

QUARTERLY REPORT

Public Joint-Stock Company of Power Industry and Electrification of Kuban

Публичное акционерное общество энергетики и электрификации Кубани

Issuer's code 00063-A

Quarter 1, 2018

The issuer's address: **2A Stavropolskaya str., Krasnodar, Russia 350033**

Information contained in the quarterly report is subject to disclosure in accordance with the legislation of the Russian Federation on securities

Director General	
Date: 14 May 2018	_____ Gavrilov A.I. signature
Chief Accountant – Head of Department of Financial Records, Accounts and Tax Returns	
Date: 14 May 2018	_____ Skiba I.V. signature

Contact person: **Kruglova Svetlana Ivanovna, Chief Specialist of the Corporate Governance and Shareholder Relations Department**

Telephone: **(861) 212-2510**

Fax: **(861) 212-2708**

E-mail: **kruglovasi@kuben.elektra.ru**

Webpage(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>.

Introduction.....	5
I. Information on the bank accounts, auditor (auditing company), appraiser and financial consultant of the Issuer as well as other persons who signed the quarterly report	6
1.1. Information on the issuer's bank accounts	6
1.2. Information on the issuer's auditor	7
1.3. Information on the Appraiser(s) of the issuer	9
1.4. Information on consultants of the Issuer	9
1.5 Information on other persons who signed the quarterly report	9
II. Information on the Financial and Economic State of the Issuer	9
2.1. Financial and economic performance indicators of the issuer	9
2.2. Market capitalization of the issuer	10
2.3. Liabilities of the issuer	11
2.3.1. Borrowed funds and accounts payable	11
2.3.2. Credit history of the issuer	15
2.3.3. Liabilities of the issuer arising from guarantees provided to third persons	16
2.3.4. Other liabilities of the issuer	16
2.4. Risks related to acquisition of securities being placed (placed)	16
2.4.2. Country and regional risks	19
2.4.3. Financial risks	20
2.4.4. Legal risks	21
2.4.7. Risks connected with the Issuer's activity	22
III. Detailed information on the Issuer	23
3.1. History of foundation and development of the Issuer	23
3.1.1. Information on the Issuer's business name (registered name)	23
3.1.2. Data on the Issuer's State Registration	24
3.1.3 Information on establishment and development of the Issuer	24
3.1.4. Contact information	26
3.1.5. Taxpayer Identification Number	27
3.1.6. Branches and representative offices of the Issuer	27
3.2. Core business activities of the issuer.....	29
3.2.1. Core economic activities of the issuer.....	29
3.2.2. Core business activities of the issuer.....	30
3.2.3. Materials, goods (raw materials) and suppliers of issuer	40
3.2.4. Target markets of the Issuer's products (works, services)	41
3.2.5. Information on the Issuer's licenses	43
3.3. Issuer's future activity plans	44
3.5. Subsidiary and dependent companies of the Issuer	45
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.....	45
IV. Information on the Issuer's business activity	52
4.1. Results of business activity	52
4.2. Liquidity of the Issuer, sufficiency of equity and current assets	53
4.3. Financial investments of the Issuer	54
4.4. Intangible assets	59
4.5. Information on the Issuer's policy and expenses in the field of scientific and technical development, with regard to licenses and patents, new researches and developments	59
4.6. Analysis of development trends in the sphere of Issuer's core activity	61
4.7. Analysis of factors and conditions affecting the Issuer's activity	62
4.8. Issuer's Competitors	65
V. Detailed information concerning individual members of the Issuer's Management Bodies, the Issuer's bodies controlling its financial and economic activities and brief information concerning the Issuer's employees (personnel) ..	65
5.1. Information on the structure and jurisdiction of the Management Bodies of the Issuer.....	65

5.3. Information on the amounts of remuneration, benefits and/or compensation for expenses due to each of the Issuer's management bodies.....	99
5.4. Information on the structure and competence of bodies controlling the Issuer's business activity and on organization of risk management and internal audit systems.....	100
5.5. Information on members of bodies controlling the Issuer's business activity	107
5.6. Information on the amount of benefits and/or compensation of expenses on the bodies controlling the Issuer's financial and business activity	115
5.8. Information on any other liabilities of the Issuer to employees (workers) related to possibility of their participation in authorized capital of the Issuer	118
VI. Information on the Issuer's participants (shareholders) and on interested-party transactions effected by the Issuer	118
6.1. Information on the total number of the Issuer's shareholders (participants).....	118
6.2. Information on participants (shareholders) of the issuer owning at least five percent of its authorized capital or at least five percent of its ordinary shares, as well as information on those controlling such participants (shareholders), and in case of absence of such persons - information on participants (shareholders), owning at least 20 percent of the authorized capital or at least 20 percent of ordinary shares.	118
6.3. Information on participatory stake of the State or a municipal unit in the authorized capital of the Issuer and on availability of a special right ("Golden Share")	120
6.4. Information on restrictions on participation in the Issuer's authorized capital	120
6.5. Information on changes in composition and amount of participation of shareholders (participants) of the Issuer holding no less than 5% of the Issuer's authorized capital or no less than 5% of one's ordinary shares	120
6.6. Information on the interested-party transactions of the Issuer	122
6.7. Information on the accounts receivable.....	123
VII. The Issuer's accounting (financial) statements and other financial information	125
7.1. The Issuer's annual accounting (financial) statements.....	125
7.2. Interim accounting (financial) statements of the Issuer.....	135
7.4. Information on the accounting policy of the Issuer.....	138
7.5. Information on the total sum of export and of the portion of export in the total volume of sales	141
7.6. Information on material changes in the Issuer's property after the most recently closed reporting year	141
VIII. Additional information on the Issuer and on the issued securities	147
8.1. Additional information on the Issuer	147
8.1.1. Information on the value and structure of the Issuer's authorized capital	147
8.1.3. Information on convocation and holding meetings (sessions) of the supreme management body of the Issuer ...	148
8.1.4. Information on commercial organizations in which the Issuer owns at least five percent of the authorized capital, or not less than five percent of ordinary shares.....	150
8.1.5. Information on material transactions effected by the Issuer.....	150
8.1.6. Information about credit ratings of the Issuer	151
8.2. Information on each category (type) of the Issuer's shares.....	151
8.3. Information on the previous issues of the Issuer's securities, exclusive of the Issuer's shares	152
8.3.1. Details of the issues all securities that have been redeemed	152
8.3.2. Information on the issues of securities that were not redeemed	152
8.4. Information on the person(s) that provided collateral for collateralized bonds of the Issuer and on collateral for collateralized bonds of the Issuer	154
8.4.1. Additional information on conditions of implementation obligations on mortgage-backed securities	154
8.4.2. Additional information on security with cash claims under the issuer's secured-bonds with cash claims	154
8.5. Information on organizations controlling the implementation of rights on Issuer's securities	154
8.6. Information on legislative instruments regulating the capital import and export that may affect payment of dividend, interests and other payments to non-residents.....	155
8.7. Information on the announced (accrued) and paid dividends on the Issuer's shares as well as on incomes from the Issuer's bonds.....	155
8.7.1. Information on the announced (accrued) and paid dividends on the Issuer's shares.....	156
8.7.2. Information on accrued and paid income on Bonds	157
8.8. Other information.....	161
8.8.1. Information on transactions concluded by the Issuer with state companies and quarterly review of such transactions.....	161

8.8.1.1. Transactions with state companies.....	161
8.8.1.2 Intra-group transactions.....	161
8.8.1.3. Interested party transactions requiring notice / consent from the management bodies of Kubanenergo PJSC concluded in the reporting quarter: such transactions were not concluded	162
8.9. Data on the securities distributed and on the Issuer of the distributed securities, the property right certified by Russian depositary receipts.....	162

Introduction

Grounds for the issuer's obligation to disclose information in the form of a quarterly report:

Securities Prospectus with respect to the issuer's securities was registered;

The state registration of issue (additional issue) was followed by registration of securities prospectus, along with it such securities were offered by public subscription or by private offering to persons which amount did not exceed 500.

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

The issuer's exchange-traded bonds are admitted to regulated trading on an exchange, and the exchange is provided with the relevant prospectus of exchange-traded bonds.

In this report Public Joint Stock Company of Power Industry and Electrification of Kuban is also referred to as Kubanenergo PJSC, the Issuer, the issuer and the Company, and when referring to the events happened before 22.06.2015 (the date of changing the Company's name) – Kubanenergo JSC. Rosseti PJSC ("IDGC Holding" JSC until 04.04.2013, from 04.04.2013 until 17.07.2015 – Rosseti JSC) and the names of other legal entities are used here the way they were at the referring period (event).

This report contains additional information, which disclosure is required by the restated Regulations on the Information Policy of the Company approved by the Board of Directors of "Kubanenergo" JSC on 15.08.2013, Minutes No.170/2013 dated 16.08.2013. The full text of the Regulations on the Information Policy is available on the corporate website of "Kubanenergo" PJSC and website of information agency "Interfax":

<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 being controlled by the state, tariffs for services of electric energy transmission through distribution networks 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 Region.

Abbreviated DZO means affiliated and dependent companies in accordance with article 6 of the Federal law "On Joint Stock Companies".

Information on the positions held by members of the management and control bodies of the issuer is specified in paragraphs 5.2.1-5.2.3 and 5.5 of this report in accordance with the data provided by such members. When disclosing information on these persons, their posts and companies are specified as of the date of the reporting quarter.

This quarterly report contains the estimates and forecasts of the duly authorized management bodies of the issuer pertaining to future events and/or actions, prospects for development within the branch of economy in which the issuer carried out its core business and performance of the issuer, including the issuer's plans, the likelihood of occurrence of certain events and performance of certain actions. Investors should not fully rely on the estimates and forecasts of the issuer's management bodies, since the future actual performance of the issuer may differ from the forecast performance for a variety of reasons. The acquisition of the issuer's securities is associated with the risks described in this quarterly report

I. Information on the bank accounts, auditor (auditing company), appraiser and financial consultant of the Issuer as well as other persons who signed the quarterly report

1.1. Information on the issuer's bank accounts

Information on the credit institution

Full business name: **Public Joint Stock Company "Sberbank of Russia"**

Abbreviated business name: **Sberbank PJSC**

Location: **19 Vavilova street, Moscow 117997**

TIN: **7707083893**

BIC: **040349602**

Account number: **40702810330020101989**

Correspondent account: **30101810100000000602**

Account type: **Settlement account in rubles**

Information on the credit institution

Full business name: **Public Joint Stock Company "Sberbank of Russia"**

Abbreviated business name: **Sberbank PJSC**

Location: **19 Vavilova street, Moscow 117997**

TIN: **7707083893**

BIC: **040349602**

Account number: **40702810230020101076**

Correspondent account: **30101810100000000602**

Account type: **Settlement account in rubles**

Information on the credit institution

Full business name: **"Gazprombank" (joint stock company)**

Abbreviated business name: **Bank GPB (JSC)**

Location: **16/1 Nametkina street, Moscow 117420**

TIN: **7744001497**

BIC: **040349781**

Account number: **40702810500070010191**

Correspondent account: **30101810500000000781**

Account type: **Settlement account in rubles**

(The issuer shall specify information on all its settlement accounts and other types of accounts, and if the issuer has more than three accounts then it should specify at its own discretion at least three settlement accounts and other types of accounts)

1.2. Information on the issuer's auditor

The following information is specified: information about the auditor (auditing company) that conducted an independent audit of the accounting (financial) statements of the issuer and the consolidated financial statements of the issuer, which are part of the quarterly report, as well as the auditor (auditing company) approved (chosen) to audit the annual accounting (financial) statements and annual consolidated financial statements of the issuer for the current and the last completed fiscal year.

Full business name: **Limited Liability Company "RSM RUS"**

Abbreviated business name: **"RSM RUS" LLC**

Location: **4 Pudovkina street, Moscow, 119285**

TIN: **7722020834**

PSRN: **1027700257540**

Telephone: **+7 (495) 363-2848**

Fax: **+7 (495) 981-4121**

E-mail: **mail@rsmrus.ru**

Auditor's membership in self-regulating auditor organizations:

Name: **Self-regulatory organization of auditors Non-profit Partnership "Auditing Association "Sodruzhestvo"**

Address: **21/4 Michurinsky Prospekt, Moscow, Russia 119192**

Additional Information:

The primary registration number of "RSM RUS" LLC in Self-regulatory organization of auditors Non-profit Partnership "Auditing Association "Sodruzhestvo" is 11306030308.

Financial year(s) from among the last five financial years and the current year for which the Auditor conducted (will conduct) an independent audit of the accounting (financial) statements of the issuer

financial (accounting) statements, year	Consolidated financial report, year
2015	2015
2016	2016
2017	2017

Periods from among the five financial last years and the current year for which the Auditor conducted (will conduct) an independent audit of the accounting (financial) interim statements of the issuer

financial (accounting) statements, year	Consolidated financial report, year
9 months of 2015	-
9 months of 2016	-
9 months of 2017	-

Factors that may affect the independence of the auditor (auditing company) of the issuer, including information on any material interests between the auditor (or persons holding positions in the management bodies and the bodies of control over financial and economic activities of the auditing

company) and the issuer (persons holding positions in the management and control bodies of financial and economic activities of the issuer):

There are no factors that may affect the independence of the auditor (auditing company) of the issuer, including information on any material interests between the auditor (or persons holding positions in the management bodies and the bodies of control over financial and economic activities of the audit organization) and the issuer (persons holding positions in the management and control bodies of financial and economic activities of the issuer)

Procedure for selection of the issuer's Auditor:

Presence of a tendering procedure for selection of Auditor and its basic conditions:

Tender procedure for selecting an auditor (auditing company) was not carried out.

The auditor candidate was determined via competitive procedures. For participation in the competitive procedures, an auditor (company) should meet the following requirements:

- shall not be in the process of liquidation;
- shall not have the resolution concerning the suspension of operations in accordance with the procedure stipulated by the Code of the Russian Federation on Administrative Offences as of the date of consideration of the Application Form for participation in the Competition;
- shall not have any overdue taxes, duties and other obligatory payments to the budgets of any level or the state unappropriated funds as of the last calendar year, the amount of which exceeds twenty five percent of the balance sheet asset of the participant according to the accounting reports as of the last completed accounting period;
- shall not fall under terms enlisted in clause 1 of article 8 of the Federal Law “On the Auditor’s Activity” No.307 dated 30 December 2008.

On the basis of decision of the Tender committee of Rosseti JSC on summing up the results of public competitive negotiations without prequalification of bidders for the right to conclude contracts on obligatory annual audit of reports of affiliated and depended companies of Rosseti for 2015-2017 (minutes of meeting No.5/552p dated 20.04.2015), the candidature of “RSM RUS”, LLC was pronounced the winner.

Procedure for nominating auditor for approval at the Meeting of Shareholders (Participants), including indication of the management body making the decision:

According to the Federal Law “On Joint-Stock Companies”, the 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: unspecified are the terms and the procedure of the auditor candidacy nomination for inclusion in the list for voting on the issue of approval of Auditor of the Company. In this regard, the candidature of an auditor for approval by the general meeting of shareholders shall be preliminary considered by the Audit Committee of the Board of Directors of the Company and, with the advice of the Audit Committee shall be determined by the Board of Directors of the Company in dealing with the issue of preparation and holding of the Annual General Meeting of Shareholders.

The auditor did not perform works within the framework of special audit assignments.

Procedure for determining the remuneration of the auditor; actual amount of remuneration paid to the auditor by the results of the last completed financial year on which the auditor performed audit of accounting report; information on deferred and overdue payments for the services rendered by the auditor:

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 to “RSM RUS” LLC for the audit of accounting (financial) statements of the Issuer for 2016 prepared in accordance with the Russian Accounting Standards and audited consolidated financial statements for 2016 prepared in accordance with the International Financial Reporting Standards amounted to 1 614 104 rubles 40 kopecks, including VAT. The payment for services of “RSM RUS” LLC for the audit of the accounting (financial) statements of the issuer for 2017 prepared in accordance with the Russian Accounting Standards and audited consolidated financial statements for 2017 prepared in accordance with the International Financial Reporting Standards will be 1 614 104 rubles 40 kopecks, including VAT.

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

There are no factors that may affect the independence of the auditor from the issuer as well as interests binding auditor (officials of the auditing company) with the issuer (officials of the issuer).

1.3. Information on the Appraiser(s) of the issuer

Appraisers for the reasons listed in this paragraph, within 12 months prior to the end date of the reporting quarter, were not involved.

1.4. Information on consultants of the Issuer

Consultants for the reasons listed in this paragraph, within 12 months prior to the end date of the reporting quarter, were not involved.

1.5 Information on other persons who signed the quarterly report

Name: Gavrilov Aleksandr Ilich

Year of birth: **1973**

Place of work: **Kubanenergo PJSC**

Position: **Director General**

Name: Skiba Inna Viktorovna

Year of birth: **1975**

Place of work: **Kubanenergo PJSC**

Position: **Chief Accountant – Head of Department of Financial Records, Accounts and Tax Returns**

II. Information on the Financial and Economic State of the Issuer

2.1. Financial and economic performance indicators of the issuer

Performance indicators that characterize the issuer’s activity are calculated on the basis of the accounting (financial) statements

Standards (rules) used for making the accounting report – RAS (the Russian Accounting Standards)

Unit of measurement for index of performance: **thousand rubles/employee**

Indicator	3 months of 2017	3 months of 2018
Workforce productivity	1 194 230.8	1 364 218.5
Debt-to-equity ratio	0.94	1.17

Long-term debt to long-term debt plus equity	0.4	0.41
Debt coverage ratio (profit)	0.39	5.44
Rate of overdue repayment of debts, %		
Level of overdue receivables, %:	37.74	34.41
Level of overdue payables, %:	34.24	22.50

Indicator	2016	2017
Workforce productivity	4 951 119.2	4 974 360.6
Debt-to-equity ratio	0.9	1.03
Long-term debt to long-term debt plus equity	0.37	0.4
Debt coverage ratio (profit)	0.13	0.13
Rate of overdue repayment of debts, %		
Level of overdue receivables, %:	32.21	24.62
Level of overdue payables, %:	25.04	35.66

Analysis of the issuer's financial and economic activities based on an economic analysis of changes in the shown indicators:

Within the 1st quarter of 2018 the indicator "Workforce productivity" increased by 14.2%, compared with the same period of 2017. Such growth is explained by increasing in revenue from selling the products (services) by 16.0%.

Within the 1st quarter of 2018 the indicator "Debt-to-equity ratio" increased by 0.23 points as a result of increase in the Company's debt by 25.5%.

Within 1st of 2018 the indicator "Long-term debt to long-term debt plus equity" increased by 0.01 points due to growth of long-term debt by 7.9%.

2.2. Market capitalization of the issuer

Market capitalization is calculated as the production of the quantity of shares of the corresponding category (type) and the market price of one share disclosed by the securities market trade organizer.

Unit of measurement: **thousand rubles**

Indicator	31.12.2017	31.03.2018
Market capitalization	24 694 387.7	21 299 970.2

Information on the trade organizer at the securities market, on the grounds of which data calculation of the market capitalization is carried out, as well as other additional information on public circulation of securities 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 Kislovsky pereulok, Moscow, 125009

TIN: 7702077840

PSRN: 027739387411

Telephone: +7 (495) 363-32-32; +7 (495) 232-33-63

Fax: +7 (495) 234-48-40.

Licenses:

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

Webpage: <http://moex.com/>

The amount of market capitalization of the Issuer is specified without placed shares of additional issue.

2.3. Liabilities of the issuer

2.3.1. Borrowed funds and accounts payable

31.12.2017

The structure of the borrowed funds

unit of measurement: **thousand rubles**

Indicator	Value
Long-term borrowings	22 617 796
including:	
credits	15 617 796
loans, except bonded loans	0
bonded loans	7 000 000
Short-term borrowings	91 064
including:	
Credits	13 120
loans, except bonded loans	0
bonded loans	77 944
Total amount of overdue loan debt	0
including:	
credits	0
loans, except bonded loans	0
bonded loans	0

The structure of accounts payable

unit of measurement: **thousand rubles**

Indicator	Value
Total accounts payable	12 034 255

overdue	3 938 683
including	
payable to budget and state off-budget funds	366 788
overdue	0
payable to suppliers and contractors	6 198 136
overdue	3 222 591
payable to staff	209 427
overdue	0
other	5 259 904
overdue	716 092

If there are overdue accounts payable, including debt in relation to borrowings, the reasons for nonperformance and past or future effects of the failure to perform the relevant obligations on the issuer, including penalties imposed on the issuer and the (expected) time limits for the settlement of overdue accounts payable or overdue debt in relation to borrowings.

According to the business plan of Kubanenergo PJSC the redemption of overdue accounts payable is planned for 2018, including debt restructuring arrangements.

Levies, fines, penalties: no.

The main cause of overdue accounts payable: retail companies delay in fulfilling their obligations to the Company for electricity transmission services.

Creditors accounting for at least 10 percent of total accounts payable, or at least 10 percent of total (long-term and short-term) borrowings:

Full company name: **Joint Stock Company Gazprombank**

Short company name: **Bank GPB (JSC)**

Location: **16/1 Nametkina street, Moscow 117420**

TIN: **7744001497**

PSRN: **1027700167110**

Sum of debt: **5 904 459 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no.**

The creditor is an affiliate of the issuer: **no**

Full company name: **Public Joint Stock Company Sberbank of Russia**

Short company name: **Sberbank of Russia PJSC**

Location: **19 Vavilova str., Moscow 117997**

TIN: **7707083893**

PSRN: **1027700132195**

Sum of credit: **8 913 336 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no**.

The creditor is an affiliate of the issuer: **no**

Full company name: **Public Joint Stock Company “Federal grid company of Unified Energy System”**

Short company name: **“FGC UES”, PJSC**

Location: **5A, Akademik Chalomei street, Moscow, 117630**

TIN: **4716016979**

PSRN: **1024701893336**

Sum of credit: **1 567 844.03 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no**.

The creditor is an affiliate of the issuer: **Yes**

The issuer's share in the authorized capital of the commercial organization: 0%

Share of ordinary shares of the joint-stock company owned by the issuer: 0%

Share of the person in the authorized capital of the issuer: 0%

Share of the issuer's ordinary shares held by the person: 0%

31.03.2018

The structure of the borrowed funds

unit of measurement: **thousand rubles**

Indicator	Value
Long-term borrowings	23 784 853
including:	
credits	16 784 853
loans, except bonded loans	0
bonded loans	7 000 000
Short-term borrowings	290 553
including:	
Credits	13 999
loans, except bonded loans	0
bonded loans	276 554
Total amount of overdue loan debt	0
including:	
credits	0

loans, except bonded loans	0
bonded loans	0

The structure of accounts payable

unit of measurement: **thousand rubles**

Indicator	Value
Total accounts payable	15 722 729
overdue	3 538 266
including	
payable to budget and state off-budget funds	1 183 871
overdue	0
payable to suppliers and contractors	6 632 843
overdue	2 957 923
payable to staff	229 958
overdue	0
other	7 676 057
overdue	580 343

If there are overdue accounts payable, including debt in relation to borrowings, the reasons for nonperformance and past or future effects of the failure to perform the relevant obligations on the issuer, including penalties imposed on the issuer and the (expected) time limits for the settlement of overdue accounts payable or overdue debt in relation to borrowings.

According to the business plan of Kubanenergo PJSC the redemption of overdue accounts payable is planned for 2018, including debt restructuring arrangements.

Levies, fines, penalties: no.

The main cause of overdue accounts payable: retail companies delay in fulfilling their obligations to the Company for electricity transmission services.

Creditors accounting for at least 10 percent of total accounts payable, or at least 10 percent of total (long-term and short-term) borrowings:

Full company name: **Joint Stock Company Gazprombank**

Short company name: **Bank GPB (JSC)**

Location: **16/1 Nametkina street, Moscow 117420**

TIN: **7744001497**

PSRN: **1027700167110**

Sum of debt: **6 287 109 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no.**

The creditor is an affiliate of the issuer: **no**

Full company name: **Public Joint Stock Company Sberbank of Russia**

Short company name: **Sberbank of Russia PJSC**

Location: **19 Vavilova str., Moscow 117997**

TIN: **7707083893**

PSRN: **1027700132195**

Sum of credit: **9 697 743 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no**.

The creditor is an affiliate of the issuer: **no**

Full company name: **Federal Treasury Institution “Directorate of the state customer for realization of the Federal target program “Modernization of transport system of Russia”**

Short company name: **FTI “Rostransmodernizatsiya”**

Location: **bld. 1, Rozhdestvenka Str. 1, 1109012, Moscow**

TIN: **7702331944**

PSRN: **1027739457745**

Sum of credit: **3 383 644.34 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no**.

The creditor is an affiliate of the issuer: **no**

2.3.2. Credit history of the issuer

Fulfilment of liabilities by the Issuer under credit and/or loan contracts in force within the most recently closed reporting year and the current year if their principal amount accounted for five percent or more of the book value of the issuer’s assets as of the last date of the most recently closed reporting period consisting of 3, 6, 9, or 12 months and preceding the time of entering into the relevant agreements and under any other loan agreements and/or credit facility agreements considered by the issuer to be material for itself.

Type and identification characteristics of the obligation	
1. credit line, resolution on securities issue No. 4B02-02-00063-A-001P dated 10.11.2015 series 001P-02	
Terms of the obligation and information on its fulfillment	
Name, location or of the creditor (lender)	Purchasers of securities
Sum of the debt as of the moment of occurring of obligation, rubles	3400000 RUR X 1000
Sum of the debt as of the end of reporting quarter, rubles	3400000 RUR X 1000
Sum of credit (loan), (years)	10
Average interest on credit (loan), % per annum	12.63

Number of interest (coupon) periods	20
Presence of overdue in interest payments, in case of presence – the total amount of overdue and their volume in days	no
Planned term (date) of credit (loan) payment	11.11.2025
Actual term (date) of credit (loan) payment	current
Other information on obligations, specified by the issuer at its discretion	no

Type and identification characteristics of the obligation	
2. credit line, resolution to issue securities No. 4B02-01-00063-A-001P dated 10.11.2015 series 001P-01	
Terms of the obligation and information on its fulfillment	
Name, location of the creditor (lender)	Purchasers of securities
Sum of the debt as of the moment of occurring of obligation, rubles	3600000 RUR X 1000
Sum of the debt as of the end of reporting quarter, rubles	3600000 RUR X 1000
Sum of credit (loan), (years)	10
Average interest on credit (loan), % per annum	10.44
Number of interest (coupon) periods	20
Presence of overdue in interest payments, in case of presence – the total amount of overdue and their volume in days	no
Planned term (date) of credit (loan) payment	21.11.2025
Actual term (date) of credit (loan) payment	current
Other information on obligations, specified by the issuer at its discretion	no

2.3.3. Liabilities of the issuer arising from guarantees provided to third persons

The issuer does not have such liabilities.

2.3.4. Other liabilities of the issuer

There are no other liabilities unrepresented in the balance sheet 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 related to acquisition of securities being placed (placed)

Risk management policy of the issuer:

The Board of Directors of Rosseti JSC approved the Strategy of Development and Improvement of Internal Control System of Rosseti JSC and subsidiaries and affiliates of Rosseti JSC (Minutes of meeting No.143 dd. 13.02.2014), that determines the current and target condition of internal control and risks management system of Rosseti PJSC and its subsidiaries and affiliates.

To implement this Strategy, the Issuer's Board of Directors approved the Internal Control Policy and

the Risks Management Policy of Kubanenergo PJSC (Minutes of meeting No. 233/2016 dd. 18.03.2016) that are aimed at timely revealing and providing of preventive actions on minimization of risk (control procedures) to decrease the possibility of financial and other losses that influence at reaching the goals of the Company. The Issuer's Risks Management Policy requires compliance with the following principals:

- 1) establishment and protection of the Company's property (the System of Risks Management contributes to the achievement of goals and improvement of productivity, ensuring health and safety employees, ensuring that the safety of all the Company's activities comply with legal and regulatory requirements, environmental protection, improve service quality, operational efficiency, control and reputation);
- 2) Risk management is an integral part of all organizational processes (risk management is not a separate activity that is separate from the activities and processes in an organization; it is a part of management's commitment and an integral part of all organizational processes, including strategic planning and all project management processes and changes);
- 3) Risk management is part of the decision-making process;
- 4) Risk management is systematic, structured and well-timed;
- 5) Risk management is based on the best available information;
- 6) Risk management is transparent and takes into account the interests of stakeholders;
- 7) Risk management is dynamic, iterative (repetitive) and responsive to changes;
- 8) Risk management contributes to the continuous improvement of the organization;
- 9) responsibility for risk management – all participants of the System of Risks Management are responsible for the identification, assessment, analysis and continuous monitoring of risks in the framework of its activities, the development and implementation of the necessary measures for risk management, continuous monitoring of the effectiveness of risk management measures;
- 10) the principle of optimality (analysis of the ratio of expenses for implementation of measures for the risk and impact of the implementation of these measures, including correspondence between the level of complexity of the System of Risks Management and level of complexity and the degree of importance the object, the is analyzed in terms of risk);
- 11) the unity of the methodological framework. Risk management (identification, analysis, assessment and monitoring of risks, development and monitoring of the effectiveness of risk management) are carried out on the basis of approaches and standards, common to all structural units of the Issuer.

Every quarter the Issuer collects and analyses information on internal and external factors that can have a negative effect on Issuer's goals achieving. For minimization of consequences from risks implementation the Issuer developed and carried out events on prevention of negative consequences; at the same time there are political and economic factors that influence the activity of Kubanenergo PJSC in respect of which the Issuer cannot guarantee that events aimed to overriding of possible negative situations can change the situation for the better because these risks factors are out of the Issuer's control.

2.4.1. Industry Risks

Tariff risks

In connection with the restriction of growth of tariffs for transmission services for end-users at the level of the RF Government, the likelihood of establishing a tariff lower than the economically justified level is estimated as high.

To prevent and mitigate the impacts from implementation of this risk the Company provides supporting materials to regulatory authorities, that confirm level of economically feasible expenses of the Issuer, upholds the position on necessity of outrunning growth of expenditures, as strategic Company, collective fund holder of Krasnodar region and Republic of Adygea, forms and send disputes to Federal Antimonopoly Service of the Russian Federation.

The Issuer is exposed to risks of reducing of revenues amount in connection with changing of structure of electric energy transmission relating to accepted one while tariffs were approved, and risks of changing of legislation in sphere of tariffs setting.

The following events are implemented to minimize the risks:

- 1) cooperation with tariff regulatory authorities concerning questions related to accounting of losses that were caused by determining at the federal level the sums of falling out income from applying non-regulated price at necessary gross revenue of the Issuer in the next period of tariff regulation;
- 2) preparation and submission to state tariff regulatory agencies the propositions on technological electric energy/power consumption taking into account dynamics of productive supply for purposes of forming of consolidated balance forecast for production and delivery of electricity for the next year;
- 3) development and implementation of the Programme of increasing of electric energy efficiency and its coordination with administration of the regions;
- 4) development and implementation of the Programme of cost management.

The issuer's sphere of influence on the tariff regulation agencies is limited, and the issuer cannot guarantee that the measures aimed at minimizing the consequences will be as effective as possible.

The Issuer is exposed to risk of scarcities of source of funding of events on agreements on implementation of technological connection (hereafter – technological connection) due to approving by regulating authority of paying rate for technological connection lower of economically feasible level. One of the factors of this risks arising is introduction of amendments to legislation of the Russian Federation (Federal Law No. 35-FZ dd. 26.03.2003 “On power industry”) on excluding of power receivers of maximum capacity 150 kW from paying for technological connection of investment component for covering of charges for construction of power supply network facilities (from 1 October of 2015 – no more than 50% from amount of specified expenditures, from 1 October of 2017 – excluding this expenditures from paying for technological connection).

To minimize risk, the Company cooperates with tariffs regulatory authorities, forms correct scope of obligation on technological connection agreements, develops project documents on scope of obligations on technological connection agreements, submits in regulatory authorities the additional supporting materials, and adopts economic feasibility of paying rate for technological connection.

Risk of antimonopoly legislation is evaluated by Company as medium.

The reason of the risk implementation may become non-fulfillment of obligations of the Issuer on technological connection on concluded agreement on technological connection (because of scarcity of funds and large number of agreements on technological connection)

Risk of reducing the amount of services on electric energy transmission.

Risk of reducing the amount of services on electric energy transmission is industry risk. The reduction of electric energy consumption can be the consequence of external factors influence such as: economy crisis and production decline, construction of electrical generation facilities by customers, extreme weather events, industrial accidents, and industrial disasters. Potential influence of these factors may influence on changing of revenue of the Issuer.

In connection with economic development of the region where the Issuer operates, there is a dynamic of increasing of amounts of electric energy consumption for the last few years. This risk is evaluated as medium. The Issuer implements monitoring of current and expected economic situation in region and in country, fulfills preparation works for appropriate work of power equipment in all seasons, carries out maintenance and repair of power facilities.

Operational risks

In the production process the Issuer is exposed to risks associated with physical deterioration, abuse and critical changes in the parameters of the equipment. The main ones are:

- 1) deterioration of performance and economic indicators of electric equipment
- 2) threat of failures with partial or full undersupply of electricity with corresponding negative social consequences
- 3) failure to comply with the obligations under the contracts for the provision of electricity transmission services
- 4) negative environmental effects

In order to decrease these risks, the issuer takes the following steps:

- 1) scheduled repair and maintenance of equipment
- 2) technical re-equipment, upgrade and new construction
- 3) regular optimization of structure and amount of components and spare parts in reserve and other
- 4) providing of industrial security and manufacturing control

The Issuer assesses the level of risk above the average and believes that the negative factors will not materially affect its activities and performance of obligations on its securities.

Price risks

Provision of electricity transmission services includes as well the purchase of raw materials, services, equipment and other materials used by the Company in its operations. The price increase is mainly explained by inflationary pressures and the impact of macroeconomic factors. During the economic instability the risk of augmentation of cost for goods and services used by the Company increases.

In order to minimize these risks, the issuer uses its position of a large consumer and purchases the material and technical resources and selects the service providers through a competitive and regulated procurement of raw materials, production and other services.

2.4.2. Country and regional risks

Risks associated with the political and economic situation in the country and region

The worsening of economic and political situation in the country and the region are main risk factors for the Company. Since the Issuer operates only on internal market, government of the Russian Federation develops programmes on import substitution including in regions where the Issuer operates, it leads to increasing of amount of electric energy consumption. Increasing of energy efficiency and adoption of energy-efficient technologies are development priorities of economics.

In the event of significant political instability, which can negatively affect the operations and earnings, the Issuer takes measures of crisis management, reduces as much as possible the expenses, and investment plans.

Additionally, there are risks associated with military conflicts, introduction of a state of emergency, natural disasters that may have consequences as follows:

- deterioration of the whole national economy status and, consequently, of the Issuer's financial

status;

- detriment to the Issuer's properties that may negatively affect its ability to timely and fully fulfil its liabilities to consumers and counterparties.

The Company operates in the Krasnodar Territory and the Republic of Adygea. The regions where the Issuer carries out its activity are politically stable with the risk of a military conflict or a state of emergency occurrence there due to internal causes being minimal. At the same time, because of the proximity of the republics of the North Caucasus region, there is a considerable risk of terrorist acts; for its minimization, the Issuer actively cooperates with state bodies in charge and takes coordinated measures to ensure security of production. The Issuer has elaborated and is carrying out target arrangements for protection of the Issuers' energy facilities against subversive or terrorist acts. The Company established a permanent working group on combating terrorism in the power distribution facilities in the region. To compensate for damage of the effect of emergency circumstances associated, inter alia, with natural disasters, the Issuer concludes property insurance contracts.

Sharp regional scale changes (environmental, political, demographic, social) are unlikely, but their emergence will doubtlessly affect the Company's activity.

Taking into account the level of the region's transport infrastructure development, the risks of interruption of transport communication due to difficulty of access or remoteness of location are minimal.

In the Issuer's opinion, the situation in the region will have a favourable effect on the Issuer's activity; there is no reason to expect that a change of the situation in the region will entail the Issuer's failure to fulfil its liabilities.

2.4.3. Financial risks

Risk of interest rates change

The Issuer attracts short- and long-term borrowings from the Russian financial market. Since the Issuer operates in the Russian Federation, inflation growth in the Russian Federation is one of the factors of overall growth of interest rates. A substantial increase of interest rates on credits and loans may entail appreciation of the Issuer's debt servicing. For optimization of the debt portfolio structure and reduction of its servicing costs, the Issuer strains after use of credits and loans with the fixed interest rate which results in significant reduction of the above risk. The Issuer's supposed actions in the event of negative effect of interest rates change on one's activity: Attraction of longer-term credits to avoid negative effect of interest rates short-term fluctuations and diversify funding sources. Due to the decreasing of inflation rate, the risk is evaluated as moderate.

Risk of changes of foreign currencies exchange rates

Carrying out one's core business activity within the territory of the Russian Federation, the Issuer has no investments into foreign companies, value of net assets whereof is exposed to the risk of currency exchange rates fluctuations nor revenues or expenses expressed in terms of foreign currency. Risks related to exchange rate fluctuations are not factors of direct impact on the financial and economic activities of the Issuer, but may lead to augmentation of prices for energy equipment. Currently, this risk is assessed as medium. In order to reduce the risk, the Company is implementing a programme of import substitution. In case of a further weakening of the national currency the issuer plans to analyse the risks and make appropriate decisions in each particular situation.

Risk of reducing the consumer prices

Changes in the consumer price index to some extent affect the Issuer's rate of return and its financial and business activity results, but their effect is not a direct dependence factor. Indirect dependence of the Issuer's rate of return on changes of the consumer price index is mainly conditioned by the fact that tariffs for services for transmission of electric energy cross electric power grids are established

by state tariff bodies on the basis of justified expenses on their provision and fully or partially compensate for growth of the Issuer's expenses associated with inflation. However, during high inflation periods, risks of reduction of the tariff compensatory component amount and of solvency of the Issuer's major consumers grow up. Taking into account the abovementioned information, there are no guarantees that possible increase of consumer prices will not lead to a drop of the Issuer's rate of return in future. However, due to reduction of inflation this risk is estimated as moderate.

Inflation risks

The current inflation level cannot have a significant effect on the Issuer's financial status. Nevertheless, for minimization of financial risks associated with inflation processes and affecting the financial results of activity, the Issuer is implementing an integrated programme for analysis of financial risks, planning and appraisal of actual profitability of activity; one identifies return rate indices that are indicative of the Issuer's level of cost-efficiency, normative values of financial coefficients characterizing the Issuer's solvency and liquidity, which enable one to promptly detect drawbacks in the Issuer's work and take measures for their elimination. As well as in accordance with RF Government Regulation No. 1178 dd. 29.12.2011 "On price formation in sphere of regulated prices (tariffs) in power industry" when regulating electricity tariffs inflation level should be taken into consideration (consumer price index), that was defined in the prognosis of social and economic development of the Russian Federation. Thus, the Issuer considers these risks as moderate.

The occurrence of these financial risks can have an impact on the issuer's financial statements. The indicator which is most affected in the Issuer's statements is the index of accounts receivable arising from the inability of counterparties to pay for services of the Issuer. The probability of this risk is assessed as moderate. The deterioration of the economic situation in Russia may affect the growth of the cost of electricity transmission through electric grids of the Issuer, which, while maintaining the established tariffs will reduce the profits. To reduce this risk, the issuer carries out the work on the management of debt receivable directed to optimization of its amount and repayment of debts.

2.4.4. Legal risks

The Issuer carries out its activity only at domestic market; therefore, the legal risks are considered only from this point of view.

Risks associated with tax and environmental legislation and customs and currency regulation.

Since no special taxation mode is applicable to the Issuer's activity and the Issuer has no overdue tax and levy indebtedness to budgets of all levels, the Issuer's tax risks are considered as the minimum within the framework of a conscientious taxpayer's activity.

In the shorter term, the Issuer does foresee emergence of any significant risks in one's financial and business activity associated with changes in tax and civil legislation.

Changes of currency and customs legislation of the Russian Federation are of no relevance for the Issuer's activity and, consequently, do not entail emergence of legal risks.

In case of changes and/or launch of requirements for licensing the Issuer's core activity the Issuer will take all necessary measures for obtaining the licenses and permissions required.

The Issuer has licenses for carrying out other activity data whereon is given in clause 3.2.5 of this report. The Issuer carries out regular work for prolongation of the licenses necessary for conduction of its business activity. The Issuer's exposure to the above risk may be considered insignificant. In case of change of requirements on licensing of the basic kinds of activity, the Issuer will take necessary steps to obtain the appropriate licenses and permits. Risks connected with absence of possibility to extend the license of the Issuer are minimal and cannot influence on Issuer's fulfillment of obligations on placed securities.

2.4.5. Reputational risks.

The risk that the issuer of incurs losses due to such factors as a reduction in the number of customers (counterparties) because of the formation of negative image of financial stability, the financial

position of the issuer, the quality of the work, is considered as minimal. The Issuer is a natural monopoly, there is an annual increase in the number of electricity consumers. In addition, the Issuer developed a good practice for long-term cooperation with its partners.

2.4.6. Strategy risks

The Issuer, being a part of the single distribution grid complex of Russia, seeks to achieve the objectives defines at the national level. On 3 April 2013 the Russian Government approved the development strategy for the electric grid complex of the Russian Federation. Due to the fact that the Issuer is a subsidiary of Rossetti, the largest Russian backbone grid company, the Issuer is a participant in implementation of policies and programmes on activities (business processes) of Rossetti PJSC. The decision to start the implementation of a specific strategy (programme) in the activities of the Issuer's shall be accepted by the Board of Directors.

The probability of the risk of the Issuer losses arising from errors (defects) made in management decisions, defining the strategy and activities of the Issuer, is assessed as low.

Measures to prevent the occurrence of this risk are:

- elaboration of proposals and scenarios to improve the implementation of specific policies and programmes;
- analysis of effectiveness of particular strategy, adoption of managerial solutions by the results of analysis
- development and implementation of key performance indicators to achieve policies, linking them with bonuses of managers of the Issuer;
- continuous monitoring by the Issuer's structural units the ratio of the cost of implementing a specific strategy to the received profit and submission to the Board of Directors of the Issuer of the information for decision-making (including, by definition, the quantity and quality of resources)

2.4.7. Risks connected with the Issuer's activity

Risks connected with the current legal trials of the Issuer.

The Issuer participates in legal trials the results of which can materially affect financial and operational activities of the Issuer. Kubanenergo PJSC regularly monitors the judicial practice that allows to use this information for reaching positive judicial decision for the Issuer.

Currently there are no changes in judicial practice that can negatively affect at results of current trials and thus on the results of business activity of the Company.

Risks connected with potential liability of the Issuer on debts of third parties including affiliates of the Issuer.

The Issuer has affiliate joint stock companies with owning of 100% shares in the authorized capital. As the parent Company for subsidiaries and affiliates, the Issuer can be responsible for their debts. These liabilities can negatively effect on results of financial and operational activities of the Issuer. The possibility of specified risks is evaluated as medium.

Risks connected with possibility of loss of customers that constitute at least 10% of total revenue from sales of products (work, services) of the Issuer. The Company cooperates with main customers and is monopolist in sphere of services rendering on electric energy transmission in the regions of the Issuer's activity. The possibility of loss of main customers is minimal.

Risks in manufacturing activity of the Issuer:

- 1) systematic interruption of power supply of customers in the result of accidents and disturbances at grid sections and substation equipment
- 2) violation of requirements of GOST 31144-2013 on providing the quality of electric energy
- 3) disturbance of regime of electric energy transmission and reducing of quality of rendered services
- 4) non-implementation of maintenance (including diagnosis) and repair in time
- 5) emergency situations in related networks, that can breakdown the equipment of the Issuer

6) excessive losses of electric energy

To reduce these risks, the Issuer pays much attention to development of electric grid complex with using of science based engineering decisions and technologies, tested in operation, modern electric equipment.

Increasing of tariffs on rendered services by the Issuer, due to increasing of “external” expenses influence on risks: purchased electric energy on losses compensation, changing of amount of payment of services for electric energy transmission of “FGC UES” PJSC and other factors.

Investment risk

Implementation of the investment programme of the Issuer demands fund raising both owned and loaned, on conditions satisfying the requirements of the tariff system.

One of the investment risks is a risk of reduction of sources of financing of Company’s investment programme. Currently this risk is rated as minimal and is determined by influence of the following factors: decline in the ruble, upturn in inflation, and rise in cost of debt capital.

To decrease the investment risk, the investment programmes of the Issuer are planned taking into account following key criterions of efficiency:

- increasing of reliability and availability of network infrastructure
- decreasing of amortization and modernization of facilities of power supply network system
- reaching of high load of commissioned capacity
- optimization of engineering solutions out of necessity of excluding the usage of imported equipment and materials, cost of which has high dependence from rate of exchange

To minimize risk of untimely and incorrect implementation of the investment programme, the Issuer controls deadlines and quality of investment projects.

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)

The Issuer’s full business name: **Public Joint-Stock Company of Power Industry and Electrification of Kuban, Публичное акционерное общество энергетики и электрификации Кубани**

Date of introducing the current company name: **22.06.2015**

Short company name: **Kubanenergo PJSC, ПАО "Кубаньэнерго"**

Date of introducing the current company short name: **22.06.2015**

Company’s name (name of non-profit partnership) registered as trademark or service mark

Information on registered trademarks:

On 31.01.2013 and 19.07.2013 (certificates No.479755 and No.4922215) the Federal Intellectual Property Service registered trademarks (service marks) in favour of the Company in Russian language – КУБАНЬЭНЕРГО. Duration of the registration of a mark ends on 27.12.2021.

All previous names of the issuer:

Full company name: **Акционерное общество открытого типа энергетики и электрификации Кубани, Open Joint-Stock Company of Power Industry and Electrification of Kuban**

Short company name: **Kubanenergo JSC**

Date of introducing the name: **10.02.1993**

Ground of introducing the name: **State registration of the issuer’s Charter (certificate of stage registration No.127 dated 10.02.1993)**

Full company name: **Открытое акционерное общество энергетики и электрификации Кубани, Open Joint-Stock Company of Power Industry and Electrification of Kuban**

Short company name: **Kubanenergo JSC**

Date of introducing the current company name: **29.05.1996**

Ground of introducing the name: **State registration of adjustment to the issuer's Charter No.2858 dated 29.05.1996. The charter was approved at the AGM on 26.04.1996, minutes of meeting No.4**

Full company name: **Открытое акционерное общество энергетики и электрификации Кубани, Open Joint-Stock Company of Power Industry and Electrification of Kuban**

Short company name: **"Kubanenergo" JSC**

Date of introducing the name: **30.06.1998**

Ground of introducing the name: **State registration of adjustment to the issuer's Charter, No.7315 dated 30.06.1998. The charter was approved at the AGM on 22.05.1998, minutes of meeting No.6**

3.1.2. Data on 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 Oktyabrsky District of Krasnodar**

Data on legal entity registration;

Primary legal entity state registration number: **1022301427268**

Registration date: **17.09.2002**

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

3.1.3 Information on establishment and development of the Issuer

The Issuer has been founded for an indefinite period.

Brief description of the Issuer's foundation and development history: Issuer's establishment objective, mission (if any) and other information on the Issuer's activity required for taking decisions on acquisition of the Issuer's securities:

History of Kuban electric energy system began in the 19th century with construction of small substations.

Since 1930 the managing of power facilities of Kuban was performed by North-Caucasus power directorate – "Sevkavenergo" with headquarter in Rostov-on-Don, then in January 1934 it was divided into two independent directorates: "Azcherenergo" (Rostov-on-Don) and "Sevkavenergo" (Pyatigorsk).

In order to restore the ruined power network of the Kuban and for its further development, by the Order of the People's Commissar of the USSR from March 14, 1944 No.66 the Krasnodar district energy management "Krasnodarenergo" (REU) was organized. The principal activities of RG were the production, distribution and sale of electricity and thermal energy, recovery and development of energy systems, power control and supervision over the operation of power equipment on plants. The jurisdiction of the RG on the Rights of the independent self-supporting enterprises were power plants,

substations, network areas, repair-mechanical plant, the central warehouse, planning and surveying offices, industrial and research laboratory.

In the late 50s - early 60s we installed transmission networks of 110 kV and 220 necessary for connecting the power system of southern Russia and the Caucasus, railroad network was electrified, electricity distribution facilities were built, electrification of rural areas reached 86%. In 1963, in accordance with the order of USSR Council of Ministers dated 14.05.63, city and rural electric grids were transferred to regional electricity board.

In 1972 the first in USSR 100 MW gas turbine unit (GTU) was installed at Krasnodar thermal power station (TPS), the second GTU was installed in 1975. Total power of TPS, units and 2 GTUs amounted 959 MW.

The rapid growth of electricity consumption by the national economy of Kuban in 1970-1980 led to the construction of a large number of transmission lines and substations, switching to a higher voltage classes - 330 and 500 kV. The total length of transmission lines reached 90 thousand km and amount of substations of 35-500 kV exceeded 700.

On November 1, 1988, in accordance with the order of USSR Council of Ministers dated 02.07.87 No. 812, Krasnodar district network "Krasnodarenergo" was discontinued, and on the basis of its subordinate enterprises and organizations Krasnodar Production Association of Power industry and Electrification "Krasnodarenergo" was established.

In 1993, in accordance with Russian legislation on privatization of state and municipal enterprises Krasnodar Production Association of Power industry and Electrification "Krasnodarenergo" was reorganized into "Kubanenergo" JSC with the following branches Krasnodar TPP, "Energonadzor" repair and construction company, training center, recreation centre, summer camp.

"Kubanenergo" PJSC is formed to gain profit from rendering services on electric energy supplying of customers of Krasnodar region and the Republic of Adygea (both generated electric energy and bought from other producers), and generated heating energy for consumers of Krasnodar.

In accordance with Presidential Decree No. 923 dd. 15.08.1992 "On control of the power industry of the Russian Federation in the context of privatization" 49% of the Company's shares were transferred as the payment of the authorized capital of RAO "UES of Russia" in 1993, while the remaining 51% stake of "Kubanenergo" were acquired via private subscription by employees of the Company and other persons/entities entitled to benefits under the State program of privatization.

In 2003-2006 "Kubanenergo" JSC, as well as power industry in general, has undergone large-scale reforms.

The main objective of the Russian electric power industry reformation is the increase of efficiency of the enterprises of the branch, creation of conditions for the latter development on the basis of investment process motivation and provision for reliable and uninterrupted supply of energy to consumers.

During the reformation, "Kubanenergo" JSC got rid of service and non-core types of activity as well as dispatching functions by way of entrusting them to dedicated special entities:

- Operative dispatching management functions were transferred to Open Joint-Stock Company "System Operator of the Unified Energy System";
- Open Joint-Stock Company "Krasnodarenergozemont", "Krasnodarenergosetremont", "Recreation Centre "Energetik" and Recreation Centre "Plamya" were founded;
- Non-State Non-profit Educational Institution "Kubanenergo" Training Centre" was founded where workers of the Company and other power industry enterprises advance their qualifications and master new trades.

In 2006, as the result of reorganization of “Kubanenergo” JSC, the following open-end joint-stock companies appeared:

“Kuban Generating Company”, with the generating capacities of the Company (Krasnodar CHP and minor-scale hydroelectric power plants) included in one’s authorized capital;

“Kuban Trunk Grids”, authorized capital whereof was composed of electric power grid facilities related to the Unified National Electric Power Grid (with voltage = 220 kV and higher);

“Kuban Energy Selling Company” discharging the functions of a guaranteeing electric energy supplier, additionally in charge of electric energy purchase in the wholesale market and supply to end consumers.

At present “Kubanenergo” PJSC is the biggest electric power grid company in the Krasnodar region and Republic of Adygea that transmits and distributes electric energy to consumers via 110 kV electric power grids with voltage or less between populated regions, rural settlements and cities and district centres of the Krasnodar region and Republic of Adygea including Sochi.

“Kubanenergo” PJSC carries out its main activity under conditions of natural monopoly regulated by the state in the part of setting tariffs for electric energy transmission and provision for consumers a non-discriminatory access to electric power grids.

Since July 1, 2008 “Kubanenergo” has been a dependent company of “IDGC Holding” JSC (from 04.04.2013 – Rosseti JSC, currently – Rosseti PJSC) having received a pack of the Company’s voting shares through legal succession under a dividing balance sheet as a result of reorganization of “RAO UES of Russia” in the form of separation.

The mission of “Kubanenergo” PJSC is receiving of profit in conditions of long-term, reliable, qualitative and reasonable power supply of customers of Krasnodar region and Republic of Adygea based on organization of effective management of distribution grid with using of modern technologies and innovations and taking into account world standards of quality of rendered services and the best practices of corporate management.

Strategic objectives of Kubanenergo PJSC were formed in accordance with Paragraph VI (Milestones) of the Strategy of development of Russia power grid approved by RF Government Decree No. 511-r dd. 03.04.2013:

- 1) Increasing of reliability of power supply of Krasnodar region and Republic of Adygea;
- 2) Improving of quality of customers services and increasing of availability of power grid facilities;
- 3) Advanced development of the network and introduction of new technologies;
- 4) Increasing of investment attractiveness and capitalization;
- 5) Decent work conditions, increasing of competence and loyalty of the Company’s staff.

Mission and strategic targets are approved by the decision of Company’s Board dd. 10.04.2017.

3.1.4. Contact information

Location of the issuer:

Krasnodar, Russian Federation

Address of the issuer specified in the Unified State Register of Legal Entities:

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

Telephone: **(861) 268-5913**

Fax: **(861) 268-2493**

E-mail: **telet@kuben.elektra.ru**

Internet page(s) where information is available on the Issuer and on securities issued and/or being issued by the latter:

**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

Subdivision location: **2A Stavropolskaya str., Krasnodar, Russia 350033**

Telephone: **(861) 212-22-76**

Fax: **(861) 212-27-08**

E-mail: **podsvirovaiv@kuben.elektra.ru**

Webpage: **kubanenergo.ru/aktsioneram-i-investoram/**

3.1.5. Taxpayer Identification Number

2309001660

3.1.6. Branches and representative offices of the Issuer

Branches and representative offices of the Issuer in accordance with its Charter (constituent documents):

Full name: **Adygeiskiye electric networks**

Office: **358, Shovgenova str., Maykop**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Khomichenko Yuriy Viktorovich**

Validity period the power of attorney: **31.12.2018**

Full name: **Armavirskiye electric networks**

Office: **54, Vorovskogo str., Armavir**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Magdeev Rustam Khaidarovich**

Validity period the power of attorney: **31.12.2018**

Full name: **Krasnodarskiye electric networks**

Office: **131, Pashkovskaya str., Krasnodar**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Mikhailov Vladimir Alexandrovich**

Validity period the power of attorney: **31.12.2018**

Full name: **Labinskiye electric networks**

Office: **334, Mira str., Labinsk**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Gerasko Andei Leonidovich**

Validity period the power of attorney: **31.12.2018**

Full name: **Leningradskiye electric networks**

Office: **6, 302 Division street, Leningradskaya village**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Sheblakov Ruslan Aslanovich**

Validity period the power of attorney: **31.12.2018**

Full name: **Slavyanskiye electric networks**

Office: **49, Stroitel'naya str., Slavyansk-on-Kuban**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Glushko Timur Igorevich**

Validity period the power of attorney: **31.12.2018**

Full name: **Sochinskiye electric networks**

Office: **42, Konstitutsii of USSR str., Sochi**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Armaganyan Edgar Garrievich**

Validity period the power of attorney: **31.12.2018**

Full name: **Timashevskiye electric networks**

Office: **176, Lenin street, Timashevsk**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Sobolev Sergey Viktorovich**

Validity period the power of attorney: **31.12.2018**

Full name: **Tikhoretskiye electric networks**

Office: **62, Dzerzhinskiy street, Tikhoretsk**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Gondar Valery Vladimirovich**

Validity period the power of attorney: **31.12.2018**

Full name: **Ust-Labinskiye electric networks**

Office: **4, Krasnodarskaya str., Ust-Labinsk**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Suvorov Mikhail Vladimirovich**

Validity period the power of attorney: **31.12.2018**

Full name: **Yugo-Zapadniye electric networks (South-Western electric networks)**

Office: **1, Vostochny Mol, Novorossiysk**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Golovakha Dmitriy Nikolaevich**

Validity period the power of attorney: **31.12.2018**

3.2. Core business activities of the issuer

3.2.1. Core economic activities of the issuer

Code of the issuer's type of core economic activity

OKVED, Russian Standard Industrial Classification of Economic Activities
35.12

OKVED, 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. Core business activities of the issuer

The Issuer's business activities (type of activities, type of goods (works, services) which made up at least 10 percent of the Issuer's revenue (income).

Unit of measurement: **thousand rubles**

Type of activity: **electricity transmission services**

Indicator	2016	2017
Revenue from this business activity, thousand rub	39 262 365	41 485 670
Portion of revenue from this type of business activity in the total amount of revenue of the Issuer, %	94.1	98.2

Indicator	3 months of 2017	3 months of 2018
Revenue from this business activity, thousand rub	9 893 275	11 630 638
Portion of revenue from this type of business activity in the total amount of revenue of the Issuer, %	97.8	99.1

Information on changes of revenue (proceeds) from core business activity by 10 percent and more compared with the corresponding previous reporting period and causes of changes:

Such changes did not occur.

Additional information:

Electric energy transmission

The main indexes of electric energy transmission of Kubanenergo PJSC (thousand kW*h):

Indicators	2017	1 st quarter of 2017	1 st quarter of 2018
Receipt of electric energy into the Company's grid for its transmission under service contracts	22 633 257.51	6 109 298.8	6 037 060.1
Electric supply from the Company's grids	19 904 273.66	5 223 928.3	5 233 079.4
Productive supply of electric energy by the "boiler" method	18 204 054.38	4 725 693.16	4 724 263.79
per voltage levels			
- high voltage (110kV and higher)	3 783 341.16	937 216.89	920 981.26
- medium voltage 1 (35kV)	1 134 013.21	297 344.85	278 966.29
- medium voltage 2 (1-20kV)	5 442 025.23	1 432 518.69	1 434 444.94

- low voltage (0.4kV and lower)	7 844 674.78	2 088 612.73	2 089 871.30
Actual losses of electric energy	2 728 893.85	885 370.5	803 980.6
Saving (+) / loss (-) of electric energy from the allowed losses	-168 073.12	-70 196.9	-62 556.2

Quarterly forecast for production results and comments

The main purpose of Kubanenergo in 2018 is trouble-free operation during winter and summer peak demands, timely implementation of the activities of supervisory authorities to obtain a certificate of preparedness, the performance of investment and maintenance programmes that will create an opportunity for further connection of consumers to the networks of Kubanenergo PJSC and minimization of excessive losses.

To fulfill the targets of financial and economic activity of electricity transmission it is necessary: to implement the planned structure of productive supply by voltage levels; to eliminate the growth of costs on housekeeping overheads and uncontrolled expenses of the Issuer.

A significant risk in 2018 for electricity transmission is:

- imprecise planning of balances of electric energy and capacities by the regional market participants and Regional Energy Commission of the Krasnodar region
- approval of the mid-year of the electricity transmission tariffs for the newly formed network of related organizations, the emergence of uncompensated costs on them
- in case of transition to payments for network maintenance there increases economic responsibility of sales companies for non-compliance of the actual structure of productive supply to consumers from the planned, by voltage levels
- low payment discipline of energy selling companies, failure to comply with their contractual obligations.

Technological connection of consumers to the Company's electric grids

In 2017 the company concluded 30 428 grid connection contracts for the total capacity of 652 MW. The company collected 1 096 million rubles (VAT excluded), and received 648 million rubles (VAT excluded) of revenue. The volume of money was received mostly from consumers having submitted applications for capacity in excess of 150kW.

The actual number of connected consumers in 2017: 31 193 consumers with the total capacity of 684 MW.

In the first quarter of 2018 the company concluded 5 817 grid connection contracts for the total capacity of 148 MW. The company collected 2 011 million rubles (VAT excluded), and received 63 million rubles (VAT excluded) of revenue. The volume of money was received mostly from consumers having submitted applications for capacity in excess of 150kW.

The actual number of connected consumers in the first quarter of 2018: 5 528 consumers with the total capacity of 100 MW.

Core production capacities of the Company (as of 01.01.2018):

Length of 110, 220kV high voltage lines	110kV overhead lines – 4 907.21 km (route)
	110kV overhead lines – 6 205.27 km (circuits)
	220kV overhead lines – 76.1 km

	110kV cable lines – 93.35 km
Length of medium voltage lines (6 - 35 kV)	Power lines 6-35kV – 41 323.87 km (route) Power lines 6-35kV – 42 236.84 km (route), including: Overhead lines 35kV – 6 833.73 km (route) Overhead lines 35kV – 7 746.82 km (circuit) Overhead lines 6-10kV – 32 710.73 km Cable lines 35kV – 1.33 km Cable lines 6-10kV – 1 777.95 km
Length of 0.4 kV low voltage lines	Power lines 0.4 kV – 42 494.43 km, including: overhead lines – 42 017.11 km cable lines – 477.32 km
Number/capacity of substations with high (110 kV) basic voltage	221 substations/7 230 MVA
Number/capacity of substations with high (35/6-10 kV) basic voltage	494 substations/2 454 MVA
Number/capacity of transformer substations (6-35/0.4 kV)	23 052 substations/4 819 MVA

Additional information of the Company's business activity

Detailed information on revenue and expenses structure, thousand rubles:

	Indicator	3 months of 2017	3 months of 2018
1	Revenue from selling products (services), total	10 115 135	11 731 870
2	Production (services) costs including administrative expenses, total	8 882 842	10 361 652
3	Gross profit, total	1 257 058	1 402 649
4	Net profit (loss)	-279 645	129 794

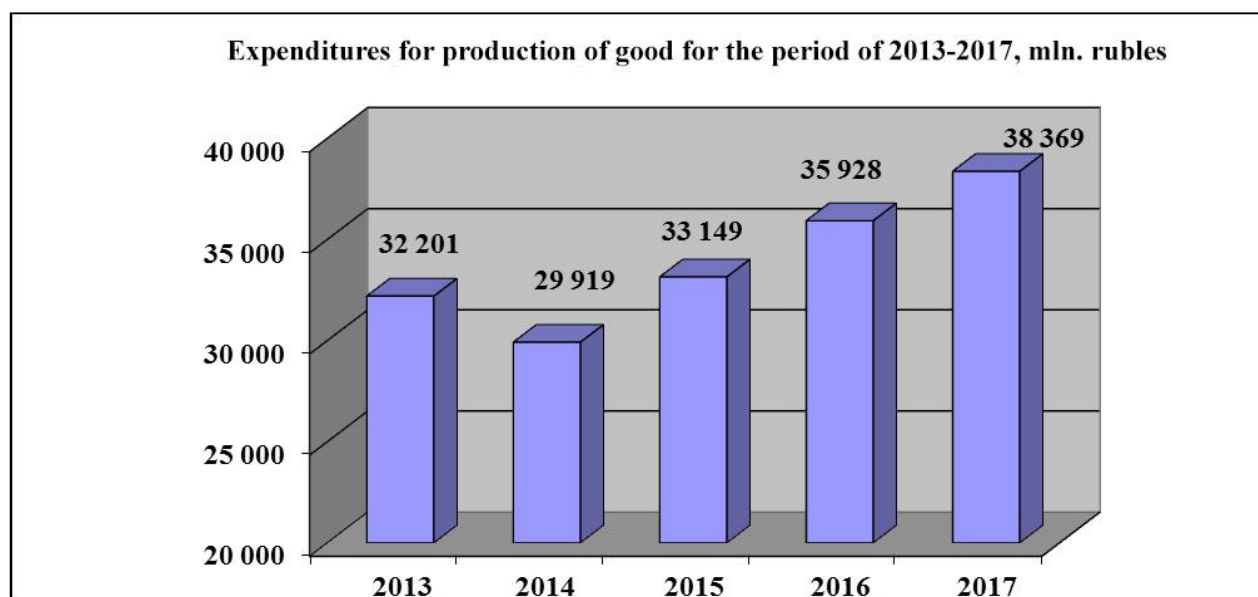
Changes in financial and economic activity of Kubanenergo in the 1st quarter of 2018 compared with indicators of the 1st quarter of 2017 are characterized by the following:

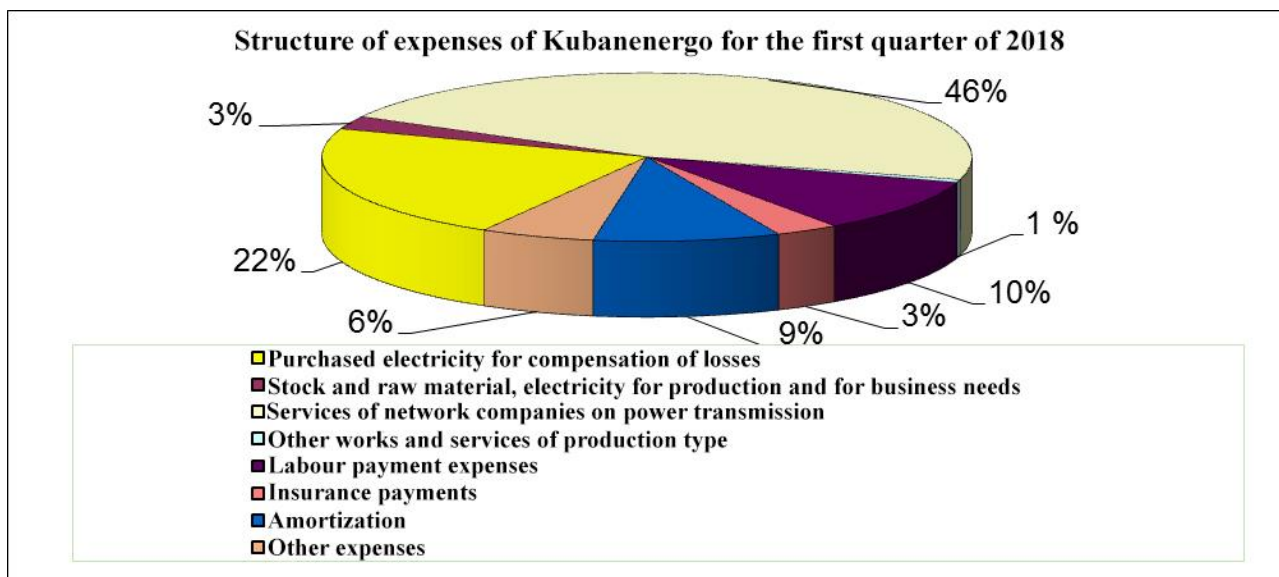
- increase in revenue from sales of products (services) in the reporting period by 1 616.7 million rubles or 16.0%, due to the increasing in revenue from grid connection by 17.6%;
- increase in production costs, including administrative expenses by 1 478.8 million rubles or by 16.6%
- increase in net profit as of the end of the reporting period by 409.4 million rubles.

The accounting policy of the Company allows the structuring of revenue and cost of goods sold (services) business areas with access to the overall financial performance of the company.

Expenditures structure inclusive of administrative expenses, thousand rubles:

#	Expenditures	2013	2014	2015	2016	2017	2018, 3 months
1.	Material expenditures	9 143 190	6 496 386	7 311 003	8 8336 372	8 604 749	2 549 846
	including						
1.1.	Purchased power for loss compensation	8 298 460	5 566 431	6 482 770	7 445 886	7 598 384	2 288 033
1.2.	Purchased energy for industrial and domestic needs	78 548	89 231	102 895	109 653	111 421	45 872
1.3.	Materials and supplies	766 182	840 724	725 338	780 833	894 944	215 940
2.	Work and production services	15 481 904	13 373 753	14 064 811	15 331 719	17 585 988	4 867 606
2.1.	Services of network companies for electricity transmission	14 902 076	12 814 947	13 605 034	14 855 066	17 096 279	4 807 839
2.2.	Other works and production services	579 828	558 806	459 777	476 653	489 709	59 768
3.	Labour payment expenditures	2 871 822	3 302 981	3 348 760	3 869 411	4 049 544	1 069 197
4.	Insurance payments	836 238	950 249	973 293	1 104 797	1 171 392	325 610
5.	Non-state insurance cover	0	0	39 610	53 000	52000	0
6.	Amortization	1 713 723	2 474 732	3 192 584	3 620 002	3 772 687	959 527
7.	Misc.	2 154 548	3 320 676	4 218 234	3 612 449	3 132 597	589 866
	including						
7.1.	Payment of third party services	464 756	866 821	867 146	775 730	927 083	199 789
7.2.	Insurance expenses	95 165	90 211	88 981	88 587	100 303	25 435
7.3.	Taxes and levies	157 833	224 153	440 691	570 671	644 192	218 167
7.4.	Provision for estimated liabilities	416 191	1 335 306	1 181 472	1 805 122	1 037 502	-10 667
7.5.	Provision for unutilized vacation	69 081	27 056	21 228	12 096	18 146	50 314
8.	Expenditures for production and selling of products including administrative expenses	32 201 425	29 918 777	33 149 295	35 927 750	38 368 957	10 361 652





Performance indicators

Indicator	2016	2017	3 months of 2018
ROE, return of equity, %	6.05	1.48	0.37
ROA, return on assets, %	3.18	0.73	0.17
ROTA, return on total assets, %	5.21	1.63	0.48

Debt to equity ratio

Indicator	2016	2017	3 months of 2018
Debt to equity ratio, %	1.86	1.56	1.48

The debt to equity ratio shows the share of borrowed funds in the capital structure of the company. By the results of the 1st quarter of 2018 this index reduced by 0.08 points and was 1.48.

The dynamics of growth (falling) incomes, thousand rubles:

#	Indicator	2016	2017	3 months of 2017	3 months of 2018
1	Total net proceeds from selling production (service), including	41 726 201	42 253 027	10 115 135	11 731 870
1.1.	from transmission and transit of electric energy through networks	39 262 365	41 485 670	9 893 275	11 630 638
1.2.	from grid connection service	2 380 524	647 952	204 718	63 473
1.3.	other products (service) of core activity	83 312	119 405	17 142	37 759

By the results of the 1st quarter of 2018 revenue from sales of products, work and service amounted 11 731.9 million rubles, which is 1 616.7 million rubles or 16.0% higher than in the 1st quarter of 2017. The main influence on the growth in this index had a increase in revenues from electric energy transmission by 1 737.4 million rubles or by 17.6%.

Expenditures:

#	Expenses for production and selling of products	Mln. rubles	Rate of growth, %			
			2017/2013	2017/2014	2017/2015	2017/2016
1	2013	32 201.4	119.2	128.2	115.7	106.8
2	2014	29 918.8				
3	2015	33 149.3				
4	2016	35 927.8				
5	2017	38 369.0				

The cost (including management costs) by the results of 2017 amounted to 38369.0 million rubles, which is 2 441.2 million rubles more than in 2016. This growth was due to an increase in the cost of purchased electricity to compensate for losses, expenses for services of PJSC FGC UES, services of distribution grid companies, depreciation of fixed assets and intangible assets.

Expenses for purchasing electric energy to compensate losses by the results of 2017 amounted 7 598.4 mln. rubles (20% from total expenses). In absolute terms the growth by 2016 amounted 152.5 mln. rubles that is caused by changing of procedure for the reimbursement for participants of wholesale market for electricity and power of costs of load losses, recorded in prices on wholesale market for electricity and power, as a result from 01.08.2017 expenses for purchased electric energy to compensate losses are formed without deduction of specified value (paragraph 1b of RF Government Regulation No. 810 dd. 07.07.2017 “On amendments to certain acts of the Government of the Russian Federation regarding the issues of payment for electricity losses at wholesale market of electric energy and capacity and retail electricity markets, as well as obtaining the status of a subject of the wholesale electricity and capacity market”).

Expenses for services of “FGC UES” PJSC amounted 6 156.0 mln. rubles (16% from total expenditures). Growth in comparison with 2016 amounted 1 251.4 mln. rubles and is caused by growth of the amount of contracted capacity by 10%, increasing of amount of normative losses of electric energy by 10% and changing of procedure for the reimbursement for participants of wholesale market for electricity and power of costs of load losses, recorded in prices on wholesale market for electricity and power, as a result from 01.08.2017 expenses for services of “FGC UES” PJSC are formed without deduction of specified value (paragraph 1b of RF Government Regulation No. 810 dd. 07.07.2017 “On amendments to certain acts of the Government of the Russian Federation regarding the issues of payment for electricity losses at wholesale market of electric energy and capacity and retail electricity markets, as well as obtaining the status of a subject of the wholesale electricity and capacity market”).

Expenditures for services of grid distribution companies by the results of 2017 amounted 10 940.3 mln. rubles (29% from total expenditures). In comparison with the last year, the growth of expenses amounted 989.8 mln. rubles that is caused by changing of structure of electric energy transmission through networks of territorial grid companies and growth of individual tariffs on electric energy transmission services.

Depreciation of fixed assets and intangible assets by the results of 2017 amounted 3 772.7 mln. rubles, it is 152.7 mln. rubles more than in 2016 because of putting into operation fixed assets as part of implementation of approved investment programme of the Company.

The structure of revenue and profit by type of activities, thousand rubles

#	Indicator	2016	2017	3 months of 2017	3 months of 2018
---	-----------	------	------	------------------	------------------

1	Total net proceeds from selling production, service, including	41 726 201	42 253 027	10 115 135	11 731 870
1.1	Production (services) of core activity, total, including:	41 726 201	42 253 027	10 115 135	11 731 870
1.1.1.	network services	41 642 889	42 133 622	10 097 993	11 694 111
1.1.1.1	from transmission and transit of electric energy through networks	39 262 365	41 485 670	9 893 275	11 630 638
1.1.1.2	from grid connection services	2 380 524	647 952	204 718	63 473
1.1.2.	electric energy to internal consumers	0	0	0	0
1.1.3.	heat energy	0	0	0	0
1.1.4.	other production (services) of core activity	83 312	119 405	17 142	37 759
1.2	Production (services) of non-core activity	0	0	0	0

By the results of the 1st quarter of 2018 revenues from sales of products, works and services reached 11 731.9 million rubles, which is 16.0% higher than the corresponding figure in the 1st quarter of 2017. The main influence on the increase of this indicator has had a increase in revenues for network services by 1 596.1 million rubles or 15.8%, as well as growth of revenue from electric energy transmission by 1 737.4 million rubles or 17.6%.

Quarterly forecasting of financial results and comments:

The activities of the Company are planned on the basis of the following indicators:

- consolidated forecast balance of production and supply of electric energy within the Unified Energy System of Russia by subjects of the Russian Federation;
- forecast of growth in tariff on electricity transmission services;
- forecast of growth in consumer prices;
- forecast of growth in purchase of electricity to cover energy losses;
- amount of electricity losses, taking into account the depreciation of equipment, modes of loads on networks, business losses, etc.

Trends and changes in the structure of receivables of the Company, thousand rubles:

1. For 2017:

Indicator	31.12.2016	31.12.2017	Dynamics, for 2017
Trade debtors	6 410 581	6 155 946	-254 635
including overdue	2 086 478	1 520 407	-566 071
Notes payable	0	0	0
including overdue	0	0	0

Accounts receivable from founders (participants) on share capital payment	0	0	0
including overdue	0	0	0
Other accounts receivable	708 838	691 442	-17 396
including overdue	206 930	165 105	-41 825
Total amount of accounts receivable	7 119 419	6 847 388	-272 031
including total amount of overdue accounts receivable	2 293 408	1 685 512	-607 896

2. For the 1st quarter of 2018

Indicator	31.12.2017	31.03.2018	Dynamics, for the 1 st quarter of 2018
Trade debtors	6 155 946	7 569 107	1 413 161
including overdue	1 520 407	2 737 568	1 217 161
Notes payable	0	0	0
including overdue	0	0	0
Accounts receivable from founders (participants) on share capital payment	0	0	0
including overdue	0	0	0
Other accounts receivable	691 442	765 323	73 881
including overdue	165 105	130 681	-34 424
Total amount of accounts receivable	6 847 388	8 334 430	1 487 042
including total amount of overdue accounts receivable	1 685 512	2 868 249	1 182 737

Trends and changes in the structure of payables of the Company, thousand rubles:

1. For 2017

Indicator	31.12.2016	31.12.2017	Dynamics, 12 months of 2017
Long-term liabilities, including	1 429 365	989 505	-439 860
Other liabilities	1 429 365	989 505	-439 860
Short-term liabilities, including	8 280 201	11 044 750	2 764 549
suppliers and contractors	4 837 353	6 198 136	1 360 783
salaries payable	212 336	209 427	-2 909
payables to public non-budgetary funds	93 935	108 782	14 847

taxes payable	654 431	258 006	-396 425
advances received	1 922 409	2 889 096	966 687
accounts payable to founders (participants) on share capital payment	37	500	463
other accounts payable	559 700	1 380 803	821 103
Accounts payable, total	9 709 566	12 034 255	2 324 689

2. For the 1st quarter of 2018:

Indicator	31.12.2017	31.03.2018	Dynamics, 3 months of 2018
Long-term liabilities, including	989 505	1 053 775	64 270
Other liabilities	989 505	1 053 775	64 270
Short-term liabilities, including	11 044 750	14 668 954	3 624 204
suppliers and contractors	6 198 136	6 632 843	434 707
salaries payable	209 427	229 958	20 531
payables to public non-budgetary funds	108 782	120 970	12 188
taxes payable	258 006	1 062 901	804 895
advances received	2 889 096	5 116 383	2 227 287
accounts payable to founders (participants) on share capital payment	500	800	300
other accounts payable	1 380 803	1 505 099	124 296
Accounts payable, total	12 034 255	15 722 729	3 688 474

In the following table “General structure of the Issuer’s prime cost”, the structure of prime cost is specified with regard of management expenses:

General structure of the Issuer’s prime cost

	2016	2017
Raw materials, %	2.2	2.3
Purchased component parts and semi-finished goods, %	0	0
Works and production-related services, performed by third parties, %	42.7	45.8
Fuel, %	0	0
Power, %	21	20.1
Salaries and wages, %	10.8	10.6
Interest on credit, %	0	0
Rent, %	0.6	0.6
Allocations for social needs, %	3.1	3.1

Depreciation of fixed assets, %	10.1	9.8
Taxes included in cost of sales, %	1.6	1.7
Other expenses, %	7.9	6
depreciation of intangible assets, %	0	0
remunerations for rationalization proposals, %	0	0
mandatory insurance payments, %	0	0
hospitality expenditure, %	0	0
other (specify), %	7.9	6
outsourced services, %	2.2	2.4
reserves for future expenses, %	5.1	2.8
voluntary insurance payment, %	0.2	0.2
Miscellaneous, %	0.4	0.6
Total: costs of production and sales of products (works, services) (prime cost), %	100	100
For reference: Proceeds from sales of products (works, services), %	116.1	110.1

	2016, 3 months	2017, 3 months
Raw materials, %	1.8	2.1
Purchased component parts and semi-finished goods, %	0	0
Works and production-related services, performed by third parties, %	38.4	47
Fuel, %	0	0
Power, %	27.1	22.5
Salaries and wages, %	10	10.3
Interest on credit, %	0	0
Rent, %	0.6	0.5
Allocations for social needs, %	3	3.1
Depreciation of fixed assets, %	10.4	9.2
Taxes included in cost of sales, %	1.8	2.1
Other expenses, %	6.9	3.2
depreciation of intangible assets, %	0	0
remunerations for rationalization proposals, %	0	0
mandatory insurance payments, %	0	0

hospitality expenditure, %	0	0
other (specify), %	6.9	3.2
outsourced services, %	1.8	1.9
reserves for future expenses, %	4.2	0.4
voluntary insurance payment, %	0.3	0.2
Miscellaneous, %	0.6	0.7
Total: costs of production and sales of products (works, services) (prime cost), %	100	100
For reference: Proceeds from sales of products (works, services), %	113.9	113.2

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).

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

Standards (rules) in accordance with which the Issuer prepared the accounting statements and carried out calculations presented in this paragraph of the quarterly report:

Russian standards of accounting reports.

3.2.3. Materials, goods (raw materials) and suppliers of issuer

For 2017

The Issuer's suppliers that account for at least 10 percent of all supplies of materials and goods (raw materials)

Name: **Limited Liability Company "Ultraform Proekt"**

Location: **building 1, 8 Presnenskaya naberezhnaya, Moscow, 123317**

TIN: **7713312020**

PSRN: **1027739448660**

Purchase share, %: **26.6**

Name: **Limited Liability Company "KTS"**

Location: **183 Oktyabrskaya street, Krasnodar, 350000**

TIN: **2310138475**

PSRN: **1092310001695**

Purchase share, %: **19.3**

Information on changes in basic material and goods (raw material) prices for more than 10% within the corresponding reporting period compared to the corresponding reporting period of the previous year

The prices are increased for the following items:

- reinforced concrete poles SV (Material and technical resources) by 22.8%
- insulator PSD 70E 212 W by 17.1 %

The prices are decreased for the following items:

- self-supporting insulated wire (Material and technical resources) by 12.6%
- high voltage lead GKTIII-60-126/800 O1 by 10%
- power cable APvPu2g 1x300/70 by 11%

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

The share of import supplies is 4.2%.

The forecast of availability of import in the future is favourable.

Possible alternative sources are currently not available.

For 3 months of 2018

The Issuer's suppliers that account for at least 10 percent of all supplies of materials and goods (raw materials)

Name: **Limited Liability Company “Avtostrada”**

Location: **33 Aerodromnaya street, Krasnodar, 350049**

TIN: **2315186715**

PSRN: **1142315001575**

Purchase share, %: **32.8**

Name: **Limited Liability Company “Trade house “TIBL”**

Location: **139/94 Tekucheva street, Rostov-on-Don 344018**

TIN: **6165187707**

PSRN: **1146165001047**

Purchase share, %: **11.5**

Information on changes in basic material and goods (raw material) prices for more than 10% within the corresponding reporting period compared to the corresponding reporting period of the previous year

Changes in basic material and goods (raw material) prices for more than 10% within the corresponding reporting period: no.

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

Possible alternative sources are currently not available.

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

Core markets wherein the Issuer carries out its activity:

The Company is the largest 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 110kV among the populated localities, in rural settlements and individual cities and regional centres of the Krasnodar Territory and Republic of Adygea including Sochi.

The total market share of the Company was 69.03% in 2017 and 69.2% in the first quarter of 2018. Kubanenergo PJSC carries out its 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 01.01.2007 a "boiler" method of settlements for transmission of electric energy is in force in the region, with the "boiler holder" status reserved to "Kubanenergo" PJSC. 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 used in the Krasnodar region with regard to LLC "Maykop CHP" Grid Company. Within the framework of this scheme, "Kubanenergo" PJSC provides electric energy transmission services to LLC "Maykop CHP" grid company and receives payment as per the individual tariff established by REC-PTD KT.

In the reporting quarter, the core consumers of "Kubanenergo" PJSC energy transmission services were:

- 2 guarantee suppliers – subjects of the wholesale and retail markets that sell electricity to end users connected to the Company's electric grids and networks of other network organizations ("NESK" JSC, "TNS EnergoKuban" PJSC),
- 28 energy selling companies– subjects of the wholesale and retail markets that sell electricity to end users connected to the Company's electric grids and networks of other network organizations ("MAREM+" LLC, "Rusenergosbyt" LLC, "Rusenergoresurs" LLC, "Transservisenergo" JSC, "RN-Energo" LLC, "Southern Energy Retail Company" LLC, "MagnitEnergo" LLC, "Mosenergosbyt" PJSC, "KES" LLC, "Yugstroy-Energosbyt" LLC, "Energy Efficiency" LLC, "Kvant" LLC, "NSK" LLC, "Transneftenergo" LLC, "Rusnergo" LLC, "RegionEnergoKontrakt" LLC, "Mezhregionenergosbyt" JSC, "Energosbyt" LLC, "Garantenergo" LLC, "KNGK-Energo" LLC, "Alternativ-Energo-Sbyt" LLC, "AER" LLC, "ProfServisTrade" LLC, "Forest" LLC, "UES Garant" LLC, "ESK Nezavisimost" LLC, "VN-Energotrade" LLC, "Retail Energo Consult" LLC);
- more than 100 consumers that concluded with Kubanenergo PJSC direct contracts for electricity transmission ("Novorostsement" JSC, "Tamaneftegaz" CJSC, "EuroKhim-Belorechenskie Minudobreniya" LLC, "Poultry farm "Primorskaya" LLC, "Fanagoria" APF, "Agriculture stud farm "Pobeda" CJSC, "Kubanskiy bacon" LLC, Federal State Budgetary Institution "Board of Kubanmeliovodkhoz", "Sad-Gigant" JSC, "Verkhnebakan cement factory" JSC, "Abrau Durso" CJSC, "Novoroslesexport" JSC, "Stud farm "Leninskiy put" JSC, "Stud farm "Gulkevichskiy" CJSC, "RAMO-M" CJSC, "Novomol" LLC, "Pioneer" JSC, "Novorossiysk commercial seaport" PJSC, "Formika-Yug" LLC, "Kanevskiy Gas Fitting Plant" LLC, "IPP" JSC), concluded Agreement for the transmission of electricity;
- commercial grid company ("Maikop CHP" LLC).

Factors that may affect the products (works, services) marketing by the Issuer and possible actions of the Issuer to reduce such effect:

Negative factors that may have a negative effect on "Kubanenergo" PJSC products marketing represent political risks associated with:

- political risks associated with decisions of the Russian Government on the development of the power industry,
- risks associated with the relationship with local authorities,
- economic risks connected with state regulation of prices on the Issuer's services,

-financial risks associated with the conditions and the cost of borrowed resources;
 - risks associated with the operation of the main equipment (power transmission) and other risks.
 Currently, the Issuer does not forecast substantial deterioration of the situation in the industry. In case of substantial deterioration, the Issuer plans to make risks analysis and to take corresponding decision in each specific case.

3.2.5. Information on the Issuer's licenses

Name of the body issued the license: **Ministry of Natural Resources of the Krasnodar region**
 Number of licence or document evidencing the access to particular types of activities: **licence for the use of subsurface resources KRD No. 80383VE**
 Type (types) of activity for performance of which the issuer obtained a licence or and access: **Recovery of fresh subsurface water for household, potable and process water supply in Krasnodar.**
 Date of issue of licence or access to particular types of works of licence or access to particular types of works: **30.11.2015**
 Expiry date of licence or access to particular types of works of licence or access to particular types of works of licence or access to particular types of works: **20.07.2034**

Name of the body issued the license: **Ministry of Natural Resources of the Krasnodar region**
 Number of licence or document evidencing the access to particular types of activities: **licence for the use of subsurface resources KRD No. 80380 VE**
 Type (types) of activity for performance of which the issuer obtained a licence or and access: **Recovery of fresh subsurface waters for household, potable and process water supply in Tverskaya village, Apsheronskiy district, Krasnodar region**
 Date of issue of licence or access to particular types of works of licence or access to particular types of works: **26.10.2015**
 Expiry date of licence or access to particular types of works of licence or access to particular types of works of licence or access to particular types of works: **01.01.2035**

Name of the body issued the license: **Self-Regulating Organization NP "Energoproject"**
 Number of licence or document evidencing the access to particular types of activities: **P-0263-05-2010-0274**
 Type (types) of activity for performance of which the issuer obtained a licence or and access: **access to works on preparation of design of external supply lines up to 35kV and their constructions that affect the safety of capital facilities**
 Date of issue of licence or access to particular types of works **17.08.2015**
 Expiry date of licence or access to particular types of works: **Perpetual**

Name of the body issued the license: **The Federal Security Service of the Russian Federation in the Krasnodar region**
 Number of licence or document evidencing the access to particular types of activities: **GT 0083528, registration number 1504**
 Type (types) of activity for performance of which the issuer obtained a licence or and access: **activities that involve usage of information constituting state secret**
 Date of issue of licence or access to particular types of works **20.07.2015**
 Expiry date of licence or access to particular types of works: **06.08.2018**

The Issuer's management takes all the actions required for timely obtainment, update 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 favourable.

At the same time, there is a risk related to 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, presently the Issuer's activity reveals no 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 activity of particular categories of issuers

Issuer is not joint stock investment fund, insurance or credit company, or mortgage agency.

3.2.7. Additional requirements to issuers which main activity is the extraction of minerals

Mining is not the core activities of the issuer

3.2.8. Additional requirements to issuers which main activity is the provision of telecommunications services

Provision of telecommunications services is not the core activities of the issuer

3.3. Issuer's future activity plans

The Issuer's plans related to start of new production: **the Issuer does not plan to launch new production.**

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

Development of the Company's power network is carried out in accordance with the approved scheme of prospective development of power network of the Krasnodar region and the Republic of Adygea and requirements of the technical specification for organization of technological connection of consumers to the Company's power networks.

It is planned to conclude over 30 thousand contracts for grid connection with total capacity of about 660 MW in 2018; the amount of revenue (payment for grid connection) is projected to be 3 038 million rubles (excluding VAT).

It is expected that in 2022, due to the growth of power consumption in the region and connecting of new customers, the volume of electricity transmission services rendered by the Company will amount to 20 176 736.13 thousand kWh. (108.48% compared to 2018).

The Issuer's plans related to development of new types of products: Development of new types of products is not planned.

The Issuer's plans related to upgrade and reconstruction of the fixed assets:

For the few coming years, Kubanenergo PJSC has scheduled construction and upgrade of overhead and cable lines, substations and other energy facilities, primarily those focused on provision of uninterrupted power supply in the Krasnodar region seaside areas (along the Black Sea and the Azov Sea coasts), Krasnodar as a social and cultural centre and implementation of project of nationwide scale on the Taman peninsula: "Construction of Kerch strait bridge", "Construction of dry-cargo zone of Taman seaport".

Plans of issuer's investment activity:

Kubanenergo PJSC carries out its investment activity in accordance with the Investment Programme for 2018-2022 approved by the Ministry of Energy of the Russian Federation (order No.21 @ dated 01.12.2017).

Sources of funding the Investment Programme 2018:

depreciation – 1 571.16 million rubles; funds received from allotment of additional shares of the

Company – 1 303.83 million rubles; advanced payments from grid connection – 964.48 million rubles; credit funds – 3 333.52 million rubles, other own funds – 136.76 million rubles. Implementation of investment programme includes construction and reconstruction of 581.29 km of power lines and commissioning of transformer capacity in amount of 777.87 MVA.

Plans of the issuer related to possible changes in operating activities: the changing of operating activity is not planned.

Future prospects in terms of sources of future income:

Main elements of Company's financial strategy:

- provision of qualitative, reliable and stable power supply;
- reduction of power equipment tear and wear;
- keeping of tariff sources of investment for the renewal and development of the network;
- improving the efficiency of operating costs;
- making of a reserve capacity of power grids in the volume advancing economic development for 3 years;
- introduction of innovative technologies that meet the highest international standards in the field of power distribution at all stages of the process;
- ensuring profitability of investments in the distribution grid complex at the level of profitability of companies with comparable market conditions in the Russian Federation

3.4. The Issuer's participation in banking groups, holdings, and associations

Name of a group, holding, or association: **Rosseti PJSC**

Term of issuer's participation: **since July 1, 2008**

Role (place) and functions of the issuer in organization:

Since July 1, 2008 the issuer was a dependent and then later affiliated company of Rosseti PJSC that received the portfolio of voting shares of the Company by the law of succession on dividing balance sheet in the results of reorganization of RAO UES of Russia JSC.

Functions of the issuer in the Holding: formation of power sector of Russia in the sphere of distribution grid complex.

3.5. Subsidiary and dependent companies of the Issuer

The issuer does not have subsidiary and dependent companies of material significance

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

31.12.2017

Unit: **thousand rub**

Group of fixed assets	Acquisition cost (replacement cost)	Accumulated depreciation
Fixed assets	106 381 919	55 169 882
Total	106 381 919	55 169 882

Information on depreciation calculation method for groups of fixed assets:
Depreciation on fixed assets objects is charged in linear mode based on the terms of useful

service of these objectsReporting date: **31.12.2017****31.03.2018**Unit: **thousand rub**

Group of fixed assets	Acquisition cost (replacement cost)	Accumulated depreciation
Fixed assets	106 634 682	56 118 968
Total	106 634 682	56 118 968

Information on depreciation calculation method for groups of fixed assets:
Depreciation on fixed assets objects is charged in linear mode based on the terms of useful service of these objects

Reporting date: **31.03.2018**

Results of last revaluation of fixed assets and leased assets, carried out during the last completed financial year, with the date of the revaluation, gross and net (net of depreciation) of the book value of fixed assets before revaluation and gross and net (net of amortization) of the replacement cost fixed assets to reflect current revaluation. The above information is provided for groups of fixed assets. The data are provided on methods of accrual of depreciation charges on groups of fixed assets.

Unit of measurement: **thousand rub**

Group of fixed assets	Total cost before revaluation	Net asset value (excluding amortization) before revaluation	Revaluation date	Full replacement cost after revaluation	Depreciated replacement cost (excluding amortization) after revaluation
Homogeneous groups of fixed assets (group 110, 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

Method of revaluation of fixed assets (according to coefficient of federal executive body for statistics, market cost of fixed assets, supported by documents and experts' reviews. In case of presence of experts' review it is necessary to specify the method of evaluation):

Revaluation of fixed assets as of 31.12.2015 was carried out for the groups of fixed assets (code 110 "Industrial buildings", code 420 "Equipment for the conversion of electric power") by "ENPI Consult" JSC in accordance with the agreement No.2e392/15/407/30-933 dated 01.09.2015. The final results of the revaluation of homogeneous groups of fixed assets (code 110 "Industrial buildings", code 420 "Equipment for the conversion of electric power") not reflected in the financial statements for 2015 in accordance with legislation.

Contractor:**Joint Stock Company "EPNI Consult" (abbreviated name: "EPNI Consult" JSC)****Location: bld. 500, 65 Starokaluzhskoe highway, Moscow 117630****Address: bld. 500, Starokaluzhskoe highway, Moscow 117630****PSRN 1027700283566 dd. 07.10.2002****Legal liability of the Contractor is insured:****"UGORIA Insurance Company" JSC in the amount of 50 000 000 (fifty million) rubles**

(certificate of insurance dd. 12.09.2013 to additional agreement No. 3 dd. 12.09.2013 to agreement of compulsory insurance of liability of appraiser in the implementation of valuation activities (additional collateral) No. 59-000187-09/11 dd. 05.08.2011, insurance period from 9 March 2012 to 31 December 2017).

“AlfaStrakhovanie” JSC, liability insurance contract of appraisers of the Issuer No. 0991R/776/10004/5 dd. 12.02.2015 on the basis of which the certificate No. 0991R/776/10004/5 dd. 18.02.2015 was issued. Certificate of insurance period of validity from 9 March 2015 to 8 March 2016. Total amount of insurance – 500 000 000 (Five hundred million) rubles. Franchise – 50 000 000 (Fifty million) rubles.

“ENPI Consult” JSC fully meets the requirements with paragraph 15.1 of RF Federal Law No. 135-FZ dd. 29.07.1998 “On valuation activity in Russian Federation”.

Current (reinstatement) cost for research objects equals total cost for creation of new similar objects.

Information on plans for the acquisition, replacement, retirement of fixed assets, the value of which is 10 or more percent from the total assets value, and other fixed assets at the discretion of the issuer, as well as all facts of encumbrance of the issuer (indicating the type of burden, the date of encumbrance, its validity and other conditions at the issuer's discretion):

The approved investments programme 2018-2022 does not include modernization of facilities, cost of modernization of which is more than 10% of issuer's fixed assets

Property of Kubanenergo PJSC encumbered by leases as of 31.03.2018:

Fixed assets	Type of encumbrance	Start-date	End date	Other conditions
Room 16 in Kubanenergo, building: 2A, Stavropolskaya str., Krasnodar. Place on communication mast, area: 5.84 sq. m	Rent	01.02.2004	30.09.2018	Prolongation is possible
Premises at 2A Stavropolskaya str., Krasnodar. area: 192.8 sq. m	Rent	01.02.2014	31.08.2018	Prolongation is possible
Premises at 2A Stavropolskaya str., Krasnodar. area: 1.2 sq. m	Rent	01.11.2006	31.10.2018	Prolongation is possible
Premises No. 213, 214, 214/1, 214/2 in the building of lit. D, located at: 2A Stavropolskaya str., Krasnodar; area: 54.2 sq.m.	Rent	01.12.2007	indefinite term	indefinite term
Part of non-residential premises No. 5 located at 2A, Stavropolskaya str., Krasnodar, Area: 1.2 sq. m	Rent	01.01.2007	01.12.2018	Prolongation is possible
Parts of non-residential premises for installation of communication equipment. Location: branches of Kubanenergo PJSC. Area: 21.6 sq.m.	Rent	31.07.2007	31.08.2018	Prolongation is possible
Premises for installation of metering devices. Location: branches of Kubanenergo PJSC. Area: 149 sq.m.	Rent	31.03.2010	30.06.2018	Prolongation is possible
Rooms: 18, 19, 20 located at: 47 Novorossiyskaya str., Krasnodar. Area: 23.8 sq.m.	Rent	01.02.2011	31.05.2018	Prolongation is possible
Rooms 20-22 lit.A, at: 153 Stavropolskaya str., Krasnodar; Area: 64.4 sq.m.	Rent	26.12.2017	26.11.2018	Prolongation is possible
4 single-mode optical fiber No.21, 22, 23, 24 at optical cable	Rent	01.09.2007	30.10.2018	Prolongation is possible

The hotel complex, building F, facility room Ya: 4 Pionerskaya str., Divnomorskoe village, Gelendzhik	Rent	01.05.2016	01.02.2019	Prolongation is possible
Supports of overhead power transmission lines 0,4-10 kV	Rent	23.09.2015	10.08.2035	Prolongation is possible
Part of non-residential premises in building lit. B, area: 1.2 m, places for installation of equipment on tower at 2A, Stavropolskaya str., Krasnodar	Rent	11.08.2017	11.07.2018	Prolongation is possible
Radio mast for installation of communication equipment, 30, Tabachnaya ul., Saratovskaya ul., area: 6 sq. m	Rent	01.04.2003	31.11.2018	Prolongation is possible
Site for installation of electric tower with antenna and feeder equipment, 74, Gagarina ul., Yablonovsky vill., area: 14.3 sq. m	Rent	20.07.2005	20.05.2018	Prolongation is possible
Premises No. 34 located at 131, Pashkovskaya street, Krasnodar. Total area 23 sq.m.	Rent	01.08.2013	01.02.2019	Prolongation is possible
Concrete flumes for holding 2 electrical lines, length 700 m, substation 110/35 "Naberezhnaya"	Rent	01.09.2009	01.11.2018	Prolongation is possible
Concrete flumes for holding 2 electrical lines, length 700 m, substation 110/35 "Naberezhnaya"	Rent	01.04.2010	01.07.2018	Prolongation is possible
Premises for installation of metering devices. Location: branches of Kubanenergo PJSC. Area: 5.2 sq.m.	Rent	01.01.2011	01.05.2018	Prolongation is possible
Premises: 7/1 Aerodromnaya str., Takhtamukai village, Adygea Area: 77.6 sq.m.	Rent	01.01.2015	31.08.2018	Prolongation is possible
Wall of substation control building lit. B1 for installation of billboard, 0.3 sq.m	Rent	05.03.2015	05.11.2018	Prolongation is possible
Pylons of 35/10-0.4 kV high voltage lines for installation of fiber optic channel located at Takhtamukaitskiy district, area: 17 905 m	Rent	18.05.2015	Indefinite term	Indefinite term
Radio mast, 119 Akademika Lukyanenko str., Krasnodar	Rent	29.06.2016	29.04.2018	Prolongation is possible
Supports of 10-0.4 kV overhead lines to install fiber optic line	Rent	29.07.2016	31.12.2045	Prolongation is possible
Places for installation of electricity metering devices – the building of indoor switch-gear, substation control building of 110/6-10 "KhBK" at: Starokubanskaya-Sormovskaya str., Krasnodar	Rent	29.09.2016	29.07.2018	Prolongation is possible
Supports of 10-0.4 kV overhead lines to install fiber optic line. Dinskoi and Severskiy districts of Adygea	Rent	02.02.2016	17.02.2019	Prolongation is possible
Supports of 10-0.4 kV overhead lines to install fiber optic line. Takhtamukaitskiy district	Rent	01.08.2017	01.07.2018	Prolongation is possible
Supports of 10-0.4 kV overhead lines to install fiber optic cable	Rent	28.12.2017	28.11.2018	Prolongation is possible

Supports of 10-0.4 kV overhead lines to install fiber optic cable; Location: Dinskyaya village	Rent	26.10.2017	26.09.2018	Prolongation is possible
Supports of 10-0.4 kV overhead lines to install high voltage lines. Location: Takhtamukaiskiy district	Rent	11.12.2017	11.11.2018	Prolongation is possible
Supports of 10-0.4 kV overhead lines to install high voltage lines. Location: Dinskaya village, Starokorsunskaya village	Rent	29.12.2017	29.11.2018	Prolongation is possible
Premises located at 358, Shovgenov street, Maikop. Area: 29.8 sq.m.	Rent	01.01.2014	01.08.2018	Prolongation is possible
Premises located at 358, Shovgenov street, Maikop. Area: 1 sq.m.	Rent	14.10.2013	14.05.2018	Prolongation is possible
Places for installation of communication equipment located at 110kV Apsheronkaya substation, Apsheronsk, Krasnodar region. Area: 0.08 sq.m.	Rent	12.01.2015	12.10.2018	Prolongation is possible
Supports of 0.4 kV overhead lines, Tulskey village, Maikop district, the Republic of Adygea	Rent	16.05.2016	16.02.2019	Prolongation is possible
Supports of 10-0.4 kV overhead lines, Khanskaya village, Gaverdovskiy village, Republic of Adygea	Rent	14.09.2016	31.12.2026	Prolongation is possible
Premises at the address: 1a Industrialnaya, str., Maikopsky district, Absheronsk; 5 Energetikov str., Tulskey village	Rent	15.02.2017	15.12.2018	Prolongation is possible
Supports of 10-0.4 kV overhead lines, Maikop, Maikop district, Krasnogvardeisky and Shovgenovskiy districts	Rent	28.09.2015	28.06.2018	Prolongation is possible
Antenna; 475 Pobedy str., Belorechensk	Rent	01.09.2016	01.07.2018	Prolongation is possible
Equipment; Hyaginsky district, Dondukovskaya village	Rent	15.12.2016	31.12.2018	Prolongation is possible
Supports of 0.4 kV overhead power line, village Rodnikovyi, Maikop	Rent	24.10.2016	24.08.2018	Prolongation is possible
Supports of 10 kV overhead power line, Maikop	Rent	02.11.2017	30.11.2018	Prolongation is possible
ATM, 334, Mira, Labinsk, Krasnodar Region. Area: 1 sq.m.	Rent	04.09.2013	31.10.2018	Prolongation is possible
Premises located at: 334, Mira street, Labinsk, Krasnodar region. Area: 18.6 sq.m.	Rent	01.02.2014	30.09.2018	Prolongation is possible
Machinery and repair shop located at 334, Mira street, Labinsk. Area: 8.64 sq.m.	Rent	30.01.2018	30.06.2018	Prolongation is possible
Antenna and mast construction with platform located at: 1A, Lugovaya street Kurganinsk and 1, 50 years of VLKSM street, village Novoalekseevskaya, total square 8 sq. m	Rent	01.06.2008	01.07.2018	Prolongation is possible
Rooms No. 11 and 11a total area 23.1 sq.m, located at building lit. K, 6, 302 nd diviziya street, village Leningradskaya, Leningradskaya district, Krasnodar region	Rent	03.02.2014	03.08.2018	Prolongation is possible
0.4 kV HVL Supports with the street lighting installed on them; Kuschevskaya	Rent	20.11.2015	20.08.2018	Prolongation is possible

village				
0.4kV power line in Temryukskiy district	Rent	01.11.2012	01.04.2018	Prolongation is possible
Room No.15 located at: 49 Stroitel'naya str., Slavyansk-na-Kubani. Area: 28 sq.m.	Rent	01.03.2014	01.10.2018	Prolongation is possible
Part of premises located at: 49 Stroitel'naya street, Slavyansk-na-Kubani. 14 sq.m.	Rent	26.06.2017	25.05.2018	Prolongation is possible
Part of non-residential premises at office 104, at 42, Konstitutsii street, Sochi, area: 1.2 sq. m	Rent	29.12.2006	Indefinite term	Prolongation is possible
Non-residential premises (lit. Z) located at 42, Konstitutsiya USSR str., Sochi, area: 7.47 sq.m.	Rent	01.10.2014	01.06.2018	Prolongation is possible
Non-residential premises (lit. B, building of substation control building and lock and seal device) located at 22, Kommunalnikov street, village Lazarevskoe, Sochi. Substation "Volkonka" of 110 kV. Area: 1.2 sq.m.	Rent	01.08.2014	01.04.2018	Prolongation is possible
Places for the arrangement of reinforcement and fiber-optic cables on poles of power lines, Sochi	Rent	01.04.2011	31.08.2018	Prolongation is possible
Places for arrangement of facilities and power transmission towers 0.4-10 kV, the length of 67.8 km, Sochi	Rent	29.04.2011	31.12.2018	Prolongation is possible
Singlemode optical fiber of fiber-optic transfer link "Sochi-Substation "Matsesta" 9.7 km	Rent	01.07.2013	30.06.2018	Prolongation is possible
Premises for dispatch centre, located at 42, Konstitutsii USSR str., Sochi, area: 0.84 sq.m.	Rent	01.08.2014	01.04.2018	Prolongation is possible
Non-residential premises for installation of communication equipment: 147/B Kalarash str., Sochi, area: 0.12 sq.m.	Rent	01.06.2011	01.10.2018	Prolongation is possible
Optical fiber in a fiber-optic wire of a transmission line	Rent	01.07.2016	01.05.2018	Prolongation is possible
Pylons of power lines for installation located at Sochi, Area: 7.062 sq.m.	Rent	11.02.2015	31.10.2018	Prolongation is possible
Real estate, control room, lit A, office. 32, area 1.32 sq. m and repair production capacities lit A, Room 47, 147/B Kalarash str., Lazarevskiy district, area: 1.32 sq. m	Rent	01.06.2011	01.10.2018	Prolongation is possible
Terminal Box/ODF/: 42, Konstitutsiya str., Sochi, area: 0.25 sq.m.	Rent	30.10.2012	30.04.2018	Prolongation is possible
Optical single-mode fiber optic cable FOL "Dzhubginskaya thermal plant - substation "Dzhubga 110kV"- access-feeder node of "Rostelekom" JSC No.15 and 16. Sochi electrical networks	Rent	17.12.2013	17.07.2018	Prolongation is possible
10 kV high voltage lines on sectors village Georgievskoe – village Maloe Pseushkho and village Maloe Pseushkho – village Bolshoe Pseushkho, total length: 14.24 km	Rent	01.07.2015	30.09.2018	Prolongation is possible
Place for installation and use of equipment	Rent	18.07.2016	18.05.2018	Prolongation

				is possible
Place for installation and use of equipment	Rent	23.09.2016	23.07.2018	Prolongation is possible
Place for installation and use of equipment	Rent	03.05.2017	03.04.2018	Prolongation is possible
Joint suspension located at Chekmeneva street, Khostinskiy district	Rent	13.07.2017	13.06.2018	Prolongation is possible
Installation of equipment at pylon No. 24 of 110kV high-voltage line "Dzhubginskaya CHP – Arkhipo-Osipovka"	Rent	08.08.2017	31.12.2018	Prolongation is possible
Place for installation and operation of optical fiber transmission system at 0.4-10 kV high-voltage line located at Beryozovaya street, village Esto-Sadok	Rent	08.09.2017	08.08.2018	Prolongation is possible
Rooms No. 19 and 21 in building lit. A located at: 62, Dzerzhinskiy street, Tikhoretsk. Area: 21 sq.m.	Rent	08.04.2014	08.11.2018	Prolongation is possible
Part of a corridor in administrative building, located at: 176 Lenina street, Timashevsk, Krasnodar region (ATM is installed), 2 square metres.	Rent	01.06.2007	01.06.2018	Extended to an indefinite term
Premises No. 6 and 6' located at the 2 nd floor in building lit. A, 45, Pobedy street, Timashevsk, Timashevsk district, Krasnodar region. Area: 25.8 sq.m.	Rent	21.03.2014	21.10.2018	Prolongation is possible
11 reinforced concrete supports of 0.4kV power supply lines	Rent	01.11.2011	Indefinite term	Prolongation is possible
13 reinforced concrete supports of 0.4kV power supply lines	Rent	01.11.2011	Indefinite term	Prolongation is possible
12 reinforced concrete supports of 0.4kV power supply lines	Rent	01.11.2011	Indefinite term	Prolongation is possible
16 reinforced concrete supports of 0.4kV power supply lines	Rent	01.11.2011	Indefinite term	Prolongation is possible
284 reinforced concrete supports of 0.4kV power supply lines	Rent	01.11.2011	Indefinite term	Prolongation is possible
Room № 6 at: 1 Eastern Pier, Novorossiysk, Krasnodar region; total area: 2.5 square metres	Rent	14.04.2009	14.06.2018	Prolongation is possible
Building of control board and back rooms, lit. 2B located at 19, Sacco and Vanzetti street, Novorossiysk. Area: 1.98 sq.m.	Rent	05.08.2011	05.12.2018	Prolongation is possible
Room 1 in dispatch office lit. B, located at: 19 Sacco and Vanzetti street, 10.54 sq.m.	Rent	20.09.2011	20.01.2019	Prolongation is possible
Premises No. 7 on the territory of Gelendzhik distribution zone in repair and production building lit. A at: 24a, Suворov street, Gelendzhik, total area 0.72 sq.m.	Rent	01.04.2013	01.11.2018	Prolongation is possible
Rooms with communication equipment: a metal cabinet in a modular substation control building and two metal antennas located on the site lightning support at: Krasnodar, Gelendzhik, Praskoveevka, 0.54 sq.m.	Rent	10.07.2014	10.02.2019	Prolongation is possible
Singlemode optical fiber on cable lines	Rent	15.06.2014	15.01.2019	Prolongation

sector 110kV, Gelendzhik – Praskoveyevka, 24.4 km				is possible
Power line-10 kV, Power line-0,4 kV	Rent	04.02.2016	04.11.2018	Prolongation is possible
Premises with total area 1362.6 square meters, 4 Krasnodarskaya str., Ust-Labinsk, Krasnodar region, area: 31.7 square meters	Rent	04.02.2014	04.09.2018	Prolongation is possible
Facilities No.34, 35, 36, 37 Located at: 54 Vorovskogo str., Armavir, Krasnodar; area: 46.3 sq.m.	Rent	01.12.2014	01.08.2018	Prolongation is possible

IV. Information on the Issuer's business activity

4.1. Results of business activity

Dynamics of indicators showing the issuer's business activity, including its profitability and loss calculated on the basis of data of accounting report

Standard (rules) applied for making the accounting report: **RAS**

Unit of measurement for the sum of uncovered loss: **thousand rubles**

Indicator	2016	2017
Net profit, %	5.13	1.24
Asset turnover ratio, times	0.62	0.59
Profitability of assets, %	3.18	0.73
Profitability of internal capital, %	6.05	1.48
Sum of non-covered loss as of reporting date	12 410 429	12 476 889
Ratio of non-covered loss as of reporting date and balance currency	18.44	17.36

Indicator	3 months of 2017	3 months of 2018
Net profit, %	-2.76	1.11
Asset turnover ratio, times	0.15	0.15
Profitability of assets, %	-0.41	0.17
Profitability of internal capital, %	-0.8	0.37
Sum of non-covered loss as of reporting date	12 681 353	12 345 899
Ratio of non-covered loss as of reporting date and balance currency	18.58	16.01

All indicators are calculated on the basis of the recommended methods of accounting

Economic analysis of profitability/unprofitability of the issuer, based on dynamics of these indicators,

and reasons according to management bodies led to losses/profit of the issuer specified in the accounting report:

By the results of 2017 the Company received profit from business activity in the amount of 525.3 mln. rubles.

Indicators of return on assets and equity by the results of the 1st quarter of 2018 are positive in connection with the presence of net profit by the results of the reporting period. Net profitability of equity is increased in the 1st quarter of 2018 by 1.16 and amounted 0.37%. A significant impact on the growth of this indicator in the reporting period was the increase in the Company's net profit by 409.4 million rubles.

Opinions of the issuer's management bodies on the causes or their effects on the financial and economic activities are not the same: **None**

Member of the Board of Directors (Supervisory Board) of the Issuer, or a member of the collegial executive body that has a special opinion on the reasons and/or their impact on the financial performance of the issuer, as reflected in the minutes of the meeting (session) of the Board of Directors (Supervisory Board) of the Issuer or the collective executive body, which considered the relevant issues, and insists on such a view in the quarterly report: **None**

4.2. Liquidity of the Issuer, sufficiency of equity and current assets

Dynamics of indicators showing the issuer's liquidity

Standard (rules) applied for making the accounting report: **RAS**

Unit of measurement for the sum of net fixed assets index: **thousand rubles**

Indicator	2016	2017
Net fixed assets index	-912 740	-1 472 037
Current liquidity ratio	0.92	0.88
Quick liquidity ratio	0.79	0.76

Indicator	3 months of 2017	3 months of 2018
Net fixed assets index	1 307 029	-1 327 794
Current liquidity ratio	1.13	0.92
Quick liquidity ratio	0.98	0.82

By issuers decision the dynamics if indicators characterizing issuer's liquidity is additionally disclosed, the indicators are compiled on the basis of data of consolidated accounting report which is included in the quarterly report: **no**

All indicators are calculated on the basis of recommended methods of accounting: **yes**

Economic analysis of the liquidity and solvency of the issuer, the issuer's capital adequacy for fulfillment of the short-term liabilities and to cover current operating expenses based on the economic analysis of the specified parameters describing the factors which, in the opinion of the issuer, had the most significant effect on the liquidity and solvency of the issuer:

For 2017:

The indicator “Net working capital” has decreased by the results of 2017 in comparison to the same period of 2016 and amounts -1 472 037 thousand rubles. The optimum amount of net working capital (net working assets) is determined in accordance with the individual needs of each company and depends on the size and characteristics of its activities, the turnover period of inventories, receivables, and on the conditions of borrowings and loans, etc.

The current liquidity ratio allows to determine how many times current assets cover short-term liabilities. Current liquidity ratio in comparison with the similar period in 2016 has decreased by 0.04 points, and amounted 0.88.

The quick liquidity ratio shows how the most liquid assets cover the short-term liabilities of the Company. By the results of 2017, the fast liquidity ratio decreased by 0.03 in comparison with the same period in 2016 and amounted 0.76.

The main reason for these changes are increasing in short-term credits and short-term liability.

For the 1st quarter of 2018:

The indicator “Net working capital” has decreased by the results of the 1st quarter of 2018 in comparison to the same period of 2017 and amounts -1 327 794 thousand rubles. The optimum amount of net working capital (net working assets) is determined in accordance with the individual needs of each company and depends on the size and characteristics of its activities, the turnover period of inventories, receivables, and on the conditions of borrowings and loans, etc.

The current liquidity ratio allows to determine how many times current assets cover short-term liabilities. Current liquidity ratio in comparison with the similar period in 2017 has decreased by 0.21 points, and amounted 0.92.

The quick liquidity ratio shows how the most liquid assets cover the short-term liabilities of the Company. By the results of the 1st quarter of 2018, the fast liquidity ratio decreased by 0.10 in comparison with the same period in 2017 and amounted 0.82.

The main reason for these changes are increasing in short-term credits and short-term liability.

Opinions of the issuer’s management bodies on the causes or their effects on the financial and economic activities are not the same: **None**

Member of the Board of Directors (Supervisory Board) of the Issuer, or a member of the collegial executive body that has a special opinion on the reasons and/or their impact on the financial performance of the issuer, as reflected in the minutes of the meeting (session) of the Board of Directors (Supervisory Board) of the Issuer or the collective executive body, which considered the relevant issues, and insists on such a view in the quarterly report: **None**

4.3. Financial investments of the Issuer

31.12.2017

The list of the Issuer’s financial investments, representing 5 or more percent of all financial investments as of the end of the reporting period

Investments in the securities

Form of securities: **shares**

The Issuer's full business name: **“Recreation Centre “Plamya” Open Joint-Stock Company**

The Issuer's abbreviated business name: **“Recreation Centre “Plamya” OJSC**

Issuer's location: **Novomikhailovsky-2 vill., Tuapse district, Krasnodar Territory, 352856**

TIN: **2365000589**

PSRN: **1042330761274**

Date of state registration of the issue (issues)	Registration number	Registering Authority
21.12.2004	1-01-34134-E	Direction of the Russian Federal Securities Commission for the Southern Federal District
30.01.2012	1-02-34134-E	Direction of the Russian Federal Securities Commission for the Southern Federal District
06.11.2012	1-03-34134-E	Direction of the Russian Federal Securities Commission for the Southern Federal District

Number of securities owned by the Issuer: **19 288 083**

The total nominal value of securities owned by the Issuer: **102226.84 RUR x 1**

The total book value of securities owned by the Issuer: **17 234.2**

Unit of measurement: **thousand rubles**

The Issuer of securities is subsidiary and (or) affiliate Company in relation to the Issuer that drew up this quarterly report

By results of 2017 no dividends were declared or paid.

The size of the fixed interest or other income on bonds and other promissory equity securities or the procedure for determining the payment deadline;

the amount of dividend on preferred shares or the procedure for determining when it is defined in the charter of the joint stock company - issuer, term of payment;

the size of declared dividend on ordinary shares (in the absence of data on the size of declared dividend on ordinary shares in the current year, the amount of dividends declared in the previous year), term of payment

Additional information:

31.01.2018 a record was made in the Uniform State Register of Legal Entities on liquidation of "Recreation centre "Plamya" OJSC according to arbitration court determination concerning the completion of receivership.

Type of securities: **shares**

The full name of the Issuer: **"Recreation centre "Energetik" Joint Stock Company**

Abbreviated name of the Issuer: **"Recreation centre "Energetik" JSC**

Address of the Issuer: **4 Pionerskaya street, village Divnomorskoye, Gelendzhik, Krasnodar region, 353490**

TIN: **2304041820**

PSRN: **1042301876495**

Date of state	Registration number	Registering Authority
---------------	---------------------	-----------------------

registration of the issue (issues)		
21.12.2004	1-01-34134-E	Direction of the Russian Federal Securities Commission for the Southern Federal District

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

Total face value of the securities owned by the Issuer: **39845257 RUR x 1**

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

Unit of measurement: **thousand rubles**

The Issuer of securities is subsidiary and (or) affiliate Company in relation to the Issuer that drew up this quarterly report

By results of 2017 no dividends were declared or paid.

The size of the fixed interest or other income on bonds and other promissory equity securities or the procedure for determining the payment deadline;

the amount of dividend on preferred shares or the procedure for determining when it is defined in the charter of the joint stock company - issuer, term of payment;

the size of declared dividend on ordinary shares (in the absence of data on the size of declared dividend on ordinary shares in the current year, the amount of dividends declared in the previous year), term of payment

Additional information: no

Investments in non-emission securities

There are no investments in non-emission securities that make up more than 5 percent of all investments.

The issuer made a reserve for possible losses from investments in securities

The quantity of provision for impairment of securities at the beginning and end of the last completed fiscal year before the expiry date of the last reporting quarter:

In accordance with the Russian Accounting Standard (RAS) "Accounting of investments" RAS 19/02 approved by the Ministry of Finance of the Russian Federation on 10.12.2002 No. 126n (hereinafter - RAS 19/02), by Regulation on the accounting policy of the Company provision for impairment as of 31 December 2016 amounted 17 336 thousand rubles and as of December 31, 2017 amounted 26 920 thousand rubles.

Other financial investments

There are no other financial investments that make up more than 5 percent of all investments.

Information about the magnitude of potential losses associated with the bankruptcy of organizations (enterprises), in which investments were made, for each type of investment: **no**

Information about losses is provided in the evaluation of the issuer's financial investments, as reflected in the issuer's financial statements for the period from the beginning of the year to the end of the last reporting quarter.

Standards (rules) of accounting reports, under which the issuer made the calculations reflected in this paragraph of quarterly report:

"Financial reports of the organization", approved by order of Ministry of Finance of Russian Federation, RAS 19/02, "Accounting of investments", approved by order of the Ministry of

Finance of Russian Federation of 10.12.2002 No. 126n.

Contributions to the charter capital of other organizations are recognized as financial investments of the organization and are accounted at sum of actual costs of investor, i.e. at the value of contributed assets on which they are recorded in the balance sheet of the investor.

Financial investments, on which the current market value is not determined, are to be reflected in the accounting records and financial statements at the balance sheet at initial cost (paragraph 21 of Regulation on Accounting 19/02).

Financial investments, which make possible to determine the current market value are recognized in the financial statements at the end of the year at the current market value by adjusting their estimates for the previous reporting date (paragraph 20 PBU 19/02).

Debt securities are accounted at the cost of purchase. The difference between the acquisition cost and the nominal value of the securities should be included in other income and expenses.

31.03.2018

The list of the Issuer's financial investments, representing 5 or more percent of all financial investments as of the end of the reporting period

Investments in the securities

Type of securities: **shares**

The full name of the Issuer: **“Recreation centre “Energetik” Joint Stock Company**

Abbreviated name of the Issuer: **“Recreation centre “Energetik” JSC**

Address of the Issuer: **4 Pionerskaya street, village Divnomorskoye, Gelendzhik, Krasnodar region, 353490**

TIN: **2304041820**

PSRN: **1042301876495**

Date of state registration of the issue (issues)	Registration number	Registering Authority
21.12.2004	1-01-34134-E	Direction of the Russian Federal Securities Commission for the Southern Federal District
26.01.2017	1-02-34137-E	Rostov region branch of Southern head department of the Bank of Russia

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

Total face value of the securities owned by the Issuer: **34665373.59 RUR x 1**

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

Unit of measurement: **thousand rubles**

The Issuer of securities is subsidiary and (or) affiliate Company in relation to the Issuer that drew up this quarterly report

By results of 2017 no dividends were declared or paid.

The size of the fixed interest or other income on bonds and other promissory equity securities or the procedure for determining the payment deadline;

the amount of dividend on preferred shares or the procedure for determining when it is defined in the

charter of the joint stock company - issuer, term of payment;

the size of declared dividend on ordinary shares (in the absence of data on the size of declared dividend on ordinary shares in the current year, the amount of dividends declared in the previous year), term of payment

Additional information: no

Investments in non-emission securities

There are no investments in non-emission securities that make up more than 5 percent of all investments.

The issuer made a reserve for possible losses from investments in securities

The quantity of provision for impairment of securities at the beginning and end of the last completed fiscal year before the expiry date of the last reporting quarter:

In accordance with the Russian Accounting Standard (RAS) "Accounting of investments" RAS 19/02 approved by the Ministry of Finance of the Russian Federation on 10.12.2002 No. 126n (hereinafter - RAS 19/02), by Regulation on the accounting policy of the Company provision for impairment as of 31 December 2016 amounted 17 336 thousand rubles and as of December 31, 2017 amounted 26 920 thousand rubles. During the 1st quarter of 2018 the investment depreciation reserve has decreased in accordance with long-term financial investments in authorized capital of R/c Energetik, JSC in accordance with order of Kubanenergo PJSC No. 114 dd. 07.02.2018 and amounted 9 684 thousand rubles.

Other financial investments

There are no other financial investments that make up more than 5 percent of all investments.

Information about the magnitude of potential losses associated with the bankruptcy of organizations (enterprises), in which investments were made, for each type of investment: **no**

Information about losses is provided in the evaluation of the issuer's financial investments, as reflected in the issuer's financial statements for the period from the beginning of the year to the end of the last reporting quarter.

Standards (rules) of accounting reports, under which the issuer made the calculations reflected in this paragraph of quarterly report:

"Financial reports of the organization", approved by order of Ministry of Finance of Russian Federation, RAS 19/02, "Accounting of investments", approved by order of the Ministry of Finance of Russian Federation dated 10.12.2002 No. 126n.

Contributions to the charter capital of other organizations are recognized as financial investments of the organization and are accounted at sum of actual costs of investor, i.e. at the value of contributed assets on which they are recorded in the balance sheet of the investor.

Financial investments, on which the current market value is not determined, are to be reflected in the accounting records and financial statements at the balance sheet at initial cost (paragraph 21 of Regulation on Accounting 19/02).

Financial investments, which make possible to determine the current market value are recognized in the financial statements at the end of the year at the current market value by adjusting their estimates for the previous reporting date (paragraph 20 PBU 19/02).

Debt securities are accounted at the cost of purchase. The difference between the acquisition cost and the nominal value of the securities should be included in other income and expenses.

4.4. Intangible assets

31.12.2017

Unit: **thousand rubles**

Intangible assets	Initial (replacement) cost	Depreciation
Intangible assets	71 681	38 225
TOTAL	71 681	38 225

Standards (rules) of accounting, under which the issuer provides information on its intangible assets:

Accounting of intangible assets in accordance with the Accounting regulations “Accounting of Intangible Assets” (RAS 14/2007) that was approved by the Order of the RF Ministry of Finance on 27.12.2007 No. 153n.

Reporting date: **31.12.2017**

31.03.2018

Unit: **thousand rubles**

Intangible assets	Initial (replacement) cost	Depreciation
Intangible assets	52 020	20 837
TOTAL	52 020	20 837

Standards (rules) of accounting, under which the issuer provides information on its intangible assets:

Accounting of intangible assets in accordance with the Accounting regulations “Accounting of Intangible Assets” (RAS 14/2007) that was approved by the Order of the RF Ministry of Finance on 27.12.2007 No. 153n.

Reporting date: **31.03.2018**

4.5. Information on the Issuer’s policy and expenses in the 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.

The Innovative Development Programme of Kubanenergo PJSC for 2012-2016 was approved by the Board of Directors of Kubanenergo on 29.07.2011 (as amended on 15.06.2012).

The Innovative Development Programme of Kubanenergo PJSC for 2016-2020 with perspectives up to 2025 was approved by the Board of Directors of Kubanenergo on 21.07.2017.

In the reporting period, the events of Medium-term plan of implementation of survey and design works on key lines of Company’s innovative development were carried out:

- transition to digital substations of various voltage classes 35-110 (220) kV;
- transition to digital active-adaptive networks with distribution of intelligent automation and control system;
- transition to complex effectiveness of business processes and automation of control systems;

- using of new technologies and materials in power industry;
- development of system of development and implementation of innovative production and technologies;
- development of human resources and partnership in sphere of education.

Research and Development plan is part of Programme of innovative development of the Company.

Research and Development plan for 2017 contains of 7 projects, five of them were launched in 2017.

Research and Development plan for 2018 contains of 8 projects, one was launched in 2018.

Planned value of performance indicator “Expenditures for RAS”; planned value for 2017 – 0.13% from own revenue, actual value for 2017 – 0.16%.

Performance indicator in 2017 was implemented.

Planned value of performance indicator “Value of purchasing of innovative production (goods, works, services)” for 2017 – 3.55% from general development of investment programme, actual value – 4.18%.

During the reporting period the Company paid for RF patents on the following utility models:

- in the 1st quarter of 2017 “Device of adaptive backup protection for transformers on tapping substations” for the fifth year in amount of 1 250 rubles;
- in the 4th quarter of 2017 “An improved long-range protection facility for relay protection and switchgear of substations connected to branches from an overhead power line with duplicate power source, which is part of the carrier-current phase-differential protection” for the first year in amount of 400 rubles.
- in the 1st quarter of 2018 “Device of adaptive backup protection for transformers on tapping substations” for the sixth year in amount of 2 500 rubles”.

Works accepted in 2017:

Development of a reflectometry monitoring complex for power transmission lines of 35-220 kV, to detect the locations of their damage and ice deposits on them (three stages accepted, total sum: 6.05 million rubles, VAT excluded);

Device for phase differential protection of the power line with two-way power supply with the function of long-distance protection of relay protection and switching devices of substations connected to branches (three stages accepted, total amount: 6.51 million rubles, VAT excluded);

Compensation of consumption of fuel and energy resources through the use of renewable energy sources at facilities of Kubanenergo PJSC (one stage accepted, total amount: 0.926 million rubles, VAT excluded);

Development of software and hardware system for localization of damage for 35-750 kV power lines with optical communication channels (one stage accepted, total amount: 5.0 mln. rubles, VAT excluded);

Development of IEC 61850 standard for devices/cabinets of Relay Protection and Automation Devices and automatic process control system that provide their substitutability (one stage accepted, total amount: 3.0 mln. rubles, VAT excluded);

Creation of a computer-aided design of lightning protection for substations and overhead lines (two stages accepted, total amount: 19.4 million rubles, VAT excluded);

Development of a methodology and a multifunctional software package for calculation of damage done by the lightning to power line elements on the basis of a probabilistic approach (two stages accepted, total amount: 9.7 million rubles, VAT excluded).

Works accepted in the 1st quarter of 2018:

Development of a reflectometry monitoring complex for power transmission lines of 35-220 kV, to detect the locations of their damage and ice deposits on them (stages accepted, total sum: 0.3 million rubles, VAT excluded);

Compensation of consumption of fuel and energy resources through the use of renewable energy sources at facilities of Kubanenergo PJSC (one stage accepted, total amount: 0.926 million rubles, VAT excluded);

Information on the creation and acquisition by the Issuer of legal protection of intellectual property rights (including the date of issue and the duration of patents for invention, utility model or industrial design, the state registration of trademarks and service marks, appellations of origin):

On 04.05.2017 as a result of completing of R&D, the “Certificate on state registration of software No. 2017615159 dd. 04.05.2017 “PC for planning MRO” was received.

On 27.09.2017 the Company received a patent for utility model No.174043 dated 27.09.2017 “An improved long-range protection facility for relay protection and switchgear of substations connected to branches from an overhead power line with duplicate power source, which is part of the carrier-current phase-differential protection”.

On 28.12.2017 an agreement No. 407/30-1376 “On procedure of use, managing of result of intellectual activity, distribution of income from the use of the result of intellectual activity and the managing of exclusive rights to the result of intellectual activity” was concluded with Research and Development Enterprise “EKRA” LLC on certificate of programme registration for PC No. 2017615159 dd. 04.05.2017 “PC for planning maintenance and repair”.

Federal Intellectual Property Service adopted and registered the following applications:

- Application for invention No. 2017118106 dd. 24.05.2017 “Method of identifying of damage point of power line”;
- Application for invention No. 2017118107 dd. 24.05.2017 “Method of identifying of damage point of power line with many obstacles”;
- Application for invention No. 2017126912 dd. 26.07.2017 “Method for determining the topology of overhead transmission lines”;
- Application for invention No. 2017137476 dd. 25.10.2017 “Hybrid solar collector unit”.

The main directions and results of use of main for the issuer intellectual property objects:

It was offered to use the following results of R&D projects received earlier:

- microprocessor adaptive fine protection of near and remote redundancy of transformers of tap-off and intermediate substations. The specified protection provides a high sensitivity to short circuits for transformers by detecting emergency operation against the background of a comparable level of current load, start-up (self-starting) of electric motors, the influence of transition resistance of the electric arc.

- system of control of power transformers insulation using method of searching of partial discharges. The system prevents accidents, speeds up the detection of insulation defects, decreases repair time and controls quality of repair works.

- software package for calculating process losses “RETP-6-10kV” to reduce losses of electric energy due to the creation of regimen of feeders 6-10kV from possible loop systems and economic justification of power selection and location of additional reactive power sources.

Risk factors associated with the possible expiry of the basic patents, licenses for the use of trademarks:

There are no risks associated with the expiration of the patents and licenses for the use of trademarks in the Issuer.

4.6. Analysis of development trends in the sphere of Issuer's core activity

Implementation of investment programmes of Kubanenergo, that ensure development, technical re-equipment and upgrade of the Company’s power networks, will help provide reliable power supply to the existing and future electricity consumers in the next to come.

Positive factors and conditions affecting the Issuer’s activity are:

- growth of energy consumption in the region
- increase of payment discipline of energy selling companies and “direct” consumers
- growth of capacities commissioned
- power redistribution among consumers according to their needs (actual consumption).

Negative factors and conditions affecting the Issuer's activity are:

- ageing of the Issuer's core equipment
- necessity to provide meter reading because of the absence of automated system of remote control and accounting of electric energy
- increase in losses of active energy consumed for heating of wires due to the lack of compensation of reactive power.

General evaluation of the results of Issuer's activity in this particular sector; correspondence of the results of the Issuer's activity to the trends in the sector 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 of reliable and uninterrupted power supply to consumers, consistent implementation of investment projects on construction and upgrade of overhead lines, substations and power industry facilities, primarily oriented at provision for uninterrupted power supply in the Krasnodar region's seaside areas (along the Black and the Azov Seas coasts), Krasnodar as a social and cultural centre, as well as implementation of projects on the Taman peninsula: "Construction of transport passage through the Kerch Strait" and "Project on construction of dry cargo district in the Taman port".

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

The impact of inflation, changes in exchange rates, government decisions, economic, financial, political and other factors affecting the business activity of the issuer and which influenced the amount of revenue from sale of goods, products, services and income (loss) from core business.

Among the factors and conditions that directly influence the Issuer's activity is the economic stability of the region.

In the current macroeconomic conditions, the core activity of the issuer is influenced by inflation and changes in market conditions. In addition, the growth of productive supply and electricity transmission revenue is due to increase of energy consumption, including through the development of infrastructure of the Krasnodar region and the Republic of Adygea.

Prices (tariffs) on the Company's services on energy transmission and grid connection are subject to tariff regulation.

On 28.12.2017, the Order of the Regional Energy Commission of the Krasnodar region No.63/2017-e approved uniform (boiler) tariffs on transmission services for 2018. One-part tariffs for 2018 were approved at the maximum possible level of tariffs for 2018. The growth of one-part tariffs on transmission services amounted 3% for 01.07.2018.

Growth of approved "boiler" net electricity supply of Kubanenergo PJSC for 2018 in comparison with 2017 amounted 3.0%.

Growth of approved "boiler" required gross revenues of Kubanenergo PJSC for 2018 in comparison with 2017 amounted 8.2%.

Growth of approved "boiler" required gross revenues for maintenance of power grids of Kubanenergo PJSC for 2018 in comparison with 2017 amounted 15.2%.

Growth of average "boiler" tariff for 2018 in comparison with 2017 amounted 5.0%.

On 27.12.2017, the Order of the Regional Energy Commission of the Krasnodar region No.62/2017-e for Kubanenergo PJSC approved long-term parameters of regulating for 2018-2022.

On 28.12.2017, the Order of the Regional Energy Commission of the Krasnodar region No.66/2017-e "On setting the price for technological connection to electric networks of grid companies on the territory of Krasnodar region and Republic of Adygea" approved standardized tariff rates and rate of payment for the unit of maximum capacity for technological connection to grids of Kubanenergo PJSC for 2018.

Growth of rate of payment for the unit of maximum capacity for coverage of maintenance costs (C1) in comparison with last year amounted 3.3%. Standardized tariff rate C1 per 1 connection was approved.

On 31.10.2017, in connection with the entry into force of the Order of Federal Anti-Monopoly Service No. 1135/17 dd. 29.08.2017 “On approving of methodological instructions on specifying the amount of payment for technological connection to power grids”, the list of rates for coverage of expenses for construction of power grid facilities is expanded (approved C2, C3, C4, C5, C6, C7).

Standardized tariff rates and rates for the unit of maximum capacity are set to be the same for territorial grid organizations in the territory of the Krasnodar region and the Republic of Adygea.

Undeveloped networks in particular districts of the Krasnodar region and the Republic of Adygea together with ever growing demand have led to overloading of power lines and transformers.

Reliability of power supply is reduced because of the aged equipment, which means extra expenditures for keeping the equipment going.

In the part of power transmission services, the Issuer’s activity is influenced by:

- due to the fact that calculation of technological losses is performed based on regular network scheme (steady state operation), all changes in its parameters and configurations influence the amount of energy losses (necessity of redistribution of loads related to prevention of emergency situations in networks of Kubanenergo PJSC, and in the networks of related entities of electric power; technological necessity under the instructions of the Regional Dispatch Control). These forced changes to the normal network scheme usually lead to a significant increase in the actual losses of electricity as due to losses in the power transformers, and power loss occurring due to the transmission of additional reactive power derived from the backup power transformers and increased for the reasons given admission to the network
- shortage of record-keeping equipment makes impossible to analyze in due time the load on networks.

These factors are components of general trend of service market development, in the opinion of the Issuer, they are able to have positive influence on the activity in the medium term.

Measures taken by the issuer and activities the issuer plans to arrange to efficiently use these factors and conditions:

The Company pays great attention to development of its power grid facilities using scientifically grounded technical solutions and tested technologies and modern electrical equipment.

In order to meet consumers’ demand for more capacity, a reliable and uninterrupted electricity supply, the Company is investing considerable funds for the reconstruction of electrical networks and the creation of new connection points.

The Company continuously interacts with the Prices and Tariff Department in order to establish reasonable tariffs.

The list of internal and external measures, taken to increase the efficiency of business processes in both Kubanenergo PJSC and the group of companies Rosseti PJSC in general, has been defined taking into account the prevailing macroeconomic conditions.

Methods used by the issuer and methods the issuer plans to use in the future to reduce the negative effect of factors and conditions influencing the issuer’s activity:

Currently Kubanenergo PJSC implements the following programmes:

- investment and repair programme;
- complex of events in accordance with requirements of Regulations on Certificate of Reliability;
- taking into account a conception of digitalization of power grid complex and automation of business processes.

These programmes are aimed at ensuring further development, technical upgrade and reconstruction of the Company’s grid facilities, which will improve the state of electricity supply to electricity consumers in the forthcoming years.

Digitalization of power grid and automation of business processes will allow control centre instantly receive a signal on disconnection of any network section and eliminate the problem as soon as possible.

Each substation is a huge complex of sophisticated equipment that has to be operated. Automation of equipment (as part of digitalization) will allow to decrease hand labour of engineers, operational and repair personnel, specialists of relay protection and other workers that carry out maintenance of power facility.

Digitalization of power grid equipment is automated remote control, the possibility of self-diagnosis of equipment, as well as compactness, which is especially important in the reconstruction and development of network infrastructure in settlements with dense buildings.

Digitalization of power grid equipment will allow to increase the reliability of power supply for customers.

In addition, the issuer applies the following methods:

- implementation of measures aimed to improve the payment discipline and reduce the accounts receivable for electricity transmission services, including the elaboration of mechanisms of consolidation of transmission assets;
- optimization of the investment costs;
- providing cost savings through effective use of material resources, increase productivity, optimization of the organizational structure of the Company (without loss of qualified personnel);
- imposition of limitations on power consumption in case of debts in payments for the electricity from the customers;
- carrying out work on the consolidation of property owned by territorial grid companies that do not meet the criteria of referring the owners to territorial grid companies, approved by the order of the RF Government No.184 dated 28.02.2015 "On attribution of owners of grid facilities to territorial grid companies".

Significant events/factors that may have the most negative impact on the possibility gaining by the Issuer in the future the same or better results as compared to the results obtained for the last reporting period, as well as the likelihood of such events (factors):

Development of infrastructure of the region that is located in the Company's area of responsibility, construction of various objects is accompanied by an increase in electricity consumption. There is a situation in which may occur and increase the risks of ensuring reliability of electricity supply to consumers and stable operation of the power grid due to overloading of transmission lines and transformers in normal and post-emergency conditions, as well as the wear and tear of power equipment. Number of equipment, buildings and structures that are worn-out and subject to replacement, reconstruction or technical re-equipment is growing constantly. The probability of such events is estimated by the Company as average.

Negative factors and conditions affecting the Issuer's activities also include:

- half automatized electricity metering systems, which reduces the accuracy of the reporting of account information from user;
- increase in the active power loss consumed for heating wires due to the lack of compensation of reactive power consumers.

Significant events/factors that may improve the performance of the issuer, and the probability of their occurrence and their duration:

- growth of energy consumption in the regions of the Company's presence,
- implementation of the investment programme, which allows to increase operational efficiency,
- improving the payment discipline of retail companies and "direct" customers;
- redistribution of power between consumers according to their needs (actual consumption);
- development of energy service activities, automation of electricity metering in networks with problem areas helps to reduce losses;

- solution of public authorities in setting tariffs for electricity transmission and to ensure non-discriminatory access of consumers to power grids,
- decrease in interest charged by banks on credit contracts due to changes in financial market conditions,
- minimization of operating costs as part of the performance management programme of activities that allow the Company to achieve the target to reduce the cost of electrical equipment maintenance unit by 15% by 2018 from the level of 2012, and achieve a reduction in operating expenses by at least 3% compared to the previous year.

Implementation of the developed by Kubanenergo investment programmes, projects on increasing efficiency, reliability and safety of production and repair programme that ensures development, upgrade and reconstruction of grid facilities of the Company, will provide reliable power supply of the existing and future consumers of electricity in the years to come.

The likelihood of such factors is estimated by the Company as considerable. To anticipate the duration of these events is not possible due to the uncertainty of the economic situation development in Russia and in the world in general.

4.8. Issuer's Competitors

Kubanenergo PJSC operates in a natural monopoly, transmitting electricity to consumers connected to its networks and networks of related grid companies. The risk of formation of competition for the Company is possible only if FGC UES PJSC concludes separate contracts for the provision of services for electric energy transmission with consumers located geographically in the issuer's responsibility zone, whose power receivers are connected to the networks of FGC UES PJSC.

V. Detailed information concerning individual members of the Issuer's Management Bodies, the Issuer's bodies controlling its financial and economic activities and brief information concerning the Issuer's employees (personnel)

5.1. Information on the structure and jurisdiction of the Management Bodies of the Issuer

Full description of the structure of the issuer's management bodies and their jurisdiction as specified in the Charter (constitutive documents) of the issuer:

In accordance with the Company's Charter, the management bodies of the Company are as follows:

- General Meeting of Shareholders (supreme governing body);
- Board of Directors of the Company (general management);
- Management Board of the Company (collegial executive body);
- Director General of the Company (sole executive body).

General Director and the Management Board of the Company manage the Company's current activity.

Issues referred by the Company Charter to the jurisdiction of the General Meeting of Shareholders of the Issuer:

As specified in the Company's Charter, the competence of the General Meeting of Shareholders shall include the following issues:

- 1) amendments and supplements to the Company's Charter or approval of a restated version of the Company's Charter;
- 2) reorganization of the Company;
- 3) liquidation of the Company, appointment of a liquidation commission, and approval of an interim and final liquidation balance sheets;
- 4) determination of the quantity, par value, category (type) of authorized shares and rights attaching

thereto;

5) increase in the Company's authorized capital by raising the par value of the shares or by placing additional shares of the Company;

6) decrease in the Company's authorized capital by reducing the par value of the shares, by the Company's purchase of some shares in order to reduce their total quantity, and by retirement of the shares acquired or bought back by the Company;

7) share splitting and consolidation;

8) decision on placement of the Company's bonds convertible into shares and other securities convertible into shares;

9) Determination of the number of members of the Board of Directors of the Company, election of its members and early termination of their powers

10) election of members of the Company's Auditing Commission and early termination of their powers, determination of the size of remuneration and compensation for members of the Company's Internal Audit Commission;

11) approval of the Company's Auditor;

12) approval of resolution on transfer of the power of the sole executive body of the Company to a management organization (manager) and on early termination of their powers;

13) approval of annual reports and annual accounting (financial) statements of the Company;

13.1) distribution of profits (including dividend payment (declaration) except for dividend payment (declaration) based on the results of the first quarter, half, or nine months of the reporting year) and losses of the Company for the reporting year;

14) payment (declaration) of dividends based on the results of the first quarter, half, or nine months of the reporting year;

15) establishment of the procedure for holding the General Meeting of Shareholders;

16) decisions to give consent or subsequent approval to transactions as specified in Article 83 of the Federal Law "On Joint-Stock Companies";

17) decisions to give consent or subsequent approval to major transactions as specified in Article 79 of the Federal Law "On Joint-Stock Companies";

18) decisions on the Company's participation in financial industrial groups, associations, and other groupings of commercial entities;

19) approval of internal documents governing the activities of the Company's bodies;

20) decision on payment of remuneration and (or) compensations to the members of the Board of Directors

21) decision on payment of remuneration and (or) compensations to the members of the Board of Directors

22) decisions on any application for the delisting of the Company's shares and/or the Company's issue-grade securities convertible into its shares;

23) other issues specified in the Federal Law "On Joint-Stock Companies."

In accordance with the Charter, the competence of the Board of Directors shall include the following issues:

1) determine the priority areas of the Company's activities and its development strategy;

2) convene the Annual and Extraordinary General Meetings of Shareholders, except where otherwise specified in Clause 14.8 of Article 14 of the Charter and declaration of the new General Meeting date to be held instead of a failed one due to absence of quorum;

3) approve the agenda of the General Meeting of Shareholders;

4) elect the secretary of the General Meeting of the Company's Shareholders

5) define the date of the list of the persons entitled to participate in the General Meeting of Shareholders, define the date of making the list of persons entitled to receive dividends, approving of costs estimated on holding general meeting and making decisions on other issues related to

preparation and holding of the General Meeting of the Company's Shareholders;

6) submit for review by the General Meeting of Shareholders the issues specified in subparagraphs 2, 5, 7, 8 and 12–20 of paragraph 10.2 of the Charter, the issue related to a decrease in the authorized capital of the Company by reducing the par value of shares, and the issue in relation to determining the date of the list of the persons entitled to dividends;

7) place additional shares, into which preferred shares placed by the Company of a certain type are converted, convertible into common shares or preferred shares of other types, if such a placement is not associated with an increase in the authorized capital of the Company, as well as placement of bonds or other equity securities other than shares; Eurobond issue and determining policy in the sphere of the issue of securities (except for shares) and Eurobonds

8) place additional shares, into which preferred shares placed by the Company of a certain type are converted, convertible into common shares or preferred shares of other types, if such a placement is not associated with an increase in the authorized capital of the Company, as well as placement of bonds or other equity securities other than shares; Eurobond issue and determining policy in the sphere of the issue of securities (except for shares) and Eurobonds

9) determine the value (money value) of the property and the offering price, or the procedure for determining the offering price, and the buyback price of issue-grade securities where specified in the Federal Law "On Joint-Stock Companies" as well as decisions on the issues specified in Items 11, 21, 38 of Clause 15.1 of the Charter

10) acquire shares, bonds, and other issue-grade securities placed by the Company where specified in the Federal Law "On Joint-Stock Companies"

11) alienation (selling) of the Company's shares occurring at the Company's disposal as a result of their acquisition or repurchase from the shareholders of the Company and in other cases stipulated by the Federal Law "On Joint Stock Companies"

12) elect the General Director of the Company and early termination of his/her powers, including resolution on early termination of the employment contract

13) determine the number of members of the Management Board of the Company, election of members of the Management Board of the Company, fixing the remuneration and compensation to be paid to them, early termination of their powers

14) make recommendations concerning the size of remuneration and compensation payable to members of the Company's Auditing Commission and set the size of the Auditor's fees

15) make recommendations as to the size of dividends on shares and the procedure for dividend payment

16) approve internal documents of the Company determining the procedure of formation and use of the Company's funds

17) approve resolutions on the use of the Company funds; approval of the estimates for the use of the special purpose funds and consideration of the results of implementation of estimates of the special purpose funds

18) approve the Company's internal documents, except for internal documents that shall be approved by the General Meeting of Shareholders or the Company's executive bodies

19) approve business plan (adjusted business plan) and quarterly report on the progress of its implementation (1st quarter, six months, nine months and reporting year), approval (adjustment) of the list and values of cash flow benchmarks of the Company

19.1 consideration of investment programme, including amendments to it and quarterly report on the progress of its implementation

20) set up (liquidate) branch offices and open (liquidate) representative offices of the Company

21) approve resolutions on the Company's participation in other organization (joining an existing organization or establishment of a new organization, including approval of constituent documents) and on acquisition, alienation, and encumbrance of shares and shareholdings in the charter capital of the organizations in which the Company participates change of participatory interest in the charter

capital of a corresponding organization and termination of the Company's participation in other organizations, excluding resolutions on participations stipulated in subparagraph 18 of paragraph 10.2 of article 10 of the Charter;

22) determine the credit policy of the Company as regards the Company's granting loans, entering into credit agreements and loan agreements, issue of sureties, assuming liabilities on bills and notes (issue of promissory notes and bills of exchange), pledge of property, and passing resolutions on the Company's participation in such transactions in the cases when the decision-making procedure in their respect has not been determined by the credit policy of the Company, and the approval of resolutions on bringing the Company's debts in balance with the limits established by the credit policy of the Company in accordance with the procedure stipulated in the credit policy of the Company;

23) decide to give consent or subsequent approval to major transactions as specified in Chapter X of the Federal Law "On Joint-Stock Companies";

24) decide to give consent or subsequent approval to transactions specified in Chapter XI of the Federal Law "On Joint-Stock Companies"

25) approve the Company's Registrar, terms and conditions of an agreement, as well as termination of the agreement;

26) elect Chairperson of the Board of Directors of the Company and early termination of their powers;

27) elect Deputy Chairperson of the Board of Directors of the Company and early termination of their powers;

28) elect Corporate Secretary of the Company and early termination of their powers

29) preliminary approve resolutions on making transactions connected with gratuitous transfer of the Company property and property rights (claims) as regards itself or a third party; transactions connected with release from property liability towards itself or a third party; transactions connected with free of charge rendering of services (performance of work) by the Company to third parties in the cases (within the scopes) determined by specific resolutions of the Board of Directors of the Company, and approval of resolutions on the Company's making of such transactions in the cases when the above specified cases (scopes) are not determined;

30) approve organizational structure of the executive authority of the Company and alterations to it;

31) decide to suspend the powers of the managing company (manager);

32) decide to appoint acting Director General in cases determined by specific resolutions of the Board of Directors of the Company, as well bringing acting Director General to disciplinary responsibility;

33) bring the General Director of the Company and members of the Management Board of the Company to disciplinary responsibility, and their reward pursuant to the labor law of the Russian Federation;

34) review reports of the General Director on the Company's activity (including performance of obligations), on implementation of the resolutions of the General Meeting of Shareholders and the Board of Directors of the Company;

35) approve the procedure of relations of the Company with the organizations, in which the Company participates;

36) define the position of the Company (representatives of the Company), including instructions to participate or not participate in voting on the items on the agenda, vote for or against or abstain from voting, on the following items on the agendas of general meetings of shareholders (members) of subsidiaries and dependent companies ("SDCs") and meetings of boards of directors of SDCs, including for the purposes of the Company controlling the decisions adopted by subsidiaries and dependent companies of SDCs;

37) determine of the position of the Company (representatives of the Company) on the following issues on the agendas of the meetings of the boards of directors of SDCs (including instructions to

accept or not to participate in voting on items on the agenda, to vote on draft decisions “for”, “against” or “abstained”):

a) determine the position of representatives of SDCs on issues of agendas for general meetings of shareholders (members) and meetings of boards of directors of subsidiaries and dependent companies with respect to SDCs related to conclusion (approval) of transactions (including several interrelated transactions) related to acquisition, alienation of property constituting fixed assets, intangible assets, objects of construction-in-progress, the purpose of which is production, transmission, dispatching, distribution electric and thermal energy, in cases (amounts) determined by the procedure for interaction of the Company with the organizations in which the Company participates, approved by the Board of Directors of the Company;

b) determination of the position of the representatives of SDCs on the agendas of general meetings of shareholders (participants) and meetings of the boards of directors of subsidiaries and dependent companies in relation to SDCs engaged in production, transmission, dispatching, distribution and sale of electric and heat energy, reorganization, increase in the authorized capital of such companies by increasing the nominal value of shares or by placing additional shares, placing securities convertible into ordinary shares;

38) Preliminary approval of resolutions on the Company’s entering into:

a) Transactions the subject matter whereof is noncurrent assets of the Company comprising over 10 percent of book value of such assets according to the accounting statements of the Company as of the latest reporting date;

b) Transactions (including several interrelated transactions) connected with acquisition, alienation or possible alienation of the property comprising the fixed assets, intangible assets, facilities under construction, the purpose of use whereof is generation, transmission, dispatching, distribution of electric and thermal energy in the cases (within the scopes) determined by specific resolutions of the Board of Directors of the Company, or if the specified cases (amounts) were not determined by the BoD;

c) Transactions (including several interrelated transactions) connected with acquisition, alienation or possible alienation of the property comprising the fixed assets, intangible assets, facilities under construction, the purpose of use whereof is not generation, transmission, dispatching, distribution of electric and thermal energy in the cases (within the scopes) determined by specific resolutions of the Board of Directors of the Company, or if the specified cases were not determined by the BoD;

d) transactions for receiving or transferring of fixed assets for temporary possession and use or for temporary use for a period of more than 5 years, in cases (amounts) determined by separate decisions of the Board of Directors

39) Appointment of Company representatives for participation in supreme governance bodies of organizations with any legal form of incorporation, in which the Company participates;

40) Approval of resolutions on nominating of persons to the position of sole executive body, to other governance bodies, control bodies, and nominees to the position of external auditor of the organizations of organizations of any legal form of incorporation, in which the Company is a participant;

41) definition of the Company's policy in the field of insurance, control of insurance coverage for the Company, including the approval of the Company's nominees Insurers;

42) Approval of appraiser (appraisers) for determination of the value of shares, property and other assets of the Company in the cases stipulated by the Federal Law “On Joint Stock Companies”, this Charter, and specific resolutions of the Board of Directors of the Company;

43) Preliminary approval of collective agreement, contracts entered into by the Company within the scope of regulation of social and labor relations, and approval of documents on non-state pension schemes for the Company employees;

44) Approval of financial adviser engaged pursuant to the Federal Law “On Securities Market”, and organizers of securities issue, and advisors on transactions directly connected with raising funds

in the form of public borrowings;

45) Preliminary approval of transactions which may entail origination of currency liabilities (or liabilities the amount whereof is linked with foreign currency), transactions with derivative financial instruments, in the cases and in the amounts to be determined by specific resolutions of the Board of Directors of the Company, and when such cases (amounts) have not been determined by the Board of Directors of the Company; determination of Company's policy in the sphere of conclusion of transactions with derivative financial instruments;

46) Determination of procurement policy of the Company, including approval of Regulations on purchase of goods, works, services, and approval of procurement plan, and passing of other resolutions in accordance with the approved documents of the Company regulating the procurement activity of the Company;

47) Approval of methodology for calculating and evaluating the key performance indicators (KPIs) of the Company's General Director, their target values (adjusted values) and reports on their implementation;

48) Approval of resolution on nominating the General Director of the Company a deserving to be decorated with state awards;

49) Determination of housing policy of Company in terms of providing the Company participants with corporate assistance in improving their housing conditions in the form of subsidies, compensation of expenses, interest free loans and approval of resolutions on rendering the above support by the Company in the cases when the procedure of such support is not defined in the housing policy of the Company;

50) Determination of the Company policy as regards the enhancement of reliability of the distribution facilities of electric mains and other power grid facilities, including approval of strategic programs of the Company on enhancement of reliability of the power grid facilities, development and safety of power grid facilities;

51) Forming committees of the Company Boards of Directors, election of members of the committees of the Company Boards of Directors, and early termination of their powers, election and early termination of powers of the chairmen of the committees of the Company Boards of Directors;

52) Approval of regulations on material incentives of the General Director, regulations on material incentives of top managers of the Company; approval of the list of top managers;

53) Approval of nominees to certain positions in the Company's executive body, determined by the Company's Board of Directors;

54) filing an application for listing of Company's shares and (or) securities of the Company convertible into shares

55) decision on joining the Company to industry and inter-industry standards, regulations and other documents in the electricity sector in various areas of the Company's activities, including the technical regulation.

56) determination of the principles and approaches to internal audit, risk management and internal control systems in the Company;

57) assessment of key operational risks (both financial and non-financial risks), as well as the establishment of an acceptable amount of risk for the Company;

58) organization of at least once a year of analysis and evaluation of the systems of risk management and internal control including on the basis of data from reports regularly received from the executive bodies of the company, internal audit and external auditors of the company;

59) annual review of questions of arrangement, functioning and effectiveness of the risk management and internal control systems in the Company;

60) control and organization of activity of the internal audit, including approval of the provision on the division of internal audit, in case of involvement of an external independent organization for the internal audit – approval of such an organization and conclusion of a contract with it, approval of a plan of internal audit activity, the report on performance of the plan of activities of internal audit and

budget of the internal audit, approval of decisions on the appointment, termination, and also definition of remuneration of the head of the internal audit, review of results of assessment of the quality of the internal audit function;

61) monitoring the compliance of the company's executive bodies approved by the Company's strategy; hearing of reports of General Director and members of Company's Management Board on the implementation of the approved the Company of strategy;

62) recommendations to the executive bodies of the Company on any matters of the Company;

63) other issues, referred to the competence of the Board of Directors by the Federal Law "On Joint Stock Companies" and this Charter.

The following issues fall within the competence of the Management Board of the Company:

1) Approval of resolutions on the issues falling within the competence of the supreme governance bodies of economic societies in which 100 (one hundred) percent of charter capital or all voting shares are held by the Company (taking into account Item 36 of Clause 15.1 of Article 15 of the Charter);

2) Elaboration and submission to the Board of Directors of prospective plans for implementation of the principal areas of Company activities;

3) Preparation of business plan (adjusted business plan), and reports on the progress of its implementation, approval and adjustment of cash flow in accordance with the list and values of benchmarks of Company's cash flow approved by the Board of Directors (with obligatory further submission to the Board of Directors of the Company);

4) Preparation of the annual report on financial and business activities of the Company, on implementation of the resolutions of the General Meeting of Shareholders and Board of Directors by the Management Board;

5) Approval of plans and arrangements for training and skill development of the Company employees;

6) Establishing social benefits and guarantees for the Company employees;

7) Approval of resolutions on entering into transactions the subject matter whereof is the property, works and services, the value of which makes from 1 to 25 percent of the book value of the Company's assets according to the accounting statements as of the latest reporting date (except for the cases specified in Item 38 of Clause 15.1 of Article 15 of the Charter);

8) Consideration of reports of the Deputies General Director of the Company, heads of structural divisions of the Company on the results of implementation of the adopted plans, programs, instructions, consideration of reports, documents and other information on the activities of the Company and its affiliated and associated companies;

9) Effective risk management within the framework of the current activities of the Company; approval of the budget for the risk management activities within the limits agreed by the Board of Directors of the Company; the resolution of cross-functional (performed by several structural divisions) objectives for risk management;

10) Solving of other issues of management of day to day operations of the Company in compliance with the resolutions of the General Meeting of Shareholders, Board of Directors of the Company, and other issued submitted by the General Director to the Management Board for consideration.

Items related by Company Charter to the competence of the Director General of the Issuer:

According to the Charter, the competence of the Company's Director General includes all matters pertaining to management of the company's day-to-day activities, with the exception of those matters, which are referred to the competence of the Company's General Meeting of Shareholders, the Board of Directors or the Management Board.

The Director General of the Company acts on behalf of the Company without a power of attorney, including subject to the restrictions imposed by the law of the Russian Federation in force, the Charter and the decisions of the Board of Directors of the Company:

- Ensures fulfillment of the Company's plans necessary for achievement of the goals of the Company;
- Organizes accounting and statements recording in the Company;
- Manages the Company's property, makes transactions on behalf of the Company, issues powers of attorney, opens settlement accounts and other accounts in banks and other credit institutions (as well as in organizations of securities market professionals, in cases stipulated in laws);
- Issues orders, approves (adopts) instructions, local normative acts and other internal documents of the Company related to the matters assigned to his competence, and gives instructions binding upon all employees of the Company;
- Approves Regulations on branches and representative offices of the Company;
- Adopts general structure of the Company's executive body;
- Approves staff schedule and official salaries of the Company's employees, in accordance with the general structure of executive mechanism of the Company;
- Exercises rights and bears duties of the employer in respect of Company's employees in accordance with the labour legislation;
- Performs the functions of the Chairman of the Management Board of the Company;
- Assigns responsibilities among Deputy Directors General;
- Submits to the Board of Directors reports on financial and business activity of affiliated and dependent companies, which shares (participation interest) are owned by the Company, as well as information on other organizations wherein the Company participates, excluding the cases provided in sub-clause 2) of Clause 22.2 of Article 22 of this Charter;
- Submits Annual Report, Balance Sheet, Profit and Loss Account, Report on Distribution of Profit and Losses of the Company to the Board of Directors not later than Forty Five (45) days prior to the date of annual General Shareholders Meeting of the Company;
- Resolves other questions concerning current activities of the Company, excluding the matters assigned to the competence of the General Shareholders Meeting, of the Board of Directors and of the Management Board of the Company;
- Is personally liable for ensuring secrecy order in the Company, including in case of organization of cipher communications;
- Is personally liable for selection of persons having access to the information representing state secret, as well as for organization of conditions in which Company employees get acquainted only with such information representing state secret, and in such amounts which, in compliance with the legislation of the Russian Federation on state secret, are necessary for execution of their job content (functions).

The Issuer has adopted (accepted) the Corporate Governance Code or any other similar document.

The information on corporate governance code or similar document:
For the purpose of Issuer's management transparency, observance of standards of due corporate governance, the Board of Directors adopted Corporate Governance Code on 30.10.2006. Redrafted document dd. 06.03.2013 approved by Company's BoD (Minutes No. 154/2013 dd. 07.03.2013).

Full text of the Corporate Governance Code is available on the Company's website at:
<http://kubanenergo.ru/o-kompanii/uchreditelnye-i-vnutrennie-dokumenty/vnutrennie-polozeniya/>

5.2. Information on members of the Issuer's Management Bodies

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

Name: **Fadeev Alexander Nikolaevich**
(chairperson)

Year of birth: **1949**

Education:

Higher education

Moscow Institute of Engineers in Geodesy, Aerophotography and Cartography:
"Optical and electrical devices" (1972).

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

Period		Company	Position
From	To		
2011	2014	FGC UES JSC	Deputy Chairperson of the Management Board in charge of Security
2012	2013	Elektroservis JSC	Member of the Board of Directors
2013	2016	IDGC of Ural JSC	Chairperson, Member of the Board of Directors
2014	present day	Rosseti PJSC (former Rosseti JSC)	Deputy Director General in charge of Security; then Chief Advisor
2015	2017	IDGC of Centre and Volga region PJSC	Chairperson of the Board of Directors
2015	present day	IDGC of the South PJSC	Member of the Board of Directors
2015	present day	IDGC of Siberia PJSC, IDGC of Ural PJSC, IDGC of North Caucasus PJSC, Kubanenergo PJSC	Chairperson of the Board of Directors
2017	present day	IDGC of Volga PJSC	Member of the Board of Directors

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Information on participation in the committees' activities: **This member of the board of directors (supervisory board) does not participate in any committees under the board of directors (supervisory board)**

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 on 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 the 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 the 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: **Balaeva Svetlana Alexandrovna**

Year of birth: **1973**

Education:

Higher education

The State University of Management: "Manager-Economist" (1995), passed qualifying exams for admission to postgraduate study

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

Period		Company	Position
From	To		
2008	present day	Rosseti PJSC (former Holding IDGC JSC, Rosseti JSC)	Head of Investments Department; then Head of Investment Activity

			Department; the Deputy Director General in charge of Investments; then Chief Advisor and as a part time duty: first deputy director of branch of Rosseti PJSC – Centre of Engineering Supervision
2013	2014	IDGC of North West JSC	Member of the Board of Directors
2014	2017	Tyumenenergo JSC (former Tyumenenergo OJSC)	Member of the Board of Directors
2017	present day	Kubanenergo PJSC	Member of the Board of Directors

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Information on participation in the committees' activities: **This member of the board of directors (supervisory board) does not participate in any committees under the board of directors (supervisory board)**

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 on 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 the 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 the 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: **Varvarin Alexander Viktorovich**

Independent member of the BoD

Year of birth: **1975**

Education:

Higher education

Institute of International Law and Economics named after Griboedov A.S.: "Legal studies" (1998)

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

Period		Company	Position
from	to		
2005	present day	Russian Union of Industrialists and Entrepreneurs	Head of Legal Department, Director of Department of Corporate Relationships, then Managing Director in charge of Corporate Relationships and Legal Groundwork; then Vice-President in charge of Corporate Relations and Legal Support

2006	present day	Central checkup committee of distribution zone Non-profit organization	Director General, Member of the Board
2006	2014	Russian union of self-regulatory organization of arbitration managers	Deputy Chairperson of the Board
2008	present day	MSOPAU Non-profit partnership	Chairperson of the Management Board
2009	2016	VTsiOm JSC	Member of the Board of Directors
2009	2016	VNIPINeft JSC	Board of Directors Chairperson
2011	2016	Innovative Research and Development Centre for Textile and Consumer Goods Industry JSC	Chairperson of Board of Directors
2011	2017	IDGC of Volga PJSC (earlier – IDGC of Volga JSC)	Member of the Board of Directors
2012	2013	TransTeleCom Company CJSC	Member of the Board of Directors
2012	present day	Russian Railways JSC	Member of Auditing Committee
2013	2015	Research and Development Centre JSC, TsNIIMashdetal JSC, TsNIIKP JSC, TsNIILKA JSC, TsNIIPIK JSC	Board of Directors Chairperson
2013	2015	GTLK JSC; IDGC of the North Caucasus JSC	Member of the Board of Directors
2013	present day	Kubanenergo PJSC (former - Kubanenergo JSC)	Member of the Board of Directors
2014	present day	Kubanenergo PJSC (former - Kubanenergo JSC)	Chairperson of the Grid Connection Committee
2014	2017	Kubanenergo PJSC (former - Kubanenergo JSC)	Member of the Personnel and Remuneration Committee
2016	2016	VNII NP JSC	Member of the Board of Directors
2017	present day	Mosenergostroy Construction Industrial Company	Member of the Board of Directors
2017	present day	Institute of Internal Auditors, Non-Profit Partnership	Member of the Board
2017	present day	Scientific and Technological Company Russian Interbranch Scientific and Technical Complex (RMNTK) “Nefteotdacha”	Member of the Board of Directors

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Information on participation in the committees' activities:

Committee	Chairperson
Grid Connection Committee	yes

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 on 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 the 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 the 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: **Gavrilov Alexander Ilich**

Year of birth: **1973**

Education:

Higher education

- **State Kuban University, specialty: "Accounting and audit" (1995)**
- **State Kuban Polytechnic University, specialty: "Exploitation and operation of oil-and-gas-field" (2006)**

Conferred a degree on Doctor of Economics (2010)

Advanced training courses:

- **Ernst&Young: "Risk management" (2015)**
- **Federal national independent educational institution for supplementary vocational education "Institution of Advanced Training for Senior Officials and Employees of Fuel and Energy Industry", course: "Organization of mobilization work in the organizations of the fuel and energy complex having mobilization assignments" (2017)**

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

Period		Company	Position
From	To		
2013	2013	FGC UES JSC	Chief Advisor to the Chairman of Board
2013	present day	Kubanenergo PJSC (former – Kubanenergo JSC)	Director General, chairperson of Management Board
2014	present day	Kubanenergo PJSC (former – Kubanenergo JSC)	Member of the Board of Directors

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Information on participation in the committees' activities: **This member of the board of directors (supervisory board) does not participate in any committees under the board of directors (supervisory board)**

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 on 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 the 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 the 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: **Gritsenko Vladimir Fyodorovich**

Independent member of the Board of Directors

Year of birth: **1965**

Education:

Higher education

Russian State University for the Humanities: "Law studies"

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

Period		Company	Position
From	To		
2012	present day	Unitel Engineering LLC	Business Development Director
2016	present day	OPORA RUSSIA Non-profit Partnership	Presidium member
2016	present day	Kubanenergo PJSC	Member of the Board of Directors
2016	present day	Kubanenergo PJSC	Member of the Committee for Strategy, Development, Investments and Reform under the Board of Directors

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Information on participation in the committees' activities:

Committee	Chairperson
Committee for strategy, investments, reform and development	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 on 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 the 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 the 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: **Yefimov Alexander Leonidovich**

Year of birth: **1982**

Education:

Higher education**Moscow Law Enforcement Academy: “Law studies”**

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

Period		Company	Position
From	To		
2009	2013	FGC UES JSC	Head of Department for Protocol Functions; then Director in charge of Protocol Function – Head of Department for Protocol Functions
2013	present day	Rosseti PJSC (former – Rosseti JSC)	Head of Department for Protocol Functions; then Head of Department for Protocol Functions and Administrative Services; then Head of Administrative Department; Head of General Affairs Department
2016	present day	Kubanenergo PJSC	Member of the Board of Directors

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Information on participation in the committees' activities: **This member of the board of directors (supervisory board) does not participate in any committees under the board of directors (supervisory board)**

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 on 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 the 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 the 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: **Medvedev Mikhail Vladimirovich**

Independent member of the Board of Directors

Year of birth: **1969**

Education:

Higher education**Saint-Petersburg State University of Economics and Finances: “Finances and Credit”**

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

Period		Company	Position
From	To		
2011	2015	VTM-Engineering LLC	Director General
2011	present day	IntraTool Holding LLC	Deputy Director General
2015	present day	Industrial park “Safonovo” LLC	Deputy Director General in charge of Economics and Finances; Chairperson of the Board of Directors

2017	present day	Kubanenergo PJSC, Avangard JSC	Member of the Board of Directors
2017	present day	Kubanenergo PJSC	Member of the Reliability Committee under the Board of Directors
2017	present day	Tyumenenergo JSC	Member of the Committee for Strategy. Development, Investments and Reform under the Board of Directors

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Information on participation in the committees' activities:

Committee	Chairperson
Reliability 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 on 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 the 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 the 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: **Osipova Elena Nikolaevna**

Year of birth: **1984**

Education:

Higher education

Financial University under the Government of the Russian Federation, Moscow, Accounting and Audit Institute: "Accounting, analysis and audit"

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

Period		Company	Position
From	To		
2009	2014	Inter RAO JSC	Leading Expert at Budgeting Division at Treasury Department
2013	2014	Bank of Moscow JSC	Chief Specialist of Small Business Division
2014	present day	Rosseti PJSC (former Rosseti JSC)	Head of Division for Financial Analysis and Liquidity Management at Treasury Department
2017	present day	Kubanenergo PJSC	Member of the Board of Directors
2017	present day	Kubanenergo PJSC	Member of the Audit Committee

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Information on participation in the committees' activities:

Committee	Chairperson
-----------	-------------

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 on 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 the 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 the 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: **Tyurkin Konstantin Vladimirovich**

Year of birth: **1982**

Education:

Higher education

Lomonosov State University, Economist and Area Studies Specialist

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

Period		Company	Position
from	till		
2007	2013	AK Transaero JSC	Head of Sector for Mass Media Relations and Social Mass Media at Corporate Communications Division
2013	present day	Rosseti PJSC (former Rosseti JSC)	Head of Division for Communications and External Communication at Department of Information Policy and Public Relations
2017	present day	Kubanenergo	Member of the Board of Directors

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Information on participation in the committees' activities:

The member of the Board of Directors (supervisory board) does not participate any committees of the Board of Directors (supervisory board)

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 on 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 the 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 the 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: **Khokholkova Kseniya Valerievna**

Year of birth: **1970**

Education:

Higher education

State academy of management named after Sergo Ordzhonikidze, specialization: “Organization of management in the sphere of fuel and energy complex” (1993).

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

Period		Company	Position
From	To		
2008	2013	Holding IDGC JSC	Head of Sector at Department of Corporate Governance and Interaction with Shareholders
2013	present day	Rosseti PJSC (earlier – Rosseti JSC)	Deputy Head of the Equity Capital Department - Head of the Division for Securing Shareholder Rights of the Department of Corporate Governance and Relations with Shareholders and Investors, then Deputy Head of Securities and Information Disclosure Sector of the same Department
2009	2013	SZEUK JSC	Member of the Board of Directors
2009	2014	Ingushenergo JSC	Member of the Board of Directors
2010	2014	Engineering centre of Power Industry of Volga region JSC	Member of the Board of Directors
2013	2014	IDGC of Volga JSC	Member of the Auditing Committee
2013	2014	IDGC of Siberia JSC	Member of the Committee for Strategy, Development, Investments and Reforming attached to the Board of Directors
2014	2015	Scientific and research centre of Volga region JSC, Energoservis JSC	Member of the Board of Directors
2014	2016	Lenenergospetsremont JSC	Member of the Board of Directors
2014	2017	Recreation Centre “Energetik” JSC	Member of the Board of Directors
2014	present day	Kubanenergo PJSC (former – Kubanenergo JSC)	Member of the Board of Directors
2014	present day	Kubanenergo PJSC (former – Kubanenergo JSC)	Member, Chairperson of the Audit committee under to the Board of Directors
2014	2016	Kubanenergo PJSC (former – Kubanenergo JSC)	Member of the Committee for strategy, investments, reform and development under to the Board of Directors
2015	present day	Power engineering institute named after G.M. Krzhizhanovskiy JSC	Member of the Board of Directors

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's

ordinary shares.

Information on participation in the committees' activities:

Committee	Chairperson
Audit committee	yes

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 on 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 the 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 the 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: **Shagina Irina Alexandrovna**

Year of birth: **1979**

Education: **Higher.**

- **Russian Distance-Learning Finance and Economics Institute: "Accounting and Audit";**
- **Vladimir Law Institute at the Federal Penal Correction Service: "Legal studies"**

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

Period		Company	Position
from	till		
2011	2015	Federal Tariff Service of Russia	Head of Sector; Deputy Head of Administration for Regulation of Electric Power Industry
2015	present day	Rosseti PJSC	Head of Administration for Tariff Formation at Tariff Policy Department
2016	present day	IDGC of Volga PJSC	Member of the Board of Directors
2017	present day	Kubanenergo PJSC	Member of the Board of Directors, Member of the Audit Committee under the Board of Directors
2017	present day	IDGC of Centre PJSC, IDGC of Centre and Volga region PJSC, IDGC of North Caucasus PJSC	Member of Strategy and Development Committee under the Board of Directors

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Information on participation in the committees' activities:

Committee	Chairperson
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 on 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 the 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 the 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 information:

All members of Kubanenergo PJSC Board of Directors are citizens of the Russian Federation

Information on transactions between the issuer and members of the Board of Directors: **such transactions were not concluded during the reporting quarter**

Committees attached to the Board of Directors of the Issuer¹:

In order to ensure the Board of Directors of “Kubanenergo” PJSC efficiently fulfils its functions as a general manager of the Company’s activity, the Board of Directors has established the following Committees representing advisory and consultative bodies:

The Reliability Committee established by decision of the Board of Directors dated 18.09.2006, Minutes No. 21/2006.

The Committee’s tasks consist in elaboration of recommendations on the following issues and their submittal to the Board of Directors:

- expertise of production programmes, upgrade plans, upgrade, new construction and repair plans, analysis of their development and implementation to comply with requirements to reliability and technical condition of electric grids;
- estimation of completeness and sufficiency of activities following the results of incidents in accordance with the Rules of investigation of causes of accidents in the power industry, approved by Resolution of the Russian Government No. 846 dated 28.10.2009) as well as control of their performance;
- control of the quality of investigations of the causes of technological breakdowns (accidents);
- control of the Company’s activities in the field of emergency work (preparedness, organization and conduct of rescue and recovery operations at the network facilities);
- control of programmes on prevention and reduction of risks of injury among personnel of the Company and third parties at the facilities of the Company, as well as monitoring their implementation;
- monitoring and evaluation of the technical services of the Company in terms of ensuring reliable operation of electrical networks and industrial safety;
- examination of internal technical control system in the Company;
- expertise of the OSH management system in the Company;
- examination of the implementation of environmental policy programme;
- expertise in fire and safety systems.

¹ Positions of the members of the Company’s Committees of BoD are specified at the moment of nomination of the candidates for these positions.

Current composition of the Reliability Committee:

#	Name	Position
1.	Ukolov Vladimir Anatolievich (chairperson)	Deputy Director of Situation and Analytical Centre, Rosseti PJSC
2.	Bogomolov Eduard Valerievich	First Deputy Director of Engineering Supervision Centre, branch of Rosseti PJSC
3.	Medvedev Mikhail Vladimirovich	Deputy Director General, Holding “Intra Tool” LLC, member of the Board of Directors of Kubanenergo PJSC
4.	Ocheredko Olga Vyacheslavovna	Deputy General Director for Economics and Finance, Kubanenergo PJSC, member of the Management Board of Kubanenergo PJSC
5.	Shishigin Igor Nikolaevich	Deputy Director General in charge of Technical Issues – Chief Engineer, Kubanenergo PJSC, member of the Management Board of Kubanenergo PJSC

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

The main objective of the Audit Committee is to facilitate the effective performance of the functions of the Board of Directors of the Company in terms of preliminary consideration of issues related to control over the Company’s business activity.

The main tasks of the Committee are:

- consideration of the accounting (financial) statements of the Company and control over its preparation;
- control over the reliability and efficiency of the internal control systems, risk management, corporate governance practices;
- supervising the external audit and the selection of the auditor;
- ensuring the independence and objectivity of the internal audit function;
- supervision of the efficiency of functioning of system of counteraction to fraud by the Company’s employees and third parties.

Current composition of the Audit Committee:

#	Name	Position
1	Khokholkova Kseniya Valerievna, chairperson	Deputy Head of Directorate of Share Capital Issues at Department of Corporate Governance and Interaction with Shareholders, Rosseti PJSC, member of the Board of Directors of Kubanenergo PJSC
2	Shagina Irina Alexandrovna	Head of Tariff Policy Sector of Tariff Policy Department, Rosseti PJSC, member of the Board of Directors of Kubanenergo PJSC
3	Osipova Yelena Nikolayevna	Head of Financial Analysis and Liquidity Management Sector of the Treasury Department, Rosseti PJSC, member of the Board of Directors of Kubanenergo PJSC

The Committee for Strategy, Development, Investment and Reforms under the Board of Directors: established by decision of the Board of Directors of “Kubanenergo” JSC, Minutes No. 84/2010 of 05.02.2010, for elaboration of recommendations (conclusions) on the following aspects of activity of the Board of Directors and their submittal to the Board of Directors:

- determination of priority aspects, strategic objectives and the core principles of the Company strategic development;
- evaluation of the Company’s efficiency;
- increase of investment attractiveness of the Company, improvement of investment activity and

taking justified investment decisions;

- adjustment of the Company's existing development strategy;
- control of the process of implementation of adopted programmes, projects and the Company's reform process;
- provision of recommendations on the dividend policy;
- control of implementation and functioning of risks management system

Current composition of the Committee for Strategy, Development, Investment and Reforms:

#	Name	Position
1	Pavlov Alexey Igorevich, chairperson	Head of Treasury Department, Rosseti PJSC
2	Rafalskaya Inna Sergeyevna	Deputy Head of Division for Settlement of Disputes in the field of Tariff Formation of the Tariff Policy Department, Rosseti PJSC
3	Mikryukov Dmitriy Vasilievich	Chief Expert of Division for Consolidated Planning and Reporting at Investments Activity Department, Rosseti PJSC
4	Lavrova Marina Alexandrovna	Head of Division for Economics of Affiliated Companies at the Department of Economic Planning and Allocation of Funds, Rosseti PJSC
5	Balaban Fyodor Nikolaevich	Deputy Head of Strategic Projects Division at Department of Strategic Development, Rosseti PJSC
6	Ivanova Olga Sergeyevna	Assistant to Deputy Director General in charge of Strategic Development, Rosseti PJSC
7	Ocheredko Olga Vyacheslavovna	Deputy General Director for Economics and Finance, Kubanenergo PJSC, member of the Management Board of Kubanenergo PJSC
8	Seleznyov Viktor Yurievich	Head of Department of Scientific and Technical Development and Control over implementation of R&D under the Department of Technological Development of Innovations, Rosseti PJSC
9	Gritsenko Vladimir Fyodorovich	Director of Business Development, Yunitel Engineering LLC, member of the Board of Directors of Kubanenergo PJSC
10	Guselnikov Konstantin Sergeyevich	Director General, FinInvest Consulting LLC

The Personnel and Remuneration Committee under the Board of Directors: established by decision of the Board of Directors of "Kubanenergo" JSC, 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 remuneration payable to the members of the Board of Directors of the Company;
- determination 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.

Current composition of the Personnel and Remuneration Committee as of 23.06.2017 (the date of the first meeting of the new Board of Directors):

#	Name	Position
1	Varlamov Nikolay Nikolevich, chairperson	Deputy Director General – Chief of Staff, Rosseti PJSC
2	Chevkin Dmitriy Aleksandrovich	Head of Personnel and Organization Development Department, Rosseti PJSC
3	Erpsher Nataliya Ilinichna	Head of Division for Organization Development under Department of HR Policy and Organization Development, Rosseti PJSC

The Grid Connection Committee attached to Board of Directors was organized by the decision of Kubanenergo BoD, minutes of meeting No.119/2011 dated 11.10.2011, for the purpose of elaboration and provision of recommendation to Board of Directors on the following activities of the BoD:

- improvement of the legal base of antimonopoly control and provision of non-discriminatory access to services on technological connection of consumers to electric grids;
- improvement of the internal regulations and proprietary standards on provision of non-discriminatory access to services on technological connection of consumers to electric grids
- elaboration of principles and criteria of evaluation of Company's activity in technological connection of consumers to electric grids
- evaluation of the Company's efficiency in technological connection of consumers to networks
- assessment of the Company's efficiency in improving the quality of planning the development of electric networks in accordance with the organizational and administrative documents of the Company and Rosseti PJSC (design of integrated programmes for development of electric networks, interaction with the executive authorities of the regions in creation of a scheme and programme of development of the electric networks for the five-year period; formation and timely submission of reports on the future development of the network);
- analysis of current situation in the Company and preparation of propositions to the BoD on technological connection of consumers to electric grids

Current composition of the Grid Connection Committee:

#	Name	Position
1	Varvarin Aleksandr Viktorovich, chairperson	Vice-president in charge of Corporate Relations and Legal Support, Russian Union of Industrialists and Entrepreneurs; member of the BoD of Kubanenergo PJSC
2	Korneyev Alexandr Yurievich	Head of Department of Perspective Development of Grids and Grid Connection, Rosseti PJSC
3	Denezhnaya Natalia Vladimirovna	Chief Expert of the Department for Regulation of Grid Connection under the Department Perspective Development of Grids and Technological Connection, Rosseti PJSC

5.2.2. Information on the Sole Executive Body of the Issuer

Full name: **Gavrilov Alexander Ilich**

Year of birth: **1973**

Education:

Higher education

- State Kuban University, specialty: “Accounting and audit” (1995)
- State Kuban Polytechnic University, specialty: “Exploitation and operation of oil-and-gas-field” (2006)

Conferred a degree on Doctor of Economics (2010)

Advanced training courses:

- Ernst&Young: “Risk management” (2015)
- Federal national independent educational institution for supplementary vocational education “Institution of Advanced Training for Senior Officials and Employees of Fuel and Energy Industry”, course: “Organization of mobilization work in the organizations of the fuel and energy complex having mobilization assignments” (2017)

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

Period		Company	Position
From	To		
2013	2013	FGC UES JSC	Chief Advisor to the Chairman of Board
2013	present day	Kubanenergo PJSC (former – Kubanenergo JSC)	Director General, chairperson of Management Board
2014	present day	Kubanenergo PJSC (former – Kubanenergo JSC)	Member of the Board of Directors

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Information on participation in the committees' activities: **This member of the board of directors (supervisory board) does not participate in any committees under the board of directors (supervisory board)**

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 on 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 the 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 the 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: **Gavrilov Alexander Ilich**
(chairperson)

Year of birth: **1973**

Education:

Higher education:

- State Kuban University, diploma: “Accounting and audit” (1995)
- State Kuban Polytechnic University, diploma: “Exploitation and operation of oil-and-gas-field” (2006)

Conferred a degree on Doctor of Economics (2010)

Advanced training courses:

- “Ernst&Young” – “Risk management” (2015)
- Federal national independent educational institution for supplementary vocational education “Institution of Advanced Training for Senior Officials and Employees of Fuel and Energy Industry”, course: “Organization of mobilization work in the organizations of the fuel and energy complex having mobilization assignments” (2017)

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

Period		Company	Position
from	to		
2013	2013	FGC UES JSC	Chief Advisor to the Chairperson of Board
2013	present day	Kubanenergo PJSC (former - Kubanenergo JSC)	Director General, Chairperson of the Management Board
2014	present day	Kubanenergo PJSC (former - Kubanenergo JSC)	Member of the Board of Directors

The person holds no 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.**

Information on 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 the 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 the person having held offices at 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: **Armaganian Edgar Garriyevich**

Year of birth: **1984**

Education:

Higher education:

- Kuban State Agrarian University, diploma: “Electrification and Automation (2008).
- Course of professional retraining at BMSTU on the basis of “Training centre “Kubanenergo”, specialty “Management of organization” (2014)
- Kuban State University – advanced training: “Law studies: Civil law relations” (2015)
- Advanced training courses at Bauman Moscow State Technical University, on the basis of “Education Centre “Kubanenergo”, specialization “Management of organization” (2008)

Advanced training courses:

- Ernst&Young: “Risk management” (2015)

- Moscow School of Management SKOLKOVO, course: “Development of leaders of grid complex” (2016)

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

Period		Company	Position
from	to		
2009	present day	Kubanenergo PJSC (earlier - Kubanenergo JSC)	Head of sector for selling of services on energy transmission; then head of sector for technological connection; then head of sector for electricity transport; then deputy director in charge of development and selling of services at Kubanenergo branch Sochi electrical networks; then advisor to director general of Kubanenergo JSC; acting first deputy director general of the Company; then head of Kubanenergo branch Sochi electrical networks (main job) with part-time job as acting first deputy director general(combined duties); after – director of branch Sochi electrical networks, then first deputy director general – director of Kubanenergo branch Sochi electrical networks, deputy director general in charge of selling of services (combined duties); first deputy director general - director of Kubanenergo branch Sochi electrical networks
2014	present day	Kubanenergo PJSC (former - Kubanenergo JSC)	Member of the Management Board
2015	2017	Kubanenergo PJSC	Member of Reliability Committee
2016	present day	Energoservis Kuban JSC	Chairperson of the Board of Directors

The person holds no 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.**

Information on 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: **Such family relations are absent.**

Details of the 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 the person having held offices at 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: **Golov Andrei Valerievich**

Year of birth: **1980**

Education:

Higher education:

- Orenburg State University, diploma: “Finance and credit” (2002); conferred a degree of Candidate of Sciences (Economics) (2008).

Advanced training courses in 2015:

- Ernst&Young: “Risk management”

- Consulting and Education Centre “Energopersonal“, course “Internal audit: basic theory and practice”

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

Period		Company	Position
from	to		
2012	2012	Prompostavka CJSC	Business Director
2012	present day	Kubanenergo PJSC (former - Kubanenergo JSC)	Adviser of Director General; after – acting deputy Director General in charge of logistics and inventory without discharge from the main job; after – deputy Director General in charge of logistics and inventory; acting deputy Director General on investment activity (part time job); then deputy Director General in charge of investment activity
2013	present day	Kubanenergo PJSC (former - Kubanenergo JSC)	Member of the Management Board

The person holds no 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.**

Information on 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: **Such family relations are absent.**

Details of the 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 the person having held offices at 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: **Golovakha Dmitriy Nikolaevich**

Year of birth: **1977**

Education:

Higher education:

- Krasnodar technical college, diploma: “Installation and maintenance of electrical equipment of agricultural companies” (1997).

- Kuban State Agrarian University, diploma: “Electrification and automation of agricultural industry” (2002).

Professional retraining:

- Moscow State Technical University named after Bauman, course: “Company management” (2013);

Advanced training courses:

- Kuban State Technological University, course “Official secrets protection at public agencies and local government of the Krasnodar region” (2013)

- Institution of Further Training of administrative officers and specialists of fuel and energy industry, course: “Economic mobilization and mobilization preparation of companies” (2014)

- State Public Institution “Civil defense and emergency situations training center”, course: “Training for administrative officers and specialists of civil defense and emergency situations” (2016)

- Federal national independent educational institution for supplementary vocational education “Institution of Advanced Training for Senior Officials and Employees of Fuel and Energy Industry”, course “Arrangement of mobilization work at power companies with mobilization assignment” (2017)

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

Period		Company	Position
from	to		
2012	2013	Department on issues of fuel and energy complex of Krasnodar region (from 01.07.2012 – Industry and Energy Ministry of the Krasnodar region)	First Deputy Head of Department, then Deputy Minister
2013	present day	Kubanenergo PJSC (former – Kubanenergo JSC)	Director of branch South- Western power grids, Member of the Management Board

The person holds no 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.**

Information on 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:

Son of the member of the Management Board – Golovakha Lyudmila Alekseevna.

Details of the 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 the person having held offices at 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: **Golovakha Lyudmila Alekseevna**

Year of birth: **1955**

Education:

Higher education:

- Kuban State University, diploma: “Law” and “State and municipal management”.

- Krasnodar College of the Sugar Industry, diploma: “Electrical equipment of industrial enterprises and facilities”

Professional retraining course at Southern Institute of Management: “Human resources

management” (2017)

Advanced training courses:

- Ernst&Young: “Risk management” (2015)
- Power engineering institute of advanced training, programmes: “Responsibility for ensuring traffic safety” and “Urban electric and motor transport safety” (2016)
- Power Institute for Advanced Training “Kubanenergo”, course: “Responsible for ensuring traffic safety” (2017)

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

Period		Company	Position
from	to		
2013	present day	Kubanenergo PJSC (earlier – Kubanenergo JSC)	Director General Adviser; then deputy Director General –Chief of Staff; Member of the Management Board
2017	present day	Recreation Centre “Energetik” JSC	Member of the Board of Directors

The person holds no 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.**

Information on 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 member of the Management Board – Golovakha Dmitriy Nikolaevich.**

Details of the 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 the person having held offices at 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: **Ivanova Irina Viktorovna**

Year of birth: **1973**

Education:

Higher education:

- **Kuban State University, diploma: “Accounting and audit” (1995)**
- **Kuban State University, diploma: “Legal studies” (2010)**

Advanced training courses:

- **Bauman Moscow State Technical University, course: “Company management” (2016)**
- **Ernst&Young: “Internal audit: concepts and best practices” (2015)**

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

Period		Company	Position
from	to		
2003	2015	Economic security and anti-corruption department at Head Department of the Ministry of Internal Affairs in Krasnodar	Chief Specialist – Inspector; then Deputy Head of Sector for Desk Audit and Investigations

		region	
2015	2018	Kubanenergo PJSC	Head of Internal Audit and Control Department; then Deputy Director General in charge of Corporate Governance; then Advisor to Director General
2016	present day	Kubanenergo PJSC	Member of the Management Board

The person holds no 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.**

Information on 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: **Such family relations are absent.**

Details of the 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 the person having held offices at 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: **Kostetskiy Vyacheslav Yurievich**

Year of birth: **1974**

Education:

Higher education:

- Institute of Economics, Law and natural specialties, diploma: "Law" (1999)
- Kuban State Technological University, diploma: "Electric power supply" (2009).
- The course of retraining "Management" in Moscow State Technical University named after Bauman on the basis of Non-state non-profit educational institution "Educational centre "Kubanenergo" (2008).

Advanced training courses:

- Ernst&Young: "Risk management" (2015)
- Consulting and Education Centre "EnergoPersonal", course "Internal audit: basic theory and practice" (2015)
- Engineering and Technical Center at the Federal Antimonopoly Service of the Russian Federation, seminar: "Tariff regulation in 2016 and activities of the regulating bodies for 2017" (2016)
- Office for professional support of reforms in energy industry: "Federal Antimonopoly Service of the Russian Federation: Adopted and projected changes in regulation of wholesale markets of electrical energy" (2017)

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

Period		Company	Position
from	to		

2013	present day	Kubanenergo PJSC (former – Kubanenergo JSC)	CEO advisor; then Deputy General Director for Development and Sales; then Deputy Director General for implementation and development of services; then Deputy Director General for development and grid connection; Member of the Management Board
2013	2015	Energoservis Kuban JSC	Chairperson of the Board of Directors
2013	2015	Kubanenergo PJSC (former – Kubanenergo JSC)	Member of the Committee for Strategy, Development, Investments and Reforming under the Board of Directors
2013	2017	Kubanenergo PJSC (former – Kubanenergo JSC)	Member of the Grid Connection Committee under the Board of Directors

The person holds no 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.**

Information on 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: **Such family relations are absent.**

Details of the 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 the person having held offices at 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: **Mikhailov Vladimir Alexandrovich**

Year of birth: **1982**

Education:

Higher education:

- **South-Russian State Polytechnic University (Novocherkassk Polytechnic University) – “Electric systems and networks” (2004);**

Advanced training:

- **South-Russian State Polytechnic University (Novocherkassk Polytechnic University) – “Safety at technological processes and production in the sphere of power industry and power supply” (2004);**

- **affiliate of Bauman Moscow State Technical University at Educational Centre of Kubanenergo – “Corporate Governance” (2013);**

- **Educational centre “Innovative Technologies”, programme “Internal auditors of environment management systems” (2008);**

- **Institute of supplementary vocational education, programme “Environmental safety for heads and specialists of departments general economic management systems” (2010);**

- **Consulting and Education Centre “Energopersonal”, course “Training course on mobilization preparation of economy” (2016)**

- **Education Centre of Federal Service for Environmental, Technological, and Nuclear Supervision, course: “Precertification training on Industrial Safety. Industrial Safety Basics (General Safety Requirements)” (2017)**

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

Period		Company	Position
from	to		
2011	present day	Kubanenergo PJSC (former Kubanenergo JSC)	Deputy Head in charge of Technical Issues – Chief Engineer of Slavyanskiye electric networks; Head of Slavyanskiye electric networks; Head of branch Krasnodarskiye electric networks
2016	present day	Kubanenergo PJSC (former Kubanenergo JSC)	Member of the Management Board

The person holds no 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: **Such family relations are absent.**

Details of the 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 the 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: **Ocheredko Olga Vyacheslavovna**

Year of birth: **1972**

Education:

Higher education:

- **Kuban State University, specialization "Economic and social planning" (1994)**
- **University of International Relations of the Ministry of Foreign Affairs of the Russian Federation, course: "Administration and control of business activity in international electric power industry", qualification "Master of business administration" (2015)**

Advanced training:

- **BMSTU on the basis of "Training centre "Kubanenergo", course "Management of organization" (2010)**
- **"Ernst&Young" – "Risk management" (2015)**
- **Educational Centre "EnergoResheniye", course: "Development of Russian electric and heat power industry"; Agency for smart assistance of reforms in energy industry, course: "RF Federal Antimonopoly Service. New in tariff setting and formation of balance of heat and electric power industry" (2016);**

Workshops:

- **Engineering and Technical Center at the Federal Antimonopoly Service of the Russian Federation, seminar: "Tariff regulation in 2016 and activities of the regulating bodies for 2017" (2016)**
- **Agency for professional assistance of reforms in energy industry, course: "RF Federal Antimonopoly Service. New in balance and tariff setting in power industry. Theory and practice of antimonopoly regulation in power industry" and "RF Federal Antimonopoly Service.**

Adopted and projected changes in regulation of wholesale markets of electrical energy”, Federal State Institution “Information and Technology Centre of FAS of Russia”, course “Tariff regulation in 2017 and tasks of the government regulatory agencies for 2018-2025” (2017)

- “EnergoEvolution” LLC, course: “Operation of networks and energy selling companies in 2018. Distribution pricing for 2018-2019 with regard of changes in laws and regulations. Topical and problematic issues of cooperation and settlement of disputes.” (2018)

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

Period		Company	Position
from	to		
2008	present day	Kubanenergo PJSC (former – Kubanenergo JSC)	Head of financial department under financial directorate, head of directorate – head of division at financial department, head of financial division on construction of Olympic facilities, deputy head of department – head of financial division at financial department, head of financial department, head of division for construction of Olympic facilities at department of property and legal support of construction of Olympic facilities, deputy director general in charge of economics and finances
2014	2015	Recreation centre “Plamya” JSC	Chairperson of the Board of Directors
2014	present day	Recreation centre “Energetik” JSC	Member of the Board of Directors
2014	present day	Kubanenergo PJSC (former Kubanenergo JSC)	Member of the Management Board
2015	present day	Kubanenergo PJSC	Member of the Committee for Strategy, Development, Investments and Reforming; member of the Reliability Committee under the Board of Directors
2017	present day	Kubanenergo PJSC	Member of the Reliability Committee under the Board of Directors

The person holds no 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.**

Information on 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: **Such family relations are absent.**

Details of the 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 the 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 member of the BoD of Recreation centre “Plamya” when bankruptcy case was initiated in relation to the company, in accordance with order of Commercial court of Krasnodar region on 03.03.2015 and when Recreation centre “Plamya” was considered by the Commercial Court of Krasnodar region as insolvent on 02.09.2015.

Name: **Shishigin Igor Nikolaevich**

Year of birth: **1979**

Education:

Higher education:

- **Kuban State Agrarian University: “Electrification and automation” (2007);**

- **Moscow New Law Institute: “Legal studies” (2013);**

Retraining course:

- **Bauman Moscow State Technical University at the Educational Centre “Kubanenergo”: “Enterprise Management” (2015);**

Advanced training:

- **Bauman Moscow State Technical University: “Control and audit activity in power industry; energy saving” (2010);**

- **SGS Vostok Limited: “Internal auditor of Occupational Health, Safety and Environmental Management System. OHSAS 18001:2007” (2013);**

- **State academy for advanced training and retraining for construction and housing and communal services of Russia: “Energy supply – changes in legal base, modern technologies, materials and equipment, peculiar features in installation work” and Education Centre “Kubanenergo”: “Environmental safety at grid facilities” (2014)**

- **Power Institute for Advanced Training “Kubanenergo”, courses: “Advanced training on labour protection”, “General industrial safety requirements”, “Pre-certification training of managers and specialists of organizations operating electric networks”, “Pre-certification training of managers and specialists responsible for the operation of hazardous production sites where lifting constructions designed for lifting and moving cargoes are used”, “Pre-certification training of managers and specialists responsible for the operation of hazardous production sites where lifting constructions designed for lifting and moving people are used” (2017)**

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

Period		Company	Position
from	to		
2013	present day	Kubanenergo PJSC (former – Kubanenergo JSC)	Deputy head of Production Control and Occupational Safety Sector at Krasnodarskiye electric networks; Head of Division for Production Control and Occupational Safety at Krasnodarskiye electric networks; Deputy Chief Engineer – Head of Division for Production Control and Occupational Safety at Krasnodarskiye electric networks and Sochi electric networks; First Deputy Director – Chief Engineer of Sochi electric networks; Deputy Director General in charge of Technical Issues – Chief Engineer
2017	present day	Kubanenergo JSC	Member of the Management Board
2017	present day	Kubanenergo PJSC	Member of the Reliability Committee

The person holds no 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.**

Information on 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: **Such family relations are absent.**

Details of the 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 the 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: **Statuyev Vladislav Andreyevich**

Year of birth: **1956**

Education:

Higher education:

- Navy engineering academy named after Drezhinskiy F.E. (Saint-Petersburg), specialization "Physics and Power Engineering" (1978).

- Financial University under the Government of the Russian Federation, specialization "Company management" (2012)

Advanced training courses:

- Ernst&Young: "Risk management" (2015)

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

Period		Company	Position
2009	2013	Federal state unitary enterprise Federal Computer Centre of Funds and Market IT solutions ("FT-Centre")	Director of Krasnodar branch
2013	present day	Kubanenergo PJSC (former – Kubanenergo JSC)	Advisor of Director General with duties of deputy director general in charge of security, without discharge from primary employment, then Deputy Director General in charge of Security; Director General Assistant; then Deputy Director General; Deputy Director General in charge of Security
2013	present day	Kubanenergo PJSC (former – Kubanenergo JSC)	Member of the Management Board

The person holds no 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.**

Information on 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: **Such family relations are absent.**

Details of the 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.**

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

5.3. Information on the amounts of remuneration, benefits and/or compensation for expenses due to each of the Issuer's management bodies

Information on the amount of remuneration paid to each management body (except for the natural person discharging the functions of Sole Executive Body of the Issuer). Indication of all types of remunerations including wages, bonuses, commission fees, benefits and/or compensations for expenses as well as other pecuniary rewards paid by the Issuer for the last completed financial year:

Remuneration

Board of Directors

Unit of measurement: **thousand rubles**

Indicator	2017	3 months of 2018
Remuneration for participation in activity of the management body	6 829	0
Salary		
Bonuses		
Commission fees		
Other remunerations		
Total	6 829	0

Information on the current agreements on such payments in the current financial year:

In accordance with Regulations on payment of remuneration to members of the Board of Directors of Kubanenergo PJSC (approved by the AGM, minutes of meeting No.36 dated 11.06.2015), remuneration to members of the Board of Directors shall be paid as lump sum payment by the results of their activity during the period from their election to the Board of Directors until the election of new members of the Board of Directors of the Company.

Amount of remuneration paid to each member of the Board of Directors of the Company is calculated with regard of the total number of meetings of the Board of Directors in the previous corporate year and the number of meetings in which such member of the Board of Directors takes part. The amount of remuneration base shall be based on the revenues calculated in accordance with Russian Accounting Standards and received by the Company in the financial year.

Additionally to the remuneration the following premiums shall be paid:

- 30% payable to the Chairman of the Board of Directors of the Company;
- 20% payable to the chairman of a specialized committee of the Board of Directors of the Company;
- 10% payable to a member of a specialized committee of the Board of Directors of the Company.

Additional remuneration is paid to the members of the Board of Directors in case of increasing the amount of the Company's market capitalization during the period of work of the Board of Directors

Collegiate executive body

Unit of measurement: **thousand rubles**

Indicator	2017	3 months of 2018
Remuneration for participation in activity of the management body	1 703	385
Wages	38 442	8 516
Bonuses	31 453	2 932
Commission fees	0	0
Fringe benefits		
Other remunerations	1 591	601
Total	73 189	12 434

Information on the current agreements on such payments in the financial year:

In accordance with decision adopted by the Company's Board of Directors on 24.02.2015 (minutes of meeting No. 203/2015 dated 25.02.2015) "On approving the list of offices included in the category of top managers of Kubanenergo JSC", Members of the Management Board of are considered as top-managers of first category.

According the Regulation on motivation and social benefits set for Top managers of Kubanenergo, approved by the Company's Board of Directors (minutes of meeting No.207/2015 dated 17.04.2015) the labour contracts with members of Management Board stipulates that the payment is performed monthly for fulfillment of obligations of member of collegiate executive body of the Company – Management Board of Kubanenergo PJSC.

Compensations

Unit of measurement: **thousand rubles.**

Management body	2017	3 months of 2018
Board of Directors	0	0
Collegiate executive body	684	171

Additional Information:

In accordance with the Regulations on payment of remunerations and compensations to members of the Board of Directors of Kubanenergo PJSC approved by the Annual General Meeting of Shareholders (Minutes of meeting No.36 dated 11.06.2015), members of the Board of Directors are reimbursed for expenses related to participation in the meeting of the Board of Directors, according to the current rates of reimbursement of travel expenses set out in the Company.

Members of the Management Board, in accordance with the Regulations on the procedure for payment of compensation for rent of residential premises, approved by the order of the Company on March 27, 2015 No.262, are compensated the payment for rent of residential premises.

5.4. Information on the structure and competence of bodies controlling the Issuer's business activity and on organization of risk management and internal audit systems.

Full description of the structure of bodies controlling the Issuer's business activity and their competences in accordance with the Issuer's Charter (constituent documents) and internal documents of the Issuer:

The structure of bodies controlling the Issuer's business activity and their competences in accordance with the Issuer's Charter (constituent documents) and internal documents of the Issuer:

For control of the Issuer's business activity, the General Meeting of Shareholders 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.

The following issues fall within the competence of the Auditing Commission of the Issuer:

- inspection and analysis of financial status of the Company, its financial solvency, functioning of internal control and risks management systems, assets liquidity, proportion of own and borrowed funds, accuracy and timeliness of accrual and payment of interests on bonds, revenue on other securities; review (revision) of the Issuer's financial, accounting, payment-and-settlement and other documentation related to the Issuer carrying out financial and business activity for such documentation compliance with the Russian Federation legislation, the Charter, in-house and other documents of the Issuer;
- control of integrity and use of fixed assets;
- control of compliance of the established procedure for charging insolvent borrowers' indebtedness to the Issuer's loss;
- control of spending the Issuer's monetary assets in accordance with the approved Business Plan and budget of the Issuer;
- control of accumulation and use of the reserve and other special funds of the Issuer;
- check of the timeliness and correctness of conducting payment transactions with counterparties and the budget, as well as payment transactions on labor payment, social insurance, accrual and payment of interest and other payment transactions
- review of fulfilment of previously issued instructions for elimination of violations and inconsistencies detected by the Company's Auditing Commission;
- inspection of the Company's operations conducted in accordance with the existing agreements;
- check of compliance with the norms and standards, approved budgets, and other documents regulating the activity of the Company while using material, labor and financial resources in the financial and economic activities under current contracts;
- check of the Company's cash and assets, effectiveness of use of assets and other resources of the Company, identifying the causes of non-production losses and costs, search for reserves for improving the Company's financial condition;
- review of fulfilment of issued recommendations for elimination of violations and inconsistencies previously detected by the Company's Auditing Commission
- recommendations for Company's management bodies
- other actions (events) related to review of the Issuer's financial and business activity.

Following the results of inspections of the Issuer's financial and business activity, the Company's Auditing Commission or Auditor draws up a report that shall contain:

- statement of validation of consistency of data contained in accounting (financial) statements of the Issuer;
- information on facts of the Issuer having violated the procedures of accounting records keeping and financial reporting, and the Issuer's financial and business activity.

The procedure and terms for preparing a report following the results of review of the Issuer's business activity are determined by legal instruments of the Russian Federation on the basis of a contract concluded between the Auditor and the Issuer.

To check and approve annual financial reports of the Issuer, the General Meeting of Shareholders annually elects an Auditor.

Based on the contract, the Issuer's Auditor checks business activity of the Company for its compliance with the requirements of the RF legislation.

Following the results of inspections of the Issuer's business activity, the Company's Auditing Commission, Auditor draw up a report that shall contain:

- statement of validation of consistency of data contained in accounting (financial) statements of the Issuer;
- 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 legal instruments of the Russian Federation in the course of the Issuer's financial and business activity.

The procedure and terms for drawing up a report following the results of a review of the Issuer's business activity are determined by legal instruments of the Russian Federation on the basis of a contract concluded between the Auditor and the Issuer.

The Company has established the Audit Committee under the Board of Directors.

The Audit Committee's competence:

The main purpose of the Committee is to assist in effective implementation by the Board of Directors by preliminary consideration of issues related to control of financial and economic activities of the Company.

The main tasks of the Committee are:

- consideration of the accounting (financial) statements of the Company and control of the process of its preparation;
- control over reliability and efficiency of the internal control systems, risk management, corporate governance practices;
- supervision of the external audit and selection of the auditor;
- ensuring the independence and objectivity of the internal audit function;
- supervision of efficiency of system of counteraction to fraud of the Company's employees and third parties.

The members of the Audit Committee under the Board of Directors

Name	chairperson
Khokholkova Kseniya Valerievna	yes
Osipova Yelena Nikolayevna	no
Shagina Irina Alexandrovna	no

Information on the presence of a separate structural unit(s) for the risk management and internal control (other than the Audit Commission (Auditor), body (structural unit) in charge of internal control of financial and economic activities of the issuer), its tasks and functions:

Before April, 2008, functions of the Issuer's internal control were performed by the Controlling and Internal Audit Service established in August, 2004.

From April, 2008 till November, 30, 2010, under the Contract No. 407/30-1143/26 "On transfer of powers of Sole Executive Body" between the Issuer and "IDGC of South" OJSC of 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 Control and Audit of "IDGC of South" OJSC.

In accordance with Decision of the Board of Directors of the Issuer dated 05.08.2010 (Minutes No. 94.2010 of 06.08.2010), a Directorate for Internal Audit and Risk Management was established within the Issuer's organizational structure.

In accordance with the resolution of the Issuer's Board of Directors (Minutes of meeting No.195/2014 of 29.08.2014) the Directorate of Internal Audit and Risk Management was transformed into the Internal Audit and Control Department.

The Audit Committee (Minutes of meeting No.25/2015 of 27.02.2015) agreed to establish a Directorate for Internal Control and Risks Management as part of the Internal Audit and Control Department.

In accordance with the decision of the Issuer's Board of Directors dated 31.05.2016 (Minutes of meeting No.241/2016 of 31.05.2016), starting from 1 August 2016, the Department of Internal Audit and Control is divided into Internal Audit Department and the Directorate of Internal Control and Risk Management.

The Directorate of Internal Control and Risk Management reports directly to the Deputy General Director in charge of Controlling.

The main objectives of the Directorate of Internal Control and Risk Management include:

- 1) organization of development and improvement of the internal control system (ICS) of the Company, and provision of methodological support of internal control system;
- 2) organization of development and improvement of the risk management system (RMS) of the Company, and provision of methodological support of RMS;
- 3) organization of current monitoring of the Company's activities;
- 4) organization of interaction with the external auditor concerning the issues of functioning of ICS and RMS;
- 5) interaction with state regulatory authorities on internal control

The main functions of the Directorate of Internal Control and Risk Management are:

- 1) development and provision of implementation and adaptation of key methodological documents on the construction and improvement of the ICS and RMS;
- 2) assistance to the Company's management in creation of the control environment, development of recommendations for the description and introduction to processes (activities) the control procedures and assignment of responsibility for officials, counseling on internal control;
- 3) coordination of activities for maintenance and monitoring of progress towards the target state of ICS and RMS;
- 4) overall coordination of risk management processes, including organization of interaction of all participants of the RMS;
- 6) preparation of the annual consolidated report on organization, functioning and effectiveness of the risk management system of the Company, as well as other matters stipulated by the Risk Management Policy.
- 7) monitoring of implementation of activities and internal control procedures in the Company;
- 8) provision of information on the state of ICS and RMS in the Company;
- 9) organization to ensure compliance with the requirements of state supervisory bodies to the ICS;
- 10) ensuring interaction with state regulatory authorities in the exercise of control measures in respect of the Company and its subsidiaries;
- 11) coordination of activities of the Company and its subsidiaries to develop corrective actions to address deficiencies and implement recommendations and prescriptions.

Information on the Issuer's separate structural unit of internal audit, 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, 2010, under Contract No. 407/30-1143/26 “On transfer of powers of Sole Executive Body” between the Issuer and “IDGC of South” OJSC of 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 Control and Audit of “IDGC of South” OJSC.

In accordance with Decision of the Board of Directors of the Issuer dated 05.08.2010 (Minutes No. 94.2010 of 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 of meeting No.195/2014 of 29.08.2014) the Directorate of Internal Audit and Risk Management was transformed into the Internal Audit and Control Department.

The Audit Committee of Board of Directors (Minutes of meeting No. 25/2015 of 27.02.2015) approved the creation of management board of internal control and risks as a part of department of internal audit and control.

In accordance with the decision of the Issuer's Board of Directors dated 31.05.2016 (Minutes of meeting No.241/2016 of 31.05.2016) starting from 1 August 2016, the Department of Internal Audit and Control is divided into Internal Audit Department and the Directorate of Internal Control and Risk Management.

The Internal Audit Department is functionally subordinated to the Board of Directors (the Board of Directors, through the Audit Committee), and administratively – to the General Director of the Company.

The main objectives of the Internal Audit Department are:

- 1) implementation and application of unified approaches to establishment, management and coordination of the internal audit function in the Company;
- 2) carrying out the internal audit, participation in other inspection activities of the Company and its subsidiaries;
- 3) provision of independent and objective assurance regarding the effectiveness of ICS, RMS and corporate governance, and assistance to the executive bodies and employees of the Company in development and monitoring of implementation of procedures and measures for improvement of ICS, RMS and corporate governance;
- 4) organization of effective interaction with the Company's external auditor, the Audit Committee of the Company, with other stakeholders on issues related to the competence of the internal audit;
- 5) preparation and submission of reports on the results of the internal audit activity (including information about significant risks, deficiencies, results and effectiveness of the implementation of measures to address identified deficiencies, the results of the implementation plan of the internal activities audit, the results of the actual condition assessment, reliability and efficiency of ICS, RMS and corporate governance) to the Board of Directors, the Audit Committee of the Board of Directors and executive bodies of the Company.

The main functions of the Internal Audit Department are:

- 1) introduction of unified principles of establishment of the internal audit function, management and evaluation of the implementation of the internal audit function approved by Rossetti PJSC;
- 2) updating regulations governing the internal audit activities (policies, regulations, rules, procedures, instructions and other documents);
- 3) planning, organizing and conducting internal audits of business processes (activities), business functions, projects/plans/programmes, structural and separate subdivisions of the Company
- 4) carrying out thematic audits on a particular topic in accordance with the unified audit programme approved by the Rossetti PJSC;
- 5) organization of activities of the Audit Commission of affiliates;

- 6) participation of the Department of Internal Audit employees as elected members of audit commissions or invited experts in the activities of the Audit Commission of an affiliate;
- 7) participation in special (official) investigation into abuse (fraud), causing damage to the Company and its subsidiaries, misuse, inefficient use of resources, and other acts of unfair/illegal actions of employees and third parties;
- 8) inform the Board of Directors (Audit Committee), the executive bodies of the Company on the results of inspections, submission of recommendations to eliminate violations and deficiencies identified during the audit, and proposals to improve the efficiency and effectiveness of the ICS, RMS and corporate governance, on improving the Company's activities and its subsidiaries and affiliates;
- 9) monitor the implementation of corrective action plans to address violations and deficiencies identified in the audits and implementation of recommendations and proposals for improving the operations of the Company;
- 10) evaluation of the effectiveness of ICS, RMS and corporate governance;
- 11) advising the executive bodies of the Company on the CRS, RMS and corporate governance (while maintaining the independence and objectivity of the internal audit).
- 12) assessment of quality of work of the external auditor, preparing reports on the results of this assessment, performance evaluation for consideration by the Audit Committee of the Board of Directors, to ensure awareness of interested parties;
- 13) cooperation with the Audit Committee of the Company.

Policies of the issuer in the field of risk management and internal control are described in item 2.4 of the issuer's quarterly report

The Issuer approved an internal document that sets the rules for preventing use of confidential and insider information.

Information on the issuer's internal document establishing the rules to prevent misuse of confidential and insider information:

The Issuer approved an internal document that sets the rules for preventing use of confidential (insider) information.

In accordance with the requirements of the law No.224-FZ of 27.07.2010 "On Prevention of Unlawful Use of Insider Information and Market Manipulation and on Amendments to Certain Legislative Acts of the Russian Federation", the Issuer:

- developed and approved at the Board of Directors on 02.08.2013 (Minutes of meeting No.168/2013) the Regulations on the insider information of the Company;
- formed a list of insider information;
- defined the persons related to insiders;
- sends notifications of inclusion/exclusion of persons in the list of insiders;
- maintains the list of insiders and sends to the organizers of trade an analysis of transactions in the securities market;
- ensures protection of the confidentiality of insider information and compliance with the rules of treatment of insider information by defining the rights of access to insider information, network folders inspection units, checks the state of network security, protection from leaks of confidential information;
- organized control over the Company's compliance with the legal requirements and regulations, legal acts of the Russian Federation on insider information.

Information on the activity of Kubanenergo PJSC in the field of combating unauthorized use of insider information and market manipulation is available on the Company's web site at: <http://kubanenergo.ru/aktsioneram-i-investoram/informatsiya-dlya-insayderov-obschestva/>

The Issuer plans to continue to develop activities aimed at organization and development of control mechanisms on use of insider information.

Additional information:

In 2013, the Company adopted a single strategy document – Anti-corruption policy of Rosseti PJSC and affiliated companies of Rosseti (approved by the Board of Directors (Minutes of meeting No.201 dated 30.12.2014) (hereinafter –the anti-corruption policy), which defined a common approach to the implementation of requirements of article 13.3 of the Federal Law No. 273-FZ of 25.12.2008 “On combating corruption” (hereinafter – the Law on counteraction to corruption), relating to the Issuer's obligations to develop and adopt measures to prevent and fight against corruption: identification and subsequent elimination of the causes of corruption (prevention of corruption); detection, prevention and suppression of corruption and other offenses; minimization and (or) liquidation of the consequences of corruption and other offenses, including those described in the article 19.28 of Administrative Code “the responsibility for the illegal remuneration on behalf of the legal entity” By the decision of the Company's Board of Directors (Minutes of meeting No. 261/2017 of 02.02.2017) the Anti-corruption policy is brought up to date. Necessity of making changes is conditioned by the following legal and standard acts of the Russian Federation:

- changes in Federal Law of RF No. 273-FZ of 25.12.2008 “On anti-corruption”;
- National anti-corruption plan for 2016-2017 approved by the Decree of the President of Russia No. 147 of 01.04.2016;
- Methodological recommendation of Federal Agency for State Property Management and other instruction of federal executive authorities.

The Issuer approved a list of anti-corruption measures for Kubanenergo, providing for the implementation of activities and procedures and the procedure for their implementation.

The Programme of anti-corruption measures in Kubanenergo PJSC (Order of Kubanenergo PJSC No. 140 of 13.02.2018) is developed and approved for 2018, and it:

- contains plan of measures (list) connected with development/updating of internal local standard acts of organizational and operational level, implementation of organizational measures, approving of system monitoring procedure and results of measures on implementation of anti-corruption policy of Rosseti PJSC and subsidiary and dependent companies of Rosseti PJSC;
- assigns persons responsible for implementation of specific measures;
- assigns schedule of specific measures implementation;

Keynotes of anticorruption policy:

- assignment of departments responsible for prevention of corruption offenses and the fight against corruption
- organization of management and internal control processes in sphere of prevention and countermeasure of corruption
- monitoring of risks management and internal control systems
- identifying and resolving conflicts of interest
- development and introduction of standards and procedures designed to ensure fair work
- legal education and laying the groundwork of law-abiding behavior of workers, consulting and training of Company's employees;
- adoption of measures to combat and prevention of corruption in cooperation with organizations of contractors
- cooperation with public authorities exercising control and supervisory functions
- participation in collective initiatives for combating and preventing corruption.

All this imposes a special obligation on the Issuer at forming a single vertically-integrated system of implementation of anti-corruption policies within the Rosseti Group, which is controlled by the state. In this connection, the Issuer uses standard contractual anti-corruption clauses.

Kubanenergo PJSC pays great attention to the formation of transparent business standards. The automated system – “Analysis and collection of information on the beneficiaries” was created. The

system allows collecting data from multiple sources into a single information space, providing test data on legal entities and individuals, identifying signs of affiliation, conflict of interest, pre-conflict situations, and other abuses.

The structural unit of the Company responsible for the prevention and fight against corruption performs the following functions:

- carries out activities aimed at implementation of the principles and requirements of the Anti-Corruption Policy;
- carries out monitoring activities aimed at identifying corruption and other offenses;
- reviews reports of possible facts of committing corruption and other offenses by employees, contractors of Rosseti PJSC and its affiliated companies or other persons/entities;
- organizes the completion and review of declarations of conflict of interest;
- organizes training activities for the prevention and combating of corruption and individual consultation of employees;
- evaluates the results of anti-corruption work and reporting materials management organization;
- carries out activities to prevent and counter corruption and other offenses, conflicts of interest;
- develops anti-corruption standards and provides technical assistance in the implementation of measures for combating and preventing corruption and legal education of employees;
- coordinates the activities of the structural units in the sphere of implementation of anti-corruption policy;
- prepares documents in the sphere of combating and prevention of corruption and initiates the updating of documents in connection with changes in the anti-corruption laws of the Russian Federation.

The Issuer has approved and applies the Procedure for receiving, considering and resolving the applicant's reports (employees, contractors Kubanenergo PJSC and other natural and legal persons) on the possible cases of corruption, the Regulations for the Commission of Kubanenergo for Compliance of corporate ethics and conflicts of interest, the Regulations for the settlement of the conflicts of interest in Kubanenergo PJSC.

The Issuer updated the Commission on compliance with the rules of conduct and conflict of interest in Kubanenergo PJSC, organized work on the prevention of corruption, provided legal education and formation of the foundations of law-abiding behavior among employees of the electric grid complex and many other anti-corruption procedures, introduced an interactive channel of communication with applicants through the corporate web-site, the "hotline" for reporting on corruption.

Information about the activity of Kubanenergo PJSC in the field of preventing and combating corruption is available on the Company's web site at: <http://kubanenergo.ru/o-kompanii/antikorrupsionnaya-politika/>

5.5. Information on members of bodies controlling the Issuer's business activity

The body controlling business activity of the issuer – **the Auditing Commission**

Name: **Zadorozhnaya Anzhelika Alexandrovna**
(chairperson)

Year of birth: **1966**

Education:

- V. D. Kalmykov Taganrog Radiotechnical Institute, diploma: "Automated control systems" (1988); "Business administration" (1995)
- The Russian Presidential Academy of National Economy and Public Administration (RANEPA), diploma: "Finance and tax policy of the state" (2003)
- Moscow Institute of Economics, Management and Law, diploma: "Legal studies" (2009)

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

Period		Company	Position
from	to		
2000	2013	RF Auditing Chamber	Head of Inspection
2014	2014	Government Accountability Office of Moscow	Head of Department
2014	2016	RusHydro PJSC	Deputy Head of Department
2016	present time	Rosseti PJSC	Head of Administration for Control and Analysis at Department of Control and Audit Activity, Head of Internal Audit
2017	present time	IDGC of the North Caucasus PJSC, Tyumenenergo PJSC, Kubanenergo PJSC, MOESK PJSC, IDGC of the South PJSC	Member of the Auditing Commission

The person holds no 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.**

Information on 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: **information is not provided.**

Details of the 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: **information is not provided.**

Details of the 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: **information is not provided**

Name: **Kabizskina Yelena Alexandrovna**

Year of birth: **1964**

Education:

Higher. Far Eastern State Technical Fisheries University, engineering and financial faculty.

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

Period		Company	Position
from	till		
2005	2013	FGC UES JSC	Deputy Head of Department for Control and Inspections; then Head of Department for Internal Control and Risks Management
2013	2014	MOESK JSC	Head of Directorate for Methodological Support at Department of Internal Audit
2014	present	Rosseti PJSC (former – Rosseti JSC)	Deputy Head of Directorate for Auditing

	time		Activity at Department of Supervisory Activity; then Deputy Head of Division for Auditing Activity at Department of Control and Auditing Activity
2015	present time	Kubanenergo PJSC, IDGC of North Caucasus PJSC, Lenenergo PJSC, TRK PJSC, IDGC of North-West PJSC, Yantarenergo JSC, IDGC of Siberia PJSC, Sevkavkazenergo PJSC, Kabbalkenergo PJSC, Karachaevo-Cherkesskenenergo JSC, Tyvaenergoby JSC, Scientific and research centre of UES, Chechenenergo JSC, Dagestan energy selling company PJSC, Kalmenergosbyt JSC, "Ingushenergo" JSC	Member of the Auditing Commission
2016	present time	North-West power industry managing company PJSC, IDGC of Centre and Volga region PJSC, IDGC of Volga PJSC, IDGC of the South PJSC, IDGC of Ural PJSC, MOESK PJSC	Member of the Auditing Commission

The person holds no 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.**

Information on 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 the 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 the 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: **Kirillov Artyom Nikolayevich**

Year of birth: **1984**

Education:

Higher. Moscow Power Industry Institute – "Engineer-electrical fitter" (2008).

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

Period	Company	Position
--------	---------	----------

from	to		
2009	2013	FGC UES PJSC	Chief Specialist, later – Chief Expert at Department of Control and Audits
2013	present time	Rosseti PJSC (former – Rosseti JSC)	Head of Sector for Investment Audit at Directorate Auditing Activity and Internal Audit at Department of Internal Audit and Control; later – Deputy Head of Directorate Auditing Activity and Internal Audit at Department of Internal Audit and Control
2013	2014	Kubanenergo JSC	Member of the Auditing Commission
2016	present time	Kubanenergo PJSC, MOESK PJSC, IDGC of Ural PJSC, “TRK PJSC, IDGC of the South PJSC, IDGC of Volga PJSC, IDGC of the North Caucasus PJSC, IDGC North-West PJSC, Lenenergo PJSC, North-Western power industry managing company PJSC, Sevkavkazenergo PJSC, Ingushenergo JSC, NIITs IDGC JSC, Kalmenergosbyt JSC, VNIPInergoprom JSC, FOCL-Power Lines Administration JSC, Scientific and Research Centre of UES JSC, Nurenergo JSC, Power engineering university ENIN JSC	Member of the Auditing Commission
2017	present time	IDGC of Siberia PJSC, Karachaevo-Cherkessskenergo JSC	Member of the Auditing Commission

The person holds no 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.**

Information on 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 the 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 the 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: **Malyshev Sergey Vladimirovich**

Year of birth: **1965**

Education:

Higher, Higher military financial college in Yaroslavl (1986)

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

Period		Company	Position
from	to		
2013	2013	FGC UES JSC	Head of Department of Investments Audit at Department for Internal Control and Risks Management
2013	present time	Rosseti PJSC (former Rosseti JSC)	Chief Expert at Directorate for Auditing Activity at Department for Control Activity; Leading Specialist at Directorate for Auditing Activity at Department for Control and Auditing Activity
2014	2015	Lenenergo JSC, Tyumenenergo JSC, IDGC of Centre and Volga region JSC, IDGC of Ural JSC, Kalmenergosbyt JSC, Scientific and research centre of Ural JSC	Member of the Auditing Commission
2014	present time	IDGC of Volga PJSC (former IDGC of Volga JSC), IDGC of Centre PJSC (former IDGC of Centre JSC), IDGC of Siberia PJSC (former IDGC of Siberia JSC), IDGC of North-West PJSC (North-West JSC), Sevkavenergo PJSC (Sevkavenergo JSC), Kubanenergo PJSC (former Kubanenergo JSC), Yantarenergo JSC (Yantarenergo OJSC), Karachaevo-Cherkessenergo JSC, Tyvaenergosbyt JSC (Tyvaenergosbyt OJSC), Dagestan energy selling company PJSC (Dagestan energy selling company JSC), Ingushenergo JSC (Ingushenergo OJSC), SZEUK PJSC (former SZEUK JSC)	Member of the Auditing Commission
2015	present time	Kabbalknergo PJSC, IDGC of North Caucasus PJSC, Chechenenergo JSC, Scientific and research centre of IDGC JSC,	Member of the Auditing Commission

		VNIPIenergoprom Association JSC, VNIPIenergoprom real property JSC, ITs UES real property JSC, Real property of the Southern centre of power industry”	
2016	present time	Lenenergo PJSC, Tyumenenergo JSC	Member of the Auditing Commission
2017	present time	Kalmenenergobyt JSC	Member of the Auditing Commission

The person holds no 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.**

Information on 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 the 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 the 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: **Slesareva Yelena Yurievna**

Year of birth: **1970**

Education:

Higher. Academy of Labor and Social Relations, Moscow

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

Period		Company	Position
from	till		
2009	2013	IDGC of the South JSC	Chief Specialist at Department of Internal Audit and Risks Management
2013	present time	Rosseti PJSC (former Rosseti JSC)	Leading Specialist at Sector of Investments Audit, Auditing Activity and Internal Audit at Department of Internal Audit and Control; then Chief Expert at Internal Audit Directorate
2014	2015	IDGC of Volga JSC, Tyumenenergo JSC, IDGC of Centre JSC, IDGC of Siberia JSC, IDGC North-West JSC, IDGC of the North Caucasus JSC, MOESK JSC, Sevkavkazenergo JSC,	Member of the Auditing Commission

		Kubanenergo JSC	
2014	present time	IDGC of the South PJSC (former IDGC of the South JSC)	Member of the Auditing Commission
2015	2016	IDGC of the North Caucasus PJSC, Tyumenenergo JSC, Tyvaenergoby JSC, Association VNIPIenergoprom JSC	Member of the Auditing Commission
2015	present time	IDGC of Center and Volga Region PJSC, Chechenenergo JSC, Dagestan Energy Retail Company PJSC, Kalmenergosbyt JSC	Member of the Auditing Commission
2016	present time	Kubanenergo PJSC	Member of the Auditing Commission
2017	present time	Kabbalkenergo PJSC, IDGC of Ural JSC, Tyumenenergo JSC, Ingushenergo JSC	Member of the Auditing Commission

The person holds no 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 the 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 the 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**

Body controlling business activity of the issuer: **other**

Internal Control Department

Information on the head of such department (body) of the issuer

Head of department, name of position: **Acting Head of Internal Control Department**

Name: **Ochikov Sergei Ivanovich**

Year of birth: **1983**

Education:

Higher education.

Krasnoyarsk State Technical University: "Power stations and substations".

Siberian Federal University: "Economics and management of power industry enterprises".

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

Period		Company	Position
From	To		
2013	2013	“FGC UES” JSC	Chief expert of internal control and risks management department
2013	2017	Rosseti PJSC (former Rosseti JSC)	Lead expert of internal audit and risks management department , after – lead expert of directorate of internal audit, then – chief expert of the same directorate
2017	now	“Kubanenergo” PJSC	Head of directorate of internal control and risks management; then: Head of directorate of internal control and risks management and on a part-time basis Acting Head of Internal Control Department

The person holds no 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 the 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 the 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**

Body exercising control over financial and economic activities of the issuer: **Other**

Directorate of Internal Control and Risk Management

Information about the head of the separate structural unit (body) of the issuer

Position name of the head of structural department: **Head of Directorate of Internal Control and Risks Management.**

Name: **Ochikov Sergei Ivanovich**

Year of birth: **1983**

Education:

Higher education.

Krasnoyarsk State Technical University: “Power stations and substations”.

Siberian Federal University: “Economics and management of power industry enterprises”.

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

Period		Company	Position
From	To		
2013	2013	“FGC UES” JSC	Chief expert of internal control and risks management department
2013	2017	Rosseti PJSC (former Rosseti JSC)	Lead expert of internal audit and risks management department , after – lead expert

			of directorate of internal audit, then – chief expert of the same directorate
2017	now	“Kubanenergo” PJSC	Head of directorate of internal control and risks management; then: Head of directorate of internal control and risks management and on a part-time basis Acting Head of Internal Control Department

The person holds no 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 the 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 the 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 benefits and/or compensation of expenses on the bodies controlling the Issuer's financial and business activity

Remunerations

For each body exercising control of financial and economic activities (except for the individual holding the position (performing the functions) of the issuer's internal auditor), information concerning the amounts of all types of remuneration, including salaries of members of bodies exercising control of the issuer's financial and economic activities who are (were) the issuer's employees (including part-time employees), bonuses, commission fees, remuneration specifically paid for participation in the work of the relevant body exercising control of the issuer's financial and economic activities, and other types of remuneration paid by the issuer within the relevant reporting period, also specifying the amounts of expenses associated with the performance of the functions of members of bodies exercising control of the issuer's financial and economic activities and reimbursed by the issuer within the relevant reporting period.

Unit of measurement: **thousand rubles**

Body controlling the Issuer's business activity: **Auditing Commission**

Remuneration for participation in the activity of the control body

Unit of measurement: **thousand rubles**

Indicator	2017	3 months of 2018
Remuneration for participation in the activity of the body exercising control of the issuer's financial and economic activities	782	0
Salary		
Bonuses		

Commission fees		
Other remunerations		
Total	782	0

Information concerning the existing agreements for such payments in the present fiscal year:

In accordance with the Regulations on payments of remunerations and compensations to the members of the Auditing Commission approved by the annual General meeting of shareholders (minutes of meeting No.36 of 11.06.2015), the remuneration shall be paid as a lump-sum by the results of activity in the corporate year.

The remuneration shall be paid to the members of the Auditing Commission of the Company depending on the degree of their participation in the activity of the Committee on the basis of the base amount of remuneration with application of a coefficient of participation of the committee member in the Committee's activity by the results of a corporate year.

The Base amount of remuneration paid to the Auditing Commission is determined on the basis of Company's revenue calculated in accordance with Russian Accounting Standards for the financial year.

Body controlling the Issuer's business activity: **Internal Audit Department**

Remuneration for participation in the activity of the control body

Unit of measurement: **thousand rubles**

indicator	2017	3 months of 2018
Remuneration for participation in the activity of the body exercising control of the issuer's financial and economic activities	0	0
Salary	5 488	1 680
Bonuses	3 159	883
Commission fees	0	0
Other remunerations	208	41
Total	8 855	2 604

Details on the existing agreements on such payments in the current financial year:

Payments to the employees of the Internal Audit Department were carried out according to the Order No.439 of 27.05.2016 "On introduction of the Regulation on material incentives and benefits for the leading managers of Kubanenergo PJSC" from 01.01.2016 and the Collective Agreement of Kubanenergo PJSC for 2016-2018, enacted on 31.12.2015 by the order of the Company No.1149.

Body controlling the Issuer's business activity:

The Internal Audit and Risks Management Department

Remuneration for participation in the activity of the control body

Unit of measurement: **thousand rubles.**

Indicator	2017	3 months of 2018
Remuneration for participation in the activity of the body exercising control of the issuer's financial and economic activities	0	0
Salary	3 078	771

Bonuses	759	334
Commission fees	0	0
Other remunerations	119	60
Total	3 956	1 165

Information on the existing agreements concerning such payments in the current fiscal year:

Payments to the employees of the Internal Audit and Risks Management Department were carried out according to the Order No.439 of 27.05.2016 “On introduction of the Regulation on material incentives and benefits for the leading managers of Kubanenergo PJSC” from 01.01.2016 and the Collective Agreement of Kubanenergo PJSC for 2016-2018, enacted on 31.12.2015 by the order of the Company No.1149.

Compensations

Unit of measurement: **thousand rubles**

Control Body	2017	3 months of 2018
Auditing Commission	0	0
Internal Audit Department	14	0
Internal Audit and Risks Management Department	13	0

Additional information:

In accordance with the Regulations for payment of remunerations and compensations to the members of the Auditing Committee of Kubanenergo PJSC approved by the Annual General Meeting of Shareholders (Minutes of meeting No.36 of 11.06.2015), compensation of the costs of members of the Auditing Committee associated with their participation in the activities of the Auditing Committee shall be determined on the basis of the established standards.

In accordance with Section 6 of the Collective Agreement “Additional Benefits, Guarantees and Compensations”, the employer assists in improving living conditions of its Employees by providing financial assistance in real estate loan, namely:

- a) compensation of insurance costs for all types of insurance provided for by the mortgage (loan) contract;
- b) compensation of expenses for payment of state duties provided by current legislation of the Russian Federation related to execution of a mortgage (credit) contract;
- c) annual repayment of a part of loan interest.

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

Unit of measurement: **thousand rubles**

Indicator	2017	3 months of 2018
Average number of employees	8 541	8 627
Volume of cash allocated for payment of wages in the reporting period	4 515 153	1 167 273
Volume of cash allocated for social welfare in the reporting period	35 482.3	5 759.6

There were no significant changes in the number of the issuer’s employees during the reporting period.

There are no employees substantially affecting financial and business activity of the Issuer in Kubanenergo.

A trade union body has been founded by the employers (workers) of the Issuer.

5.8. Information on any other liabilities of the Issuer to employees (workers) related to possibility of their participation in authorized capital of the Issuer

The Issuer has no liabilities to its employees (workers) related to possibility of their participation in authorized capital of the Issuer

VI. Information on the Issuer's participants (shareholders) and on interested-party transactions effected by the Issuer

6.1. Information on the total number of the Issuer's shareholders (participants)

Total number of persons registered in the Issuer's Register of Shareholders as of the expiry date of the last reporting quarter: **1 810**

Total number of the Issuer's nominal shareholders: **2**

Total number of persons included in the last list of persons who had (have) the right to participate in the general meeting of the issuer's shareholders (other list of persons compiled for the purpose of exercising (implementing) rights granted by the issuer's shares and for which the nominal holders of the issuer's shares represented data on persons in whose interests they owned (own) shares of the issuer): **2 678**

Date of making the list persons included in the last list of persons who had (have) the right to participate in the general meeting of the issuer's shareholders (other list of persons compiled for the purpose of exercising (implementing) rights granted by the issuer's shares and for which the nominal holders of the issuer's shares represented data on persons in whose interests they owned (own) shares of the issuer): **23.05.2017**

Holders of ordinary shares of the issuer subject to inclusion in the list: **2 675**

Information on the number of own shares possessed by the issuer as at the reporting quarter:

Own shares possessed by the issuer: no

Information on the number of shares belonging to the organizations controlled by the issuer

There are no shares belonging to organizations under the issuer's control

6.2. Information on participants (shareholders) of the issuer owning at least five percent of its authorized capital or at least five percent of its ordinary shares, as well as information on those controlling such participants (shareholders), and in case of absence of such persons - information on participants (shareholders), owning at least 20 percent of the authorized capital or at least 20 percent of ordinary shares.

Participants (shareholders) of the issuer owning at least five percent of its authorized capital or at least five percent of its ordinary shares

1.

Full business name: **Russian Federation represented by the Federal Agency for Management of State Property**

Abbreviated business name: **RF represented by the Federal Agency for Management of State Property**

Address

9 Nikolsky lane, Moscow, Russia, 109012

TIN: **7710723134**

PSRN: **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%**

Persons (entities) controlling the participant (shareholder) of the Issuer: **There aren't such persons (entities)**

Participants (shareholders) of the person holding no less than 20 percent of their authorized (pooled) capitals (co-op share funds) or no less than 20 percent of their ordinary shares: **There aren't such persons (entities)**

2.

Full business name: **Public Joint-Stock Company "Russian Grids"**

Abbreviated business name: **Rosseti PJSC**

Address: **Moscow, Russia**

TIN: **7728662669**

PSRN: **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%**

Persons (entities) controlling the participant (shareholder) of the Issuer

2.1.

Full business name: **Russian Federation represented by the Federal Agency for Management of State Property**

Abbreviated business name: **RF represented by the Federal Agency for Management of State Property 0**

Address:

9 Nikolsky lane, Moscow, Russia, 109012

TIN: **7710723134**

PSRN: **1087746829994**

The reason whereby the entity that controls the participant (shareholder) of the Issuer exercises such control (participation in a legal entity being a participant (shareholder) of the Issuer, the conclusion of a simple partnership agreement, agency contract, the conclusion of the shareholders' agreement, the conclusion of other agreements, the subject of which is the exercise of rights certified by shares (interests) of the legal entity that is a participant (shareholder) of the issuer): **RF is a shareholder of Rossetti PJSC.**

The sign of the entity controlling the participant (shareholder) of the issuer of such control: **the right to dispose of more than 50 percent of the votes in the supreme governing body of the legal entity that is a participant (shareholder) of the Issuer**

Type of control: **direct control**

The share of such entity in the authorized (share) capital (mutual fund) of the participant (shareholder) of the Issuer, %: **88.04**

The share of this entity in the ordinary shares (shareholder) of the Issuer, %: **88.89**

Other information provided by the issuer at its own discretion: **none**

Other information provided by the issuer at its own discretion:

Currently, the Company is placing additional shares of the issue that was registered by the Bank of Russia on 15.12.2016 (paragraph 8.2 of the report), but changes in the chapter of the Company's Charter pertaining the authorized capital have not been made, therefore:

- the shares of shareholders in the authorized capital of the issuer are indicated without consideration of the placed additional shares,
- the shares owned by the shareholders are indicated with regard of the placed additional shares.

6.3. Information on participatory stake of the State or a municipal unit in the authorized capital of the Issuer and on availability of a special right (“Golden Share”)

Information about the controllers of state, municipal shares: **There are no such persons (entities)**
Persons (entities) who, on behalf of the Russian Federation, subject of Russian Federation or municipal entity, shall perform the functions participant (shareholder) of the Issuer.

Federal property

Name: **Federal Agency of State Property Management**

Address: **9, Nikolskiy lane, Moscow, 109012**

The size of the authorized (share) capital (share fund) of the Issuer of municipal property, located in the state (federal, subjects of Russian Federation): **7.36**

Property of subjects of Russian Federation

Full business name: **Regional state specialized agency “State Property Fund of Krasnodar region”**

Address: **176, Krasnaya street, Krasnodar, 350063**

The size of the authorized (share) capital (share fund) of the Issuer of municipal property, located in the state (federal, subjects of Russian Federation): **0.0002**

Presence of a special right of the Russian Federation, subjects of Russian Federation, municipalities in the management of the issuer - a joint stock company (“golden share”), the validity of a special right (“golden share”): **This right is not stipulated.**

6.4. Information on restrictions on participation in the Issuer’s authorized capital

There are no restrictions on participation in the Issuer's authorized

6.5. Information on changes in composition and amount of participation of shareholders (participants) of the Issuer holding no less than 5% of the Issuer’s authorized capital or no less than 5% of one’s ordinary shares

Shareholders (participants) of the Issuer holding at least 5% of the Issuer’s authorized capital, for joint-stock company issuers – also those holding at least 5% of one’s ordinary shares as determined as of the date of making the list of persons having the right to participate in each General Meeting of Shareholders (Participants) of the Issuer carried out for the last completed financial year preceding the end date of the reporting quarter, as well as for the period from the beginning of the current year and to the end date of the reporting quarter according to the list of persons entitled to participate in each such meeting.

Date of making the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **06.05.2016**

List of Shareholders (Participants):

Full business name: **Russian Federation represented by Federal Agency for the Administration of State Property**

Abbreviated business name: **RF represented by Federal Agency for the Administration of State Property**

Address: **9, Nikolskiy lane, Moscow 109012**

TIN: **7710723134**

PSRN: **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, %: **7.36**

Full business name: **Public Joint Stock Company "Russian Grids"**

Abbreviated business name: **Rosseti PJSC**

Address: **Moscow, Russia**

TIN: **7728662669**

PSRN: **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, %: **92.24**

Date of making the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **26.08.2016**

List of Shareholders (Participants):

Full business name: **Russian Federation represented by Federal Agency for the Administration of State Property**

Abbreviated business name: **RF represented by Federal Agency for the Administration of State Property**

Address: **9, Nikolskiy lane, Moscow 109012**

TIN: **7710723134**

PSRN: **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, %: **7.36**

Full business name: **Public Joint Stock Company "Russian Grids"**

Abbreviated business name: **Rosseti PJSC**

Address: **Moscow, Russia**

TIN: **7728662669**

PSRN: **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, %: **92.24**

Date of making the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **23.05.2017**

List of Shareholders (Participants):

Full business name: **Russian Federation represented by Federal Agency for the Administration of State Property**

Abbreviated business name: **RF represented by Federal Agency for the Administration of State Property**

Address: **9, Nikolskiy lane, Moscow 109012**

TIN: **7710723134**

PSRN: **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: **Public Joint Stock Company "Russian Grids"**

Abbreviated business name: **Rosseti PJSC**

Address: **Moscow, Russia**

TIN: **7728662669**

PSRN: **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, %: **92.77**

Additional information: **No.**

6.6. Information on the interested-party transactions of the Issuer

The number and volume in terms of money made by the issuer transactions recognized in accordance with the laws of the Russian Federation party transactions which had an interest requiring approval by the governing body of the issuer, for the most recent reporting quarter

Unit of measurement: rubles

Indicator	Total amount, pieces	Total amount in monetary assets
Transactions of interest concluded by the issuer during the reporting period which require the approval by the governing body of the Issuer	2	477 115 986
Transactions of interest concluded by the issuer during the reporting period which have been approved by the general meeting of members (shareholders) of the Issuer	0	0
Transactions of interest concluded by the issuer during the reporting period which have been approved by the board of directors (supervisory board of the issuer)	2	477 115 986
Transactions of interest concluded by the issuer during the reporting period which require approval, but have not been approved by the authorized body of the issuer	0	0

Transactions (groups of related transactions), the price of which is 5% or more of the book value of assets of the issuer as defined according to its financial statements for the last reporting date before the transaction, the issuer of the last reporting quarter

Such transactions have not been performed

Transactions (groups of related transactions) in the commission of which there was an interest and which is subject to the board of directors (supervisory board) or a general meeting of shareholders (members) of the Issuer was not taken in cases where such approval is required under the legislation of the Russian Federation

Such transactions have not been performed

Additional Information:

Interested party transactions and transactions that required notification / approval of management bodies of Kubanenergo PJSC concluded in the reporting quarter:

#	Contractor	Contract	Sum of the contract, rubles
1	ROSSETI PJSC	418 859 053.56	Services related to organization of operation and development of power grid
2	ROSSETI PJSC	58 256 932.26	Engineering supervision at network facilities of Kubanenergo PJSC

Total: 477 115 985.82

The Company informed the members of the Board of Directors and Management Board of the issuer on these transactions in accordance with the procedure and deadlines specified by paragraph 1.1 of article 81 of the Federal Law "On Joint Stock Companies".

6.7. Information on the accounts receivable

As of 31.12.2017

Unit of measurement: **thousand rubles**

Indicator	Value
Accounts receivable of buyers and customers	6 155 946
Including overdue	1 520 407
Accounts receivable on bills receivable	0
Including overdue	0
Accounts receivable of participants (founders) on share capital payments	0
Including overdue	0
Other accounts receivable	691 442
Including overdue	165 105
Total amount of accounts receivable	6 847 388
Including total amount of overdue accounts receivable	1 685 512

Debtors that occupy at least 10% of total amount of accounts receivable for the reporting period

Full business name: **Public Joint Stock Company “TNS Energo Kuban”**

Abbreviated business name: **“TNS Energo Kuban” PJSC**

Address: **55/1 Gimnazicheskaya street, Krasnodar, Krasnodar region 350000**

TIN: **2308119595**

PSRN: **1062309019794**

Amount of accounts receivable: **3 307 673.16**

Unit of measurement: **thousand rubles**

Amount and conditions of overdue accounts receivable (interest rate, penalties, fines):

Overdue accounts receivable: 1 038 116.86 thousand rubles

Sanctions, penalties, fines: no.

Debtor is affiliated entity of the Issuer: **No**

Full business name: **Joint Stock Company “Independent power selling company of Krasnodar region”**

Abbreviated business name: **“NESK” JSC**

Address: **247 Severnaya street, Krasnodar, Krasnodar region 350049**

TIN: **2308091759**

PSRN: **1032304155102**

Amount of accounts receivable: **1 959 066.68**

Unit of measurement: **thousand rubles**

Amount and conditions of overdue accounts receivable (interest rate, penalties, fines):

no.

Debtor is affiliated entity of the Issuer: **No**

Full business name: **Limited Liability Company “Maikopskiy CHP plant”**

Abbreviated business name: **“Maikopskiy CHP plant LLC**

Address: **708 Kurgannaya str., Maikop, Republic of Adygea, 385018**

TIN: **0107019540**

PSRN: **1100107001280**

Amount of accounts receivable: **378 946.07**

Amount and conditions of overdue accounts receivable (interest rate, penalties, fines):

Overdue accounts receivable: 321 126.99 thousand rubles

Sanctions, penalties, fines: no.

Debtor is affiliated entity of the Issuer: **No**

As of 31.03.2018

Unit of measurement: **thousand rubles**

Indicator	Value
Accounts receivable of buyers and customers	7 569 107
Including overdue	2 737 568
Accounts receivable on bills receivable	0
Including overdue	0
Accounts receivable of participants (founders) on share capital payments	0
Including overdue	0
Other accounts receivable	765 323
Including overdue	130 681
Total amount of accounts receivable	8 334 430
Including total amount of overdue accounts receivable	2 868 249

Debtors that own at least 10% of total amount of accounts receivable for the reporting period

Full business name: **Joint Stock Company “Independent power selling company of Krasnodar region”**

Abbreviated business name: **“NESK” JSC**

Address: **247 Severnaya street, Krasnodar, Krasnodar region 350049**

TIN: **2308091759**

PSRN: **1032304155102**

Amount of accounts receivable: **2 053 593.81**

Unit of measurement: **thousand rubles**

Amount and conditions of overdue accounts receivable (interest rate, penalties, fines):

Overdue accounts receivable: 34.53 thousand rubles

Sanctions, penalties, fines: no.

Debtor is affiliated entity of the Issuer: **No**

Full business name: **Limited Liability Company “Maikopskiy CHP plant”**

Abbreviated business name: **“Maikopskiy CHP plant LLC**

Address: **708 Kurgannaya str., Maikop, Republic of Adygea, 385018**

TIN: **0107019540**

PSRN: **1100107001280**

Amount of accounts receivable: **441 798.96**

Amount and conditions of overdue accounts receivable (interest rate, penalties, fines):

Overdue accounts receivable: 391 934.88 thousand rubles

Sanctions, penalties, fines: no.

Debtor is affiliated entity of the Issuer: **No**

Full business name: **Public Joint Stock Company “TNS Energo Kuban”**

Abbreviated business name: **“TNS Energo Kuban” PJSC**

Address: **55/1 Gimnazicheskaya street, Krasnodar, Krasnodar region 350000**

TIN: **2308119595**

PSRN: **1062309019794**

Amount of accounts receivable: **4 449 659.7**

Unit of measurement: **thousand rubles**

Amount and conditions of overdue accounts receivable (interest rate, penalties, fines):

Overdue accounts receivable: 2 051 844.44 thousand rubles

Sanctions, penalties, fines: no.

Debtor is affiliated entity of the Issuer: **No**

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

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

Balance sheet 31 December 2017

		Codes
Form No. 1 OKUD [Russian National Classifier of Management Documentation]		0710001
	Date	31.12.2017
Organization: Public joint stock company of power industry and electrification of Kuban; Публичное акционерное общество энергетики и электрификации	OKPO [Russian Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	TIN	230900166 0
Type of activity electricity transmission	OKVED [Russian Classifier of Types of Economic Activity]	35.12
Organizational legal form/ownership form: Public Joint-Stock Company / private	OKOPF [Russian Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	12247 / 16
Unit: thousand rubles	OKEI [Russian Classifier of Measurement Units]	384
Address: 2A Stavropolskaya str., 350033, Krasnodar Krasnodar region, RF,		

notes	Indicator	Line code	as of 31 December 2017	as of 31 December 2016	as of 31 December 2015
1	2	3	4	5	6
	ASSETS				
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	33 456	25 834	13 233
	Results of researches and developments	1120	69 571	24 411	32 385
	Intangible development assets	1130	-	-	-
	Tangible development assets	1140	-	-	-
	Fixed assets	1150	59 659 050	55 910 737	53 710 490
	Income-bearing investments in tangible valuables	1160	-	-	-
	Financial investments	1170	36 004	45 588	45 588
	Deferred tax assets	1180	881 948	839 768	972 310
	Other non-current assets	1190	84 981	52 375	59 480
	TOTAL Section I	1100	60 765 010	56 898 713	54 833 486
	II. CURRENT ASSETS				
	Stock	1210	1 580 657	1 407 566	1 292 106
	Value added tax on valuables acquired	1220	6 020	7 496	6 198
	Accounts receivable	1230	6 847 388	7 119 419	4 900 772
	Financial investments	1240	-	-	-
	Monetary assets and equivalents	1250	1 667 698	1 245 575	2 577 455
	Other current assets	1260	989 980	609 432	708 381
	TOTAL Section II	1200	11 091 743	10 389 488	9 484 912
	BALANCE	1600	71 856 753	67 288 201	64 318 398

	LIABILITIES	Line	as of 31 December 2017	as of 31 December 2016	as of 31 December 2015
1	2	3	4	5	
	III. CAPITAL AND RESERVES				
	Authorized capital (reserve capital, statutory find and partners' contributions)	1310	28 286 813	28 286 813	28 286 813
	Treasury stock bought out at from the shareholders	1320			
	Revaluation of non-current assets	1340	10 755 560	10 805 974	10 851 166
	Additional capital (without revaluation)	1350	6 481 916	6 481 916	6 481 916
	Reserve capital	1360	268 996	161 971	89 347
	Unallocated profit (uncovered loss) of	1370	(12 476 889)	(12 410 429)	(13 378 700)
	TOTAL Section III	1300	35 408 918	35 398 409	32 330 542

	IV. LONG-TERM LIABILITIES				
	Borrowed funds	1410	22 617 796	18 912 239	10 000 000
	Deferred tax liabilities	1420	178 832	128 343	122 951
	Reserve for contingent liabilities	1430	-	-	-
	Other liabilities	1450	989 505	1 429 365	468 760
	TOTAL Section IV	1400	23 786 133	20 469 947	10 591 711
	V. SHORT-TERM LIABILITIES				
	Borrowed funds	1510	91 064	79 078	7 071 346
	Payables	1520	11 044 750	8 280 201	11 799 752
	Reserves for future expenses	1530	126 616	130 231	115 298
	Estimated liability	1540	1 399 272	2 930 335	2 409 749
	Miscellaneous liabilities	1550	-	-	-
	TOTAL Section V	1500	12 661 702	11 419 845	21 396 145
	BALANCE (assets)	1700	71 856 753	67 288 201	64 318 398

Profit and loss statement

January - December 2017

		Codes
Form OKUD [Russian National Classifier of Management Documentation]		0710002
	Date	31.12.2017
Organization: Public joint stock company of power industry and electrification of Kuban; Публичное акционерное общество энергетики и электрификации	OKPO [Russian Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity: electricity transmission	OKVED [Russian Classifier of Economic Activities]	35.12
Organizational legal form/ownership form: Public Joint-Stock Company / private	OKOPF [Russian Classifier of Organizational Legal Forms]/OKFS [Russian Classifier of Forms of Ownership]	12247 / 16
Unit: thousand rubles	OKEI [Russian Classifier of Measurement Units]	384
Address: 2A Stavropolskaya str., 350033, Krasnodar, Krasnodar region, RF		

	Indicator	Line	12 months of 2017	12 months of 2016
1	2	3	4	5
	Proceeds	2110	42 253 027	41 726 201
	Cost of sales	2120	-38 258 835	-35 829 877
	Gross profit (loss)	2100	3 994 192	5 896 324

Commercial expenses	2210	0	0
Administrative expenses	2220	-110 122	-97 873
Sales profit (loss)	2200	3 884 070	5 798 451
Participation incomes	2310	277	0
Interest receivable	2320	47 248	89 719
Interest payable	2330	-1 907 082	-1 888 922
Other incomes	2340	2 392 613	2 615 870
Other expenses	2350	-3 249 452	-3 108 883
Profit (loss) before tax	2300	1 167 674	3 506 235
Current profit tax	2410	-630 428	-1 194 267
including constant tax liabilities (assets)	2421	436 710	619 645
Changes in deferred tax liabilities	2430	-50 779	-5 399
Changes in deferred tax assets	2450	10 962	-121 226
Other	2460	27 847	-44 843
Net profit (loss)	2400	525 276	2 140 500
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	525 276	2 140 500
Basis profit (loss) per share	2900	1.74	7.567
Diluted profit (loss) per share	2910	1.74	7.567

**Report on changes in equity
January – December 2017**

		Codes
Form OKUD [Russian National Classifier of Management Documentation]		0710003
Date		31.12.2017
Organization: Public joint stock company of power industry and electrification of Kuban; Публичное акционерное общество энергетики и электрификации	OKPO [Russian Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity: transmission of electricity	OKVED [Russian Classifier of Economic Activities]	35.12
Organizational legal form/ownership form: Public Joint-Stock Company / private	OKOPF [Russian Classifier of Organizational Legal Forms]/OKFS [Russian Classifier of Forms of Ownership]	12247 / 16
Unit of measurement: thousand rubles	OKEI [Russian Classifier of Measurement]	384

	Units]	
Address: 2A Stavropolskaya str., 350033, Krasnodar, Krasnodar region, RF		

The Company has not added any additional columns

Capital flow							
Indicator description	Line code	Authorized capital	Treasury stock	Additional capital	Reserve capital	Unallocated profit (uncovered loss)	Total
1	2	3	4	5	6	7	8
Capital as of 31 December of the year preceding the previous	3100	28 286 813	0	17 333 082	89 347	-13 378 700	32 330 542
Reporting period of the previous year							
Increase of capital - total:	3210	2 072 164				2 140 500	4 212 664
including:							
net profit	3211					2 140 500	2 140 500
revaluation of property	3212						
incomes directly related to increase of capital	3213						
additional share issue	3214	2 072 164					2 072 164
increase of share nominal value	3215						
legal entity reorganization	3216						
Capital amount reduction – total:	3220					-1 144 797	-1 144 797
including:							
loss	3221					-	-
revaluation of property	3222					-	-
expenditures directly related to decrease of capital	3223					-	-
reduction of share nominal value	3224					-	-
reduction of number of shares	3225					-	-
legal entity reorganization	3226					-	-
dividends	3227					-1 144 797	-1 144 797
Additional fund changing	3230			-45 192		45 192	0
Reserve fund changing	3240				72 624	-72 624	0
Capital as of 31 December of the previous year	3200	30 358 977		17 287 890	161 971	-12 410 429	35 398 409
Reporting year:							
Increase of capital - total:	3310	20 358				525 276	545 634
including:							

net profit	3311					525 276	525 276
revaluation of property	3312						
incomes directly related to increase of capital	3313						
additional share issue	3314	20 358					20 358
increase of share nominal value	3315						
legal entity reorganization	3316						
Capital reduction – total:	3320					-535 125	-535 125
including:							
loss	3321						
revaluation of property	3322						
expenditures directly related to decrease of capital	3323						
reduction of share nominal value	3324						
reduction of number of shares	3325						
legal entity reorganization	3326						
dividends	3327					-535 125	-535 125
Additional fund changing	3330			-50 414		50 414	
Reserve fund changing	3340				107 025	-107 025	
Capital as of 31 December of the reporting year	3300	30 379 335	-	17 237 476	268 996	-12 476 889	35 408 918

2. Amendments pertaining the changes in accounting policy and correction of mistakes.

Indicator description	Line code	As of 31.12.2015	Capital changing in 2016		As of 31.12.2016
			at the expense of net profit	due to other factors	
Capital – total					
before correcting	3400	32 330 542	995 703	2 072 164	35 398 409
corrections because of:					
accounting policy changing	3410				
correction of mistakes	3420	32 330 542	995 703	2 072 164	35 398 409
after correcting	3500				
including: undistributed profit (unrecovered loss):					
before correcting	3401	-13 378 700	923 079	45 192	-12 410 429
corrections because of:					
accounting policy changing	3411				
correction of mistakes	3421				
after correcting	3501	-13 378 700	923 079	45 192	-12 410 429
other corrected capital items:					

(by items)					
before correcting	3402	45 709 242	72 624	2 026 972	47 808 838
accounting policy changing	3412				
correction of mistakes	3422				
after correcting	3502	45 709 242	72 624	2 026 972	47 808 838

For reference				
Indicator	Line	31.12.2017	31.12.2016	31.12.2015
1	2	3	4	5
Net assets	3600	35 535 534	35 528 640	32 445 840

Statement on cash flow January – December 2017

		Codes
Form OKUD [Russian National Classifier of Management Documentation]		0710004
Date		31.12.2017
Organization: Public joint stock company of power industry and electrification of Kuban; Публичное акционерное общество энергетики и электрификации	OKPO [Russian Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity: electricity transfer	OKVED [Russian Classifier of Economic Activities]	35.12
Organizational legal form/ownership form Public Joint-Stock Company / private	OKOPF [Russian Classifier of Organizational Legal Forms]/OKFS [Russian Classifier of Forms of Ownership]	12247 / 16
Unit: thousand rubles	OKEI [Russian Classifier of Measurement Units]	384
Address: 2A Stavropolskaya str., 350033, Krasnodar, Krasnodar region, RF		

Indicator	Line code	12 months of 2017	12 months of 2016
1	2	3	4
Cash flow from operating activities			
Income - total	4110	34 707 394	38 751 113
including:			
from sales of products, goods, work and services	4111	34 125 513	37 952 311
lease rents, license fee, royalties, commission and other payments	4112	23 328	18 653
including from lease rents, license fee, royalties, commission and other payments from parent, affiliate and subsidiary companies	411201	687	882
from resale of financial assets	4113		

other incomes	4119	558 553	780 149
Payments - total	4120	-31 550 423	-38 713 872
including:			
to suppliers (contractors) for materials, stuff, work, services	4121	-20 532 431	-26 670 799
due to the fact of payment for the labour of an employee	4122	-4 540 178	-4 500 988
interest on debenture	4123	-2 079 674	-1 893 125
including interest on debenture to parent, affiliate and subsidiary companies	412301		
tax on the profit of organizations	4124	-582 651	-2 136 066
other payments	4129	-3 815 489	-3 512 894
including other payments to parent, affiliate and subsidiary companies	412901	-37 781	-18 949
Balance of money flows from current operations	4100	3 156 974	37 241
Cash flow of investment activity funds			
Income – total	4210	1 295 093	836 568
including:			
from sale of non-current assets (except financial assets)	4211	1 300	1 653
from sale of shares of other organizations (equity share)	4212		
from returning of granted loans, from sale of debt securities (claim of monetary funds to others)	4213		
from dividends, percent from debt financial placements and similar incomes from share participation in other organizations	4214	48 662	91 896
other incomes	4219	1 245 131	743 019
Payments – total	4220	-7 220 872	-5 045 521
including:			
due to the fact of purchasing, creating, modernization, reconstruction and preparing for use of non-current assets	4221	-7 134 882	-5 022 141
due to the fact of purchasing shares of other companies (equity share)	4222		
due to the fact of purchasing debt securities (claim of monetary funds to others), lending procurement to others	4223		
interest of debenture, included to value of investment asset	4224		
other payments	4229	-85 990	-23 380
Balance of money flows from current operations	4200	-5 925 779	-4 208 953
Cash flows from financial operations	Line	2017	2016
Income – total	4310	41 518 322	15 292 006
including:			
receiving the credits and loans	4311	41 497 507	13 219 842
from owners' lodgment (participants)	4312	-	-
from shares release, increasing share of participation	4313	20 358	2 072 164

from issue of bonds, bills and other debt securities and other	4314	-	-
other incomes	4319	457	-
Payments - total	4320	-38 327 577	-12 452 216
including:			
to owners (participants) due to the fact of their shares purchasing (equity share) or their cessation of membership	4321		
to dividends and other payments under appropriation of profit in favor of owners (participants)	4322	-535 626	-1 144 613
due to the fact of payment of promissory notes (purchasing) and other debt securities, repayment of credits and loans	4323	-37 791 951	-11 307 603
other payments	4329		
Balance of money flows from current operations	4300	3 190 745	2 839 790
Balance of money flows in the accounting period	4400	421 940	-1 331 922
Cash balance and money equivalent at the beginning of reporting period	4450	1 245 436	2 577 358
Cash balance and money equivalent at the end of reporting period	4500	1 667 376	1 245 436
Effect of exchange rate changes of rubles	4490		

Report on proper use of funds received January – December 2017

		Codes
Form OKUD [Russian National Classifier of Management Documentation]		0710006
		Date
		31.12.2017
Organization: Public joint stock company of power industry and electrification of Kuban; Публичное акционерное общество энергетики и электрификации	OKPO [Russian Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity: electricity transfer	OKVED [Russian Classifier of Economic Activities]	35.12
Organizational legal form/ownership form Public Joint-Stock Company / private	OKOPF [Russian Classifier of Organizational Legal Forms]/OKFS [Russian Classifier of Forms of Ownership]	12247 / 16
Unit: thousand rubles	OKEI [Russian Classifier of Measurement Units]	384
Address: 2A Stavropolskaya str., 350033, Krasnodar, Krasnodar region, RF		

Indicator	Line code	12 months of 2017	12 months of 2016
-----------	-----------	-------------------	-------------------

1	2	3	4
Beginning cash balance	6100		
Funds received			
Admission fees	6210		
Membership fees	6215		
Target contribution	6220		
Voluntary asset contributions and donations	6230		
Business profit	6240		
Other	6250		
Funds received, total	6200		
Funds used			
Expenses on purpose-oriented activities	6310		
among which:			
Social and charity support	6311		
Conferences, meetings, workshops, etc	6312		
Other activities	6313		
Administrative expenses	6320		
among which:			
Expenses related to compensation of employees	6321		
Payments unrelated to remuneration of labour	6322		
Expenses for business trips	6323		
Maintenance of premises, vehicles and other property (excluding repair)	6324		
Repair of fixed assets and other property	6325		
Other	6326		
Purchase of fixed assets, inventory and other property	6330		
Other	6350		
Total funds used	6300		
Ending cash balance	6400		

Appendix to the Balance Sheets

This information is attached as appendixes to the Quarterly report

Additional information to the Balance Sheets

This information is attached as appendixes to the Quarterly report

Auditor's Report

This information is attached as appendixes to the Quarterly report

7.2. Interim accounting (financial) statements of the Issuer

Balance sheet
31 March 2018

		Codes
Form No. 1 OKUD [Russian National Classifier of Management Documentation]		0710001
	Date	31.03.2018
Organization: Public joint stock company of power industry and electrification of Kuban; Публичное акционерное общество энергетики и электрификации	OKPO [Russian Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	TIN	2309001660
Type of activity electricity transmission	OKVED [Russian Classifier of Types of Economic Activity]	35.12
Organizational legal form/ownership form: Public Joint-Stock Company / private	OKOPF [Russian Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	12247 / 16
Unit: thousand rubles	OKEI [Russian Classifier of Measurement Units]	384
Address: 2A Stavropolskaya str., 350033, Krasnodar, Krasnodar region, RF		

notes	Indicator	Line code	as of 31 March 2018	as of 31 March 2017	as of 31 March 2016
	ASSETS				
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	31 183	33 456	25 834
	Results of researches and developments	1120	70 797	69 571	24 411
	Intangible development assets	1130			
	Tangible development assets	1140			
	Fixed assets	1150	60 925 439	59 659 050	55 910 737
	Income-bearing investments in tangible valuables	1160			
	Financial investments	1170	36 004	36 004	45 588
	Deferred tax assets	1180	861 164	881 948	839 768
	Other non-current assets	1190	100 657	84 981	52 375

	TOTAL Section I	1100	62 025 244	60 765 010	56 898 713
	II. CURRENT ASSETS				
	Stock	1210	1 564 244	1 580 657	1 407 566
	Value added tax on valuables acquired	1220	6 012	6 020	7 496
	Accounts receivable	1230	8 334 430	6 847 388	7 119 419
	Financial investments	1240			
	Monetary assets and equivalents	1250	3 851 129	1 667 698	1 245 575
	Other current assets	1260	1 348 615	989 980	609 432
	TOTAL Section II	1200	15 104 430	11 091 743	10 389 488
	BALANCE	1600	77 129 674	71 856 753	67 288 201

	LIABILITIES	Line	as of 31 March 2018	as of 31 March 2017	as of 31 March 2016
1	2	3		4	5
	III. CAPITAL AND RESERVES				
	Authorized capital (reserve capital, statutory find and partners' contributions)	1310	28 286 813	28 286 813	28 286 813
	Treasury stock bought out at from the shareholders	1320			
	Revaluation of non-current assets	1340	10 754 364	10 755 560	10 805 974
	Additional capital (without revaluation)	1350	6 481 916	6 481 916	6 481 916
	Reserve capital	1360	268 996	268 996	161 971
	Unallocated profit (uncovered loss) of	1370	-12 345 899	-12 476 889	-12 410 429
	TOTAL Section III	1300	35 538 712	35 408 918	35 398 409
	IV. LONG-TERM LIABILITIES				
	Borrowed funds	1410	23 784 853	22 617 796	18 912 239
	Deferred tax liabilities	1420	221 895	178 832	128 343
	Reserve for contingent liabilities	1430			
	Other liabilities	1450	1 053 775	989 505	1 429 365
	TOTAL Section IV	1400	25 060 523	23 786 133	20 469 947
	V. SHORT-TERM LIABILITIES				
	Borrowed funds	1510	290 553	91 064	79 078
	Payables	1520	14 668 954	11 044 750	8 280 201
	Reserves for future expenses	1530	123 401	126 616	130 231
	Estimated liability	1540	1 447 531	1 399 272	2 930 335
	Miscellaneous liabilities	1550			
	TOTAL Section V	1500	16 530 439	12 661 702	11 419 845
	BALANCE (assets)	1700	77 129 674	71 856 753	67 288 201

Profit and loss statement
January – March 2018

		Codes
Form OKUD [Russian National Classifier of Management Documentation]		0710002
	Date	31.03.2018
Organization: Public joint stock company of power industry and electrification of Kuban; Публичное акционерное общество энергетики и электрификации	OKPO [Russian Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity: electricity transmission	OKVED [Russian Classifier of Economic Activities]	35.12 / 35.13
Organizational legal form/ownership form Public Joint-Stock Company / private	OKOPF [Russian Classifier of Organizational Legal Forms]/OKFS [Russian Classifier of Forms of Ownership]	12247 / 16
Unit: thousand rubles	OKEI [Russian Classifier of Measurement Units]	384
Address: 2A Stavropolskaya str., 350033, Krasnodar, Krasnodar region, RF		

	Indicator	Line	3 months of 2018	3 months of 2017
1	2	3	4	5
	Proceeds	2110	11 731 870	10 115 135
	Cost of sales	2120	-10 329 221	-8 858 077
	Gross profit (loss)	2100	1 402 649	1 257 058
	Commercial expenses	2210		
	Administrative expenses	2220	-32 431	-24 765
	Sales profit (loss)	2200	1 370 218	1 232 293
	Participation incomes	2310		
	Interest receivable	2320	11 624	5 573
	Interest payable	2330	-445 995	-494 436
	Other incomes	2340	302 858	182 734
	Other expenses	2350	-865 816	-1 037 437
	Profit (loss) before tax	2300	372 889	-111 273
	Current profit tax	2410	-179 132	-211 758
	including constant tax liabilities (assets)	2421	166 550	182 128
	Changes in deferred tax liabilities	2430	-43 066	-5 124
	Changes in deferred tax assets	2450	-18 930	57 009
	Other	2460	-1 967	-8 499

	Net profit (loss)	2400	129 794	-279 645
	FOR REFERENCE:			
	Results of revaluation of non-current assets not included into net profit (loss) of the period	2510		
	Results of other operations not included into net profit (loss) of the period	2520		
	Aggregate financial result of the period	2500	129 794	-279 645
	Basis profit (loss) per share	2900	0.4270	-0.9430
	Diluted profit (loss) per share	2910	0.4270	-0.9430

7.3. Consolidated accounting statements of the Issuer

Annual consolidated financial statements of the Issuer for the last fiscal year are composed before the date of the end of the first quarter and are included on the report for the 1st quarter.

2017 - IFRS/GAAP

Reporting period

Year: **2017**

Quarter:

Information is provided in Annex to this Quarterly Report.

The consolidated financial statements of the Group companies Kubanenergo PJSC under IFRS are prepared quarterly from 01.01.2017.

7.4. Information on the accounting policy of the Issuer

The main provisions of the Company's accounting policy for 2018:

Accounting for intangible assets is conducted by the Company in accordance with the Accounting Regulation "Accounting for intangible assets" Russian Accounting Principles (RAP)14/2007, approved by Order of the Ministry of Finance of the Russian Federation No.153n of 27.12.2007.

Intangible assets depreciation with a fixed useful life is defined by a linear method.

Accounting for fixed assets is maintained by the Company in accordance with the Accounting Regulation "Accounting for fixed assets" RAP 6/01, approved by the Order of the Ministry of Finance of the Russian Federation No.26n of 30.03.2001 and Methodical instructions on the accounting of fixed assets, approved by the Order of the RF Ministry of Finance No.91n of 13.10.2003.

Accounting for construction-in-progress is conducted by the Company in accordance with the Regulation on Accounting and Reporting in the Russian Federation, approved by the Order of the RF Ministry of Finance No.34n of 29.07.1998, as well as in accordance with the Regulations on the Accounting of Long-Term Investments (Letter No.160 of the RF Ministry of Finance 30.12.1993), in so far as it does not contradict the latest legal acts on accounting.

Assets that meet the conditions to be acknowledged as fixed assets with cost of less 40.000 rubles per unit inclusive are taken into account in accounting and financial statements as inventories and are written off to production costs (selling costs) as they are commissioned in production and operation. Acquisition of such objects is reflected directly on account 10 "Materials" without using account 08 "Investments in non-current assets".

The following objects are related to fixed assets irrespective of their value:

- power lines
- land
- building
- structures
- motor vehicles

Objects of fixed assets are taken into account at their initial cost, determined depending on the method of receipt/purchase for a fee, production using own resources, construction, free receipt, etc. In order to determine the procedure of accounting for capitalized costs in terms of interest on borrowed loans and credits, the Company allocates investment assets among investment objects. Investment assets are understood as property objects, whose preparation for the intended use (including new construction, reconstruction, modernization, technical re-equipment) requires considerable time (over 6 months), as well as large expenses for acquisition and (or) construction (asset groups and other similar assets). The cost criterion for recognition of an investment as an investment asset is more than 1 million rubles. An investment asset is recognized if any of the above conditions exist.

Interest payable to the lender (creditor) on loans and credits directly related to the acquisition, construction and (or) production of an investment asset is evenly included in the cost of this asset under the following conditions:

- expenses for acquisition, construction and (or) manufacture of an investment asset are subject to recognition in accounting
- expenses for loans related to acquisition, construction and (or) manufacture of an investment asset are subject to recognition in accounting records
- work has begun on acquisition, construction and (or) manufacture of an investment asset

The costs of loans and credits received prior to commencement of work on the creation of an investment asset are not included in the value of investments in non-current assets, but are included in other expenses.

Depreciation on fixed assets is accrued on a straight-line basis, based on their useful life.

On fully depreciated (worn-out) objects of fixed assets, depreciation is not charged.

To account for the retirement of fixed assets, the subaccount "Fixed asset retirement" is opened at "Fixed Assets" account where are "collected" the revenues and expenses from disposal and only after the end of the procedure, the total result is transferred by a single entry to account 91.

Fixed assets that are included in homogeneous groups are subject to revaluation: production buildings (group code 110) and equipment for electricity conversion (group code 420). The level of materiality in the decision to reassess is not more than 10%.

The Company maintains the inventory in accordance with the Provision on Accounting "Accounting of Inventories" RAP 5/01, approved by the order of the RF Ministry of Finance No.44n of 09.06.2001, and Methodical instructions on book keeping of inventories approved by the Order of the RF Ministry of Finance No.119n of 28.12.2001.

The following assets are recognized as inventories:

- used as materials for provision of services on transfer and transit of electricity, technological connection, performance of works (production of products intended for sale), including special tools, special devices, special equipment, special clothes;
- intended for sale – goods;
- used for management needs of the Company.

The unit of accounting inventories is a nomenclature number or a homogeneous group (depending on the type of inventories). Inventories for the purpose of accounting is evaluated depending on the method of receipt: purchase for a fee, own production, free entry, etc.

In accordance with clause 16 of RAP 5/01 "Accounting for inventories" when inventories are put into operation or disposed, they are evaluated at average cost of each type of stock.

Special clothing before its transfer to operation is accounted under account 10 "Materials" on a separate sub-account "Special equipment and special clothing on the warehouse". The cost of special clothes with a service life of more than 12 months is paid off in a linear method, based on the useful life of special clothes stipulated by industry standards for the free issue of special clothing, special footwear and other personal protective equipment.

The average estimate of the actual cost of materials released into production or written off for other purposes is carried out by determining the actual cost of the material at the time of its release (rolling valuation).

The Company creates reserve for reduction of the cost of inventory in relation to all of the Company's inventories, for which there are signs of a decline in their initial quality.

Recognition of the expense incurred as an expense of the future period and equating it with the asset with reflection in accounting and reporting is referred to the principal approach established in the Company. This approach is based on an understanding of the temporary possibility of the entity gaining economic benefits in the future from this asset and evaluating its value with a sufficient degree of reliability.

The Company has determined that the balance of future expenses is reflected in the lines "Other non-current assets" and "Other current assets".

At the same time, the distribution between sections I and II of the balance sheet is based on the maturity of the corresponding expenses, i.e. expenses with maturity of more than 12 months are reflected in Section I of the balance sheet, the rest – in Section II.

Accounting for financial investments is conducted by the Company in accordance with the Accounting Regulation "Accounting for Financial Investments" RAP 19/02, approved by the Order of the RF Ministry of Finance No.126n of 10.12.2002.

Contributions to the authorized capitals of other organizations are recognized as financial investments of the organization and are reflected in the accounting in the amount of the actual costs incurred by an investor, i.e. at the cost of the assets contributed to the account, for which they were reflected in the investor's balance sheet.

Financial investments, for which the current market value is not determined, are to be reflected in the accounting records and in the financial statements as of the reporting date at the initial cost (paragraph 21 of RAP 19/02).

The Company recognizes as cash equivalents highly liquid financial investments that can be easily converted into a known amount of cash and are subject to insignificant risk of changes in value. These include promissory notes with a maturity of three months or less, short-term government securities and bank deposits with a maturity of up to three months.

Accounting for expenses on loans and credits is maintained by the Company in accordance with the Accounting Regulation "Accounting for borrowing costs and loans" RAP 15/2008, approved by the Order of the Ministry of Finance No.107n of 06.10.2008.

Accounting for estimated and contingent liabilities is carried out by the Company in accordance with the Accounting Regulation "Estimated Liabilities, Contingent Liabilities and Contingent Assets" RAP 8/2010, approved by Order of the RF Ministry of Finance No.167n of 13.12.2010.

Accounting for deferred taxes is conducted by the Company in accordance with the Accounting Regulation "Accounting for Income Taxes" RAP 18/02, approved by the Order of the Ministry of Finance of the Russian Federation No.114n of 19.11.2002.

When compiling the accounting statements, the amounts of deferred tax asset and deferred tax liabilities are reflected in the balance sheet.

Accounting for revenue and other revenues is conducted by the Company in accordance with the Accounting Regulations "Revenues of the organization" RAP 9/99, approved by the Order of the Ministry of Finance of the Russian Federation No. 32n of 06.05.1999.

Revenues are recognized in the Company's accounting records subject to the following conditions:

- 1) company has the right to receive the proceeds, arising from a specific contract or confirmed by any other appropriate means;
- 2) the amount of revenue can be determined;
- 3) there is a certainty that as a result of a particular operation, the economic benefits of the company will increase. Confidence that as a result of a particular operation there will be an increase in the

economic benefits of the company, is present when the company's received asset as payment or there is no uncertainty regarding the receipt of the asset;

4) the ownership right (possession, use and disposal) for products (goods) has passed from the company to the buyer or the work is accepted by the customer (service is rendered);

5) expenses that are incurred or will be incurred in connection with this operation can be determined. Revenues from electricity transmission services are recognized on the basis of the Act on provision of electricity transmission services. The form of the act is determined by the terms of the contract for electricity transmission services. In case of signing the Act on provision of electricity transmission services with disagreements on the volume/cost of services rendered, the Company, for accounting purposes, recognizes the volume and cost of the service rendered in accordance with the Company's conditions.

Revenues from technological connection services are recognized at the moment of technological connection on the basis of the Act on implementation of technological connection in the form of Annex 1 to the Rules for Technological Connection of Power Receiving Devices of Electric Energy Consumers, Electricity Production Facilities, and Electric Grid Facilities owned by network organizations and other entities, to electric networks (subparagraph 7 of paragraph 7), approved by the Regulation of the RF Government No.861 of 27.12.2004.

Other revenues of the Company are revenues related to participation in the authorized capitals of other organizations; proceeds from the sale of property, plant and equipment and other assets; penalties, fines, penalties for violation of the terms of contracts; gratuitous receipt of assets; profit of previous years; the amount of accounts payable for which the limitation period has expired; exchange differences, the amount of revaluation of assets and other income, according to paragraph 7 of RAP 9/99.

The expenses are accounted for by the Company in accordance with the Accounting Regulations "Expenses of the organization" RAP 10/99, approved by the Order of the RF Ministry of Finance No.33n of 06.05.1999.

Accounting for funds received in the framework of government aid is carried out by the Company in accordance with the Accounting Regulations "Accounting for Government Aid" RAP 13/2000, approved by the Order of the RF Ministry of Finance No.92n of 16.10.2000.

Information on related parties is disclosed by the Company in accordance with the Accounting Regulations "Related Party Information" RAP 11/2008, approved by the Order of the RF Ministry of Finance No.48n of 29.04.2008.

Information on segments is disclosed by the Company in accordance with the Accounting Regulations "Segments Information" RAP 12/2010, approved by the Order of the Ministry of Finance of the Russian Federation No.143n of 08.11.2010.

The cash flow statement reflects cash flows of the Company, as well as cash and cash equivalents balances at the beginning and end of the reporting period in accordance with the procedure set forth in RAP 23/2011.

7.5. Information on the total sum of export and of the portion of export in the total volume of sales

Issuer does not export products (goods, works, services).

7.6. Information on material changes in the Issuer's property after the most recently closed reporting year

Information concerning material changes in the issuer's property over the 12 months preceding the last date of the reporting quarter

Change: **purchase of property**

Type of property (real property object) that has left the structure (has been purchased) of the issuer's property: **Constructions**

Brief description of property that has left the structure (has been purchased) of the issuer's property: **Grid facilities 110/35/6/10kV "Cheremushki"**

Basis for change: **commissioning**

Date of change: **30.09.2017**

Price of the property: **20 135.59**

Unit of measurement: **thousand rubles**

Change: **purchase of property**

Type of property (real property object) that has left the structure (has been purchased) of the issuer's property: **Building**

Brief description of property that has left the structure (has been purchased) of the issuer's property: **Grid facilities 110/35/6/10kV "Cheremushki"**

Basis for change: **commissioning**

Date of change: **30.09.2017**

Price of the property: **22 937.52**

Unit of measurement: **thousand rubles**

Additional Information: None

7.7 Details on the Issuer's participation in judicial trials that may substantially affect the Issuer's financial and business activity

In 2017 the Company participated in 31 trials:

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 318 198 950 rubles under the service contract for electric energy transmission. Disagreements on the main debt are reversed by agreement of the parties in the amount of 110 700 188.50 rubles. The main debt of the uncontested part is fully paid. The resolution of the Commercial Court of Adygea of 07.11.2017 charged Maikop Thermal Power Station LLC a forfeit in amount of 13 162 144.17 rubles and expenses on payment of state duty in amount of 195 394.49 rubles on case #A01-263/2016. The defendant filed in an appeal. The hearing at the Court of Appeal is scheduled for 20.02.2018;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 105 538 934.66 rubles under the service contract for electric energy transmission. Disagreements on the main debt are reversed by agreement of the parties in the amount of 20 355 636.39 rubles. The main debt of the uncontested part is fully paid. The resolution of the Commercial Court of Adygea dated 05.10.2017 charged Maikop Thermal Power Station LLC a forfeit in amount of 3 466 602.57 rubles and expenses on payment of state duty in amount of 198 499.66 rubles on case #A01-263/2016; the resolution remained unchanged by the court of appeal on 21.12.2017.

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 43 196 200 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings, the main debt in amount of 41 229 866.36 rubles was fully paid. The resolution of the Commercial Court of Adygea on case #A01-181/2017, that was left unchanged by the court of appeal on 30.06.2017, charged in favour of Kubanenergo PJSC 1 917 188.78 rubles of forfeit and 133 463.00 rubles of state duty. The case is closed;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 45 848 410 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings, the main debt in amount of 33 091 800.66 rubles. The resolution of the

Commercial Court of Adygea on case #A01-181/2017, that that was left unchanged by the court of appeal on 30.06.2017, charged in favour of Kubanenergo PJSC 1 917 188.78 rubles of forfeit and 133 463.00 rubles of state duty. The case is closed;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 49 233 150 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings, the main debt in amount of 48 820 062.04 rubles was fully paid. The resolution of the Commercial Court of Adygea on case #A01-566/2017 dd 13.09.2017 charged a forfeit in amount of 5 143 347.49 rubles and state duties in amount of 200 000 rubles. The case is closed;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 47 369 078.52 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings, the main debt in amount of 45 179 605.34 rubles was fully paid. The resolution of the Commercial Court of Adygea on case #A01-402/2017 dd 01.09.2017, that was left unchanged by the court of appeal on 15.11.2017, charged Maikop Thermal Power Station LLC a forfeit in amount of 5 598 257.72 rubles and 200 000.00 rubles of expenses on state duty. The case is closed;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 51 031 078.30 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings, the main debt in amount of 46 941 802.88 rubles was fully paid. The resolution of the Commercial Court of Adygea on case #A01-1058/2017 dd 02.10.2017, that was left unchanged by the court of appeal on 28.12.2017, charged Maikop Thermal Power Station LLC the main debt in amount of 2 333 845.77 rubles, 4 909 046.76 rubles of forfeit and 195 200.00 rubles of expenses on state duty. The case is closed;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 49 591 920,15 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings, the main debt in amount of 46 984 291.95 rubles was fully paid. The resolution of the Commercial Court of Adygea on case #A01-1449/2017 of 03.11.2017 charged Maikop Thermal Power Station LLC a forfeit in amount of 5 098 699.23 rubles and 196 519.16 rubles of expenses on state duty. As of 31.12.2017 the resolution had not yet come into force, the defendant filed in an appeal.;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 48 439 976.20 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings, the main debt in amount of 9 828 156.02 rubles was fully paid. The resolution of the Commercial Court of Adygea on case #A01-1813/2017 dd 23.10.2017 charged Maikop Thermal Power Station LLC 36 039 692.37 rubles of the main debt, 4 095 967.00 rubles of forfeit and 200 000.00 rubles of expenses on state duty. As of 31.12.2017 the resolution had not yet come into force, the defendant filed in an appeal;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on recovery of a legal penalty for late payment for services under a contract for provision of electric power transmission services in the amount of 5 782 478.86 rubles. The resolution of the Commercial Court of Adygea on case #A01-2451/2016 dd 05.09.2017, that was left unchanged by the court of appeal on 30.11.2017, charged Maikop Thermal Power Station LLC 4 774 678.86 rubles of forfeit and 42 864.52 rubles of expenses on state duty. The case is closed;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 46 147 553.87 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings on case #A01-2344/2017, the main debt was partially paid in the amount of 8 960 307.63 rubles. The decision is pending at the Commercial Court of Adygea;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 44 266 131.07 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings on case #A01-2713/2017, the main debt was partially paid in the

amount of 41 877 424.32 rubles. The decision is pending at the Commercial Court of Adygea;

- the claim of Kubanenergo PJSC to TNSenergo Kuban PJSC on collection of debt in amount of 69 112 900 rubles. The judicial proceedings on case #A32-39069/2016 were suspended;

- the claim of Kubanenergo PJSC to TNSenergo Kuban PJSC on collection of debt in amount of 92 266 71 rubles. The resolution of the Commercial Court of Adygea from 18.04.2017 in favour of Kubanenergo PJSC entered into force on 07.08.2017. Funds were transferred to the Company's account. The case is closed;

- the claim of Kubanenergo PJSC to TNSenergo Kuban PJSC on collection of debt in amount of 79 742 400 rubles. The judicial proceedings on case #A32-5031/2017 were suspended by the Commercial Court of the Krasnodar region;

- the claim of Kubanenergo PJSC to TNSenergo Kuban PJSC on collection of debt in amount of 100 187 610 rubles. The judicial proceedings on case #A32-3730/2017 was postponed till 19.02.2018;

- the claim of Kubanenergo PJSC to TNSenergo Kuban PJSC on recovery of penalties for untimely performance of obligation to pay 143 541 430 rubles. The plaintiff's claims were satisfied; 129 635 499.87 rubles were charged. Funds were transferred to the Company's account. The case is closed;

- the claim of Kubanenergo PJSC to TNSenergo Kuban PJSC on recovery of penalties for untimely performance of obligation to pay 188 376 700 rubles. The order of the Court of Appeal dated 26.07.2017 on case #A32-1936/2017 satisfied plaintiff's claims in part of recovery of 148 359 113.00 rubles. The order of the Commercial Court of the North-Caucasus of 04.12.2017 did not change the order of the Court of Appeal. A cassation appeal was filed in to the Supreme Court of RF;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on indebtedness collection (electricity losses) in amount of 299 616 490 rubles. The order dated 27.04.2017 on from the case #A32-377/2017 the following cases:

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on indebtedness collection (electricity losses) in amount of 36 250 119.70 rubles. The case #A32-377/2017 is under consideration at the Commercial Court of the Krasnodar region;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on indebtedness collection (electricity losses) in amount of 60 685 219,49 rubles. The case #A32-16866/2017 is under consideration at the Commercial Court of the Krasnodar region;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on indebtedness collection (imbalance of electric energy) in amount of 94 025 738.53 rubles. The case #A32-16867/2017 is under consideration at the Commercial Court of the Krasnodar region;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on indebtedness collection (electricity losses) in amount of 704 210 666.72 rubles. The case #A32-33976/2017 is under consideration at the Commercial Court of the Krasnodar region;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on recovery of penalty in amount of 149 165 650 rubles. The resolution of the Commercial Court of the Krasnodar region dated 23.03.2017 did not change the resolutions of the Court of Appeal and Court of Cassation on case #A32-45474/2016; Kubanenergo PJSC was charged in favour of TNSenergo Kuban PJSC the penalty in amount of 147 689 968.57 rubles and expenses on state duty in amount of 198 021.42 rubles. The case is closed;

- the claim of Kubanenergo PJSC to NESK JSC on indebtedness collection (disputes on connection points of "Energosistema" LLC) in amount of 119 855 150 rubles. The case #A32-6135/2017 is under consideration of the Commercial Court of the Krasnodar region. The legal proceedings were postponed for 2018;

- the claim of NTT-Tsentr LLC to Kubanenergo PJSC on indebtedness collection on rent fee in amount of 1 843 537 850 rubles. The resolution of the Commercial Court of the Krasnodar region dated 26.06.2017 declined satisfaction of plaintiff's claim on case #A32-9963/2014 An appeal was submitted;

- the claim of Kubanenergo PJSC to TNSenergo Kuban PJSC on recovery of penalty in amount of 46 848 152 rubles. The case #A32-17637/2017 is under consideration at the Commercial Court of the Krasnodar region. The legal proceedings were postponed for 2018;

- the claim of Kubanenergo PJSC to NESK JSC on indebtedness collection (disputes on connection points of "Energosistema" LLC and VT-Resurs LLC) in amount of 37 951 577.72 rubles. The case #A32-13291/2017 is under consideration of the Commercial Court of the Krasnodar region. The court hearing was postponed for 2018;

- the claim of Oboronenergo JSC presented by the branch "Yuzhniy" to Kubanenergo PJSC on indebtedness collection under the contract on rendering services on electricity transmission in amount of 35 562 367.04 rubles. The case #A32-16484/2017 is under consideration of the Commercial Court of the Krasnodar region;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on recovery of penalty fee in amount of 23 407 058.53 rubles. The case #A32-27412/2017 is dismissed;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on recovery of debt in amount of 318 702 086.57 rubles. The case #A32-1878/2018 is under consideration of the Commercial Court of the Krasnodar region; hearing is scheduled for 07.03.2018.

In the 1st quarter of 2018 the Company participated in:

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 318 198 950 rubles under the service contract for electric energy transmission. Disagreements on the main debt are reversed by agreement of the parties in the amount of 110 700 188.50 rubles. The main debt of the uncontested part is fully paid. The resolution of the Commercial Court of Adygea of 07.11.2017 charged Maikop Thermal Power Station LLC a forfeit in amount of 13 162 144.17 rubles and expenses on payment of state duty in amount of 195 394.49 rubles on case #A01-263/2016. The defendant filed in an appeal. The Order of the 15th Commercial Court of Adygea of 21.02.2018 left the resolution of the court of the first instance unchanged. The case is closed;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 51 031 078.30 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings, the main debt in amount of 46 941 802.88 rubles was fully paid. The resolution of the Commercial Court of Adygea on case #A01-1058/2017 of 02.10.2017, that was left unchanged by the court of appeal on 28.12.2017, charged Maikop Thermal Power Station LLC the main debt in amount of 2 333 845.77 rubles, 4 909 046.76 rubles of forfeit and 195 200.00 rubles of expenses on state duty. Maikop Thermal Power Station LLC filed cassation appeal. Session of Commercial Court of the North Caucasus is scheduled for 29.05.2018;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 49 591 920.15 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings, the main debt in amount of 46 984 291.95 rubles was fully paid. The resolution of the Commercial Court of Adygea on case #A01-1449/2017 of 03.11.2017 charged Maikop Thermal Power Station LLC a forfeit in amount of 5 098 699.23 rubles and 196 519.16 rubles of expenses on state duty. The Resolution of the 15th Commercial Court of Adygea of 19.01.2018 left the resolution of the court of the first instance unchanged. Maikop Thermal Power Station LLC filed cassation appeal. Session of Commercial Court of the North Caucasus is scheduled for 23.05.2018;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 48 439 976.20 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings, the main debt in amount of 9 828 156.02 rubles was fully paid. The resolution of the Commercial Court of Adygea on case #A01-1813/2017 of 23.10.2017 charged Maikop Thermal Power Station LLC 36 039 692.37 rubles of the main debt, 4 095 967.00 rubles of forfeit and 200 000.00 rubles of expenses on state duty. The Resolution of the 15th Commercial Court of Adygea of 23.01.2018 left the resolution of the court of the first instance unchanged. Maikop Thermal Power Station LLC filed cassation appeal.;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in

amount of 46 147 553.87 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings on case #A01-2344/2017, the main debt was partially paid in the amount of 8 960 307.63 rubles. The decision is pending at the Commercial Court of Adygea. Court hearing is scheduled for 15.05.2018;

- the claim of Kubanenergo PJSC to Maikop Thermal Power Station LLC on collection of debt in amount of 44 266 131.07 rubles under the service contract for electric energy transmission. In the course of the judicial proceedings on case #A01-2713/2017, the main debt was partially paid in the amount of 41 877 424.32 rubles. The decision is pending at the Commercial Court of Adygea;

- the claim of Kubanenergo PJSC to TNSenergo Kuban PJSC on collection of debt in amount of 69 112 900 rubles. The judicial proceedings on case #A32-39069/2016 are suspended;

- the claim of Kubanenergo PJSC to TNSenergo Kuban PJSC on collection of debt in amount of 79 742 400 rubles. The judicial proceedings on case #A32-5031/2017 are suspended by the Commercial court of the Krasnodar region;

- the claim of Kubanenergo PJSC to TNSenergo Kuban PJSC on collection of debt in amount of 100 187 610 rubles. The judicial proceedings on case #A32-3730/2017 are suspended till 04.06.2018;

- the claim of Kubanenergo PJSC to TNSenergo Kuban PJSC on recovery of penalties for untimely performance of obligation to pay 188 376 700 rubles. The order of the Court of Appeal dated 26.07.2017 on case #A32-1936/2017 satisfied plaintiff's claims in part of recovery of 148 359 113.00 rubles. The order of the Commercial Court of the North-Caucasus of 04.12.2017 did not change the order of the Court of Appeal. On 03.04.2018 the Supreme Court of RF dismissed the cassation appeal filed by TNSenergo Kuban PJSC pertaining consideration of the case at Chamber for Commercial Disputes. The case is closed.

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on collection of debt (electricity losses) in amount of 299 616 490 rubles. The resolution of 27.04.2017 singled out the claims for considering them in separate procedures:

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on collection of debt (electricity losses) in amount of 36 250 119.70 rubles. Case #A32-377/2017 is handled by the Commercial Court of the Krasnodar region. The proceedings are suspended;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on collection of debt (electricity losses) in amount of 60 685 219.49 rubles. Case #A32-16866/2017 is handled by the Commercial Court of the Krasnodar region. The session is scheduled for 10.07.2017;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on indebtedness collection (imbalance of electric energy) in amount of 94 025 738.53 rubles. Case #A32-16867/2017 is handled by the Commercial Court of the Krasnodar region. The session is scheduled for 19.07.2017;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on collection of debt (electricity losses) in amount of 704 210 666.72 rubles. Case #A32-33976/2017 is handled by the Commercial Court of the Krasnodar region. The resolution of 23.01.2018 singled out the claims for considering them in separate procedures:

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on collection of debt (electricity losses) in amount of 97 865 804.45 rubles. Case #A32-33976/2017 is handled by the Commercial Court of the Krasnodar region;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on collection of debt (electricity losses) in amount of 236 085 249.16 rubles. Case #A32-2661/2018 is handled by the Commercial Court of the Krasnodar region;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on collection of debt (electricity losses) in amount of 2 258 355.57 rubles. Case #A32-2662/2018 is handled by the Commercial Court of the Krasnodar region;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on collection of debt (electricity losses) in amount of 218 801 245.01 rubles. Case #A32-2663/2018 is handled by the Commercial Court of the Krasnodar region;

- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on collection of debt (electricity losses) in amount of 126 683 023.66 rubles. Case #A32-2665/2018 is handled by the Commercial Court of the Krasnodar region;
- the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on collection of debt (electricity losses) in amount of 22 516 988.85 rubles. Case #A32-2667/2018 is handled by the Commercial Court of the Krasnodar region;
- the claim of Kubanenergo PJSC to NESK JSC on indebtedness collection (disputes on connection points of “Energosistema” LLC) in amount of 119 855 150 rubles. The case #A32-6135/2017 is handled by the Commercial Court of the Krasnodar region. The legal proceedings were postponed till 14.06.2018;
- The claim of NTT-Tsentr LLC to Kubanenergo PJSC on the recovery of 1 465 495 435.90 rubles for rent arrears for 34 diesel-generator sets and 8 low-noise mufflers, 348 042 425.47 rubles of interest for the use of other party’s money. The decision of the Arbitration Court of the Krasnodar region of 26.06.2017 on case No.A32-9963 / 2014, left unchanged the decision of the Fifteenth Arbitration Appeal Court of 08.09.2017 and the decision of the Arbitration Court of the North Caucasus District of 01.02.2018 refused to satisfy the claim requirements. On 22.03.2018 NTT-Tsentr LLC filed cassation appeal on court orders to the Supreme Court of the Russian Federation.
- the claim of Kubanenergo PJSC to TNSenergo Kuban PJSC on recovery of penalty in amount of 46 848 152 rubles. On 19.02.2018, the resolution of the Commercial Court of the Krasnodar region partially satisfied claims under the case # A32-17637/2017. TNSenergo Kuban PJSC was charged 30 717 776.32 rubles in favour of Kubanenergo. On 08.05.2018 the 15th Commercial Appellation Court did not change the resolution of court of the first instance;
- the claim of Kubanenergo PJSC to NESK JSC on indebtedness collection (disputes on connection points of “Energosistema” LLC and VT-Resurs LLC) in amount of 37 951 577.72 rubles. The case #A32-13291/2017 is handled by the Commercial Court of the Krasnodar region. The court hearing was postponed to 16.05.2018;
- the claim of Oboronenergo JSC presented by the branch “Yuzhniy” to Kubanenergo PJSC on indebtedness collection under the contract on rendering services on electricity transmission in amount of 35 562 367.04 rubles. The case #A32-16484/2017 is handled by the Commercial Court of the Krasnodar region. The court hearing was postponed to 17.05.2018;
- - the claim of TNSenergo Kuban PJSC to Kubanenergo PJSC on recovery of debt in amount of 318 702 086.57 rubles. The case #A32-1878/2018 is handled by the Commercial Court of the Krasnodar region; the court hearing is scheduled for 16.05.2018;
- the claim of Kubanenergo PJSC to The Administrative Directorate of the President of the Russian Federation on recovery of debt in amount of 67 038 554.51 rubles and penalty in amount of 175 765 007.91 rubles. The case #A40-44630/2018 is handled by the Commercial Court of Moscow; the court hearing is scheduled for 07.06.2018.

VIII. Additional information on the Issuer and on the issued securities

8.1. Additional information on the Issuer

8.1.1. Information on the value and structure of the Issue’s authorized capital

The value of the Issuer’s authorized capital as of the last date of the most recent reporting quarter (rubles): **28 286 813 000**

Ordinary shares

Total par value: **28 286 813 000**

Percentage of the authorized capital, %: **100**

Preference shares:

Total par value: **0**

Percentage of the authorized capital, %: **0**

Information about whether the authorized capital specified in this paragraph corresponds to the issuer's constitutive documents:

The sum authorized capital mentioned in this paragraph corresponds to issuer's Charter.

8.1.2. Information on changes in the Issuer's authorized capital

The value of authorized capital did not change during the reporting quarter

8.1.3. Information on convocation and holding meetings (sessions) of the supreme management body of the Issuer

Name of the supreme management body of the Issuer: **General Shareholders Meeting**

The procedure for notification of shareholders (participants) on holding of a meeting (session) of the supreme management body of the Issuer:

Notification of holding of the General Shareholders Meeting is posted on the Company's website on the Internet: www.kubanenergo.ru not later than 30 (thirty) days before the meeting.

The announcement on holding the General Meeting of Shareholders by absentee voting is posted on the Company's website on the Internet at www.kubanenergo.ru not later than 30 (thirty) days before the deadline for receipt of voting ballots by the Company.

In the cases provided for in paragraphs 2 and 8 of Article 53 of the Federal Law "On Joint Stock Companies", the announcement on the General Meeting of Shareholders shall be made not later than 50 days prior to the meeting.

Persons (bodies) entitled to convene (claim for convocation of) extraordinary meeting (session) of the Issuer's supreme management body, as well as the procedure for submitting (presentation) such claims:

An Extraordinary General Shareholders Meeting shall be held upon the decision of the Company's Board of Directors on its own initiative, upon demand of the Auditing Commission of the Company or the Auditor of the Company, or by request of a shareholder(s) owning at least 10 (ten) percent of the Company's voting shares as of the date of such request.

The request for convocation of the Extraordinary General Shareholders' Meeting shall include issues to be put on the agenda thereof.

Person (persons) requesting the convocation of the Extraordinary General Shareholders Meeting of the Company may include the wording of decisions on each of such issues and also a proposal for the form of the General Shareholders Meeting. If the request to convene an Extraordinary General Meeting of Shareholders contains a proposal on nominating candidates to the Company's bodies, such proposal shall be governed by the corresponding paragraphs of Article 13 of the Charter.

If the request for convocation of an extraordinary general meeting is initiated by the shareholders (shareholder), such request shall include details (names) of the requesting shareholders (shareholder) and the quantity, category (type) of shares belonging to each of such shareholders. The request for convocation of the Extraordinary General Shareholders Meeting shall be signed by persons (person) having requested for convocation of the Extraordinary General Shareholders Meeting.

Procedure for determining the date of meeting (session) of the issuer's supreme management body:

The Annual General Meeting Shareholders shall be held not earlier than two months and not later than six months after the end of the reporting year.

The Extraordinary General Shareholders Meeting of the Company convened by the Auditing Commission, the Auditor or by shareholder(s) owning at least 10% of Company's voting shares, shall be held within 40 days after the request for convocation of the Extraordinary General Meeting of

Shareholders.

If the agenda proposed for the Extraordinary General Shareholders Meeting includes the issue of election of members of the Board of Directors, such a General Shareholders Meeting shall be convened within 75 days after the filing of the request for convocation of a General Shareholders Meeting.

Persons entitled to make proposals on the agenda of the meeting (session) of the Issuer's supreme body, as well as the procedure of making such proposals:

Shareholders (a shareholder) owning in their aggregate at least 2 (two) percent of the voting shares of the Company shall be entitled to propose issues on the agenda of an Annual General Meeting of the company and nominate candidates to the Board of Directors of the Company, and to the Auditing Commission, the number of which cannot exceed the number of members of a relevant body. Such proposals shall be submitted to the Company within 60 (sixty) days after the end of the reporting year.

A proposal for putting issues on the agenda of the General Shareholders Meeting and a proposal concerning nominees shall be filed in written form and include the indication of the name of the shareholders (shareholder) who filed them, the quantity and category (type) of shares they own and the signatures of the shareholders (shareholder) or their representatives.

Shareholders (shareholder) of the Company that are not in the Company's share register are entitled to put proposals on the agenda of the General Shareholders Meeting and proposals for nominating candidates also by giving relevant directives (instructions) to the person who keeps records of their rights to shares. Such directives (instructions) are given in line with the rules of the legislation of the Russian Federation on securities.

A proposal for putting issues on the agenda of a General Shareholders Meeting shall formulate each issue being proposed and may include a proposed decision on each proposed issue, and a proposal for nominating a candidate shall include the name and the details of the documents certifying the candidate's identity (series and (or) number of the document, the date and the place of issuance thereof, and the authority having issued the document) of each candidate and the name of the Company's body for election to which the candidate is nominated.

Persons entitled to be familiarized with the information (materials) presented for preparation and holding of the Issuer's supreme management body meeting (session), as well as the order of familiarization with such information (materials):

Information (materials) with respect to the items on the agenda of the General Meeting of Shareholders shall, within twenty (20) days or, if the items on the agenda of the General Meeting of Shareholders contain the reorganization of the Company, within thirty (30) days prior to the date of the General Meeting of Shareholders, be available to the persons entitled to participate in the General Meeting of Shareholders in the office of the Company's executive body or in any other places at the addresses specified in notice of the General Meeting of Shareholders and shall be posted on the Company's website www.kubanenergo.ru. This information (materials) shall be available to persons participating in the General Meeting of Shareholders at the time of holding the meeting. Along with it, the Company aims to ensure that this information for the general Meeting of Shareholders shall be available at least 30 days prior to the General Meeting of Shareholders.

The procedure for the persons entitled to participate in the General Meeting of shareholders receiving the information (materials) on the agenda of the General Shareholders Meeting and the list of such information (materials) are determined by the Board of Directors.

The procedure of announcement (communication to the Issuer's shareholders (participants) of the decisions taken by the Issuer's supreme management body, as well as the voting results:

Resolutions adopted by the General Shareholders Meeting and the voting results may be announced

at the General Meeting of Shareholders at which the voting took place, and shall be also communicated to the persons included in the list of persons entitled to attend the General Meeting of Shareholders, in the form of the Voting Report in the manner prescribed for the notice of the General Meeting of Shareholders not later than four working days after the closing date of the General Meeting of Shareholders.

In accordance with the Federal Law “On Joint Stock Companies”, if on the date of determination (fixing) the persons entitled to attend the general meeting of the shareholders, a person registered in the register of shareholders of the company was a nominee holder of shares, the information contained on the results of the report voting, shall be provided to the nominal holder of shares in accordance with the Russian legislation on securities in the sphere of provision of information and materials to persons exercising rights under securities.

8.1.4. Information on commercial organizations in which the Issuer owns at least five percent of the authorized capital, or not less than five percent of ordinary shares

1. Full business name: “Energoservis Kuban” Joint-Stock Company

Abbreviated business name: **“Energoservis Kuban” JSC**

Location

47, Novorossiyskaya street, Krasnodar, Russia, 350080

TIN (Tax Payer ID): **2312178191**

OGRN (Primary State Registration Number): **1112312000536**

Share of the Issuer in the authorized capital of the person, %: **100**

Person’s portion of ordinary shares of the Issuer, %: **100**

Share of person's participation in the authorized capital of the Issuer, %: **0**

Person’s portion of ordinary shares of the Issuer, %: **0**

2. Full business name: Recreation Centre “Energetik”, Joint-Stock Company

Abbreviated business name: **Recreation Centre “Energetik”, JSC**

Location

4, Pionerskaya street, Divnomorskoye village, Ghelendjik, Krasnodar region, Russia, 353490

TIN (Tax Payer ID): **2304041820**

OGRN (Primary State Registration Number): **1042301876495**

Share of the Issuer in the authorized capital of the person, %: **100**

Person’s portion of ordinary shares of the Issuer, %: **100**

Share of person's participation in the authorized capital of the Issuer, %: **0**

Person’s portion of ordinary shares of the Issuer, %: **0**

8.1.5. Information on material transactions effected by the Issuer

Material transactions (groups of interrelated transactions) if the obligations under each of them account for 10 percent or more of the book value of the issuer’s assets according to its accounting statements for the most recently closed reporting year and for the reporting period consisting of three months of the current year

Transaction date:

Type and subject matter of the transaction:

Content of the transaction, including the civic rights and obligations whose establishment, change, or termination arise out of the transaction:

Deadline for fulfilling the transaction obligations:

Parties and beneficiary parties to the transaction:

Transaction value in money terms: RUR x 1000

Transaction value as a percentage of the issuer’s asset value:

Issuer's asset value as of the last date or the reporting period (quarter, year) preceding the transaction (the date of the agreement) and covered by the accounting statements under the laws of the Russian Federation: RUR x 1000

8.1.6. Information about credit ratings of the Issuer

The Issuer is not aware of any credit ratings.

8.2. Information on each category (type) of the Issuer's shares

Shares category: **Ordinary**

Nominal value of each share (rubles): **100**

Amount of shares in circulation (shares that were not cancelled or discharged): **282 868 130**

Quantity of additional shares placement whereof is in progress (quantity of additional issue shares in respect of which the state registration of the report on their issue has not been carried out or the notification on the results of additional issue was not provided, if in accordance with federal law "On securities market" the state registration of report is not necessary): **57 457 846**

Quantity of declared shares: **194 439 107**

Quantity of shares on the Issuer's balance sheet: **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 fulfilment of liabilities under the Issuer's options: **0**

Issues of shares of the said category (type):

State registration date:	Registration number
08.07.2003	1-02-00063-A
15.12.2016	1-02-00063-A

Rights granted to holders of the shares:

In accordance with paragraph 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 through a representative with the right of vote on all issues referred to their competence;
- 2) propose agenda items to the General Meeting of Shareholders in accordance with the procedure stipulated by the Russian Federation legislation and the Charter;
- 3) obtain information on the Company's activity and access to the Company's documents in accordance with Article 91 of Federal Law "On Joint-Stock Companies", other regulatory legal instruments and the Charter;
- 4) receive dividends 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 property in case of liquidation of the Company;
- 7) appeal against decisions of managing bodies of the Company causing civil law consequences in case and in manner provided by the Russian Federation legislation;
- 8) claim compensation for losses caused to the Company;
- 9) challenge transactions implemented by the Company on the grounds provided by Legislation of Russian Federation and invoke consequences of their nullity, and invoke consequences of nullity of void transactions of the Company;
- 10) conclude between themselves and with Credit Companies, and other third Parties the Contract on implementation of corporate laws (corporate agreement);
- 11) exercise other rights stipulated by the Russian Federation legislation and the Charter.

Other details on the shares indicated by the Issuer at its sole discretion:

On 15.12.2016, the Bank of Russia carried out the state registration of the additional issue and the prospectus of the Company's securities.

From 20.12.2016 to 16.10.2017, the issuer was collecting requests on purchase of the Company's additional shares as part of exercising the pre-emptive right, as a result of which 20 925 220 shares were purchased, which is 36.42% of the total volume of the additional issue.

The Company publicly offered the remaining 36 532 626 additional shares, that could be purchased from 24.10.2017 to 13.11.2017. Because of the presence of unplaced additional shares, on 13.11.2017 the Company's Board of Directors decided (minutes of the meeting No.189/2017) to make changes in the Decision on additional issue of shares and the Securities Prospectus pertaining to prolongation of the period of collecting offers on purchase of shares up to 28.02.2018 and the deadline for allotment of shares up to 28.03.2018. The changes made in the issue documents were registered by the Bank of Russia on 14.12.2017.

On 20.04.2018 (minutes of the meeting No.307/2018 of 23.04.2018) the Company's Board of Directors approved the Notification on the results of the additional issue of securities.

On 25.04.2018 the Notification on the results of the additional issue of securities of the Company was submitted to the Bank of Russia.

8.3. Information on the previous issues of the Issuer's securities, exclusive of the Issuer's shares

8.3.1. Details of the issues all securities that have been redeemed

Type of securities: **bonds**

Form of securities: **documentary bearer bonds**

Series: **02**

Nonconvertible interest bearing documentary bonds subject to mandatory deposit with maturity at 1 820th (one thousand eight hundred twentieth) day from the date of placement

State registration number of the issue: **4-002-00063-A**

State registration date of the issue: **18.09.2008**

Public registrar: **FFMS of Russia**

Additional issues of securities: **no**

Number of securities in issue: **4 000 000**

Nominal value of each security, in rubles: **1 000**

Volume of issue at nominal value: **4 000 000 000**

Date of maturity: **29.10.2009**

Basis for redemption of securities: **the issue was acknowledged as void**

Type of securities: **bonds**

Form of securities: **documentary bearer bonds**

Series: **01**

Nonconvertible interest bearing documentary bonds subject to mandatory deposit with maturity at 21.07.2010

State registration number of the issue: **4-01-00063-A**

State registration date of the issue: **05.06.2007**

Public registrar: **FFMS of Russia**

Additional issues of securities: **no**

Number of securities in issue: **3 000 000**

Nominal value of each security, in rubles: **1 000**

Volume of issue at nominal value: **3 000 000 000**

Date of maturity: **21.07.2010**

Basis for redemption of securities: **fulfillment of obligations on securities**

8.3.2. Information on the issues of securities that were not redeemed

Kind of securities: **exchange/commercial bonds**

Form of security: **certificated, bearer**

Series: **001P-02**

Other identification characteristic of securities: **subject to mandatory deposit**

The issue of securities is not subject to state registration: **Yes**

State registration number of the issue: **4B02-02-00063-A-001P**

Date of state registration: **10.11.2015**

Authority that registered the issue: **the MICEX Stock Exchange**

Number of securities issued: **3 400 000**

The amount of securities at par value, rubles: **3 400 000 000**

Par value, rubles: **1 000**

In accordance with the legislation of the Russian Federation the presence of par value of this type of securities is not provided: **No**

State of securities: **in circulation**

State registration of the report on the issue has not been performed: **Yes**

The amount of interest (coupon) periods over which the payment of interest (coupons, interest) on securities is made: **20**

Time (date) issue securities repayment: **11.11.2025**

Exact dates: **Yes**

Address of the website, which published the text of the decision to issue securities and the securities prospectus:

www.e-disclosure.ru/portal/company.aspx?id=2827;

<http://kubanenergo.ru/aktsioneram-i-investoram/emissiya-obligatsiy/emissiya-2015-g/emissionnaia-dokumentazia/>

Additional issues of securities: **No**

There are no unfulfilled obligations on bonds

Kind of securities: **exchange/commercial bonds**

Form of security: **certificated, bearer**

Series: **001P-01**

Other identification characteristic of securities: **subject to mandatory deposit**

The issue of securities is not subject to state registration: **Yes**

State registration number of the issue: **4B02-01-00063-A-001P**

Date of state registration: **10.11.2015**

Authority that registered the issue: **the MICEX Stock Exchange**

Number of securities issued: **3 600 000**

The amount of securities issue at par value, rubles: **3 600 000 000**

Par value, rubles: **1 000**

In accordance with the legislation of the Russian Federation the presence of par value of this type of securities is not provided: **No**

State of securities: **in circulation**

State registration of the report on the issue has not been performed: **Yes**

The amount of interest (coupon) periods over which the payment of interest (coupons, interest) on securities is made: **20**

Time (date) issue securities repayment: **21.11.2025**

Exact dates: **Yes**

Address of the website, which published the text of the decision to issue securities and the securities

prospectus:

www.e-disclosure.ru/portal/company.aspx?id=2827;

<http://kubanenergo.ru/aktsioneram-i-investoram/emissiya-obligatsiy/emissiya-2015-g/emissionnaia-dokumentazia/>

Additional issues of securities: **No**

There are no unfulfilled obligations on bonds

8.4. Information on the person(s) that provided collateral for collateralized bonds of the Issuer and on collateral for collateralized bonds of the Issuer

The Issuer did not apply for registration of the prospectus for collateralized bonds; collateralized bonds were not admitted for regulated trading.

8.4.1. Additional information on conditions of implementation obligations on mortgage-backed securities

The issuer did not distribute mortgage-backed securities, obligations for which were not implemented

8.4.2. Additional information on security with cash claims under the issuer's secured-bonds with cash claims

The issuer did not place secured-bonds with cash claims, liabilities on which have not been fulfilled yet.

8.5. Information on organizations controlling the implementation of rights on Issuer's securities

Information on the Registrar

Full business name: **"Registrar R.O.S.T." Joint-Stock Company**

Abbreviated business name: **"Registrar R.O.S.T." JSC**

Location: **18/13 Stromynka str., Moscow**

TIN: **7726030449**

PSRN: **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: **Unlimited**

Body issuing the license: **Russian Federal Securities and Exchange Commission**

Date of starting the registry keeping: **16.12.2010**

The Issuer's documentary securities with mandatory centralized custody are in circulation.

Depository

Full business name: **Non-bank credit organization Joint Stock Company "National Settlement Depository"**

Short name: **NSD**

Address: **Spartakovskaya St. 12, Moscow, Russia**

Taxpayer Identification Number: **7702165310**

Primary State Registration Number: **1027739132563**

License of a professional participant of the equity market for performing of depository activities.

No.: **177-12042-000100**

Date of issue: **19.02.2009**

Expiry date: **Unlimited**

Body issuing the license: **Bank of Russia**

8.6. Information on legislative instruments regulating the capital import and export that may affect payment of dividend, interests and other payments to non-residents

1. The Tax Code of the Russian Federation (Part One No. 146-FZ of 31.07.1998, the second part No.117-FZ of 05.08.2000).
2. The Federal Law "On Joint Stock Companies" No.208-FZ of 26.12.1995.
3. The Federal Law "On Currency Regulation and Currency Control" No.173-FZ of 10.12.2003.
4. The Federal Law "On the Securities Market" No.39-FZ of 22.04.1996.
5. The Federal Law "On the Central Bank of Russian Federation (Bank of Russia)" No.86-FZ of 10.07.02.
6. The Federal Law "On counteraction to legalization (laundering) of proceeds from crime and terrorist financing" No.115-FZ of 07.08.2001.
7. The Federal Law "On Foreign Investments in the Russian Federation" No. 160-FZ of July 9, 1999.
8. The Federal Law "On Investment Activity in the Russian Federation in the form of capital foreign investments" No. 39-FZ of 25.02.1999.
9. The Federal Law "On Protection of Rights and Lawful Interests of Investors on the Securities Market" No. 46-FZ of 05.03.1999.
10. The Presidential Decree "On improvement of the Russian banking system" No.1184 of 10.06.1994.
11. The Presidential Decree "On the activity of foreign banks and cooperative banks with non-residents on the territory of the Russian Federation" No.1924 of 17.11.1993.
12. The Regulations for opening of the Bank of Russia bank accounts for non-residents in the Russian Federation currency and carrying out of approved operations on those accounts CBR No.269-P of 04.05.2005.
13. International treaties of the Russian Federation for the avoidance of double taxation.
14. The CBR Instruction "On the procedure for submission by the residents and non-residents to authorized banks of documents and information related to the conduct of foreign exchange operations, the order of registration of transactions passports, as well as the accounting for the authorized banks foreign currency transactions and control over their conduct" No.138-I of 04.06.2012.
15. Other legislative acts of the Russian Federation.

8.7. Information on the announced (accrued) and paid dividends on the Issuer's shares as well as on incomes from the Issuer's bonds

8.7.1. Information on the announced (accrued) and paid dividends on the Issuer's shares

Information for the last five completed fiscal years or for each completed fiscal year if the Issuer operates less than five years, and for the period from the beginning of the current year to the end of the reporting quarter

Indicator name	Indicator value for reporting period – 2007, full year
Shares category, for preferred shares- type	обыкновенные
Issuer's management body that made decision on announcing	Annual General Meeting of shareholders of

the dividends, date of such decision, date and number of minute of meeting of Issuer's management body on which the decision was made	29.05.2008, minutes of meeting No. 23 of 06.06.2008
Amount of announced dividends per one share, rubles	1.67884388
Total amount of announced dividends on all the shares of the specific category (type), rubles	30000000
Date on which the persons who have (had) right on receiving dividends are (were) defined	17.04.2008
Reporting period (year, quarter), for which (by the results) the announced dividends are (were) paid	2007, full year
Term (date) of payment of announced dividends	15 days
Form of payment of announced dividend (monetary funds, other property)	Monetary funds
Source of payment of declared dividends (net profit for the accounting year, undistributed net profits of past years, special fund)	Net profit
Share of declared dividends in net revenue of reporting year, %	8.2
Total amount of dividend paid on all the shares of the specific category (type), rubles	29 873 068.07
Share of paid out dividends from total volume of declared dividends on shares of the type (category), %	99.58
In case if announced dividends were not paid or not paid in full amount – causes of nonpayment of announced dividends	Failure to submit by persons registered in Registry of Company's shareholders the information on changing their data. In accordance with legislation of Russian Federation, as well as with paragraph 8.6 of dividend policy of Kubanenergo, declared and unclaimed within three years upon the end of payout dividends will be included in accounting line 84 "Undistributed profit (uncovered loss)".
Other information on announced and (or) paid dividends, specified by the Issuer in its sole discretion	No

Indicator name	Indicator value for reporting period – 2008
During the specified period decisions on payment of dividends were not adopted.	

Indicator name	Indicator value for reporting period – 2009
During the specified period decisions on payment of dividends were not adopted.	

Indicator name	Indicator value for reporting period – 2010
During the specified period decisions on payment of dividends were not adopted.	

Indicator name	Indicator value for reporting period – 2011
During the specified period decisions on payment of dividends were not adopted.	

Indicator name	Indicator value for reporting period – 2012
During the specified period decisions on payment of dividends were not adopted.	

Indicator name	Indicator value for reporting period – 2013
During the specified period decisions on payment of dividends were not adopted.	

Indicator name	Indicator value for reporting period – 2014
During the specified period decisions on payment of dividends were not adopted.	

Indicator name	Indicator value for reporting period – 2015, full year
Shares category, for preferred shares- type	Ordinary
Issuer's management body that adopted a decision on announcing the dividends, date of such decision, date and number of minutes of meeting of the Issuer's management body on which such decision was made	Annual General Meeting of shareholders of 24.06.2016, minutes of meeting No.37 of 27.06.2016
Amount of the announced dividends per one share, rubles	4.047105
Total amount of the announced dividends for all shares of the specific category (type), rubles	1144797000
Date on which the persons who have (had) right on receiving dividends are (were) defined	13.07.2016
Reporting period (year, quarter), for which (by the results) the announced dividends are (were) paid	2015, full year
Term (date) of payment of the announced dividends	Term of payment to a nominal holder and a trustee that is a market participant: within maximum 10 business days, to other shareholders from the register: within maximum 25 business days from the date of compiling the list of persons entitled to receive dividends
Form of payment of the announced dividends (monetary funds, other property)	Monetary funds
Source of payment of the declared dividends (net profit for the accounting year, undistributed net profits of past years, special fund)	Net profit
Share of the declared dividends in the net revenue of the reporting year, %	78.82
Total amount of the dividends paid on all the shares of the specific category (type), rubles	1144259329.81
Share of paid out dividends from total volume of declared dividends on shares of the type (category), %	99.95

In case the announced dividends were not paid or not paid in full amount – causes of such nonpayment of the announced dividends are specified	The reason the dividends were not paid in full is the lack of necessary information on transfer of dividends in the questionnaire of the registered person.
Other information on the announced and (or) paid dividends, specified by the Issuer in its sole discretion	No

Indicator name	Indicator value for reporting period – 2016, full year
Shares category, for preferred shares- type	Ordinary
Issuer's management body that adopted a decision on announcing the dividends, date of such decision, date and number of minutes of meeting of the Issuer's management body on which such decision was made	Annual General Meeting of shareholders, 16.06.2017, minutes No.39, 20.06.2017
Amount of the announced dividends per one share, rubles	1.762658567
Total amount of the announced dividends for all shares of the specific category (type), rubles	535 125 135
Date on which the persons who have (had) right on receiving dividends are (were) defined	27.06.2017
Reporting period (year, quarter), for which (by the results) the announced dividends are (were) paid	2016
Term (date) of payment of the announced dividends	Term of payment to a nominal holder and a trustee that is a market participant: within maximum 10 business days, to other shareholders from the register: within maximum 25 business days from the date of compiling the list of persons entitled to receive dividends
Form of payment of the announced dividends (monetary funds, other property)	Monetary funds
Source of payment of the declared dividends (net profit for the accounting year, undistributed net profits of past years, special fund)	Net profit
Share of the declared dividends in the net revenue of the reporting year, %	25
Total amount of the dividends paid on all the shares of the specific category (type), rubles	534862621.45
Share of paid out dividends from total volume of declared dividends on shares of the type (category), %	99.95
In case the announced dividends were not paid or not paid in full amount – causes of such nonpayment of the announced dividends are specified	-
Other information on the announced and (or) paid dividends, specified by the Issuer in its sole discretion	no

According to the Regulations for the Company's Information Policy, information on the dividends declared and paid shall be specified for the last 10 completed fiscal years.

Additional information disclosed in accordance with the Regulations for the Information Policy:

The Company's Dividend Policy is focused on increase of the Company's investment prospects and market capitalization. The Policy is based on the balance of interests of the Company and its shareholders.

The Dividend Policy is defined by the Regulations for Dividend Policy that was approved by the Board of Directors on 31.01.2018 (minutes of the meeting No.297/2018 of 01.02.2018) and posted on the corporate webpage www.kubanenergo.ru - Section "About the Company/Constituent and in-house documents".

The basic principles of the Company's Dividend Policy:

- compliance of the practice of accrual and payment of dividends applicable by the Company to the legislation of the Russian Federation and corporate governance standards (Decree of the Government of the Russian Federation No.1094-r of 29.05.2017);
- balance of the interests of the Company and its shareholders;
- determination of the amount of dividends in the amount of at least 50% of the net profit determined according to the financial statements, including consolidated, compiled in accordance with International Financial Reporting Standards and calculated in accordance with the procedure established by the Regulations;
- ensuring the possibility of quarterly dividend payments, if the relevant criteria are met;
- ensuring maximum transparency (clarity) of the mechanism for determining the amount of dividends and the procedure for their payment;
- ensuring positive dynamics of the amount of dividend payments subject to the growth of the Company's net profit;
- availability of information for shareholders and other interested parties on the dividend policy of the Company;
- necessity to maintain the required level of financial and technical condition of the Company (implementation of the investment programme), ensuring development prospects of the Company.

8.7.2. Information on accrued and paid income on bonds

Information concerning each issue of bonds the yield on which was paid for the five most recently closed reporting years or, if the issuer has operated for less than five years, for each closed reporting year and over the period from the first date of the current year to the last date of the reporting quarter.

Type of securities: **listed/commercial bonds**

Form of security: **bearer bonds**

Series: **001P-02**

non-convertible bonds with the compulsory centralized storage

State registration number of the issue: **4B02-02-00063-A-001P**

Date of assignment of identification number: **10.11.2015**

Agency that assigned identification number to the issue:

Number of bonds in the issue, pcs: **3 400 000**

Par value of each bond of the issue, rubles: **1 000**

Volume of the issue at the par value: **3 400 000 000**

Key information on	Its value for the	Its value for the	Its value for the	Its value for the
--------------------	-------------------	-------------------	-------------------	-------------------

income from bonds in the issue: Indicator	corresponding reporting periods	corresponding reporting periods	corresponding reporting periods	corresponding reporting periods
Type of the income paid on the bonds of the issue (par value, interest (coupon), other)	coupon	coupon	coupon	coupon
Amount of the income on bonds of the issue to be paid in money as per one bond of the issue rubles/foreign currency	62.98 rubles	62.98 rubles	62.98 rubles	62.98 rubles
Amount of the income on bonds of the issue to be paid in money for 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
Term (date) of payment of the income on bonds of the issue	24.05.2016	22.11.2016	23.05.2017	21.11.2017
Form of payment of income on bonds of the issue (moneys, other property)	money	money	money	money
Total 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
Share of the income paid on bonds of the issue in the full amount of the income to be paid on bonds of the issue, %	100%	100%	100%	100%
If the income on bonds of the issue have not been paid or paid not in full by the issuer, reasons for such failure	-	-	-	-
Other information on the income on bonds of the issue to be specified by the issuer at their discretion	-	-	-	-

Type of securities: **listed/commercial bonds**

Form of security: **bearer bonds**

Series: **001P-01**

non-convertible bonds with the compulsory centralized storage

State registration number of the issue: **4B02-01-00063-A-001P**

Date of assignment of identification number: **10.11.2015**

Agency that assigned identification number to the issue:

Number of bonds in the issue, pcs: **3 600 000**

Par value of each bond of the issue, rubles: **1 000**

Volume of the issue at the par value: **3 600 000 000**

Key information on income from bonds in the issue:

Indicator	Its value for the corresponding reporting periods	Its value for the corresponding reporting periods	Its value for the corresponding reporting periods	Its value for the corresponding reporting periods
Type of the income paid on the bonds of the issue (par value, interest (coupon), other)	coupon	coupon	coupon	coupon
Amount of the income on bonds of the issue to be paid in money as per one bond of the issue rubles/foreign currency	52.06 rubles	52.06 rubles	52.06 rubles	52.06 rubles
Amount of the income on bonds of the issue to be paid in money for 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
Term (date) of payment of the income on bonds of the issue	03.06.2016	02.12.2016	02.06.2017	01.12.2017
Form of payment of income on bonds of the issue (moneys, other property)	money	money	money	money
Total 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
Share of the income paid on bonds of the issue in the full amount of the income to be paid on bonds of the issue, %	100%	100%	100%	100%
If the income on bonds of the issue have not been paid or paid not in full by the issuer, reasons for such failure	-	-	-	-
Other information on the income on bonds of the issue to be specified by the issuer at their discretion	-	-	-	-

8.8. Other information

8.8.1. Review of transactions of the Issuer and its subsidiaries concluded in the reporting quarter

8.8.1.1. Transactions with state companies:

In the reporting quarter, the Company concluded 256 transactions with state and municipal companies for a total sum of 17.01 million rubles.

The state and municipal companies provided the following services to the Company:

- lease of land plots;
- technical inventory of real property;
- employees' training
- medical examination of the Company employees;
- processing of legal land and town planning documents;
- information and advertisement servicing;
- subscription for printed periodicals and post services;
- infrastructure guarding
- delivery of special clothes and shoes
- state expert valuation of design and cost estimate documentation
- analysis and review of industrial emissions of contaminants
- public and other services.

The Company provided to the state and municipal companies services related to transmission and distribution of electric energy, repair and maintenance of energy facilities, technological connection of electrical units to the networks of Kubanenergo PJSC, check and replacement of schemes and electricity meters.

8.8.1.2 Intra-group transactions:

During the reporting quarter the Company concluded 4 intra-group transactions for the total sum of 488.95 million rubles:

#	Contractor	Sum of the contract, in rubles	Contract
1	ROSSETI PJSC	418 859 053.56	Services related to organization of operation and development of power grid
2	ROSSETI PJSC	58 256 932.26	Engineering supervision at network facilities of Kubanenergo PJSC
3	Recreation centre "Energetik" JSC	11 833 150.00	Recreation and wellness services to the Company's employees
4	Energoservis Kuban JSC	-	additional agreement to service contract pertaining specification of the method of calculating the effect of the contract and payment for the rendered services during implementation of the contract, procedure of transfer of severable improvement and the results of rendered services (without changes in volume, deadlines and price of the contract)

Total: 488 949 135.82

Transactions between affiliates of the issuer were not concluded in the reporting quarter.

8.8.1.3. Material transactions concluded by the issuer's affiliated companies

Such transactions were not concluded in the reporting quarter

8.9. Information on the securities distributed and on the Issuer of the distributed securities, the property right certified by Russian depositary receipts

The Issuer is not the Issuer of the securities, the property right of which is to be certified by Russian depositary receipts.

**Annex to the quarterly report.
Auditor's report to the annual accounting (financial) statements of the issuer**

**Annex to the quarterly report.
Information related to the annual accounting (financial) statements of the issuer**

**Annex to the quarterly report.
Annex to the annual accounts**

**Annex to the quarterly report.
Annual consolidated accounting (consolidated financial) report prepared in accordance with the International Financial Reporting Standards or internationally acknowledged standards other than IFRS**