**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** |  |  | |  | **11** |  |  | |  | **11** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “Approval of the restated Guidelines for implementation of the Unified Communication Policy of Kubanenergo PJSC”** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:   1. To approve the restated Guidelines for implementation of the Unified Communication Policy of Kubanenergo PJSC, in accordance with Appendix 1 to this resolution of the Company’s Board of Directors. 2. To consider as no longer valid the Guidelines for implementation of the Unified Communication Policy of Kubanenergo PJSC that were approved by the Board of Directors on 25.04.2017 (minutes No.271/2017 dd 28.04.2017). | |
| **Disclosure of insider information**  **Item No. 2 “Approval of the Programme of upgrade (renovation) of grid facilities of the Company in 2017-2026”** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:   1. To approve the Programme of upgrade (renovation) of grid facilities of the Company in 2017-2026 (hereinafter “the Programme”), in accordance with Appendix 2 to this resolution of the Company’s Board of Directors. 2. To instruct the Sole Executive Body of Kubanenergo PJSC to:    1. ensure regular update of the Programme:       1. After approval of the industry laws and regulations establishing or changing the frequency, methods, volumes and technical means of control, a system of technical condition indicators and their permissible and limit values that can reliably determine the actual technical condition of the main equipment and its change during operation until the next check.   Implementation: upon issuing of corresponding industry laws and regulations   * + 1. Annually upon adjusting the investment programme of Kubanenergo PJSC with taking into account the changes in the technical condition of the equipment and other factors that affect safe operation of equipment, as well as necessity need to include facilities under the instructions from supervisory authorities.   Implementation: by the 1st December of the year preceding the adjustment of the investment programme.   * 1. When preparing the investment programme of Kubanenergo PJSC, to include in the investment programme of Kubanenergo PJSC the projects from this Programme in accordance with the adjusted sources of financing, target indicators for the implementation of the Programme’s projects and scenario conditions for the preparation of the investment programme.   Implementation: constant | |
| **Disclosure of insider information/approval of transactions acknowledged in accordance with the legislation of the Russian Federation as major transactions and (or) transactions of interest.**  **Item No.3 “Approval of an interested party transaction: a contract on conduct of energy survey of facilities of Kubanenergo PJSC between Energoservis Kuban JSC and Kubanenergo PJSC”** | |
| 2.2.3. Decision adopted by issuer’s Board of Directors:  1. To determine the limit price of services purchased by the Company under a service contract on compulsory energy inspection of the facilities of Kubanenergo PJSC, which is an interested-party transaction: 78 579 741 (seventy-eight million five hundred seventy-nine thousand seven hundred forty-one) ruble 13 kopecks.  2. To approve for the conclusion of an interested-party transaction: the service contract on compulsory energy inspection of the facilities of Kubanenergo PJSC between Kubanenergo PJSC and Energoservice Kuban JSC, on the following essential terms:  Parties to the Contract:  Customer: Kubanenergo PJSC;  Contractor: Energoservice Kuban JSC.  Subject of the Contract:  The Contractor undertakes, on behalf of the Customer, to conduct an energy inspection comprising instrumental measurements, analysis of energy consumption of the equipment of the distribution network, administrative and industrial buildings and facilities; draw up a list of recommendations for energy saving and enhancement of energy efficiency, and issue the Energy Performance Certificate of Kubanenergo PJSC and register it at the Self-Regulatory Organization and the Ministry of Energy of the Russian Federation in accordance with the Terms of Reference.  Price of the Contract:  The limit price of the Contract is 78 579 741 (seventy-eight million five hundred seventy-nine thousand seven hundred forty-one) rubles 13 kopecks.  Other essential terms of the Contract:  Contract time:  This Contract shall become effective upon the date this Contract is signed by both Parties and is valid until 31.12.2017.  Parties interested in the transaction, and their affiliation:  1. The Company’s controlling entity: Rosseti PJSC, which is the controlling entity of Energoservice Kuban JSC, which is a party to the transaction.  2. Member of the Management Board of the Company: Armaganyan E.G., occupying position in the management bodies (member of the Board of Directors) of Energoservice Kuban JSC, which is a party to the transaction. | |
| **Disclosure of insider information**  **Item No.4 “Discussion of a report of the Company’s director general on the process of selling (plan of implementation) non-core assets in the 3rd quarter of 2017 and update of the registry (plan of implementation) of non-core assets of Kubanenergo PJSC”** | |
| 2.2.4. Decision adopted by issuer’s Board of Directors:   1. To take into consideration the report of the Company’s director general on the process of selling (plan of implementation) non-core assets in the 3rd quarter of 2017, in accordance with Appendix 3 to this resolution of the Company’s Board of Directors. 2. To and update of the registry (plan of implementation) of non-core assets as of 30.09.2017, in accordance with Appendix 4 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No.5 “Approval of the Programme on Energy Saving and Enhancing Energy Efficiency of Kubanenergo PJSC in 2017-2022”** | |
| 2.2.5. Decision adopted by issuer’s Board of Directors:   1. To approve the Programme on Energy Saving and Enhancing Energy Efficiency of Kubanenergo PJSC in 2017-2022, in accordance with Appendix 5 to this resolution of the Company’s Board of Directors. 2. To discuss on a quarterly basis a report on the implementation of the Programme on Energy Saving and Enhancing Energy Efficiency of Kubanenergo PJSC as a part of the Report on Implementation of the Business Plan. | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions:  **30 November 2017**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **1 December 2017 minutes of meeting No.290/2017.** | |

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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: 4 December 2017 | seal |  |