

**Invitation to Submit Bids (Offers)  
with Respect to the Shares Placed by  
Public joint stock company of power industry and electrification of Kuban  
hereinafter, the “The Invitation to Offer”**

This is an invitation for the general public to submit bids (Offers) with respect to the acquisition of the additional uncertified registered ordinary shares placed by Public joint stock company of power industry and electrification of Kuban (hereinafter also, Kubanenergo PJSC, the Company or the Issuer), having its registered address at: Krasnodar, Russia.

This Invitation is published by the Issuer in accordance with the requirements set forth in paragraph 8.3 of the Decision on the Additional Securities Issue registered by the Bank of Russia on 15.12.2016.

**State Registration Number of the additional issue of uncertified registered ordinary shares covered by this Invitation: 1-02-00063-A of 15.12.2016.**

**The quantity of additional uncertified registered ordinary shares of Kubanenergo JSC left for public floatation after the authorized persons have exercised their pre-emptive right to purchase the shares: 36 532 626 (thirty-six million five hundred thirty-two thousand six hundred twenty-six) shares.**

**Deadline for submitting the Offers to acquire placed shares (hereinafter, also Offers):**

The Offers may be submitted to the Issuer within 21 (twenty one) business days after the later of the following acts done by the Issuer: publication of the Invitation to Offer on the newswire or posting of the Invitation to Offer on the Internet at: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827> (hereinafter referred to as the “Offer Collection Deadline”).

**Offering price:**

The offering price of one additional share: 100 (one hundred) rubles.

This offering price of securities is determined in accordance with the requirements of the Federal Law “On Joint-Stock Companies” by the decision adopted by the Board of Directors of Kubanenergo PJSC adopted on 29.07.2016 (minutes of the meeting No.247/2016 of 01.08.2016).

**Procedure and terms for submitting the Offers:**

The Offers are accepted daily, except Saturdays, Sundays and public holidays, from 10 a.m. till 3 p.m. (Moscow time), at: Kubanenergo PJSC, office 108, 2A Stavropolskaya str., Krasnodar.

Any potential acquirer of placed securities (hereinafter also, the “Acquirer”) may deliver the Offer personally or by the representative having a duly executed power of attorney or other document confirming the representative’s authority.

The Offer may also be sent by the Acquirer by post to: Corporate Governance and Shareholder Relations Department, Kubanenergo PJSC, 2A Stavropolskaya str.,350033, Krasnodar, Russian Federation.

Each Offer shall contain the following information:

1. Title: “Offer to acquire additional uncertified registered ordinary shares of Kubanenergo PJSC”.
2. State registration number and date of the issue’s state registration;
3. Full corporate name (name) of the Acquirer (for legal entities); surname, name, patronymic of the Acquirer (for individuals); Taxpayer Identification Number of the Acquirer (if any).
4. Registered address (for legal entities), place of residence (for individuals) of the Acquirer;
5. For individuals: passport particulars (date and place of birth; series, number and date of issue of the passport (or other identity document); issuing authority; passport expiration date (or other identity document), if applicable);
6. For legal entities: information on state registration of a legal entity and entry into the Unified State Register of Legal Entities (main state registration number and/or other registration number, if applicable, date, registration authority, number of the certificate);
7. Consent of the person submitting the Offer to the acquisition of placed shares in the quantity

specified in the Offer at the offering price set forth in the Decision on the Additional Securities Issue.

8. Quantity of acquired securities that may be expressed in one of the following ways:

- as the exact number of shares that the Acquirer undertakes to acquire;
- as the minimum number of shares that the Acquirer undertakes to acquire. Where the minimum number of shares is specified, this means that the Acquirer submitting the Offer has offered to acquire any number of placed shares in the quantity that is not less than the specified minimum number of shares;
- as the maximum number of shares that the Acquirer undertakes to acquire. Where the maximum number of shares is specified, this means that the Acquirer submitting the Offer has offered to acquire any number of placed shares in the quantity that is not more than the specified maximum number of shares;
- as the minimum and maximum number of shares that the Acquirer undertakes to acquire. Where the minimum and maximum number of shares is specified, this means that the Acquirer submitting the Offer has offered to acquire any number of placed shares in the quantity that is not less than the specified minimum number of shares and not more than the specified maximum number of shares.

9. If any shares shall be deposited in a nominee holder's personal account of the central custodian existing in accordance with the requirements set forth in Federal Law No. 414-FZ of December 7, 2011, "On the Central Securities Depository," namely National Settlement Depository (hereinafter, the "Central Custodian"), then the following information shall be specified: full corporate name: National Settlement Depository, number of the depository account of the Acquirer, number and date of the Depository Agreement concluded between the Depository and the Acquirer.

If the Acquirer's depository account is operated by a depository that is a deponent of the Central Securities Depository (hereinafter, the "Second-Tier Depository") then the Offer shall include the following data on the Second-Tier Depository and all succeeding tiers:

full corporate name of depository;

state registration particulars (Principal State Registration Number (OGRN), state registration authority, date of state registration and registration of the Central Custodian on the Uniform State Register of Juridical Persons);

number and date of the depository agreement between the Second-Tier Depository and the Acquirer (as related to placed securities);

number and date of the inter-depository agreement concluded between the Depositories.

This information shall be specified about all depositories, beginning with the depository with which the Acquirer has an account and ending with the depository, which is a deponent of the Central Depository.

10. Banking details of the Acquirer that may be used for refund purposes.

11. Contact information (postal address, as well as the e-mail address and/or fax number, telephone with specification of the code of town) for sending a response about acceptance of the Offer (acceptance) and reference (unique identification number required for operations with the personal account of the nominee holder at Central Depository)

The Offer shall be accompanied:

- in case of a legal entity, by a notarized copy of constitutive documents and documents certifying the authority of the person empowered to act on behalf of the corporate entity without a power of attorney;

- if the person submitting the Offer is required by law to acquire the quantity of shares specified in the Offer with the prior consent of the antimonopoly authority, by a copy of the antimonopoly authority's consent thereto;

if the person submitting the Offer is required by law to acquire the quantity of shares specified in the Offer with the prior consent of the Acquirer's authorized management body (Board of Directors, General Meeting of Shareholders, etc.), by a copy of the resolution to approve the transaction related to the acquisition of placed securities.

The Offer shall be signed by the Acquirer (or by the Acquirer's authorized person, provided that the Offer is accompanied by the original or a notarized copy of the duly issued power of attorney or any other document confirming the representative's authority) and shall, in case of a legal entity, bear the corporate seal (if any).

The Issuer may determine the recommended form of the Offer and publish it simultaneously with the Invitation to make offers on the Internet at: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

The Issuer refuses to accept the Offer if the Offer is in conflict with the requirements of the laws of the Russian Federation and/or the Decision on the Additional Securities Issue.

The submitted Offers are subject to registration by the Issuer on a special register of the received offers (hereinafter, the "Offer Register") on the day of their receipt.

On the basis of the Offer Register, the Issuer shall send its reply that the Offer is accepted (acceptance) to the Acquirers selected by the Issuer at its sole discretion from among the Acquirers that have submitted the Offers that are in accordance with the requirements set forth in paragraph 8.3 of the Decision on the Additional Securities Issue.

The decision to accept the Offer (on acceptance) may be made by the Issuer not later than 3 (three) days after the Offer Collection Deadline.

A reply on acceptance of the Offer (on acceptance) shall state the quantity of shares distributed to the Acquirer that have submitted the Offer, and shall be delivered to the Acquirer in person or the Acquirer's authorized representative, or sent to the email address and (or) fax and (or) postal address specified in the Offer not later than 2 (two) business days following the day when the Issuer decides to accept the Offer.

The Share Acquisition Agreement shall be deemed to be entered into upon the receipt by the Acquirer (or the Acquirer's authorized representative delivering the Offer) submitting the Offer of the Issuer's reply that the Offer is accepted (acceptance).

Upon mutual agreement of the parties, the Agreement on acquisition of shares may be executed in the form of a single document signed by the parties. The agreement shall be signed on working days from 9 a.m. to 4 p.m. (Moscow time) to the address: Kubanenergo PJSC, office 108, 2A Stavropolskaya str.350033, Krasnodar, or by exchange of documents via postal service to the address: Corporate Governance and Shareholder Relations Department, Kubanenergo PJSC, 2A Stavropolskaya str., 350033, Krasnodar, Russian Federation

The Acquirer, upon receiving the Issuer's reply that the Offer is accepted (acceptance), shall pay in full for acquired shares within 5 (five) business days after the Acceptance Sending Deadline (hereinafter also, the "Securities Payment Deadline").

The obligation to pay for the placed shares shall be deemed to have been fulfilled upon receipt by the Issuer of the amount due in its bank account specified in paragraph 8.6 of the Decision on the Additional Securities Issue.

If the fulfillment of the obligation to pay for placed shares is not fulfilled within a specified deadline or if such obligation is fulfilled in part, the Issuer shall have the right to refuse to fulfill its reciprocal obligation to transfer shares to Acquirer.

If the total value of the funds contributed by the Acquirer as payment for the acquired shares exceeds the value of the shares for which the acceptance is granted, the issuer shall within 30 (thirty) business days from the date of the end of the placement of securities, return to the Acquirer the funds exceeding the cost of shares, received by the issuer as payment for the acquired shares, at the bank details specified in the Offer.

If the Acquirer fulfills the obligation to pay for acquired shares in part, the issuer has the right to fulfill the reciprocal obligation to transfer the shares to the Acquirer in the amount paid by the Acquirer. If the issuer agrees to fulfill the reciprocal obligation to transfer the shares to the Acquirer in the amount paid

by the Acquirer, the Agreement on acquisition of shares with this Acquirer will be deemed changed from the moment of transferring to the Acquirer the number of shares paid.

If the Acquirer fulfills the obligation to pay for acquired shares in part or if the Issuer refuses to fulfill its reciprocal obligation to transfer shares in full in the event that the Acquirer fails to pay for shares within the period specified above, then the money received as the partial fulfillment of the obligation to pay for shares or, as applicable, all the money paid by the potential Acquirer for shares shall be refunded to the Acquirer by bank transfer not later than 30 (thirty) business days from the Placement End Date into the bank account specified in the Offer..

The Issuer shall be entitled not to notify the Acquirer on the Issuer's refusal to fulfill its reciprocal obligation to transfer shares (all of such shares or, as applicable, the shares failing to be paid for by the Acquirer), but the Issuer may elect to notify the Acquirer thereof in person or via the Acquirer's authorized representative or by sending a communication to the postal address and/or fax number and/or email address specified in the Offer

The Issuer's obligation to transfer placed securities to the Acquirer shall be deemed to have been fulfilled from the moment of entering the relevant entry into the Acquirer's personal account or to the personal account of the nominal holder at the Central Depository as specified in the Acquirer's Offer.

Any agreements entered into for the purposes of the placement of shares may be amended and/or terminated for the reasons and in accordance with the procedure provided for in Chapter 29 of the Civil Code of the Russian Federation.

**Payment terms and procedures:**

Payment for additional shares shall be made in monetary terms in Russian rubles by bank transfer into the Issuer's settlement account.

Payment due date: Securities purchased under public subscription shall be paid in full by the Acquirer, that received a reply from the Issuer on acceptance of the Offer, not later than in 5 (five) business days prior to the end-date of the Deadline for Placement of Shares.

Payment may not be made in cash.

Payment shall be made by bank transfer.

Form of cashless settlement: payment orders, receipts of the bank transfer of funds

Credit institution details

Full corporate name: Gazprombank (Joint Stock Company) (Branch of Gazprombank (Joint Stock Company) in Krasnodar)

Abbreviated corporate name: Gazprombank JSC (Branch of Gazprombank JSC in Krasnodar) Address of the credit institution: 16/1 Nametkina street, 117420, Moscow

Address of the branch: 11 Dmitrievskaya Damba, Krasnodar, 350033, Krasnodar region

Taxpayer Identification Number (INN): 7744001497

BIC (Bank Identification Code): 040349781

Account number: 40702810060070000191

Correspondent account: 30101810500000000781

Full corporate name: Gazprombank (Joint Stock Company) (Branch of Gazprombank (Joint Stock Company) in Krasnodar)

Abbreviated corporate name: Gazprombank JSC (Branch of Gazprombank JSC in Krasnodar) Address of the credit institution: 16/1 Nametkina street, 117420, Moscow

Address of the branch: 11 Dmitrievskaya Damba, Krasnodar, 350033, Krasnodar region

Taxpayer Identification Number (INN): 7744001497

BIC (Bank Identification Code): 040349781

Account number: 40702810060070000191

Correspondent account: 30101810500000000781

Name of the payment recipient: Public joint stock company of power industry and electrification of Kuban

Abbreviated name of the payment recipient: Kubanenergo PJSC

Taxpayer Identification Number (INN) of the payment recipient: 2309001660

Non- monetary form of payment is not stipulated.

**The person to whom the Issuer issues (sends) a transfer order which is serving as the ground for making a credit entry in the personal account or custody account of the first owner, deadline and other conditions of issuing a share transfer form:**

After the Acquirer has paid for the placed securities and no later than 3 (three) business days prior to the date of the Deadline of Placement of Shares, the Issuer shall send to the registrar (Registrar R.O.S.T. Joint-Stock Company, OGRN (Primary State Registration Number) 1027739216757, license for activity on keeping register of securities holders No. 045-13976-000001 dated 03.12.2002) a transfer order, which is the basis for making an entry in the register of the Issuer's shareholders about the personal account of the Acquirer or personal account of nominee of the Central depository, specified by the Acquirer in the Offer.

The Registrar shall within 3 (three) business days from receipt of the transfer order and not later than the date of the Deadline of Securities Placement, perform writing-off from the Issuer's account specified in the transfer order the quantity of securities of this additional issue and transfer them to the account of the Acquirer or nominee account at the Central depository specified by the Purchaser in the Offer

**Additional information:**

Information concerning the placement terms and conditions for the securities covered by this Invitation is contained in the Decision on the Additional Securities Issue and the Securities Prospectus disclosed in accordance with the prescribed procedure (including on the Issuer's website at: <http://kubanenergo.ru/> and <http://www.e-disclosure.ru/portal/company.aspx?id=2827>).

In addition, any interested party can get acquainted with the contents of these documents, as well as get their copies for a fee not exceeding the cost of making such a copy, within 7 (seven) days from the date of receipt (submission) of the relevant demand, on working days from 8 a.m. till 5 p.m. (till 3 p.m. on Friday) (Moscow time) at the following address: Kubanenergo PJSC, office 108, 2A Stavropolskaya str., Krasnodar, Russian Federation.

Concerning issues related to acquisition of additional shares being placed, please contact the Corporate Governance and Shareholder Relations Department of Kubanenergo PJSC by phone: +7 (861) 212-25-10, 212-26-72, 212-23-09.

Concerning issues related to opening of personal accounts, making changes to personal account data and performing other operations in the shareholders register of Kubanenergo PJSC, please contact the Company's registrar (Registrar R.O.S.T. Joint Stock Company) by phone: + 7 (495) 771-7336.

Director General  
Kubanenergo PJSC

\_\_\_\_\_ Gavrilov A.I.