**Statement on refutation or correction of information previously published in the news**

Public joint stock company of power industry and electrification of Kuban informs that the statement earlier published in the news of Interfax agency (24.07.2017; 8:59 a.m.) Statement of material fact “On decisions adopted by the Issuer’s Board of Directors” (disclosure of inside information) contains clerical errors in paragraph 2.2. Below is the correct text of the statement:

**Statement of material fact**

**“On decisions adopted by the Issuer’s Board of Directors”**

**(disclosure of inside information)**

|  |  |
| --- | --- |
| 1. General data | |
| 1.1 Full name of the issuer | Public joint-stock company of Power Industry and Electrification of Kuban |
| 1.2. Abbreviated name of the issuer | “Kubanenergo” PJSC |
| 1.3. Location of the issuer | Krasnodar, Russian Federation |
| 1.4. PSRN of the issuer | 1022301427268 |
| 1.5. TIN of the issuer | 2309001660 |
| 1.6. Issuer’s unique code given by registering authority | 00063-A |
| 1.7. Web-page for disclosure of 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 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 | | **1** | **11** |  |  | | **2** | **11** |  |  | | **3** | **11** |  |  | | **4** | **11** |  |  | | **5** | **11** |  |  | | **6** | **11** |  |  | | **7** | **11** |  |  | | **8** | **11** |  |  | | **9** | **11** |  |  | | **10** | **11** |  |  | | **11** | **11** |  |  | | **12** | **11** |  |  | | **13** | **11** |  |  | | |
| **Disclosure of insider information / approval of the issuer’s internal document**  **Item No. 1 “On approval of Standard and Regulations for Business Planning of Kubanenergo PJSC in a new version”** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  1. To approve the restated Standard and Regulations for Business Planning of Kubanenergo PJSC, in accordance with Annexes 1-2 to this resolution of the BoD.  2. To consider as invalid the Standard and Regulations for Business Planning of Kubanenergo JSC that was approved at the meeting of the Board of Directors on 31.03.2015 (minutes of meeting No.206/2015 dd 03.04.2015). | |
| **Disclosure of insider information**  **Item No. 2 “On consideration of the report of the General Director of Kubanenergo PJSC on implementation in the 1st quarter of 2017 of decisions taken at the meetings of the Board of Directors of the Company”** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:  To postpone the discussion to a later date. | |
| **Disclosure of insider information**  **Item No. 3 “On consideration of the report of the Audit Committee of the Board of Directors of Kubanenergo PJSC on its activity in 2016-2017 corporate year”** | |
| 2.2.3. Decision adopted by issuer’s Board of Directors:  To take into consideration the report of the Audit Committee of the Board of Directors of Kubanenergo PJSC on its activity in 2016-2017 corporate year, in accordance with Anne 3 to this resolution of the BoD. | |
| **Disclosure of insider information**  **Item No.4 “On approval of contracts for free use of residential premises between Kubanenergo PJSC and employees of Kubanenergo PJSC”** | |
| 2.2.4. Decision adopted by issuer’s Board of Directors:  To approve contracts for free use of residential premises between Kubanenergo PJSC and employees of Sochi Electric Networks, branch of Kubanenergo PJSC on conditions disclosed in Annex 4 to this resolution of the BoD. | |
| **Disclosure of insider information**  **Item No.5 “On consideration of programme of measures to reduce losses of electric energy in the networks of Kubanenergo PJSC”** | |
| 2.2.5. Decision adopted by issuer’s Board of Directors:   1. To approve programme of measures to reduce losses of electric energy in the networks of Kubanenergo PJSC for 2017-2021 in order to reach the appropriate level of electricity losses, in accordance with Annex 5 to this resolution of the BoD. 2. To consider as invalid the programme of measures to address the problematic issues impeding the reduction of the level of electricity losses, which are in competence of Kubanenergo, in accordance with the programme 2013-2018 approved by the Board of Directors of the Company on August 15, 2013 (Minutes of meeting No.170/2013 of August 16, 2013). | |
| **Disclosure of insider information**  **Item No.6 “On consideration of the report of the General Director of Kubanenergo PJSC on the credit policy of the Company in the 1st quarter of 2017”** | |
| 2.2.6. Decision adopted by issuer’s Board of Directors:  To take the agenda item off the table. | |
| **Disclosure of insider information**  **Item No.7 “On update of the status and the basic grounds for setting target values ​​for the priority areas of the Company’s activities for 2017”** | |
| 2.2.7. Decision adopted by issuer’s Board of Directors:  1. To approve information on change in status of priority activities of the Company and the basic grounds for setting target values ​​for 2017 in accordance with Annex 6 to the decision of the Management Board of the Company.  2. To consider expedient:  2.1. The following priority areas of the Company’s activities shall be recognized as having lost their relevance in connection with implementation and termination of the deadline for implementation of such activities:  - Construction and operation of fiber-optic communication lines (Meetings of the Board of Directors meeting No.133/2012 dd 05.05.2012);  - Consolidation of network assets: Programme of consolidation of electric grid assets for 2011-2015 (minutes of meeting of the Board of Directors No. 121/1/2011 dated 21.11.2011);  - Introduction of a system for managing construction of crucial investment projects (minutes of meeting of the Board of Directors No.121/2011 dated 21.11.2011);  - Implementation of the Company’s environmental policy: Environmental policy of the Company for 2008-2015; Programme of implementation of the Company’s environmental policy for 2008; Programme of implementation of the Company’s environmental policy for 2008-2010 (Minutes of the Board of Directors meeting No.49/2008 dated 18.01.2008);  - The Company’s strategy in the field of information technology, automation and telecommunications for the period until 2016 (minutes of meeting of the Board of Directors dated 20.06.2012 No.138/2012).  2.2. After approval by the Board of Directors of the Company’s Programme for consolidation of electric grid assets 2017-2019, to ensure that “Consolidation of electric grid assets” is recognized as a priority area of ​​the Company’s business.  2.3. Implementation of the priority activity “Measures to reduce losses, using in-source funding sources (including with the use of energy service contracts)” as part of the activities of the complex of work with losses of electricity during its transmission (as estimated by the KPI “Level of Electricity Losses”, approved in the Business plan of the Company). | |
| **Disclosure of insider information**  **Item No.8 “On approval of the results of implementation of the target values ​​of key performance indicators of the General Director Kubanenergo PJSC in 2016”** | |
| 2.2.8. Decision adopted by issuer’s Board of Directors:  To approve the results of implementation of the target values ​​of key performance indicators of the General Director Kubanenergo PJSC in 2016, in accordance with Annex 7 to this resolution of the BoD. | |
| **Disclosure of insider information**  **Item No.9 “On approval of the Innovative Development Programme of Kubanenergo PJSC for the period 2016-2020 with estimates up to 2025”** | |
| 2.2.9. Decision adopted by issuer’s Board of Directors:  To approve the Innovative Development Programme of Kubanenergo PJSC for the period 2016-2020 with estimates up to 2025, in accordance with Annex 8 to this resolution of the BoD. | |
| **Disclosure of insider information**  **Item No.10 “On consideration of the Report on implementation of the Innovative Development Programme of Kubanenergo PJSC in 2016”** | |
| 2.2.10. Decision adopted by issuer’s Board of Directors:  To approve the Report on implementation of the Innovative Development Programme of Kubanenergo PJSC in 2016, in accordance with Annex 9 to this resolution of the BoD | |
| **Disclosure of insider information**  **Item No.11 “On committees of the Board of Directors of Kubanenergo PJSC”** | |
| 2.2.11. Decision adopted by issuer’s Board of Directors:   * 1. To decide that the Audit Committee of the Company’s BoD shall consist of 3 (three) persons.   2. To elect the following persons to the Audit Committee of the Company’s BoD:  |  |  |  | | --- | --- | --- | | # | Candidate | Employment | | 1 | Khokholkova Kseniya Valerievna | Deputy Head of Directorate of Share Capital Issues and Information Disclosure,  Department  of Corporate Governance and Interaction with Shareholders, Rosseti PJSC | | 2 | Shagina Irina Alexandrovna | Head of Tariff Policy Sector of Tariff Policy Department, Rosseti PJSC | | 3 | Osipova Yelena Nikolayevna | Head of Financial Analysis and Liquidity Management Sector of the Treasury Department, Rosseti PJSC |  * 1. To appoint Khokholkova Kseniya Valerievna as Chairperson of the Audit Committee of the Company’s BoD.   2. To decide that the Personnel and Remuneration Committee of the Company’s BoD shall consist of 3 (three) persons.   3. To elect the following persons to the Personnel and Remuneration Committee of the Company’s BoD:  |  |  |  | | --- | --- | --- | | # | Candidate | Employment | | 1 | Varlamov Nikolay Nikolevich | Deputy Director Genreal – Chief of Staff, Rosseti PJSC | | 2 | Chevkin Dmitriy Aleksandrovich | Head of Personnel and Organization Development Department, Rosseti PJSC | | 3 | Erpsher Nataliya Ilinichna | Head of Head of Directorate Organization Development under Department of HR Policy and Organization Development, Rosseti PJSC |  * 1. To appoint Varlamov Nikolay Nikolaevich as Chairperson the Personnel and Remuneration Committee of the Company’s BoD.   2. To decide that the Committee for Strategy, Development, Investment and Reforming under the Company’s BoD shall consist of 10 (ten) persons.   3. To elect the following persons to Committee for Strategy, Development, Investment and Reforming:  |  |  |  | | --- | --- | --- | | # | Candidate | Employment | | 1 | Pavlov Alexey Igorevich | Head of Treasury Department, Rosseti PJSC | | 2 | Rafalskaya Inna Sergeyevna | Deputy Head of Division for Settlement of Disputes in the field of Tariff Formation of the Tariff Policy Department, Rosseti PJSC | | 3 | Mikryukov Dmitriy Vasilievich | Chief Expert of Division for Consolidated Planning and Reporting at Investments Activity Department, Rosseti PJSC | | 4 | Lavrova Marina Alexandrovna | Head of Economics of Affiliated Companies Division at Department of Economic Planning and Allocation of Funds, Rosseti PJSC | | 5 | Balaban Fyodor Nikolaevich | Deputy Head of Strategic Projects Division at Department of Strategic Development, Rosseti PJSC | | 6 | Ivanova Olga Sergeyevna | Assistant to Director General in charge of Investments Planning, Rosseti PJSC | | 7 | Ocheredko Olga Vyacheslavovna | Deputy General Director for Economics and Finance,  Kubanenergo PJSC | | 8 | Seleznyov Viktor Yurievich | Head of Department of Scientific and Technical Development and Control over implementation of R&D under the Department of Technological Development of Innovations, Rosseti PJSC | | 9 | Gritsenko Vladimir Fyodorovich | Director of Business Development, Yunitel Engineering LLC | | 10 | Guselnikov Konstantin Sergeyevich | Director General, FinInvest Consulting LLC |  * 1. To appoint Pavlov Alexey Igorevich as Chairperson of the Committee for Strategy, Development, Investment and Reforming under the Company’s BoD.   4.1. To approve the new edition of the Regulations on the Reliability Committee under the Board of Directors of Kubanenergo PJSC, in accordance with Annex 10 to this decision of the Board of Directors.  4.2. To consider the Regulations on the Reliability Committee of the Board of Directors of Kubanenergo approved by the decision of the Board of Directors of the Company on 04.09.2015 (Minutes of meeting No.219/2015 dd 07.09.2015) as no longer valid.  4.3. To decide that the Reliability Committee under the Board of Directors shall consist of 5 (five) persons.  4.4. To elect the following persons to the Reliability Committee under the Board of Directors:   |  |  |  | | --- | --- | --- | | # | Candidate | Employment | | 1 | Shishigin Igr Nikolaevich | Deputy Director General in charge of Technical Issues – Chief Engineer, Kubanenergo PJSC | | 2 | Ocheredko Olga Vyacheslavovna | Deputy General Director for Economics and Finance,  Kubanenergo PJSC | | 3 | Ukolov Vladimir Anatolievich | Deputy Director of Situation and Analytical Centre, Rosseti PJSC | | 4 | Bogomolov Eduard Valerievich | First Deputy Director of Engineering Supervision Centre, branch of Rosseti PJSC | | 5 | Medvedev Mikhail Vladimirovich | Deputy Director General, Holding “Intra Tool” LLC |  * 1. To appoint Ukolov Vladimir Anatolievich as Chairperson of the Reliability Committee under the Board of Directors.   5.1. To approve the new edition of the Regulations on the Technological Connection Committee under the Board of Directors of Kubanenergo PJSC, in accordance with Annex 11 to this decision of the Board of Directors.  5.2. To consider the Regulations on the Technological Connection Committee under the Board of Directors of Kubanenergo approved by the decision of the Board of Directors of the Company on 04.09.2015 (Minutes of meeting No.219/2015 dd 07.09.2015) as no longer valid.  5.3. To decide that the Technological Connection Committee under the Board of Directors shall consist of 3 (three) persons.  5.4. To elect the following persons to the Technological Connection Committee under the Board of Directors:   |  |  |  | | --- | --- | --- | | # | Candidate | Employment | | 1 | Varvarin Aleksandr Viktorovich | Vice-president - Managing Director in charge of Corporate Relations and Legal Support, Russian Union of Industrialists and Entrepreneurs | | 2 | Korneyev Alexandr Yurievich | Head of Department of Perspective Development of Grids and Technological Connection, Rosseti PJSC | | 3 | Denezhnaya Natalia Vladimirovna | Chief Expert of the Department for Regulation of Technological Connection under the Department oPerspective Development of Grids and Technological Connection, Rosseti PJSC |   To appoint Varvarin Aleksandr Viktorovich as Chairperson of the Technological Connection Committee e under the Board of Directors. | |
| **Disclosure of insider information**  **Item No.12 “On introducing amendments to the Regulations on material incentives for the Director General of the Company”** | |
| 2.2.12. Decision adopted by issuer’s Board of Directors:   1. To introduce amendments to the Regulations on material incentives for the Director General of the Company, in accordance with Annex 12 to this decision of the Board of Directors. 2. The date of entry into force of amendments to the Regulations specified in clause 1 of this resolution of the Board of Directors of the Company: 01.01.2017 | |
| **Disclosure of insider information**  **Item No.13 “On discussion of report submitted by the Director General of the Company on the process of implementation of the registry (plan of sales) on non-core assets in the 2nd quarter of 2017 and update of the registry (programme of sale) of non-core assets of Kubanenergo PJSC”** | |
| 2.2.13. Decision adopted by issuer’s Board of Directors:   1. To take into consideration the report on the process of implementation of the registry (plan of sales) on non-core assets in the 2nd quarter of 2017, in accordance with Annex 13 to this decision of the Board of Directors. 2. To update of the registry (programme of sale) of the Company’s non-core assets, in accordance with Annex 14 to this decision of the Board of Directors. | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions: **19 July 2017**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **21 July 2017, minutes of meeting No.281/2017.** | |

|  |  |  |
| --- | --- | --- |
| 3. Signature | | |
| 3.1 Head of Corporate Governance and Shareholders Relations Department (by power of attorney No.119/10-337 dated 17.01.2017) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (signature) | Didenko Ye.Ye. |
| 3.2 Date: 2 August 2017 | stamp |  |