**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) | 26.12.2018 |
| 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** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “Approval of a Report on observance by the Company’s Director General of key performance indicators (KPI) in the 1st quarter of 2018”** | |
| 2.2.1. Decision adopted by the issuer’s Board of Directors:  Approve the Report on observance by the Company’s Director General of key performance indicators (KPI) in the 1st quarter of 2018, as specified in Annex 1 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 2 “Approval of a Report on observance by the Company’s Director General of key performance indicators (KPI) in the 2nd quarter of 2018”** | |
| 2.2.2. Decision adopted by the issuer’s Board of Directors:  Approve the Report on observance by the Company’s Director General of key performance indicators (KPI) in the 2nd quarter of 2018, as specified in Annex 2 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. “Discussion of a report of Director General of Kubanenergo PJSC on the Company’s Credit Policy in the 3rd quarter of 2018”** | |
| 2.2.3. Decision adopted by the issuer’s Board of Directors:  1. To take into consideration the report of Director General of Kubanenergo PJSC on the Company’s Credit Policy in the 3rd quarter of 2018, as specified in Annex 3 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 30.09.2018. 3. To agree upon a temporary excess of the limit for debt coverage and debt service coverage limit as of 30.09.2018.  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. “Acknowledging as no longer valid the Regulations on money accounts management of Kubanenergo PJSC”** | |
| 2.2.4. Decision adopted by the issuer’s Board of Directors:  To consider as no longer valid the Regulations on money accounts management of Kubanenergo PJSC that was approved by the reso9lution of the Company’s Board of Directors on 30.12.2016 (minutes of the meeting No.260/2016 of 30.12.2016) | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions:  **25 December 2018**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **26 December 2018, minutes of meeting No.325/2018.** | |

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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: 27 December 2018 | seal |  |