**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) | 06.09.2019 |
| 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** |  |  | | **5** | **11** |  |  | | **6** | **11** |  |  | | **7** | **11** |  |  | | |
| **Disclosure of insider information**  **Item No. 1 “Approval of the Plan of work of the Board of Directors of Kubanenergo PJSC for the 2nd half of 2019 – 1st half of 2020”** | |
| 2.2.1. Decision adopted by the issuer’s Board of Directors:  Approve the Plan of work of the Board of Directors of Kubanenergo PJSC for the 2nd half of 2019 – 1st half of 2020, in accordance with Appendix 1 to the present resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 2 “Consideration of a report of the Sole executive body of the Company on management of key operational risks of the Company in 2018”** | |
| 2.2.2. Decision adopted by the issuer’s Board of Directors:  1. Take into consideration the report of the Sole executive body of the Company on management of key operational risks of the Company in 2018, in accordance with Appendix 2 to the present resolution of the Company’s Board of Directors.  2. Focus on implementation of particular key operation risks, in accordance with Appendix 3 to the present resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 3 “Consideration of information submitted by internal audit team on the result of audit of exposing and selling non-core assets of the Company in 2018”** | |
| 2.2.3. Decision adopted by the issuer’s Board of Directors:  1. Take into consideration the Auditor’s Report #01-2019 of 31.01.2019 on “Assessment of implementation of programmes on management of non-core assets in Kubanenergo PJSC”, in accordance with Appendix 4 to the present resolution of the Company’s Board of Directors.  2. The sole executive body of Kubanenergo PJSC is instructed to ensure an increase in the efficiency of the process of identifying and selling non-core assets, including improving the internal control system of this process, including through implementation of recommendations of the internal audit. | |
| **Disclosure of insider information**  **Item No. 4 “Approval of a report on the results of price audit of major investment projects in 2018”** | |
| 2.2.4. Decision adopted by the issuer’s Board of Directors:  Approve the report on the results of price audit of major investment projects in 2018, in accordance with Appendix 5 to the present resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No. 5 “Consideration of a report of the Sole executive body of the Company on implementation of decisions made by the Company’s Board of Directors”** | |
| 2.2.5. Decision adopted by the issuer’s Board of Directors:  1. Take into consideration the report of the Sole executive body of the Company on implementation of decisions made by the Company’s Board of Directors, in accordance with Appendix 6 to the present resolution of the Company’s Board of Directors.  2. Take into consideration the information on implementation of decisions of the Board of Directors made on 22.02.2018 on paragraph 2 of item 1 (minutes of meeting No.302/2018), on 26.12.2018 on paragraph 4 of item 2 (minutes of meeting No.326/2018), on 22.04.2019 on paragraph 3.1 of item 2 (minutes of meeting No.341/2019).  3. Instruct the sole executive body of the Company to ensure scrupulous compliance with the Decree of the Government of the Russian Federation No.1352 of 11.12.2014 pertaining to the deadlines of payment for the contracts concluded with the small and medium businesses. | |
| **Disclosure of insider information**  **Item No. 6 “Consideration of information submitted by the Sole executive body of the Company on indicators of the level of reliability and quality of rendered services in 2018 that are subject to tariff regulation on the basis of long-term parameters of regulation”** | |
| 2.2.6. Decision adopted by the issuer’s Board of Directors:  Take into consideration the information submitted by the Sole executive body of the Company on indicators of the level of reliability and quality of rendered services in 2018 that are subject to tariff regulation on the basis of long-term parameters of regulation, in accordance with Appendix 7 to the present resolution of the Company’s Board of Directors. | |
| **Disclosure of insider information**  **Item No.7 “Deepening of cooperation with defense industry of Russia”** | |
| 2.2.7. Decision adopted by the issuer’s Board of Directors:  In order to ensure the stability of the company against foreign exchange and sanctions risks when implementing investment programmes, as well as fulfilling instructions of the President of the Russian Federation (“List of instructions for implementing the President’s Message to the Federal Assembly”, approved by the President of the Russian Federation on 5 December 2016 No. Pr-2346) as part of diversification of products manufactured by organizations of the military-industrial complex of the Russian Federation (hereinafter – the defense industry of the Russian Federation), the Sole Executive Body of the Company shall ensure:  1. Analysis of the Company’s technological dependence on equipment, materials, components, software and services of import production and preparation of a list of critical technologies of import production and forecast demand for the period up to 2023.  2. Stress testing of applied technical solutions at the Company’s facilities, aimed at determining the efficiency and stability of the energy system and its individual components in the face of a sharp change in the foreign exchange rate and/or sanctions restrictions from foreign countries. Investigate emerging information security risks as well as with authorized government agencies. Report on the results of stress tests shall be submitted to the Board of Directors of the Company.  3. Based on the results of stress testing simulations, to ensure preparation of proposals for the Development Programme for alternative suppliers of products from the enterprises of the defense industry complex of the Russian Federation, aimed at creating/developing existing defense industry enterprises to the required level of technological maturity and a complete transition to domestic solutions, software and microelectronics.  4. Interaction with organizations of the defense industry complex of the Russian Federation on the following issues:  - preparation of a list of basic technologies used at the facilities of the electric grid complex, the production of which can be provided by enterprises of the defense industry complex of the Russian Federation;  - use of civilian products (works, services) produced by organizations of the defense industry complex of the Russian Federation.  5. Submission for consideration of the Board of Directors of the Company a report on the results of implementation of paragraphs 1-4 of this decision.  Deadline: within 1 month from the date of this decision.  6. Timely annual informing of the Board of Directors of the Company on the volumes of contracts concluded by the Company with organizations of the defense industry complex of the Russian Federation for purchase of civilian products (works, services) that are not related to the state defense order.  Deadline: annually by April 15 of the year following the reporting year. | |
| 2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions:  **5 September 2019.**  2.3. Date of holding the meeting of the Board of Directors which adopted the resolutions: **6 September 2019, minutes No.359/2019.** | |

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