**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> |
| 1.8. Date of the event (material fact) that is disclosed in the statement (if applicable) | 24.09.2018 |
| 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** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “Consideration of a report submitted by the Director General on the Company’s insurance coverage in the 2nd quarter of 2018”** | |
| 2.2.1. Decision adopted by issuer’s Board of Directors:  To take into consideration the report submitted by the Director General on the Company’s insurance coverage in the 2nd quarter of 2018, as per Annex 1 to the resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 2 “Determining the amount of payment for the services of the Company’s auditor”** | |
| 2.2.2. Decision adopted by issuer’s Board of Directors:  To determine the price of services of the Company’s auditor Ernst&Young LLC for audit of accounting (financial) statements 2018, prepared in accordance with RAS (Russian Accounting Standards), and for audit of consolidated financial statements prepared in accordance with IFRS (International Financial Reporting Standards) in the amount of 5 284 594 (five million two hundred eighty four thousand five hundred ninety four) rubles 54 kopeks, including 18% VAT: 806 124 (eight hundred six thousand one hundred twenty four) rubles 59 kopeks. | |
| **Disclosure of insider information**  **Item No. 3 “Consideration of a report submitted by the Director General of Kubanenergo PJSC on the Company’s credit policy in the 2nd quarter of 2018”** | |
| 2.2.3. Decision adopted by issuer’s Board of Directors:  1. To take into consideration the report submitted by the Director General of Kubanenergo PJSC on the Company’s credit policy in the 2nd quarter of 2018, as per Annex 2 to the resolution of the Company’s Board of Directors.  2. To note the exceeding of the limit for debt coverage and debt service coverage limit as of 30.06.2018.  3. To agree upon a temporary excess of the limit for debt coverage and debt service coverage limit as of 30.06.2018.  4. To instruct the General Director of the Company to ensure compliance with the requirements of the Regulations on Credit Policy approved by the Board of Directors of the Company. | |
| **Disclosure of insider information**  **Item No. 4 “Consideration of the Programme of Modernization (Renovation) of Grid Facilities of Kubanenergo PJSC for 2018-2016 (updated)”** | |
| 2.2.4. Decision adopted by issuer’s Board of Directors:  To approve the Programme of Modernization (Renovation) of Grid Facilities of Kubanenergo PJSC for 2018-2016 (updated), as per Annex 3 to the resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 5 “Approval the Plan of Kubanenergo on reduction of overdue accounts receivable for electricity transmission services and settlement of disputes existing as of 01.07.2018”** | |
| 2.2.5. Decision adopted by issuer’s Board of Directors:  1. To approve Plan of Kubanenergo on reduction of overdue accounts receivable for electricity transmission services and settlement of disputes existing as of 01.07.2018, as specified in Annex 4 to this resolution of the Company’s Board of Directors.  2. To take note of the Report on implementation of the Plan of Kubanenergo PJSC for reduction of overdue receivables for electricity transmission services and settlement of disputes existing as of 01.04.2018, as specified in Annex 5 to this resolution of the Company’s Board of Directors.  3. To take note of the Report of Kubanenergo PJSC on measures taken in respect of receivables existing as of the 2nd quarter of 2018, as well as newly accrued receivables, as specified in Annex 6 to this resolution of the Company’s Board of Directors.  4. To take note of the Report on implementation of the instructions issued the Board of Directors on 30.03.2018 (minutes No.305/2018) pertaining collection of 2 766 million rubles of overdue receivables from the sum of receivables existing as of 01.01.2018 in 2018, as specified in Annex 7 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 6 “Approval of a report on implementation of key performance indicators of the Company’s Director General in 2017”** | |
| 2.2.6. Decision adopted by issuer’s Board of Directors:  To approve the report on implementation of key performance indicators of the Company’s Director General in 2017, as specified in Annex 8 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 7 “On establishment of a Grid Connection Committee under the Board of Directors”** | |
| 2.2.7. Decision adopted by issuer’s Board of Directors:  1. To decide that the Grid Connection Committee of the Company’s Board of Directors shall consist of 4 (four) persons.  2. To elect the following persons to the Grid Connection Committee of the Company’s Board of Directors:   |  |  |  | | --- | --- | --- | | # | Name of the candidate | Employment | | 1 | Pyatigor Alexandr Mikhailovich | Acting Deputy Director General for Devolvement and Selling of Services, Rosseti PJSC | | 2 | Korneyev Alexandr Yurievich | Head of Department of Perspective Development of Grids and Grid Connection, Rosseti PJSC | | 3 | Varvarin Aleksandr Viktorovich | Vice-president – Managing Director in charge of Corporate Relations and Legal Support, Russian Union of Industrialists and Entrepreneurs, member of the Board of Directors of Kubanenergo PJSC | | 4 | Kostetsky Vyacheslav Yurievich | Deputy Director General for Devolvement and Grid Connection, Kubanenergo PJSC | | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions:  **21 September 2018**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **24 September 2018, minutes of meeting No.319/2018.** | |

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| 3. Signature | | |
| 3. Deputy Director General in charge of Corporate Governance (by power of attorney No. 23/256-n/23-2018-5-444 of 24.04.2018) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (signature) | Khazikova Z.I. |
| 3.2 Date: 25 September 2018 | seal |  |