**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 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 the issuer’s BoD and results of voting on the adopted decisions:**Number of the BoD members: 11 membersMembers participated in the meeting: 11 membersQuorum necessary for holding the meeting of Kubanenergo PJSC Board of Directors is present.Voting results:

|  |  |
| --- | --- |
| No. | Votes |
| FOR | AGAINST | ABSTAINED |
|  | **11** |  |  |
|  | **11** |  |  |
|  | **11** |  |  |
|  | **11** |  |  |
|  | **11** |  |  |

 |
| **Disclosure of insider information****Item No. 1 “On expressing opinion of Kubanenergo PJSC on the agendas of the annual general shareholders' meetings of affiliated companies of Kubanenergo: “Recreation Centre “Energetik” JSC, “Energoservis Kuban” JSC”** |
| 2.2.1. Decision adopted by issuer’s Board of Directors:1. To instruct representatives of Kubanenergo PJSC at the AGM of “Recreation Centre “Energetik” JSC:1.1. to choose “FOR” when voting on the following resolution on agenda item “Election of the Company’s Board of Directors members”: To elect the following persons to the Board of Directors of “Recreation Centre “Energetik” JSC:

|  |  |  |
| --- | --- | --- |
|  | Ocheredko Olga Vyacheslavovna | Deputy General Director for Economics and Finance, Kubanenergo PJSС |
|  | Golovakha Lyudmila Alekseevna | Deputy Director General, Chief of Staff, Kubanenergo PJSС |
|  | Didenko Yekaterina Yevgenievich  | Head of Corporate Governance and Shareholders Relations Department, Kubanenergo PJSС |
|  | Belik Vyacheslav Alexandrovich | Head of HR and Organization Design Department, Kubanenergo PJSС |
|  | Dzhafarov Emin Dzhakhangyr Ogly  | Head of Legal Department, Kubanenergo PJSС |

1.2. to choose “FOR” when voting on the following resolution on agenda item “Election of the Audit Commission”:To elect the following persons to the Audit Commission of “Recreation Centre “Energetik” JSC:

|  |  |  |
| --- | --- | --- |
| 1. | Karmiryan Anatoliy Viktorovich  | Head of Internal Audit Department, Kubanenergo PJSС |
| 2. | Yatsenko Ivan Alexandrovich | Deputy Head of Internal Audit Department, Kubanenergo PJSС |
| 3. | Smirnov Vyacheslav Nikolaevich  | Chief Specialist at Internal Audit Department, Kubanenergo PJSС |

1.3. On the agenda item “Distribution of profit (including payment of dividends) and losses of the company based on the results of 2016 financial year” regarding the distribution of profits (losses) and payment of dividends, vote “FOR” the adoption of the following resolution:1. To approve the following distribution of profit (losses) of the Company based on the results of 2016 financial year:

|  |  |
| --- | --- |
| Indicator | (thousand rubles) |
| Undistributed profit (loss) of the reporting year  | 554 |
| Distribute to: Reserve fund | 28 |
| Company development | 0 |
| Dividends | 277 |
| Recovery of deficit of prior years | 249 |

2. To pay the dividends on ordinary shares of “Recreation Centre “Energetik” JSC base on the results of 2016 in the amount of 0.00696 rubles per one ordinary share of the Company in money.The dividend payment period is 25 business days from the date of drawing up the list of persons entitled to receive the dividends.The date of drawing up the list of persons entitled to receive dividends: 20 July 2017.2. To instruct representatives of Kubanenergo PJSC at the AGM of “Energoservis Kuban” JSC:1.1. to choose “FOR” when voting on the following resolution on agenda item “Election of the Company’s Board of Directors members”: To elect the following persons to the Board of Directors of “Energoservis Kuban” JSC:

|  |  |  |
| --- | --- | --- |
|  | Armaganyan Edgar Garrievich  | First Deputy Director General – Director of Sochi electric grids, branch of Kubanenergo PJSС, Deputy Director General in charge of Sales Services, Kubanenergo PJSC |
|  | Dvorniy Vladimir Viktorovich  | Head of Department of Energy Saving and Increasing of Energy Efficiency, Kubanenergo PJSC |
|  | Abusalimov Anatoliy Lachinovich  | Deputy Head of Department of Energy Saving and Increasing of Energy Efficiency, Kubanenergo PJSC |
|  | Nischyuk Oleg Fyodorovich | Deputy Head of Department for Selling of Services of Department for Selling of Services and Electricity Accounting, Kubanenergo PJSC |
|  | Solod Grigoriy Viktorovich  | Head of Department for Selling of Services of Department for Selling of Services and Electricity Accounting, Kubanenergo PJSC |
|  | Tsyba Irina Alexandrovna  | Head of Economics Department, Kubanenergo PJSC  |
|  | Lebedev Vladimir Alexandrovich  | Director General of “Energoservis Kuban” JSC |

1.2. to choose “FOR” when voting on the following resolution on agenda item “Election of the Audit Commission”:To elect the following persons to the Audit Commission of “Energoservis Kuban” JSC:

|  |  |  |
| --- | --- | --- |
| 1. | Karmiryan Anatoliy Viktorovich  | Head of Internal Audit Department, Kubanenergo PJSС |
| 2. | Gaidar Dmitriy Viktorovich | Chief Specialist at Internal Audit Department, Kubanenergo PJSС |
| 3. | Rebryaeva Viktoria Alexandrovna | Chief Specialist at Internal Audit Department, Kubanenergo PJSС |

1.3. On the agenda item “Distribution of profit (including payment of dividends) and losses of the company based on the results of 2016 financial year” regarding the distribution of profits (losses) and payment of dividends, vote “FOR” the adoption of the following resolution:1. To approve the following distribution of profit (losses) of the Company based on the results of 2016 financial year:

|  |  |
| --- | --- |
| Indicator | (thousand rubles) |
| Undistributed profit (loss) of the reporting year  | (9 013) |
| Distribute to: Reserve fund | 0 |
| Company development | 0 |
| Dividends | 0 |
| Recovery of deficit of prior years | 0 |

The company will not pay dividends on ordinary shares of “Energoservis Kuban” JSC in 2016. |
| **Disclosure of insider information****Item No. 2 “On approval of the adjusted Plan for development of the production assets management system of Kubanenergo PJSC for 2016 -2018”** |
| 2.2.2. Decision adopted by issuer’s Board of Directors:1. To approve the adjusted plan for development of the production assets management system in Kubanenergo PJSCfor 2016-2018, and having stated it in the wording in accordance with Appendix No.1 to this decision of the Board of Directors of the Company.2. To entrust the Sole Executive Body of the Company to:- ensure timely implementation of the adjusted plan for development of the production assets management system of Kubanenergo PJSC for 2016-2018;- develop and approve in the internal organizational and administrative document of the Company, a resource plan to ensure implementation of the adjusted plan for the development of the management system of production assets of Kubanenergo PJSCfor 2016-2018, taking into account the possibility of including the activities of the Plan in the Company’s investment programme within the limits of the approved investment programme of the Company, with another adjustment in accordance with the RF Government Decree No.977 dd. 01.12.2009, providing positive economic effect;Term: within 1 month from the date of adoption of this decision.- annually, before the end of the first quarter of the year following the reporting year, submit for consideration by the Board of Directors of the Company the information on reviewing the report on implementation of the adjusted plan for development of the production assets management system in Kubanenergo PJSCfor 2016-2018. |
| **Disclosure of insider information****Item No.3** “**On approval of the Plan of activities of Kubanenergo PJSC aimed to reduce overdue accounts receivable for services related to transmission of electricity and settlement of disputes that occurred on 01.04.2017”** |
| 2.2.3. Decision adopted by issuer’s Board of Directors:1. To approve the Plan of Activities of Kubanenergo PJSC aimed at reducing overdue accounts receivable according to Appendix No.2 to this decision of the Board of Directors of the Company.2. To take into consideration the Report on implementation of the Plan of Activities of Kubanenergo PJSC aimed at reducing overdue accounts receivable according to Appendix No.3 to this decision of the Board of Directors of the Company.3. To take into consideration the Report of Kubanenergo PJSC in the 1st quarter of 2017 on the work carried out with respect to the newly formed overdue receivables for electric power transmission services in accordance with Appendix No.4 to this decision of the Board of Directors.4. To take into consideration the Report on implementation of the instructions of the Board of Directors dated March 31, 2017 ((Minutes of meeting No. 269/2017) regarding the securing of repayment in 2017 of 2 495 million rubles of overdue accounts receivable from the sum that established on 01.01.2017 with Appendix No.5 to this decision of the Board of Directors of the Company.5. To note the violation of the order of the Board of Directors ((Minutes of meeting No.104/2011 of 12.01.2011) regarding the timing for submission to the Company’s Board of Directors Plan of activities of Kubanenergo PJSC aimed to reduce overdue accounts receivable for services related to transmission of electricity and settlement of disputes that occurred as of the beginning of the quarter. |
| **Disclosure of insider information** **Item No.4 “On approval of organizational structure of the executive office of Kubanenergo PJSC”** |
| 2.2.4. Decision adopted by issuer’s Board of Directors:1. To approve the organizational structure of the executive body of the Company in accordance with Appendix No 6 to this decision of the Board of Directors of the Company and to bring it into effect, taking into account the terms provided by the legislation of the Russian Federation when changing and terminating employment contracts with employees.2. From the date of introduction of the organizational structure of the executive body of the Company, the organizational structure of the executive apparatus of the Company approved by the decision of the Board of Directors of Kubanenergo PJSC as of May 23, 2017 (Minutes of meeting No.255/2017 of 26.05.2017) shall be rendered invalid. |
| **Disclosure of insider information****Item No.5 “On introducing amendments to the Regulations on material incentives for the Director General of the Company”** |
| 2.2.5. Decision adopted by issuer’s Board of Directors:It is proposed to postpone the discussion to a later date. |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions: **26 June 2017**2.4. Date of making and number of minutes of meeting which adopted the resolutions: **28 June, minutes of meeting No.279/2017.** |

|  |
| --- |
| 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: 29 June 2017 | stamp  |  |