**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 the 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 | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **10** |  | **1** | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **9** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  |   A.I. Gavrilov and V.V. Sofyin did not participate in voting on agenda item No.9. | |
| **Disclosure of insider information**  **Item No. 1 “On discussion of information submitted by the Company’s General Director on the level of reliability and quality of services rendered by the Company in 2016 that are subject to tariff regulation based on long-term parameters of activity regulation”** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  To take into consideration the information submitted by the Company’s General Director on the level of reliability and quality of services rendered by the Company in 2016 that are subject to tariff regulation based on long-term parameters of activity regulation, in accordance with Annex 1 to the present resolution of the Company’s BoD. | |
| **Disclosure of insider information/Approval on an internal document**  **Item No. 2 “On approval of the RAS and IFRS-based consolidated business plan of Kubanenergo Group 2017 and the estimated figures for 2018-2021”** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:  To approve the RAS and IFRS-based consolidated business plan of Kubanenergo Group 2017 and the estimated figures for 2018-2021, in accordance with Annexes 2-3 to the present resolution of the Company’s BoD. | |
| **Disclosure of insider information/Approval on an internal document**  **Item No.3 “On approval of the restated “Regulations for implementation of the unified communication policy of Kubanenergo PJSC””** | |
| 2.2.3. Decision adopted by issuer’s Board of Directors:  1. To approve the restated “Regulations for implementation of the unified communication policy of Kubanenergo PJSC”, in accordance with Annex 4 to the present resolution of the Company’s BoD.  2. To consider as invalid the “Regulations for implementation of the unified communication policy of Kubanenergo PJSC” that was approved by the BoD on 23.12.2015 (minutes of meeting No.227/2015 dd 25.12.2015). | |
| **Disclosure of insider information**  **Item No.4 “On consideration of report submitted by the Company’s General Director on arrangement and functioning of the Company's internal control system in 2016”** | |
| 2.2.4. Decision adopted by issuer’s Board of Directors:  To take into consideration the report submitted by the Company’s General Director on arrangement and functioning of the Company's internal control system, in accordance with Annex 5 to the present resolution of the Company’s BoD. | |
| **Disclosure of insider information**  **Item No.5 “On consideration of report submitted by the Company’s General Director on arrangement, functioning and effectiveness of the risk management system, including information on key operational risks management of Kubanenergo PJSC in 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 consideration of the report on effectiveness of the internal control and risk management system of Kubanenergo PJSC in 2016, including the results of assessing the quality of the internal audit”** | |
| 2.2.6. Decision adopted by issuer’s Board of Directors:  To approve the report on the results of assessing the quality of the internal audit internal control and risk management system of Kubanenergo PJSC in 2016, in accordance with Annex 6 to the present resolution of the Company’s BoD. | |
| **Disclosure of insider information**  **Item No.7 “On expressing the Company's opinion on the issues of the agendas of the meetings of the Boards of Directors of affiliate companies of Kubanenergo PJSC”** | |
| 2.2.7. Decision adopted by issuer’s Board of Directors:  1. Concerning the agenda item “On approval of the report on the results of implementation of the business plan of the company in the 4th quarter of 2016” representatives of Kubanenergo PJSC on the Board of Directors of “Recreation Centre “Energetik” JSC shall be instructed to vote “For” the following decision:  - To approve the report on the results of implementation of the business plan of the company in the 4th quarter of 2016, in accordance with Annex 7 to the present resolution of the Company’s BoD.  2. Concerning the agenda item “On approval of the report on the results of implementation of the business plan of the company in the 4th quarter of 2016” representatives of Kubanenergo PJSC on the Board of Directors of “Energoservis Kuban” JSC shall be instructed to vote “For” the following decision:  2.1. To approve the report on the results of implementation of the business plan of the company in the 4th quarter of 2016, in accordance with Annex 8 to the present resolution of the Company’s BoD.  2.2. To pay attention to the fact that the company bears losses by the results of 2016 in amount of 9.0 million rubles, while the planned profit was 7.4 million rubles, because the financial report contained the expenses related to implementation to contracts that are planned for completion in 2017.  2.3. To instruct Director General of “Energoservis Kuban” JSC by the results of 2017 to ensure unconditional implementation of the business plan as well as receipt of profit from the contracts in order to level the losses received in 2016. | |
| **Disclosure of insider information**  **Item No.8 “On consideration of report submitted by the Company’s General Director on the credit policy of the Company in the 4th quarter of 2016”** | |
| 2.2.8. Decision adopted by issuer’s Board of Directors:  1. To take into consideration the report submitted by the Company’s General Director on the credit policy of the Company in the 4th quarter of 2016, in accordance with Annex 9 to the present resolution of the Company’s BoD.  2. To note that by the results of calculation of value limit of a debt position as of 31.12.2016 the Company’s credit quality is group A. | |
| **Disclosure of insider information/approval of transactions recognized in accordance with the legislation of the Russian Federation as major transactions and (or) transactions in of interest.**  **Item No.9 “On approving the agreement to conclude a contract on rendering a range of services on providing communication channels and organizing a VPN between Kubanenergo PJSC and “FOCL-VL Management” JSC as an interested party transaction”** | |
| 2.2.9. Decision adopted by issuer’s Board of Directors:  1. To set the maximum cost of the services purchased by the Company under the contract on rendering a range of services on providing communication channels and organizing a VPN between Kubanenergo PJSC and “FOCL-VL Management” JSC as an interested party transaction: 70 757 435 (seventy million seven hundred fifty seven thousand four hundred thirty five) rubles 00 kopecks, including VAT (18%): 10 793 507 (ten million seven hundred ninety three thousand five hundred and seven) rubles 03 kopecks.  2. To give consent for the conclusion of interested-party transaction – the the contract on rendering a range of services on providing communication channels and organizing a VPN between Kubanenergo PJSC and “FOCL-VL Management” JSC (hereinafter referred to as the Contract), on the following terms and conditions:  Parties to the Contract:  Customer – Kubanenergo PJSC;  Operator – FOCL-VL Management JSC.  Subject of the Contract:  The Operator undertakes to render service to the Customer (the services related to the organization and provision of communication channels and/or communication services for data transmission with the organization of virtual private networks), and the Customer undertakes to accept and pay for the Services provided in accordance with the terms of the Contract. The specification and list of Services, as well as the additional rights and obligations of the Parties, are determined by Additional Agreements and Order Forms for provision of Services to these Supplementary Agreements.  Price of the Contract:  The contract cost limit is 70 757 435 (seventy million seven hundred fifty seven thousand four hundred thirty five) rubles 00 kopecks, including VAT (18%): 10 793 507 (ten million seven hundred ninety three thousand five hundred and seven) rubles 03 kopecks.  Other essential terms of the Contract:  Contract time:  The Contract comes into force upon the signature and is valid for three years from the date of entry into force.  Persons interested in the transaction, and grounds for interest:   1. The Company’s controlling entity: Rosseti PJSC, which is the controlling entity of FOCL-VL Management JSC – the party in the transaction. 2. Member of the Board of Directors Sofyin V.V., who holds a position in the management bodies (member of the Board of Directors) of FOCL-VL Management JSC– the party in the transaction. | |
| **Disclosure of insider information**  **Item No.10 “On approval of candidatures for certain positions at the Company’s executive office determined by the Board of Directors of the Company”** | |
| 2.2.10. Decision adopted by issuer’s Board of Directors:  To approve the candidature of Shishigin Igor Nikolaevich for the position of Deputy Director General in charge of Technical Issues – Chief Engineer of Kubanenergo PJSC. | |
| **Disclosure of insider information**  **Item No.11 “On discussing the planned indicators of quality of the services for each period of tariff regulation within the long-term of tariff regulation up to 2022”** | |
| 2.2.11. Decision adopted by issuer’s Board of Directors:  1. To take into consideration the planned indicators of quality of the services for each period of tariff regulation within the long-term of tariff regulation up to 2022, in accordance with Annex 10 to the present resolution of the Company’s BoD.  2. To entrust the Director General of the Company to ensure that the proposals on the planned indicators of the level of reliability and quality of the services for the period up to 2022 are submitted to the executive authorities of the constituent entities of the Russian Federation in the field of state regulation of tariffs. | |
| **Disclosure of insider information**  **Item No.12 “On discussing the report submitted by the Company Director General on the process of selling the non-core assets in the 1st quarter of 2017 and updating the registry (programme of selling) the non-core assets of Kubanenergo PJSC”** | |
| 2.2.12. Decision adopted by issuer’s Board of Directors:  1. To take into consideration the report on the process of selling the non-core assets in the 1st quarter of 2017 and updating the registry (programme of selling) the non-core assets of Kubanenergo PJSC, in accordance with Annex 11 to the present resolution of the Company’s BoD.  2. To update the registry (programme of selling) the non-core assets, in accordance with Annex 12 to the present resolution of the Company’s BoD. | |
| 2.3. Date of holding the meeting of Board of Directors that adopted the resolutions: **25 April 2017**  2.4. Date of making and number of minutes of meeting that adopted the resolutions: **28 April 2017, minutes of meeting No.271/2017.** | |

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| 3. Signature | | |
| 3.1 Deputy Director General in charge of Corporate Governance (by power of attorney No.2-1879 dated 15.12.2016) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (signature) | Ivanova I.V. |
| 3.2 Date: 28 April 2017 | stamp |  |