**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** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “Discussion of the report on implementation of the overdue contracts on technological connection in the 1st quarter of 2018”** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  1. Take into consideration the report on implementation of the overdue contracts on technological connection in the 1st quarter of 2018, as per Annex 1 to this resolution of the Company’s Board of Directors.  2. Recommend the management of Kubanenergo PJSC to ensure implementation of the schedule, including activities that were not carried out in the 1st quarter of 2018. | |
| **Disclosure of insider information**  **Item No. 2 “Approval of candidatures for certain positions at the executive body of the Company, determined by the Board of Directors of the Company”** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:  To appoint Khazikova Zanda Ivanovna for the position of the Deputy Director General for Corporate Governance, Kubanenergo PJSC. | |
| **Disclosure of insider information**  **Item No. 3 “Discussion of the report submitted by the General Director of the Company on implementation of the register of non-core assets in the 2nd quarter of 2018 and updating the register of non-core assets of Kubanenergo PJSC”** | |
| 2.2.3. Decision adopted by issuer’s Board of Directors:  1. Take into account the report o on implementation of the register of non-core assets in the 2nd quarter of 2018 and updating the register of non-core assets of Kubanenergo PJSC, as per Annex 2 to this resolution of the Company’s Board of Directors.  2. Update the Register of non-core assets in new revision as per Annex 3 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 4 “Discussion of the report submitted by the General Director of Kubanenergo PJSC on expenditures related to preparation and holding of the Annual General Meeting of Shareholders of the Company on May 25, 2018”** | |
| 2.2.4. Decision adopted by issuer’s Board of Directors:  Take into account the report submitted by the General Director of Kubanenergo PJSC on expenditures related to preparation and holding of the Annual General Meeting of Shareholders of the Company on May 25, 2018, as per Annex 4 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 5 “Discussion of the report submitted by the General Director of Kubanenergo PJSC on implementation of decisions taken at meetings of the Board of Directors of the Company in the 1st quarter of 2018”** | |
| 2.2.5. Decision adopted by issuer’s Board of Directors:  Take into account the report on implementation of decisions taken at meetings of the Board of Directors of the Company in the 1st quarter of 2018, as per Annex 5 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 6 “Consideration of the report from the Internal Audit Sector on the assessment of the effectiveness of systems of internal control, risk management, and corporate governance”** | |
| 2.2.6. Decision adopted by issuer’s Board of Directors:  Approve the report from the Internal Audit Sector of the Company on the assessment of the effectiveness of systems of internal control, risk management, and corporate governance of the Company in 2017, as per Annexes 6-8 to this resolution of the Company’s Board of Directors | |
| **Disclosure of insider information**  **Item No. 7 “Consideration of the report of the Sole Executive Body and the Management Board of the Company on the organization and functioning of the internal control system and the report of the Sole Executive Body and the Management Board on the organization, functioning and effectiveness of the risk management system, including information on implementation of measures to improve these systems”** | |
| 2.2.7. Decision adopted by issuer’s Board of Directors:  Take into account the report of the Sole Executive Body and the Management Board of the Company on the organization and functioning of the internal control system and the report of the Sole Executive Body and the Management Board on the organization, functioning and effectiveness of the risk management system, including information on implementation of measures to improve these systems in 2017, as per Annexes 9 and 10 to this resolution of the Company’s Board of Directors | |
| **Disclosure of insider information**  **Item No. 8 “Consideration of the report of the Sole Executive Body of the Company “On Management of Key Operational Risks of the Company for 2017”** | |
| 2.2.8. Decision adopted by issuer’s Board of Directors:  1. Take into account the report of the Sole Executive Body of the Company “On Management of Key Operational Risks of the Company for 2017”, as per Annex 11 to this resolution of the Company’s Board of Directors.  2. Instruct the Sole Executive Body of the Company to ensure implementation of the planned for 2018 activities on key operational risks management and pay particular attention to risks with critical and significant level of materiality, as per Annex 12 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 9 “Approval of the Plan for development of the management system for industrial assets of Kubanenergo PJSC for 2019”** | |
| 2.2.9. Decision adopted by issuer’s Board of Directors:  1. Consider as no longer valid the Plan of development of the management system for industrial assets of Kubanenergo PJSC 2016-2018 that was approved by the BoD of the Company on 28.06.2017 (minutes No.279/2017).  2. Approve the Plan of development of the management system for industrial assets of Kubanenergo PJSC up to 2019, as per Annex 13 to this resolution of the Company’s Board of Directors.  3. Instruct the Sole Executive Body of the Company to:  - ensure timely implementation of the Plan of introduction of the management system for industrial assets of Kubanenergo PJSC;  - set the limits on costs and financing for the implementation of activities from the business plan of Kubanenergo PJSC for 2019, taking into account the unconditional reduction in specific operating costs (costs) in 2019  - annually before the end of the 1st quarter of the year following the reporting quarter, to submit for consideration of the BoD the information on discussion of a report on the plan of development of the management system for industrial assets of Kubanenergo PJSC. | |
| **Disclosure of insider information**  **Item No. 10 “Discussion of a report on implementation of the RAS and IFRS based business plan of Kubanenergo Group the 1st quarter of 2018”** | |
| 2.2.10. Decision adopted by issuer’s Board of Directors:  Take into account the report on implementation of the RAS and IFRS based business plan of Kubanenergo Group the 1st quarter of 2018, as per Annex 14 to this resolution of the Company’s Board of Directors. | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions:  **21 August 2018**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **22 August 2018, minutes of meeting No.318/2018.** | |

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