information**  **Item No.7 “On introduction of changes to the Schedule of the Board of Directors of Kubanenergo PJSC”** | |
| 2.2.7. Decision adopted by issuer’s Board of Directors:  To introduce changes to the Schedule of the Board of Directors of Kubanenergo PJSC that was approved by the BoD on 12.08.2016 (minutes of meeting No.248/2016 dd 15.08.2016) , in accordance with Annex 3 to the present resolution of the Company’s BoD. | |
| 2.3. Date of holding the meeting of Board of Directors at which the resolutions have been adopted: **1 March 2017**  2.4. Date of making and number of minutes of meeting at which the resolutions have been adopted: **3 March 2017, minutes of meeting No.265/2017.** | |

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| 3. Signature | | |
| 3.1 Acting Deputy Director General in charge of Corporate Governance (by power of attorney No.119/10-337 dated 17.01.2017) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (signature) | Didenko Ye.Ye. |
| 3.2 Date: 6 March 2017 | stamp |  |