**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) | 05.07.2019 |
| 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 | | **1** | **11** |  |  | | **2** | **11** |  |  | | **3** | **11** |  |  | | **4** | **11** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “Kubanenergo PJSC expresses its opinion on agenda items for the annual meetings of shareholders of affiliated companies – Recreation Centre “Energetik” JSC and “Energoservice of Kuban”** | |
| 2.2.1. Decision adopted by the issuer’s Board of Directors:  1. Instruct representatives of Kubanenergo PJSC at the AGM of “Recreation Centre “Energetik” JSC:  1.1. To choose “FOR” when voting on agenda item “Election of the Board of Directors”:  Elect the following persons to the Board of Directors of “Recreation Centre “Energetik” JSC:   |  |  |  | | --- | --- | --- | | 1 | Ocheredko Olga Vyacheslavovna | Deputy Director General for Economic and Financial Affairs, Kubanenergo PJSC | | 2 | Golovakha Lyudmila Alekseevna | Deputy Director General, Chief of Staff, Kubanenergo PJSС | | 3 | Didenko YekaterinaYevgenievna | Head of the Corporate Governance and Shareholder Relations Department, Kubanenergo PJSС | | 4 | Treputin Ivan Alexeevich | Head of HR and Organization Planning Department, Kubanenergo PJSС | | 5 | Fidyaeva Vera Vasilievna | Head of Property Management Department, Kubanenergo PJSС |   1.2. To choose “FOR” when voting on agenda item “Election of the Auditing Commission”:  Elect the following persons to the Auditing Commission of “Recreation Centre “Energetik” JSC:   |  |  |  | | --- | --- | --- | | 1 | Ochikov Sergey Ivanovich | Head of Internal Audit Department, Kubanenergo PJSC | | 2 | Gaidar Dmitriy Vyacheslavovich | Chief Specialist of Internal Audit Department, Kubanenergo PJSC | | 3 | Smirnov Vyacheslav Nikolaevich | Chief Specialist of Internal Audit Department, Kubanenergo PJSC |   1.3. To choose “FOR” when voting on agenda item “Distribution of profit (as well as payment of dividends) by the results of 2018 financial year” in part pertaining to distribution of profit (losses) and payment of dividends:  “1. Approve the following to distribution of profit (losses) of the Company by the results of 2017 financial year:   |  |  | | --- | --- | | Indicator | (thousand rubles) | | Undistributed profit (loss) of the reporting period | (784) | | To be distributed to: Reserve fund | - | | Profit for development | - | | Dividends | - | | Recovery of losses of previous years | - |   2. Dividends on ordinary shares of “Recreation Centre “Energetik” JSC shall not be paid out by the results of 2018.”  1.4. To choose “FOR” when voting on agenda item “Approval of the Company’s Charter in new edition”:  To approve the Company’s Charter in new edition.  2.Instruct representatives of Kubanenergo PJSC at the AGM of “Energoservis Kuban” JSC:  2.1.To choose “FOR” when voting on agenda item “Election of the Board of Directors”:  Elect the following persons to the Board of Directors of “Energoservis Kuban” JSC:   |  |  |  | | --- | --- | --- | | 1 | Armaganyan Edgar Garrievich | First Deputy Director General – Director of Sochi electric grids, branch of Kubanenergo PJSС | | 2 | Nischyuk Oleg Fyodorovich | Deputy Director General for Implementation of Services, Kubanenergo PJSC | | 3 | Dvorny Vladimir Viktorovich | Head of Department for Energy Saving and Increase of Energy Efficiency, Kubanenergo PJSC | | 4 | Abusalimov ANatoliy Lachinovich | Deputy Head of Department for Energy Saving and Increase of Energy Efficiency, Kubanenergo PJSC | | 5 | Solod Grigoriy Viktorovich | Head of Sector for Selling of Services at Department of Selling of Services and Accounting of Electric Energy, Kubanenergo PJSC | | 6 | Didenko YekaterinaYevgenievna | Head of the Corporate Governance and Shareholder Relations Department, Kubanenergo PJSС | | 7 | LebedevVladimirovich Alexandrovich | Director General, Energoservis Kuban JSC |   2.2. To choose “FOR” when voting on agenda item “Election of the Auditing Commission”:  Elect the following persons to the Auditing Commission of “Energoservis Kuban” JSC:   |  |  |  | | --- | --- | --- | | 1 | Ochikov Sergey Ivanovich | Head of Internal Audit Department, Kubanenergo PJSC | | 2 | Smirnov Vyacheslav Nikolaevich | Chief Specialist of Internal Audit Department, Kubanenergo PJSC | | 3 | Rodionov Andrey Anatolievich | Chief Specialist of Internal Audit Department, Kubanenergo PJSC |   2.3. To choose “FOR” when voting on agenda item “Distribution of profit (as well as payment of dividends) by the results of 2017 financial year” in part pertaining to distribution of profit (losses) and payment of dividends:  “1. Approve the following to distribution of profit (losses) of the Company by the results of 2018 financial year:   |  |  | | --- | --- | | Indicator | (thousand rubles) | | Undistributed profit (loss) of the reporting period | 1 269 | | To be distributed to: Reserve fund | - | | Profit for development | 634.5 | | Dividends | 634.5 | | Recovery of losses of previous years | - |   2. To pay out dividends on the Company’s ordinary shares by the results of 2018 in amount of 6345rubles per one ordinary share of the Company in monetary form.  The deadline for payment of dividends is 25 business days after preparing the list of persons entitled to dividends.  The date of preparing the list of persons entitled to dividends: 18 July 2019.” | |
| **Disclosure of insider information**  **Item No. 2 “Nomination by the Company of candidacies of auditors for organizations in which Kubanenergo PJSC participates”** | |
| 2.2.2. Decision adopted by the issuer’s Board of Directors:  1. Propose the AGM of “Recreation Centre “Energetik” JSC to appoint “PrestizhAudit” LLC (404th office, 1/4 Montazhnikov str., Krasnodar) as its auditor.  2. Propose the AGM of “Energoservis Kuban” JSC to appoint “PrestizhAudit” LLC (404th office, 1/4 Montazhnikov str., Krasnodar) as its auditor | |
| **Disclosure of insider information**  **Item No. 3 “One-time bonus payment to the Director General of Kubanenergo PJSC for the implementation of a particularly important task”** | |
| 2.2.3. Decision adopted by the issuer’s Board of Directors:  In accordance with paragraph 4.3.3 of the Regulations on material incentives for the Director General of Kubanenergo PJSC, it is advised to pay Alexander Gavrilov, who was in the position of Director General of Kubanenergo PJSC as of 03.06.2019, a one-time bonus for performing a task of particular importance: ensuring a reliable and high-quality power supply to the facilities of the Russian Investment Forum in 2019, in accordance with Appendix No. 1 to this decision of the Board of Directors of the Company. | |
| **Disclosure of insider information**  **Item No.4 “Preliminary approval of the decision on the Company’s transaction related to alienation of property constituting fixed assets that are not used for production, transmission, dispatching, distribution of electrical and thermal energy, located at: 309 Kalinina str., Labinsk, Krasnodar region”** | |
| 2.2.4. Decision adopted by the issuer’s Board of Directors:  1. Take note of the information on the results of the auction for the sale of property constituting fixed assets that are not used for production, transmission, dispatching, distribution of electrical and thermal energy, located at: 309 Kalinina str., Labinsk, Krasnodar region (hereinafter – Property).  2. Ensure the holding of an extra auction for the sale of the Property under the conditions determined by the decision of the Board of Directors of the Company (Minutes No. 322/2018 of 10.12.2018) in accordance with the requirements of the Procedure for Organizing the Sale of Non-Core Assets of Kubanenergo PJSC approved by the decision of the Board of Directors of Kubanenergo PJSC (Minutes No.300/2018 of 22.02.2018).  3. Recommend to the Sole Executive Body of Kubanenergo PJSC, when conducting an extra auction for the sale of the Property, to extend the term for publishing information on tenders - no less than 60 (sixty) business days before the date of the sale. | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions:  **3 July 2019.**  2.3. Date of preparing and number of minutes of meeting of the Board of Directors which adopted the resolutions:  **5 July 2019, minutes No.351/2019.** | |

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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: 8 July 2019 | seal |  |