**QUARTERLY REPORT**

***Kuban power and electrification public joint stock company***

***Issuer’s code 00063-A***

**Q3 2019**

Issuer’s address: **2A Stavropolskaya str, Krasnodar Russia, 350033**

**Information contained in this quarterly report is subject to disclosure in compliance with the Russian Federation legislation on securities**

|  |  |
| --- | --- |
| General Director  Date: November 14, 2019 | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ S.V. Sergeyev  signature |
| Chief Accountant – Head of the Department for Statutory and Fiscal Accounting and Reporting  Date: November 14, 2019 | \_\_\_\_\_\_\_\_\_\_\_\_\_ I.V. Skiba  signature  L.S. |

|  |  |
| --- | --- |
| Contact person: **Kruglova, Svetlana Ivanovna, Chief Specialist of the Department for Corporate Governance and Interaction with Shareholders**  Telephone: **(861) 212-2510**  Fax: **(861) 212-2708**  Email address: **kruglovasi@kuben.elektra.ru**  Address of the Internet-page(s) used for disclosure of information contained in this quarterly report: **www.kubanenergo.ru/stockholders/disclosure\_of\_information/amp\_reports/, http://www.e-disclosure.ru/portal/company.aspx?id=2827.** |  |

# Contents

Contents 2

Introduction 5

Section I. Details of bank accounts, Auditor (auditing organization), Appraiser and the financial consultant of the Issuer as well persons having signed the quarterly report 6

1.1. Details of the Issuer's Bank Accounts 6

1.2. Details of Auditor(s) of the Issuer 6

1.3. Details of Appraiser(s) of the Issuer 8

1.4. Details of consultants of the Issuer 8

1.5. Details of the persons having signed the quarterly report 8

Section II. Basic information on financial and economic status of the Issuer 9

2.1. Indices of the Issuer’s financial and economic activity 9

2.2. Issuer's Market Capitalization 9

2.3. Issuer's Liabilities 10

2.3.1. Borrowed assets and accounts payable 10

2.3.2. Issuer's Credit History 12

2.3.3. Issuer’s liabilities arising from guarantees provided 13

2.3.4. Issuer's other liabilities 13

2.4. Risks associated with acquisition of securities being placed (placed) 13

Section III. Detailed information on the Issuer 13

3.1. History of foundation and development of the Issuer 13

3.1.1. Information on the Issuer’s business name (registered name) 13

3.1.2. Details of the Issuer’s State Registration 14

3.1.3. Details of establishment and development of the Issuer 14

3.1.4. Contact information 14

3.1.5. Taxpayer Identification Number 14

3.1.6. Branches and representative offices of the Issuer 14

3.2. Issuer's core business activity 15

3.2.1. Issuer’s main financial and economic activities 15

3.2.2. Issuer's core business activity 15

3.2.3. Materials, commodities (raw materials) and suppliers of the Issuer 22

3.2.4. Target markets of the Issuer's products (works, services) 22

3.2.5. Information on the issuer's permits (licenses) or admissions to certain types of work 23

3.2.6. Information on the activities of certain categories of issuers 24

3.2.7. Additional requirements to the issuers whose main activity is mining 24

3.2.8. Additional requirements to the issuers whose main activity is the provision of communication services 24

3.3. Issuer's future activity plans 24

3.4. Issuer participation in the banking groups, banking holdings, holdings and associations 25

3.5. Organizations controlled by the issuer that are of essential value for it 25

3.6. Composition, structure and value of the Issuer's fixed assets, information on plans for acquisition, replacement and retirement of fixed assets as well as all facts of encumbrance on the Issuer’s fixed assets 25

Section II. Details of the Issuer’s financial and business activity 32

4.1. Results of the Issuer’s financial and business activity 32

4.2. Liquidity of the Issuer, adequacy of capital and current assets 32

4.3. Issuer’s financial investments 33

4.4. Issuer’s intangible assets 35

4.5. Details of the Issuer’s policy and expenses in field of scientific and technical development, with regard to licenses and patents, new researches and developments 35

4.6. Analysis of development trends in the issuer's core business 36

4.7. Analysis of factors and conditions affecting the Issuer's activity 37

4.8. Issuer's Competitors 40

Section V. Specific details of persons that are members of the Issuer’s management bodies, the Issuer’s bodies for control of one’s financial and business activity and brief details of the Issuer’s employees (workers) 40

5.1. Details of the structure and competence of the Management Bodies of the Issuer 40

5.2. Information on persons that are members of the Issuer's Management Bodies 46

5.2.1. Composition of the Board of Directors of the Issuer (Supervisory Board) 46

5.2.2. Information on the Sole Executive Body of the Issuer 63

5.2.3. Composition of the Collegial Executive Body of the Issuer 64

5.3. Details of the amounts of reward and/or compensation for expenses due to each of the Issuer's management bodies 77

5.4. Details of structure and competence of bodies for control of the Issuer's financial and business activity, as well as of organization of risk management and internal control system 79

5.5. Information on persons that are members of bodies for control of the Issuer's financial and business activity 84

5.6. Information on the amount of rewards and (or) compensation for expenses due to members of bodies for control of the Issuer's financial and business activity 93

5.7. Details of the number of employees (workers) and summary data on the staff composition as well as changes in the number of employees (workers) of the Issuer 95

5.8. Details of any other liabilities of the Issuer to one’s employees (workers) related to possibility of their participation in authorized capital of the Issuer 95

Section VI. Detail of the Issuer’s participants (shareholders) and of interested-party transactions effected by the Issuer 95

6.1. Details of the total number of the Issuer’s shareholders (participants) 95

6.2. Details of participants (shareholders) of the Issuer holding no less than five per cent of the Issuer's authorized capital or no less than five per cent of one’s ordinary shares as well as details of participating (shareholders) persons, and in case of lack of such participants (shareholders) holding no less than 20 per cent of their authorized capitals or no less than 20 per cent of their ordinary shares 96

6.3. Details of participatory stake of the State or a municipal unit in the authorized capital of the Issuer and of availability of a special right ("Golden Share") 97

6.4. Details of restrictions on participation in the Issuer’s authorized capital 98

6.5. Details of changes in the composition and the amount of participation of shareholders (participants) of the Issuer holding no less than five per cent of the Issuer's authorized capital or no less than five per cent of one’s ordinary shares 98

6.6. Details of interested-party transactions effected by the Issuer 99

6.7. Details of the amount of accounts receivable 99

Section VII. Issuer’s accounting (financial) statements and other financial information 100

7.1. Issuer’s annual accounting (financial) statements 100

7.2. Issuer’s intermediate accounting (financial) statements 101

7.3. Issuer’s consolidated financial statements 105

7.4. Details of the Issuer’s accounting policy 105

7.5. Details of the total sum of export and of the portion of export in the total volume of sales 105

7.6. Details of material changes having occurred in the composition of the Issuer's real property after the last completed reporting year expiry date 105

7.7. Details of the Issuer’s participation in judicial trials if such participation may substantially affect the Issuer’s financial and business activity 108

Section VIII. Additional details of the Issuer and of issue-grade securities placed by one 111

8.1. Additional details of the Issuer 111

8.1.1. Details of the amount and structure of authorized capital of the Issuer 111

8.1.2. Details of changes in the amount and structure of authorized capital of the Issuer 112

8.1.3. Details of the procedure of convention and arrangement of a meeting (session) of the Supreme Management Body of the Issuer 112

8.1.4. Details of commercial organizations wherein the Issuer holds not less than five per cent of the authorized capital or not less than five per cent of ordinary shares stock 114

8.1.5. Details of substantial transactions effected by the Issuer 115

8.1.6. Details of credit ratings of the Issuer 115

8.2. Details of each category (type) of the Issuer's shares 115

8.3. Details of previous issues of the Issuer’s issue-grade securities other than the Issuer’s shares 116

8.3.1. Details of issues all securities whereof have been redeemed 116

8.3.2. Details of issues all securities whereof have not been redeemed 116

8.4. Information about the person (s) that provided security for the issuer's bonds with security, as well as about the security provided for the issuer's bonds with security 117

8.4.1. Additional information on mortgage coverage on the issuer's bonds with mortgage coverage 117

8.4.2. Additional information on collateralized monetary claims on the issuer's bonds with collateralized monetary claims 117

8.5. Details of organizations accounting for rights to the Issuer's issue-grade securities 117

8.6. Details of legislative instruments regulating the issues of capital import and export that may affect payment of dividend, interests and other charges due to non-residents 118

8.7. Details of announced (accrued) and (or) paid dividend on the Issuer’s shares as well as of incomes from the Issuer’s bonds 118

8.7.1. Information on declared and paid dividends on the issuer's shares 118

8.7.2. Details on accrued and paid income under issuer’s bonds 123

8.8. Other details 124

8.9. Details of underlying securities and the issuer of underlying securities the right of ownership whereto is certified with Russian depositary receipts 126

Annex to the quarterly report. The interim consolidated accounting reports (consolidated financial statements) in accordance with International Financial Reporting Standards or other internationally recognized rules other than IFRS 127

# Introduction

Grounds for creation of the Issuer’s obligation to disclose information in the quarterly report form.

With regard to the Issuer’s securities, registration of securities prospectus has been carried out.

The state registration of the issuance (additional issue) of the issuer's securities was accompanied by registration of the securities issue prospectus, while the placement of such securities was carried out by open subscription or by closed subscription among a scope of persons whose number exceeded 500

The Issuer is a joint-stock company created during privatization of state and/or municipally owned enterprises (subdivisions thereof) under a privatization plan approved in accordance with the established procedure, representing such Issuer’s shares issuance prospectus as of its approval date and envisaging possibility of the Issuer’s shares alienation by more than 500 acquirers or by general public.

The issuer's stock exchange bonds are admitted to on-exchange trading at the stock exchange with presentation of the prospectus of stock exchange bonds to the stock exchange for such admission

***In this report Kuban power and electrification public joint stock company is also called Kubanenergo PJSC, Issuer, issuer, Company and upon mentioning periods (events) that took place before 22.06.2015 (dates of change of the name – as Kubanenergo OJSC.***

***Rosseti PJSC (before 04.04.2013 – IDGC Holding OJSC, since 04.04.2013 to 17.07.2015 – Rosseti OJSC) and other legal entities are named in this report in a way as they were called in the periods (events) specified.***

***This report includes additional information, disclosure of which is envisaged by the amended Provisions on information policy of the Company approved by the Company Board of Directors on 30.03.2018 (Minutes No. 305/2018). Full text of the Provisions on information policy can be found at the Kubanenergo PJSC corporate website and “Interfax” information agency website: http://kubanenergo.ru/o-kompanii/uchreditelnye-i-vnutrennie-dokumenty/vnutrennie-polozheniya/,   
http://www.e-disclosure.ru/portal/company.aspx?id=2827.***

***The Issuer’s activity is referred to the sphere of natural monopoly that is under state control; tariffs for services for electric energy transmission across distribution grids as well as the amount of payment for technological connection to electric power grids are established by the state body for tariff regulation– Regional Energy Commission – Price and Tariff Department for the Krasnodar Territory (REC-PTD KT).***

***The acronym S&A used in the text of this report means subsidiaries and affiliates in accordance with Article 6 of the Federal Law “On Joint-Stock Companies”.***

***Information on the positions held by persons being members of the issuer's management and control bodies is indicated in clauses 5.2.1–5.2.3, 5.5 of this report compliant to the data provided by them. When disclosing information on the positions currently held by these persons, their positions are indicated as of the date of the end of the reporting quarter, or, if such information is available, as of the date of signing of this report. Consent to include the information specified in paragraphs 5.2.1–5.2.3, 5.5 of this report in the statements of Kubanenergo PJSC and its disclosure on the webpages of Kubanenergo PJSC on the Internet was obtained from all persons included in the management and control bodies issuer.***

This quarterly report contains estimates and forecasts by the Issuer’s authorized management bodies regarding future events and/or actions, prospects for development of the economy branch wherein the Issuer carries out one’s core activity and results of the Issuer’s actions inclusive of the Issuer’s plans, probability of specific events occurrence and specific actions performance. Investors ought not to wholly rely on the estimates and forecasts by the Management Bodies of the Issuer since actual results of the Issuer’s activity in the future may vary from those forecast due to multiple causes. Acquisition of the Issuer’s securities is associated with risks described in this quarterly report.

# Section I. Details of bank accounts, Auditor (auditing organization), Appraiser and the financial consultant of the Issuer as well persons having signed the quarterly report

## 1.1. Details of the Issuer's Bank Accounts

There were no changes in the contents of information of this paragraph in the reporting quarter

## 1.2. Details of Auditor(s) of the Issuer

Information shall be specified in relation to the auditor (audit organization) that performed (carried out) an independent audit of the issuer's accounting (financial) statements, as well as the issuer's consolidated financial statements included in the quarterly report, as well as the auditor (audit organization) approved (selected) for conducting audit of the annual accounting (financial) statements and the issuer's annual consolidated financial statements for the current and previous completed reporting year.

Full business name: Ernst & Young, Limited Liability Company

Abbreviated business name: Ernst & Young LLC

Location: Construction 77, Naberezhnaya Sadovnicheskaya str. bld. 1, Moscow, 115035

INN [Taxpayer Identification Number]: 7709383532

OGRN [Primary State Registration Number]: 1027739707203

Telephone: (495) 755-9700

Fax: (495) 755-9701

E-mail address: rfp@ru.ey.com

Details of Auditor's membership in self-regulating auditor organizations

Full name: Self-regulation organization of auditors Russian Association of auditors (Association)

Location

Construction 8, Petrovskiy lane bld. 2, Moscow, 107031, Russian Federation

Additional Information:  
Main registration number of the record of Ernst & Young LLC – 11603050648.

Reporting year(s) out of the last five completed financial years and the current financial year for which the auditor has conducted (will conduct) an independent audit of the issuer's annual accounting (financial) statements

|  |  |
| --- | --- |
| Accounting (financial) reporting, year | Consolidated financial statements, year |
| 2014 | 2014 |
| 2018 | 2018 |
| 2019 | 2019 |

Periods out of the last five completed financial years and the current financial year for which the auditor have conducted (will conduct) an independent audit of the issuer's intermediate accounting (financial) statements

|  |  |
| --- | --- |
| Accounting (financial) reporting, reporting date | Consolidated financial statements, reporting date |
| 9 months 2014 | - |
| 9 months 2018 | 6 months 2018 |
| 9 months 2019 | 6 months 2019 |

Factors that may affect the independence of the auditor (audit organization) from the issuer are described, including information on the existence of significant interests linking the auditor (persons holding positions in the management and control bodies dealing with the financial and economic activities of the audit organization) with the issuer (persons holding positions in the management bodies and control bodies dealing with the issuer's financial and economic activities)

There are no factors that may affect the independence of the auditor (audit organization) from the issuer, including information on the existence of significant interests linking the auditor (persons holding positions in the management and control bodies dealing with the financial and economic activities of the audit organization) with the issuer (persons holding positions in the management bodies and control bodies dealing with the issuer's financial and economic activities)

Procedure for selection of the Issuer's Auditor:

Existence of a tendering procedure for selection of Auditor and its basic conditions.  
The tender procedure related to the selection of an auditor (audit organization) was not conducted.   
The issuer's auditor candidacy was determined as a result of competitive bidding procedures. To participate in competitive bidding procedures, audit organizations had to meet the following requirements:  
- not be in the process of winding-up;  
- not have a decision to suspend activities, adopted in the manner prescribed by the Code of the Russian Federation on Administrative violations, on the day of consideration of the Application for participation in the Bidding;  
- not have arrears of accrued taxes, fees and other obligatory payments to budgets of any level or state extra-budgetary funds for the past calendar year, the amount of which exceeds twenty-five percent of the book value of the participant’s assets according to the financial statements for the last completed reporting period;  
- not to fall under the conditions listed in para. 1 of the Art. 8 of the Federal Law of December 30, 2008 No. 307-FZ On Auditing Activities.  
Based on the decision of the Tender Committee of Rosseti PJSC on summarizing the results of the open one-stage tender without preliminary qualification selection to obtain the right to conclude contracts for the mandatory annual audit of the statements of the S&A of Rosseti PJSC for the years 2018–2020 (Minutes of the Committee meeting dated 04.16.2018 No. 13/595r) the candidacy of Ernst & Young LLC was recommended by the Board of Directors of the issuer for approval as an auditor for the years 2018-2020 at the annual General meeting of shareholders of the Company. The Annual General Meeting of Shareholders approved Ernst & Young LLC as an auditor of the Company for 2018 (Minutes No. 40 dated May 25, 2018).  
By the decision of the annual General Meeting of Shareholders dated June 20, 2019 (Minutes No. 42 dated June 20, 2019), Ernst & Young LLC was approved as the Company’s auditor for 2019.

Procedure for nominating auditor candidacies for approval by the Meeting of Shareholders (Participants), including indication of the management body taking the decision:  
Under Federal Law “On Joint-Stock Companies”, Auditor of the Company is subject to approval by the General Meeting of Shareholders. However, the legislation fails to set forth the auditor candidacy nomination procedure: there are unspecified the terms and the procedure of the auditor candidacy nomination for inclusion in the lest for voting on the issue of approval of Auditor of the Company. Due to this, the auditor candidacy for approval at the General Meeting of Shareholders shall be contemplated by the Board of Directors of the Company and, taking into account the Audit Committee recommendations, it shall be determined by the Company Board of Directors within the framework of solution of issues related to preparation for and arrangement of the annual General Meeting of Shareholders.

The auditor has not performed any activities within the frameworks of special auditing assignments

It describes the procedure for determining the amount of remuneration for the auditor (audit organization), indicates the actual amount of remuneration paid by the issuer to the auditor (audit organization) based on the results of the last completed reporting year, during which the auditor (audit organization) independently audited the annual accounting (financial) statements and (or) Issuer's annual consolidated financial statements:  
The amount of payment for services of the Issuer’s Auditor approved by the General Meeting of Shareholders of the Issuer for compulsory annual review and validation of the Issuer’s annual financial statements is determined by decision of the Board of Directors.   
The amount of payment for Ernst & Young LLC services for the audit of the issuer's accounting (financial) statements for 2018 prepared in accordance with RAS and the audit of the consolidated financial statements for 2018 prepared in accordance with International Financial Reporting Standards was determined by the Company Board of Directors in the amount of 5,284,594 rubles and 54 kopeks including VAT (Minutes of September 24, 2018 No. 319/2018). Due to the entry of amendments to the Tax Code of the Russian Federation on 01.01.2019 into force, in accordance with the Federal Law of the Russian Federation dated 03.08.2018 No. 303-FZ “On Amending individual Legislative Acts of the Russian Federation on Taxes and Fees”, an additional agreement was concluded on December 13, 2018 No. 1/407/30/1511 on increasing the cost of the auditor's services, according to which the amount of payment is set in the amount of 5,333,857 rubles and 71 kopeks including VAT.  
The amount of payment for the auditor services of the Ernst & Young LLC in 2019 for the audit of accounting (financial) statements as per RAS (Russian Accounting Standards) and audit of the consolidated financial statements of the Company under IFRS (International Financial Reporting Standards) amounted to 5,374,163 (five million three hundred and seventy-four thousand one hundred and sixty-three) rubles and 95 kopeks, including 20% VAT of 895,693 (eight hundred ninety-five thousand six hundred and ninety-three) rubles and 99 kopeks.

There are no deferred or overdue payments for the services provided by the auditor

Either factors that can affect Auditor's independence of the Issuer or substantial interests associating Auditor (officers of Auditor) with the Issuer (officers of the Issuer) do not exist.

## 1.3. Details of Appraiser(s) of the Issuer

No appraiser was involved during 12 months before the end date of the reporting quarter on the grounds listed in this point

## 1.4. Details of consultants of the Issuer

No financial consultant was involved during 12 months before the end date of the reporting quarter on the grounds listed in this point

## 1.5. Details of the persons having signed the quarterly report

Full name: Sergeyev, Sergey Vladimirovich

Year of birth: 1976

Information on the primary work location:

Organization: Kubanenergo PJSC

Position: General Director

Full name: Skiba, Inna Viktorovna

Year of birth: 1975

Information on the primary work location:

Organization: Kubanenergo PJSC

Position: Chief Accountant – Head of the Department for Statutory and Fiscal Accounting and Reporting

# Section II. Basic information on financial and economic status of the Issuer

## 2.1. Indices of the Issuer’s financial and economic activity

Dynamics of indicators characterizing the issuer's financial and economic activity, calculated on the basis of accounting (financial) statements

The standard (rules) in accordance with which the accounting (financial) statements are prepared,  
 based on which the indicators are calculated: RAS

Unit of measurement for calculating the indicator of labor productivity: rub/person

|  |  |  |
| --- | --- | --- |
| Indicator description | 2018, 9 months | 2019, 9 months |
| Efficiency of labor | 4,022,557 | 4,125,597.5 |
| Debt-to-equity ratio | 1.14 | 0.97 |
| The long-term debt ratio to the amount of long-term debt and equity | 0.41 | 0.3 |
| Degree of debt coverage by current income (profit) |  |  |
| Level of past-due accounts, % |  |  |
| The level of overdue receivables, % | 39.4 | 31.8 |
| Level of overdue payables, % | 14.8 | 47.8 |
| Profit margin on sales,% | 13.38 | 12.13 |

According to the issuer, calculation of the indicator Level of past-due accounts does not have obvious economic sense; instead of such indicator, the indicators of the level of overdue receivables and the level of overdue payables were used. When calculating the indicator “Level of overdue receivables” the following calculation was used: Overdue receivables / Accounts receivable (p. 1230) \* 100%. When calculating the indicator "Level of overdue payables" the following calculation was used: Overdue payables / Accounts payable (p. 1450 + p. 1520) \* 100%.  
According to the issuer, the calculation of the indicator Degree of coverage of debts by current income (profit) does not have obvious economic sense; instead of this indicator, the indicator Profit margin on sales was used. When calculating the indicator Profit margin on sales the following calculation was used: Profit margin on sales (p. 2200) / proceeds (p. 2110) \* 100%.

Analysis of the issuer’s financial and economic activity based on the economic analysis of the dynamics of the presented indicators:  
The growth of the efficiency of labor indicator by 2.6% for 9 months of 2019 compared to the same period in 2018 is conditioned by an increase in proceeds from sales of products (services) by 2.6%.  
The decrease in the debt-to-equity ratio is conditioned by an increase in equity and a decrease in borrowed assets.  
The decrease in the ratio of long-term debt to the amount of long-term debt and equity is conditioned by a decrease in long-term borrowed assets.  
The decrease in Profit margin on sales by 1.25% for the first 9 months of 2019 relative to the first 9 months of 2018 is due to a decrease in Profit margin on sales by 323 million rubles.

## 2.2. Issuer's Market Capitalization

Market capitalization shall be calculated as multiplication of the number of shares of the corresponding category (type) to the market price of one share disclosed by the trade organizer

Measurement Unit: thousand rubles

|  |  |  |
| --- | --- | --- |
| Indicator description | For 31.12.2018 | For 31.09.2019 |
| Market capitalization | 14,825,115.5 | 19,138,981.1 |

Information on the securities market trade organizer that provided details based whereon calculation of market capitalization is carried out as well as other additional information on securities public circulation at the Issuer's discretion:  
***Full business name: Public Joint Stock Company Moscow Exchange MICEX-RTS.***

***Abbreviated business name: Moscow Exchange PJSC***

***Location: 13, Bolshoy Kislovskiy lane, Moscow, 125009,***

***INN [Taxpayer Identification Number]: 7702077840.***

***OGRN [Primary State Registration Number]: 1027739387411.***

***Phone: +7 (495) 232-3363, +7 (495) 363-3232***

***The Exchange License dated 29.08.2013 No 077-001 issued by the Federal Service for Financial Markets***

***Website:*** [***http://moex.com***](http://moex.com)***/.***

## 2.3. Issuer's Liabilities

## 2.3.1. Borrowed assets and accounts payable

For 31.09.2019

Structure of the borrowed assets

Measurement Unit: thousand rubles

|  |  |
| --- | --- |
| Indicator description | Indicator value |
| Long-term borrowed assets | 14,862,268 |
| including: |  |
| credits | 11,262,268 |
| loans excluded bonded ones | 0 |
| bonded loans | 3,600,000 |
| Short-term borrowed assets | 7,802,319 |
| including: |  |
| credits | 4,121,367 |
| loans excluded bonded ones | 0 |
| bonded loans | 3,680,952 |
| Total amount of overdue debts for borrowed assets | 0 |
| including: |  |
| for credits | 0 |
| for loans excluded bonded ones | 0 |
| for bonded loans | 0 |

Structure of accounts payable

Measurement Unit: thousand rubles

|  |  |
| --- | --- |
| Indicator description | Indicator value |
| Total amount of accounts payable | 13,089,973 |
| of which overdue | 6,251,388 |
| including |  |
| to the budget and state extra-budgetary funds | 1,097,458 |
| of which overdue | 0 |
| to suppliers and contractors | 4,522,123 |
| of which overdue | 2,045,043 |
| to organization staff | 224,461 |
| of which overdue | 0 |
| other | 7,245,931 |
| of which overdue | 4,206,345 |

In case of existence of overdue accounts payable, including those borrowed assets – indication of the causes of non-fulfillment and the consequences affecting the Issuer which have occurred or potentially may occur in future due to failure to fulfil liabilities including sanctions imposed on the Issuer and the term (supposed term) of overdue accounts payable redemption or overdue arrears on borrowed assets.

Compliant to the Kubanenergo PJSC business Plan redemption of overdue accounts payable (including those existing under indebtedness restructuring agreements) during 2019.   
Sanctions, penalties, fines: none.  
The main reason of overdue accounts payable is the untimely fulfillment by energy sales companies of their obligations to the Company for electricity transmission services.

Creditors, whose share accounts for not less than 10 per cent of the total sum of accounts payable or not less than 10 per cent of the total sum of the borrowed assets (long- and short-term):

Full business name: Sberbank of Russia Public Joint Stock Company

Abbreviated business name: Sberbank PJSC

Location: 19 Vavilova str., Moscow, 117997

INN [Taxpayer Identification Number]: 7707083893

OGRN [Primary State Registration Number]: 1027700132195

Amount of debt: 4,110,644

thousand rubles

Amount and conditions of overdue arrears (interest rate, penalty sanctions, surcharges):  
none

The creditor is the Issuer’s affiliate: No

Full business name: Federal government institution Directorate of State customer for implementation of the Federal target program Modernization of transport system of Russia

Abbreviated business name: FTI “Rostransmodernizatsiya”

Location: 1 Rozhdestvenka str. bld. 1, Moscow, 109012

INN [Taxpayer Identification Number]: 7702331944

OGRN [Primary State Registration Number]: 1027739457745

Amount of debt: 3,383,644.34

thousand rubles

Amount and conditions of overdue arrears (interest rate, penalty sanctions, surcharges):  
Overdue arrears: 3,383,644,34 thousand rubles  
Sanctions, penalties, fines: none.

The creditor is the Issuer’s affiliate: No

Full business name: VTB bank (Public Joint Stock Company)

Abbreviated business name: VTB Bank (PJSC)

Location: 29 Bolshaya Morskaya str, St. Petersburg, 190000

INN [Taxpayer Identification Number]: 7702070139

OGRN [Primary State Registration Number]: 1027739609391

Amount of debt: 10,149,032

thousand rubles

Amount and conditions of overdue arrears (interest rate, penalty sanctions, surcharges):  
No

The creditor is the Issuer’s affiliate: No

## 2.3.2. Issuer's Credit History

Fulfillment of obligations under credit agreements and (or) loan agreements effective during the last completed reporting year and current year, including those concluded through the issuance and sale of bonds, the principal debt of which amounted to five or more percent of the book value of the issuer's assets as of the date the end of the last completed reporting period, consisting of 3, 6, 9 or 12 months preceding the conclusion of the relevant agreement, as well as other credit agreements and (or) loan agreements, which the issuer deems significant.

|  |  |
| --- | --- |
| **Types and identification attributes of liabilities** | |
| **1. bonded loan, decision on issue of securities as of 10.11.2015 No. 4V02-02-00063-A-001R, series 001R-02** | |
| **Terms of obligation and information on its implementation** | |
| Name and location or surname, name, patronymic name of the creditor (lender) | Acquirers of securities in the issue, |
| Amount of principal debt at the time of emergence of liability, ruble | 3400000 RUB X 1000 |
| Amount of principal debt as of the end of the reporting quarter, ruble | 3400000 RUB X 1000 |
| Loan (borrowing) term, (years) | 10 |
| The average interest on the loan borrowing, % per annum | 12.63 |
| The number of interest (coupon) periods | 20 |
| Presence of defaults in the payment of interest on the loan (borrowing), and in case of its presence – the total number of specified defaults and their size in days | No |
| Planned term (date) for the loan (borrowing) pay off | 11.11.2025 |
| Actual term (date) for the loan (borrowing) pay off | existing |
| Other details of the liabilities indicated by the Issuer at one’s sole discretion: | none |

|  |  |
| --- | --- |
| **Types and identification attributes of liabilities** | |
| **2. bonded loan, decision on issue of securities as of 10.11.2015 No. 4V02-01-00063-A-001R, series 001R-01** | |
| **Terms of obligation and information on its implementation** | |
| Name and location or surname, name, patronymic name of the creditor (lender) | Acquirers of securities in the issue, |
| Amount of principal debt at the time of emergence of liability, ruble | 3600000 RUB X 1000 |
| Amount of principal debt as of the end of the reporting quarter, ruble | 3600000 RUB X 1000 |
| Loan (borrowing) term, (years) | 10 |
| The average interest on the loan borrowing, % per annum | 10.44 |
| The number of interest (coupon) periods | 20 |
| Presence of defaults in the payment of interest on the loan (borrowing), and in case of its presence – the total number of specified defaults and their size in days | No |
| Planned term (date) for the loan (borrowing) pay off | 21.11.2025 |
| Actual term (date) for the loan (borrowing) pay off | existing |
| Other details of the liabilities indicated by the Issuer at one’s sole discretion: | none |

## 2.3.3. Issuer’s liabilities arising from guarantees provided

No such liabilities exist.

## 2.3.4. Issuer's other liabilities

There are no other liabilities unrepresented in the accounting (financial) statements that may substantially affect the financial status of the Issuer, one’s liquidity, sources of funding and conditions of their use, as well as the results of activity and expenses.

## 2.4. Risks associated with acquisition of securities being placed (placed)

There were no changes in the contents of information of this paragraph in the reporting quarter

# Section III. Detailed information on the Issuer

## 3.1. History of foundation and development of the Issuer

## 3.1.1. Information on the Issuer’s business name (registered name)

Issuer's full business name: Kuban power and electrification public joint stock company

Date, when the full business name was introduced: 22.06.2015

Issuer's abbreviated business name: Kubanenergo PJSC

Date, when the abbreviated business name was introduced: 22.06.2015

Issuer’s business name (name for non-commercial organization) was registered as trademark or service mark

Information on registration of specified trademarks:  
31.01.2013 and 19.07.2013 (certificates Nos. 479755 and 4922215, respectively) the Federal Intellectual Property Service registered trademarks (service marks) in the name of the Company in Russian – КУБАНЬЭНЕРГО (KUBANENERGO). Date of expiration of the registration – 27.12.2021.

All previous names of the Issuer during the time of one’s existence:

Full business name: Kuban power and electrification open joint stock company cation

Abbreviated business name: Kubanenergo PC

Date the name was introduced: 10.02.1993

Grounds for the name was introduction:  
Issuer State registration (certificate of State registration as of 10.02.1993 No. 127).

Full business name: Kuban power and electrification open joint stock company

Abbreviated business name: Kubanenergo PC

Date the name was introduced: 29.05.1996

Grounds for the name was introduction:  
State registration of 29.05.1996 No. 2858 of the amended Charter of the issuer, approved by the decision of the General meeting of the shareholders of 26.04.1996, Minutes No. 4.

Full business name: Kuban power and electrification open joint stock company

Abbreviated business name: Kubanenergo CJSC

Date the name was introduced: 30.06.1998

Grounds for the name was introduction:  
State registration of 30.06.1998 No. 7315 of the amended and changed Charter of the issuer, approved by the decision of the General meeting of the shareholders of 22.05.1998, Minutes No. 6.

## 3.1.2. Details of the Issuer’s State Registration

Data on primary state registration

State registration number: 127

State registration date: 10.02.1993

Name of the body having carried out primary state registration: Administration of the Oktyabrskiy District of Krasnodar

Data on legal entity registration;

Primary legal entity state registration number: 1022301427268

Date of the record on the legal entity, registered before July 1, 2002, in the Uniform State Register of Legal Entities: 17.09.2002

Name of registering body: Inspectorate No. 3 for Krasnodar of the Ministry of Taxation of the Russian Federation

## 3.1.3. Details of establishment and development of the Issuer

There were no changes in the contents of information of this paragraph in the reporting quarter

## 3.1.4. Contact information

Issuer’s location

Russian Federation, Krasnodar

Issuer’s address, specified in the Uniform State Register of Legal Entities

2A Stavropolskaya str., Krasnodar, Krasnodar Area, 350033 Russia

Telephone: (861) 268-5913

Fax: (861) 268-2493

Email address: telet@kuben.elektra.ru

Webpage(s), where issuer’s details, information on the securities issued and/or being issued is available: www.kubanenergo.ru, http://www.e-disclosure.ru/portal/company.aspx?id=2827, http://www.e-disclosure.ru/portal/company.aspx?id=2827

Name of the Issuer’s special subdivision for work with the Issuer’s shareholders and investors: Department for Corporate Governance and Interaction with Shareholders

Address of Subdivision location: 2A Stavropolskaya str., Krasnodar, 350033

Telephone: (861) 212-22-76

Fax: (861) 212-27-08

Email address: podsvirovaiv@kuben.elektra.ru

Website: kubanenergo.ru/aktsioneram-i-investoram/

## 3.1.5. Taxpayer Identification Number

2309001660

## 3.1.6. Branches and representative offices of the Issuer

Changes in the composition of the Issuer’s branches and representative offices having occurred in the reporting quarter, in the event of changes of a branch or representative office name or location, full name of chiefs and validity term of the power of attorney issued to him/her by the Issuer – details of such changes.

***In the reporting quarter:***

***- Natkho, Inver Yusufovich has been appointed as Director of the Adygea electric networks Branch and a Power of Attorney has been issued for him with the effective period up to 31.12.2019,***

***- New Power of Attorney has been issued for Armaganyan, Edgar Garriyevich, First Deputy of the General Director, the Director of Sochi electric networks, with the effective period until 31.12.2020.***

## 3.2. Issuer's core business activity

## 3.2.1. Issuer’s main financial and economic activities

Code of the type of economic activity, which deems as core for the issuer

|  |
| --- |
| OKVED codes [Codes as per the Russian National Classifier of Economic Activity Types] |
| 35.12 |

|  |
| --- |
| OKVED codes [Codes as per the Russian National Classifier of Economic Activity Types] |
| 35.13 |
| 41.20 |
| 52.10.21 |
| 52.29 |
| 71.11 |
| 71.20.9 |

## 3.2.2. Issuer's core business activity

Types of business activity (types of activity, types of products (works, services) accounting for not less than 10 per cent of the Issuer's proceeds (incomes) in the reporting period

Measurement Unit: thousand rubles

Type of economic activity: transmission of electric energy

|  |  |  |
| --- | --- | --- |
| Indicator description | 2018, 9 months | 2019, 9 months |
| Total revenue from sales (volume of sales) for this type of economic activity, thousand rubles | 34,381,686 | 34,880,159 |
| Share of sales revenue (sales volume) for a this type of economic activity in the total volume of sales proceeds (sales volume) of the issuer, % | 98.9 | 97.7 |

Changes of the amount of the Issuer’s proceeds from sales (volume of sales) from core business activity by 10 per cent and more per cent in comparison with the similar period of the previous reporting year and causes of such changes:

No such changes having occurred.

**Additional Information:**

**Electric energy transmission.**

***The core indices of electric energy transmission by Kubanenergo PJSC (thousand kW\*h):***

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicators** | **For 2018** | **For the 9 months of 2018** | **For the 9 months of 2019** |
| Receipt of electric energy into the Company grid for its transmission under service provision contracts | 22,032,535.43 | 17,137,864.19 | 17,091,549.63 |
| Electric energy output from the Company network | 20,442,390.09 | 15,337,710.22 | 15,330,050.83 |
| Productive supply of electric energy as per “concentration” method – total | 18,766,494.10 | 14,128,471.00 | 14,212,268.90 |
| including by the levels of voltage: |  |  |  |
| *- high voltage (110 kV and more)* | 3,810,505.22 | 2,843,731.06 | 2,857,717.09 |
| *- medium voltage 1 (35 kV)* | 1,143,696.29 | 871,146.82 | 826,450.01 |
| *- medium voltage 2 (1-20 kV)* | 5,621,142.53 | 4,242,934.99 | 4,255,314.46 |
| *- low voltage (0.4 kV and less)* | 8,191,150.07 | 6,170,658.13 | 6,272,787.35 |
| Actual losses of electric energy scaled to supply into the grid | 2,590,145.35 | 1,800,153.97 | 1,761,498.80, |
| Energy savings (-) / overconsumption (+) from the criterion of losses | -235,946.75 | -218,897.64 | -32,550.50 |

**Quarterly projection of production results and comments:**

***The main goal of Kubanenergo PJSC in 2019 is the accident-free performance in the winter and summer periods of peak loads, timely implementation of the measures of the supervisory authorities to obtain an availability certificate on time, implementation of the investment and repair programs, which will enable for further connection of consumers to the networks of Kubanenergo PJSC, as well as minimizing above permitted losses.***

***In order to fulfill the planned indicators of financial and economic activities for the transmission of electricity, it is necessary: to implement the planned structure of the net supply by voltage levels; to ensure lack of growth in expenses as per the Issuer's systematic and uncontrolled cost items.***

***A significant risk in 2019 on electricity transmission is:***

***- inaccurate planning of balances of electricity and capacity by participants of the regional market and REC-PTD KT;***

***- approval of mid-year electricity transmission tariffs for newly formed allied grid companies, emergence of uncompensated costs in their relation;***

***- when switching to calculations for the network maintenance (on the capacity), the economic responsibility of the power supply companies for the non-compliance between the actual structure of the productive supply of consumers and the planned one, according to voltage levels, increases;***

***- low payment discipline of the power supply companies, their failure to comply with contractual obligations.***

**Technological connection of consumers to the Company’s electric power grids.**

***In Q3 2019, 7,779 contracts were concluded for technological connection to the electric power grids with total capacity = 228 MW. 315 million rubles (without VAT) was collected, revenue made – 366 million rubles (without VAT). The main volume of funds was received from consumers, who submitted applications for a capacity of more than 150 kW.***

***In fact, for the 3rd quarter of 2019, 6,893 consumers were connected with a total capacity of 195 MW.***

***In the 9 months of 2019, 20,444 contracts were concluded for technological connection to the electric power grids with total capacity = 555 MW. 540 million rubles (without VAT) was collected, revenue made – 618.5 million rubles (without VAT). The main volume of funds was received from consumers, who submitted applications for a capacity of more than 150 kW.***

***Over 9 months, 18,564 consumers were connected with a total capacity of 479 MW.***

**Core production capacities of the Company (as of 01.01.2019):**

|  |  |
| --- | --- |
| Extension of 110, 220 kV high voltage lines | 110 kV overhead lines – 4,924.34 km (along the route)  110 kV overhead lines – 6,229.87 km (along circuits)  220 kV overhead lines – 76.1 km  110 kV cable lines – 93.35 km |
| Extension of medium voltage lines (6 -35 kV) | Transmission lines 6–35 kV – 41,018.76 km (along the route)  Transmission lines 6–35 kV – 41,932.95 km (along circuits), including:  35 kV overhead lines – 6,819.25 km (along the route)  35 kV overhead lines – 7,733.44 km (along circuits)  6–10 kV overhead lines – 32,382.92 km  35 kV cable lines – 3.05 km  6–10 kV cable lines – 1,813.54 km |
| Extension of 0.4 kV low voltage lines | Transmission lines 0.4 kV – 42,758.67 km, including:  overhead lines– 42,278.11 km  cable lines– 480.56 km |
| Number/capacity of substations with high (110 kV) basic voltage | 223 items/7,465 MVA |
| Number/capacity of substations with medium (110 kV) basic voltage | 493 items/2,459 MVA |
| Number/capacity of the transformer substations (6–35/0.4 kV) | 23,089 items/4,909 MVA |

***Additional information on the Company financial and economic indicators:***

**Detailed data on structure of revenues and costs, thousand rubles:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item No.** | **Index** | **2018, 9 months** | **2019, 9 months** |
| 1 | Proceeds from marketing of products (services), total | 34,766,960 | 35,686,418 |
| 2 | Products (services) self-cost, taking into account management expenses, total | 30,116,374 | 31,358,510 |
| 3 | Gross profit, total | 4,736,964 | 4,445,778 |
| 4 | Net profit (loss) | 911,274 | 647,169 |

***Changes of characteristics of indices of Kubanenergo PJSC financial and business activity during 9 months of 2019 as compared with the indices of the 9 months of 2018 is characterized by the following dynamics:***

***- increase in revenue from sales of products (services) within the reporting period by 919 million rubles, or by 2.6%, including an increase in revenue from the electricity transmission services by 498 million rubles due to an increase in the volume of services rendered by 84 million kWh relative to the parameters of 9 months of 2018;***

***- increase of the self-cost taking into account management expenses by 1,242 million rubles or 4.1%;***

***- decrease in net profit for the reporting period by 264 million rubles or 29%.***

***Company’s accounting policy allows to carry out proceeds and marketed products (services) prime cost structuring per business aspect yielding a total financial result of the Company's activity.***

**Cost structure taking into account management expenses, thousand rubles:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item No.** | **Cost item description** | **2018, 9 months** | **2019, 9 months** |
| 1. | Material costs | 6,189,402 | 6,709,549 |
|  | including: |  |  |
| 1.1. | Purchased energy for losses compensation | 5,249,601 | 5,551,773 |
| 1.2. | Purchased energy for production and utility needs | 73,339 | 77,428 |
| 1.3. | Raw stock and materials | 866,462 | 1,080,348 |
| 2. | Works and services of industrial kind | 15,068,665 | 15,740,804 |
| 2.1. | Grid companies’ electric energy transmission services | 14,626,611 | 14,218,520 |
| 2.2. | Electric energy commercial accounting services |  |  |
| 2.3. | Other works and services of industrial kind | 442,054 | 1,522,284 |
| 3. | Wage costs | 3,388,874 | 3,282,540 |
| 4. | Insurance payments | 996,608 | 991,017 |
| 5. | Non-state pension provision | 19,363 | 0 |
| 6. | Depreciation | 2,941,676 | 3,130,031 |
| 7. | Other | 1,511,785 | 1,504,570 |
|  | including: |  |  |
| 7.1. | Payment for external organizations’ services | 617,500 | 652,443 |
| 7.2. | Insurance expenses | 76,079 | 75,483 |
| 7.3. | Taxes and levies | 652,234 | 460,157 |
| 7.4. | Estimated liabilities reserve | -155,530 | 71,837 |
| 7.5. | Reserve for unused leaves | -17,914 | -29,358 |
| 8. | Products manufacture and sale costs taking into account management costs | 30,116,374 | 31,358,510 |

**month 9, 2019**

**month 9, 2018**

Other

Insurance payments

Depreciation

Wage costs

Other Works and Production, Maintenance and Delivery Services

Energy for production and utility needs, grid companies’ electric energy transmission services

Raw stock and materials

Purchased energy for losses compensation

**Efficiency indicators, including ROE:**

|  |  |  |
| --- | --- | --- |
| **Indicator description** | **2018, 9 months** | **2019, 9 months** |
| ROE, return of equity, % | 2.53 | 1.67 |
| ROA, return on assets, % | 1.18 | 0.84 |
| ROTA, return on total assets, % | 2.30 | 1.82 |

**Leverage ratio**

|  |  |  |
| --- | --- | --- |
| **Indicator description** | **2018, 9 months** | **2019, 9 months** |
| Leverage ratio | 1.45 | 1.71 |

***The leverage ratio is calculated as the ratio of equity (p. 1300 of the balance sheet) and the amount of long-term and short-term loans and borrowings (p. 1410 + p. 1510 of the balance sheet)***

***The ratio of own and borrowed funds in the 3rd quarter of 2019 increased by 0.26 and amounted to 1.71. The decrease is due to an increase in equity, as well as a decrease compared to 9 months of 2018 of the Company debt portfolio.***

**Dynamics of growth (decline) of incomes, thousand rub.:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item No.** | **Indicator description** | **2018, 9 months** | **2019, 9 months** |
| 1 | Net proceeds from marketing products (services), total, including | 34,766,960 | 35,686,418 |
| 1.1. | From transmission and transit of electric energy across grids | 34,381,686 | 34,880,159 |
| 1.2. | from provision of technological connection services | 225,061 | 618,530 |
| 1.3. | other core activity products (services) | 160,213 | 187,729 |

***According to the results of 9 months of 2019, the revenue from sales of products, works, services was received in the amount of 35,686 million rubles, which is 919 million rubles or 2.6% more than the respective indicator for 9 months of 2018. The main contributor to the growth of this indicator was the increase in revenue for electricity transmission services of 498 million rubles.***

**Costs dynamics:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item No.** | **Products production and marketing costs** | **mln rub.** | **Growth rate, %** |
| **9 months 2019 / 9 months 2018** |
| 1. | 9 months 2018 | 30,116.4 | 104.1 |
| 2. | 9 months 2019 | 31,358.5 |

***Increase of costs for the production and sale of products for 9 months of 2019 in the amount of 1,242 million rubles compared to the same period in 2018, was due to an increase in the cost of purchased energy to compensate for losses, raw stock and materials, services of FGC UES PJSC for the transmission of electricity, other production works and services.***

***Increase of costs for the item “Purchased energy for loss compensation” in the amount of 302 million rubles due to the increase in the weighted average price for the purchase of losses by 8%.***

***Increase of costs for the item “Raw stock and materials” in the amount of 214 million rubles is mainly caused by the increase in the cost of materials for maintenance and repairs due to an increase in the scope of the maintenance and repair program for 2019 in order to comply with the frequency of repairs of equipment and power lines in accordance with the regulatory requirements.***

***Increase of costs for the item “Services of FGC UES PJSC for the transmission of electricity” in the amount of 464 million rubles due to an increase in the rate for maintenance of electric networks by 6% in accordance with the order of the Federal Antimonopoly Service of Russia dated December 6, 2018 No. 1710/18, an increase in the volume of permitted losses of electricity in UNEG networks by 18%, as well as an increase in the actual weighted average rate of the wholesale energy market for payments for standard losses in UNEG networks by 4%.***

***At the same time, a decrease in the cost of services of distribution grid companies in the amount of 872 million rubles is due to a decrease in the average tariff for payment of local grid operator services by 15% due to a change in the computation scheme for electric power transmission services for the balanced flow of electric energy between grid companies since 2019, as well as late provision of documents to reflect the volume of services rendered by NESK Electric Networks JSC for September 2019.***

***An increase of costs for the item “Other production works and services” in the amount of 1,080 million rubles is mainly due to an increase in the cost of equipment maintenance and repair services taking into account free issue materials due to an increase in the scope of the maintenance and repair program for 2019 in order to comply with the frequency of equipment and power line repairs in accordance with regulatory requirements.***

***The dynamics of the remaining items is insignificant.***

**Structure of the proceeds and revenue according to the business directions, thousand rub.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item No.** | **Indicator description** | **2018, 9 months** | **2019, 9 months** |
| 1 | Net proceeds from marketing products (services), total, including | 34,766,960 | 35,686,418 |
| 1.1 | Core activity products (services), total, among them: | 34,766,960 | 35,686,418 |
| 1.1.1. | Grid services | 34,606,747 | 35,498,689 |
| 1.1.1.1 | From transmission and transit of electric energy across grids | 34,381,686 | 34,880,159 |
| 1.1.1.2 | from provision of technological connection services | 225,061 | 618,530 |
| 1.1.2. | Electric energy to internal consumers | 0 | 0 |
| 1.1.3. | Thermal energy | 0 | 0 |
| 1.1.4. | other core activity products (services) | 160,213 | 187,729 |
| 1.2 | Non-core activity products (services) | 0 | 0 |

***According to the results of 9 months of 2019, the revenue from sales of products, works, services was received in the amount of 35,686 million rubles, which is 2.6% more than the respective indicator for 2018 months of 2018. The main impact on the increase in this indicator was due to an increase in revenue for network services by 892 million rubles or 2.6%, including an increase in revenue for electricity transmission services by 498 million rubles.***

**Quarterly forecast of financial results and comments**

***The Company’s activity is planned with regard to the following indices:***

* ***consolidated forecast balance of electric energy production and supply within the framework of the Unified Energy System of Russia per constituent entity of the Russian Federation;***
* ***forecast growth of tariffs for electric energy transmission services;***
* ***forecast growth of consumer prices;***
* ***forecast growth of purchase of the losses;***
* ***volume of electric energy losses for supply into the grid with account for equipment wear, grid load modes, commercial losses etc.***

**Company accounts receivable dynamics and structure changes, thousand rubles:**

***as of 30.09.2019:***

|  |  |  |  |
| --- | --- | --- | --- |
| Indicator description | 31.12.2018 | 30.09.2019 | Dynamics  For the 9 months of 2019 |
| Accounts receivable from buyers and customers | 6,206,665 | 7,346,048 | 1,139,383 |
| including those overdue | 615,718 | 2,389,035 | 1,773,317 |
| Accounts receivable under promissory notes receivable | 0 | 0 | 0 |
| including those overdue | 0 | 0 | 0 |
| Accounts receivable from participants (founders) by way of contributions to the authorized capital | 0 | 0 | 0 |
| including those overdue | 0 | 0 | 0 |
| Other accounts receivable | 835,019 | 945,099 | 110,080 |
| including those overdue | 232,476 | 251,634 | 19,158 |
| Total amount of accounts receivable | 7,041,684 | 8,291,147 | 1,249,463 |
| including the total volume of overdue receivables | 848,194 | 2,640,669 | 1,792,475 |

**Company accounts payable dynamics and structure changes, thousand rubles:**

***as of 30.09.2019:***

|  |  |  |  |
| --- | --- | --- | --- |
| Structure of accounts payable | 31.12.2018 | 30.09.2019 | Dynamics  For the 9 months of 2019 |
| Long-term accounts payable, including: | 1,248,675 | 1,441,061 | 192 |
| Other liabilities | 1,248,675 | 1,441,061 | 192 |
| Short-term accounts payable, including: | 12,812,433 | 11,648,912 | 1,163,521 |
| suppliers and contractors | 5,238,557 | 4,522,123 | -716,434 |
| Personnel wages indebtedness | 313,073 | 224,461 | -88,612 |
| indebtedness to state extra-budgetary funds | 120,710 | 111,054 | -9,656 |
| tax and levy indebtedness | 606,530 | 986,404 | 379,874 |
| advance payments received | 5,164,803 | 4,984,161 | -180,642 |
| Income payment indebtedness to participants (founders) | 919 | 396 | -523 |
| Other accounts payable | 1,367,841 | 820,313 | -547,528 |
| Total accounts payable | 14,061,108 | 13,089,973 | -971,135 |

***The next table presents the “General structure of the Issuer’s self-cost”, the self-cost structure is presented taking into account the management costs:***

General structure of the Issuer’s self- cost

|  |  |  |
| --- | --- | --- |
| Indicator description | 2018, 9 months | 2019, 9 months |
| Raw stock and materials, % | 2.9 | 3.4 |
| Acquired component articles and semi-finished products, % | 0 | 0 |
| Production-related works and services performed/provided by third parties, % | 50 | 50.2 |
| Fuel, % | 0 | 0 |
| Energy, % | 17.7 | 18 |
| Wage costs, % | 11.3 | 10.5 |
| Interest on credit, % | 0 | 0 |
| Rent, % | 0.6 | 0.5 |
| Allocations for social needs, % | 3.3 | 3.2 |
| Depreciation of fixed assets, % | 9.7 | 10 |
| Taxes included in primary cost of products, % | 2.2 | 1.5 |
| Other costs, % | 2.3 | 2.7 |
| Depreciation of intangible assets, % | 0 | 0 |
| Rewards for rationalization proposals, % | 0 | 0 |
| Mandatory insurance payments, % | 0 | 0 |
| Expenses on representation, % | 0 | 0 |
| other (specify), % | 2.3 | 2.7 |
| Third-Party Companies Services, % | 2.1 | 2.1 |
| deductions for the reserves for future expenses, % | -0.6 | 0.1 |
| voluntary insurance payments, % | 0.2 | 0.2 |
| Other, % | 0.6 | 0.3 |
| Total: costs of production and sales of products (works, services) (prime cost), % | 100 | 100 |
| For reference: Proceeds from sales of products (works, services), % to the self-cost | 115.4 | 113.8 |

New types of products (works, services) offered by the Issuer in one’s core activity market that may be of substantial importance judging by the openly available information on such types of products (works, services). Specify the development condition of such types of products (works, services).

The re no new types of products (works, services) that may be of substantial importance.

Standards (rules) in accordance wherewith the Issuer prepared the accounting (financial) statements and carried out calculations presented in this sub-paragraph:  
Russian Accounting Standards.

## 3.2.3. Materials, commodities (raw materials) and suppliers of the Issuer

For the 9 months of 2019

Suppliers of the Issuer accounting for at least of 10% of all the supplies of materials and commodities (raw materials)

Full business name: Avtostrada Limited Liability Company

Location: 33 Aerodromnaya str., Krasnodar, 350049

INN [Taxpayer Identification Number]: 2315186715

OGRN [Primary State Registration Number]: 1142315001575

Portion of the total volume of supplies, %: 14.3

Information on change of prices for the basic material and commodities (raw material) by more than 10% during the corresponding reporting period in comparison with the corresponding reporting period of the previous year

No change of prices for the basic material and commodities (raw material) by more than 10% occurred during the corresponding reporting period.

Portion of import in the material and commodities supply, forecast with respect to availability of sources of import in future and possible alternative sources of import

Share of import in the materials and commodities supplies is 4.73%.  
There is favorable forecast on availability of the sources of import.  
At this moment there are no alternative sources available.

## 3.2.4. Target markets of the Issuer's products (works, services)

Core markets wherein the Issuer carried out one’s activity:  
***The Company is the biggest electric power grid company in the Krasnodar Territory and Republic of Adygea carrying out transmission and distribution of electric energy across electric power grids with voltage equal or below 110 kV between populated localities, in rural settlements and individual cities and regional centers of the Krasnodar Territory and Republic of Adygea including Sochi.***

***Compliant to the tariff and balance decision of REC-PTD KT for 2019, the Company share at the regional market of energy transmission services during the current year is 75.4% from the total necessary gross revenues of the region.***

***Kubanenergo PJSC carries out one’s main activity under conditions of natural monopoly regulated by the state to the extent of establishment of tariffs for electric energy transmission and provision for non-discriminatory consumers’ access to electric power grids. Taking into account the growing demand for electric energy in the region, the Company pays great attention to development, reconstruction and increase of carrying capacity of electric power grid facilities, reckoning on increase of one’s services sales volume in future.***

***Since 01.07.2007 a “boiler” method of settlements for transmission of electric energy is in force in the region, with the “boiler holder” status reserved to Company. This means that all energy selling companies marketing electric energy in the regional market pays to Kubanenergo PJSC for services for electric energy transmission across electric power grids of the whole regional energy system within the framework of contracts for electric energy transmission while Kubanenergo PJSC pays for electric energy transmission services to territorial grid companies.***

***Since September 22, 2011 an individual calculation scheme based on the “boiler below” principle has been in effect in the Krasnodar Territory with regard to Maykop CHP LLC grid company. Within the framework of this scheme Kubanenergo PJSC provides electric energy transmission services to Maykop CHP LLC grid company and receives payment as per the individual tariff established by REC-PTD KT.***

***In the reporting period, the core consumers of Kubanenergo PJSC electric energy transmission services were:***

***- 2 guaranteeing suppliers – entities of the wholesale and retail markets that carry out their activities on the sale of electricity to end consumers connected to the electric grids of the Company and networks of other grid organizations (NESK JSC, TNS energo Kuban PJSC);***

***- 39 energy supply companies – entities of the wholesale and retail markets engaged in the sale of electricity to end consumers connected to the electric networks of the Company and networks of other network organizations (MAREM+ LLC, RUSENERGOSBYT LLC, RUSENERGORESURS LLC, JSC Transservisenergo, RN-Energo LLC, South Energy Sales Company LLC, MagnitEnergo LLC, Mosenergosbyt PJSC, KES LLC (2 contracts), Yugstroy-Energosbyt LLC (3 contracts), EnergoEffektivnost LLC, Kvant LLC, NSK LLC, Transneftenergo LLC, Rusenergo LLC, RegionEnergoKontrakt LLC, Gazprom energosbyt, LLC Energosbyt, Garant Energo LLC, KNGK-Energo LLC, LLC Alternative-Energo-Sbyt JSC, AER LLC (3 contracts), ProfServisTrade LLC, Forest LLC, UES.GARANT LLC, ESK Nezavisimost LLC, VN-Energotrade LLC, Retail Energy Consult LLC, KSK LLC, MTS ENERGO LLC (2 contracts), Izhenergosbyt LLC, EESC LLC, Transit-EnergoSbyt LLC, Energosystema LLC, NEK LLC, EnergoMir LLC, LUKOIL-ENERGOSERVICE LLC, EnergoFinanceConsulting LLC, Mezhregionenergosbyt JSC);***

***- 94 consumers who have concluded “direct” contracts for electric power transmission services with Kubanenergo PJSC (Novoroscement OJSC, Tamanneftegaz CJSC, Eurochem-Belorechensk Mineral Fertilizers LLC, Primorskaya Poultry Factory LLC, Agrofirma Pobeda breeding plant OJSC, FSBI Board of Kubanmeliovodkhoz, Sad-Gigant OJSC, Verkhnebakansky Cement Plant OJSC, Abrau-Dyurso CJSC, Novoroslesexport JSC, RAMO-M JSC, NMTP PJSC, Formika-Yug LLC, Kanevskaya gas equipment plant LLC, IPP OJSC, etc.).***

***- income-generating allied grid organization (Maykop CHP LLC).***

Factors that may negatively affect on products (works, services) marketing by the Issuer and possible actions of the Issuer for their effect reduction:  
***Negative factors that may affect the sale of services of Kubanenergo PJSC are as follows:***

***- political risks associated with decisions of the Government of the Russian Federation on the development of the electric power industry,***

***- risks associated with relationships with local authorities,***

***- economic risks associated with state regulation of prices for the Issuer's services,***

***-financial risks associated with the terms and cost of borrowing resources;***

***- risks associated with the operation of the main equipment (electricity transmission),***

***as well as other risks.***

***Currently, the Issuer does not forecast substantial deterioration of the branch situation. In case of substantial deterioration of the branch situation, the Issuer plans to carry out risks analysis and to take a corresponding decision in each specific case.***

## 3.2.5. Information on the issuer's permits (licenses) or admissions to certain types of work

Authority (organization) that issued the relevant permit (license) or admission to certain types of works: Ministry of Natural Resources of the Krasnodar Territory

Number of permit (license) or document confirming obtaining of admission to certain types of works: License for the use of subsoil KRD No. 80383VE

Type of activities (works) for the implementation (conduct) of which the issuer obtained an appropriate permit (license) or approval: fresh underground water production for domestic, drinking and process water supply in the city of Krasnodar

Date of issue of the permit (license) or admission to certain types of works: 30.11.2015

Validity period of the permit (license) or admission to certain types of works: 20.07.2034

Authority (organization) that issued the relevant permit (license) or admission to certain types of works: Ministry of Natural Resources of the Krasnodar Territory

Number of permit (license) or document confirming obtaining of admission to certain types of works: License for the use of subsoil KRD No. 80380VE

Type of activities (works) for the implementation (conduct) of which the issuer obtained an appropriate permit (license) or approval: fresh underground water production for domestic and drinking water supply in the village of Tverskaya of Apsheron Region of Krasnodar Territory

Date of issue of the permit (license) or admission to certain types of works: 26.10.2015

Validity period of the permit (license) or admission to certain types of works: 01.01.2035

Authority (organization) that issued the relevant permit (license) or admission to certain types of works: Administration of the Federal Security Service of Russia for the Krasnodar Territory

Number of permit (license) or document confirming obtaining of admission to certain types of works: GT 0083905, registration number 1863

Type of activity (works) for implementation (conduct) of which the issuer obtained respective permit (license) or admission: Performance of works involving use of details classified as state secret

Date of issue of the permit (license) or admission to certain types of works: 13.07.2018

Validity period of the permit (license) or admission to certain types of works: 13.07.2023

Authority (organization) that issued the relevant permit (license) or admission to certain types of works: Federal Transportation Inspection Service of the Ministry of Transport of Russia

Number of permit (license) or document confirming obtaining of admission to certain types of works: AN-23-000047

Type of activity (works) for implementation (conduct) of which the issuer obtained respective permit (license) or admission: Transfer of other persons of the licensee for own use by buses

Date of issue of the permit (license) or admission to certain types of works: 08.04.2019

Validity period of the permit (license) or admission to certain types of works: Perpetual

***The Issuer’s management take all the actions required for timely obtainment, actualization and prolongation of licenses and minimization of the probability of their suspension, change or withdrawal. In this connection, the forecast of licenses prolongation probability is favorable.***

***At the same time, there is a risk associated with changes in the legislation or with decisions of federal or regional bodies on licensing issues that is beyond the Issuer's control. Thus, the Issuer cannot guarantee that no future changes will take place that may have negative effect on one’s activity, However, the Issuer has yet failed to reveal prerequisites of legal, economic or political character related to complication of the procedure or reduction of the licenses prolongation possibility.***

## 3.2.6. Information on the activities of certain categories of issuers

The issuer is not a joint-stock investment fund, insurance or credit organization, mortgage agent.

## 3.2.7. Additional requirements to the issuers whose main activity is mining

The issuer's main activity is not mining

## 3.2.8. Additional requirements to the issuers whose main activity is the provision of communication services

The issuer's main activity is not the provision of communication services

## 3.3. Issuer's future activity plans

Issuer's plans related to organization of new production: ***no plans for organization of a new production are available.***

Issuer's plans related to extension or reduction of production.

***Development of the electric power grid complex of the Company is carried out in accordance with the approved scheme of prospective development of electric power grids and requirements of the technical specification for organization of technological connection of consumers to the Company’s electric power grids.***

***In 2019 one plans to sign 30,000 contracts for technological connection, total capacity of about 660 MW; the volume of cash collections (payment for technological connection) is planned to be up to 1,083 mln rubles (VAT excluded).***

***It is expected that in 2023, due to the growth of energy consumption in the region and connection of new consumers, the volume of power transmission services being rendered by the Company, will amount to 20,370,490 thousand kWh (104.93% in relation to 2019).***

Issuer's plans related to development of new types of products: ***no plans for development of new types of products are available.***

Issuer's plans related to modernization and reconstruction of fixed assets:

***During the few coming years Kubanenergo PJSC has planned construction and reconstruction of overhead and cable power transmission lines, substations and other energy facilities, primarily – those oriented at provision for uninterrupted electric power supply of the Krasnodar Territory seaside areas (along the, Black Sea and Azov Sea coasts), Krasnodar as a social and cultural center and Republic of Adygea.***

Issuer's investment activity plans:

***Kubanenergo PJSC carries out investment activities in accordance with the investment program for the period of 2018–2022, approved by order of the Ministry of Energy of Russia dated 10.12.2018 No. 18@.***

***Sources of financing for the development of the investment program in 2019 are: depreciation – 2,293.92 million rubles, funds received from the placement of additional shares of the Company – 17,673.01 million rubles, advances for technological connection – 424.12 million. rubles, credit funds – 1,723.73 million rubles.***

***The investment program envisages new construction and reconstruction of 966.49 km of power lines and commissioning of transformer capacity in the amount of 1,044.86 MVA.***

Issuer's plans related to possible change of the core activity: ***no plans for change of the core activity are available.***

Issuer's future activity plans in regards to future revenues:

***The Company strategy in regards to the sources of future revenues envisages the following:***

***- provision for quality, reliable and uninterrupted electric power supply to consumers;***

***- reduction of energy facilities wear;***

***- maintaining tariff sources of investments into the network innovation and development;***

***- improvement of operational costs efficiency;***

***- adoption of innovative technologies corresponding to best world standards in the field of electric energy distribution at all stages of the technological process;***

***- provision for a high rate of return on investments in the distribution grid complex at the level of cost-efficiency of companies operating under comparable market activity conditions in the Russian Federation.***

## 3.4. Issuer participation in the banking groups, banking holdings, holdings and associations

Name of group, holding or association: Rosseti PJSC

Term of issuer’s participation: since July 1, 2008

Issuer's role (place) and functions within the organization:  
Since July 1, 2008 the issuer has been a dependent and later subsidiary company of Rosseti PJSC having received a batch of the Company’s voting shares through legal succession under a dividing balance sheet as a result of reorganization of RAO UES of Russia OJSC in the form of spin off.   
Issuer’s functions within the above holding: formation of Russian power industry to the extent of the distribution grid complex.

## 3.5. Organizations controlled by the issuer that are of essential value for it

The Issuer has no organization under its control that are of essential value for it

## 3.6. Composition, structure and value of the Issuer's fixed assets, information on plans for acquisition, replacement and retirement of fixed assets as well as all facts of encumbrance on the Issuer’s fixed assets

For 31.09.2019

Measurement Unit: thousand rubles

|  |  |  |
| --- | --- | --- |
| Name of fixed asset facilities group | Initial value (current recovery value) | Accrued depreciation sum |
| Fixed Assets | 118,692,076 | 61,956,926 |
| TOTAL | 118,692,076 | 61,956,926 |

Details of methods for depreciation accrual per fixed asset facilities group:  
Depreciation on fixed assets facilities is carried out by straight-line method proceeding from such facilities useful service life.

Reporting date: 30.09.2019

The results of the last revaluation of fixed assets and long-term leased fixed assets carried out during the last completed financial year, indicating the date the revaluation was performed, full and residual (net of depreciation) book value of fixed assets before revaluation and the full and residual (net of depreciation) replacement fixed assets value subject to this revaluation. The specified information is given for groups of fixed assets. There is specified information on the methods of calculating depreciation for groups of fixed assets.

Measurement Unit: thousand rubles

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name of fixed assets group | Full value before revaluation performance | Residual (net of depreciation) value before revaluation performance | Date the revaluation was performed | Full replacement value after revaluation | Residual (net of depreciation) replacement value after revaluation |
| Similar groups of fixed assets (code 110, code 420) | 43,563,850 | 14,951,010 | 31.12.2015 | 47,548,686 | 16,175,206 |
| Total | 43,563,850 | 14,951,010 |  | 47,548,686 | 16,175,206 |

Indication of fixed assets revaluation performance method (by coefficients of the Federal body of executive authority for statistics, market value of corresponding fixed assets supported by documents or experts’ conclusions. In case of an expert conclusion availability – indication of evaluation methodology is required):  
Revaluation of fixed assets as of December 31, 2015 was carried out by groups of fixed assets (code 110 “Industrial buildings”, code 420 “Equipment for electric power conversion”) of ENPI Consult JSC in accordance with the agreement of September 1, 2015. No. 2e392/15/407/30-933. The final results of the revaluation of uniform groups of fixed assets (code 110 “Industrial buildings”, code 420 “Equipment for electric power conversion”) are reflected in the financial statements for 2015 in accordance with applicable law.   
Contractor:   
ENPI Consult Joint Stock Company (abbreviated name –ENPI Consult JSC).   
Place of location: 65 Starokaluzhskoye highway, premise 500, Moscow, 117630.  
Mailing address: 65 Starokaluzhskoye highway, premise 500, Moscow, 117630.  
OGRN [Primary State Registration Number]: 1027700283566 dated 07.10.2002.  
 Public liability of the Contractor is insured:  
GSK UGORIYA OJSC for the amount of 50,000,000 (fifty million) rubles (insurance policy dated September 12, 2013 to supplementary agreement No. 3 of September 12, 2013 to the appraiser’s mandatory liability insurance contract for valuation activities (additional security) No. 59-000187-09/11 of 08/05/2011, the insurance period from March 9, 2012 to December 31, 2017).  
AlfaStrakhovanie OJSC, Contractor’s valuators liability insurance contract No. 0991R/776/10004/5 dated February 12, 2015, on the basis of which policy No. 0991R/776/10004/5 dated February 18, 2015 was issued. The policy expiry period is March 9, 2015 to March 08, 2016. The total insurance amount is 500,000,000 (five hundred million) rubles. Franchise 50 000 000 (fifty million) rubles.  
ENPI Consult JSC fully complies with the requirements of para. 15.1 of the Federal Law of the Russian Federation of July 29, 1998 No. 135-FZ On Valuation Activities in the Russian Federation.  
For the objects under study, the current (replacement) value is equal to the amount of the costs of creating (ZS) new similar fixed assets objects.

Indication of details of plans for acquisition, replacement and retirement of fixed assets value whereof is equal to or in excess of 10 per cent of the total value of fixed assets of the Issuer as well other fixed assets at the Issuer’s discretion as well as details of all facts of encumbrance on fixed assets of the Issuer (featuring indication of such encumbrance character, occurrence moment, duration and other conditions at the Issuer’s discretion):  
***The approved Company investment program for 2019–2022 does not envisage implementation of projects, cost-estimate value of which exceeds 10 percent of the value of the Issuer’s fixed assets.***

|  |
| --- |
|  |

***Registry of lease-encumbered properties of Kubanenergo PJSC as of September 30.09.2019:***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Type of fixed assets | Type (character) of encumbrance | Date of encumbrance occurrence | Date of encumbrance termination | Other conditions |
| Room No 16 in the Kubanenergo PJSC building, 2A Stavropolskaya str., Krasnodar. Place on communication mast, area: 5.84 sq. m | Lease | 01.02.2004 | 31.07.2020 | Prolongation stipulated |
| Rooms at address: 2A Stavropolskaya str., Krasnodar, space – 192.8 sq. m | Lease | 01.02.2014 | 30.06.2020 | Prolongation stipulated |
| Rooms Nos. 213, 214, 214/1, 214/2 in Building letter D at the address: 2A Stavropolskaya str. bld. No. 4, Krasnodar, space 54.2 sq. m | Lease | 01.12.2007 | Indefinite period | Indefinite period |
| Part of non-resident property No. 5 at: 2A Stavropolskaya str. bld. No. 5 letter A, Krasnodar; area: 1.2 sq. m | Lease | 01.01.2007 | 01.11.2019 | Prolongation stipulated |
| Parts of rooms for communication equipment, which are located at the branches of the Kubanenergo PJSC electric networks, total space 21.6 sq. m | Lease | 31.07.2007 | 30.06.2020 | Prolongation stipulated |
| Places of installation of electric metering equipment, located at the branches of the Kubanenergo PJSC electric networks, space 149 sq. m | Lease | 31.03.2010 | 30.04.2020 | Prolongation stipulated |
| Premises No. 18, 19.20 at: Novorossiyskaya str., 47, area; 23.8 sq. m | Lease | 01.02.2011 | 31.03.2020 | Prolongation stipulated |
| 4 optical single-mode fibers No. 21, 22, 23, 24 in the optical cable of the fiber-optic transmission line | Lease | 01.09.2007 | 31.08.2020 | Prolongation stipulated |
| Hotel complex letter F, bathroom construction letter Ya at: 4 Pionerskaya str, village of Divnomorskoye, city of Gelendzhik | Lease | 01.05.2016 | 01.01.2020 | Prolongation stipulated |
| Poles of the overhead supply lines 0.4–10 kV | Lease | 23.09.2015 | 10.08.2035 | Prolongation stipulated |
| Part of non-residential room in the building of the letter B, space – 1.3 sq. m, place of equipment installation on the tower at: 2A Stavropolskaya str., Krasnodar | Lease | 11.08.2017 | 11.05.2020 | Prolongation stipulated |
| Radio mast – place of installation of the communication equipment, 30 Tabachnaya str., Saratovskaya Stanitsa, Krasnodar Territory, area: 6 sq. m | Lease | 01.04.2003 | 30.09.2020 | Prolongation stipulated |
| Site for placement of pole with antenna and feeder equipment located at: 74 Gagarina str., Yablonovskiy Settlement, area: 14.3 sq. m | Lease | 20.07.2005 | 20.03.2020 | Prolongation stipulated |
| Room No. 34, 131 Pashkovskaya str. Krasnodar, 23 sq. m | Lease | 01.08.2013 | 01.01.2020 | Prolongation stipulated |
| Reinforced concrete flumes for storage of 2 cable lines with extension = 700 m, Krasnodar, 110/35 “Naberezhnaya” substation | Lease | 01.09.2009 | 01.09.2020 | Prolongation stipulated |
| Reinforced concrete flumes for storage of 2 cable lines with extension = 700 m, Krasnodar, 110/35 “Naberezhnaya” substation | Lease | 01.04.2010 | 01.05.2020 | Prolongation stipulated |
| Places for installation of energy accounting devices located in Krasnodar, area: 5 sq. m | Lease | 01.01.2011 | 01.03.2020 | Prolongation stipulated |
| Premises located at: 7/1 Aerodromnaya str., Takhtamukay, Takhtamukayskiy Region, Republic of Adygea,  77.6 sq. m | Lease | 01.01.2015 | 30.06.2020 | Prolongation stipulated |
| Overhead line supports 35/10-0.4 kV for installation of fiber-optic cable, Takhtamukayskiy Region, 17,905 m | Lease | 18.05.2015 | Indefinite period | Indefinite period |
| Radio mast at: 119 Akademica Lukyanenko str., Krasnodar (RPB) | Lease | 29.06.2016 | 29.02.2020 | Prolongation stipulated |
| Overhead line supports 10-0.4 kV for installation of fiber-optic cable | Lease | 29.07.2016 | 31.12.2045 | Prolongation stipulated |
| Place of installation of the electric metering equipment – substation control building, closed switchgear substation building 110/6-10 “KhBK” at: Starokubanskaya – Sormovskaya streets, Krasnodar | Lease | 29.09.2016 | 29.05.2020 | Prolongation stipulated |
| Overhead line supports 10-0.4 kV for installation of fiber-optic cable, Dinskoy, Severny regions, Republic of Adygea | Lease | 17.04.2017 | Indefinite period | Indefinite period |
| Premises located at: 5 Mira str., Afipsip, Takhtamukayskiy Region, Republic of Adygea | Lease | 22.02.2019 | 22.01.2020 | Prolongation stipulated |
| Overhead transmission line supports 10-0.4 kV for installation of overhead lines, Stanitsas Dinskaya, Starokorsunskaya | Lease | 29.12.2017 | 29.09.2020 | Prolongation stipulated |
| Overhead transmission line supports 10-0.4 kV for installation of fiber-optic cables, Stanitsa Dinskaya | Lease | 26.10.2017 | 26.07.2020 | Prolongation stipulated |
| Overhead transmission line supports 10-0.4 kV for installation of overhead lines, Takhtamukayskiy Region | Lease | 11.12.2017 | 11.09.2020 | Prolongation stipulated |
| Rooms No 2-3 at: 86 Gagarina str., town of Yablonovskiy, Republic of Adygea | Lease | 15.05.2018 | 15.03.2020 | Prolongation stipulated |
| Box No. 3, 116 Kalinina str., Stanitsa Severskaya, Severskiy Region | Lease | 01.06.2019 | 01.05.2020 | Prolongation stipulated |
| Premises located at: 358 Shovgenova str., city of Maykop, area – 29.8 sq. m | Lease | 01.01.2014 | 01.06.2020 | Prolongation stipulated |
| Premises located at: 358 Shovgenova str., city of Maykop, Republic of Adygea, space – 29.8 sq. m | Lease | 14.10.2013 | 14.03.2020 | Prolongation stipulated |
| Communication equipment installation points, Krasnodar Territory, city of Apsheronsk, substation 110 kV “Apsheronskaya”, space – 0.08 sq. m | Lease | 12.01.2015 | 12.08.2020 | Prolongation stipulated |
| Premises located at: KT, city of Apsheronsk, Industrialnaya str. 1a, Republic of Adygea city of Maykop, village Tulskiy, Energetikov str. 5 | Lease | 15.02.2017 | 15.11.2019 | Prolongation stipulated |
| Antennas, city of Belorechensk, Pobeda str. 475 | Lease | 01.09.2016 | 01.05.2020 | Prolongation stipulated |
| ATM KT, city of Labinsk, Mira str. 334, space – 1 sq. m | Lease | 04.09.2013 | 31.08.2020 | Prolongation stipulated |
| Premises located at: KT, city of Labinsk, Mira str. 334, space – 18.6 sq. m | Lease | 01.02.2014 | 31.07.2020 | Prolongation stipulated |
| Special booth machinery repair shop at, Labinsk, Mira str. 334, 8.64 sq. m | Lease | 30.01.2018 | 30.04.2020 | Prolongation stipulated |
| Antennas and masts at: city of Kurganinsk, Lugovaya str. 1A 11m, Novoalekseyevskaya Stanitsa, 50 years of VLKSM str. 1, 8 m | Lease | 01.06.2008 | 01.05.2020 | Prolongation stipulated |
| Room No. 11, 11a with total space of 23.1 sq. m, located in the building letter K at: KT, Leningrad Region, Leningradskaya stanitsa, 302 Unit str. 6 | Lease | 03.02.2014 | 03.06.2020 | Prolongation stipulated |
| Overhead transmission line supports 0.4 kV, KT, Kushevskaya stanitsa | Lease | 01.01.2019 | 30.11.2019 | Prolongation not foreseen |
| Premise No. 15 located at: KT, Slavyansk-on-Kuban, Stroitelnaya str. 49, space 28 sq. m | Lease | 01.03.2014 | 01.08.2020 | Prolongation stipulated |
| Part of a premise with space of 14 sq. m at: Slavyansk-on-Kuban Stroitelnaya str. 49 | Lease | 26.06.2017 | 25.03.2020 | Prolongation stipulated |
| Room No 7 in non-residential building – garages, letter Kh at: Slavyansk-on-Kuban, Stroitelnaya str. 49, space 34,6 sq. m | Lease | 01.04.2018 | 28.01.2020 | Prolongation stipulated |
| Room No 2 at: city of Temryuk, K. Marx str. 137a | Lease | 01.01.2019 | 30.11.2019 | Prolongation stipulated |
| Part of premise office 104, city of Sochi, Constitution str. 42, space 1.2 sq. m | Lease | 29.12.2006 | Indefinite period | Prolongation stipulated |
| Non-residential premises (letter Z) city of Sochi, Constitution str. 42, space 7.47 sq. m | Lease | 01.10.2014 | 01.04.2020 | Prolongation stipulated |
| Non-residential premises (letter B substation control building, closed switchgear substation building) Sochi, village of Lazarevskoye, Kommunalshikov str. 22, 110 kV substation “Volkonka”, space 1.2 sq. m | Lease | 01.08.2014 | 01.02.2020 | Prolongation stipulated |
| Equipment installation and operation point | Lease | 01.04.2018 | Indefinite period | Indefinite period |
| Optical single-mode fiber of the fiber-optic transmission line “Sochi-PS “Matsesta” 9.7 km, Sochi | Lease | 01.07.2013 | 30.04.2020 | Prolongation stipulated |
| Non-residential premise for control console installation, Sochi, Constitution str. 42, space 0,84 sq. m | Lease | 01.08.2014 | 01.02.2020 | Prolongation stipulated |
| Non-residential premise for communication equipment installation, Sochi, Lazarevskiy Region, Kalarash str. 147/B, space 0.12 sq. m | Lease | 01.06.2011 | 01.08.2020 | Prolongation stipulated |
| Optical fiber in the fiber-optic transmission line cable | Lease | 01.07.2016 | 01.03.2020 | Prolongation stipulated |
| Equipment installation and operation point | Lease | 23.09.2016 | 23.05.2020 | Prolongation stipulated |
| Equipment installation on the support No 24 110 kV overhead line “Jubginskaya TPP – Arkhipo-Osipovka” | Lease | 08.08.2017 | 30.11.2019 | Prolongation stipulated |
| Rooms No 19, 21 in the building letter A at: Tikhoretsk, Dzerzhinskogo str. 62, 21 sq. m | Lease | 08.04.2014 | 08.09.2020 | Prolongation stipulated |
| Part of the corridor of the administrative building, Krasnodar Territory, Timashevsk, Lenin str. 176 (an ATM is installed), 2 sq. m | Lease | 01.06.2007 | 21.08.2020 | Extended for indefinite period |
| Rooms No 6, 6’, located on the 2 floor in the building letter A, at: Krasnodar Territory, Timashevskiy Region, Timashevsk, Pobeda str. 45, 25.8 sq. m | Lease | 21.03.2014 | 21.08.2020 | Prolongation stipulated |
| Reinforced concrete supports of the power transmission lines 0.4 kV (11 pcs) | Lease | 01.11.2011 | Indefinite period | Prolongation stipulated |
| Reinforced concrete supports of the power transmission lines 0.4 kV (13 pcs) | Lease | 01.11.2011 | Indefinite period | Prolongation stipulated |
| Reinforced concrete supports of the power transmission lines 0.4 kV (12 pcs) | Lease | 01.11.2011 | Indefinite period | Prolongation stipulated |
| Reinforced concrete supports of the power transmission lines 0.4 kV (16 pcs) | Lease | 01.11.2011 | Indefinite period | Prolongation stipulated |
| Premise No. 6 located at: Krasnodar territory, Novorossiysk, Vostochny Mol, 1, area: 2.5 sq. m | Lease | 14.04.2009 | 14.04.2020 | Prolongation stipulated |
| Control board building and auxiliary premises, letter 2B, Novorossiysk, Sakko and Vantsetti str. 19, space 1.98 sq. m | Lease | 05.08.2011 | 05.10.2020 | Prolongation stipulated |
| Rooms No 1 in the operator premise, letter B, Novorossiysk, Sakko and Vantsetti str. 19, space 10.54 sq. m | Lease | 20.09.2011 | 20.12.2019 | Prolongation stipulated |
| Room No 7 at the territory of Gelenjik distribution zone in the repair and manufacturing building, letter A, at: Krasnodar territory, Gelenjik, Suvorov str. 24a, 0.72 sq. m | Lease | 01.04.2013 | 01.09.2020 | Prolongation stipulated |
| Premises with the communication equipment: metal cabinet in the modules building of the substation control building and two metal antennas, located at platform of the lightning rod at: Krasnodar Territory, Gelendzhik, Praskoveevka Settlement, 0,54 sq. m | Lease | 10.07.2014 | 10.01.2020 | Prolongation stipulated |
| Land plot 195 sq. m at, Novorossiysk, Vostochny Mol str. 1 | Lease | 11.02.2019 | 31.12.2043 | Prolongation not foreseen |
| Premise with the space of 1362.6 sq. m, Krasnodar territory, Ust-Labinsk, Krasnodarskaya str. 4, space 31.7 sq. m | Lease | 04.02.2014 | 04.07.2020 | Prolongation stipulated |
| Premises 34, 35.36.37, Krasnodar Territory, city of Armavir, Vorovskogo str. 54, space 46.3 sq. m | Lease | 01.12.2014 | 01.06.2020 | Prolongation stipulated |

# Section IV. Details of the Issuer’s financial and business activity

## 4.1. Results of the Issuer’s financial and business activity

Dynamics of indicators characterizing the results of the issuer's financial and economic activities, including its profitability and unprofitability, calculated on the basis of accounting (financial) statements

The standard (rules) in accordance with which the accounting (financial) statements are prepared,  
 based on which the indicators are calculated: RAS

Measurement unit for the amount of uncovered loss: thousand rubles

|  |  |  |
| --- | --- | --- |
| Indicator description | 2018, 9 months | 2019, 9 months |
| Net profit margin, % | 2.62 | 1.81 |
| Asset turnover ratio, times | 0.45 | 0.47 |
| Return on assets, % | 1.18 | 0.84 |
| Return on equity, % | 2.53 | 1.67 |
| Amount of uncovered loss as of the reporting date | 11,896,003 | 11,799,560 |
| Ratio of non-covered loss as of the reporting date to the assets book value, % | 15.46 | 15.38 |

All indicators are calculated based on the recommended calculation methods.

Economic analysis of the issuer's profitability/unprofitability, based on the dynamics of the given indicators, as well as the reasons that, in the opinion of the management bodies, led to the issuer's losses/profits reflected in the accounting (financial) statements:  
The decrease in the “net profit margin” indicator by 0.81% for 9 months of 2019 relative to the same period in 2018 is due to a decrease in the issuer's net profit by 264 million rubles.  
The asset turnover ratio for the 9 months of 2019 amounted to 0.27, which is 0.02 points higher than this indicator for the 9 months of 2018.  
The assets and equity profitability index as per the results of 9 months of 2019 are positive due to the presence of net profit based on the results of the reporting period. The equity profitability decreased over the 9 months of 2019 by 0.86 points and amounted to 1.67% as a result of a decrease in the Company's net profit by 264 million rubles.  
The indicator “amount of uncovered loss as of the reporting date” for 9 months of 2019 decreased by 96 million rubles and amounted to 11,800 million rubles.

Opinions of the issuer's management bodies regarding the reasons or the degree of their influence on the results of the issuer's financial and economic activities do not coincide: No

A member of the issuer's board of directors (supervisory board) or a member of the issuer's collegial executive body has a dissenting opinion regarding the reasons mentioned and/or the degree of their influence on the issuer's financial and economic activities, as reflected in the minutes of the meeting of the issuer's board of directors (supervisory board) or the collective executive body where relevant issues would be considered, and insists on reflecting such an opinion in the quarterly report: No

## 4.2. Liquidity of the Issuer, adequacy of capital and current assets

Dynamics of indicators characterizing the issuer's liquidity, calculated on the basis of accounting (financial) statements

The standard (rules) in accordance with which the accounting (financial) statements are prepared,  
 based on which the indicators are calculated: RAS

Measurement unit for the “net working capital” indicator: thousand rubles

|  |  |  |
| --- | --- | --- |
| Indicator description | 2018, 9 months | 2019, 9 months |
| Net working capital | -1,771,467 | -7,586,799 |
| Current liquidity ratio | 0.89 | 0.63 |
| Quick liquidity ratio | 0.79 | 0.54 |

At the issuer's discretion, the dynamics of indicators characterizing the issuer's liquidity calculated on the basis of the issuer's consolidated accounting (consolidated financial) statements, included in the quarterly report, is additionally provided: No

All indicators are calculated based on the recommended calculation methods. Yes

An economic analysis of the issuer's liquidity and solvency, the issuer's own capital adequacy for fulfilling short-term obligations and covering current operating expenses based on an economic analysis of the dynamics of these indicators with describing factors that, in the opinion of the issuer's management bodies, had the most significant impact on the issuer's liquidity and solvency:  
The "Net working capital" indicator decreased in the 3rd quarter of 2019 compared with the same period in 2018 and amounted to -7,586,799 thousand rubles. The optimal amount of net working capital (net working assets) is determined in accordance with the individual needs of each enterprise and depends on the scope and characteristics of its activities, the period of inventory turnover, receivables, on the conditions for the provision and procurement of loans and credits, etc.  
The current liquidity ratio allows to determine in what multiplicity the current assets would cover short-term liabilities. The current liquidity ratio decreased by 0.26 points compared to the same period in 2018 and amounted to 0.63.  
The quick liquidity ratio shows how much the most liquid assets cover the organization's short-term liabilities. The quick liquidity ratio decreased by according to the results of 3 quarter of 2019 by 0.29 points compared to the same period in 2018 and amounted to 0.54.  
The main reason for these changes is an increase in short-term borrowed capital due to the transfer of loans from long-term to short-term amounts, the maturity of which occurs in less than 12 months, in accordance with the terms of loan agreements.

Opinions of the issuer's management bodies regarding the reasons or the degree of their influence on the results of the issuer's financial and economic activities do not coincide: No

A member of the issuer's board of directors (supervisory board) or a member of the issuer's collegial executive body has a dissenting opinion regarding the reasons mentioned and/or the degree of their influence on the issuer's financial and economic activities, as reflected in the minutes of the meeting of the issuer's board of directors (supervisory board) or the collective executive body where relevant issues would be considered, and insists on reflecting such an opinion in the quarterly report: No

## 4.3. Issuer’s financial investments

For 31.09.2019

List of the Issuer’s financial investments accounting for 5 or more per cent of the total amount of financial investments as of the reporting period expiry date

Issue-grade securities investments

Kind of securities: shares

Issuer's full business name: Energetik Holiday Facility Joint Stock Company

Issuer's abbreviated business name: HF Energetik JSC

Issuer’s location: 353490, Krasnodar Territory, Gelendzhik, village of Divnomorskoye, Pionerskaya str. 4

INN [Taxpayer Identification Number]: 2304041820

OGRN [Primary State Registration Number]: 1042301876495

|  |  |  |
| --- | --- | --- |
| Date of state registration of the issue(s) | Registration number | Registering Body |
| 27.12.2004 | 1-01-34137-Е | Regional Division of the Federal Financial Markets Service of Russia in the Southern Federal District |
| 26.01.2017 | 1-02-34137-Е | Branch of Rostov Region of the Main South board of the Bank of Russia |

Number of securities owned by the Issuer: 39,845,257

Total nominal value of securities owned by the Issuer: 34,665,373.59 RUB x 1

Total book value of securities owned by the Issuer: 45,586.7

Measurement Unit: thousand rubles

The issuer of securities is a subsidiary and (or) affiliated company in relation to the issuer that generated this quarterly report

In the reporting year, dividends on shares of HF Energetik JSC were not declared and not paid.

The amount of a fixed interest or other income on bonds and other debt equity securities or the procedure for determining it, the due date;  
size of the dividend on preferred shares or the procedure for determining it in the event that it is specified in the charter of the joint-stock company – issuer, payment term;  
amount of the declared dividend on ordinary shares (in the absence of data on the amount of the declared dividend on ordinary shares in the current year, the size of the dividend declared in the previous year shall be indicated), the payment term

Additional Information:  
No

Other than issue-grade securities investments:

No other than issue-grade securities investments accounting for 5 or more per cent of the total amount of financial investments.

The issuer created a reserve for devaluation of investments into securities

The value of the reserve for devaluation of securities at the beginning and end of the last completed financial year before the end date of the last reporting quarter:  
In accordance with the Accounting Regulation “Accounting for Financial Investments” PBU 19/02, approved by Order of the Ministry of Finance of the Russian Federation dated 10.12.2002 No. 126n (hereinafter – PBU 19/02), the Accounting Policy of the Company, the reserve for devaluation of financial investments as of December 31, 2017 – 26,920 thousand rubles; as of December 31, 2018 – 8,132 thousand rubles; as of September 30, 2019 – 8,132 thousand rubles.

Other financial investments

No other financial investments accounting for 5 or more per cent of the total amount of financial investments

Information on the amount of potential losses associated with bankruptcy of the organizations (enterprises) invested in, per each kind of investment specified:  
none

Information on losses is provided in the Issuer’s assessment based on financial investments recorded in the Issuer’s financial statements for the period from the beginning of the reporting year to the last reporting quarter expiry date.

Accounting standards (rules) in accordance wherewith the Issuer has carried out the calculations recorded in this clause of the quarterly report:  
Accounting for financial investments is carried out by the Company in accordance with the Accounting Regulation “Accounting for Financial Investments” PBU 19/02, approved by Order of the Ministry of Finance of the Russian Federation dated 10.12.02. No. 126n.  
Deposits in the authorized capital of other organizations are recognized as financial investments of the organization and are reflected in accounting in the amount of the investor's actual costs, i.e. at the value of assets contributed to the deposit account, at which they were reflected in the investor's balance sheet.  
Financial investments, for which the current market value is not determined, shall be reflected in the accounting records and in the accounting statements at the reporting date at the initial cost (para. 21 of PBU 19/02).  
Financial investments that can be used to determine the current market value are reflected in the accounting reports at the end of the reporting year at the current market value by adjusting their estimates at the previous reporting date (para. 20 of RAS 19/02).  
Debt securities are reflected at the cost of their acquisition. The difference between the nominal value of the acquisition and the nominal value of securities is included in other income and expenses.

## 4.4. Issuer’s intangible assets

For 31.09.2019

Measurement Unit: thousand rubles

|  |  |  |
| --- | --- | --- |
| Name of the group of objects of intangible fixed assets | Initial value (current recovery value) | Accrued depreciation sum |
| Intangible assets | 136,265 | 27,486 |
| TOTAL | 136,265 | 27,486 |

Accounting standards (rules) in accordance with which the issuer provides information on its intangible assets:  
Accounting of intangible assets is carried out in accordance with the Accounting Regulation “Accounting for Intangible Assets” (PBU 14/2007), approved by order of the Ministry of Finance of Russia dated December 27, 2007 No. 153n

Reporting date: 30.09.2019

## 4.5. Details of the Issuer’s policy and expenses in field of scientific and technical development, with regard to licenses and patents, new researches and developments

Information on the Issuer's policy in the field of scientific and technical development for the reporting period including disclosure of costs in connection with scientific and technical activity carried out at the expense of the Issuer’s proprietary assets:

***The Company’s policy in the field of scientific and technical development is aimed at increase of reliability of energy equipment operation, cost-effectiveness and environmental safety of the Company’s core energy facilities activity.***

***29.07.2011 The Board of Directors of Kubanenergo OJSC approved the Innovative Development Program of the Company (with subsequent amendments from 06/15/2012) for 2012–2016.***

***21.07.2017 The Board of Directors of Kubanenergo PJSC approved the Innovative Development Program of the Company for the period 2016–2020 with a forecast until 2025.***

***In the reporting period, the activities of the mid-term plan for the implementation of the Innovation Development Program were carried out in the following key areas of the Company's innovative development:***

***- transition to digital substations of various voltage classes 35–110 (220) kV;***

***- transition to digital active adaptive networks with a distributed intelligent automation and control system;***

***- transition to the integrated efficiency of business processes and automation of management systems;***

***- application of new technologies and materials in the power industry;***

***- development of a system for the development and implementation of innovative products and technologies;***

***- development of human resources and partnerships in the field of education.***

***Part of the Company's Innovative Development Program is the R&D plan.***

***The R&D plan for 2019 provides for implementation of 8 topics, of which 2 topics were launched in 2019.***

***The planned value of the performance indicator “R&D Cost Indicator” for 2019 is 0.15% (or 26 million rubles without VAT) of its own revenue.***

***In the reporting period, patent fees were paid for maintaining patents for useful models and inventions, where Kubanenergo PJSC is the patent holder.***

***The stages accepted for 9 months of 2019:***

***- Development of profiles of the IEC 61850 standard for devices/cabinets of relay protection and automation and an automated process control system that ensure their interchangeability (an activity worth of 5.31 million rubles without VAT has been adopted);***

***- Development of a reflectometric complex for monitoring power lines of 35–220 kV overhead lines, to determine places of damage and ice deposits on them (an activity worth of 1.96 million rubles without VAT);***

***- Creation of a computer-aided design system for lightning protection of substations and overhead lines (an activity worth of 12.83 million rubles without VAT);***

***- Development of methodology and multifunctional software package for calculating the damage to power transmission line elements by lightning based on a probabilistic approach (an activity worth of 13.7 million rubles without VAT was adopted);***

***- Research and development of special requirements, architecture and possible technical solutions to ensure the information security of an intelligent electric energy metering system (an agreement has been concluded, an activity worth of 6.45 million rubles without VAT has been adopted)***

Details of the Issuer establishing and obtaining legal protection of core intellectual property items (including details of dates of issue and validity terms of patents for inventions, utility models and production prototypes, of state registration of trademarks and service marks, indication of the commodities place of origin):

***- patent for an invention dated 25.02.2019 No. 2680613 “Method for connecting an reflectometric device to overhead power lines”,***

***- patent for an invention dated 16.04.2019 No. 2685048 “Method for determining the places of occurrence of heterogeneities and damage to power lines”,***

***- certificate of state registration of a computer program dated 13.09.2019 No. 20166661 “The program for calculation of protection of the overhead power lines and substations from lightning surges “LPLab”;***

***- certificate of state registration of a computer program dated 13.09.2019, No. 20166662012, “Lightning Affection of Power Transmission Lines” software package for calculating the failure of power transmission line elements by lightning.***

***In addition, the Federal Service for Intellectual Property (FIPS) adopted and registered an application for the invention No. 2019123365 of 19.07.2019 “Device for determining the location of damage to a power line”.***

Core aspects and results of use of intellectual property items that are of core importance for the Issuer:

***2 licensing agreement were concluded during 9-month period:***

***- on the provision of a non-exclusive license to use of the R&D outcomes on the subject of “Compensation of fuel and energy resources consumption by using renewable energy sources) at the facilities of Kubanenergo PJSC with Kuban Energoservice JSC,***

***- on granting a non-exclusive license to use of the R&D outcomes on the subject of “Device for differential-phase protection of a power line with two-way power supply with the function of long-distance backup of relay protection and switching devices of substations connected to branches” with RADIUS Avtomatiki JSC.***

***Continued use of the following R&D outcomes obtained earlier than the reporting period:***

***- insulation control systems for power transformers by means of searching for partial discharges (prevents emergency situations, accelerates the search for insulation defects, reduces the time of repair work and controls the quality of their implementation);***

***- the “RETP-6-10 kV” software package, designed to reduce electrical energy losses by creating rational 6–10 kV feeder circuits from possible ring ones and economic justifications for choosing the power and location of additional reactive power sources;***

***- software package for planning maintenance and repair, designed to schedule the timing of the equipment maintenance and repair.***

Risk factors associated with the possibility of expiry of validity terms of patents and licenses for use of trademarks that are of core importance for the Issuer:

***No risks associated with expiry of validity terms of the Issuer’s patents and licenses for use of trademarks.***

## 4.6. Analysis of development trends in the issuer's core business

***The main trends in the development of the power industry:***

***- moderate increase in demand for electricity,***

***- reduction of electricity losses in electric networks,***

***- introduction of energy-saving technologies;***

***- cooperation with foreign partners;***

***- attraction of investments;***

***- focus on overcoming the shortage of production capacities;***

***- promising work towards the development of electric networks.***

General valuation of the results of Issuer 's activity in the specific branch; valuation of correspondence of the results of the Issuer's activity to the trends in the branch development; reasons justifying the obtained results of the activity (satisfactory and unsatisfactory results, in the Issuer's opinion):

***The main result of the Issuer's activity in power industry consists in provision for reliable and uninterrupted power supply of consumers, consistent implementation of investment projects on construction and reconstruction of overhead and cable transmission lines, substations and power industry facilities, oriented at provision for uninterrupted power supply of the of the Krasnodar Territory seaside areas (along the Black and Azov Seas coasts), Krasnodar as a social and cultural center and Republic of Adygea.***

***This became possible due to the solution of one of the main tasks – development of the Company and the region integrated power grid, by searching for optimal ways to modernize and expand its integrated power grid in order to eliminate the existing shortage of energy capacities and meet the long-term prospective demand for electric power. Acting in accordance with Decree of the Government of the Russian Federation of 17.10.2009 No. 823 “On the paths and programs for the Prospective Development of the Power Industry”, Kubanenergo PJSC regularly takes direct part in the development of schemes and programs for the prospective development of the power industry of the Krasnodar Territory and the Republic of Adygea for a five-year period. In particular, in 2019 with the direct participation of Kubanenergo PJSC, the following were approved:***

* ***Schedule and Program for the prospective development of the power industry of the Krasnodar Territory for the period 2020 – 2024. (approved by order of the Head of Administration (governor) of the Krasnodar Territory dated 30.04.2019 No. 101-r).***
* ***Schedule and Program for the development of the power industry of the Republic of Adygea for 2019–2023. (approved by order of the Head of the Republic of Adygea dated 30.04.2019 No. 118-rg).***

***One of the most important areas of Kubanenergo PJSC activities is the timely and affordable technological connection of new consumers to the electric grids to meet the energy needs of housing projects, agricultural enterprises of the South of Russia, as well as eliminating the power shortage in large industrial and residential centers of the Krasnodar Territory and the Republic of Adygea.***

***Thanks to a competent approach to solving production problems, the Company management managed to increase the level of performance indicators for the provision of technological connection services.***

***The number of contracts being executed as of 30.09.2019 is 16,372. Despite the challenging factors, there is a trend towards decrease in the number of technological connection agreements that are under execution, including liabilities previously accrued.***

***At the same time, the demand for technological connection continues to remain at a consistently high level (on average, more than 33 thousand applications are received per year). The average ratio of the number of concluded and executed contracts indicates the absence of significant increase in accrued liabilities.***

***The average term for fulfillment of obligations under contracts by the Company based on the results of 9 months of 2019 is 72 days, 4 days less than for 2018 (76 days), and significantly lower than the standard terms for the implementation of technological connection measures established by clause 16 of the Rules for technological connection, approved by the Decree of the Government of the Russian Federation dated 24.12.2004 No. 861 (4–6 months). The average time for considering an application and submitting an offer decreased from 15 days following the results of 2018 to 10 days following the results of 9 months of 2019.***

***In general, the issuer evaluates the results of its activities as consistent with current trends in the industry in which it carries out its business activities. The main reason for achieving these positive results is the successful solution of the tasks assigned to the Company.***

***Opinions of the Management Bodies of the Issuer of the information provided are in accord.***

***Members of the Issuer Board of Directors and the Management Board do not have a dissenting opinion regarding the information provided.***

## 4.7. Analysis of factors and conditions affecting the Issuer's activity

Influence of inflation, changes in foreign exchange rates, decisions of government bodies, other economic, financial, political and other factors affecting the issuer's activity and affecting the change in the volume of proceeds from the sale of the issuer’s goods, products, works, services and the issuer's profit (loss) from core business.

***In the current macroeconomic environment, inflation has affected the issuer's core business. In addition, the growth of net supply and revenues for transmission of electricity is due to an increase in energy consumption, including due to the development of infrastructure in the Krasnodar Territory and the Republic of Adygea.***

***Prices (tariffs) for the Company electricity transmission services and technological connection are subject to tariff regulation.***

***Changes in the regulatory framework in the field of tariff generation have a significant impact on the issuer's activities:***

***1. Establishment of unified “boiler” tariffs for power transmission services in accordance with regulatory legal acts regulating relations in the field of tariff setting. This relations pattern, in addition to establishing a single tariff for transmission services in the region, requires the grid organization to draw up contractual relations for the transfer of electric energy to the end consumer with all grid organizations of the region.***

***2. Since 2014, amendments have been made to the Fundamentals of pricing in the field of regulated prices (tariffs) in the power industry, approved by the Decree of the Government of the Russian Federation dated December 29, 2011 No. 1178, in terms of approval of tariffs by executive authorities of the constituent entities of the Russian Federation, including:***

***- the Decree of the Government of the Russian Federation of March 7, 2014 No. 179 approved the criteria for classifying territorial grid organizations as grid organizations serving mainly single consumer,***

***- Decree of the Government of the Russian Federation of June 11, 2014 No. 542 establishes the obligation of the regulatory body to specify the costs of the grid organization related to the implementation of technological connection to electric networks not included in the payment for technological connection in the tariff decisions.***

***Decree of the Government of the Russian Federation of February 28, 2015 No. 184 approved the criteria for classifying the owners of electric grid facilities as territorial network organizations.***

***The order of REC-PTD KT dated December 28, 2018 No. 90/2018-e (as amended), approves unified (boiler) tariffs for power transmission services for 2019. Single-rate unified (boiler) tariffs for power transmission services for 2019 are approved at the level of upper maximum tariff levels for 2019 approved by order of the FAS of Russia dated December 19, 2018 No. 1819/18, above the level provided for by the forecast for socio-economic development of the Russian Federation; tariff growth from July 01, 2019 will sum up to 5%.***

***The increase of the “boiler” demanded gross revenue of the region this year compared to 2018 is 2.8%.***

***Increase of own demanded gross revenue for the maintenance of Kubanenergo PJSC in 2019 relative to 2018 is 4.0%.***

***Increase of the average (boiler) tariff for electricity transmission in 2019 relative to the approved average tariff in 2018 is 2.8%.***

***For 2019, the REC-PTD KT set individual tariffs for settlement with territorial grid organizations in accordance with para. 52 of the Methodological guidelines for calculating regulated tariffs and prices for electric (thermal) energy in the retail (consumer) market, approved by order of the Federal Tariff Service of Russia dated 06.08.2004 No. 20-e/2, taking the payment of technological consumption (loss) of electric energy of the planned balanced flow of electricity between the grid organizations as the basis for calculating the rates of individual tariffs. Payment for services will be carried out for the actual volume of the balanced flow.***

***The order of REC-PTD KT dated December 28, 2018 No. 91/2018-e “On establishing fees for technological connection to electric networks of grid organizations within the Krasnodar Territory and the Republic of Adygea” (as amended), standardized tariff rates and unit rates for maximum capacity for technological connection to the networks of Kubanenergo PJSC were approved for 2019.***

***The increase of the unit rate for maximum capacity to cover operating costs (C1) in 2019 compared to the level of the previous year is 4.6%.***

***The increase in the standardized tariff rate C1 per 1 connection in 2019 relative to the level of the previous year is 6.9%.***

***Standardized tariff rates and unit rates for a unit of maximum capacity are set as uniform for territorial grid organizations within the Krasnodar Territory and the Republic of Adygea.***

***The issuer is also affected by the following factors:***

***- the presence of effectual demand from consumers;***

***- failure to comply with payment discipline on the part of sales companies;***

***- the technical condition of production assets;***

***- lack of investments;***

***- reduction of the scientific and technical potential of the industry and, as a result, lagging behind the leading countries in the development and implementation of new technologies.***

***To the extent of electric energy transmission services marketing, the following circumstances additionally affect the Issuer's activity:***

***- due to the fact that electric energy technological losses calculation is carried out for normal scheme of the grid (i.e., in the steady working mode), all changes of its parameters and configuration affect the amount of actual losses of electric energy (necessity of redistribution of loads connected with prevention of occurrence of emergency grid working modes both in Kubanenergo PJSC grids and those of interfacing power industry actors; technological necessity upon assignment of the regional dispatching administration). Forced changes in the normal grid scheme lead to a significant growth of actual technological losses of electric energy, both due to losses in power transformers proper and to electric energy losses occurring because of transmission of additional reactive power of line transformers disreserved as well as increase of receipt into the grid due to the above causes;***

***- unavailability of a sufficient number of technical accounting devices prevents prompt performance of grid modes analysis for minimization of electric energy technological losses.***

***These factors are components of the general development trend of the market of provided services, according to the Issuer, they are able to have a lasting impact on mid-term perspective.***

Actions taken by and the actions that the Issuer plans to undertake in future for efficient use of these factors and conditions:

***The Company pays much attention to development of the electric power grid complex, applying scientifically justified technical solutions and technologies approved in operation, as well as state-of-the-art power engineering equipment.***

***To satisfy consumers’ demand for additional power, to provide for reliable and uninterrupted electric energy supply of the consumers by the Company invests much in reconstruction of electric power grids and establishment of new points of connection to newly launched capacities.***

***The Company is constantly working with REC-PTD KT for approval of an economically justified level of tariffs.***

***The list of internal and external measures has been determined enabling to improve the efficiency of business processes both in Kubanenergo PJSC and in the Rosseti Group of Companies as a whole, taking into account the prevailing macroeconomic conditions.***

Methods applied by the Issuer and the methods the Issuer is planning to use in future to reduce negative effect of factors and conditions affecting the Issuer's activity:

***Currently, Kubanenergo PJSC is:***

***- implements investment and repair programs,***

***- implements set of measures compliant to the requirements of the Provisions on the Reliability certificate,***

***- considers the concept of digitalization of the integrated power grid and automatization of the business processes.***

***The programs are aimed at further development, technical re-equipment and reconstruction of the electric power grid complex of the Company will allow provision for reliable electric power supply to existing and prospective electric energy consumers in the next few years.***

***Digitalization of the electric network and automation of business processes in the future will enable to instantly receive a signal about failure anywhere in the network to the control center and eliminate this accident as soon as possible.***

***Equipment automation within the framework of digitalization will significantly reduce the manual work of setup personnel, operational and maintenance personnel, relay protection specialists, and other specialists who carry out operational maintenance of the power facility.***

***Digitalization of power grid equipment will increase the reliability of power supply for the consumer.***

***Moreover, the issuer uses the following methods:***

***- implementation of measures to increase payment discipline and reduce the level of receivables for electricity transmission services, including development of mechanisms for consolidation of electric grid property;***

***- optimization of investment costs;***

***- ensuring the reduction of costs (self-cost) by efficient management of the material resources, increasing labor productivity, optimizing Company organizational structure (without loss of qualified personnel);***

***- introduction of restrictions on the regime of electricity consumption upon the occurrence of receivables;***

***- carrying out work on the consolidation of property of territorial grid organizations on the basis of Kubanenergo PJSC that do not meet the criteria for classifying owners of integrated power grids as territorial grid organizations, approved by the Decree of the Government of the Russian Federation of 28.02.2015 No. 184 “On classifying owners of grid facilities as territorial grid organizations”.***

Substantial events/factors that may most negatively affect the possibility of the Issuer achieving in future the same or higher results as compared with those achieved in the last reporting period, as well as probability of occurrence of such events (emergence of such factors):

***There are risks for assurance of reliability of electric power supply to consumers and of the threat to stable work of the energy system due to overload of electric energy transmission lines and transformers (autotransformers) in normal and post-emergency modes, including as a result of unfavorable impact of weather (natural) phenomena.***

Substantial events/factors that may improve the results of Issuer's activity and the probability of their occurrence as well as their duration:

***- growth of power consumptions in the regions within the Company’s responsibility zone,***

***- implementation of the investment program allowing increase of operational efficiency of the activity.***

***- increase of payment discipline of energy selling companies;***

***- redistribution of capacities between consumers in accordance with their needs (actual consumption);***

***- digitalization of the electric network and automation of business processes;***

***- development of energy service activities in terms of automation of electricity metering at the problematic sections of the network, which helps to reduce losses;***

***- the optimal decision of state bodies when setting tariffs for transmission of electricity and ensuring non-discriminatory access of consumers to electric networks,***

***- decrease of the interest accrued by banks under credit agreements in connection with changes in the financial market,***

***- implementation of measures to reduce controlled costs, which will enable the Company to reduce operating expenses by at least 2% compared to the previous year.***

***Implementation of investment programs elaborated by Kubanenergo PJSC and providing for development, technical re-equipment and reconstruction of the electric power grid complex of the Company taking into account the digitalization will allow provision for reliable electric power supply in the next few years.***

***The Company considers probability of occurrence of such factors as significant. It is not possible to predict the duration of these events due to the uncertainty in the development of the economic situation in Russia and in the world as a whole.***

## 4.8. Issuer's Competitors

There were no changes in the contents of information of this paragraph in the reporting quarter

# Section V. Specific details of persons that are members of the Issuer’s management bodies, the Issuer’s bodies for control of one’s financial and business activity and brief details of the Issuer’s employees (workers)

## 5.1. Details of the structure and competence of the Management Bodies of the Issuer

Full description of the structure of Management Bodies of the Issuer and their competences in accordance with the Issuer’s Charter (constituent documents):  
In accordance with Kubanenergo PJSC Charter, the management bodies of the Company are:  
- General Meeting of Shareholders (highest management body);  
- Board of Directors (general management of the Company’s activity);  
- The Management Board (Collegial Executive Body of the Company);  
- General Director (Sole Executive Body of the Company).  
General Director and the Management Board of the Company carry out management of current activity of the Company.   
Issues referred by the Company Charter to the competence of the General Meeting of Shareholders of the Issuer:  
1) Introduction of amendments and additions to the Charter or approval of restated Charter;  
2) the Company reorganization;  
3)the Company liquidation, appointment of a liquidation commission and approval of the provisional and final liquidation balance-sheets;  
4) Determination of the quantity, nominal value and category (type) of declared shares and rights granted under such shares;  
5) increase of the authorized capital of the Company by way of increase of the nominal value of shares or by way of placement of additional shares;  
6) decrease of the authorized capital of the Company by way of decrease of the nominal value of shares, by way of partial acquisition of shares by the Company a view of their total quantity reduction as well as by way of redemption of shares having been acquired or bought out by the Company;  
7) the Company’s shares stock split or consolidation;  
8) taking decision on the Company’s placement of bonds convertible into shares or other issue-grade securities convertible to shares;  
9) determination of the number of members of the Company Board of Directors, election of its members and early termination of their powers;  
10) Election of members of the Auditing Commission of the Company and early termination of their powers;  
11) Approval of Auditor of the Company;  
12) Taking decision on transfer of powers of Sole Management Body of the Company to a management organization (general manager) and premature termination of his/her powers;  
13) approval of the Company annual report, annual accounting (financial) reports;  
13.1) distribution of profit (including payment (announcement) of dividends, with the exception of profits distributed as dividends according to the results of the first quarter, six months, nine months of the reporting year) and losses of the Company according to the results of the reporting year;  
14) payment (announcement) of dividend following the results of the first quarter, half or of nine months of a reporting year;

15) Determination of the arrangement procedure the General Meeting of Shareholders of the Company;  
16) Taking decision on consent for and further approval of transactions in cases stipulated by Article 83 of Federal Law "On Joint-Stock Companies";  
17) Taking decision on consent for and further approval of major transactions in cases stipulated by Article 79 of Federal Law "On Joint-Stock Companies";  
18) Taking decision on participation in financial-and-industrial groups, associations or other unions of commercial organizations;  
19) Approval of in-house documents regulating activity of the Company’s bodies;  
20) Taking decision on payment of rewards and/or compensations to the members of the Auditing Commission of the Company;  
21) Taking decision on payment of rewards and/or compensations to the members of the Board of Directors of the Company;  
22) making of a decision on the application for delisting of the Company's shares and (or) Company equity securities convertible into its shares;   
23) Resolution of other issuers stipulated by Federal Law "On Joint-Stock Companies".  
Issues referred by the Company Charter to the competence of the Board of Directors of the Issuer:  
1) determination of priority areas for the Company activities, including approval of the Company development strategy, Company innovative development program and reports on their implementation;  
2) Convention of the annual and extraordinary General Meetings of Shareholders of the Company except for cases stipulated by Clause 14.8 Article 14 of the Charter as well as announcement of the date of the General Meeting of Shareholders newly arranged in place of a meeting having failed to take place due to absence of quorum;  
2) Approval of the agenda of General Meeting of Shareholders of the Company;  
4) Election of Secretary of the Company General Meeting of Shareholders;  
5) Determination of the date of generation of the list of persons having the right to participate in the Company General Meeting of Shareholders, determination of the date of generation of a list of persons, entitled for dividends, approval of the estimate of costs of arrangement of the General Meeting of Shareholders of the Company and resolution of other issues related to preparation for and arrangement of the General Meeting of Shareholders of the Company;

6) Submittal of issues stipulated by Subclauses 2, 5, 7, 8, 12–20 Clause 10.2 Article 10 of the Charter for decision by the General Meeting of Shareholders of the Company as well as on decrease of the Company authorized capital by way of decrease of the nominal value of shares, as well as setting the date, when there shall be defined those persons that are entitled for dividends;  
7) placement by the Company of additional shares into which the preferred shares of a certain type placed by the Company are converted, convertible into ordinary shares or preferred shares of other types, if such placement is not associated with an increase in the authorized capital of the Company, as well as placement of bonds or other equity securities by the Company, for excluding stocks; issue of Eurobonds and determination of the Company policy regarding the issue of equity securities (excluding shares) and Eurobonds;  
8) approval of the decision on the issue of securities (additional issue), prospectus of securities and the report on the results of the issue of securities (additional issue), and notification on the results of the issue (additional issue) of securities, approval of reports on the results of the acquisition of shares from shareholders of the Company, reports on the results of the redemption of shares, reports on the results of the presentation by shareholders of the Company of claims for the redemption of their shares; decision-making on acceptance of offers (acceptance) on the acquisition of additional shares placed by public subscription after the validity period of the pre-emptive right, in cases determined by the Company Board of Directors;  
9) Determination of the price (monetary estimate) of property, price of placement or procedure of its determination and buyout price of issue-grade securities in cases stipulated by Federal Law "On Joint-Stock Companies" as well as during resolution of issue specified in Subclauses 11, 21 and 38 Clause 15.1 of the Charter;  
10) Acquisition of shares, bonds and other securities placed by the Company in cases stipulated by Federal Law “On Joint-Stock Companies” or other federal laws;  
11) Alienation (marketing) of shares of the Company which have come into the disposal of the Company as a result of their acquisition or buyout from shareholders of the Company as well as in other cases stipulated by Federal Law "On Joint-Stock Companies";  
12) Election of General Director of the Company and early termination of one’s powers including taking decision on early termination of a labor contract with General Director;  
13) Determination of the number of members of the Management Board of the Company, election of members of the Management Board of the Company, establishment of the amounts of rewards and compensations payable to them and early termination of their powers;  
14) Recommendations to the General Meeting of Shareholders of the Company on the amounts of rewards and compensations payable to members of the Auditing Commission of the Company and determination of the amount of payment for Auditor’s services;

15) Recommendation on the amount of dividend on shares and on its payment procedure;  
16) Approval of in-house documents of the Company determining the procedure of the Company’s funds accumulation and use;   
17) Taking decision on use of Company’s assets; approval of estimates of use of special purpose funds assets and consideration of the results of fulfillment of the estimates of use of special purpose funds assets;   
18) Approval of in-house documents of the Company except for in-house documents approval whereof is referred to the competence of the General Meeting of Shareholders as well as other in-house documents approval whereof is referred to the competence of the executive bodies of the Company;  
19) approval of the business plan (adjusted business plan) and consideration of the quarterly report on the implementation of the business plan (for the first quarter, first half-year, nine months, reporting year);   
19.1) on approval of the investment program, including changes to it, and quarterly report on the results of its implementation (for the first quarter, first half-year, nine months, reporting year);  
20) Establishment and opening of the Company’s branches and representative offices and their liquidation;  
21) Taking decision on the Company's participation of in other organizations (on joining an existing organization or establishing a new one including coordination of constituent documents) as well as on acquisition, alienation and encumbrance on shares and stakes in authorized capitals of organizations wherein the Company participates, change of the participatory stake in the authorized capital of the corresponding organization and termination of the Company’s participation in other organizations, except for the decisions on participation, envisaged in the para. 18 clause 10.2 of the Article 10 of the Charter;  
22) Determination of the credit policy of the Company to the extent of the Company providing accommodations, concluding credit and loan contracts, granting sureties, assuming liabilities under a promissory note (issue of simple or exchangeable promissory notes), pledging property and taking decisions on the Company effecting the mentioned transactions in cases when the procedure for taking decisions thereon is not determined by credit policy of the Company as well as taking decisions on bringing the Company debt position in accordance with the limits established by credit policy of the Company in accordance with the procedure determined by credit policy of the Company;  
23) consent for and further approval of major transactions in cases stipulated by Chapter X of Federal Law “On Joint-Stock Companies”;  
24) consent for and further approval of transactions stipulated by Chapter XI of Federal Law “On Joint-Stock Companies”;  
25) Approval of the Registrar of the Company, terms and conditions of the contract with one as well as termination of such contract;  
26) Election of Chairman of the Board of Directors of the Company and early termination of one’ powers;  
27) Election of Deputy Chairman of the Board of Directors of the Company and early termination of one’s powers;

28) Election of Corporate Secretary of the Company and early termination of one’s powers;  
29) Preliminary endorsement of decisions on the Company effecting transactions dealing with gratuitous transfer of Company's property or transfer of property rights (claims) to oneself or to a third party; transactions dealing with release from property liability to oneself or to a third party; transactions dealing with gratuitous provision of services (performance of works) to third parties in cases (in the amount) as determined by individual decisions of the Board of Directors of the Company, as well as taking decisions on the Company effecting such transactions when the abovementioned cases (amounts) are not determined;  
30) approval of the Organizational Structure of the Company Executive office and making changes in it;  
31) Taking decision on suspension of powers of a management organization (general manager);  
32) Taking decision on appointment of Acting Company General Director in the cases being determined by individual decisions of the Company Board of Directors as well as bringing one to disciplinary responsibility;   
33) bringing the Company General Director and members of the Management Board to disciplinary responsibility and their encouragement as required by the labor legislation of the Russian Federation;   
34) Consideration of report of General Director on the Company’s activity (including to the extent of one discharging one’s official obligations), on fulfillment of decisions of the General Meeting of Shareholders and of the Board of Directors of the Company;  
35) Approval of the procedure of the Company’s interaction with organizations wherein the Company participates;  
36-37) Determination of the opinion of the Company (representatives of the Company), including instruction to participate or not to participate in voting on agenda issue or to vote as “FOR”, “AGAINST” or “ABSTAINED” on draft decisions) for individual issues as may be on agendas of General Meetings of Shareholders (Participants) and sessions of Boards of Directors of subsidiary and dependent companies (hereinafter referred to as “S&A”)   
38) Preliminary endorsement of decisions on the Company’ effecting the individual transactions:  
39) Appointment of the Company representatives for participation in supreme management bodies of organizations of any organizational legal form wherein the Company participates;  
40) Taking decision on the Company’s nominating candidacies for election to the office of Sole Executive Body, to offices with other management and control bodies as well as the candidacy of Auditor of organizations of any organizational legal form wherein the Company participates;  
41) definition of the Company policy in the field of insurance, monitoring the provision of insurance coverage of the Company, including approval of candidacies of the Company Insurers;  
42) approval of appraiser(s) candidacies for determination of the value of shares, property and other assets of the Company in cases stipulated by Federal Law “On Joint-Stock Companies”, Charter as well as individual decisions of the Board of Directors of the Company;  
43) preliminary approval of the collective contract, contracts concluded by the Company within the framework of regulation of social and labor relations as well as approval of documents related to the Company workers state and non-state pension provision;  
44) Approval of the candidacy of a financial consultant engaged in compliance with Federal Law "On Securities Market" as well of candidacies of securities issue organizers and consultants on transactions directly related to attraction of assets by way of public borrowing;  
45) Preliminary endorsement of transactions that may result in emergence of liabilities expressed in terms of a foreign currency (or liabilities the amount whereof is referenced to a foreign currency) transactions with financial derivatives, in cases and in the amount determined by individual decisions of the Board of Directors of the Company as well as if such cases (amounts) are not determined by the Board of Directors of the Company; definition of the Company policy in relation to transactions with financial derivatives;  
46) definition of the procurement policy in the Company, including approval of the Regulation on the procurement of goods, work, services, as well as approval of the procurement plan and adoption of other decisions in accordance with the documents approved by the Company that regulate the procurement activities of the Company;  
47) approval of the methodology for calculating and evaluating the implementation of key performance indicators (KPIs) of the General Director of the Company, their target values (adjusted values) and reports on their implementation;  
48) Taking decision on nominating General Director of the Company for decoration with State Awards;  
49) Determination of the housing policy of the Company to the extent of provision of corporate support in housing conditions improvement to the Company workers in the form of subsidies, compensation for costs, non-interest bearing loans and taking decision on the Company providing such support in cases when such support provision procedure is not defined in the Company's housing policy;  
50) Determination of the Company policy to the extent of improvement of reliability of the distribution electric power grid complex and other electric power grid facilities including approval of strategic programs of the Company for improvement of reliability of the distribution electric power grid complex, the distribution electric power grid complex development and safety;   
51) formation of committees of the Board of Directors of the Company, approval of internal documents that determine their competence and procedure of activities, definition of their number, appointment of the chairman and members of the committee and termination of their powers;

52) Approval of the Regulations on Material Incentives for General Director, Regulations on Material Incentives for Top Managers of the Company; approval of the top managers list;  
53) Coordination of candidacies for individual offices within the Company Executive Staff determined by the Board of Directors of the Company;  
54) application for listing of the Company's shares and (or) Company equity securities convertible into Company shares;  
55) making decisions on the accession of the Company to industry and multisectoral standards, regulations and other documents in the field of electric power industry according to the various areas of the Company’s activities, including technical regulation;  
56) definition of principles and approaches to the organization of internal audit, risk management and internal control systems in the Company, including approval of the Company internal documents that define the Company policy in the field of Company risk management, internal control and internal audit;  
57) assessment of key operational risks (both financial and non-financial risks), as well as establishing an acceptable level of risks for the Company;  
58) organization of analysis and evaluation of the functioning of risk management and internal control systems at least once a year, including on the basis of data from reports that are regularly received from the Company executive bodies, Company internal audit and external auditors;  
59) annual consideration of issues related to organization, functioning and effectiveness of risk management and internal control systems in the Company;  
60) control and organization of the activities of the internal audit unit, including approval of the regulation on the internal audit unit, if an external independent organization is involved in the internal audit, then approval of such organization and the terms of the contract, including the amount of remuneration; approval of the internal audit activity plan, report on the implementation of the internal audit activity plan and the internal audit budget, preliminary approval of the decision of the sole executive body of the company on the appointment, dismissal (not at the initiative of the employee) of the Head of the internal audit, disciplinary action against him, as well as approval terms of the employment contract and remuneration of the Head of the internal audit, consideration of the results of the quality assessment of the internal audit function;  
61) monitoring compliance of the activities of the Company executive bodies with the strategy approved by the Company; hearing of the Company General Director and members of the Management Board reports on the implementation of the strategy approved by the Company;  
62) recommendations to the executive bodies of the Company on any matters of the Company activity;  
63) approval of the Company information policy and review of reports on its implementation;  
64) on preliminary approval of the agreement on the making by the Company shareholder (shareholders) of gratuitous contributions to the property of the Company in cash or in other form, which do not increase the Company authorized capital and do not change the nominal value of shares (contributions to the property of the Company);  
65) on preliminary approval of the agreement on making gratuitous contributions by the Company to the property of companies in the authorized capital of which the Company has participation, in cash or otherwise, which do not increase the authorized capital of these companies and (or) do not change the nominal value of shares  
66) other issues stipulated by the Federal Law “On Joint-Stock Companies” and the Charter of the Company.  
Issues referred by the Company Charter to the competence of the Management Board of the Issuer:  
1) taking decisions on the issuers referred to the competence of Supreme Management Bodies of business companies wherein the Company holds one hundred (1) per cent of authorized capital or the whole voting shares stock (with account for Subclause 100 Clause 36 Article 15.1 of the Charter);  
2) Elaboration of prospective plans for implementation of the core aspects of the Company’s activity and submittal of such plans for consideration of the Board of Directors;  
3) preparation of the business plan (adjusted business plan) and quarterly report on the implementation of the business plan (for the first quarter, first half-year, nine months, reporting year), as well as approval (adjustment) of the company cash-flows (budget);   
4) preparation of the Company annual report, report on fulfillment of decisions taken by the General Meeting of Shareholders and the Board of Directors of the Company by the Management Board;  
5) Approval of plans and arrangements for the Company workers training and professional development;

6) Establishment of social benefits and guarantees for the Company workers;  
7) Taking decision on effecting transactions dealing with assets, works and services value whereof is equal to 7 – 1 per cent of the balance value of the Company’s assets based on the accounting (financial) reports as of the last reporting date (except for cases stipulated by Subclause 25 Clause 38 Article 15.1 of this Charter);  
8) review of reports (information) from the Company Deputy General Directors, Heads of Company structural divisions on the Company and its subsidiaries and affiliates activities submitted to the Company Management Board in accordance with the instructions of the Company Management Board or Board of Directors;  
9) effective risk management in the framework of the Company current activities; approval of the budget for risk management measures in the Company to the extent agreed upon by the decision of the Company Board of Directors; resolving cross-functional (performed by several structural divisions) risk management tasks;  
10) Taking decision on other issues related to the management of current activity of the Company in accordance with decisions of the General Meeting of Shareholder and the Board of Directors of the Company as well as issues submitted for consideration to the Management Board by General Director of the Company.  
Issues referred by the Company Charter to the competence of the General Director of the Issuer:  
In accordance with Kubanenergo PJSC Charter, referred to the competence of General Director are all issues related to management of current activity of the Company except for issues referred to the competence of the General Meeting of Shareholders, Board of Directors and Management Board of the Company.  
General Director of the Company acts on behalf of the Company without a power of attorney as follows,, with account for restrictions imposed by the acting Russian Federation legislation, the Charter and decisions of the Board of Directors of the Company:  
- provides for fulfillment of Company's activity plans required for achievement of the Company’s objectives;  
- organizes running of accountancy and tax accounting and reporting in the Company, retention of the accountancy documentation;  
- disposes of the Company's property, effects transactions on behalf of the Company, issues powers of attorney, opens settlement accounts and other accounts with banks and other credit institutions (as well as, in cases stipulated by law, with organizations that are securities market professional participants);  
- issues orders, approves (adopts) guidelines, local regulatory instruments and other in-house documents of the Company related to issues referred to one’s competence and gives directions binding upon all the workers of the Company;  
- approves Regulation on branches and representative offices of the Company;  
- approves staff schedule and official salaries of the Company workers in accordance with the Organizational structure of the Company’s Executive Staff;  
- exercises rights and discharges obligations of the employer as stipulated by the labor legislation in respect of Company’s workers in accordance with the ;  
- exercises functions of Chairman of the Management Board of the Company;  
- distributes obligations among Deputy General Directors;  
- submits the Annual Report, annual accounting (financial) statements, Profit and Loss Account, Report on Allocation of Profit and Loss of the Company for consideration to the Board of Directors no later than 45 (Forty Five) days prior to the arrangement date of annual General Meeting of Shareholders of the Company;  
- resolves other issues related to current activity of the Company except for issues referred to the competence of the General Meeting of Shareholders, Board of Directors and Management Board of the Company;

- bears responsibility for provision for secrecy order within the Company including during organization of encoded communications;  
- bears personal responsibility for selection of persons having access to details classified as state secret as well as for creation of conditions whereunder the Company workers are familiarized solely with those details classified as state secret and solely to the extent as required for discharge of their official (functional) obligations in accordance with the Russian Federation legislation on state secret.  
- approves the methodology for calculating and evaluating the implementation of key performance indicators for the Company divisions (officials), their target values (adjusted values) and reports on their implementation.

Whether the Issuer has approved (adopted) a Corporate Governance Code or another similar document.

Details of the corporate governance code or similar document:  
To provide for the Issuer’s management transparency and compliance with standards of due corporate governance, the Board of Directors approved the Corporate Governance Code on 30.10.2006. This document has been approved by the Board of Directors as amended on 06.03.2013 (minutes dated 07.03.2013 No. 154/2013). Full text of the Corporate governance code is available at the Company official website at: http://kubanenergo.ru/o-kompanii/uchreditelnye-i-vnutrennie-dokumenty/vnutrennie-polozheniya/.

Whether amendments were introduced to the Issuer’s Charter (constituent documents) or the in-house documents regulating the Issuer’s bodies activity during the last reporting period

Details of amendments introduced to the Issuer’s Charter as well as to the in-house documents regulating the Issuer’s bodies activity during the last reporting period  
State registration of the Company Charter has been performed on 22.08.2019 as amended, which was approved on 20.06.2019 by the Issuer’s annual General assembly meeting of the shareholders.   
The new edition of the Company Charter:  
• takes into account the requirements of the existing legislation related to the holding of General Meetings of Shareholders, as well as the summoning of an extraordinary General Meeting of Shareholders,  
• clarified the competence of the Board of Directors and the procedure for summoning its meetings,  
• enables possibility of decision making by the Board of Directors on the appointment of an acting Company General Director for a specified period without terminating the powers of the Company General Director,  
• includes provisions on internal audit in the Company.

## 5.2. Information on persons that are members of the Issuer's Management Bodies

## 5.2.1. Composition of the Board of Directors of the Issuer (Supervisory Board)

Full name: Gavrilov, Aleksandr Ilyich

(Chairman)

Year of birth: 1973

Education:  
Higher.   
Graduated from:   
- in 1995, Kuban State University with a degree in “Accountancy and Audit”,   
- in 2006, Kuban State Technological University with a degree in “Development and operation of oil and gas fields”.  
Has degree of Doctor of Economics.  
Completed extension courses:  
- in 2015 in Ernst & Young on the subject of “Risk management”,  
- in 2017 in FSAEI continuing professional education on the subject of “Organization of mobilizing activities at the fuel and energy companies having mobilization issues”,  
- in 2018 – in the Federal State Institution “Teaching and Methodological Office” of Rostekhnadzor on the subject of “Training and knowledge testing of occupational safety requirements for managers and specialists”, in International Educational Academy LLC on the subject of “First Aid for Industrial Victims”  
- in 2019 – in UDPO “Energy Institute for Advanced Studies of Kubanenergo PJSC on the subject of “Training of chairmen and members of the committees for prevention and elimination of emergency situations and ensuring fire safety in the field of civil defense and the unified state system for the prevention and elimination of emergency situations”, took part in training of Russia-wide Independent Inspection Services “Innopolis University” under the program of “Strategy and Tactics in the Digital Age, in relation to the electric power industry”.  
In 2018, took part in a seminar organized by the Federal State Institution “ITC FAS Russia” on the subject of “Tariff regulation in 2018 and the tasks of state regulatory authorities for 2019”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | 2019 | Kubanenergo PJSC (former Kubanenergo OJSC) | General Director, Chairman of the Management Board |
| 2014 | 2019 | Kubanenergo PJSC (former Kubanenergo OJSC) | Member of the Board of Directors |
| 2019 | Present-day | Kubanenergo PJSC | Chairman of the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

Information on participation in the activities of the Committees of the Board of Directors

Member of the Board of Directors (steering body) shall not take part in the activities of the Committees of the Board of Directors (steering body)

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Varvarin, Aleksandr Viktorovich

Year of birth: 1975

Education:  
Higher. In 1998 have graduated from the Institute of International law and economics after A.S. Griboyedov (Moscow) with a degree in “Law science”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2005 | Present-day | Russian Union of Industrialists and Entrepreneurs | Head of the Legal Department, Director of the Corporate Relations Department; then Managing Director for Corporate Relations and Legal Affairs; then vice president of corporate relations and legal support, then vice president – managing director of corporate relations and legal support unit; then vice president of law and enforcement |
| 2006 | Present-day | Center For Development Of Corporate Relations And Resolution Of Economic Disputes | General Director, Board member |
| 2008 | Present-day | MSO PAU (former NP MSO PAU) | Chairman of the Board |
| 2009 | 2016 | VCIOM OJSC | Member of the Board of Directors |
| 2009 | 2016 | VNIPIneft OJSC | Chairman of the Board of Directors |
| 2011 | 2016 | INPC TLP OJSC | Chairman of the Board of Directors |
| 2011 | 2017 | IDGC of Volga, PJSC (former IDGC of Volga, OJSC) | Member of the Board of Directors |
| 2012 | Present-day | RZD OJSC | Member of the Auditing Commission |
| 2013 | 2015 | Production and Scientific Center OJSC, TsNIIMashdetal OJSC, TsNIIKP OJSC, TsNIIILKA OJSC, TsNIIIPIK OJSC | Chairman of the Board of Directors |
| 2013 | 2015 | GTLK OJSC, IDGC of North Caucasus OJSC | Member of the Board of Directors |
| 2013 | Present-day | Kubanenergo PJSC (former Kubanenergo OJSC) | Member of the Board of Directors |
| 2014 | 2018 | Kubanenergo PJSC (former Kubanenergo OJSC) | Chairman of the Committee of the Board of Directors for technologic connection |
| 2014 | 2017 | Kubanenergo PJSC (former Kubanenergo OJSC) | Member of Committee of the Board of Directors for staff and remunerations |
| 2016 | 2016 | VNII NP OJSC | Member of the Board of Directors |
| 2017 | 2018 | Construction and Industrial Company Mosenergostroy OJSC | Member of the Board of Directors |
| 2018 | Present-day | IVA Association (former NP Internal auditors’ institute) | Board member |
| 2017 | 2018 | RMNTK Nefteotdacha JSC | Member of the Board of Directors |
| 2018 | Present-day | IDGC of Center PJSC | Member of the Board of Directors |
| 2018 | Present-day | Kubanenergo PJSC | Member of the Audit Committee under the Board of Directors |
| 2018 | Present-day | Kubanenergo PJSC | Member of the Committee of the Board of Directors for technologic connection |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

Information on participation in the activities of the Committees of the Board of Directors

|  |  |
| --- | --- |
| Name of the Committee | Chairman |
| Audit Committee | No |
| Committee for provision of technological connection services | No |

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Kiryukhin, Sergey Vladimirovich

Year of birth: 1979

Education:  
Higher. Graduated from:  
- in 2002 – Tula State University with degree of “Law sciences”,   
- in 2010 – Oryol regional academy of civil service with degree of “State municipal governance”

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2014 | 2016 | Investigative committee of the Russian Federation | Head of the investigative body of the Main Investigative Department; Deputy Head of the Department of the Main Department |
| 2017 | 2017 | FSBI VNII Truda of the Ministry of Labor of Russia | Advisor to General Director |
| 2017 | 2018 | Rostekhnadzor | Deputy Head of the Control and Analytical Department; Head of Organizational and Analytical Department |
| 2018 | Present-day | Rosseti PJSC | Chief Advisor, Director of the Department of Organizational Support (Internal part-time), Acting Deputy General Director – Head of the Office |
| 2018 | Present-day | Dagestan Power Sales Company JSC | Chairman of the Board of Directors |
| 2018 | 2019 | Tyvaenergosbyt JSC, Karachaevo-Cherkesskenergo JSC, Kalmenergosbyt JSC | Chairman of the Auditing Commission |
| 2019 | Present-day | IDGC of North Caucasus PJSC | Chairman of the Board of Directors |
| 2019 | Present-day | Kubanenergo PJSC, IDGC of Volga, PJSC, Tyvaenergosbyt JSC, Kabbalkenergo JSC, Dagestan Energy Retail Company PJSC, Sevkavkazenergo JSC, Karachaevo-Cherkesskenergo JSC, Kalmenergosbyt JSC | Member of the Board of Directors |
| 2018 | Present-day | JSC “Tyumenenergo”, Yantarenergo JSC, TsTZ JSC, VOLS-VL Management JSC | Chairman of the Auditing Commission |
| 2019 | Present-day | PJSC MOESK, IDGC of Center PJSC, Lenenergo PJSC, IDGC of Center and Volga Region PJSC | Chairman of the Auditing Commission |
| 2019 | Present-day | Kubanenergo PJSC | Chairman of the Audit Committee, member of the Committee for staff of the Board of Directors |
| 2019 | Present-day | IDGC of Volga, PJSC | Member of the Audit Committee, Chairman of the Committee for staff of the Board of Directors |
| 2019 | Present-day | IDGC of North Caucasus PJSC | Chairman of the Audit Committee, member of the Committee for staff of the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

Information on participation in the activities of the Committees of the Board of Directors

|  |  |
| --- | --- |
| Name of the Committee | Chairman |
| Audit Committee | Yes |
| Staff Committee | No |

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Medvedev, Mikhail Vladimirovich

Independent Member of the Board of Directors

Year of birth: 1969

Education:  
Higher. Graduated from St. Petersburg University of Economics and Finances with degree of “Finances and Credit”

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2011 | 2015 | VTM – Engineering LLC | General Director |
| 2011 | 2019 | Intra Tool Holding company LLC | Deputy General Director |
| 2015 | 2018 | Safonovo Industrial park LLC | Deputy General Director for Economy and Finance |
| 2017 | Present-day | Kubanenergo PJSC | Member of the Board of Directors |
| 2017 | Present-day | Kubanenergo PJSC | Member of the Reliability Committee under the Board of Directors |
| 2017 | 2019 | JSC “Tyumenenergo” | Member of the strategy and development Committee under the Board of Directors |
| 2018 | Present-day | Avangard JSC | Advisor to General Director |
| 2019 | Present-day | Kubanenergo PJSC | Member of the strategy Committee under the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

Information on participation in the activities of the Committees of the Board of Directors

|  |  |
| --- | --- |
| Name of the Committee | Chairman |
| Committee for reliability | No |
| Committee for strategy | No |

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Larionov, Dmitry Vitalyevich

Year of birth: 1981

Education:  
Higher. Graduated from St. Petersburg University of Economics and Finances in 2003 with degree of “Financial Management”

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2012 | Present-day | Rosseti PJSC (former IDGC Holding OJSC, Rosseti OJSC) | Head of Property Valuation and Disposal Department, Property Management Department; then Deputy Director of the department – Head of the department of land and property relations and property management of the property management department |
| 2019 | Present-day | PJSC FITS, Kubanenergo PJSC, JSC DVEUK-UNEG | Member of the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

Information on participation in the activities of the Committees of the Board of Directors

Member of the Board of Directors (steering body) shall not take part in the activities of the Committees of the Board of Directors (steering body)

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Osipova, Elena Nikolayevna

Year of birth: 1984

Education:  
Higher. Graduated Financial University under the Government of RF, Moscow, Accountancy and audit Institute with degree of “Accountancy, analysis and audit”

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2014 | Present-day | Rosseti PJSC (former Rosseti OJSC) | Head of the financial analysis department of the Treasury department, then Head of the financial analysis and liquidity management department of the same department, then Head of the financial analysis department of the finance department |
| 2017 | Present-day | Kubanenergo PJSC | Member of the Board of Directors |
| 2017 | 2018 | Kubanenergo PJSC | Member of the Audit Committee under the Board of Directors |
| 2019 | Present-day | Kubanenergo PJSC | Member of the Audit Committee under the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

Information on participation in the activities of the Committees of the Board of Directors

|  |  |
| --- | --- |
| Name of the Committee | Chairman |
| Audit Committee | No |

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Rozhkov, Vasily Vladimirovich

Year of birth: 1963

Education:  
Higher. Graduated from:  
- in 1985 – Tomsk Institute of automatized control systems and radioelectronics with degree of “Radio Engineering”,  
- in 2005 – Irkutsk State Technical University with degree of “Power plants”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2008 | 2016 | FGC UES PJSC (former FGC UES OJSC) | Deputy Head of Production Asset Management Department |
| 2016 | Present-day | Rosseti PJSC | Head of Production Planning Division, Department of Operational and Technological Management, then Director of Production Department – Deputy Chief Engineer |
| 2019 | Present-day | Kubanenergo PJSC, Chechenenergo JSC | Member of the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

Information on participation in the activities of the Committees of the Board of Directors

Member of the Board of Directors (steering body) shall not take part in the activities of the Committees of the Board of Directors (steering body)

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Sergeyeva, Olga Andreyevna

Year of birth: 1984

Education:  
Higher. In 2006 graduated from the Russian Academy of Economics after G.V. Plekhanov with degree of “Economics and Enterprise Management. Construction”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2010 | 2017 | Department of Fuel and Energy Economy of Moscow | Consultant to the general affairs management department, then an adviser to the general affairs management department, then the deputy chief of the affairs department, then the head of the affairs department, then the head of the legal department, then the deputy head of the fuel and energy economy department |
| 2017 | 2017 | Department of Housing, Utilities and Amenities of Moscow | Deputy Manager |
| 2018 | Present-day | Rosseti PJSC | Board member; Advisor, then Chief Advisor, then Deputy General Director – Chief of Staff, then Chief Advisor |
| 2018 | Present-day | IDGC of the South PJSC, PJSC MOESK, IDGC of the North-West PJSC, Lenenergo PJSC, IDGC of the North Caucasus PJSC, Kubanenergo PJSC | Member of the Board of Directors |
| 2018 | 2019 | Kubanenergo PJSC | Chairman of Committee of the Board of Directors for staff and remunerations |
| 2019 | Present-day | FGC UES PJSC | Member of the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

Information on participation in the activities of the Committees of the Board of Directors

Member of the Board of Directors (steering body) shall not take part in the activities of the Committees of the Board of Directors (steering body)

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Khokholkova, Ksenia Valeryevna

Year of birth: 1970

Education:  
Higher. In 1993 graduated from the State Academy of Management named after Sergo Ordzhonikidze, with degree of “Organization of management in the energy sector”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | Present-day | Rosseti PJSC (former Rosseti OJSC) | Deputy Head of the Equity Department – Head of the Shareholder Rights Division of the Corporate Governance and Interaction with Shareholders and Investors Department, then Deputy Head of the Securities and Information Disclosure Department of the same department, then Chief Expert of the Securities Management and Information Disclosure Department of Corporate Management |
| 2009 | 2014 | Ingushenergo OJSC | Member of the Board of Directors |
| 2010 | 2014 | OJSC Volga Regional Electric Power Center | Member of the Board of Directors |
| 2013 | 2014 | IDGC of Volga OJSC | Member of the Auditing Commission |
| 2013 | 2014 | IDGC of Siberia OJSC | Member of the Committee for Strategy, Investment, Development and Reforms under the Board of Directors |
| 2014 | 2015 | OJSC Research Center of the Volga Region, OJSC Energoservice | Member of the Board of Directors |
| 2014 | 2016 | OJSC Lenenergospecremont | Member of the Board of Directors |
| 2014 | 2017 | Energetik Health and Recreation Resort, Joint Stock Company | Member of the Board of Directors |
| 2014 | Present-day | Kubanenergo PJSC (former Kubanenergo OJSC) | Member of the Board of Directors |
| 2014 | 2019 | Kubanenergo PJSC (former Kubanenergo OJSC) | Member, Chairman of the Audit Committee under the Board of Directors |
| 2014 | 2016 | Kubanenergo PJSC (former Kubanenergo OJSC) | Member of the Committee for Strategy, Investment, Development and Reforms under the Board of Directors |
| 2015 | 2019 | OJSC ENIN | Member of the Board of Directors |
| 2019 | Present-day | Kubanenergo PJSC | Member of the strategy Committee under the Board of Directors |
| 2019 | Present-day | Socsfera JSC | Member of the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

Information on participation in the activities of the Committees of the Board of Directors

|  |  |
| --- | --- |
| Name of the Committee | Chairman |
| Committee for strategy | No |

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Shagina, Irina Aleksandrovna

Year of birth: 1979

Education:  
Higher. Graduated:  
- in 2001 All-Russia extramural finance and economy institute with degree of “Accountancy and audit”,  
- in 2013 Vladimir law institute of Federal Service for Corrections of Russia with degree of “Law science”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2011 | 2015 | Federal Tariff Service of Russia | Head of Department; Deputy Head of the Department for Regulation of the Electric Power Industry |
| 2015 | Present-day | Rosseti PJSC | Head of the tariff formation department of the tariff policy department, then acting director of the tariff policy department, then director of the tariff policy department |
| 2016 | 2018 | IDGC of Volga PJSC | Member of the Board of Directors |
| 2017 | Present-day | Kubanenergo PJSC | Member of the Board of Directors |
| 2017 | 2018 | IDGC of Center PJSC, IDGC of Center and Volga Region PJSC, IDGC of the North Caucasus PJSC | Member of the strategy and development Committee under the Board of Directors |
| 2017 | 2019 | Kubanenergo PJSC | Member of the Audit Committee under the Board of Directors |
| 2018 | Present-day | TRK PJSC, IDGC of the North-West PJSC | Member of the Board of Directors |
| 2018 | 2019 | IDGC of Ural OJSC | Member of the strategy and development Committee under the Board of Directors |
| 2018 | Present-day | OJSC “MOESK” | Member of the strategy and development Committee under the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

Information on participation in the activities of the Committees of the Board of Directors

Member of the Board of Directors (steering body) shall not take part in the activities of the Committees of the Board of Directors (steering body)

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Yavorsky, Viktor Korneyevich

Independent Member of the Board of Directors

Year of birth: 1955

Education:  
Higher. In 1981 graduated Moscow Power Engineering Institute with degree of “Automated control systems”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 1998 | 2014 | LLC OSBI-M Audit Firm | General Director |
| 2002 | Present-day | Centr tekhnologiy LLC | General Director |
| 2006 | Present-day | ACG OSBI-CLASS LLC | President |
| 2013 | Present-day | All-Russian public organization of small and medium-sized enterprises “OPORA RUSSII” | Officers of the Executive Bureau |
| 2014 | Present-day | TORI-AUDIT LLC | General Director |
| 2015 | 2019 | JSC “Tyumenenergo” | Member of the Board of Directors |
| 2019 | Present-day | Kubanenergo PJSC | Member of the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

Information on participation in the activities of the Committees of the Board of Directors

Member of the Board of Directors (steering body) shall not take part in the activities of the Committees of the Board of Directors (steering body)

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

**Additional details:**

***All members of the Board of Directors of OJSC Kubanenergo are citizens of the Russian Federation.***

Details of transactions effected in the reporting quarter between the Issuer and persons that are members of the Board of Directors of the Issuer: ***such transactions were not concluded in the reporting quarter.***

Information on the training of members of the Board of Directors at the expense of the Issuer: ***in the reporting quarter, members of the Board of Directors received no training at the expense of the Company.***

Details of committees under the Board of Directors of the Issuer[[1]](#footnote-1)1:

***To provide for by the Board of Directors of Kubanenergo PJSC” efficiently discharging its functions of general management of Company’s activity, the Board of Directors have established the following Committees representing advisory and consultative bodies:***

***Reliability Committee established by decision of the Board of Directors dated 15.09.2006, Minutes No. 21/2006.***

***The main task of the Reliability Committee is to develop and submit recommendations (conclusions) to the Board of Directors of the Company as per the following areas of the Board of Directors:***

***• examination of production programs, plans for technical re-equipment, reconstruction, new construction and repair of power facilities, analysis of their development and implementation in terms of ensuring the requirements for the reliability of operation and technical condition of electric networks;***

***• estimation of completeness and sufficiency of arrangements following the results of accidents investigation as well as control of their performance;***

***• examination of the quality of the investigation of the causes of technological violations (accidents);***

***• examination of the Company activities in the field of emergency operations (preparedness, organization and conduct of emergency recovery work at power grid facilities);***

***• examination and control of the implementation of prevention programs for reduction of risks of the Company personnel and third parties injuries in the electrical installations of the Company;***

***• monitoring and evaluating the activities of the Company technical services in terms of ensuring the reliability of the operation of electric networks and industrial safety;***

***• examination of the Company internal technical control system;***

***• examination of the OSH management system;***

***• examination of the environmental policy implementation program;***

***• examination of fire and industrial safety systems.***

***Existing Reliability Committee under the Board of Directors***

|  |  |  |
| --- | --- | --- |
| **No.** | **Full name** | **Position and place of work** |
| 1 | Ukolov,  Vladimir Anatolyevich, Chairman of the Committee | Deputy Director of the situational think-tank of the Rosseti PJSC |
| 2 | Bogomolov,  Eduard Valeryevich | First Deputy of the Rosseti PJSC branch – Center of technical supervision |
| 3 | Medvedev,  Mikhail Vladimirovich | Advisor to the General Director of Avangard JSC, member of the Board of Directors of Kubanenergo PJSC |
| 4 | Ocheredko,  Olga Vyacheslavovna | Deputy General Director for Economy and Finance, Member of the Management Board of Kubanenergo PJSC |
| 5 | Shishigin,  Igor Nikolayevich | Deputy General Director for Technical Issues – Chief Engineer, member of the management body of Kubanenergo PJSC |

***Audit Committee established on October 16, 2009 by decision of the Board of Directors (Minutes No. 80/2009 from 16.10.2009).***

***The main goal of the Audit Committee is to support the effective performance of the functions of the Company Board of Directors in terms of preliminary consideration of issues related to the control of the financial and economic activities of the Company.***

***The main tasks of the Committee:***

* ***consideration of the accounting (financial) statements of the Company and supervision of the process of its preparation;***
* ***control over the reliability and efficiency of the internal control system, risk management system, corporate governance practices;***
* ***control over the external audit and selection of the auditor;***
* ***ensuring the independence and neutrality of implementation of the internal audit function;***
* ***supervision of effectiveness of functioning of the system for counteracting unfair acts of the Company employees and third parties.***

***Composition of the Audit Committee under the Board of Directors valid as of the end of the reporting quarter:***

|  |  |  |
| --- | --- | --- |
| **No.** | **Full name** | **Position and place of work** |
| 1 | Kiryukhin, Sergey Vladimirovich (Chairman of the Committee) | Acting Deputy General Director – Chief of Staff of ROSSETI PJSC, Member of the Board of Directors of Kubanenergo PJSC |
| 2 | Varvarin, Aleksandr Viktorovich | Vice President for Legal Regulation and Law Enforcement OOR “RSPP”, member of the Board of Directors of Kubanenergo PJSC |
| 3 | Osipova, Elena Nikolayevna | Head of the Financial Analysis Division, Finance Department, ROSSETI PJSC, Member of the Board of Directors of Kubanenergo PJSC |

***Committee for Strategy (before 16.08.2019 – Committee for strategy, development, investments and reforms) under the Board of Directors established on February 4, 2010 by decision of the Board of Directors of OJSC Kubanenergo, Minutes No. 84/2010 dated 05.02.2010, for preliminary review, analysis and elaboration of recommendations (conclusions) on the following aspects of activity of the Board of Directors and their submittal to the Board of Directors:***

***1) determination of priority areas for the Company activities, including approval of the development strategy, Company innovative development program and reports on their implementation;***

***2) submitting set of issued for solution of the General Assembly Meeting of the Shareholders;***

***3) Acquisition of shares, bonds and other securities placed by the Company in cases stipulated by RF legislation;***

***4) Alienation (marketing) of shares of the Company which have come into the disposal of the Company as a result of their acquisition or buyout from shareholders of the Company as well as in other cases stipulated by Federal Law "On Joint-Stock Companies";***

***5) Recommendation on the amount of dividend on shares and on its payment procedure;***

***6) Approval of in-house documents of the Company determining the procedure of the Company’s funds accumulation and use;***

***7) Taking decision on use of Company’s assets; approval of estimates of use of special purpose funds assets and consideration of the results of their fulfillment;***

***8) approval of the business plan (adjusted business plan) and consideration of the quarterly report on the implementation of the business plan;***

***9) on approval of the investment program, including changes to it, and quarterly report on the results of its implementation;***

***10) Establishment and opening of the Company’s branches and representative offices and their liquidation;***

***11) making decisions on the Company participation in other organizations, with the exception of decisions on participation referred to the competence of the Company General Meeting of Shareholders;***

***12) Taking decision on consent for and further approval of major transactions in cases stipulated by Chapter X of Federal Law "On Joint-Stock Companies";***

***13) determining the position of the Company on the matters of the agendas of general meetings of shareholders (participants) of subsidiaries and affiliated business entities (hereinafter referred to as subsidiaries and affiliates), and meetings of the boards of directors of subsidiaries and affiliates on reorganization and liquidation of subsidiaries and affiliates;***

***14) approval of the methodology for calculating and evaluating the implementation of key performance indicators of the General Director of the Company, their target values (adjusted values) and reports on their implementation;***

***15) application for listing of the Company's shares and (or) Company equity securities convertible into Company shares;***

***16) assessment of risks, as well as setting of the acceptable level of risks for the Company;***

***17) annual consideration of issues related to organization, functioning and effectiveness of risk management systems in the Company;***

***18) monitoring compliance of the activities of the Company executive bodies with the strategy approved by the Company; hearing of the Company General Director and members of the Management Board reports on the implementation of the strategy approved by the Company;***

***19) recommendations regarding the voluntary or mandatory offer received by the Company to acquire the securities of the Company;***

***20) approval by the Company Board of Directors of internal documents regulating the target areas of the Committee’s activities, etc.***

***The current composition of the Strategy Committee of the Board of Directors:***

|  |  |  |
| --- | --- | --- |
| **No.** | **Full name** | **Position and place of work** |
| 1 | Obrezkova,  Yulia Gennadyevna, Chairman of the Committee | Deputy Director of the Strategy Department  Rosseti PJSC |
| 2 | Guselnikov,  Konstantin Sergeyevich | General Director, FinInvestConsulting Ltd |
| 3 | Lavrova,  Marina Aleksandrovna | Deputy Director of the Economic Department of Rosseti PJSC |
| 4 | Medvedev,  Mikhail Vladimirovich | Advisor to the General Director of Avangard JSC, member of the Board of Directors of Kubanenergo PJSC |
| 5 | Miromanov,  Sergey Ivanovich | Head of the Department for the Consolidation and Investigation of Transaction Efficiency, Property Management Department, Rosseti PJSC |
| 6 | Ocheredko,  Olga Vyacheslavovna | Deputy General Director for Economy and Finance, Member of the Management Board of Kubanenergo PJSC |
| 7 | Pokalyuk,  Maksim Mikhailovich | Head of the Department for the Implementation of Innovation Projects of the Department of Technological Development and Innovation of Rosseti PJSC |
| 8 | Rudenko,  Yekaterina Aleksandrovna | Deputy Head of the Strategic Development and Capital Markets Department of the Strategy Department of Rosseti PJSC |
| 9 | Khokholkova,  Ksenia Valeryevna | Chief Expert of the Securities management and Information Disclosure Department of the Corporate Governance Department of Rosseti PJSC, Member of the Board of Directors of Kubanenergo PJSC |
| 10 | Sheremetsev,  Eduard Mikhailovich | Deputy Director of the Digital transformation Department of Rosseti PJSC |

***Personnel and Rewards Committee under the Board of Directors established on August 5, 2010 by decision of the Board of Directors of OJSC Kubanenergo, Minutes No. 94/2010 dated 06.08.2010 for elaboration of recommendations (conclusions) on the following aspects of activity of the Board of Directors and their submittal to the Board of Directors:***

***- Amount of reward payable to members of Board of Directors of the Company;***

***- Elaboration of principles and criteria for determination of the amount of reward payable to members of the Board of Directors, members of the Collegial Executive Body and the person discharging the functions of Sole Executive Body of the Company including a management organization or general manager;***

***- Working out of proposals on determination of substantial conditions of contracts with the members of the Board of Directors, members of the Collegial Executive Body and the person discharging the functions of Sole Executive Body of the Company;***

***- Determination of criteria for selection of candidates for membership in the Board of Directors, in the Collegial Executive Body and for the office of Sole Executive Body of the Company as well as preliminary evaluation of such candidates;***

***- Regular evaluation of activity of the person discharging the functions of Sole Executive Body of the Company (management organization, general manager) and members of the Company’s the Collegial Executive Body and preparation of proposals on the possibility of their reappointment for the Board of Directors.***

***Existing composition of Committee of the Board of Directors for staff and rewards:***

|  |  |  |
| --- | --- | --- |
| **No.** | **Full name** | **Position at the moment of nomination** |
| 1 | Romanovskaya, Larisa Anatolyevna, Chairman of the Committee | Deputy General Director for Relations with Government Agencies, Rosseti PJSC |
| 2 | Kiryukhin, Sergey Vladimirovich | Acting Deputy General Director – Chief of Staff of ROSSETI PJSC, Member of the Board of Directors of Kubanenergo PJSC |
| 3 | Erpsher, Nataliya Ilyinichna | Head of Personnel Selection and Development Department of the Personnel Management Department of Rosseti PJSC |

***Committee for technological connection under the Board of Directors established on October 11, 2011 by decision of the Board of Directors of OJSC Kubanenergo, Minutes No. 119/2011 dated 11.10.2011 for elaboration of recommendations (conclusions) on the following aspects of activity of the Board of Directors and their submittal to the Board of Directors:***

***- improvement of the legislative base of antitrust regulation and ensuring non-discriminatory access of consumers to services of technological connection to electric networks;***

***- improvement of the Company internal regulations and standards to ensure non-discriminatory access of consumers to services of technological connection to electric networks;***

***- development of principles and criteria for assessing the Company efficiency in technological connection of consumers to electric networks;***

***- assessment of the Company efficiency in technological connection of consumers to electric networks;***

***- assessment of the Company efficiency in improving the quality of planning for development of the electric grid in the regions where the Company is present;***

***- analysis of the current situation in the Company and preparation of proposals to the Board of Directors in the field of technological connection of consumers to electric networks and future development of the network as a whole.***

***The current composition of the Technological Connection Committee of the Board of Directors:***

| **No.** | **Full name** | **Position and place of work** |
| --- | --- | --- |
| 1 | Pyatigor, Aleksandr Mikhailovich, Chairman of the Committee | Board member, Deputy General Director for sales of services  Rosseti PJSC |
| 2 | Varvarin Aleksandr Viktorovich | Vice President for Legal Regulation and Law Enforcement OOR “RSPP”, member of the Board of Directors of Kubanenergo PJSC |
| 3 | Davydkin, Vladimir Aleksandrovich | Head of the Technological Connection Department of the Service Sales unit of Rosseti PJSC |
| 4 | Kostetsky, Vyacheslav Yuryevich | Deputy General Director for Development and technological connection, member of the Management Board of Kubanenergo PJSC |
| 5 | Lyashko, Andrey Vladimirovich | Deputy Minister for Fuel and energy complex and housing and communal services of the Krasnodar Territory |

## 5.2.2. Information on the Sole Executive Body of the Issuer

Full name: Sergeyev, Sergey Vladimirovich

Year of birth: 1976

Education:  
Higher.   
Graduated from:  
- in 1998 Novocherkassk State university with degree of “Industrial and civil construction”,  
- in 2003 Academy of National Economy under the Government of the Russian Federation with a degree of “Economics, Management, Finance and the Legal Basis of Joint-Stock Companies”.  
Completed extension courses:  
- in 2007 – at the Intersectoral Regional Center for Advanced Studies and Retraining of IrSTU,   
- in 2008 – at the Institute for Advanced Studies of executives and specialists of the fuel and energy complex,   
- in 2017 – in AR FSBEI “NIU MEI” on the subject of “Fundamentals of modern electric power industry”,   
- in 2018 – Expert center VolgaPromAudit Ltd,  
- in 2019 – UDPO “Energy Institute for Advanced Studies of Kubanenergo PJSC on the subject of “Training on occupational safety for managers and specialists of enterprises and organizations”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | 2019 | Rosseti PJSC (former Rosseti OJSC) | Deputy General Director for capital construction |
| 2014 | 2015 | OJSC “Tyumenenergo”, OJSC Kubanenergo, OJSC IDGC of Ural | Member of the Board of Directors |
| 2016 | Present-day | FGC UES PJSC, PJSC “Lenenergo” | Member of the Board of Directors |
| 2019 | Present-day | OJSC “MOESK” | Member of the Board of Directors |
| 2019 | Present-day | Kubanenergo PJSC | General Director, Chairman of the Management Board |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

## 5.2.3. Composition of the Collegial Executive Body of the Issuer

Full name: Sergeyev Sergey Vladimirovich

(Chairman)

Year of birth: 1976

Education:  
Higher.   
Graduated from:  
- in 1998 Novocherkassk State university with degree of “Industrial and civil construction”,  
- in 2003 Academy of National Economy under the Government of the Russian Federation with a degree of “Economics, Management, Finance and the Legal Basis of Joint-Stock Companies”.  
Completed extension courses:  
- in 2007 – at the Intersectoral Regional Center for Advanced Studies and Retraining of IrSTU,   
- in 2008 – at the Institute for Advanced Studies of executives and specialists of the fuel and energy complex,   
- in 2017 – in AR FSBEI "NIU MEI" on the subject of "Fundamentals of modern electric power industry",   
- in 2018 – Expert center VolgaPromAudit Ltd,  
- in 2019 – UDPO "Energy Institute for Advanced Studies of Kubanenergo PJSC on the subject of "Training on occupational safety for managers and specialists of enterprises and organizations ".

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | 2019 | Rosseti PJSC (former Rosseti OJSC) | Deputy General Director for capital construction |
| 2014 | 2015 | OJSC “Tyumenenergo”, OJSC Kubanenergo, OJSC IDGC of Ural | Member of the Board of Directors |
| 2016 | Present-day | FGC UES PJSC, PJSC “Lenenergo” | Member of the Board of Directors |
| 2019 | Present-day | OJSC “MOESK” | Member of the Board of Directors |
| 2019 | Present-day | Kubanenergo PJSC | General Director, Chairman of the Management Board |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Armaganyan, Edgar Garriyevich

Year of birth: 1984

Education:  
Higher.   
Graduated from:  
- in 2008 Kuban State Agriculture University with degree of “Electrification and automation”,   
- in 2014, NOU VPO “Moscow Institute of Entrepreneurship and Law” with a degree of “Organization Management”,  
-in 2015, Federal State Budgetary Educational Establishment of Higher Professional Education “Kuban State University” under the professional retraining program “Jurisprudence: civil law relations”.  
In 2008, underwent professional retraining at MSTU after Bauman on the basis of NNOU “Training center Kubanenergo with degree of “Organization Management”.  
Completed extension courses:  
- in 2015 in Ernst & Young on the subject of “Risk management”,  
- in 2016 – based on the Moscow Management School of SKOLKOVO on the subject of “Development of the leaders of the power grid complex”,  
- in 2018 – in FBU “Training and methodology office” of Rostekhnadzor on the topic “Training and knowledge testing for occupational safety requirements for managers and specialists”, in LLC International Educational Academy on the subject of “First aid for injured in production", in FSAEI DPO “IPK TEK” on the subjects of “Organization and management of mobilization training in fuel and energy sector organizations”, “Securing state secrets, conducting secret office work and basic issues of information protection in organizations” Module 08.01.01 “Organization of state secrets protection (for the state certification of the Manager)”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2009 | Present-day | Kubanenergo PJSC (former Kubanenergo OJSC) | Head of the Department for the sale of electricity transport services; then the head of the technological connection service; then the head of the electricity transport service; then Deputy Director for Development and Sales of Services of the Sochi Electric Networks Branch; then Advisor to the General Director; then acting First Deputy General Director of the Company; then the Director of the Sochi Electric Networks branch (main place of work) with the duties of the first deputy general director of the Company without exemption from the main work (combination of positions); then director of the Sochi Electric Networks branch; then the First Deputy General Director – Director of the Sochi Electric Networks branch, Deputy General Director for the sale of services (part-time), then First Deputy General Director – Director of the Sochi Electric Networks branch |
| 2014 | Present-day | Kubanenergo PJSC (former Kubanenergo OJSC) | Member of the Management Board |
| 2015 | 2017 | Kubanenergo PJSC | Member of the Reliability Committee under the Board of Directors |
| 2016 | Present-day | JSC “Energoservice of Kuban” (former OJSC “Energoservice of Kuban”) | Chairman of the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Golov, Andrey Valeryevich

Year of birth: 1980

Education:  
Higher.   
In 2002 have graduated from Orenburg State University with degree of “Finances and Credit” Since 2008, has degree of PhD of Economics.  
Completed extension courses:  
- in 2015 – at Ernst & Young on the subject of “Risk Management”, at the Autonomous non-profit organization Educational and Consulting Center Energopersonal on the subject of “Internal Control: Fundamentals of Theory and Practice”,  
- in 2018 – in the Federal State Institution "Teaching and Methodological Office" of Rostekhnadzor on the subject of "Training and knowledge testing of occupational safety requirements for managers and specialists", in LLC International Educational Academy on the subject of "First Aid for Industrial Victims"  
In 2018, took part in a seminar organized by the Federal State Institution “ITC FAS Russia” on the subject of “Tariff regulation in 2018 and the tasks of state regulatory authorities for 2019”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2012 | 2019 | Kubanenergo PJSC (former Kubanenergo OJSC) | Advisor to General Director; then acting Deputy General Director for Logistics and Procurement without exemption from the main work; then Deputy General Director for Logistics and Procurement, acting Deputy General Director for Investment Activities without exemption from main work; then Deputy General Director for Investment |
| 2013 | Present-day | Kubanenergo PJSC (former Kubanenergo OJSC) | Member of the Management Board |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Golovakha, Dmitry Nikolayevich

Year of birth: 1977

Education:  
Higher. In 1997 have graduated from Krasnodar technical college with degree of “Installation and operation of the agribusiness industry electrical equipment”. – in 2002 have Kuban State Agriculture University with degree of “Electrification and automation of agriculture”,  
In 2013 participated in extension courses at MSTU after N.E. Bauman in the area of “Management of organization”.  
Completed extension courses:  
- in 2013 Kuban State Technological University on the subject of “Protection of state secrets in state executive authorities and local self-government of the Krasnodar Territory”,   
- in 2014 at the Federal State Autonomous Educational Institution of Higher Professional Education "Institute for Advanced Training of Executive Workers and Specialists of the Fuel and Energy Complex" on the subject of "Mobilization of the economy and mobilization training of organizations",  
- in 2016, the State Budgetary Institution of the Krasnodar Territory "Training and Methodological Center for Civil Defense and Emergencies" on the subject of "Training of officials and specialists of civil defense and emergency”,  
- in 2017 in FSAEI continuing professional education on the subject of “Organization of mobilizing activities at the fuel and energy companies having mobilization issues”,

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | Present-day | Kubanenergo PJSC (former Kubanenergo OJSC) | Director of branch "South western Electric Power Grids”, member of the Management Board |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:  
Is the son of Golovakha Lyudmila Alekseyevna, member of the issuer management board.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Golovakha Lyudmila Alekseyevna

Year of birth: 1955

Education:  
 Graduated:  
- in 2007 GOU VPO Kuban State University under the Jurisprudence program with qualification for conducting professional activities in the field of civil law relations,   
- in 2007 GOU VPO Kuban State University under the program “State and Municipal Management” with the qualification to conduct professional activities in the field of management of the municipality, state and municipal institution (enterprise)”,  
- in 1974, the Krasnodar College of Sugar Industry, with specialty of "Electrical equipment of industrial enterprises and plants" with the qualification of "Electrical technician".  
  
In 2017, she underwent professional retraining at the ChOU VO Southern Institute of Management under the program "Human Resources Management at the Organization".  
Completed extension courses:  
- in 2015 in Ernst & Young on the subject of “Risk management”,  
- in 2016 in the UDPO "Power Engineering Institute for Advanced Studies of Kubanenergo on the subject of “Responsible for ensuring road traffic safety", "Traffic safety in automobile and city electric vehicles",  
- in 2017 in the UDPO "Power Engineering Institute for Advanced Studies of Kubanenergo on the subject of “Responsible for ensuring road traffic safety",  
- in 2018 – at the LLC "International Educational Academy" on the topic "First aid for injured at the workplace",  
- in 2019 – in UDPO "Energy Institute for Advanced Studies of Kubanenergo PJSC on the subject of "Training of chairmen and members of the committees for prevention and elimination of emergency situations and ensuring fire safety in the field of civil defense and the unified state system for the prevention and elimination of emergency situations".

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | 2019 | Kubanenergo PJSC (former Kubanenergo OJSC) | Advisor to General Director, then – Deputy General Director – Chief of Staff |
| 2013 | Present-day | Kubanenergo PJSC (former Kubanenergo OJSC) | Member of the Management Board |
| 2017 | Present-day | “HF Energetik” JV (former HF Energetik OJSC) | Member of the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:  
Mother of Golovakha Dmitry Nikolayevich, member of the management board

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Kostetsky Vyacheslav Yuryevich

Year of birth: 1974

Education:  
Higher.   
Graduated from:   
- in 1999, Institute of Economics, Law and Natural Sciences, with degree in “Law”,  
- in 2009 – Kuban State Technological University with degree of “Power supply”.  
In 2008, underwent professional retraining at MSTU after Bauman on the basis of NNOU “Training center Kubanenergo” with degree of “Management”.  
Completed extension courses:  
- in 2015 – at Ernst & Young on the subject of “Risk Management”, at the Autonomous non-profit organization Educational and Consulting Center Energopersonal on the subject of “Internal Control: Fundamentals of Theory and Practice”,  
- in 2016 – in FBI "ITC FAS Russia” (seminar) on the subject of “Tariff regulation in 2016 and the tasks of regulatory authorities for 2017”,  
- in 2017 – at the Bureau of Intellectual Support for Reforms in the Energy Sector LLC on the subject of: FTS of Russia: Adopted and planned changes in the regulation of retail electricity markets”,  
- in 2018 – at the LLC “International Educational Academy” on the topic “First aid for injured at the workplace”,

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | Present-day | Kubanenergo PJSC (former Kubanenergo OJSC) | Advisor to the General Director; then Deputy General Director for the development and sale of services; then the Deputy General Director for the sale and development of services; then Deputy General Director for Development and Technological Connection; then the assistant to the General Director; management board member |
| 2013 | 2015 | OJSC “Energoservice of Kuban” | Chairman of the Board of Directors |
| 2013 | 2015 | Kubanenergo PJSC (former Kubanenergo OJSC) | Member of the Committee for Strategy, Investment, Development and Reforms under the Board of Directors |
| 2013 | 2017 | Kubanenergo PJSC (former Kubanenergo OJSC) | Member of the Committee of the Board of Directors for technologic connection |
| 2018 | Present-day | Kubanenergo PJSC | Member of the Committee of the Board of Directors for technologic connection |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Nishchuk, Oleg Fyodorovich

Year of birth: 1978

Education:  
Higher. In 2001 have graduated from Kuban State University with degree of “Global economy”  
In 2006, underwent professional retraining at MSTU after Bauman on the basis of NNOU "Training center" Kubanenergo " with degree of “Management".

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2015 | Present-day | Kubanenergo PJSC (former Kubanenergo OJSC) | Deputy Head of the Department for the sale of services and electricity metering, then Deputy General Director for the sale of services |
| 2016 | Present-day | JSC “Energoservice of Kuban” (former OJSC “Energoservice of Kuban”) | Member of the Board of Directors |
| 2018 | Present-day | Kubanenergo PJSC | Member of the Management Board |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Ocheredko Olga Vyacheslavovna

Year of birth: 1972

Education:  
Higher.   
Graduated:  
- in 1994, Kuban State University with a degree in “Economic and social planning”,   
- in 2015, Moscow State Institute of International Relations (University) of the Ministry of Foreign Affairs of the Russian Federation, MBA “Management and Regulation of Economic Activities in the International Electric Power Industry", qualification "Master of Business Administration".  
In 2010, underwent professional retraining at MSTU after Bauman on the basis of NNOU "Training center" Kubanenergo " with degree of “Organization Management".  
Completed extension courses:  
- in 2015 in Ernst & Young on the subject of “Risk management”,  
- in 2016 in the Training and Information Center “EnergoReshenie” on the subject of “Development of the Russian electricity and heat power”, in LLC Bureau of intellectual support for reforms in the energy sector on the subject of “FAS Russia. Innovations in tariff setting and formation of balances of heat and power”,   
- in 2018, in the Federal State Budgetary Educational Institution of Higher Education “REU named after G.V. Plekhanov” on the subject of “State regulation of prices (tariffs) of grid organizations in the field of electric power",  
- in 2019 – in UDPO “Energy Institute for Advanced Studies of Kubanenergo PJSC on the subject of “Training of chairmen and members of the committees for prevention and elimination of emergency situations and ensuring fire safety in the field of civil defense and the unified state system for the prevention and elimination of emergency situations”.   
Took part in seminars:  
- in 2016 – in FBI “ITC FAS Russia” (seminar) on the subject of “Tariff regulation in 2016 and the tasks of regulatory authorities for 2017”,  
- in 2017 – at the Bureau of Intellectual Support for Reforms in the Energy Sector LLC on the subject of “FAS of Russia: Innovations in tariff setting and formation of balances of heat and power”, Theory and practice of antitrust regulation in the electric power industry”, “FAS of Russia: balance sheet formation and tariff setting in the electric power industry” and “FAS of Russia: Adopted and planned changes in the regulation of retail electricity markets”, in the Federal Budgetary Institution “ITC FAS Russia” on the subject of “Tariff regulation in 2017 and the tasks of state regulatory bodies for 2018-2025”,  
- in 2018 – at EnergoEvolution LLC on the subject of “Functioning of electric grid and energy retail companies in 2018. Tariff setting for 2018-2019 taking into account of changes in LSI. Current and problematic issues of interaction, settlement of disagreements”, at the International Educational Academy LLC on the subject of “First Aid for Industrial Victims”, at the FBI ITC FAS Russia on the subject of “Tariff regulation in 2018 and the tasks of state regulatory authorities for 2019”,  
- in 2019 – at the FBI “ITC FAS Russia” on the subject of “Tariff regulation under the conditions of digital transformation”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2008 | Present-day | Kubanenergo PJSC (former Kubanenergo OJSC) | Head of the financial department of financial management; then head of the department – head of the department in the financial department of the financial unit; then head of the financial department for the construction of Olympic facilities; then deputy head of the department – head of the finance department of the finance unit; then head of the finance department; then head of the department for the construction of Olympic facilities of the department of property, financial and legal support for the construction of Olympic facilities; then deputy general director for economics and finance |
| 2014 | 2015 | OJSC “RC “Plamya” | Chairman of the Board of Directors |
| 2014 | Present-day | “HF Energetik” JV (former “HF Energetik” OJSC) | Chairman of the Board of Directors |
| 2014 | Present-day | Kubanenergo PJSC (former Kubanenergo OJSC) | Member of the Management Board |
| 2015 | Present-day | Kubanenergo PJSC | Member of the Strategy Committee (former Strategy, Development, Investment and Reform Committee) and the Reliability Committee of the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:  
The person was the Chairman of the Board of Directors of OJSC “RC “Plamya” during the bankruptcy proceedings against this company in accordance with the determination of the Arbitration Court of the Krasnodar Territory dated 03.03.2015 and during the period when OJSC “RC “Plamya” was declared insolvent and in relation to starting competitive proceedings towards it in accordance with the decision of the Arbitration Court of the Krasnodar Territory of 02.09.2015.

Full name: Statuyev, Vladislav Andreyevich

Year of birth: 1956

Education:  
Higher.   
Graduated from:   
- in 1978, the Naval Engineering College of the Order of Lenin after F.E. Dzerzhinsky (St. Petersburg) with a degree in “Physics and Power Plants”,  
- in 2012 FGOBU VPO “Financial University under the Government of the Russian Federation” (Moscow), specializing in “Organization Management”.  
Completed extension courses:  
- in 2015 in Ernst & Young on the subject of “Risk management”,  
- in 2019 – in UDPO "Energy Institute for Advanced Studies of Kubanenergo PJSC on the subject of "Training of chairmen and members of the committees for prevention and elimination of emergency situations and ensuring fire safety in the field of civil defense and the unified state system for the prevention and elimination of emergency situations" and "Training for employees providing training in the field of civil defense and emergency".

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | 2019 | Kubanenergo PJSC (former Kubanenergo OJSC) | Advisor to the General Director with the duties of Deputy General Director for Security, without exemption from his main job; then Deputy General Director for Security; then assistant to the general director; then deputy general manager, then deputy general director for security |
| 2013 | Present-day | Kubanenergo PJSC (former Kubanenergo OJSC) | Member of the Management Board |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Shishigin Igor Nikolayevich

Year of birth: 1979

Education:  
Higher.   
Graduated from:  
- in 2007 Kuban State Agriculture University with degree of “Electrification and automation”,   
- in 2013 Moscow new law institute with degree of “Law science”.   
In 2015, underwent professional retraining at MSTU after Bauman on the basis of NNOU "Training center" Kubanenergo " with degree of “Organization Management".  
Completed extension courses:  
- in 2013 – at CJSC SZhS Vostok Limited on the subject of "Internal Auditor of the Occupational Health and Safety Management System. OHSAS 18001: 2007",  
- in 2014 – at the State Academy for Advanced Studies and Retraining of Personnel for the Construction and Housing and Communal Complex of Russia on the subject of "Power Supply – Changes in the Regulatory Base, Modern Technologies, Materials and Equipment, Installation Features" and in the NOU "Kubanenergo TC" on the subject of "Ensuring environmental safety at electric grid facilities",  
- in 2017 – in the UDPO "Power engineering Institute for Advanced Studies of Kubanenergo PJSC on the subject of "Advanced Training in Occupational Safety", "Training on General Industrial Safety Issues", "Pre-certification training for managers and specialists of organizations operating electric networks", "Pre-certification training managers and specialists responsible for the operation of hazardous production facilities, where lifting installations are used, designed for lifting and moving goods", "Pre-certification training of managers and professionals responsible for the operation of hazardous production facilities, where lifting installations are used designed for lifting and transporting people",  
- in 2018 – at the LLC "International Educational Academy" on the topic "First aid for injured at the workplace",  
- in 2019 – in UDPO "Energy Institute for Advanced Studies of Kubanenergo PJSC on the subject of "Training of chairmen and members of the committees for prevention and elimination of emergency situations and ensuring fire safety in the field of civil defense and the unified state system for the prevention and elimination of emergency situations".

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | 2017 | Kubanenergo PJSC (former Kubanenergo OJSC) | Deputy Head of the Department of Industrial Control and Labor Protection of the Krasnodar Electric Networks Branch; then head of the production control and labor protection service of the Krasnodar Electric Networks branch; then deputy chief engineer – head of the production control and labor protection service of the Krasnodar and Sochi electric networks branches; then the first deputy director – chief engineer of the Sochi Electric Networks branch |
| 2017 | Present-day | Kubanenergo PJSC | Deputy General Director for Technical Issues – Chief Engineer, member of the management body |
| 2019 | 2019 | Kubanenergo PJSC | Acting General Director, Chairman of the management board |
| 2017 | Present-day | Kubanenergo PJSC | Member of the Reliability Committee under the Board of Directors |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Khazikova, Zanda Ivanovna

Year of birth: 1980

Education:  
Higher. In 2005 graduated from the State Educational Institution of Higher Professional Education "Saratov State Academy of Law" with a degree in “Law”.  
Since 2008, has degree of PhD in Law.  
In 2018, at the Moscow State Technical University after N.E. Bauman, underwent professional retraining under the program “Management. Controlling at the production facility”.  
In 2018, she participated in the II All-Russian practical session of online seminars on electric power matters at the Information Portal of the Housing and Public Utilities Management Information LLC.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2012 | 2014 | GPB Bank (OJSC) | Leading Specialist, Underwriting Group, Lending Department Branch in the city of Krasnodar |
| 2014 | 2017 | Kubanenergo PJSC (former Kubanenergo OJSC) | Deputy Head of Internal Audit and Risk Management Department, then Deputy Head of Legal Support Department |
| 2017 | Present-day | Kubanenergo PJSC | Deputy Head of Legal Support Department, then Acting Deputy General Director for Corporate Governance, then Deputy General Director for Corporate Governance |
| 2018 | Present-day | Kubanenergo PJSC | Member of the Management Board |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Additional details disclosed in accordance with the Regulations on the Company Information Policy:

All members of the Management Board of Kubanenergo PJSC are citizens of the Russian Federation.  
Information on transactions completed in the reporting quarter between the Company and members of the Management Board: such transactions were not completed in the reporting quarter.

## 5.3. Details of the amounts of reward and/or compensation for expenses due to each of the Issuer's management bodies

Details of the amount of reward payable to each management body (except for the natural person discharging the functions of Sole Executive Body of the Issuer). Indication of all types of rewards including wages, bonuses, commission fees, benefits and/or compensations for expenses as well as other pecuniary rewards:

Rewards

Board of Directors

Measurement Unit: thousand rubles

|  |  |
| --- | --- |
| Indicator description | 2019, 9 months |
| Reward for participation in the activities of the management body | 8 684 |
| Wages |  |
| Bonuses |  |
| Commission fees |  |
| Other types of rewards |  |
| TOTAL | 8 684 |

Details of effective agreements on such payments in the current financial year.  
This year, there were two Regulations on the payment of rewards and compensation to members of the Board of Directors of Kubanenergo PJSC.

In accordance with the Regulation on the payment of remuneration and compensation to members of the Board of Directors of Kubanenergo PJSC approved by the annual General Meeting of Shareholders on June 10, 2015 (Minutes No. 36 dated June 11, 2015), remuneration paid to members of the Board of Directors was one-off according to the results of work for the period from the moment of election of a candidate to the Board of Directors prior to the election of a new Board of Directors.   
The amount of remuneration for participation in the Board of Directors of the Company for each member of the Board of Directors of the Company was calculated taking into account the total number of meetings of the Board of Directors of the Company over the past corporate year and the number of meetings in which a member of the Board of Directors participated. Whereas, the amount of the base part of the remuneration was set based on the revenue of the Company calculated according to RAS for the financial year.  
In addition to the above remuneration, the following premiums were set:  
- 30% to the Chairman of the Board of Directors;  
- 20% to the Chairman of the special committee under the Board of Directors;   
- 10% for membership in the special committee under the Board of Directors.  
The members of the Board of Directors were also paid additional remuneration from net profit in the event of an increase in the market capitalization of the Company for the period of activities of the Board of Directors.  
In accordance with the said Regulation, remuneration was paid to members of the Issuer's Board of Directors elected by the annual General Meeting of Shareholders of the Company on 05.25.2018.  
  
In accordance with the existing Regulation on the payment of remuneration and compensation to members of the Board of Directors of Kubanenergo PJSC approved by the annual General Meeting of Shareholders on June 20, 2019 (Minutes No. 42 dated June 20, 2019), remuneration to members of the Board of Directors shall be paid on quarterly basis according to the results of work for the period from the date of election of a candidate to the Board of Directors till termination of authorities of the member of the Board of Directors.   
The amount of remuneration for participation in the Board of Directors of the Company for each member of the Board of Directors of the Company was calculated taking into account the total number of meetings of the Board of Directors of the Company over the reporting quarter and the number of meetings in which a member of the Board of Directors participated. At the same time, the amount of the basic part of the remuneration is set based on the Company revenue calculated according to Russian accounting standards for the last completed reporting year preceding the election of the Board of Directors. Remuneration shall be paid within 30 calendar days after the end of the reporting quarter.  
In addition to the above remuneration, the following premiums shall be set:  
- 30% to the Chairman of the Board of Directors;  
- 20% to the Chairman of the special committee under the Board of Directors;   
- 10% for membership in the special committee under the Board of Directors.  
Bonuses for chairmanship and/or membership in a specialized committee  
 under the Board of Directors are not paid if not a single meeting of the Committee has been held during the reporting quarter.  
Remuneration is not paid if a member of the Board of Directors did not participate in more than 50% of the meetings held in the reporting quarter.  
The current Regulation on the payment of remuneration and compensation to members of the Board of Directors of the Company applies to members of the Company Board of Directors elected at the Company annual General Meeting of Shareholders on June 20, 2019, and subsequent Company General Meetings of Shareholders.

Collegial Executive Body

Measurement Unit: thousand rubles

|  |  |
| --- | --- |
| Indicator description | 2019, 9 months |
| Reward for participation in the activities of the management body | 1 132 |
| Wages | 22 340 |
| Bonuses | 4 204 |
| Commission fees | 0 |
| Benefits | 0 |
| Other types of rewards | 1 361 |
| TOTAL | 29 037 |

Details of effective agreements on such payments in the current financial year.  
In accordance with the decision of the Company Board of Directors dated February 24, 2015 (Minutes No. 203/2015 of February 25, 2015) “On approval of the list of positions included in the category of top managers of OJSC Kubanenergo”, the members of the Company Management Board are regarded to the top managers of the 1st category.   
In accordance with the “Regulation on material incentives and social benefits for senior managers of Kubanenergo OJSC, approved by the decision of the Board of Directors of the Company (Minutes No. 207/2015 dated 04/17/2015), when a senior manager is elected as a member of the Company Management Board, remuneration is paid by setting a monthly personal addition for performing the duties of a member of the Company collegial executive body – the Management Board of Kubanenergo PJSC.

Compensations

Measurement Unit: thousand rubles

|  |  |
| --- | --- |
| Name of the management body | 2019, 9 months |
| Board of Directors | 0 |
| Collegial Executive Body | 228 |

Additional Information:  
In accordance with the Regulation on the payment of remuneration and compensation to members of the Board of Directors of Kubanenergo PJSC approved by the annual General Meeting of Shareholders on June 10, 2015 (Minutes No. 36 dated June 11, 2015), a member of the Board of Directors was reimbursed for expenses associated with attending meeting of the Board of Directors as per standards as in effect when reimbursement of travel expenses established by the Company was performed.   
  
In accordance with the Regulation on the payment of remuneration and compensation to members of the Board of Directors of Kubanenergo PJSC approved by the annual General Meeting of Shareholders on June 10, 2015 (Minutes No. 36 dated June 11, 2015), a member of the Board of Directors was reimbursed for expenses associated with attending meetings of the Board of Directors, Committees of the Board of Directors, General meetings of Company Shareholders as per standards as in effect when reimbursement of travel expenses of top manager established by the Company was performed.   
  
Members of the Management Board, in accordance with the Regulation on the procedure for the provision of compensation for the costs of renting (sub-renting) of residential premises, approved by Company Order dated March 27, 2015 No. 262, are compensated for the costs of renting of residential premises.

## 5.4. Details of structure and competence of bodies for control of the Issuer's financial and business activity, as well as of organization of risk management and internal control system

Full description of the structure of bodies for control of the Issuer's financial and business activity and their competences in accordance with the Issuer’s Charter (constituent documents) and internal documentation:  
Structure of bodies for control of the Issuer's financial and business activity and their competences in accordance with the Issuer’s Charter (constituent documents) and internal documentation:  
For control of the financial and business activity of the Issuer the General Meeting of Shareholders of elects the Auditing Commission of the Issuer for the period until arrangement of the next General Meeting of Shareholders. The number of members of the Auditing Commission of the Issuer is 5 (Five) persons.   
 Refereed to the competence of the Auditing Commission of the Company are the following issues:  
- checking and analysis of the Company financial condition, its solvency, functioning of the internal control and risk management system, liquidity of assets, ratio of own and borrowed funds, correctness and timeliness of the calculation and payment of interest on bonds, income from other securities; checking (audit) of the Company financial, accounting, payment and settlement and other documentation related to the implementation of financial and economic activities by the Company for its compliance with the legislation of the Russian Federation, the Charter, internal and other documents of the Company;  
- control over retention and use of the fixed assets;  
- monitoring over compliance with the established procedure for writing the debts of insolvent debtors off to the Company losses;  
- control over the spending of the Company funds in accordance with the approved business plan and budget of the Company;  
- control over forming and use of reserve and other special purpose funds of the Company;  
- checking the timeliness and correctness of settlement transactions with counterparties and the budget, as well as settlement transactions for remuneration, social insurance, accrual and payment of dividends and other settlement transactions;  
- verification of compliance with previously issued instructions for elimination of violations and deficiencies previously identified by the Company Audit Commission;  
- verification of the Company business operations carried out in accordance with the agreements concluded;  
- verification of compliance with the use of material, labor and financial resources in the financial and economic activities of existing agreements, norms and standards, approved estimates and other documents regulating the activities of the Company;  
- inspection of the cash desk and property of the Company, efficient use of assets and other resources of the Company, identifying the causes of non-production losses and expenses, identifying reserves for improving the financial condition of the Company;  
- verification of compliance with instructions for elimination of violations and deficiencies previously identified by the Company Audit Commission;  
- development of recommendations for the management bodies of the Company;  
- implementation of other actions (measures) related to the audit of the financial and economic activities of the Company.  
Following the results of review of the Issuer’s financial and business activity, the Company's Auditing Commission or Auditor draws up a conclusion that shall contain:  
- confirmation of the reliability of the data contained in the annual report, annual accounting (financial) statements;  
- information on violations of procedures for running the accountancy and presentation of financial statements, as well as the Issuer's financial and economic activities.  
The procedure and terms for drawing a conclusion following the results of review of the Issuer’s financial and business activity is as determined by legal instruments of the Russian Federation and the Issuer’s in-house documents.  
For review and validation of the Company's annual financial statements the General Meeting of Shareholders annually approves of Auditor of the Company.  
The Issuer's Auditor carries out an audit of the Company financial and business activities in accordance with the requirements of the Russian Federation legislation and under the contract concluded with one.  
Following the results of review of the Issuer’s financial and business activity, the Company's Auditing Commission or Auditor draws up a conclusion that shall contain:  
- confirmation of the reliability of the data contained in the Issuer's accounting (financial) statements;  
- information on facts of the Issuer having violated the procedures of accounting records keeping and financial reporting, as established by legal instruments of the Russian Federation, as well as on other violations of legal instruments of the Russian Federation, or legal instruments of the Russian Federation in the course of the Issuer’s financial and business activity.  
The procedure and terms for drawing a conclusion following the results of review of the Issuer’s financial and business activity is as determined by legal instruments of the Russian Federation based on the contract concluded with the Company Auditor.

An Audit Committee of the BOD is established at the Company

The main functions of the Audit Committee are:  
The main goal of the Audit Committee is to support the effective performance of the functions of the Company Board of Directors in terms of preliminary consideration of issues related to the control of the financial and economic activities of the Company.   
The main tasks of the Committee:  
• consideration of the accounting (financial) statements of the Company and supervision of the process of its preparation;  
• control over the reliability and efficiency of the internal control system, risk management system, corporate governance practices;  
• control over the external audit and selection of the auditor;  
• ensuring the independence and neutrality of implementation of the internal audit function;  
• supervision of effectiveness of functioning of the system for counteracting unfair acts of the Company employees and third parties.

Members of the Audit Committee of the Board of Directors

|  |  |
| --- | --- |
| Full name | Chairman |
| Kiryukhin Sergey Vladimirovich | Yes |
| Varvarin Aleksandr Viktorovich | No |
| Osipova Elena Nikolayevna | No |

Information on the existence of Issuer separate structural unit(s) for risk management and internal control (other than the audit commission (auditor), a body (structural unit) that exercises internal control over the issuer's financial and economic activities), its tasks and functions:  
Before April, 2008, functions of the Issuer's internal control service were discharged by the Controlling and Internal Audit Service established in August, 2004.   
From April, 2008 till November, 30, 2011, under Contract No. 407/30-1143/26 "On transfer of powers of Sole Executive Body" between the Issuer and OJSC "IDGC of South" dated 14/09/2007, discharge of functions aimed at provision for efficient functioning of the internal control system in the Issuer was carried out by the Department for Internal Audit and Risk management of OJSC “IDGC of South".   
In accordance with Decision of the Board of Directors of the Issuer dated 05.08.2010 (Minutes No. 94.2010 dated 06.08.2010), an Administration for Internal Audit and Risk Management was established within the Issuer's organizational structure.   
In accordance with the decision of the Issuer's Board of Directors (Minutes No. 195/2014 of August 29, 2014), the Internal Audit and Risk Management Department was transformed into the Internal Audit and Control Department.  
The Audit Committee of the Board of Directors (Minutes dated February 27, 2015 No. 25/2015) agreed on the establishment of an internal control and risk department as part of the internal audit and control department.  
In accordance with the decision of the Issuer's Board of Directors dated May 31, 2016 (Minutes No. 241/2016 dated June 1, 2016) starting from August 1, 2016, the Internal Audit and Control Department was divided into the Internal Audit Department and the Internal Control and Risk Management Directorate.  
The Directorate of Internal Control and Risk Management directly reports to the Deputy General Director for Controlling.  
The main tasks of the Directorate of Internal Control and Risk Management include:   
1) organization of development and improvement of the Company internal control system (ICS), methodological support and provision of ICS;  
2) organization of development and improvement of the risk management system (RMS) of the Company, methodological support and provision of RMS;  
3) organization of running control over the Company activities;  
4) organization of interaction with the Company external auditor on the matters of functioning of the ICS and RMS;  
5) interaction with state control and oversight bodies on the matters of internal control.  
The main functions of the Directorate of Internal Control and Risk Management include:  
1) development and implementation and adaptation of the main methodological documents for building-up and improvement of ICS and RMS;  
2) assistance to the management of the Company in building control environment, development of recommendations for the description and implementation of control procedures into the processes (fields of activity) and assigning responsibility to officials, advising on internal control issues;  
3) coordination of activities to maintain and monitor the achievement of the target status of ICS and RMS;  
4) overall coordination of risk management processes, including organization of interaction of all participants of the RMS;   
5) formation of an annual summary report on the organization, functioning and effectiveness of the Company risk management system, as well as on other issues stipulated by the Risk Management Policy.  
6) ongoing monitoring on the implementation of measures and internal control procedures in the Company;  
7) providing information on the status of ICS and RMS in the Company;  
8) organization of enforcement of fulfillment of the requirements of the state control bodies with the ICS;  
9) ensuring interaction with state control and oversight bodies when they carry out control measures in relation to the Company and its subsidiaries and affiliates;  
10) coordination of the activities of the Company and its subsidiaries and affiliates on the development of corrective measures aimed at eliminating shortcomings and implementing recommendations and instructions.

Information on availability at issuer of a separate structural unit (service) of internal audit, its tasks and functions;  
Before April, 2008, functions of the Issuer's internal audit service were discharged by the Controlling and Internal Audit Service established in August, 2004.   
From April, 2008 till November, 30, 2011, under Contract No. 407/30-1143/26 “On transfer of powers of Sole Executive Body” between the Issuer and OJSC IDGC of South dated 14/09/2007, discharge of functions aimed at provision for efficient functioning of the internal control system in the Issuer was carried out by the Department for Internal Audit and Risk management of OJSC IDGC of South.   
In accordance with Decision of the Board of Directors of the Issuer dated 05.08.2010 (Minutes No. 94.2010 dated 06.08.2010), an Administration for Internal Audit and Risk Management was established within the Issuer's organizational structure.   
In accordance with the decision of the Issuer's Board of Directors (Minutes No. 195/2014 of August 29, 2014), the Internal Audit and Risk Management Department was transformed into the Internal Audit and Control Department.  
The Audit Committee of the Board of Directors (Minutes dated February 27, 2015 No. 25/2015) agreed on the establishment of an internal control and risk department as part of the internal audit and control department.  
In accordance with the decision of the Issuer's Board of Directors dated May 31, 2016 (Minutes No. 241/2016 dated June 1, 2016) starting from August 1, 2016, the Internal Audit and Control Department was divided into the Internal Audit Department and the Internal Control and Risk Management Directorate.  
The Internal Audit Department is functionally subordinate to the Board of Directors of the Company (through the Audit Committee of the Board of Directors), managerically – to the General Director of the Company.   
The main tasks of the Internal audit department are as follows:   
1) introduction and application of uniform approaches to the building, management and coordination of the internal audit function in the Company;  
2) conduct of an internal audit, participation in other inspection activities in the Company and its subsidiaries and affiliates;  
3) provision of independent and objective guarantees regarding the effectiveness of ICS, RMS and corporate governance, as well as assisting the Company executive bodies and employees in developing and monitoring the implementation of procedures and measures to improve ICS, RMS and corporate governance of the Company;  
4) organization of effective interaction of the Company with the external auditor of the Company, Audit Commission of the Company, and other interested parties on the matters within the competence of the internal audit;  
5) preparation and submission to the Board of Directors, the Audit Committee of the Board of Directors and the executive bodies of the Company the reports on the results of internal audit activities (including information on significant risks, deficiencies, results and efficiency of measures aimed at elimination of identified shortcomings, results of the implementation of the internal audit activity plan, results of assessing the actual condition, reliability and efficiency of ICS, RMS and corporate governance).  
The main functions of the Internal audit department are as follows:  
1) implementation of common principles approved by Rosseti PJSC for establishment of the internal audit function, management and evaluation of the implementation of the internal audit function;   
2) updating of regulatory documents governing the activities of internal audit (policies, regulations, rules, procedures, instructions and other documents);  
3) planning, organizing and conducting internal audits of business processes (lines of activity), business functions, projects/plans/programs of the structural and individual divisions and other objects of the Company's audit   
4) conducting focused audits on a specific topic in accordance with a unified audit program approved by Rosseti PJSC;  
5) organization of activities of the audit commissions of subsidiaries and affiliates;  
6) participation of employees of the Company's internal audit department as elected members of the audit commissions or invited experts in the activities of the audit commissions of subsidiaries and affiliates;  
7) participation in specialized (official) investigations of the facts of abuse (fraud), damage to the Company and its subsidiaries and affiliates, misuse, inefficient use of resources, and other facts of unfair/illegal actions of employees and third parties;  
8) informing the Board of Directors (Audit Committee), the executive bodies of the Company about the results of inspections, providing recommendations on eliminating violations and deficiencies identified during inspections, and suggestions on improving the efficiency and effectiveness of ICS, RMS and corporate governance, improving the Company's activities and its subsidiaries and affiliates;  
9) monitoring the implementation of corrective action plans aimed at eliminating violations and deficiencies identified during inspections, and implementation of recommendations and suggestions for improving the activities of the Company;  
10) assessment of the efficiency of ICS, RMS, corporate governance;  
11) providing advice to the executive bodies of the Company on ICS, RMS and corporate governance (while maintaining the independence and neutrality of the internal audit).  
12) assessment of the quality of the external auditor performance, preparation of a conclusion on the results of this assessment, presentation of the evaluation results for consideration of the Audit Committee of the Company Board of Directors, ensuring notification of the concerned parties;  
13) interaction with the Company Audit Committee.

The issuer's policy in the field of risk management and internal control is described by the issuer in clause 2.4. of this quarterly report  
The issuer approved (consented) the issuer's internal document setting the rules for preventing the unlawful use of confidential and insider information.

Information on availability of issuer's internal document setting rules for prevention of unlawful use of confidential and insider information:  
 In accordance with the requirement of the Law No 224-FZ dated 27.07.2010 “On response to unlawful usage of insider information and market manipulation and introduction of amendments to certain legislative instruments of the Russian Federation” the Issuer has:  
• developed and approved “Regulations on Insider Information of the Company” by the decision of the Company Board of Directors dated 02.08.2013 (protocol No. 168/2013); by the decision of the Company Board of Directors dated June 19, 2019 (protocol No. 348/2019) this Regulation was approved in a new edition and entered into force by Company Order dated July 16, 2019 No. 671;  
• list of insider information has been developed;  
• persons related to insiders are being identified;  
• notifications are being sent on inclusion/exclusion of persons in/from the list of insiders;  
• list of insiders is maintained and sent to the organizers of the trade, an analysis of transactions in the securities market is carried out;   
• securing confidentiality of insider information and rules for handling the insider information by the Company was ensured by determining access rights to insider information, checking network folders of departments, checking the state of network security, protecting against leakage of confidential information;   
• control over the Company's compliance with the requirements of legislation and by-laws of the Russian Federation on insider information has been organized.   
Information on the activities of Kubanenergo PJSC in counter measures to the unlawful use of insider information and market manipulation is available at the Company website at: http://kubanenergo.ru/aktsioneram-i-investoram/informatsiya-dlya-insayderov-obschestva/.  
The issuer further plans to develop measures aimed at organizing and developing mechanisms for monitoring compliance with legislation in respect to the use of the insider information.

Additional Information:  
In 2013, the Company adopted a single strategic document – the Anti-Corruption Policy of ROSSETI PJSC and the S&A of ROSSETI PJSC (approved by the decision of the Board of Directors of the Company (Minutes No. 201/2014 dated December 30, 2014) (hereinafter referred to as the Anti-Corruption Policy), which defined the unified approach to the implementation of the requirements of Article 13.3 of the Federal Law of December 25, 2008 No. 273-FZ “On Combating Corruption” regarding the Issuer's obligation to develop and take measures to prevent and combat corruption: identifying and subsequently eliminating the causes of corruption (corruption prevention); identification, prevention and suppression of corruption and other offenses; minimization and (or) elimination of the consequences of corruption and other offenses, including those stipulated by Article 19.28 of the Administrative Code of the Russian Federation “liability for unlawful compensation on behalf of a legal entity”.  
 By the decision of the Company Board of Directors (minutes dated 02.02.2017 No. 261/2017), the Anti-corruption Policy was updated. The need for changes was due to the following regulatory and legal acts of the Russian Federation:  
- amendments to the Federal Law of the Russian Federation dated December 25, 2008 No. 273-FZ “On Combating Corruption”,   
- Methodological recommendations of the Federal Property Management Agency   
 and other instructions of the federal executive bodies.  
 The Issuer approved the List of anti-corruption measures in Kubanenergo PJSC, which provides for the implementation of measures and procedures, order of their implementation.  
 The program of anti-corruption measures was developed and approved at Kubanenergo PJSC for 2019 (Order of Kubanenergo PJSC dated 04.02.2019 No. 109), which:  
- contains an action plan (list) related to the development/updating of internal local regulatory documents of the organizational and operational level, implementation of organizational measures, approval of the monitoring procedure for the system and the results of measures for implementation of directions of the Anti-corruption policy of Rosseti PJSC and the subsidiaries and affiliates of Rosseti PJSC;   
- establishes the scope of persons responsible for implementation of certain activities;  
- sets the dates for individual events.  
 The main areas of the Anti-corruption policy are:  
- organization of management and internal control processes in the field of preventing and combating corruption;  
- monitoring of risk management system and internal control system in the field of preventing and combating corruption;  
- identification and settlement of conflicts of interest;  
- development and implementation of standards and procedures aimed at ensuring dedicated work;  
- consideration and resolution of information on possible facts of corruption and other abuses;  
- legal education and formation of the grounds of law-abiding behavior of employees, consulting and training the company employees;  
 – taking measures to combat and prevent corruption in cooperation with partners and contractors;  
- interaction with state bodies that exercise control and oversight functions, cooperation with law enforcement agencies in the field of combating corruption;  
 – participation in collective initiatives to combat and prevent corruption.  
 All this imposes special obligations on the Issuer when building a unified vertically integrated system for implementing the Anti-corruption Policy in the Group of Companies of Rosseti PJSC, of which the state is the controlling shareholder. In this regard, the Issuer uses standard Anti-corruption clauses in the contracts.   
 Kubanenergo PJSC pays much attention to the formation of transparent business standards. Automated system for analyzing and collecting information about beneficiaries is functioning. The system allows to collect data from multiple sources into one information space, providing verification of information about legal entities and individuals, identify signs of affiliation, conflict of interest, pre-conflict situations and other abuses.  
 The structural unit of the Company responsible for the prevention and combating corruption performs the following functions:  
- carries out activities aimed at implementing the principles and requirements of the Anti-corruption policy;  
- conducts control measures aimed at identifying corruption and other offenses;  
- reviews reports of possible facts of corruption and other offenses by employees, counterparties of Rosseti PJSC and subsidiaries and affiliates of Rosseti PJSC or other persons;  
- organizes filling and review of declarations of income and conflict of interest;  
- organizes training activities on the prevention and combating corruption and individual counseling of employees;  
- assesses the results of anti-corruption activities and preparation of relevant reporting materials for the organization management;  
- carries out activities to prevent and combat corruption and other offenses, conflicts of interest;  
- develops anti-corruption standards and provides methodological assistance upon implementation of measures to combat and prevent corruption and legal education of employees;  
- coordinates the activities of structural units upon implementation of the Anti-corruption policy;  
- carries out the development of documents in the field of combating and preventing corruption and initiates updating of documents in connection with changes in the anti-corruption legislation of the Russian Federation.  
 The Issuer, in particular, approved and applied in practice the Procedure for accepting, considering and resolving applications of applicants (employees, contractors of Kubanenergo PJSC and other individuals and legal entities) about possible facts of corruption, Regulation on the Committee of Kubanenergo PJSC for compliance with corporate ethics and conflict of interest settlement, Regulation on conflict of interest settlement in Kubanenergo PJSC.  
 The issuer organized the activities on corruption prevention, legal education and setting grounds of law-abiding behavior of the integrated power grid employees, 68 information stands on anti-corruption issues were manufactured, filled and placed in the offices of the executive office, branches, subsidiaries and in the customer service centers of the Company. An interactive channel for interaction with applicants through a corporate website, a hotline telephone on reports of corruption has been introduced.   
 Information on the activities of Kubanenergo PJSC in the field of prevention and combating corruption is available at the Company website: http://kubanenergo.ru/o-kompanii/antikorruptsionnaya-politika/.

## 5.5. Information on persons that are members of bodies for control of the Issuer's financial and business activity

Name of the body for control of the Issuer's financial and business activity: Auditing Commission

Full name: Lelekova, Marina Alekseyevna

(Chairman)

Year of birth: 1961

Education:  
Higher, graduated from the Far Eastern Institute of Soviet Trade with a degree of “Economics”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | Present-day | Rosseti PJSC (former Rosseti OJSC) | Head of the internal audit and control department, then director of the department of internal audit and control, then director of the department of control and inspection activity; then director of the department of internal control and risk management |
| 2013 | Present-day | PJSC IDGC of the North-West (former OJSC IDGC of the North-West) | Member of the Auditing Commission |
| 2014 | 2015 | OJSC "IDGC of Center”, | Member of the Auditing Commission |
| 2014 | 2016 | PJSC FGC UES (former OJSC FGC UES), PJSC Lenenergo (former OJSC Lenenergo) | Member of the Auditing Commission |
| 2014 | Present-day | PJSC “IDGC of Center and Privolzhye” (former OJSC “IDGC of Center and Privolzhye”), JSC “Tyumenenergo” (former OJSC “Tyumenenergo”) | Member of the Auditing Commission |
| 2015 | Present-day | PJSC “IDGC of Volga”, PJSC IDGC of Ural | Member of the Auditing Commission |
| 2015 | 2018 | PJSC TRK | Member of the Auditing Commission |
| 2016 | 2017 | PJSC “Lenenergo” | Member of the Board of Directors |
| 2016 | 2017 | PJSC IDGC of South | Member of the Auditing Commission |
| 2018 | 2019 | FGC UES PJSC | Member of the Auditing Commission |
| 2018 | Present-day | JSC Yantarenergo, PJSC "IDGC of South”, PJSC "IDGC of Center”, PJSC Lenenergo | Member of the Auditing Commission |
| 2019 | Present-day | PJSC “IDGC of Siberia”, PJSC TRK, PJSC IDGC of North Caucasus, Kubanenergo PJSC | Member of the Auditing Commission |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Kim Svetlana Anatolyevna

Year of birth: 1981

Education:  
Higher. In 2004 she graduated from Moscow State University of Railway Engineering with a degree of “Commerce”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2008 | 2013 | OJSC “FGC UES” | Leading expert of the Directorate of Financial Control and Internal Audit; then chief expert of the control and audit department; then head of investment control, department of control and audit |
| 2013 | Present-day | Rosseti PJSC (former Rosseti OJSC) | Head of the Department of Audit Activities and Internal Audit of the Department of Internal Audit and Control; then head of the audit department of the control unit; then head of the audit department of the department of control and audit activities; then head of the supervisory unit of the department of internal control and risk management |
| 2013 | 2014 | OJSC “Lenenergo” | Member of the Auditing Commission |
| 2014 | Present-day | PJSC IDGC of Ural, PJSC IDGC of Volga (former OJSC IDGC of Volga), PJSC “IDGC of Siberia” (former OJSC “IDGC of Siberia”) | Member of the Auditing Commission |
| 2014 | 2017 | PJSC IDGC of North Caucasus (former OJSC IDGC of North Caucasus), PJSC MOESK (former OJSC MOESK) | Member of the Auditing Commission |
| 2015 | 2017 | Kubanenergo PJSC | Member of the Auditing Commission |
| 2015 | Present-day | JSC “Yantarenergo” | Member of the Auditing Commission |
| 2015 | Present-day | PJSC IDGC of Center, JSC IDGC NIITs, JSC VNIPIenergoprom Venture, JSC VOLS-VL Board | Member of the Auditing Commission |
| 2015 | 2016 | PJSC IDGC of South | Member of the Auditing Commission |
| 2016 | Present-day | PJSC “Lenenergo”, JSC NITs EES | Member of the Auditing Commission |
| 2017 | Present-day | PJSC IDGC of Center and Volga Region, PJSC IDGC of the North-West | Member of the Auditing Commission |
| 2018 | Present-day | Kubanenergo PJSC, PJSC IDGC of South, PJSC MOESK, PJSC IDGC of North Caucasus, | Member of the Auditing Commission |
| 2019 | Present-day | PJSC SZEUK, JSC TsTZ, JSC Tyvaenergosbyt, PJSC TRK, FGC UES PJSC | Member of the Auditing Commission |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Yerandina, Elena Stanislavovna

Year of birth: 1972

Education:  
Higher. Graduated:  
in 1994 Moscow State University of Environmental Engineering with a degree in Economics and Management in the Agro-Industrial Complex,  
In 2006 State University of management with degree of “Finances and Credit”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | 2015 | OJSC "ElectrosetService UNEG" | Chief Specialist of the Internal audit service |
| 2016 | Present-day | Rosseti PJSC | Chief expert of the control and expert department of the control and audit unit |
| 2016 | 2017 | JSC Kalmenergosbyt, JSC “Tyumenenergo” | Member of the Auditing Commission |
| 2016 | 2018 | Kabbalkenergo JSC, IDGC of Center and Volga Region PJSC, IDGC of Center PJSC, IDGC of Siberia PJSC | Member of the Auditing Commission |
| 2016 | Present-day | Karachaevo-Cherkesskenergo JSC, Tyvaenergosbyt JSC, MOESK PJSC, Yantarenergo JSC, Sevkavkazenergo JSC, Dagestan Energy Retail Company PJSC | Member of the Auditing Commission |
| 2017 | Present-day | PJSC IDGC of North Caucasus, PJSC TRK | Member of the Auditing Commission |
| 2018 | Present-day | Kubanenergo PJSC, PJSC "IDGC of the South", PJSC "IDGC of the North-West", PJSC "Lenenergo", JSC "Chechenenergo", JSC "Kalmenergosbyt" | Member of the Auditing Commission |
| 2019 | Present-day | JSC “Tyumenenergo”, IDGC of Siberia PJSC, IDGC of Center and Volga Region PJSC, IDGC of Ural OJSC, TsTZ JSC, NIC UES JSC | Member of the Auditing Commission |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Kabizskina, Elena Aleksandrovna

Year of birth: 1964

Education:  
Higher. She graduated from the Faculty of Engineering and Economics of the Far Eastern Technical Institute of Fisheries.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | 2014 | OJSC “MOESK” | Head of Methodological Support Department, Internal Audit Department |
| 2013 | 2014 | Chechenenergo OJSC, IDGC of the North Caucasus OJSC, Lenenergo OJSC, IDGC of Volga OJSC, Sevkavkazenergo OJSC | Member of the Auditing Commission |
| 2014 | Present-day | Rosseti PJSC (former Rosseti OJSC) | Deputy Head of the Department of Audit Activities of the Department of Control Activities; then deputy head of the audit unit of the department of control and audit activities; then chief expert of the department of internal control and risk management |
| 2014 | 2015 | JSC VOLS-VL Venture, JSC NIC UES, JSC "Tyumenenergo" | Member of the Auditing Commission |
| 2014 | Present-day | Karachaevo-Cherkesskenergo JSC (former Karachaevo-Cherkesskenergo OJSC), Kalmenergosbyt JSC (former Kalmenergosbyt OJSC), Tyvaenergosbyt JSC (former Tyvaenergosbyt OJSC), Yantarenergo JSC (former Yantarenergo OJSC) | Member of the Auditing Commission |
| 2015 | 2016 | Ingushenergo JSC | Member of the Auditing Commission |
| 2015 | 2017 | PJSC IDGC of North-West, PJSC “Lenenergo”, JSC NITs EES | Member of the Auditing Commission |
| 2015 | Present-day | Kubanenergo PJSC, IDGC of the North Caucasus PJSC, TRK PJSC, IDGC of Siberia PJSC, Sevkavkazenergo JSC (former Sevkavkazenergo PJSC), Kabbalkenergo JSC (former Kabbalkenergo PJSC), Dagestanskaya PJSC energy retail company, JSC Chechenenergo " | Member of the Auditing Commission |
| 2016 | 2018 | PJSC “MOESK”, PJSC IDGC of Volga | Member of the Auditing Commission |
| 2016 | Present-day | PJSC SZEUK, PJSC “IDGC of Center and Volga Region, PJSC IDGC of South, OJSC IDGC of Ural | Member of the Auditing Commission |
| 2017 | 2018 | JSC TsTZ | Member of the Auditing Commission |
| 2018 | Present-day | JSC Tyumenenergo, PJSC IDGC of Center, PJSC IDGC of the North-West, PJSC Lenenergo, JSC NIC UES | Member of the Auditing Commission |
| 2019 | Present-day | PJSC IDGC of Volga | Member of the Auditing Commission |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Full name: Malyshev, Sergey Vladimirovich

Year of birth: 1965

Education:  
Higher, in 1986 graduated from the Yaroslavl Higher Military Financial School, economist and financial expert.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | Present-day | Rosseti PJSC (former Rosseti OJSC) | Leading Expert of the Department of Audit Activities of the Department of Control Activities; then leading expert of the audit unit of the department of control and audit activities; then leading expert in management of the regulatory activities of the department of internal control and risk management |
| 2013 | 2015 | OJSC IDGC of Ural | Member of the Auditing Commission |
| 2013 | Present-day | PJSC "Dagestan Energy Retail Company" (former OJSC "Dagestan Energy Retail Company") | Member of the Auditing Commission |
| 2014 | 2015 | Lenenergo OJSC, Tyumenenergo OJSC, IDGC of Center and Volga Region OJSC, Kalmenergosbyt OJSC, Ural Energy Research Center OJSC | Member of the Auditing Commission |
| 2014 | 2018 | Karachaevo-Cherkesskenergo JSC (former Karachaevo-Cherkesskenergo OJSC), Tyvaenergosbyt JSC (former Tyvaenergosbyt OJSC), IDGC of the North-West PJSC (former IDGC of the North-West OJSC), Ingushenergo JSC ( former Ingushenergo OJSC) | Member of the Auditing Commission |
| 2014 | Present-day | IDGC of Volga, PJSC (former IDGC of Volga, JSC), IDGC of Center, PJSC (former IDGC of Center, JSC), IDGC of Siberia, PJSC (IDGC of Siberia, OJSC), Sevkavkazenergo, JSC (former PJSC Sevkavkazenergo, OJSC Sevkavkazenergo), Kubanenergo PJSC (former OJSC Kubanenergo), JSC Yantarenergo (former OJSC Yantarenergo), PJSC SZEUK (former OJSC SZEUK) | Member of the Auditing Commission |
| 2015 | Present-day | Kabbalkenergo JSC (former Kabbalkenergo PJSC), IDGC of the North Caucasus PJSC, NIIC IDGC OJSC, VNIPIenergoprom Association JSC, VNIPI Energoprom Real Estate JSC, Southern Energy Center Real Estate JSC | Member of the Auditing Commission |
| 2015 | 2018 | JSC “Tyumenenergo” | Member of the Auditing Commission |
| 2016 | 2018 | PJSC “Lenenergo” | Member of the Auditing Commission |
| 2016 | 2019 | JSC NIC UES | Member of the Auditing Commission |
| 2016 | Present-day | JSC Chechenenergo | Member of the Auditing Commission |
| 2017 | 2019 | JSC Kalmenergosbyt | Member of the Auditing Commission |
| 2018 | Present-day | PJSC TRK | Member of the Auditing Commission |
| 2018 | 2019 | OJSC IDGC of Ural | Member of the Auditing Commission |
| 2019 | Present-day | IDGC of the South PJSC, MOESK PJSC, IDGC of Center and Volga Region PJSC, Tyvaenergosbyt JSC, Karachaevo-Cherkessenergo JSC | Member of the Auditing Commission |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Name of the body for control of the Issuer's financial and business activity: Other

Internal audit department

Information about the Head of such structural subdivision (body) of the Issuer

Name of the position Head of structural subdivision Head of the Department for Internal Audit

Full name: Ochikov, Sergey Ivanovich

Year of birth: 1983

Education:  
Higher. Graduated from Krasnoyarsk State Technical University with a degree in “Power Plants and Substations”, Siberian Federal University with a degree in “Economics and Management at an Enterprise in Power Engineering”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2013 | 2017 | Rosseti PJSC (former Rosseti OJSC) | Leading expert of the internal audit and control department, then leading expert of the internal audit directorate, then chief expert of the same directorate |
| 2017 | Present-day | Kubanenergo PJSC | Head of Directorate of Internal Control and Risk Management, then Head of the Directorate of Internal Control and Risk Management and part-time as Acting Head of the Internal Audit Department, then Head of the Internal Audit Department |
| 2018 | Present-day | JSC “P/o Energetik”, JSC “Energoservice of Kuban” | Member of the Auditing Commission |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

Name of the body for control of the Issuer's financial and business activity: Other

Directorate of internal audit and risk management

Information about the Head of such structural subdivision (body) of the Issuer

Name of the position Head of structural subdivision Head of Directorate of internal audit and risk management.

Full name: Chernyshenko, Nikolay Gennadyevich

Year of birth: 1986

Education:  
Higher. Graduated from Kuban State Agrarian University with a degree in “Accountancy, analysis, audit”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present in chronological order, including those held on part-time basis:

|  |  |  |  |
| --- | --- | --- | --- |
| Period | | Name of organization | Office |
| from | to |  |  |
| 2011 | Present-day | Kubanenergo PJSC | Leading specialist of the internal audit and risk management department, then chief specialist of the internal audit and control department, then chief specialist of the internal control and risk management department, then head of the internal control and risk management department |

The person fails to hold either participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of such person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State

The person has not been brought to responsibility as specified.

Details of such person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency)legislation initiated against such organizations:

The person did not hold such offices

## 5.6. Information on the amount of rewards and (or) compensation for expenses due to members of bodies for control of the Issuer's financial and business activity

Rewards

For each control body over the issuer's financial and economic activities (with the exception of the physical entity holding the position (performing functions) of the issuer's auditor), all types of remuneration are described with an indication of the size, including the salary of members of the issuer's control bodies over the financial and economic activities that are (were) its employees, including those, who are working (were working) part-time, bonuses, commissions, remuneration, separately paid for participation in the work of the relevant control body over the issuer's financial and economic activities, other types of remuneration paid by the issuer during the relevant reporting period, as well as describes the amount of expenses associated with the performance of the functions of members of the issuer's financial and economic control bodies, compensated by the issuer during the relevant reporting period.

Measurement Unit: thousand rubles

Name of the body for control of the Issuer's financial and business activity: Auditing Commission

Reward for participation in the activities of the control body

Measurement Unit: thousand rubles

|  |  |
| --- | --- |
| Indicator description | 2019, 9 months |
| Reward for participation in the activities of the body for control of the Issuer's financial and business activity: | 790 |
| Wages |  |
| Bonuses |  |
| Commission fees |  |
| Other types of rewards |  |
| TOTAL | 790 |

Details of effective agreements on such payments in the current financial year.  
In accordance with the Regulation on the payment of remuneration and compensation to the members of the Audit Commission of Kubanenergo PJSC approved by the annual General Meeting of Shareholders (Minutes No. 40 dated May 28, 2018), remuneration is paid once based on the results of work for the period from the date of election of the members of the Audit Commission at the General meeting of shareholders until the next General Meeting of Shareholders with the topic of election of the Audit Commission members.  
The amount of remuneration to the members of the Audit Commission is determined based on the size of the base amount of remuneration and the degree of participation of members in the works of the Audit Commission.  
The base reward to the member of the Audit Committee shall be set based on the revenue of the Company calculated according to RAS for the financial year.

Name of the body for control of the Issuer's financial and business activity: Internal audit department

Reward for participation in the activities of the control body

Measurement Unit: thousand rubles

|  |  |
| --- | --- |
| Indicator description | 2019, 9 months |
| Reward for participation in the activities of the body for control of the Issuer's financial and business activity: | 0 |
| Wages | 4 039 |
| Bonuses | 1 413 |
| Commission fees | 0 |
| Other types of rewards | 243 |
| TOTAL | 5 695 |

Details of effective agreements on such payments in the current financial year.  
Payments to employees of the Issuer's internal audit department are made in accordance with order dated May 27, 2016 No. 439 (as amended by orders dated March 20, 2017 No. 227, dated July 3, 2017 No. 681, dated August 7, 2017 No. 842, dated October 5, 2017 No. 1107, dated 02/21/2018 No. 173, dated March 30, 2018 No. 330, dated December 29, 2018 No. 1367, dated June 21, 2019 No. 580) “On the Enactment of the Regulation on Material Incentives and the Social Package of Leading Managers of Kubanenergo PJSC from 01/01/2016” and the Collective Agreement of Kubanenergo PJSC for 2019-2021, enacted by the Company order dated December 29, 2018 No. 1361.

Name of the body for control of the Issuer's financial and business activity: Directorate of internal audit and risk management

Reward for participation in the activities of the control body

Measurement Unit: thousand rubles

|  |  |
| --- | --- |
| Indicator description | 2019, 9 months |
| Reward for participation in the activities of the body for control of the Issuer's financial and business activity: | 0 |
| Wages | 2 302 |
| Bonuses | 819 |
| Commission fees | 0 |
| Other types of rewards | 103 |
| TOTAL | 3 224 |

Details of effective agreements on such payments in the current financial year.  
 Payments to employees of the Issuer's internal control and risk management directorate are made in accordance with order dated May 27, 2016 No. 439 (as amended by orders dated March 20, 2017 No. 227, dated July 3, 2017 No. 681, dated August 7, 2017 No. 842, dated October 5, 2017 No. 1107, dated 02/21/2018 No. 173, dated March 30, 2018 No. 330, dated December 29, 2018 No. 1367, dated June 21, 2019 No. 580) “On the Enactment of the Regulation on Material Incentives and the Social Package of Leading Managers of Kubanenergo PJSC from 01/01/2016” and the Collective Agreement of Kubanenergo PJSC for 2019-2021, enacted by the Company order dated December 29, 2018 No. 1361.

Compensations

Measurement Unit: thousand rubles

|  |  |
| --- | --- |
| Name of the control body (structural subdivision) | 2019, 9 months |
| Auditing Commission | 0 |
| Internal audit department | 0 |
| Directorate of internal audit and risk management | 0 |

Additional Information:  
In accordance with the Regulation on the payment of remuneration and compensation to members of the Audit Commission of Kubanenergo PJSC approved by the annual General Meeting of Shareholders (Minutes No. 40 dated May 28, 2018), the compensation to members of the Audit Commission for expenses associated with their participation in the activities of the Audit Commission is determined based on established standards.

## 5.7. Details of the number of employees (workers) and summary data on the staff composition as well as changes in the number of employees (workers) of the Issuer

Measurement Unit: thousand rubles

|  |  |
| --- | --- |
| Indicator description | 2019, 9 months |
| Average number of workers, persons | 8 650 |
| The payroll fund for employees during the reporting period | 3 674 288.3 |
| Social payments to the employees for the reporting period | 28 664.3 |

There were no significant changes in the number of issuer’s employees for the reporting period.  
There are no employees who have a significant impact on the issuer's financial and business activities.  
A trade union body has been founded by employers of the Issuer.

## 5.8. Details of any other liabilities of the Issuer to one’s employees (workers) related to possibility of their participation in authorized capital of the Issuer

The Issuer has no liabilities to one’s employees (workers) related to possibility of their participation in authorized capital of the Issuer

# Section VI. Detail of the Issuer’s participants (shareholders) and of interested-party transactions effected by the Issuer

## 6.1. Details of the total number of the Issuer’s shareholders (participants)

Total number of persons with zero balance at their business accounts registered in the Issuer's Register of Shareholders as of the expiry date of the reporting quarter: 1 808

Total number of the Issuer’s nominal shareholders: 2

The total number of persons included in the last list of persons having (that had) the right to participate in the general meeting of the issuer's shareholders (another list of persons compiled for the purpose of exercising (implementation) of rights on the issuer's shares and for which the holders of nominal issuer's shares submitted data on persons in whose interests they owned (own) the issuer's shares): 2 648

Date of generation of the list of persons included in the last list of persons having (that had) the right to participate in the general meeting of the issuer's shareholders (another list of persons compiled for the purpose of exercising (implementation) of rights on the issuer's shares and for which the holders of nominal issuer's shares submitted data on persons in whose interests they owned (own) the issuer's shares): 26.05.2019

Holders of Issuer’s ordinary shares, which are subject to inclusion into such list: 2 648

Information on the number of own shares on the issuer's balance sheet as of the end date of the reporting quarter

There are no own shares on the Issuer’s balance sheet

Information on the number of shares of the issuer owned by organizations under its control

No issuer shares are owned by organizations under the issuer control

## 6.2. Details of participants (shareholders) of the Issuer holding no less than five per cent of the Issuer's authorized capital or no less than five per cent of one’s ordinary shares as well as details of participating (shareholders) persons, and in case of lack of such participants (shareholders) holding no less than 20 per cent of their authorized capitals or no less than 20 per cent of their ordinary shares

Participants (shareholders) of the Issuer holding no less than five per cent of the Issuer's authorized capital or no less than five per cent of one’s ordinary shares.

1.

Full business name: Russian Federation in the person of the Federal Agency for Management of State Property

Abbreviated business name: RF represented by Federal Property Management Agency

Location

Russia, 109012, Moscow, Nikolskiy lane, 9

INN [Taxpayer Identification Number]: 7710723134

OGRN [Primary State Registration Number]: 1087746829994

Participatory stake of the person in the authorized capital of the Issuer: 6.86%

Portion of ordinary shares of the Issuer held by the person: 6.28%

Persons controlling Issuer’s participant (shareholder)

No such persons

Participants (shareholders) of the person holding no less than 20 per cent of their authorized capitals or no less than 20 per cent of their ordinary shares.

No such persons

Other details indicated by the Issuer at one’s sole discretion:  
No

2.

Full business name: Rosseti, Public Joint Stock Company

Abbreviated business name: Rosseti PJSC

Location

Russian Federation, Moscow

INN [Taxpayer Identification Number]: 7728662669

OGRN [Primary State Registration Number]: 1087760000019

Participatory stake of the person in the authorized capital of the Issuer: 92.78%

Portion of ordinary shares of the Issuer held by the person: 93.38%

Persons controlling Issuer’s participant (shareholder)

2.1.

Full business name: Russian Federation in the person of the Federal Agency for Management of State Property

Abbreviated business name: RF represented by Federal Property Management Agency

Location

Nikolskiy lane 9, Moscow, Russian Federation, 109012

INN [Taxpayer Identification Number]: 7710723134

OGRN [Primary State Registration Number]: 1087746829994

The grounds by virtue of which the person controlling the issuer's participant (shareholder) exercises such control (participation in the legal entity that is the issuer's participant (shareholder), conclusion of a simple partnership agreement, conclusion of an assignment agreement, conclusion of a shareholders’ agreement, conclusion of other agreement, subject of which is the exercise of rights certified by shares (stakes) of a legal entity that is a participant (shareholder) of the issuer):  
RF is shareholder of Rosseti PJSC.

A sign of the exercise by the person controlling the issuer's participant (shareholder) of such control: the right to control more than 50 percent of the vote in the supreme management body of the legal entity being the issuer's participant (shareholder)

Type of control: direct control

The size of the share of such a person in the authorized (contributed) capital (unit fund) of the issuer's participant (shareholder), %: 88.04

Percentage of ordinary shares of the issuer's participant (shareholder) owned by such a person, %: 88.89

Other details indicated by the Issuer at one’s sole discretion:  
none

Other details indicated by the Issuer at one’s sole discretion:

## 6.3. Details of participatory stake of the State or a municipal unit in the authorized capital of the Issuer and of availability of a special right ("Golden Share")

Information about the persons managing state and municipal blocks of shares

No such persons

Persons who, on behalf of the Russian Federation, a constituent entity of the Russian Federation or a municipality, perform the functions of a participant (shareholder) of the issuer

Federal property

Name: Federal Agency for Management of State Property

Location: 109012, Moscow, Nikolskiy lane, 9

The size of the share of the issuer's authorized capital in state (federal, constituent entities of the Russian Federation), municipal property: 6.86

Property of the constituent entities of the Russian Federation

Full business name: Territorial State Specialized Institution “Krasnodar Territory State Property Fund"

Location: 350063, Krasnodar, Krasnaya str., 176

The size of the share of the issuer's authorized capital in state (federal, constituent entities of the Russian Federation), municipal property: 0.00014

Availability of a special right to participation of the Russian Federation, constituent entities of the Russian Federation and municipal units in management of the Issuer that is a joint-stock company ("Golden Share”) and such special right (“Golden Share”) term of validity

No such right stipulated

## 6.4. Details of restrictions on participation in the Issuer’s authorized capital

There are no restrictions on participation in the Issuer's authorized capital

## 6.5. Details of changes in the composition and the amount of participation of shareholders (participants) of the Issuer holding no less than five per cent of the Issuer's authorized capital or no less than five per cent of one’s ordinary shares

Compositions of shareholders (participants) of the Issuer holding no less than five per cent of the Issuer's authorized capital, and for joint-stock company issuers – also those holding no less than five per cent of one’s ordinary shares as determined as of the generation date of the list of persons having the right to participate in each General Meeting of Shareholders (Participants) of the Issuer having been arranged during the 5 last completed financial years preceding the reporting quarter expiry date, as well as for the period from the date of commencement of the current year and up to date of end of the reporting quarter as per the list of persons having the right to participate in each such meeting.

Date of generation of the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: 30.04.2018

List of Shareholders (Participants)

Full business name: Russian Federation in the person of the Federal Agency for Management of State Property

Abbreviated business name: RF represented by Federal Property Management Agency

Location: 109012, Moscow, Nikolskiy lane, 9

INN [Taxpayer Identification Number]: 7710723134

OGRN [Primary State Registration Number]: 1087746829994

Participatory interest of the person in the authorized capital of the Issuer, %: 7.36

Portion of the Issuer’s ordinary shares held by the person, %: 6.86

Full business name: Rosseti, Public Joint Stock Company

Abbreviated business name: Rosseti PJSC

Location: Russia, Moscow

INN [Taxpayer Identification Number]: 7728662669

OGRN [Primary State Registration Number]: 1087760000019

Participatory interest of the person in the authorized capital of the Issuer, %: 92.24

Portion of the Issuer’s ordinary shares held by the person, %: 92.78

Date of generation of the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: 24.03.2019

List of Shareholders (Participants)

Full business name: Russian Federation in the person of the Federal Agency for Management of State Property

Abbreviated business name: RF represented by Federal Property Management Agency

Location: 109012, Moscow, Nikolskiy lane, 9

INN [Taxpayer Identification Number]: 7710723134

OGRN [Primary State Registration Number]: 1087746829994

Participatory interest of the person in the authorized capital of the Issuer, %: 6.86

Portion of the Issuer’s ordinary shares held by the person, %: 6.86

Full business name: Rosseti, Public Joint Stock Company

Abbreviated business name: Rosseti PJSC

Location: Russia, Moscow

INN [Taxpayer Identification Number]: 7728662669

OGRN [Primary State Registration Number]: 1087760000019

Participatory interest of the person in the authorized capital of the Issuer, %: 92.78

Portion of the Issuer’s ordinary shares held by the person, %: 92.78

Date of generation of the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: 26.05.2019

List of Shareholders (Participants)

Full business name: Russian Federation in the person of the Federal Agency for Management of State Property

Abbreviated business name: RF represented by Federal Property Management Agency

Location: 109012, Moscow, Nikolskiy lane, 9

INN [Taxpayer Identification Number]: 7710723134

OGRN [Primary State Registration Number]: 1087746829994

Participatory interest of the person in the authorized capital of the Issuer, %: 6.86

Portion of the Issuer’s ordinary shares held by the person, %: 6.86

Full business name: Rosseti, Public Joint Stock Company

Abbreviated business name: Rosseti PJSC

Location: Russia, Moscow

INN [Taxpayer Identification Number]: 7728662669

OGRN [Primary State Registration Number]: 1087760000019

Participatory interest of the person in the authorized capital of the Issuer, %: 92.78

Portion of the Issuer’s ordinary shares held by the person, %: 92.78

Additional Information:  
No

## 6.6. Details of interested-party transactions effected by the Issuer

No such transactions effected

## 6.7. Details of the amount of accounts receivable

For 31.09.2019

Measurement Unit: thousand rubles

|  |  |
| --- | --- |
| Indicator description | Indicator value |
| Accounts receivable from buyers and customers | 7 346 048 |
| including those overdue | 2 389 035 |
| Accounts receivable under promissory notes receivable | 0 |
| including those overdue | 0 |
| Accounts receivable from participants (founders) by way of contributions to the authorized capital | 0 |
| including those overdue | 0 |
| Other accounts receivable | 945 099 |
| including those overdue | 251 634 |
| Total amount of accounts receivable | 8 291 147 |
| including the total volume of overdue receivables | 2 640 669 |

Debtors accounting for no less than 10 per cent of the total sum of accounts receivable for the specified reporting period:

Full business name: Joint Stock Company “Krasnodar Territory Independent Energy Selling Company”

Abbreviated business name: JSC NESK

Location: 350033, Krasnodar, Perepravny lane, 13, office 101

INN [Taxpayer Identification Number]: 2308091759

OGRN [Primary State Registration Number]: 1032304155102

Sum of accounts receivable: 1,578,854.47

Measurement Unit: thousand rubles

Amount and conditions of overdue accounts receivable (interest rate, penalty sanctions, surcharges):  
Overdue arrears:  
Sanctions, penalties, fines: none.

Whether the debtor is the Issuer’s affiliate: No

Full business name: Limited Liability Company “Maykop TPP”

Abbreviated business name: Maykop TPP LLC

Location: 385018, Republic of Adygea, Maykop, st. Kurgan, 708

INN [Taxpayer Identification Number]: 0107019540

OGRN [Primary State Registration Number]: 1100107001280

Sum of accounts receivable: 484,812.14

Measurement Unit: thousand rubles

Amount and conditions of overdue accounts receivable (interest rate, penalty sanctions, surcharges):  
Overdue arrears: 302,916.64 thousand rubles   
Sanctions, penalties, fines: none.

Whether the debtor is the Issuer’s affiliate: No

Full business name: TNS energo Kuban, Public Joint Stock Company

Abbreviated business name: TNS energo Kuban PJSC

Location: 350000, Krasnodar Territory, Krasnodar, Gimnazicheskaya str. 55/1

INN [Taxpayer Identification Number]: 2308119595

OGRN [Primary State Registration Number]: 1062309019794

Sum of accounts receivable: 4,526,982.57

Measurement Unit: thousand rubles

Amount and conditions of overdue accounts receivable (interest rate, penalty sanctions, surcharges):  
Overdue arrears: 244,883.6 thousand rubles   
Sanctions, penalties, fines: none.

Whether the debtor is the Issuer’s affiliate: No

# Section VII. Issuer’s accounting (financial) statements and other financial information

## 7.1. Issuer’s annual accounting (financial) statements

Not indicated in this reporting quarter

## 7.2. Issuer’s intermediate accounting (financial) statements

Accounting balance sheet

**as of 30.09.2019:**

|  |  |  |
| --- | --- | --- |
|  |  | Codes |
| Form as per OKUD [National Index of Administrative Documentation] | | **0710001** |
|  | Date | **30.09.2019** |
| Organization: **Kuban power and electrification public joint stock company** | As per OKPO [Russian National Classifier of Businesses and Organizations] | **00104604** |
| Taxpayer Identification Number | INN | **2309001660** |
| Type of activity: electric power transmission | as per OKVED [Russian National Classifier of Types of Economic Activity] | **35.12** |
| Organizational legal form/ownership form: **public joint-stock company/Private property** | As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership] | **12247 / 16** |
| Measurement Unit: **thousand rubles** | As per OKEI [Russian National Classifier of Measurement Units] | **384** |
| Location (address): **2A Stavropolskaya str., Krasnodar, Krasnodar Area, 350033 Russia.** |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Explanations | ASSETS | Line code | For 31.09.2019 | For 31.12.2018 | For 31.12.2017 |
| 1 | 2 | 3 | 4 | 5 | 6 |
|  | I. NON-CURRENT ASSETS |  |  |  |  |
|  | Intangible assets | 1110 | 108,779 | 38,621 | 33,456 |
|  | Results of researches and developments | 1120 | 70,142 | 107,450 | 69,571 |
|  | Intangible development assets | 1130 |  |  |  |
|  | Tangible development assets | 1140 |  |  |  |
|  | Fixed Assets | 1150 | 62,406,910 | 62,534,635 | 59,659,050 |
|  | Income-bearing investments in tangible valuables | 1160 |  |  |  |
|  | Financial Investments | 1170 | 37,556 | 37,556 | 36,004 |
|  | Deferred Tax Assets | 1180 | 744,282 | 764,948 | 881,948 |
|  | Other non-current assets | 1190 | 202,630 | 229,593 | 175,097 |
|  | TOTAL Section I | 1100 | 63,570,299 | 63,712,803 | 60,855,126 |
|  | II. CURRENT ASSETS |  |  |  |  |
|  | Stock | 1210 | 1,878,320 | 1,762,670 | 1,490,541 |
|  | Value added tax on valuables acquired | 1220 | 2,120 | 2,450 | 6,020 |
|  | Accounts receivable | 1230 | 8,281,147 | 7,041,684 | 6,832,606 |
|  | Financial Investments (except for cash equivalents) | 1240 |  |  |  |
|  | Cash and Cash Equivalents | 1250 | 1,839,600 | 2,194,307 | 1,667,376 |
|  | Other current assets | 1260 | 1,143,914 | 1,194,901 | 1,005,084 |
|  | TOTAL Section II | 1200 | 13,155,101 | 12,196,012 | 11,001,627 |
|  | BALANCE SHEET (assets) | 1600 | 76,725,400 | 75,908,815 | 71,856,753 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Explanations | LIABILITIES | Line code | For 31.09.2019 | For 31.12.2018 | For 31.12.2017 |
| 1 | 2 | 3 | 4 | 5 | 6 |
|  | III. CAPITAL AND RESERVES |  |  |  |  |
|  | Authorized capital (pooled capital, authorized find, partners' contributions) | 1310 | 33 387 388 | 30 379 335 | 30 379 335 |
|  | Treasury shares bought out from shareholders | 1320 |  |  |  |
|  | Revaluation of non-current assets | 1340 | 10 378 085 | 10 736 476 | 10 755 560 |
|  | Additional capital (without revaluation) | 1350 | 6 481 916 | 6 481 916 | 6 481 916 |
|  | Reserve capital | 1360 | 302 820 | 295 260 | 268 996 |
|  | Unallocated profit (uncovered loss) | 1370 | -11 799 560 | -12 654 441 | -12 476 889 |
|  | TOTAL Section III | 1300 | 38 750 649 | 35 238 546 | 35 408 918 |
|  | IV. LONG-TERM LIABILITIES |  |  |  |  |
|  | Borrowed assets | 1410 | 14 862 268 | 13 283 239 | 22 617 796 |
|  | Deferred tax liabilities | 1420 | 840 365 | 438 719 | 178 832 |
|  | Contingent Liabilities | 1430 |  |  |  |
|  | Other liabilities | 1450 | 1 441 061 | 1 248 675 | 989 505 |
|  | TOTAL Section IV | 1400 | 17 143 694 | 14 970 633 | 23 786 133 |
|  | V. SHORT-TERM LIABILITIES |  |  |  |  |
|  | Borrowed assets | 1510 | 7 802 319 | 11 395 279 | 91 064 |
|  | Accounts payable | 1520 | 11 648 912 | 12 812 433 | 11 019 865 |
|  | Incomes of future periods | 1530 | 116 044 | 123 239 | 126 616 |
|  | Contingent Liabilities | 1540 | 1 247 991 | 1 348 029 | 1 399 272 |
|  | Other liabilities | 1550 | 15 791 | 20 656 | 24 885 |
|  | TOTAL Section V | 1500 | 20 831 057 | 25 699 636 | 12 661 702 |
|  | BALANCE SHEET (liabilities) | 1700 | 76 725 400 | 75 908 815 | 71 856 753 |

Report on the financial outcomes

**for the period of January – September, 2019**

|  |  |  |
| --- | --- | --- |
|  |  | Codes |
| Form as per OKUD [National Index of Administrative Documentation] | | **0710002** |
|  | Date | **30.09.2019** |
| Organization: **Kuban power and electrification public joint stock company** | As per OKPO [Russian National Classifier of Businesses and Organizations] | **00104604** |
| Taxpayer Identification Number | INN | **2309001660** |
| Type of activity: electric power transmission | as per OKVED [Russian National Classifier of Types of Economic Activity] | **35.12** |
| Organizational legal form/ownership form: **public joint-stock company/Private property** | As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership] | **12247 / 16** |
| Measurement Unit: **thousand rubles** | As per OKEI [Russian National Classifier of Measurement Units] | **384** |
| Location (address): **2A Stavropolskaya str., Krasnodar, Krasnodar Area, 350033 Russia.** |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Explanations | Indicator description | Line code | For the 9 months of 2019 | For the 9 months of 2018 |
| 1 | 2 | 3 | 4 | 5 |
|  | Proceeds | 2110 | 35,686,418 | 34,766,960 |
|  | Prime cost of sales | 2120 | -31,240,640 | -30,029,996 |
|  | Gross profit (loss) | 2100 | 4,445,778 | 4,736,964 |
|  | Commercial expenses | 2210 |  |  |
|  | Managerial expenses | 2220 | -117,870 | -86,378 |
|  | Sales profit (loss) | 2200 | 4,327,908 | 4,650,586 |
|  | Incomes from participation in other organizations | 2310 | 635 | 9,068 |
|  | Interest receivable | 2320 | 39,430 | 45,142 |
|  | Interest payable | 2330 | -1,499,913 | -1,441,701 |
|  | Other Income | 2340 | 1,476,449 | 1,343,478 |
|  | Other expenses | 2350 | -2,944,301 | -2,835,205 |
|  | Profit (loss) before tax | 2300 | 1,400,208 | 1,771,368 |
|  | Current Corporate Income Tax | 2410 | -322,944 | -563,544 |
|  | Including constant tax liabilities (assets) | 2421 | 452,836 | 453,907 |
|  | Changes in deferred tax liabilities | 2430 | -401,930 | -194,495 |
|  | Changes in deferred tax assets | 2450 | -8,004 | -50,142 |
|  | Other | 2460 | -20,161 | -51,913 |
|  | Net profit (loss) | 2400 | 647,169 | 911,274 |
|  | FOR REFERENCE: |  |  |  |
|  | Results of revaluation of non-current assets not included into net profit (loss) of the period | 2510 | 0 | 0 |
|  | Results of other operations not included into net profit (loss) of the period | 2520 | 0 | 0 |
|  | Aggregate financial result of the period | 2500 | 647,169 | 911,274 |
|  | Base profit (loss) per share | 2900 | 2.13 | 3 |
|  | Diluted profit (loss) per share | 2910 | 2.13 | 3 |

## 7.3. Issuer’s consolidated financial statements

The Issuer voluntarily prepares interim consolidated financial statements in accordance with International Financial Reporting Standards or other internationally recognized rules other than IFRS

2019, 6 months – IFRS/GAAP

Reporting period

Year: 2019

Quarter: II

Standards (rules) in accordance with which the consolidated financial statements are developed, being disclosed in this paragraph of the quarterly report

IFRS

Information is provided in the appendix to this quarterly report.

The consolidated financial statements of the group of companies of Kubanenergo PJSC is prepared quarterly in accordance with IFRS since 01.01.2017.

## 7.4. Details of the Issuer’s accounting policy

There were no changes in the contents of information of this paragraph in the reporting quarter

## 7.5. Details of the total sum of export and of the portion of export in the total volume of sales

The Issuer is not engaged in export of products (commodities, works, services).

## 7.6. Details of material changes having occurred in the composition of the Issuer's real property after the last completed reporting year expiry date

Details of substantial changes in the Issuer's property composition having occurred within 12 months before the reporting quarter expiry date

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Transmission device

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Overhead lines 220 kV Taman-Port 1 circuit

Grounds for the change: Putting into Operation

Change date: 15.05.2019

Price of the acquired property: 925,391.167

Measurement Unit: thousand rubles

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Transmission device

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Overhead lines 220 kV Taman-Port 2 circuit

Grounds for the change: Putting into Operation

Change date: 15.05.2019

Price of the acquired property: 925,391.167

Measurement Unit: thousand rubles

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Transmission device

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Overhead lines 110 kV Vyshesteblievskaya-Port No. 1 with a branch-line to SS 110 kV Volna

Grounds for the change: Putting into Operation

Change date: 15.05.2019

Price of the acquired property: 77,444.615

Measurement Unit: thousand rubles

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Transmission device

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Overhead lines 110 kV Vyshesteblievskaya-Port No. 2 with a branch-line to SS 110 kV Volna

Grounds for the change: Putting into Operation

Change date: 15.05.2019

Price of the acquired property: 77,444.615

Measurement Unit: thousand rubles

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: transmission device

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Overhead lines 110 kV Vyshesteblievskaya 220 – Vyshesteblievskaya traction

Grounds for the change: Putting into Operation

Change date: 28.06.2019

Price of the acquired property: 100,110.019

Measurement Unit: thousand rubles

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Transmission device

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Overhead lines 110 kV Port – Port traction

Grounds for the change: Putting into Operation

Change date: 28.06.2019

Price of the acquired property: 138,253.293

Measurement Unit: thousand rubles

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Transmission device

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Overhead lines 110 kV Port traction – Vyshesteblievskaya traction

Grounds for the change: Putting into Operation

Change date: 28.06.2019

Price of the acquired property: 347,565.092

Measurement Unit: thousand rubles

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Transmission device

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Cable lines 110 kV Eastern industrial area – OBD

Grounds for the change: Putting into Operation

Change date: 30.09.2019

Price of the acquired property: 118,162.504

Measurement Unit: thousand rubles

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Transmission device

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Cable lines 110 kV Eastern industrial area – Northern

Grounds for the change: Putting into Operation

Change date: 30.09.2019

Price of the acquired property: 119,528.67

Measurement Unit: thousand rubles

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Transmission device

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Cable lines 110 Krasnodar TPP – Eastern industrial area

Grounds for the change: Putting into Operation

Change date: 30.09.2019

Price of the acquired property: 118,343.299

Measurement Unit: thousand rubles

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Transmission device

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Cable lines 110 kV Eastern industrial area – ZIP

Grounds for the change: Putting into Operation

Change date: 30.09.2019

Price of the acquired property: 119,055.479

Measurement Unit: thousand rubles

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Buildings (except for residential)

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: 220 kV substation building, Port

Grounds for the change: Putting into Operation

Change date: 13.09.2019

Price of the acquired property: 688,517.025

Measurement Unit: thousand rubles

Contents of the change: Acquisition of the issuer's property

Type of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Buildings (except for residential)

Brief description of property (real estate object) that has dropped out of the (acquired in composition) of the issuer's property composition: Checkpoint building

Grounds for the change: Putting into Operation

Change date: 13.09.2019

Price of the acquired property: 191,264.769

Measurement Unit: thousand rubles

Additional Information:  
No

## 7.7. Details of the Issuer’s participation in judicial trials if such participation may substantially affect the Issuer’s financial and business activity

***Information on the issuer's participation in litigations as a plaintiff during 2018 and 9 months of 2019:***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Litigant** | **Case number** | **Object of dispute** | **Amount of debt**  **(thousand rubles)** | **Procedural  event, result** |
| JSC NESK | А32-12945/2018 | debt collection (disagreement regarding points of LLC Energosystems and LLC VT-Resource) | 21,618.80 | The proceedings were terminated due to the waiver of the claim |
| А32-6135/2017 | debt collection | 108,485.84 |
| А32-13291/2017 | 22,032.68 |
| А32-7779/2018 | debt collection (disagreement regarding points of LLC Energosystems and LLC VT-Resource) | 91,033.46 | The proceedings were terminated due to the waiver of the claim |
| А32-19494/2018 | 21,484.50 | The proceedings were terminated due to the waiver of the claim |
| PMT KT Kubanvod  complex | А32-5254/2018 | debt collection under the service provision agreement for electricity transmission and forfeit | 46,082.13 | Completed, settlement offer was concluded |
| А32-11926/2018 | 22,587.18 | Completed, lawsuit is settled |
| А32-27916/2018 | 42,397.83 |
| А32-41155/2018 | 25,891.72 |
| А32-4631/2018 | 26,185.83 | Completed, settlement offer was concluded |
| No. А32-333/2019 | 22,798.33 | The proceedings were terminated due to the waiver of the claim |
| А32-5068/2019 | 3,794.23 | Completed, lawsuit is settled |
| А32-14439/2019 | 42,095.17 | Completed, lawsuit is settled |
| А32-27494/2019 | 20,400.25 | Completed, lawsuit is settled |
| А32-31517/2019 | 19,903.12 | Judicial sitting is appointed on 23.10.2019 |
| А32-39073/2019 | 19,727.33 | Summary procedure |
| Municipal unitary enterprise Rayvodokanal | А32-986/2018 | debt collection under the service provision agreement for electricity transmission and forfeit  debt collection under the service provision agreement for electricity transmission | 23,042.44 | Case hearing is completed, lawsuit is settled |
| Maykop TPP LLC | А01-263/2016 | 318,198.95 |
| А01-1058/2017 | 51031.078 |
| А01-1449/2017 | 49,591.92 |
| А01-1813/2017 | 48,439.98 |
| А01-2344/2017 | 46,147.55 |
| А01-2713/2017 | 44266.13 |
| А01-223/2018 | 11,666.86 | Case hearing is completed, lawsuit is partially settled |
| А01-1082/2018 | 257,569.23 | Case hearing is completed, lawsuit is settled |
| А01-1254/2018 | forfeit under the service agreement for power supply | 2,730.11 | Case hearing is completed, lawsuit is settled |
| А01-1558/2018 | 2,186.18 |
| А01-1800/2018 | debt collection under the service provision agreement for electricity transmission and forfeit | 47,866.99 |
| А01-2113/2018 | forfeit under the service agreement for power supply | 1,949.37 |
| А01-2406/2018 | 1,910.44 |
| А01-2995/2018 | debt collection under the service provision agreement for electricity transmission and forfeit | 33,742.56 |
| А01-3294/2018 | 48,993.71 |
| А01-3529/2018 | 53,692.95 | Lawsuit is partially settled, court of appeal session is appointed on 05.12.2019 |
| А01-779/2019 | 52,864.94 | Lawsuit is partially settled, court of appeal session is appointed on 28.11.2019 |
| А01-292/2019 | 50,739.68 | Lawsuit is settled, court of appeal session is appointed on 14.11.2019 |
| А01-994/2019 | 51,037.10 | Lawsuit is partially settled, court of appeal session is appointed on 02.12.2019 |
| TNS energo Kuban PJSC | А32-39069/2016 | 69,112.90 | Judicial sitting is appointed on 26.11.2019 |
| А32-5031/2017 | 79,742.40 | Judicial sitting is appointed on 28.11.2019 |
| А32-3730/2017 | 100,187.61 | Case hearing is completed, lawsuit is settled |
| А32-1936/2017 | 148,359.11 |
| А32-12243/2018 | forfeit under the service agreement for power supply | 35,632.16 |
| А32-21123/2018 | debt collection for electricity transmission services and fines | 147,545.35 | The case is submitted for new review. Judicial sitting is appointed on 12.11.2019 |
| А32-25526/2018 | debt collection under the service provision agreement for electricity transmission and forfeit | 33,459.96 | Suspended |
| А32-35319/2018 | forfeit under the service agreement for power supply | 23,101.19 | Process is complete, lawsuit is settled |
| А32-32018/2018 | debt collection under the service provision agreement for electricity transmission and forfeit | 47,878.07 | Judicial sitting is appointed on 26.11.2019 |
| А32-35398/2018 | 61,853.88 | Suspended |
| А32-41040/2018 | 37,848.96 | Case hearing is completed, lawsuit is settled |
| А32-41170/2018 | 23,306.08 | Suspended |
| А32-45016/2018 | 37,816.68 | Case hearing is completed, lawsuit is settled |
| А32-49421/2018 | 1,548,365.15 | Settlement offer was concluded |
| А32-14388/2019 | 68,094.32 | Judicial sitting is appointed on 09.12.2019 |
| А32-21256/2019 | 94,067.17 | Judicial sitting is appointed on 07.11.2019 |
| А32-23846/2019 | disagreements on the off-the-meter consumption | 37,719.26 | Judicial sitting is appointed on 25.11.2019 |
| А32-27396/2019 | forfeit | 25,443.15 | Judicial sitting is appointed on 29.10.2019 |
| А32-29668/2019 | debt collection under the service provision agreement for electricity transmission and forfeit | 749,857.48 | Judicial sitting is appointed on 13.11.2019 |
| А32-35200/2019 | forfeit under the service agreement for power supply | 31,855.37 | Judicial sitting is appointed on 21.11.2019 |
| А32-41286/2019 | forfeit under the service agreement for power supply | 24,505.12 | Judicial sitting is appointed on 20.11.2019 |
| А32-42369/2019 | debt collection under the service provision agreement for electricity transmission and forfeit | 66,802.25 | Judicial sitting is appointed on 19.11.2019 |
| Administrative Department of the President of the Russian Federation | А40-44630/2018 |  | 239,257.21 | Case hearing is completed, lawsuit is rejected |

***Information on the issuer's participation in litigations as a litigant during 2018 and 9 months of 2019:***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Litigant** | **Case number** | **Object of dispute** | **Amount of debt**  **(thousand rubles)** | **Procedural  event, result** |
| JSC Oboronenergo | А32-15917/2018 | debt collection for electricity transmission services and fines | 32,092.78 | Case hearing is completed, lawsuit is settled |
| А32-16484/2017 | 35,562.37 |
| А32-15921/2018 | 27,694.55 |
| А32-9127/2018 | 39,190.79 |
| А32-25453/2018 | 5,235.97 |
| А32-28628/2018 | 34,631.49 | Case hearing is completed, lawsuit is settled |
| JSC Energosystems | А32-28703/2018 | debt collection for electricity transmission services | 23,791.07 | Judicial sitting is appointed on 11.11.2019 |
| А32-17031/2018 | 15,272.69 | Judicial sitting is appointed on 11.11.2019 |
| OJSC Novorossiysk commercial seaport | А32-19558/2017 | 46,951.64 | Case hearing is completed, lawsuit is settled |
| OJSC Energokom | А32-21182/2018 | 22,543.00 | Judicial sitting is appointed on 12.11.2019 |
| OJSC NTT-Center | А32-9963/2017 | collection of debt on rent for 34 diesel generator sets and 8 low-noise silencers (hereinafter referred to as DGU), and interest on borrowed assets | 1,465,495.44 | Process is complete, the lawsuit is rejected |
| TNS energo Kuban PJSC | А32-377/2017 | collection of debts (energy losses) | 36,625.43 | Case hearing is suspended |
| А32-16866/2017 | 60,685.22 | Judicial sitting is appointed on 10.12.2019 |
| А32-16867/2017 | 94,025.74 | Case hearing is completed, lawsuit is settled |
| А32-33976/2017 | 101,698.05 | Judicial sitting is appointed on 12.11.2019 |
| А32-2662/2018 | 2,258.36 | The proceedings were terminated due to the waiver of the claim |
| А32-2665/2018 | 126,683.02 | Judicial sitting is appointed on 13.11.2019 |
| А32-2663/2018 | 111,310.06 |
| А32-2661/2018 | 236,085.25 |
| А32-2667/2018 | 10,894.35 | Case hearing is completed, lawsuit is rejected |
| А32-1878/2018 | 318,702.09 | Case hearing is completed, lawsuit is settled |
| А32-38054/2017 | 93,583.13 | Judicial sitting is appointed on 02.12.2019 |
| А32-44422/2018 | collection of interests and fines under the service provision agreement for electricity transmission | 151,987.56 | Judicial sitting is appointed on 18.11.2019 |

# Section VIII. Additional details of the Issuer and of issue-grade securities placed by one

## 8.1. Additional details of the Issuer

## 8.1.1. Details of the amount and structure of authorized capital of the Issuer

Amount of the Issuer’s authorized capital as of the reporting quarter expiry date, rub.: 30 379 335 000

Ordinary Shares

Total nominal value: 30,379,335,000

Amount of stake in the authorized capital, %: 100

Privileged:

Total nominal value: 0

Amount of stake in the authorized capital, %: 0

Information on compliance of the amount of the authorized capital presented in this paragraph with the constituent documents of the issuer is indicated:  
Amount of authorized capital, presented in this point, complies with the Issuer Charter.

## 8.1.2. Details of changes in the amount and structure of authorized capital of the Issuer

In the event if during the last completed financial year preceding the end date of the reporting quarter, as well as during the period from the beginning of the current year to the end of the reporting quarter, there was a change in the size of the issuer's authorized capital, it shall be specified for each fact of the changes:

Date of the authorized capital amount changes: 10.10.2018

Amount of the authorized capital before the changes (RUB): 28 286 813 000

Structure of the authorized capital before the changes

Ordinary Shares

Total nominal value: 28,286,813,000

Amount of stake in the authorized capital, %: 100

Privileged:

Total nominal value: 0

Amount of stake in the authorized capital, %: 0

Amount of the authorized capital after the changes (RUB): 30,379,335,000

Structure of the authorized capital after the changes

Ordinary Shares

Total nominal value: 30,379,335,000

Amount of stake in the authorized capital, %: 100

Privileged:

Total nominal value: 0

Amount of stake in the authorized capital, %: 0

Name of the management body of the Issuer having taken decision on change of the Issuer's authorized capital: Issuer’s General Meeting of Shareholders

Generation date of the minutes of the meeting (session) of the management body of the Issuer having taken decision on change of the Issuer's authorized capital: 21.09.2016

Minutes No.: 38

## 8.1.3. Details of the procedure of convention and arrangement of a meeting (session) of the Supreme Management Body of the Issuer

Name of the Supreme Management Body of the Issuer: General Meeting of Shareholders

Procedure of notifying shareholders (participants) of arrangement of a meeting (session) of the Supreme Management Body of the Issuer:  
***A notice on holding the General Meeting of Shareholders is posted on the Company's website at: www.kubanenergo.ru no later than 30 (thirty) days before the date of the event, and in cases envisaged by the paragraphs 2 and 8 of the article 53 of the Federal Law "On Joint-Stock Companies" – not later than 50 (fifty) days before the date of the General Meeting of Shareholders.***

***The text of the notice of the General Meeting of Shareholders by the decision of the Board of Directors may be additionally sent in electronic format to those shareholders of the Company who have provided the Company or the registrar with information about the email addresses to which such messages can be sent.***

Persons (bodies) entitled to convene (claim arrangement of) the extraordinary meeting (session) of the Issuer's Supreme Management Body as well as such claims forwarding (launch):  
***The extraordinary General Meeting of Shareholders is arranged by decision of the Board of Directors of the Company on their own initiative, upon request of the Auditing Commission of the Company, Auditor of the Company or a shareholder(s) holding at least 10 (ten) per cent of the Company’s voting shares stock as such request date.***

***A request for arrangement of the extraordinary General Meeting of Shareholders shall contain a formulation of the issues to be included in the meeting agenda.***

***The person(s) requesting convention of the extraordinary General Meeting of Shareholders of the Company is entitled to submit a draft decision to be taken by the extraordinary General Meeting of Shareholders of the Company and a proposal on the form of arrangement of the General Meeting of Shareholders. If the request to assembly an extraordinary General Meeting of Shareholders contains a proposal to nominate candidates, then relevant provisions of Article 13 of the Charter of the Company shall apply to such a proposal.***

***If the request for convention of the extraordinary General Meeting of Shareholders of the Company has been initiated by a shareholder(s) it shall feature indication of the name (registered name) of the of the shareholder(s) requesting convention of the meeting as well as of the quantity and categories (types) of the Company’s shares as such shareholder(s) may hold.***

***The request for convention of the extraordinary General Meeting of Shareholders of the Company is signed by the person (s) requesting convention of the extraordinary General Meeting of Shareholders of the Company.***

Procedure for determination of the arrangement date of the meeting (session) of the Issuer's Supreme Management Body:  
***The annual General Meeting of Shareholders is held no earlier than in two months and no later than six months after the end of the reporting year.***

***An extraordinary General Meeting of Shareholders assembled at the request of the Audit Commission, Company’s auditor or shareholders (shareholder) holding at least 10 percent of the Company's voting shares must be held within 40 days from the date of the request to hold an extraordinary General Meeting of Shareholders.***

***If the proposed agenda of the extraordinary General Meeting of Shareholders contains the issue of electing members of the Company Board of Directors, such a General Meeting of Shareholders should be held within 75 days from the date of the request for an extraordinary General Meeting of Shareholders.***

Persons entitled to propose on the agenda of the meeting (session) of the Issuer's Supreme Management Body as well such proposals offering procedure:  
***Shareholder(s) of the Company holding, in total, at least 2 (two) per cent of the Company’s voting shares stock is/are entitled to move issues for inclusion in the agenda of the annual General Meeting of Shareholders and to nominate candidates to the Board of Directors of the Company and the Auditing Commission of the Company in a number not in excess of that of members of the corresponding body. Such proposals shall be submitted to the Company no later than within 60 (sixty) days upon expiry of the financial year.***

***A proposal on inclusion of issues in the agenda of the General Meeting of Shareholders and a proposal on nomination of candidates are offered in writing featuring indication of the name(s) (registered name(s)) of the shareholder(s) offering them and of the quantity and categories (types) of the shares as such shareholder(s) or their representatives may hold.***

***Shareholder(s) of the Company that are not registered in the register of shareholders of the Company are entitled to submit proposals to the agenda of the General Meeting of Shareholders and proposals to nominate candidates also by giving appropriate instruction(s) to a person who takes into account their rights to shares. Such instruction(s) are given in accordance with the requirements of the legislation of the Russian Federation on securities.***

***A proposal on inclusion of issues in the agenda of the General Meeting of Shareholders shall contain a formulation of each issue proposed while a proposal on nomination of candidates hall contain the name and identity document details (series and (or) number of the document, date and place of issue and name of issuing authority) of each nominated candidate and the name of the body whereto the candidate is nominated.***

Persons entitled to familiarize themselves with information (materials) provided for preparation for and arrangement of a meeting (session) of the Issuer’s Supreme Management Body as well as the procedure of familiarization with such information (materials):  
***Information (materials) on issues of the agenda of the General Meeting of Shareholders shall be made available to persons having the right to participate in the General Meeting of Shareholders for familiarization on the premises of the Executive Body of the Company or at other places addresses whereof are specified in the notice of arrangement the General Meeting of Shareholders within a period of 20 (Twenty) days, or, in case of arrangement of a General Meeting of Shareholders agenda whereof contains the Company reorganization issue – of 30 (Thirty) days prior to arrangement of the General Meeting of Shareholders, as well as published at the Company website at: www.kubanenergo.ru. The above information (materials) shall be available to the persons participating in the General Meeting of Shareholders during the Meeting arrangement. Moreover, the Company seeks to ensure the availability of materials for the General Meeting of Shareholders no less than 30 days before the date of its holding.***

***The procedure for persons having the right to participate in the General Meeting of Shareholders to familiarize themselves with information (materials) on issues of the agenda of the General Meeting of Shareholders and the list of such information (materials) are determined by decision of the Board of Directors of the Company.***

Procedure of publication of decisions taken by the Issuer's Supreme Management Body as well as of voting results (their communication to the Issuer shareholders (participants)):  
***Decisions adopted by the General Assembly Meeting of Shareholders and the voting results shall be brought to the attention of persons included in the list of persons entitled to participate in the General Assembly Meeting of Shareholders in the form of a Report on the voting results according to the procedures envisaged for notifying the General Meeting of Shareholders, no later than four business days after the deadline for the receipt of ballots during the General Meeting of Shareholders in the form of absentee voting.***

***If on the date of determination (fixing) of persons having the right to participate in the General Meeting of Shareholders, the person registered in the register of shareholders of the Company was a holder of nominal shares, the information contained in the report on the voting results shall be provided to the holder of nominal shares in accordance with the procedures of legislation of the Russian Federation on Securities to provide information and materials to persons exercising rights to securities.***

## 8.1.4. Details of commercial organizations wherein the Issuer holds not less than five per cent of the authorized capital or not less than five per cent of ordinary shares stock

List of commercial organizations wherein the Issuer holds not less than five per cent of the authorized (pooled) capital (co-op share fund) or not less than five per cent of ordinary shares stock

1. Full business name: Energoservice of Kuban, Joint Stock Company

Abbreviated business name: Energoservice of Kuban, JSC

Location

350080, Russia, Krasnodar, Novorossiyskaya str., 47

INN [Taxpayer Identification Number]: 2312178191

OGRN [Primary State Registration Number]: 1112312000536

Issuer's share in the authorized capital of a commercial organization: 100%

Percentage of ordinary shares held by the issuer in such joint stock company: 100%

Participatory stake of the person in the authorized capital of the Issuer: 0%

Portion of ordinary shares of the Issuer held by the person: 0%

2. Full business name: Energetik Holiday Facility, Joint Stock Company

Abbreviated business name: VH Energetik JSC

Location

Russia, 353490, Krasnodar Territory, Gelendzhik, Divnomorskoye Settlement, Pionerskaya str. 4

INN [Taxpayer Identification Number]: 2304041820

OGRN [Primary State Registration Number]: 1042301876495

Issuer's share in the authorized capital of a commercial organization: 100%

Percentage of ordinary shares held by the issuer in such joint stock company: 100%

Participatory stake of the person in the authorized capital of the Issuer: 0%

Portion of ordinary shares of the Issuer held by the person: 0%

## 8.1.5. Details of substantial transactions effected by the Issuer

No such transactions effected within the above period

## 8.1.6. Details of credit ratings of the Issuer

There were no changes in the contents of information of this paragraph in the reporting quarter

## 8.2. Details of each category (type) of the Issuer's shares

Shares category: Ordinary

Nominal value of each share (RUB): 100

Quantity of shares in circulation (quantity of shares not redeemed or cancelled): 303,793,350

The number of additional shares that may be placed or are in the process of placement (the number of shares of the additional issue, the state registration of which has been carried out, but in relation to which the state registration of the report on the results of the additional issue has not been carried out or a notification on the results of the additional issue has not been submitted, if in accordance with the Federal Law “On the Securities Market”, the state registration of the report on the results of the additional issue of shares is not carried out): 37,477,392

Quantity of declared shares: 173,513, 887

Quantity of shares received (at the balance sheet) of the issuer: 0

Quantity of additional shares that may be placed as a result of conversion of placed securities convertible into shares or as a result of fulfillment of liabilities under the Issuer’s options: 0

Issues of shares of the said category (type):

|  |  |
| --- | --- |
| State registration date: | State registration number of the issue |
| 08.07.2003 | 1-02-00063-А |
| 18.07.2019 | 1-02-00063-А |

Rights granted to holders of the shares:  
***In accordance with Clause 6.2 of the Issuer's Charter, an equal scope of rights shall be granted to the holder of each ordinary share of the Company.***

***1) participate in the General Meeting of Shareholders (personally or by proxy) with right of vote on all issue referred to the Meeting competence.***

***2) propose on the agenda of the General Meeting of Shareholders in accordance with the procedure stipulated by the Russian Federation legislation and this Charter;***

***3) obtain information on the Company's activity and access the Company’s documents in accordance with Article 91 of Federal Law "On Joint-Stock Companies", other regulatory legal instruments and this Charter;***

***4) receive dividend announced by the Company;***

***5) on a preferential basis acquire shares and issue-grade securities convertible into shares that are being placed by way of subscription in amounts proportional to the quantity of ordinary shares one holds in cases stipulated by the Russian Federation legislation;***

***6) receive a part of the Company's properties in case of the Company liquidation;***

***7) appeal the decisions of the management bodies of the Company, entailing civil law consequences, in cases and in the manner prescribed by the legislation of the Russian Federation;***

***8) demand compensation for losses incurred by the Company;***

***9) go against the transactions made by the Company on the grounds provided for by the legislation of the Russian Federation and demand application of consequences of their invalidity, as well as application of consequences of the invalidity of minor transactions of the Company;***

***10) conclude an agreement between each other, as well as with the creditors of the Company and other third parties, on the exercise of corporate rights (corporate agreement);***

***11) exercise other rights stipulated by the Russian Federation legislation and the Charter.***

Other details of the shares indicated by the Issuer at one’s sole discretion:  
***Information on the placement of shares of the issuer's additional issue registered by the Bank of Russia on 07/18/2019 is disclosed at:***  [***http://kubanenergo.ru/***](http://kubanenergo.ru/)  ***and***  [***http: //www.e-disclosure.ru / portal / company.aspx? id = 2827***](http://www.e-disclosure.ru/portal/company.aspx?id=2827) ***.***

## 8.3. Details of previous issues of the Issuer’s issue-grade securities other than the Issuer’s shares

## 8.3.1. Details of issues all securities whereof have been redeemed

There were no changes in the contents of information of this paragraph in the reporting quarter

## 8.3.2. Details of issues all securities whereof have not been redeemed

Kind of securities: stock obligations/commercial bonds

Form of securities: Documentary pay-to bearer

Series: 001Р-02

Other identification characteristics of the securities: with mandatory centralized custody

Issue of securities was not subject to state registration: Yes

Issue ID number: 4B02-02-00063-A-001P

Date of assignment of the ID number: 10.11.2015

Authority assigning ID number: CJSC “MICEX SE”

Quantity of securities in the issue, pcs: 3,400,000

Volume of issue of securities at nominal value, rub: 3,400,000,000

Nominal, rub.: 1,000

In accordance with the legislation of the Russian Federation, the presence of a nominal value for this type of securities is not provided: No

Condition of securities of the issue: are in circulation

State registration of the report on the results of the issue is not implemented: Yes

The number of interest (coupon) periods for which the payment of income (coupons, interest) on securities of the issue is carried out: 20

Term (date) of redemption of the issue securities: 11.11.2025

To be precise: Yes

Internet page address on which the text of the decision on the issue of securities and the prospectus of securities is published: www.e-disclosure.ru/portal/company.aspx?id=2827; http://kubanenergo.ru/aktsioneram-i-investoram/emissiya-obligatsiy/emissiya-2015-g/emissionnaia-dokymentazia/

Whether additional issues of securities were carried out: No

No unfulfilled liabilities on securities

Kind of securities: stock obligations/commercial bonds

Form of securities: Documentary pay-to bearer

Series: 001Р-01

Other identification characteristics of the securities: with mandatory centralized custody

Issue of securities was not subject to state registration: Yes

Issue ID number: 4B02-01-00063-A-001P

Date of assignment of the ID number: 10.11.2015

Authority assigning ID number: CJSC "MICEX SE”

Quantity of securities in the issue, pcs: 3,600,000

Volume of issue of securities at nominal value, rub: 3,600,000,000

Nominal, rub.: 1,000

In accordance with the legislation of the Russian Federation, the presence of a nominal value for this type of securities is not provided: No

Condition of securities of the issue: are in circulation

State registration of the report on the results of the issue is not implemented: Yes

The number of interest (coupon) periods for which the payment of income (coupons, interest) on securities of the issue is carried out: 20

Term (date) of redemption of the issue securities: 21.11.2025

To be precise: Yes

Internet page address on which the text of the decision on the issue of securities and the prospectus of securities is published: www.e-disclosure.ru/portal/company.aspx?id=2827; http://kubanenergo.ru/aktsioneram-i-investoram/emissiya-obligatsiy/emissiya-2015-g/emissionnaia-dokymentazia/

Whether additional issues of securities were carried out: No

No unfulfilled liabilities on securities

## 8.4. Information about the person (s) that provided security for the issuer's bonds with security, as well as about the security provided for the issuer's bonds with security

The issuer did not register the prospectus of secured bonds; admission to organized trading of exchange-traded bonds was not made

## 8.4.1. Additional information on mortgage coverage on the issuer's bonds with mortgage coverage

The Issuer failed to place mortgage-backed bonds liabilities whereunder have not been fulfilled as yet

## 8.4.2. Additional information on collateralized monetary claims on the issuer's bonds with collateralized monetary claims

The Issuer failed to place bonds with collateralized monetary claims whereunder have not been fulfilled as yet

## 8.5. Details of organizations accounting for rights to the Issuer's issue-grade securities

Details of Registrar

Full business name: Joint Stock Company Independent Registrar Company R.O.S.T.

Abbreviated business name: JSC NRK-ROST

Location: Moscow, Stromynka str., 18, Block 13

INN [Taxpayer Identification Number]: 7726030449

OGRN [Primary State Registration Number]: 1027739216757

Details of license for engagement in activity for maintenance of a register of securities holders

No.: 045-13976-000001

Date of issue 03.12.2002

Expiry date:

Perpetual

Name of the body having issued the license: Federal Commission for the Securities Market (Federal Financial Markets Service) of Russia

Date wherefrom Registrar has maintained the register of the Issuer's securities holders: 16.12.2010

The issuer's documentary securities with mandatory centralized custody are in circulation

Depositaries

Full business name: Non-Banking Credit Organization National Settlement Depository Joint-Stock Company

Abbreviated business name: NKO AO NRD

Location: Moscow, Spartakovskaya str., 12,

INN [Taxpayer Identification Number]: 7702165310

OGRN [Primary State Registration Number]: 1027739132563

Details on the license of a professional participant in the securities market for depository activities

No.: 045-12042-000100

Date of issue 19.02.2009

Expiry date:

Perpetual

Name of the body having issued the license: Federal Financial Markets Service of Russia

## 8.6. Details of legislative instruments regulating the issues of capital import and export that may affect payment of dividend, interests and other charges due to non-residents

1. The tax code of the Russian Federation (part one of 07/31/1998 N 146-FZ, part two of 08/05/2000 N 117-FZ).  
2. The Federal Law "On Joint-Stock Companies" dated 12/26/1995 No. 208-FZ.  
3. The Federal Law "On Currency Regulation and Currency Control" dated December 10, 2003 No. 173-FZ.  
4. Federal Law “On the Securities Market” of 04.22.1996 No. 39-FZ.  
5. Federal Law “On the Central Bank of the Russian Federation (Bank of Russia)” dated July 10, 2002 No. 86-FZ.  
6. Federal Law No. 2001-FZ “On countermeasures against legalization (laundering) of incomes received in a criminal way and against terrorism funding" dated August 07, 2001.  
7. Federal Law No. 160-FZ “On foreign investments in the Russian Federation” dated July 9, 1999.  
8. Federal Law No. 1999-FZ “On investment activity in the Russian Federation carried out in the form of foreign capital investments" dated February 25, 02.  
9. Federal Law “On the Protection of the Rights and Legal Interests of Investors in the Securities Market” dated March 5, 1999 No. 46-FZ.  
10 Decree of the President of the Russian Federation “On improving the work of the banking system of the Russian Federation” dated June 10, 1994 No. 1184.  
11 Decree of the President of the Russian Federation “On the activities of foreign banks and joint banks with the participation of funds of non-residents in the territory of the Russian Federation” dated November 17, 1993, No. 1924.  
12. The Regulation on the opening by the Bank of Russia of bank accounts of non-residents in the currency of the Russian Federation and conducting operations on these accounts, approved by the Bank of Russia on 05.04.2005 No. 269-P.  
13. International treaties of the Russian Federation on avoidance of double taxation.  
14 The Bank of Russia Instruction “On the Procedure for Submission by Residents and Non-Residents to Authorized Banks of Supporting Documents and Information Relating to Currency Transactions, Procedure for Processing Transaction Passports, as well as Procedure for Accounting and Control of Currency Transactions by Authorized Banks” dated 04/06/2012. No. 138-I.   
15 Other legal acts of the Russian Federation.

## 8.7. Details of announced (accrued) and (or) paid dividend on the Issuer’s shares as well as of incomes from the Issuer’s bonds

## 8.7.1. Information on declared and paid dividends on the issuer's shares

Information for the last five completed reporting years or for each completed reporting year, if the issuer has been operating for less than five years, as well as for the period from the start date of the current year to the end date of the reporting quarter

|  |  |
| --- | --- |
| Indicator description | Indicator value for respective reporting period – 2008, |
| No decision on payment by the issuer of dividends was made during the specified period | |

|  |  |
| --- | --- |
| Indicator description | Indicator value for respective reporting period – 2009, |
| No decision on payment by the issuer of dividends was made during the specified period | |

|  |  |
| --- | --- |
| Indicator description | Indicator value for respective reporting period – 2010, |
| No decision on payment by the issuer of dividends was made during the specified period | |

|  |  |
| --- | --- |
| Indicator description | Indicator value for respective reporting period – 2011, |
| No decision on payment by the issuer of dividends was made during the specified period | |

|  |  |
| --- | --- |
| Indicator description | Indicator value for respective reporting period – 2012, |
| No decision on payment by the issuer of dividends was made during the specified period | |

|  |  |
| --- | --- |
| Indicator description | Indicator value for respective reporting period – 2013, |
| No decision on payment by the issuer of dividends was made during the specified period | |

|  |  |
| --- | --- |
| Indicator description | Indicator value for respective reporting period – 2014, |
| No decision on payment by the issuer of dividends was made during the specified period | |

|  |  |
| --- | --- |
| Indicator description | Indicator value for respective reporting period – 2015, full year |
| Category of shares, for privileged shares – type | Ordinary |
| The issuer's management body that made decision to declare dividends, date of such a decision, date of compilation and number of the minutes of the meeting (session) of the issuer's management body at which such decision was made | Annual General Meeting of Shareholders, 24.06.2016, minutes No. 37 dated 27.06.2016 |
| Amount of declared dividends in reliance on one share, rub | 4.047105 |
| Amount of announced dividends in aggregate on all the shares of the specific category (type), rubles | 1,144,797,000 |
| The date on which persons that have (had) entitled to receive dividends are determined (were determined) | 13.07.2016 |
| Reporting period (year, quarter) for which (at the end of which) declared dividends are paid (were paid) | 2015, full year |
| Term (date) of non-payment of announced dividend | The term for payment to the holder of nominal shares and custodian being market participant of the securities – not more than 10 business days, to other shareholders registered in the register – 25 business days from the date of compilation of the list of persons entitled to receive dividends |
| Form of payment of declared dividends (cash, other property) | Cash |
| Source of payment of declared dividends (net profit of the reporting year, retained net profit of previous years, special fund) | Net profit |
| Share of declared dividends in the net profit of the reporting year, % | 78.82 |
| Total amount of dividends paid on shares of this category (type), rubles. | 1,144,279,337.45 |
| Share of dividends paid in the total amount of declared dividends on shares of this category (type), % | 99.95 |
| If declared dividends are not paid or were paid by the issuer not in full – the reasons for non-payment of declared dividends | The reason for partial fulfillment of obligations: lack of data for the transfer of dividends in the profile of the registered person, data for which must be provided by the registered person. |
| Other information on declared and (or) paid dividends indicated by the issuer at its sole discretion | Announced and unclaimed dividends for 2015 were restored as retained earnings after three years from the date of the decision to pay them |

|  |  |
| --- | --- |
| Indicator description | Indicator value for respective reporting period – 2016, |
| Category of shares, for privileged shares – type | Ordinary |
| The issuer's management body that made decision to declare dividends, date of such a decision, date of compilation and number of the minutes of the meeting (session) of the issuer's management body at which such decision was made | Annual General Meeting of Shareholders, 16.06.2017, minutes No. 37 dated 20.06.2017 |
| Amount of declared dividends in reliance on one share, rub. | 1.762658567 |
| Amount of announced dividends in aggregate on all the shares of the specific category (type), rub. | 535,125,135 |
| The date on which persons that have (had) entitled to receive dividends are determined (were determined) | 27.06.2017 |
| Reporting period (year, quarter) for which (at the end of which) declared dividends are paid (were paid) | 2016 |
| Term (date) of non-payment of announced dividend | The term for payment to the holder of nominal shares and custodian being market participant of the securities – not more than 10 business days, to other shareholders registered in the register – 25 business days from the date of compilation of the list of persons entitled to receive dividends |
| Form of payment of declared dividends (cash, other property) | Cash |
| Source of payment of declared dividends (net profit of the reporting year, retained net profit of previous years, special fund) | Net profit |
| Share of declared dividends in the net profit of the reporting year, % | 25 |
| Total amount of dividends paid on shares of this category (type), rubles. | 534,874,660.84 |
| Share of dividends paid in the total amount of declared dividends on shares of this category (type), % | 99.95 |
| If declared dividends are not paid or were paid by the issuer not in full – the reasons for non-payment of declared dividends | - |
| Other information on declared and (or) paid dividends indicated by the issuer at its sole discretion | none |

|  |  |
| --- | --- |
| Indicator description | Indicator value for respective reporting period – 2017, full year |
| Category of shares, for privileged shares – type | Ordinary |
| The issuer's management body that made decision to declare dividends, date of such a decision, date of compilation and number of the minutes of the meeting (session) of the issuer's management body at which such decision was made | Annual General Meeting of Shareholders, 25.05.2018, minutes No 40 dated 28.05.2018 |
| Amount of declared dividends in reliance on one share, rub | 1.0585165 |
| Amount of announced dividends in aggregate on all the shares of the specific category (type), rubles | 321,570,000 |
| The date on which persons that have (had) entitled to receive dividends are determined (were determined) | 05.06.2018 |
| Reporting period (year, quarter) for which (at the end of which) declared dividends are paid (were paid) | 2017, full year |
| Term (date) of non-payment of announced dividend | The term for payment to the holder of nominal shares and custodian being market participant of the securities – not more than 10 business days, to other shareholders registered in the register – 25 business days from the date of compilation of the list of persons entitled to receive dividends |
| Form of payment of declared dividends (cash, other property) | Cash |
| Source of payment of declared dividends (net profit of the reporting year, retained net profit of previous years, special fund) | Net profit |
| Share of declared dividends in the net profit of the reporting year, % | 61.2 |
| Total amount of dividends paid on shares of this category (type), rubles. | 321,439,779.20 |
| Share of dividends paid in the total amount of declared dividends on shares of this category (type), % | 99.96 |
| If declared dividends are not paid or were paid by the issuer not in full – the reasons for non-payment of declared dividends | - |
| Other information on declared and (or) paid dividends indicated by the issuer at its sole discretion | none |

|  |  |
| --- | --- |
| Indicator description | Indicator value for respective reporting period – 2018, full year |
| Category of shares, for privileged shares – type | Ordinary |
| The issuer's management body that made decision to declare dividends, date of such a decision, date of compilation and number of the minutes of the meeting (session) of the issuer's management body at which such decision was made | Annual General Meeting of Shareholders, 20.06.2019, minutes No. 42 dated 20.06.2019 |
| Amount of declared dividends in reliance on one share, rub | 0.472815 |
| Amount of announced dividends in aggregate on all the shares of the specific category (type), rubles | 143,638,000 |
| The date on which persons that have (had) entitled to receive dividends are determined (were determined) | 01.07.2019 |
| Reporting period (year, quarter) for which (at the end of which) declared dividends are paid (were paid) | 2018, full year |
| Term (date) of non-payment of announced dividend | The term for payment to the holder of nominal shares and custodian being market participant of the securities – not more than 10 business days, to other shareholders registered in the register – 25 business days from the date of compilation of the list of persons entitled to receive dividends |
| Form of payment of declared dividends (cash, other property) | Cash |
| Source of payment of declared dividends (net profit of the reporting year, retained net profit of previous years, special fund) | Net profit |
| Share of declared dividends in the net profit of the reporting year, % | 95.0 |
| Total amount of dividends paid on shares of this category (type), rubles. | 143,512.56 |
| Share of dividends paid in the total amount of declared dividends on shares of this category (type), % | 99.99 |
| If declared dividends are not paid or were paid by the issuer not in full – the reasons for non-payment of declared dividends | - |
| Other information on declared and (or) paid dividends indicated by the issuer at its sole discretion | none |

Additional Information:

***The dividend policy of the Company is aimed at increasing the investment attractiveness of the Company and increasing its market capitalization. The policy is based on a balance of interests of the Company and its shareholders.***

***The dividend policy of the Company is determined by the Provisions on the dividend policy approved by the decision of the Company Board of Directors dated January 31, 2018 (protocol dated 01.02.2018 No. 297/2018), taking into account the changes introduced by the decision of the Company Board of Directors dated 07/30/2018 (protocol dated 31.07.2018 No. 316 (2018), and posted on the Company's corporate website www.kubanenergo.ru – section "About the Company / Constituent and Internal Documents".***

***The main principles of the dividend policy of the Company are as follows:***

***- compliance with the practice of accrual and payment of dividends adopted by the Company to the legislation of the Russian Federation and corporate governance standards (Instruction of the Government of the Russian Federation dated 05.29.2017 No. 1094-r);***

***- the optimal combination of the interests of the Company and shareholders;***

***- definition of the amount of dividends in the amount of not less than 50% of net profit determined according to the financial statements, including consolidated, prepared in accordance with International Financial Reporting Standards, and calculated in accordance with the procedure established by the Regulation;***

***- ensuring possibility of making dividend payments with quarterly frequency if the relevant criteria are met;***

***- ensuring maximum transparency (comprehensibility) of the mechanism for defining the amount of dividends and the procedure for their payment;***

***- ensuring positive dynamics in the amount of dividend payments subject to growth in the Company's net profit;***

***- availability of information for shareholders and other concerned parties about the dividend policy of the Company;***

***- need to maintain the required level of financial and technical condition of the Company (implementation of the investment program), providing prospects for the Company development.***

## 8.7.2. Details on accrued and paid income under issuer’s bonds

Information is provided for each bond issue for which for the last five completed reporting years, and if the issuer has been operating for less than five years – for each completed reporting year, as well as for the period from the beginning of the current year to the end of the reporting quarter, income has been paid.

Kind of securities: stock obligations/commercial bonds

Form of securities: Documentary pay-to bearer

Series: 001Р-02

Inconvertible securities with mandatory centralized storage

Issue ID number: 4B02-02-00063-A-001P

Date of assignment of the ID number: 10.11.2015

Authority assigning ID number:

Quantity of bonds in the issue, pcs: 3,400,000

Nominal value of each bond in the issue, rubles: 1,000

Volume of issue at nominal value: 3,400,000,000

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Basic details on incomes from the issue bonds: Indicator description | Indicator value for respective reporting period | Indicator value for respective reporting period | Indicator value for respective reporting period | Indicator value for respective reporting period | Indicator value for respective reporting period | Indicator value for respective reporting period | Indicator value for respective reporting period |
| Type of income paid on the issue bonds (face value, interest (coupon), other) | ***Coupon*** | ***Coupon*** | ***Coupon*** | ***Coupon*** | ***Coupon*** | ***Coupon*** | ***Coupon*** |
| The amount of income to be paid on the bonds of the issue, in cash terms per one bond of the issue, rub. / foreign currency | ***62.98 rubles*** | ***62.98 rubles*** | ***62.98 rubles*** | ***62.98 rubles*** | ***62.98 rubles*** | ***62.98 rubles*** | ***62.98 rubles*** |
| The amount of income to be paid on the bonds of the issue, in aggregate per all bonds of the issue, rub. / foreign currency | ***214 132 000,00 rubles*** | ***214 132 000,00 rubles*** | ***214 132 000,00 rubles*** | ***214 132 000,00 rubles*** | ***214 132 000,00 rubles*** | ***214 132 000,00 rubles*** | ***214 132 000,00 rubles*** |
| Term (date) for payment of income on the bonds of the issue | ***24.05.2016*** | ***22.11.2016*** | ***23.05.2017*** | ***21.11.2017*** | ***22.05.2018*** | ***20.11.2018*** | ***21.05.2019*** |
| Form of payment of income on bonds of the issue (cash, other property) | ***Cash*** | ***Cash*** | ***Cash*** | ***Cash*** | ***Cash*** | ***Cash*** | ***Cash*** |
| The total amount of income paid on all bonds of the issue, rubles. / foreign currency | ***214 132 000,00 rubles*** | ***214 132 000,00 rubles*** | ***214 132 000,00 rubles*** | ***214 132 000,00 rubles*** | ***214 132 000,00 rubles*** | ***214 132 000,00 rubles*** | ***214 132 000,00 rubles*** |
| Share of paid income on the bonds of the issue in the total amount of income to be paid on the bonds of the issue, % | ***100%*** | ***100%*** | ***100%*** | ***100%*** | ***100%*** | ***100%*** | ***100%*** |
| Reasons for non-payment of such income in the event that the income due on the bonds of the issue was not paid or was not paid in full by the issuer | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** |
| Other details on the income on the bonds of the issue indicated by the Issuer at one’s sole discretion: | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** |

Kind of securities: stock obligations/commercial bonds

Form of securities: Documentary pay-to bearer

Series: 001Р-01

Inconvertible securities with mandatory centralized storage

Issue ID number: 4B02-01-00063-A-001P

Date of assignment of the ID number: 10.11.2015

Authority assigning ID number:

Quantity of bonds in the issue, pcs: 3,600,000

Nominal value of each bond in the issue, rubles: 1,000

Volume of issue at nominal value: 3,600,000,000

Basic details on incomes from the issue bonds:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Indicator description | Indicator value for respective reporting period | Indicator value for respective reporting period | Indicator value for respective reporting period | Indicator value for respective reporting period | Indicator value for respective reporting period | Indicator value for respective reporting period | Indicator value for respective reporting period |
| Type of income paid on the issue bonds (face value, interest (coupon), other) | ***Coupon*** | ***Coupon*** | ***Coupon*** | ***Coupon*** | ***Coupon*** | ***Coupon*** | ***Coupon*** |
| The amount of income to be paid on the bonds of the issue, in cash terms per one bond of the issue, rub. / foreign currency | ***52,06 rubles*** | ***52,06 rubles*** | ***52,06 rubles*** | ***52,06 rubles*** | ***52,06 rubles*** | ***52,06 rubles*** | ***52,06 rubles*** |
| The amount of income to be paid on the bonds of the issue, in aggregate per all bonds of the issue, rub. / foreign currency | ***187 416 000,00 rubles*** | ***187 416 000,00 rubles*** | ***187 416 000,00 rubles*** | ***187 416 000,00 rubles*** | ***187 416 000,00 rubles*** | ***187 416 000,00 rubles*** | ***187 416 000,00 rubles*** |
| Term (date) for payment of income on the bonds of the issue | ***03.06.2016*** | ***02.12.2016*** | ***02.06.2017*** | ***01.12.2017*** | ***01.06.2018*** | ***30.11.2018*** | ***31.05.2019*** |
| Form of payment of income on bonds of the issue (cash, other property) | ***Cash*** | ***Cash*** | ***Cash*** | ***Cash*** | ***Cash*** | ***Cash*** | ***Cash*** |
| The total amount of income paid on all bonds of the issue, rubles. / foreign currency | ***187 416 000,00 rubles*** | ***187 416 000,00 rubles*** | ***187 416 000,00 rubles*** | ***187 416 000,00 rubles*** | ***187 416 000,00 rubles*** | ***187 416 000,00 rubles*** | ***187 416 000,00 rubles*** |
| Share of paid income on the bonds of the issue in the total amount of income to be paid on the bonds of the issue, % | ***100%*** | ***100%*** | ***100%*** | ***100%*** | ***100%*** | ***100%*** | ***100%*** |
| Reasons for non-payment of such income in the event that the income due on the bonds of the issue was not paid or was not paid in full by the issuer | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** |
| Other details on the income on the bonds of the issue indicated by the Issuer at one’s sole discretion: | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** |

## 8.8. Other details

**8.8.1. Review of transactions of the issuer and its subsidiaries and affiliates concluded in the reporting quarter.**

8.8.1.1 Transactions of the Company with state companies:

***In the reporting quarter the Company effected 263 transactions with state and municipal companies for a total sum of 52.04 million rubles.***

***The state and municipal companies provided the following services to the Company:***

***- Lease of land plots;***

***- Technical inventory of real property;***

***- personnel training,***

***- Medical examination of the Company employees;***

***- Formalization of legal land and town planning documents;***

***- Information and advertisement servicing;***

***- postal communications, subscription for printed periodicals;***

***- Facilities security guard;***

***- supply of special attire and footwear,***

***- state expertise of the design documentation,***

***- expertise and analysis of industrial release of pollutants,***

***- Utility and other services.***

***The Company provided to the state and municipal companies services for transmission and distribution of electric energy, repair and maintenance of energy facilities, technological connection of electric power installations to electric power grids of Kubanenergo PJSC, verification and changes of the patterns and instruments for energy metering.***

8.8.1.2. Intra-group transactions:

***In the reporting quarter, the Company made 11 intra-group transactions:***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Item No** | **Counteragent** | | **Sum of contract (RUB)** | | **Subject of contract** | |
|  | Rosseti PJSC | | 3,477,000,000 | | placement of Kubanenergo PJSC shares of additional issue under public subscription | |
|  | Rosseti PJSC | | 44,234.03 rubles, monthly rental fee | | sub-rent by the issuer of the real estate | |
|  | Energoservice of Kuban, JSC | | - | | change in counter-agent's requisites | |
|  | 15% of revenue from the use of Research and Advanced Development | | granting by the issuer of non-exclusive rights to use the R&D result against remuneration | |
|  | 4,722,456.00 | | design and survey work on 36 sites of technological connection of the preferential category of applicants up to 15 kW of the issuer's branch of Ust-Labinsk Electric Networks | |
|  | 397,919.69 | | provision of services for determining the electromagnetic environment at the facility “110 kV Substation Olginka” | |
|  | 380,155.00 | | design and survey work of the branch of Kubanenergo PJSC of Leningrad Electric Networks | |
|  | 231,394.07 | | design and survey activities on 4 sites of technological connection of the preferential category of applicants from Takhtamukayskiy Region of the issuer's branch of Krasnodar Electric Networks | |
|  | 639,172.5 | | design and survey activities on 8 sites for connecting power receivers up to 150 kW to the preferential category of consumers of the Krasnodar, Dinskiy and Severskiy districts (shortfall in income) of the Kubanenergo PJSC branch of Krasnodar Electric Networks | |
|  | 491.040.00 | | provision of maintenance services for the heat supply system of the administrative building No. 2 of the Krasnodar District Electric Networks, branch of Kubanenergo PJSC Krasnodar Electric Networks | |
|  | 514,400.00 | | design and survey work for the branch of Kubanenergo PJSC of Leningrad Electric Networks | |
|  |  |  | |  | |

***In the reporting quarter no transaction was made between the issuer's subsidiaries and affiliates.***

8.8.1.3. Significant transactions concluded between issuer’s subsidiaries and affiliates:

***In the reporting quarter the issuer's subsidiaries and affiliates concluded the following significant transactions, the amount of obligations under which is 10% or more of the book value of the assets of subsidiaries and affiliates:***

|  |  |  |  |
| --- | --- | --- | --- |
| **Issuer’s subsidiaries and affiliates** | **Subject of transactions** | **Sum of contract (RUB)** | **Transaction counteragent** |
| JSC Energo-  service of Kuban | Design and survey work on 36 sites of technological connection of the preferential category of applicants up to 15 kW of the branch of Ust-Labinsk Electric Networks | 4 722 456,00 | Kubanenergo, PJSC |
|  | Total: | 4 722 456,00 |  |

## 8.9. Details of underlying securities and the issuer of underlying securities the right of ownership whereto is certified with Russian depositary receipts

The Issuer is no issuer of underlying securities the right of owners whereto is certified with Russian depositary receipts.

## Annex to the quarterly report. The interim consolidated accounting reports (consolidated financial statements) in accordance with International Financial Reporting Standards or other internationally recognized rules other than IFRS

1. 1Positions of the members of the Committees of the Company Board of Directors are indicated at the time of nomination of candidates for these positions. [↑](#footnote-ref-1)