**Statement of material fact**

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

**(disclosure of inside information)**

|  |  |
| --- | --- |
| 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** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “Approval of the Plan of rebuilding facilities of Kubanenergo PJSC by the third parties”** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  To approve the Plan of rebuilding facilities of Kubanenergo PJSC by the third parties, in accordance with Annex 1 to the present resolution of the Company’s Board of Directors . | |
| **Disclosure of insider information**  **Item No. 2 “Defining the cases (amounts) of transactions with property that require preliminary approval of the Company’s BoD”** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:  1. To decide that in accordance with subparagraph 38 of paragraph 15.1 of Charter of Kubanenergo PJSC, the following transactions require preliminary approval of the Company’s Board of Directors:  1.1. transactions (including several linked transactions) related to purchasing regardless of balance or market values of:  1.1.1. electric grid facilities[[1]](#footnote-1) that are in operation, removed out of service or pulled out of operation, excluding:  - purchased by means of fees for technological connection to the grid facilities of the Company under contracts for the implementation of technological connection on individual projects in accordance with the specifications;  - included in the established procedure in the Company's investment program, the purchase price of which amounts 30 million rubles (excluding VAT) and less, if Criteria for making decisions on the projects for the consolidation of electric grid assets, set out in subparagraphs 2-10 of Appendix No. 2 to this decision of the Board of Directors of the Company;  - purchased on a gratuitous basis, while observing the Criteria for making decisions on the projects of consolidation of electric grid assets, specified in subparagraphs 2-4 and 6-10 of Appendix No. 2 to this decision of the Board of Directors of the Company;  - purchased exclusively towards debt repayment under operative-technological services contracts through conclusion of agreements on compensation, while observing the Criteria for making decisions on the projects for the consolidation of electric grid assets, specified in subparagraphs 1-10 of Appendix No. 2 to this decision of the Board of Directors of the Company.  1.1.2. real estate objects that are not related to grid facilities, regardless of purposes of use excluding land plots:  - purchasing of which are carried out in accordance with articles 2 and 3 of Federal Law No. 137-FZ dd. 25.10.2001 “On bringing into force Land Code of the Russian Federation”;  - purchasing of which are carried out in accordance with investment projects on construction (reconstruction) of grid facilities including after putting into operating, with including expenses for purchasing in Investment programme of the Company;  1.1.3. objects under construction;  1.1.4. intangible assets.  1.2. transactions for a period of more than 5 years on transfer for holding and use or temporary use of real estate, electric grid facilities or for temporary holding and use or temporary use of real estate objects, the purpose of which is not transmission, distribution of electric power, in cases if the balance or market value of the transferred or received property exceeds 30 million rubles, except for cases of admission to temporary holding and use or for temporary use:  - land plots for operation or construction (reconstruction) of grid facilities in accordance with investment projects and land plots under the real estate objects of the Company;  - electric grid facilities implementing in accordance with paragraphs 6-8 of Article 8of Federal Law No. 35-FZ dd. 26.03.2003 “On power industry”.  2. To charge General Director of the Company:  2.1. Quarterly submit for consideration of BoD a report on purchasing of grid facilities the approval of which is not required by BoD in accordance with paragraph 1 of this decision, with submitting information on correspondence of transaction to Criteria for making decisions on the projects of consolidation of electric grid assets, specified in Annex 2 to this decision of Company’s BoD. The report is submitted simultaneously with report on implementation of Investment programme of the Company.  2.2. Ensure the achieving of effects from implementation of transactions specified in paragraph 2.1. of this decision.  2.3. Upon the implementation of transaction, submit for consideration by the Board of Directors simultaneously with the Report on the execution of the Business plan of the Company for year following the year of the transaction, the final analysis of the compliance of the parameters of the transaction to the Criteria for making decisions on the projects for the consolidation of electric grid assets specified in Appendix No. 2 to this decision of the Company’s Board of Directors.  3. Consider as no longer valid the decisions of Kubanenergo PJSC Board of Directors on item 11 dd. 11.10.2011 (Minutes No. 119/2011 dd. 14.10.2011), on item 3 dd. 16.10.2015 (Minutes No. 221/2015 dd. 19.10.2015). | |
| **Disclosure of insider information**  **Item No. 3 “Approval of the target model of system of emergency and process control in distribution power grid”** | |
| 2.2.3. Decision adopted by issuer’s Board of Directors:  Approve three-tier model of emergency and process control in distribution power grid with grid control centre of Kubanenergo PJSC executive body, that perform operational functions regarding to grid facilities in area of operational responsibility of Kubanenergo PJSC in accordance with Annex 3 to this decision of Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No.4 “Consideration of the report of the Director General on the process of implementation of the registry of non-core assets in the 1st quarter of 2018 and update of the registry of non-core assets of Kubanenergo PJSC”** | |
| 2.2.4. Decision adopted by issuer’s Board of Directors:  1. To take into account the report on progress of implementation of registry of non-core assets for the 1st quarter of 2018 in accordance with Annex 4 to this decision of Company’s Board of Directors.  2. Update Registry of non-core assets in edition in accordance with Annex 5 to this decision of Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 5 “Discussion of the results of the anti-corruption monitoring in 2017”** | |
| 2.2.5. Decision adopted by issuer’s Board of Directors:  To take into account the information on results of Anti-corruption monitoring in Kubanenergo PJSC for 2017 in accordance with Annex 6 to this decision of Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 6 “Approval of budgets for the Committees under the BoD of Kubanenergo PJSC”** | |
| 2.2.6. Decision adopted by issuer’s Board of Directors:  Approve the budgets for the Committees under the BoD of Kubanenergo PJSC for 2017-2018 corporate year in accordance with Annexes 7-8 to this decision of Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No.7 “Consideration of information provided by the Director General of Kubanenergo PJSC on indicators of the level of reliability and quality of services rendered in 2017 that are subject to tariff regulations on the basis of long-term parameters of activity regulation”** | |
| 2.2.7. Decision adopted by issuer’s Board of Directors:  Take into account the information on indicators of the level of reliability and quality of services rendered in 2017 that are subject to tariff regulations on the basis of long-term parameters of activity regulation in accordance with Annex 9 to this decision of Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 8 “Consideration of information provided by the internal audit unit on the results of evaluation of the results of the programme of alienation of non-core assets and the plan of selling non-core assets of Kubanenergo PJSC in 2017”** | |
| 2.2.8. Decision adopted by issuer’s Board of Directors:  1. Take into account Audit report No. 01-2018 dd. 15.02.2018 “Audit of revealing and selling of non-core assets in Kubanenergo PJSC” in accordance with Annex 10 to this decision of Company’s Board of Directors.  2. Recommend Company’s management board:  2.1. To include in risk portfolio “risk of forming of incorrect list of non-core assets, incorrect defining of method of managing of non-core assets”, guarantee managing of this risk.  2.2. Guarantee the implementation of recommendations of internal audit by the results of carried out audit. | |
| **Disclosure of insider information**  **Item No. 9 “Consideration of a report submitted by the internal audit on implementation of the schedule of work and the results of activity of internal audit unit, including the results of self-evaluation of quality of internal audit by the results of 2017, as well as implementation of the plan for development and improvement of the internal audit system in Kubanenergo PJSC over the period of 2017-2019”** | |
| 2.2.9. Decision adopted by issuer’s Board of Directors:  Approve the report on implementation of internal audit of Kubanenergo PJSC for 2017 including the results of self-evaluation of quality of internal audit by the results of 2017 in accordance with Annex 11 to this decision of Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 10 “Approval of RAS and IFRS based business plan of Kubanenergo Group for 2018 and estimates for 2019-2022”** | |
| 2.2.10. Decision adopted by issuer’s Board of Directors:  Approve RAS and IFRS based business plan of Kubanenergo Group for 2018 and take into account estimates for 2019-2022 in accordance with Annexes 12-13 to this decision of Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 11 “Expressing the Company’s opinion on the agenda of the meetings of its affiliated and dependent companies – Recreation Centre “Energetik” JSC and “Energoservis Kubani” JSC: “Approval of the company’s business plan for 2018 and estimates for 209-2022**.**”** | |
| 2.2.11. Decision adopted by issuer’s Board of Directors:  1. Charge the representatives of Kubanenergo PJSC in Board of Directors of Recreation Centre “Energetik” JSC on agenda item “On approval of the company’s business plan for 2018 and estimates for 209-2022” to vote FOR the adoption of the following decision:  - approve business plan of Recreation Centre “Energetik” JSC for 2018 and estimates for 2019-2022 in accordance with annex to this decision of Board of Directors.  2. Charge the representatives of Kubanenergo PJSC in Board of Directors of “Energoservis Kubani” JSC on agenda item “On approval of the company’s business plan for 2018 and estimates for 209-2022” to vote FOR the adoption of the following decision:  - approve business plan of “Energoservis Kubani” JSC for 2018 and estimates for 2019-2022 in accordance with annex to this decision of Board of Directors | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions:  **18 May 2018**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **21 May 2018, minutes of meeting No.310/2018.** | |

|  |  |  |  |
| --- | --- | --- | --- |
| 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: 22 May 2018 | seal |  |

1. Including facilities scheduled for repair or taken out of operation not in prescribed manner [↑](#footnote-ref-1)