**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) | 19.12.2018 |
| 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** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | |  | **11** |  |  | | |
| **Disclosure of insider information / Approval of the issuer’s internal documents**  **Item No. 1 “Approval of the Policy on Information Technologies, Automation and Telecommunications”** | |
| 2.2.1. Decision adopted by the issuer’s Board of Directors:  1. To approve the Policy on Information Technologies, Automation and Telecommunications as the Company’s internal document, as specified in Annex 1 to this resolution of the Company’s Board of Directors.  2. To consider as no longer valid the decision of the Company’s Board of Directors of 20.06.2012 (minutes No.138/2012 of 22.06.2012). | |
| **Disclosure of insider information / establishment of the executive body of the issuer and early termination (suspension) of its powers, including the powers of the managing organization or manager**  **Item No. 2 “Early resignation and appointment of new members of the Company’s Management Board”** | |
| 2.2.2. Decision adopted by the issuer’s Board of Directors:  1. To terminate powers of the following members of the Company’s Management Board:  - Ivanova Irina Viktorovna  -Mikhailov Vladimir Alexandrovich  2. To elect the following persons to the Company’s Management Board:  -Khazikova Zanda Ivanovna, Deputy Director General for Corporate Governance  -Nischyuk Oleg Fyodorovich, Deputy Director General for Implementation of Services  Information on the elected members of the Board of Directors:  Khazikova Zanda Ivanovna  share in the issuer’s authorized capital: 0.0%,  ordinary shares of the issuer, which is a joint stock company, owned by the person: 0.0%  Nischyuk Oleg Fyodorovich  share in the issuer’s authorized capital: 0.0%,  ordinary shares of the issuer, which is a joint stock company, owned by the person: 0.0% | |
| **Disclosure of insider information**  **Item No.3 “Discussion of a report on the results of the Business Plan of Kubanenergo PJSC for the first six months of 2018”** | |
| 2.2.3. Decision adopted by the issuer’s Board of Directors:  1. To take note of the report on the results of the Business Plan of Kubanenergo PJSC for the first six months of 2018, as specified in Annex 2 to this resolution of the Company’s Board of Directors.  2. To instruct the Company’s Director General to ensure implementation of additional measures to prevent occurrence of key operational risks in 2018, as specified in Annex 3 to this resolution of the Company’s Board of Directors | |
| **Disclosure of insider information**  **Item No. 4 “Discussion of a report on implementation of the Group’s Business plan consolidated on the principles of RAS and IFRS for the 1st six months of 2018”** | |
| 2.2.4. Decision adopted by the issuer’s Board of Directors:  To take note of the report on implementation of the Group’s Business plan consolidated on the principles of RAS and IFRS for the 1st six months of 2018, as specified in Annexes 4 and 5 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 5 “Approval of a report on the results of implementation of the Company’s Investment Programme for the 2nd quarter and the first six months of 2018 and a report on implementation of the Company’s investment projects from the list of top-priority facilities, for the 2nd quarter of 2018”** | |
| 2.2.5. Decision adopted by the issuer’s Board of Directors:  1. To take note of the report on the results of implementation of the Company’s Investment Programme for the 2nd quarter and the first six months of 2018 and a report on implementation of the Company’s investment projects from the list of top-priority facilities, for the 2nd quarter of 2018, as specified in Annexes 6 and 7 to this resolution of the Company’s Board of Directors.  2. To determine the procedure for submitting a report on purchase of grid facilities which do not require prior approval of the Board of Directors, specified in paragraph 2.1. of the decision of the BoD of 18.05.2018 on item 2 (minutes No.310/2018 of 21.05.2018), as part of the quarterly report on implementation of the Company’s Investment Programme.  3. To note deviation from the actual indicators of implementation of the Company’s Investment Programme for the 2nd quarter and 6 months of 2018 from the planned indicators, as specified in Annex 8 to this resolution of the Company’s Board of Directors.  4. To ensure commissioning and testing of the equipment of 220 kV substation “Port” in accordance with the approved Consolidated schedule for commissioning electrical installations with a voltage level of 500-10 kV to ensure entry into service of the transport infrastructure of the Taman Peninsula.  5. To instruct the Director General of Kubanenergo PJSC to submit to the Board of Directors a report on the reasons of deviation of the actual indicators of the Investment Programme of Kubanenergo PJSC from the planned ones. | |
| **Disclosure of insider information**  **Item No. 6 “Discussion of a report from the Director General of “Kubanenergo” PJSC on implementation of orders issued by the Company’s Board of Directors”** | |
| 2.2.6. Decision adopted by the issuer’s Board of Directors:  1. To take note of the report from the Director General of “Kubanenergo” PJSC on implementation of orders issued by the Company’s Board of Directors, as specified in Annex 9 to this resolution of the Company’s Board of Directors.  2. To instruct the Director General to ensure strict compliance with the Decree of the Government of the Russian Federation No.1352 of 11.12.2014 pertaining payment deadlines for contracts concluded with small and medium-sized businesses.  3. To take note of the information on implementation of the decision of the Board of Directors of the Company of 15.08.2018 on item No. 2 (minutes No.317/2018 of 17.08.2018) in accordance with Annex10 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 7 “Approval of budgets for the Committees under the Company’s Board of Directors for the 2nd half of 2018”** | |
| 2.2.7. Decision adopted by the issuer’s Board of Directors:  To approve budgets for the Committees under the Company’s Board of Directors for the 2nd half of 2018, as specified in Annexes 11-15 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 8 “Discussion of a report from the Director General on implementation of overdue connection contracts for the 2nd quarter of 2018”** | |
| 2.2.8. Decision adopted by the issuer’s Board of Directors:  1. To take note of the report from the Director General on implementation of overdue connection contracts for the 2nd quarter of 2018, as specified in Annex 16 to this resolution of the Company’s Board of Directors.  2. To recommend the management of Kubanenergo PJSC to ensure observance of the schedule, including the projects that were not implemented in 1st and 2nd quarters of 2018. | |
| **Disclosure of insider information**  **Item No. 9 “Approval of the Programme of non-state pension provision for employees of Kubanenergo PJSC”** | |
| 2.2.9. Decision adopted by the issuer’s Board of Directors:  To approve the Programme of non-state pension provision for employees of Kubanenergo PJSC, as specified in Annex 17 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 10 “Discussion of a report from the Director General on the Company’s insurance provision for the 3rd quarter of 2018”** | |
| 2.2.10. Decision adopted by the issuer’s Board of Directors:  To take note of the report from the Director General on the Company’s insurance provision for the 3rd quarter of 2018, as specified in Annex 18 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 11 “Approval of a report on the Company’s Director General observing the KPI “Efficiency of innovation activity””** | |
| 2.2.11. Decision adopted by the issuer’s Board of Directors:  To approve the report on the Company’s Director General observing the KPI “Efficiency of innovation activity” , as specified in Annex 19 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:  **18 December 2018**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **19 December 2018, minutes of meeting No.323/2018.** | |

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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: 20 December 2018 | seal |  |