**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 business name of the issuer | Public joint-stock company of Power Industry and Electrification of Kuban |
| 1.2. Abbreviated business 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. The issuer’s unique code assigned by the registering body | 00063-A |
| 1.7. Website used by the issuer for information disclosure | [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** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “On convening the Annual General Meeting of Shareholders and determining the form of the meeting”** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  Convene the General Meeting of Shareholders in the form of joint presence. | |
| **Disclosure of insider information**  **Item No.2 “On setting the date, time and place of the Annual General Meeting of Shareholders, time of the registration of persons participating in the Annual General meeting of shareholders”** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:  1. Set the date of holding the Annual General Meeting of Shareholders of the Company: 25 May 2018.  2. Determine the time of holding the Annual General Meeting of Shareholders of the Company: 10:00 a.m. by local time.  3. Determine the place of holding the Annual General Meeting of Shareholders of the Company: Kubanenergo PJSC, 2A Stavropolskaya str., Krasnodar, Russian Federation.  4. Determine the registration start-time for persons participating in the Annual General Meeting of Shareholders of the Company: 09:00 a.m. by local time. | |
| **Disclosure of insider information**  **Item No.3 “On setting the date of making the list of persons entitled to participate in the Annual General Meeting of Shareholders”** | |
| 2.2.3. Decision adopted by issuer’s Board of Directors:  Set the date of making the list of persons entitled to participate in the Annual General Meeting of Shareholders of the Company: 30 April 2018. | |
| **Disclosure of insider information**  **Item No.4 “On determining the type(s) of preferred shares whose owners are entitled to vote on agenda items of Company’s Annual General Meeting of Shareholders”** | |
| 2.2.4. Decision adopted by issuer’s Board of Directors:  Taking into consideration that preferred shares of Company have not been issued, do not adopt the decisions on determining the type(s) of preferred shares whose owners are entitled to vote on agenda items of the Annual General Meeting of Shareholders of the Company. | |
| **Disclosure of insider information**  **Item No. 5 “On selecting agenda items for the annual meeting of Shareholders of the Company”** | |
| 2.2.5. Decision adopted by issuer’s Board of Directors:  Approve the following agenda of the AGM:  1. Approval of the Company’s annual report.  2. Approval of the annual accounting report, including the profit and loss statement (income statement) of the Company.  3. Approval of distribution of profit of the Company by the results of 2017.  4. On the amount, terms and form of paying the dividends by the results of 2017.  5. Election of the Company’s Board of Directors (supervisory board) members.  6. Election of the Company’s Auditing commission (controllers) members.  7. Approval of the Company’s Auditor.  8. Approval of the Company’s restated Charter.  9. Approval of restated Regulations for the Board of Directors of the Company.  10. Approval of restated Regulations for the Management Board of the Company.  11. Approval of restated Regulations for Payment of Remuneration and Compensation to the Auditing Committee of the Company.  12. Participation of Kubanenergo PJSC in Association “NP Market Council”. | |
| **Disclosure of insider information**  **Item No. 6 “On determining the list of information (materials) provided to the Company’s shareholders during the preparation of Annual General Meeting of Shareholders of the Company and procedure for providing such information to the shareholders”** | |
| 2.2.6. Decision adopted by issuer’s Board of Directors:  Decide that following information (materials) will be provided to persons entitled to participate in the Annual General Meeting of Shareholders:   * Annual report of the Company and opinion of the Company’s Auditing Committee by the results of its revision (report on fairness of the representations in the Company’s Annual report) * Annual accounting statements, as well as auditor’s opinion and report of the Company’s Auditing Committee by the results of check of accounting statements * Evaluation report from the Audit Committee of the Company of the report of the Company’s Auditor confirming the reliability of the annual accounting (financial) statements of the Company compiled under RAS and IFRS * Conclusion of the Audit Committee of the Board of Directors of Kubanenergo on the level of efficiency and quality of the external audit process * Abstract of decision of the BoD on issues related to preliminary approval Company’s annual report 2017 and recommendations to AGM on its approval; * Recommendations of the Board of Directors of the Company on distribution of profit (loss) of the Company by the results of 2017;as well ason the amount of the dividend on the Company’s shares, the procedure for its payment and determining the date of drawing up the list of persons entitled to receive the dividends * Substantiation of the proposed distribution of net profit; an extract from the decision of the Board of Directors on item “Submission of the annual financial statements for approval to the Annual General Meeting of Shareholders” and on recommendations to the annual General Meeting of Shareholders on the distribution of the Company’s profits (losses) for 2017 * Information on candidates to the Board of Directors of the Company, the Audit Commission of the Company, or information on the failure of candidates to submit such information, including information on entities that nominated a candidate; as well as information on the presence or absence of written consent of these candidates for nomination and election * Information on candidates for the Company’s auditor sufficient to form an opinion on ​​their professional qualities and independence, including the name of self-regulatory organization of auditors at which the candidate for the Company’s auditors is a member; description of the procedures for selection of external auditors that ensure their independence and objectivity, and information on the proposed remuneration to external auditors for audit and non-audit services (including information on compensation payments and other expenses on the auditor) and other material terms of contracts concluded with the Company’s auditor * Recommendations of the Company’s Audit Committee on candidature of an Auditor * Report on interested-party transactions concluded by the Company in 2017, including report of the Auditing Commission confirming fairness of the report * Information on shareholder agreements concluded within a year before the date of the General Meeting of Shareholders * Information on who proposed each issue to the agenda of the annual General Meeting of Shareholders * Draft decisions and explanations to agenda of the AGM * Details of how to get to the place of holding the AGM * Sample of the power of attorney that a shareholder can provide for its representative and procedure of its verification * Abstract of decision of the BoD on other issues proposed for the AGM * Current Charter of the Company, draft Charter of the Company in a new version and table of amendments and additions to the Company’s Charter * Current Regulations for the Board of Directors of the Company, draft Regulations for the Board of Directors of the Company in a new version and table of amendments and additions to the Regulations for the Board of Directors of the Company * Current Regulations for the Management Board of the Company, draft Regulations for the Management Board of the Company in a new version and table of amendments and additions to the Regulations for the Management Board of the Company * Current Regulations for Payment of Remuneration and Compensation to Members of the Auditing Commission, draft Regulations for Payment of Remuneration and Compensation to Members of the Auditing Commission in a new version and table of amendments and additions to the Regulations for Payment of Remuneration and Compensation to Members of the Auditing Commission. | |
| **Disclosure of insider information**  **Item No.7 “On approval of form and content of ballots for voting at the Annual General Meeting of Shareholders of the Company, as well as wording of decisions on items of the agenda of the Annual General Meeting of Shareholders, which shall be sent electronically (in the form of electronic documents) to nominal holders of shares registered in the register of shareholders of the Company”** | |
| 2.2.7. Decision adopted by issuer’s Board of Directors:  1. Approve the form and content of ballots for voting at the Annual General Meeting of Shareholders of the Company, as specified in Annexes 1-3 to the present resolution.  2. Use the wording of decisions specified in the voting ballots for sending in electronic form (in the form of electronic documents) to nominal holders of shares registered in the register of shareholders. | |
| **Disclosure of insider information**  **Item No. 8 “On determining of the date of sending ballots to persons entitled to participate in the Annual General Meeting of Shareholders of the Company, addresses, to which the filled-in ballot papers can be sent, and the deadline for the receipt of the completed ballots”** | |
| 2.2.8. Decision adopted by issuer’s Board of Directors:  1. Determine that voting ballots should be sent by registered mail (handed out against receipt) to the persons entitled to participate in the Annual General Meeting of Shareholders of the Company by 4 May 2018.  If a person registered in the Company’s shareholder register is a nominal holder of shares, the voting ballots should be sent to the clients of the nominal holder included in the list of persons entitled to participate in the General Meeting of Shareholders by 4 May 2018.  2. Determine that the filled-in voting ballots may be sent at one of the following addresses:  - Kubanenergo PJSC, 350033, 2A Stavropolskaya street, Krasnodar, Russian Federation;  - R.O.S.T. Registrar JSC, 107996, post office box 9, 18, Stromynka street, Moscow.  3. For the purposes of quorum and summing up the results of voting only those votes will be accounted that were submitted via voting ballots to the Company no later than 22 May 2018.  4. Instruct the sole executive body of the Company to ensure the voting ballots are sent to the Company’s shareholders in accordance with present decision of Company’s BoD. | |
| **Disclosure of insider information**  **Item No. 9 “On determining the procedure of informing the shareholders on holding the Annual General Meeting of Shareholders of the Company, including approving the form and text of message”** | |
| 2.2.9. Decision adopted by issuer’s Board of Directors:  1. Approve the form and text of message on holding the Annual General Meeting of Shareholders of the Company in accordance with Annex 4 to present resolution of Company’s BoD.  2. Inform the persons entitled to participate in the General Meeting of Shareholders on holding the Annual General Meeting of Shareholders by posting a message on holding the Annual General Meeting of Shareholders at the official website [www.kubanenergo.ru](http://www.kubanenergo.ru) by 24 April 2018.  If a person registered in the Company’s shareholder register is a nominal holder of shares, the message on holding the Annual General Meeting of Shareholders of the Company should be sent in electronic form (in the form of electronic documents) to the nominal holder by 24 April 2018 | |
| **Disclosure of insider information**  **Item No. 10 “On appointing the secretary of the Annual General Meeting of Shareholders of the Company”** | |
| 2.2.10. Decision adopted by issuer’s Board of Directors:  To appoint Russu Olga Vladimirovna, corporate secretary of the Company for the position of the Secretary of the Company’s Annual General Meeting of Shareholders. | |
| **Disclosure of insider information**  **Item No. 11 “On approval of cost estimates for preparation and holding of the Annual General Meeting of Shareholders of the Company”** | |
| 2.2.11. Decision adopted by issuer’s Board of Directors:  1. Approve the costs estimates related to the preparation and conduct of the Annual General Meeting of Shareholders of the Company, in accordance with Annex 5 to the present resolution.  2. The Director General of the Company shall, not later than two months after the Annual General Meeting of Shareholders of the Company, submit to the Board of Directors a report on the expenditure of the funds allocated for preparation and conduct of the Annual General Meeting of Shareholders. | |
| **Disclosure of insider information**  **Item No.12 “On approval of conditions of a contract with the Company’s Registrar”** | |
| 2.2.12. Decision adopted by issuer’s Board of Directors:  1. Approve the terms and conditions of a contract with the Company’s registrar for provision of services for organization, convocation and holding of the annual General Meeting of Shareholders, including performance of the functions of a counting commission and distribution of materials pursuant to Annex 6 to the present resolution of the Board of Directors of the Company.  2. Instruct the General Director of the Company to sign a contract with the Company’s registrar for provision of services for organization, convening and holding of the annual General Meeting of Shareholders, including the performance of the functions of a counting commission and distribution of materials on terms and conditions, in accordance with Annex 6 to the present resolution of the Board of Directors of the Company. | |
| **Disclosure of insider information**  **Item No.13 “On approval of the report on interested-party transactions, concluded by the Company in 2017”** | |
| 2.2.13. Decision adopted by issuer’s Board of Directors:  Approve the report on interested-party transactions, concluded by the Company in 2017, in accordance with Annex 7 to the present resolution of the Board of Directors of the Company. | |
| **Disclosure of insider information**  **Item No.14 “On preliminary approval of the Annual Report 2017”** | |
| 2.2.14. Decision adopted by issuer’s Board of Directors:  Approve preliminary the Annual Report 2017 and recommend the AGM to approve the Annual Report 2017, in accordance with Annex 8 to the present resolution of the Board of Directors of the Company. | |
| **Disclosure of insider information**  **Item No.15 “On consideration of the Company’s Accounting (Financial) Statements 2017”** | |
| 2.2.15. Decision adopted by issuer’s Board of Directors:  Approve preliminary the Company’s Accounting (Financial) Statements 2017 and submit for approval to the AGM, in accordance with Annex 9 to the present resolution of the Board of Directors of the Company. | |
| **Disclosure of insider information**  **Item No. 16 “On recommendations concerning the distribution of profit (loss) of the Company following the results of 2017”** | |
| 2.2.16. Decision adopted by issuer’s Board of Directors:  Instruct the Annual General Meeting of Shareholders of the Company to approve the following allocation of profits (losses) of the Company for 2017 reporting year   |  |  | | --- | --- | |  | (thousand rubles) | | Undistributed profit (losses) of the reporting period: | 525 276 | | To distribute for: Reserve fund | 26 264 | | Profit for development | 177 442 | | Dividends | 321 570 | | Repayment of undistributed deficit of prior years | 0 |   . | |
| **Disclosure of insider information/ on recommendations regarding the amount of dividends on the shares of the issuer, which is a joint-stock company, are determined and procedure of their payment / on proposal to the general meeting of shareholders of the issuer, which is a joint-stock company, to determine in a decision on payment (declaration) of dividends a certain date for which persons entitled to receive dividends**  **Item No.17 “On recommendations on the amount of dividends on shares of the Company for 2017 and their payment procedure and proposals to the Annual General Meeting of Shareholders for determining the record date of a list of persons entitled to receive the dividends”** | |
| 2.2.17. Decision adopted by issuer’s Board of Directors:  Recommend the Annual General Meeting of Shareholders to adopt the following decision:  1. To pay dividends on ordinary shares following the results of 2017 in the amount of 1.0585165 ruble per one ordinary share of the Company in monetary form.  The period of payment of dividends to a nominal holder and a trustee, who is a professional participant of the securities market, is no more than 10 business days, other shareholders included in the register – 25 business days from the date of drawing up the list of persons entitled to receive the dividends.  2. Determine the date of drawing up the list of persons entitled to receive dividends – 5 June 2018. | |
| **Disclosure of insider information**  **Item No. 18 “On consideration of the candidate for the Auditor of the Company”** | |
| 2.2.18. Decision adopted by issuer’s Board of Directors:  Offer the Annual General Meeting of Shareholders of the Company to approve Ernst&Young (INN (TIN)/KPP (tax registration reason code) 7709383532/770501001, Sadovnicheskaya nab. 77, bld. 1 115035 Moscow) as the Company’s auditor. | |
| **Disclosure of insider information**  **Item No. 19 “On consideration of a draft Charter of the Company in a new edition”** | |
| 2.2.19. Decision adopted by issuer’s Board of Directors:  Offer the Annual General Meeting of Shareholders of the Company to approve the Charter of the Company in a new edition (Annex10 to this resolution of the Board of Directors of the Company). | |
| **Disclosure of insider information**  **Item No.20 “On consideration of a draft of the Regulations on the Company's Board of Directors in a new edition”** | |
| 2.2.20. Decision adopted by issuer’s Board of Directors:  Offer the Annual General Meeting of Shareholders of the Company to approve the Regulations for the Board of Directors of the Company in new edition (Annex 11 to this decision of the Board of Directors of the Company.) | |
| **Disclosure of insider information**  **Item No. 21“On consideration of a draft of the Regulations on the Company's Management Board in a new edition”** | |
| 2.2.20. Decision adopted by issuer’s Board of Directors:  Offer the Annual General Meeting of Shareholders of the Company to approve the Regulations for the Management Board of the Company in new edition (Annex 12 to this decision of the Board of Directors of the Company.) | |
| **Disclosure of insider information**  **Item No.22 “On consideration of a draft of the Regulations on the Payment of Remuneration and Compensation to Members of the Audit Commission of the Company in a new edition”** | |
| 2.2.22. Decision adopted by issuer’s Board of Directors:  Offer the Annual General Meeting of Shareholders of the Company:   1. To approve the Regulations on the Payment of Remuneration and Compensation to Members of the Audit Commission of the Company in a new edition (Annex 13 to this decision of the Board of Directors of the Company.) 2. To deicide that this Regulations on the Payment of Remuneration and Compensation to Members of the Audit Commission of the Company in a new edition applies to the members of the Company's Audit Commission elected at this and subsequent General Meetings of Shareholders of the Company. | |
| **Disclosure of insider information**  **Item No.23 “On proposal to the Annual General Meeting of Shareholders concerning the issue: “On participation of Kubanenergo PJSC in the Association “NP Market Council””** | |
| 2.2.23. Decision adopted by issuer’s Board of Directors:  Offer the Annual General Meeting of Shareholders of the Company to adopt the following resolution:  Approve participation of Kubanenergo in the Association “NP Market Council” on the following essential conditions:  - the amount of the admission fee (lump sum payment) 1 000 000 (one million) rubles, approved by the decision of the Supervisory Board of the Association “NP Market Council” on 30.10.2009, and payable in the manner and terms provided for by the Charter and the Membership Regulations of the Association “NP Market Council”  - the amount, terms and procedure for payment of regular membership fee are determined by the Supervisory Board of the Association “NP Market Council”  - the form of payment for the admission (lump sum payment) and regular membership fees: monetary assets. | |
| type, category (type): **ordinary registered shares**  state registration number of the issue (additional issue) of securities and the date of its state registration (identification number of the issue (additional issue) of securities and the date of its assignment):  **1-02-00063-A; 08.07.2003**  international security identification number (ISIN) (if any): **RU0009046767** | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions:  **19 April 2018**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **20 April 2018, minutes of meeting No.306/2018.** | |

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| 3. Signature | | | |
| 3.Head of the Corporate Governance and Shareholder Relations Department (by power of attorney No.119/10-946 dated 22.02.2018) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (signature) | Didenko Ye.Ye. |
| 3.2 Date: 23 April 2018 | seal |  |