**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) | 29.12.2018 |
| 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** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “On approval of target indicators for annual key performance indicators of the Director General of Kubanenergo PJSC for 2018”** | |
| 2.2.1. Decision adopted by the issuer’s Board of Directors:  1. To approve the target indicators for annual key performance indicators of the Director General of Kubanenergo PJSC for 2018, as specified in Annex 1 to this resolution of the Company’s Board of Directors.  2. To reword paragraph 1.7 of the annex to the resolution of the Board of Directors of 05.04.2017 (minutes No.270/2017) as it is specified in Annex 2 to the current resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 2 “On approval of the KPI of the head of the Internal Audit Department of the Company for 2019”** | |
| 2.2.2. Decision adopted by the issuer’s Board of Directors:  1. To set the KPI for the head and other lead managers of the Internal Audit Department of Kubanenergo PJSC for 2019 as specified in Annex 2 to the current resolution of the Company’s Board of Directors.  2. To instruct the Sole executive body of the Company to approve the specified in paragraph 1 of the resolution KPI for the head and other lead managers of the Internal Audit Department of Kubanenergo PJSC for 2019 in accordance with the established at Kubanenergo PJSC procedure. | |
| **Disclosure of insider information**  **Item No.3 “On consideration of the report of the Director General of Kubanenergo PJSC on the results of the Company’s readiness to operation during the autumn-winter period 2018-2019”** | |
| 2.2.3. Decision adopted by the issuer’s Board of Directors:  1. To take note of the report of the Director General of Kubanenergo PJSC on the results of the Company’s readiness to operation during the autumn-winter period 2018-2019, as specified in Annex 3 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 4 “On approval of the budget for the Internal Audit Department of Kubanenergo PJSC for 2019”** | |
| 2.2.4. Decision adopted by the issuer’s Board of Directors:  To approve the budget for the Internal Audit Department of Kubanenergo PJSC for 2019, as specified in Annex 4 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 5 “On approval of the Schedule of the Internal Audit Department of Kubanenergo PJSC for 2019”** | |
| 2.2.5. Decision adopted by the issuer’s Board of Directors:  1. To approve the Schedule of the Internal Audit Department of Kubanenergo PJSC for 2019, as specified in Annex 5 to this resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 6 “On approval of Insurers of Kubanenergo PJSC”** | |
| 2.2.6. Decision adopted by the issuer’s Board of Directors:  To appoint the following companies as the Company’s Insurers:   |  |  |  | | --- | --- | --- | | Insurance | Insurer | Insurance period (period of issue of a policy) | | Compulsory third party car insurance (OSAGO) | SOGAZ JSC | 01.01.2019 – 31.12.2019 | | Compulsory insurance of civil liability of the owner of a hazardous object for inflicting damage as a result of an accident at the hazardous object (hazardous facility) | AlfaStrakhovanie JSC | 01.01.2019 – 31.12.2019 | | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions:  **28 December 2018**  2.4. Date of making and number of minutes of meeting which adopted the resolutions: **29 December 2018, minutes of meeting No.328/2018.** | |

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| 3. Signature | | |
| 3.1 Head of Corporate Governance and Shareholder Relations Department (by power of attorney No. 119/10-1406 of 19.12.2018) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (signature) | Didenko Ye.Ye. |
| 3.2 Date: 9 January 2019 | seal |  |