**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) | 10.12.2018 |
| 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** |  |  | | |
| **Disclosure of insider information / Approval of a transaction that is recognized as large an d (or) interested-party transaction in accordance with legislation of the Russian Federation**  **Item No. 1 “Preliminary approval of a decision on the Company’s entering in transaction related to alienation of property constituting fixed assets that are not used for production, transfer, dispatching, or distribution of electricity and heat energy. Property is located at 309 Kalinina street, Labinsk”** | |
| 2.2.1. Decision adopted by the issuer’s Board of Directors:  1. Approve the decision on the Company’s entering in transaction related to alienation of property constituting fixed assets that are not used for production, transfer, dispatching, or distribution of electricity and heat energy. Property is located at 309 Kalinina street, Labinsk on the following conditions:  - the property for sale is specified in the list (Appendix No. 1 to this decision of the Board of Directors of the Company);  - the balance (residual) value of the property as of 30.07.2018 is 4 869 036 (four million eight hundred sixty-nine thousand thirty-six) rubles;  - method of alienation of property: sale in single lot at online auction;  - the property’s starting price at the auction: the sum equal to the market value of the property determined by an independent appraiser IBT LLC (valuation report No.200.17 of 09.06.2018) is 2 062 711 (two million sixty-two thousand seven hundred eleven) rubles 86 kopecks, excluding VAT;  procedure for payment of the alienated property: the Seller transfers monetary assets to the Buyer’s account in full before the transfer of ownership of the property within 10 (ten) working days from the date of signing the Sale and Purchase Agreement. | |
| **Disclosure of insider information**  **Item No. 2 “Approval of the Plan of Kubanenergo JSC on reduction of overdue accounts receivable for electricity transmission services and settlement of disputes existing as of 01.10.2018”** | |
| 2.2.2. Decision adopted by the issuer’s Board of Directors:  1. Approvethe Plan for reduction of overdue receivables for electricity transmission services and settlement of disputes existing as of 01.10.2018, as specified in Annex 2 to this resolution of the Company’s Board of Directors.  2. 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 01.07.2018, as specified in Annex 3 to this resolution of the Company’s Board of Directors.  3. Take note of the Report of Kubanenergo PJSC on measures taken in respect of receivables existing as of the 3rd quarter of 2018, as well as newly accrued receivables, as specified in Annex 4 to this resolution of the Company’s Board of Directors.  4. Take note of the Report on implementation of the instructions issued by 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 5 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:  **7 December 2018**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **10 December 2018, minutes of meeting No.322/2018.** | |

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| 3. Signature | | |
| 3.1 Head of 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: 11 December 2018 | seal |  |