**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** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “Discussion of a report on the process and pricing audit of a project form the Investment Programme of Kubanenergo PJSC and reports on implementation of the approved Investment Programme of Kubanenergo PJSC in the 1st and 2nd quarters of 2017”** | |
| 2.2.1 Text of the resolution proposed by the issuer's b oared of directors:  To take into consideration the report on the process and pricing audit of a project form the Investment Programme of Kubanenergo PJSC and reports on implementation of the approved Investment Programme of Kubanenergo PJSC in the 1st and 2nd quarters of 2017, as specified in Annex 1 to the present resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 2 “Approval of the list of investment projects that are subject to process and pricing audit in 2018”** | |
| 2.2.2 Text of the resolution proposed by the issuer's b oared of directors:  To approve the list of investment projects that are subject to process and pricing audit in 2018, as specified in Annex 2 to the present resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 3 “Discussion of a report of the Director General of Kubanenergo PJSC on implementation of resolutions adopted by the Company’s Board of Directors”** | |
| 2.2.3 Text of the resolution proposed by the issuer's b oared of directors:  To take into consideration the report of the Director General of Kubanenergo PJSC on implementation of resolutions adopted by the Company’s Board of Director**s**, as specified in Annexes 3-4 to the present resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 4 “Approval of insurers of Kubanenergo PJSC”** | |
| 2.2.4 Text of the resolution proposed by the issuer's b oared of directors:  To appoint the following company as the Company’s Insurer:   |  |  |  | | --- | --- | --- | | Type of insurance | Insurance company | Service period | | Corporate property insurance against all risks | SPAO (Insurance public joint-stock company) Ingosstrakh | 01.01.2018 – 31.12.2020 | | |
| **Disclosure of insider information**  **Item No. 5 “Discussion of a report of the Director General of Kubanenergo PJSC on the Credit Policy of the Company in the 3rd quarter of 2017”** | |
| 2.2.5 Text of the resolution proposed by the issuer's b oared of directors:  1. To take into consideration the report of theDirector General of Kubanenergo PJSC on the Credit Policy of the Company in the 3rd quarter of 2017, as specified in Annex 5 to the present resolution of the Company’s Board of Directors.  2. Confidential  3. Confidential  4. To instruct the Company’s Director General to ensure implementation of requirements of the Regulations for Credit Policy approved by the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 6 “Approval of scenario analysis of preparation of the business of Kubanenergo PJSC for 2018 and estimates for 2019-2022”** | |
| 2.2.61 Text of the resolution proposed by the issuer's b oared of directors:  1. To approve the scenario analysis of preparation of the business of Kubanenergo PJSC for 2018 and estimates for 2019-2022, as specified in Annexes 6-8 to the present resolution of the Company’s Board of Directors.  2. To consider as no longer valid the resolution adopted by the BoD on 30.08.2017 on item 1 (minutes No.286/2017 dd 31.08.2017). | |
| **Disclosure of insider information/ Conclusion of interested-party transaction**  **Item No. 7 “Preliminary approval of the decision to conclude a transaction related to acquisition of real estate constituting the Company’s fixed assets, the purpose of which is production, transmission, dispatching, distribution of electric and thermal energy: transformer substation-105 and 3.6 km of 6 kV cable lines”** | |
| 2.2.7 Text of the resolution proposed by the issuer's b oared of directors:  To approve a transaction related to acquisition of real estate constituting the Company’s fixed assets, the purpose of which is production, transmission, dispatching, distribution of electric and thermal energy: transformer substation-105 and 3.6 km of 6 kV cable lines on the following conditions:  Property assets:  Equipment of transformer substation-105 and transformer substation-105 located at: Vorovskogo street, Sochi, Krasnodar region, as specified in Annex 7 to the present resolution of the Company’s Board of Directors.  Seller:  Limited Liability Company Rosstroyproekt  Buyer:  Public joint stock company of power industry and electrification of Kuban.  Purchase price:  The price is determined based on the market value appraisal report No.16/1-0 carried out by the independent appraiser Center for Professional Appraisal, LLC and amounts to 41 738 856 (forty one million seven hundred thirty eight thousand eight hundred fifty six) rubles 00 kopecks, excluding VAT, and 18% VAT of 7 512 994 (seven millions five hundred twelve thousand nine hundred ninety four) rubles 08 kopecks. The total amount of the contract is 49 251 850 (forty nine million two hundred fifty one thousand eight hundred fifty) rubles 08 kopecks, including VAT.  Method of purchase:  Conclusion of property purchase/sale agreement.  The order of transfer of property:  The ownership of property passes in the manner established by the procedure of the Russian Federation. | |
| **Disclosure of insider information**  **Item No. 8 “Analysis of the Company’s activities related to provision of electricity transmission services, calculation of technological losses and reduction of commercial losses in 2016 and 6 months of 2017”** | |
| 2.2.8 Text of the resolution proposed by the issuer's b oared of directors:  1. To take into consideration the report of theCompany’sDirector General on analysis of the Company’s activities related to provision of electricity transmission services, calculation of technological losses and reduction of commercial losses in 2016 and 6 months of 2017, as specified in Annex 1 to the present resolution of the Company’s Board of Directors.  2. Due to the amendment of calculation of technological losses of electrical energy for 2016, to instruct the Director General of the Company to submit by 30.12.2017 to the RF Ministry of Energy the amended data on calculation of technological losses of electricity for 2016 according to reporting forms, in accordance with the order of the RF Ministry of Energy No.340 dd. July 23, 2012. | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions:  **26 December 2017**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **28 December 2017 minutes of meeting No.293/2017.** | |

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| 3. Signature | | |
| 3.1 Head of Corporate Governance and Shareholder Relations Department (by power of attorney No.119/10-337 dated 17.01.2017) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (signature) | Didenko Ye.Ye. |
| 3.2 Date: 29 December 2017 | seal |  |