**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** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “Approval of the business plan of Kubanenergo PJSC for 2018 and estimates for 2019-2022”** | |
| 2.2.1 Text of the resolution proposed by the issuer's b oared of directors:  1. To approve the business plan of Kubanenergo PJSC for 2018 and take into account the estimates for 2019-2022, as specified in Annex 1 to the present resolution of the Company's Board of Directors.  2. To instruct the Sole Executive Body of Kubanenergo PJSC to ensure:  2.1. working out of measures to reduce the losses of electricity, ensuring the achievement of target indicator “Electricity losses in electric grids from the total volume of electricity supply” of the State Programme of the Russian Federation “Energy Efficiency and Development of Power Industry” approved by the Decree of the Government of the Russian Federation No.321 on April 15, 2014, starting in 2019, and provide the sources of funding for these activities;  2.2. introduction of the necessary changes and additions to the Programme of Measures to Reduce Electricity Losses in the Networks of Kubanenergo PJSC approved by the decision of the Board of Directors of Kubanenergo PJSC on July 19, 2017 (Minutes No.281/2017), taking into account the fulfillment of the instruction specified in the paragraph 2.1 of this decision of the Board of Directors of the Company.  Deadline: 01.09.2018.  2.3. formation and inclusion in accordance with the current legislation in the tariff and balance decisions from 2018 (for the next long-term period of regulation) the basic level of operational (controlled) expenses and expenses out of the profit not lower than the level stipulated in the Company’s business plan for 2018-2022.  Term: December 31, 2017.  2.4. in case of failure to comply with the paragraph 2.3 of this decision based on the results of the adopted tariff and balance decisions for 2018, to ensure the adjustment of the business plan of the Company for 2018 and the estimates for 2019-2022, taking into account the alignment of operating expenses in the business plan for 2018-2022 to the level of expenses, recorded in the tariff-balance decisions for 2018.  Deadline: 28.02.2018.  2.5.financing of the projects and activities of the investment programme provided for in the business plan of the Company for 2018-2022, if the adjustment of the investment programme was approved in accordance with the procedure provided for in the Decree of the RF Government No.977 of 01.12.2009 and the updated Development Plan of Kubanenergo PJSC, taking into account the inclusion of these measures. | |
| **Disclosure of insider information**  **Item No. 2 “Discussion of the report on the results of implementation of the business plan of Kubanenergo PJSC for 9 months of 2017”** | |
| 2.2.2 Text of the resolution proposed by the issuer's b oared of directors:  To take into consideration the report on the results of implementation of the business plan of Kubanenergo PJSC for 9 months of 2017, as specified in Annex 2 to the present resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 3 “Approval of the report on the results of implementation of the investment programme of Kubanenergo PJSC for the 3rd quarter and 9 months of 2017”** | |
| 2.2.3 Text of the resolution proposed by the issuer's b oared of directors:  To approve the report on the results of implementation of the investment programme of Kubanenergo PJSC for the 3rd quarter and 9 months of 2017, as specified in Annex 3 to the present resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 4 “On the Company’s readiness to autumn-winter season 2017-2018”** | |
| 2.2.4 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 the Company’s readiness to autumn-winter season 2017-2018, as specified in Annex 4 to the present resolution of the Company’s Board of Directors. | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions:  **27 December 2017**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **28 December 2017 minutes of meeting No.294/2017.** | |

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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 |  |