**Statement of material fact**

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

**(disclosure of inside information)**

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| 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 the results of voting on the proposed 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** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “Discussion of a report on the results of implementation of the Business plan of Kubanenergo PJSC in the 1st half of 2017”** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  1. To take into consideration the report on the results of implementation of the Business plan of Kubanenergo PJSC in the 1st half of 2017, in accordance with Appendix No.1 to this decision of the Board of Directors of the Company.  2. To pay attention to the evaluation of the key operational risks by the results of the 1st half of 2017 that are specified in Appendix 2 to this decision of the Board of Directors of the Company.  3. To instruct Director General to:  3.1. enhance risk management KOR-10 “Risk of non-fulfillment of the key parameters of the investment programme”  3.2. eliminate the possibility of occurrence of risks with high materiality level in 2017  3.3. ensure that the business plan of Kubanenergo PJSC for 2018-2022 and quarterly reports on its fulfillment contain in full volume expenses on technical maintenance and repair of the Company, including expenses on business trips, fuel products and other expenses. | |
| **Disclosure of insider information**  **Item No. 2 “Approval of a report on the results of implementation of the Investment programme of Kubanenergo PJSC in the 2nd quarter and the 1st half of 2017”** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:  1. To approve the report on the results of implementation of the Investment programme of Kubanenergo PJSC in the 2nd quarter and the 1st half of 2017, in accordance with Appendix No.3 to this decision of the Board of Directors of the Company.  2. To pay attention to the information on the results of implementation of the Investment programme of Kubanenergo PJSC in the 2nd quarter and the 1st half of 2017, in accordance with Appendix No.4 to this decision of the Board of Directors of the Company.  3. To instruct Director General to:  3.1 propose for discussion to the BoD the report on the causes of deviation of the actual parameters on the investment programme of Kubanenergo PJSC for the 1st half of 2017, specified in the Appendix 4 to this decision of the Board of Directors of the Company, from the planned parameters.  Deadline: 30.10.2017  3.2. analyse why the Company did not fulfill to the fullest extent the plan of technical re-equipment and modernization under the Investment programme 2017, specifically the modernization of transformers and substations that contribute to successful autumn-winter season 2017/2018; the analysis shall be included in the explanatory note to the report and then discussed at the meeting of the BoD  Deadline: 30.10.2017  3.3. take measures to implement the Company’s Investment programme within the planned volumes.  3.4. take measures to ensure the implementation of the approved consolidated network schedules of the implementation of priority facilities within the established deadline. | |
| **Disclosure of insider information**  **Item No.3 “Approval of the Plan of Kubanenergo PJSC on reduction of overdue accounts receivable for electricity transmission services and settlement of disputes that existed as of 01.07.2017”** | |
| 2.2.3. Decision adopted by issuer’s Board of Directors:  1. To approve the Plan of Kubanenergo PJSC on reduction of overdue accounts receivable for electricity transmission services and settlement of disputes that existed as of 01.07.2017, in accordance with Appendix No.5 to this decision of the Board of Directors of the Company.  2. To take into consideration the report on implementation by Kubanenergo PJSC of the Plan of Kubanenergo PJSC to reduce the overdue accounts receivable for electricity transmission services and settlement of disputes that existed as of 01.04.2017, in accordance with Appendix No.6 to this decision of the Board of Directors of the Company.  3. To take into consideration the report of Kubanenergo on steps taken in the 2nd quarter of 2017 to deal with the newly occurred overdue accounts receivable for electricity transmission services, in accordance with Appendix No.7 to this decision of the Board of Directors of the Company.  4. To take into consideration the report on implementation of the instruction given by the BoD on 31.03.2017 (minutes No.269/2017), in accordance with Appendix No.8 to this decision of the Board of Directors of the Company. | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions:  **3 October 2017**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **3 October 2017 minutes of meeting No.287/2017.** | |

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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: 9 October 2017 | seal |  |