

QUARTERLY REPORT

Public Joint Stock Company of Power Industry and Electrification of Kuban

Публичное акционерное общество энергетики и электрификации Кубани

Issuer Code 00063-A

Quarter 2, 2019
(amended on 16.08.2019)

Address of the issuer: 2A Stavropolskaya str., Krasnodar, Russia 350033

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

Director General

Date: 16 August 2019

_____ Sergeyev S.V.

signature

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

_____ Skiba I.V.

signature

Date: 15 August 2019

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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>.

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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 for the Information Policy of the Company approved by the Board of Directors on 30.03.2018 (Minutes No.305/2018). The full text of the Regulations for 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 (REC-PTD KR).

Abbreviation "SDCs" means subsidiary and dependent companies in accordance with article 6 of the Federal law "On Joint Stock Companies".

Information on employment of the 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. Except for information on the Director General and Chairperson of the Management Board.

Because of election of the Director General and Chairperson of the Management Board of the Company to the position of the Issuer's sole executive body from 18.07.2019, the information on this person is indicated on the date of signing of this report.

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 Individuals Who Signed the Quarterly Report

1.1. Information on the bank accounts of the issuer

Information disclosed in this paragraph remained unchanged in the reporting quarter.

1.2. Information on the issuer's auditor(s)

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 (selected) 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 Ernst and Young**

Short business name: **Ernst and Young LLC**

Location: **77/1 Sadovnicheskaya Naberezhnaya, Moscow 115035**

TIN: **7709383532**

PSRN: **1027739707203**

Telephone: **(495) 755-9700**

Fax: **(495) 755-9701**

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

Auditor's membership in self-regulating auditor organizations:

Name: **Self-regulatory Organization of Auditors "Russian Union of Auditors" (Association)**

Address: **Petrovsky pereulok 8, bldg.2, Moscow 107031 Russian Federation**

Additional Information:

The primary registration number of Ernst and Young LLC: 11603050648.

Financial year(s) from among the five most recently closed 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
2014	2014
2018	2018
2019	2019

Periods from among the five most recently closed financial 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, reporting date	Consolidated financial report, reporting date
9 months of 2014	-
9 months of 2018	6 months of 2018
9 months of 2019	6 months of 2019

Factors that may affect the independence of the auditor (auditing company) from the issuer, including information on any material interests connecting 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) from the issuer, including information on any material interests connecting 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 tender procedure for selection of Auditor and its basic conditions:

The 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; and
- shall not fall under terms enlisted in clause 1 of article 8 of the Federal Law "On the Auditor's Activity" No.307 of 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 2018-2020 (minutes of meeting No.13/595p dated 16.04.2018), the Board of Directors recommended the candidature of Ernst and Young LLC to be approved as the auditor for 2018-2020 at the Company's AGM. The AGM approved Ernst and Young LLC as the Company's auditor (minutes No.40 of 25.05.2018).

The AGM held on 20.06.2019 (minutes of the meeting No.42 of 20.06.2019) approved Ernst and Young LLC as the Company's auditor.

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 (auditing company); actual amount of remuneration paid to the auditor (auditing company) by the results of the last completed financial year on which the auditor (auditing company) performed independent audit of accounting (financial) statements and (or) annual consolidated financial statements of the issuer:

The Board of Directors sets 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.

The Company's Board of Directors determined the amount of payment to Ernst and Young LLC for the audit of accounting (financial) statements of the Issuer for 2018 prepared in accordance with the Russian Accounting Standards and audited consolidated financial statements for 2018 prepared in accordance with the International Financial Reporting Standards: 5 284 594 rubles 54 kopecks, including VAT (minutes No.319/2018 of 24.09.2018).

Due to changes in the RF Tax Code coming into force on 01.01.2019 and in accordance with the Federal Law 303-FZ of 03.08.2018 "On amendments to certain legislative acts of the Russian Federation on taxes and levies", an additional agreement was concluded with on 13.12.2018 No. 1/407/30/1511 on increase of the costs of services of the auditor. According to this additional agreement the amount of payment for the services is 5 333 857 rubles 71 kopecks, including VAT.

The amount of payment to Ernst and Young LLC for the audit of accounting (financial) statements of the Issuer for 2019 prepared in accordance with the Russian Accounting Standards and audit of consolidated financial statements for 2019 prepared in accordance with the International Financial Reporting Standards: 5 374 163 (five million three hundred seventy-four thousand one hundred sixty-three) rubles 95 kopecks, including 20% VAT: 985 693 (eight hundred ninety -five thousand six hundred ninety-three) rubles 99 kopecks.

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: Sergeyev Sergey Vladimirovich

Year of birth: **1976**

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	6 months of 2018	6 months of 2019
Workforce productivity	2 581 651.4	2 661 726.1
Debt to equity ratio	1.19	1.21
Long-term debt to the sum of long-term debt and equity capital ratio	0.42	0.27
Debt covered by current income (profit)		
Rate of overdue payables, %		
Level of overdue receivables, %:	35.1	32.9
Level of overdue payables, %:	14.7	45
Return on sales, %	10.78	7.1

The issuer believes that the calculation of the indicator “Rate of overdue payables” has no obvious economic sense for Kubanenergo PJSC, instead of such an indicator the issuer used “Level of overdue receivables” and “Level of overdue payables”.

When calculating the “Level of overdue receivables” indicator, the following calculation was used: Overdue receivables/Receivables (line 1230) * 100%.

When calculating the “Level of overdue payables” indicator, the following calculation was used: Overdue payables/Payables (line 1450 + line 1520) * 100%.

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

The increase in labour productivity by 6% in the six months of 2019 compared to the same period of 2018 was due to an increase in revenue from sales of products (services) by 3%.

Reduction in “Long-term debt to the sum of long-term debt and equity capital ratio” was caused by decrease in long-term liability as well as because of transition of credit liability that is due in less than 12 months from long-term to short-term liability.

Decrease in “Level of overdue receivables” in the 2nd quarter of 2019 compared to the same period in 2018 was caused by the outstripping growth rate of receivables in comparison with the growth in overdue receivables.

Increase in “Level of overdue accounts payable” in the 2nd quarter of 2019 compared to the same period in 2018 is due to increase in arrears with a decrease in the total volume of accounts payable. Decrease in profitability from sales by 3.68 following the results of 6 months of 2019 in comparison to 6 months of 2018 is due to a decrease in profit from sales by 767 million rubles.

2.2. Market capitalization of the issuer

Market capitalization is calculated as the production of the quantity of shares of the category (type) concerned and the market price per share disclosed by the securities trading institutor.

Unit of measurement: **thousand rubles**

Indicator	31.12.2018	30.06.2019
Market capitalization	14 825 115.5	19 868 085.1

Information about the securities trading institutor that serves as a basis for calculating market capitalization and, at the issuer’s sole discretion, other additional information concerning public securities trading:

Full business name: Public Joint Stock Company “Moscow Exchange MICEX-RTS”

Short 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

Licenses:

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

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

2.3. Liabilities of the issuer

2.3.1. Borrowed funds and accounts payable

30.06.2019

The structure of the borrowed funds

unit of measurement: **thousand rubles**

Indicator	Value
Long-term borrowings	10 618 379
including:	
credits	7 018 379
loans, except bonded loans	0
bonded loans	3 600 000
Short-term borrowings	15 315 636
including:	
credits	11 837 692
loans, except bonded loans	0
bonded loans	3 477 944
Total amount of overdue loan debt	0
including:	
credits	0
loans, except bonded loans	0

bonded loans	0
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The structure of accounts payable
unit of measurement: **thousand rubles**

Indicator	Value
Total accounts payable	13 732 540
overdue	6 184 779
including	
payable to budget and state off-budget funds	881 885
overdue	0
payable to suppliers and contractors	5 018 009
overdue	1 914 945
payable to staff	214 950
overdue	0
other	7 617 696
overdue	4 269 834

If there are overdue payables, including debt in relation to borrowings, the issuer shall indicate the reasons of nonperformance and past or future effects of the failure to perform the relevant obligations, 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 2019, 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: **4 757 107 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: **5 574 167 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: **1/1 Rozhdestvenka Str., Moscow 109012**

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**

Full company name: **Bank VTB (public joint stock company)**

Short company name: **Bank VTB (PJSC)**

Location: **29 Bolshaya Morskaya Str., St. Petersburg 190000**

TIN: **7702070139**

PSRN: **1027739609391**

Sum of credit: **8 136 929 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 by the issuer of its obligations under any loan agreements and/or credit facility agreements, including agreements involving the issue and sale of bonds, 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.

Type and identification characteristics of the obligation	
1. credit line, resolution on securities issue No. 4B02-02-00063-A-001P of 10.11.2015 series 001P-02	
Terms of the obligation and information on its fulfillment	
Name, location or of the creditor (lender)	Purchasers of issued 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
Overdue interest on the credit (loan); if any, the total number of overdue payments and the number of days in arrears	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 of 10.11.2015 series 001P-01	
Terms of the obligation and information on its fulfillment	
Name, location of the creditor (lender)	Purchasers of issued 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
Overdue interest on the credit (loan); if any, the total number of overdue payments and the number of days in arrears	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. Obligations of the Issuer with regard to its collateral

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 has 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 of 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 values (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 optimality principle (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 the issuer's goals. 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

Risks described in this chapter are related to risks of domestic market, because the Issuer carries out its activity on domestic market. Therefore, the Issuer does not have risks related to foreign markets.

Tariff risks

Because of the restrictions on 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 the risks of reduction in revenues because of the changes in 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 steps are taken 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 the 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 the risk, the Company cooperates with tariffs regulatory authorities, forms correct scope of obligations 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 reduction in the volume 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) ensuring 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. In the period of volatile economy, the risk of increase of cost for goods and services used by the Company escalates.

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

Information disclosed in this paragraph remained unchanged in the reporting quarter.

2.4.3. Financial risks

Information disclosed in this paragraph remained unchanged in the reporting quarter.

2.4.4. Legal risks

Information disclosed in this paragraph remained unchanged in the reporting quarter.

2.4.5. Reputational risks.

Information disclosed in this paragraph remained unchanged in the reporting quarter.

2.4.6. Strategy risks

Information disclosed in this paragraph remained unchanged in the reporting quarter.

2.4.7. Risks connected with the Issuer's activity

Information disclosed in this paragraph remained unchanged in the reporting quarter.

III. Detailed Information on the Issuer

3.1. History of establishment 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 respectively) the Federal Intellectual Property Service registered the trademarks (service marks) in favour of the Company in Russian language – КУБАНЬЭНЕРГО, valid until 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, АО Кубаньэнерго**

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 of 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, АО Кубаньэнерго**

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 of 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, ОАО Кубаньэнерго**

Date of introducing the name: **30.06.1998**

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

3.1.2. Information 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**

Date of making an entry on a legal entity registered before 1 July 2002 to the National Registry of Legal Entities: **17.09.2002**

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

3.1.3 Information on establishment and development of the Issuer

Information disclosed in this paragraph remained unchanged in the reporting quarter.

3.1.4. Contact information

Location of the issuer:

Krasnodar, Russian Federation

Address of the issuer specified in the National Registry of Legal Entities:

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

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

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

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

Internet page(s) with information on the Issuer and on securities issued and/or being issued by the Issuer:

www.kubanenergo.ru, <http://www.e-disclosure.ru/portal/company.aspx?id=2827>, <http://www.e-disclosure.ru/portal/company.aspx?id=2827>

The Issuer's special subdivision for interaction with the shareholders and investors:

Corporate Governance and Shareholder Relations Department

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

Changes in the ranches and representative offices of the Issuer did not occur in the reporting quarter.

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	6 months of 2018	6 months of 2019
Revenue from this business activity, thousand rub	22 030 607	22 614 648
Share of revenue from this business activity in the total amount of revenue of the Issuer, %	99	98.4

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	2018	1 st half of 2018	1 st half of 2019
Receipt of electric energy into the Company's grid for its transmission under service contracts	22 032 535.43	11 114 000.27	11 458 632.62
Electric supply from the Company's grids	20 442 390.09	9 844 658.55	10 165 843.37
Productive supply of electric energy by the "boiler" method	18 766 494.10	9 011 430.68	9 350 210.80
per voltage levels			
- high voltage (110kV and higher)	3 810 505.22	1 826 671.37	1 871 044.52
- medium voltage 1 (35kV)	1 143 696.29	556 551.39	542 455.11
- medium voltage 2 (1-20kV)	5 621 142.53	2 705 968.68	2 772 342.58
- low voltage (0.4kV and lower)	8 191 150.07	3 922 239.24	4 164 368.59
Actual losses of electric energy	2 590 145.35	1 269 341.71	1 292 789.26
Saving (+) / loss (-) of electric energy from the allowed losses	-235 946.75	-123 100.41	-9 455.29

Quarterly forecast for production results and comments

The main purpose of Kubanenergo for 2019 is emergencies-free operation during winter and summer peak demand, 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 2019 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 networks

In the 2nd quarter of 2019, the Company concluded 7 029 grid connection contracts for the total capacity of 173MW. The company received 124 million rubles (VAT excluded), and revenue amounted to 205 million rubles (VAT excluded). The revenue was mostly received from applications for capacity of 150kW and more.

The actual number of connected consumers in the 2nd quarter of 2019 was 6 378 customers for the total capacity of 177MW.

In total, during the 1st half of 2019 the company concluded 12 665 connection contracts for the total amount of 327MW. The company received 225 million rubles (VAT excluded), and revenue amounted to 252 million rubles (VAT excluded). The revenue was mostly received from applications for capacity of 150kW and more.

The actual number of connected consumers in the 1st half of 2019 was 11 671 customers for the total capacity of 284MW.

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

Length of 110, 220kV high voltage lines	110kV overhead lines – 4 924.34 km (route) 110kV overhead lines – 6 229.87 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 – 41 018.76 km (route) Power lines 6-35kV – 41 932.95 km (route). including: Overhead lines 35kV – 6 819.25 km (route) Overhead lines 35kV – 7 733.44 km (circuit) Overhead lines 6-10kV – 32 382.92 km Cable lines 35kV – 3.05 km Cable lines 6-10kV – 1 813.54 km

Length of 0.4 kV low voltage lines	Power lines 0.4 kV – 42 758.67 km. including: overhead lines – 42 278.11 km cable lines – 480.56 km
Number/capacity of substations with high (110 kV) basic voltage	223 substations/7 465 MVA
Number/capacity of substations with high (35/6-10 kV) basic voltage	493 substations/2 459 MVA
Number/capacity of transformer units (6-35/0.4 kV)	23 089 transformer units/4 909 MVA

Additional information of the Company's business activity

Detailed information on revenue and expenses structure, thousand rubles:

#	Indicator	6 months of 2018	6 months of 2019
1	Revenue from selling products (services), total	22 256 417	22 981 343
2	Production (services) costs including administrative expenses, total	19 857 126	21 349 175
3	Gross profit, total	2 480 023	1 701 314
4	Financial result	-37 417	-514 102

Changes in the financial and economic activity of Kubanenergo within 6 months of 2019 compared with indicators of 6 months of 2018 are characterized by:

- the growth of revenue from sale of products (services) by 725 million rubles, or by 3% – this is due to increase of revenue from transmission services by 584 million rubles in the result of growth of the volume of rendered services, as well as growth of revenue from grid connection services by 109 million rubles after fulfillment of large contracts in the 1st half of 2019
- increase in production costs with regard of administrative expenses by 1 492 million rubles
- decrease in the financial result as of the end of the reporting period by 477 million rubles

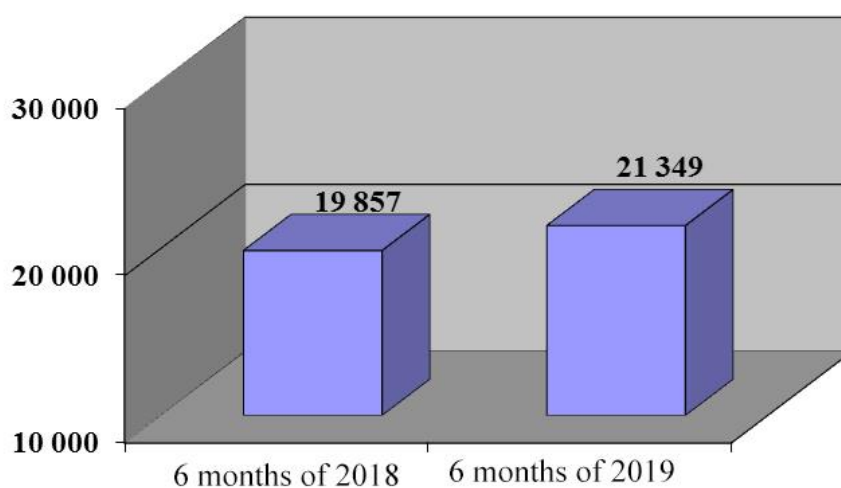
The accounting policy of the Company allows to structure revenue and cost of goods sold (services) by business areas with access to the overall financial performance of the company.

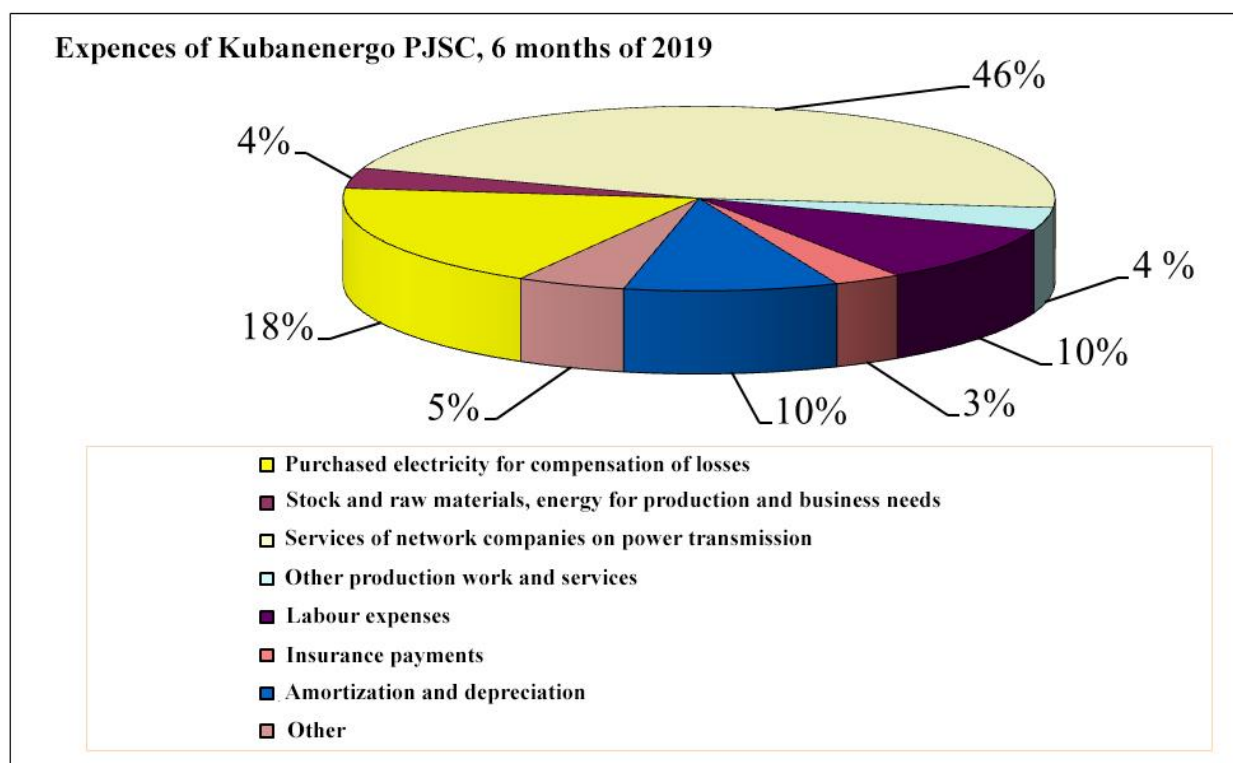
Expenditures structure inclusive of administrative expenses, thousand rubles:

#	Expenditures	2018	6 months of 2019
1.	Material expenditures	4 189 929	4 693 361
	including		
1.1.	Purchased power for loss compensation	3 586 909	3 929 272
1.2.	Purchased energy for industrial and domestic needs	60 288	64 102
1.3.	Materials and supplies	542 732	699 987
2.	Work and production services	9 786 629	10 728 149
2.1.	Services of network companies for electricity transmission	9 496 475	9 882 505
2.2.	Other works and production services	290 154	845 644
3.	Labour payment expenditures	2 125 486	2 147 369
4.	Insurance payments	645 037	653 021
5.	Amortization and depreciation	1 918 111	2 072 440

6.	Other	1 191 934	1 054 835
	including		
6.1.	Payment of third party services	426 370	417 891
6.2	Management expenses	0	0
6.3	Insurance expenses	50 744	50 445
6.4	Taxes and levies	435 590	304 214
6.5	Provision for estimated liabilities	42 586	59 551
6.6	Provision for unutilized vacation	36 071	41 682
7.	Expenditures for production and selling of products including administrative expenses	19 857 126	21 349 175

Cost of goods manufactured, in million rubles





Performance indicators, including ROE

Indicator	6 months of 2018	6 months of 2019
ROE, return of equity, %	-0.11	-1.49
ROA, return on assets, %	-0.05	-0.67
ROTA, return on total assets, %	0.50	-0.41

Debt to equity ratio

Indicator	6 months of 2018	6 months of 2019
Debt to equity ratio, %	1.4	1.33

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

In the 2nd quarter of 2019, the debt to equity ratio decreased by 0.11 and amounted to 1.33. The decrease is due to an increase in the amount of loan funds, as well as a decrease in the Company's equity in comparison with the 1st half of 2018.

The dynamics of growth (decrease) in income, thousand rubles:

#	Indicator	6 months of 2018	6 months of 2019
1	Total net proceeds from selling goods (services), including	22 256 417	22 981 343

1.1.	transmission and transit of electric energy across networks	22 030 607	22 614 648
1.2.	grid connection services	143 639	252 320

By the results of 6 months of 2019, the revenue from sales of goods, work and services amounted 22 981 million rubles, which is 725 million rubles, or 3%, higher than by the results of 6 months of 2018.

This is due to increase of revenue from transmission services by 584 million rubles in the result of growth of the volume of rendered services, as well as growth of revenue from grid connection services by 109 million rubles after fulfillment of large contracts in the 1st half of 2019.

Expenditures:

#	Expenses for production and selling of products	mln. rubles	Rate of growth. %
			6 months of 2019 / 6 months of 2018
1.	6 months of 2018	19 857.1	107.5
2.	6 months of 2019	21 349.2	

By the results of 6 months of 2019, the cost of expenses on production and selling of good has grown by 1 492 million rubles, or 8%, in comparison with the same period of 2018. This growth is due to increase in expenses for purchased electricity for compensation of losses, stock and raw materials, expenses for services of transmission grid companies, and other production works and services.

Growth of expenses on “Purchased energy for compensation of losses” by 342 million rubles is due to the growth of average price of purchase of losses by 8% and growth of losses by 2%.

Increase in expenses on “Stock and raw materials” by 157 million rubles is mainly due to increase in the cost of materials for maintenance and repairs due to an increase in the scope of the maintenance and repair programme for 2019 in order to comply with the frequency of repairs of equipment and power lines in accordance with regulatory requirements.

Growth of expenses on “Services of grid companies on transmission of electricity” by 386 million rubles is mainly due to increase of payment for services of FGC UES PJSC for transmission of electricity by 343 million rubles that was caused by the growth of rate for maintenance of electric networks by 6% under the order of FAS Russia No.1710/18 of 06.12.2018, growth of electricity normative losses in the networks of UNPG by 22%, and growth of average rate from the wholesale market for electricity and power for payment of normative losses in the networks of UNPG by 5%.

Increase in expenses on “Other production works and services” by 555 million rubles is mainly due to increase in the cost of equipment maintenance and repair services taking into account tolling materials due to an increase in the scope of the maintenance and repair programme for 2019 in order to comply with the frequency of equipment and power transmission line repairs in accordance with regulatory requirements.

Dynamics for other indicators is immaterial.

The structure of revenue and profit by type of activities (in thousand rubles)

#	Indicator	6 months of 2018	6 months of 2019
1	Total net proceeds from selling products (services), including	22 256 417	22 981 343
1.1	Products (services) of core activity, total, including:	22 256 417	22 981 343
1.1.1.	network services	22 174 246	22 866 968
1.1.1.1	transmission and transit of electric energy through networks	22 030 607	22 614 648
1.1.1.2	grid connection services	143 639	252 320
1.1.2.	electric energy to domestic consumers	0	0
1.1.3.	heat energy	0	0
1.1.4.	other products (services) of core activity	82 171	114 375

1.2	Products (services) of non-core activity	0	0
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By the results of 6 months of 2019, the revenue from sales of products, works and services reached 22 981 million rubles, which is 3% higher than by the results of 6 months of 2018. The increase was mainly impacted by the growth in revenues from network services by 693 million rubles, or by 3%, as well as due increase in the revenue from electricity transmission services by 584 million rubles, and revenue from connection services by 109 million rubles.

Quarterly forecast 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:

30.06.2019:

Indicator	31.12.2018	30.06.2019	Dynamics for 6 months of 2019
Trade debtors	6 206 665	8 397 434	2 190 769
including overdue	615 718	2 844 033	2 228 315
Notes receivable	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	835 019	1 084 439	249 420
including overdue	232 476	271 116	38 640
Total amount of accounts receivable	7 041 684	9 481 873	2 440 189
including total amount of overdue accounts receivable	848 194	3 115 149	2 266 955

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

30.06.2019:

Structure of payables	31.12.2019	30.06.2019	Dynamics for 6 months of 2019
Long-term liabilities, including	1 248 675	1 479 609	230 934
Other liabilities	1 248 675	1 479 609	230 934

Short-term liabilities, including	12 812 433	12 252 931	-559 502
suppliers and contractors	5 238 557	5 062 375	-176 182
salaries payable	313 073	214 950	-98 123
payables to public non-budgetary funds	120 710	117 658	-3 052
taxes payable	606 530	764 227	157 697
advances received	5 164 803	5 018 009	-146 794
accounts payable to founders (participants) on share capital payment	919	144 517	143 598
other accounts payable	1 367 841	931 195	-436 646
Accounts payable, total	14 061 108	13 732 540	-328 568

The following table “General structure of the Issuer’s prime cost” shows the structure of prime cost with regard of management expenses:

General structure of the Issuer’s prime cost

Indicator	6 months of 2018	6months of 2019
Raw materials, %	2.7	3.3
Purchased component parts and semi-finished goods, %	0	0
Works and production-related services, performed by third parties, %	49.3	50.3
Fuel, %	0	0
Energy, %	18.4	18.7
Salaries and wages, %	10.7	10.1
Interest on credit, %	0	0
Rent, %	0.6	0.5
Allocations for social benefits, %	3.2	3.1
Depreciation of fixed assets, %	9.6	9.7
Taxes included in cost of sales, %	2.2	1.4
Other expenses, %	3.3	2.9
amortisation of intangible assets, %	0	0
remunerations for rationalization proposals, %	0	0
mandatory insurance payments, %	0	0
hospitality expenditure, %	0	0
other (specify), %	3.3	2.9
outsourced services, %	2.2	2
reserves for future expenses, %	0.2	0.5
voluntary insurance payment, %	0.2	0.2
Other, %	0.7	0.2
Total: costs of production and sales of products (works, services) (prime cost), %	100	100
For reference: Proceeds from sales of products (works, services), %	112.1	107.6

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). Stage of development 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

6 months of 2019

The Issuer's suppliers that take up 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, %: **18**

Name: **Joint Stock Company Financial Industrial Group "Energokontrakt"**

Location: **3 Profsoyuznaya str., Moscow 117036**

TIN: **7703268269**

PSRN: **1027739479404**

Purchase share, %: **10**

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

Increase of prices on self-supporting insulated conductor (inventory group) by 13%

Share 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 imports in the supply of materials and goods is 5%.

The forecast of availability of sources of imports in the future is favourable.

Possible alternative sources are currently not available.

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

Core markets wherein the Issuer carries out its activity:

The Company is the largest power grid company in the Krasnodar region and the Republic of Adygea transmitting and distributing electric energy over networks of 110kV and lower between the settlements, in rural settlements and particular cities and regional centres of the Krasnodar region and the Republic of Adygea, including Sochi.

In accordance with the tariff-balance decision of REC-PTD KR for 2019, the Company's share in the regional market for electricity transmission services this year is 75.4% of the total required gross revenue of the region.

Kubanenergo PJSC carries out its core 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 sale of services 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 selling electric energy in the regional market pay “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 the region’s network 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 KR.

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)
- 41 energy selling companies: participants 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 (2 contracts), “Yugstroy-Energosbyt” LLC, “Energy Efficiency” LLC, “Kvant” LLC (2 contracts), “NSK” LLC, “Transneftenergo” LLC, “Rusnergo” LLC, “RegionEnergoKontrakt” LLC, “GazProm Energosbyt” JSC, “Energosbyt” LLC, “Garantenergo” LLC, “KNGK-Energo” LLC, “Alternativ-Energo-Sbyt” LLC, “AER” LLC (3 contracts), “ProfServisTrade” LLC, “Forest” LLC, “UES Garant” LLC, “ESK Nezavisimost” LLC, “VN-Energotrade” LLC, “Retail Energo Consult” LLC, “KSK” LLC, “Ytansit-EnergoSbyt” LLC, “Energosystema” LLC, “NEK” LLC, “EnergoMir” JSC, “Lukoil-Energoservis” LLC)
- 88 consumers that concluded with Kubanenergo PJSC direct contracts for electricity transmission (“Novorostsement” JSC, “Tamanneftegaz” CJSC, “EuroKhim-Belorechenskie Minudobreniya” LLC, “Poultry farm “Primorskaya” LLC, “Agriculture stud farm “Pobeda” CJSC, Federal State Budgetary Institution “Board of Kubanmeliovodkhoz”, “Sad-Gigant” JSC, “Verkhnebakancement factory” JSC, “Abrau Durso” CJSC, “Novorosslesexport” JSC, “Stud farm “Leninskiy put” JSC, “RAMO-M” CJSC, “Novorossiysk Commercial Seaport” PJSC, “Formika-Yug” LLC, “Kanevskiy Gas Fitting Plant” LLC, “IPP” JSC, etc.)
- commercial grid company (“Maikop CHP” LLC).

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

Factors that may have a negative effect on Kubanenergo PJSC products marketing are:

- 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 take corresponding decision for 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: **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: **01.01.2035**

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 0083905, registration number 1863**

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 **13.07.2018**

Expiry date of licence or access to particular types of works: **13.07.2023**

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 of 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 possibility of licenses prolongation.

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. Plans for future activity of the Issuer

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:

The Company's power network develops 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 connection contracts for the total capacity of about 660 MW in 2019; the amount of revenue (payment for grid connection) is projected to be 1 083 million rubles (without VAT).

It is expected that in 2023, 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 20 370 490 thousand kWh (104.93% compared to 2019).

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 power facilities, primarily those focused on provision of uninterrupted power supply across seaside area of the Krasnodar region (the Black Sea and the Azov Sea coasts), Krasnodar as a social and cultural centre and the Republic of Adygea.

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.18@ of 10.12.2018).

Sources of funding the Investment Programme 2019:

depreciation – 2 293.92 million rubles; funds received from allotment of additional shares of the Company – 17 673.01 million rubles; advanced payments from grid connection – 424.12 million rubles; credit funds – 1 723.73 million rubles.

Implementation of the Investment Programme includes construction and upgrade of 966.49 km of power lines and commissioning of transformer capacity in amount of 1 044.86 MVA.

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

Future prospects in terms of sources of future income:

The strategy of the Company concerning the sources of future incomes presupposes:

- 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

- enhancing efficiency of operating costs
- making of a reserve capacity of power grids in the volume advancing economic development for 3 years
- introduction of new 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 similar 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: shaping power sector of Russia in the sphere of distribution grid complex.

3.5. The Issuer's subsidiary and dependent companies of material significance

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

30.06.2019

Unit: thousand rubles

Group of fixed assets	Acquisition cost (replacement cost)	Accumulated depreciation
Fixed assets	113 962 995	60 922 795
Total	113 962 995	60 922 795

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

Reporting date: **30.06.2019**

Results of last revaluation of fixed assets and long-time leased assets, carried out during the last completed financial year, with the date of the revaluation, gross and net (net of amortisation) of the book value of fixed assets before revaluation and gross and net (net of amortisation) of the replacement cost fixed assets to reflect current revaluation. The information is provided for groups of fixed assets. The data are provided on methods of accrual of amortisation 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	43 563 850	14 951 010	31.12.2015	47 548 686	16 175 206

fixed assets (group 110, 420)					
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 of 1 September 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") are reflected in the financial statements for 2015 in accordance with legislation.

Contractor:

Joint Stock Company "EPNI Consult" (abbreviated name: "EPNI Consult" JSC)

Location: Office 500, Starokaluzhskoe highway 65, Moscow 117630

Address: Office 500, Starokaluzhskoe highway 65, Moscow 117630

PSRN 1027700283566 of 07.10.2002

Legal liability of the Contractor is insured by:

"UGORIA Insurance Company" JSC in the amount of 50 000 000 (fifty million) rubles (certificate of insurance of 12.09.2013 to additional agreement No. 3 of 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 of 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 of 12.02.2015 on the basis of which the certificate No. 0991R/776/10004/5 of 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 of 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 Investment Programme 2019-2022 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 30.06.2019:

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	31.08.2019	Prolongation is possible
Premises at 2A Stavropolskaya str., Krasnodar. area: 192.8 sq. m	Rent	01.02.2014	31.07.2019	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	01.11.2019	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	31.07.2019	Prolongation is possible
Premises for installation of metering devices. Location: branches of Kubanenergo PJSC. Area: 149 sq.m.	Rent	31.03.2010	30.04.2020	Prolongation is possible
Rooms: 18, 19, 20 located at: 47 Novorossiyskaya str., Krasnodar. Area: 23.8 sq.m.	Rent	01.02.2011	31.03.2020	Prolongation is possible
4 single-mode optical fiber No.21, 22, 23, 24 at optical cable	Rent	01.09.2007	30.09.2019	Prolongation is possible
The hotel complex, building F, facility room Ya: 4 Pionerskaya str., Divnomorskoe village, Gelendzhik	Rent	01.05.2016	01.01.2020	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: 1.3 m, places for installation of equipment on tower at 2A, Stavropolskaya str., Krasnodar	Rent	11.08.2017	11.05.2020	Prolongation is possible
Radio mast for installation of communication equipment, 30, Tabachnaya ul., Saratovskaya ul., area; 6 sq. m	Rent	01.04.2003	30.09.2020	Prolongation is possible
Site for installation of electricity pylon with antenna and feeder equipment, 74, Gagarina ul., Yablonovsky vill., area: 14.3 sq. m	Rent	20.07.2005	20.03.2020	Prolongation is possible
Premises No. 34 located at 131, Pashkovskaya street, Krasnodar. Total area 23 sq.m.	Rent	01.08.2013	01.01.2020	Prolongation is possible
Concrete flumes for holding 2 electrical lines, length 700 m, substation 110/35 "Naberezhnaya"	Rent	01.09.2009	01.10.2019	Prolongation is possible
Concrete flumes for holding 2 electrical lines, length 700 m, substation 110/35 "Naberezhnaya"	Rent	01.04.2010	01.05.2020	Prolongation is possible
Premises for installation of metering devices. Location: branches of Kubanenergo PJSC. Area: 5.2 sq.m.	Rent	01.01.2011	01.03.2020	Prolongation is possible
Premises: 7/1 Aerodromnaya str., Takhtamukai village, Adygea Area: 77.6 sq.m.	Rent	01.01.2015	31.07.2019	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	29.02.2020	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	29.05.2020	Prolongation is possible
Supports of 10-0.4 kV overhead lines to install fiber optic line. Dinskoi and Severskiy districts of Adygea	Rent	17.04.2017	indefinite term	Prolongation is possible
Premises at: 5 Mira street, Afinsip village, Takhatamukai district	Rent	22.02.2019	22.01.2020	Prolongation is possible
Supports of 10-0.4 kV overhead lines to install fiber optic cable, Dinskyaya and Starokorsunskaya villages	Rent	29.12.2017	29.10.2019	Prolongation is possible
Supports of 10-0.4 kV overhead lines to install fiber optic cable; Location: Dinskyaya village	Rent	26.10.2017	26.08.2019	Prolongation is possible
Supports of 10-0.4 kV overhead lines to install high voltage lines. Location: Takhtamukaiskiy district	Rent	11.12.2017	11.10.2019	Prolongation is possible
Premises 2-3 at: 86 Gagarina str., Yablonovsky village, Adygea	Rent	15.05.2018	15.03.2020	Prolongation is possible
Booth #3, 116 Kalinina str., Severskaya village, Seversky district	Rent	01.06.2019	01.05.2020	Prolongation is possible
Premises located at 358, Shovgenov street, Maikop. Area: 29.8 sq.m.	Rent	01.01.2014	01.07.2019	Prolongation is possible
Premises located at 358, Shovgenov street, Maikop. Area: 1 sq.m.	Rent	14.10.2013	14.03.2020	Prolongation is possible
Places for installation of communication equipment located at 110kV Apsheronskaya substation, Apsheronsk, Krasnodar region. Area: 0.08 sq.m.	Rent	12.01.2015	12.09.2019	Prolongation is possible
Premises at the address: 1a Industrialnaya, str., Maikopsky district, Absheronsk; 5 Energetikov str., Tulskey village	Rent	15.02.2017	15.11.2019	Prolongation is possible
Antenna; 475 Pobedy str., Belorechensk	Rent	01.09.2016	01.05.2020	Prolongation is possible
ATM, 334, Mira, Labinsk, Krasnodar Region. Area: 1 sq.m.	Rent	04.09.2013	30.09.2019	Prolongation is possible
Premises located at: 334, Mira street, Labinsk, Krasnodar region. Area: 18.6 sq.m.	Rent	01.02.2014	31.08.2019	Prolongation is possible
Machinery and repair shop located at 334, Mira street, Labinsk. Area: 8.64 sq.m.	Rent	30.01.2018	30.04.2020	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	01.05.2020	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	03.07.2019	Prolongation is possible

Pylons of 0.4kV power line, Krasnodar region, Kuschevskaya village	Rent	01.01.2019	30.11.2019	Prolongation is possible
Room No.15 located at: 49 Stroitel'naya str., Slavyansk-na-Kubani. Area: 28 sq.m.	Rent	01.03.2014	01.09.2019	Prolongation is possible
Part of premises located at: 49 Stroitel'naya street, Slavyansk-na-Kubani. 14 sq.m.	Rent	26.06.2017	25.03.2020	Prolongation is possible
Room No.7 at non-residential premises (lit. X) at: 49 Stroitel'naya str., Slavyansk-na-Kubani, 34.6sq.m.		01.04.2018	28.01.2020	Prolongation is possible
Room No.2 located at:137a Karla Marksa street, Temryuk	Rent	01.01.2019	30.11.2019	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	01.04.2020	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	01.02.2020	Prolongation is possible
Places for installation and operation of equipment	Rent	01.04.2018	indefinite term	Indefinite term
Singlemode optical fiber of fiber-optic transfer link "Sochi-Substation "Matsesta" 9.7 km	Rent	01.07.2013	30.04.2020	Prolongation is possible
Premises for dispatch centre, located at 42, Konstitutsii USSR str., Sochi, area: 0.84 sq.m.	Rent	01.08.2014	01.02.2020	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	01.09.2019	Prolongation is possible
Optical fiber in a fiber-optic wire of a transmission line	Rent	01.07.2016	01.03.2020	Prolongation is possible
Terminal Box/ODF/: 42, Konstitutsiya str., Sochi, area: 0.25 sq.m.	Rent	30.10.2012	29.02.2020	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	17.05.2020	Prolongation is possible
Place for installation and use of equipment	Rent	23.09.2016	23.05.2020	Prolongation is possible
Joint suspension of 0.4kV power line located at Chekmeneva street, Khostinskiy district	Rent	13.07.2017	13.04.2020	Prolongation is possible
Installation of equipment at pylon No. 24 of 110kV high-voltage line "Dzhubginskaya CHP – Arkhipo-Osipovka"	Rent	08.08.2017	30.11.2019	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	08.10.2019	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	01.04.2020	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	21.09.2019	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
Room № 6 at: 1 Eastern Pier, Novorossiysk, Krasnodar region; total area: 2.5 square metres	Rent	14.04.2009	14.04.2020	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.		05.08.2011	05.11.2019	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	20.12.2019	Prolongation is possible
Premises No. 7 on the territory of Gelendzhik distribution zone in repair and production building lit. A at: 24a, Suvorov street, Gelendzhik, total area 0.72 sq.m.	Rent	01.04.2013	01.10.2019	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	10.01.2020	Prolongation is possible
Land plot 195sq.m., Novorossiysk, Vostochniy Mol 1	Аренда	11.02.2019	31.12.2043	Prolongation is not stipulated
Premises with total area 1362.6 square meters, 4 Krasnodarskaya str., Ust-Labinsk, Krasnodar region, area: 31.7 square meters	Rent	04.02.2014	04.08.2019	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	01.07.2019	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	6 months of 2018	6 months of 2019
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Net profit margin, %	-0.17	-2.24
Asset turnover ratio, times	0.29	0.3
Profitability of assets, %	-0.05	-0.67
Net profitability of equity, %	-0.11	-1.49
Sum of non-covered loss as of reporting date	12 848 216	12 965 761
Ratio of non-covered loss as of reporting date and carrying value, %	16.74	16.95

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

Decrease in the indicator “Net profit margin” by 2.07% within 6 months of 2019 compared to the same period of 2018 is due to decrease in the net profit of the issuer by 477 million rubles.

The asset turnover ratio by the results of 6 months of 2019 remained at the level of 6 months of 2018 and is 0.30.

The return on assets and equity by the results of 6 months of 2019 are negative due to the presence of a loss by the results of the reporting period. Return on assets decreased by 0.62 points and amounts to “minus” 0.67%.

In comparison to 6 months of 2018, net profitability of equity decreased over 6 months of 2019 by 1.38 points and amounts to “minus” 1.49%. Decrease in these indicators in the reporting period was significantly affected by the decrease in the Company’s financial result by 477 million rubles.

The “Sum of non-covered loss as of reporting date” indicator increased by 118 million rubles over 6 months of 2019 due to the growth of uncovered loss received by the issuer in the period.

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: **Yes**

Dissenting opinion regarding the reasons mentioned and/or the degree of their influence on the results of the issuer’s financial and economic activities, reflected in the minutes of the meeting (session) of the board of directors (supervisory board) of the issuer or collegial executive body which discussed the relevant issues, and the argumentation of a member of the issuer’s governing body explaining his/her position:

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	6 months of 2018	6 months of 2019
Net fixed assets index	-2 776 998	-15 830 249
Current liquidity ratio	0.83	0.45
Quick liquidity ratio	0.74	0.4

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:

The indicator "Net working capital" has decreased by the results of the 1st half of 2019 in comparison to the same period of 2018 and amounts -15 830 249 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 has decreased comparison with the similar period of 2018 by 0.38 points, and amounts 0.45.

The quick liquidity ratio shows how the most liquid assets cover the short-term liabilities of the Company. By the results of the 1st half of 2019, the quick liquidity ratio decreased by 0.34 in comparison with the same period in 2018 and amounts 0.40.

The main reason for these changes is increase in short-term accounts payable in comparison to the 1st half of 2018, as well as due transfer of sums of credits from long-term to short-term, which maturity date is less than 12 months.

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

30.06.2019

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

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

Investments in non-issue securities

There are no investments in non-issue 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 2017 amounted 26 920 thousand rubles and as of 31 December 2018 – 8 132 thousand rubles, and as of 30 June 2019 – 8 132 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 RAS 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 of RAS 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

30.06.2019

Unit: thousand rubles

Intangible assets	Initial (replacement) cost	Amortization
Intangible assets	58 696	25 016
TOTAL	58 696	25 016

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

Accounting of intangible assets is carried out 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 No. 153n of 27.12.2007.

Reporting date: **30.06.2019**

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 2019 contains 8 projects, 2 of them will be launched in 2019.

The planned efficiency indicator "R&D expenditures" for 2019 is 0.15% (or 26 million rubles excluding VAT) of the revenue.

In the reporting period, patent fees were paid for maintaining patents on utility models and inventions, which were patented by PJSC Kubanenergo.

In the 1st half of 2019 the following stages of projects were accepted:

- Development of profiles of standard IEC 61850 for devices/cabinets with replay protection and automation, and supervisory control and data acquisition systems that ensure their interchangeability (one stage amounting 5.31 million rubles, VAT excluded)

Information on 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):

- Utility patent No. 2680613 of 25.02.2019 "Method of connecting the reflectometric device to overhead power lines"
- Utility patent No. 2685048 of 17.05.2018 "Method of detection of obstacles and damages on power lines"

The main areas and results of use of the issuer's main intellectual property objects:

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

- 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
- software package for planning maintenance and repair used for scheduling maintenance and repair of equipment.

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 the Issuer's core activity

The main trends in development of electric power industry

- moderate growth in electricity demand
- reduction of electricity losses in electric networks
- introduction of energy-saving technologies
- cooperation with foreign partners
- attraction of investments
- overcoming of shortage of production capacity
- perspective development of power grids

General assessment of the Issuer's performance in the industry; assessment of the compliance of the Issuer's results with the industry development trends; reasons justifying the results of operation (satisfactory and unsatisfactory results, in the Issuer's opinion):

The main goal of the Issuer's activities in the power industry is to ensure reliable and uninterrupted power supply to consumers, consistent implementation of investment projects for construction and reconstruction of overhead and cable power lines, substations and other energy facilities responsible for uninterrupted power supply at the coast of the Krasnodar region – the Black Sea and Azov Seas Krasnodar as a social and cultural center, and the Republic of Adygea.

This became possible due to solution of one of the main tasks – development of the electric grid complex of the Company and the region by finding the best ways to modernize and expand the electric grid complex to eliminate the existing shortage of energy capacities and meet the demand for electric power in the long term. Acting within the framework of the Decree of the Government of the Russian Federation of 17.10.2009 No.823 “On schemes and programmes for the perspective development of the electric power industry”, Kubanenergo PJSC participates on a regular basis in the development of schemes and programmes for the perspective development of the electric power industry of the Krasnodar region and the Republic of Adygea for a five-year period. In particular, in 2019, with the direct participation of Kubanenergo PJSC, the following projects were approved:

- Scheme and Programme for the future development of the power industry of the Krasnodar region for the period 2020-2024 (approved by order of the Head of the Administration (Governor) of the Krasnodar region No.101-r of 30.04.2019)
- Scheme and Programme of development of electric power industry of the Republic of Adygea for 2019-2023 (approved by order of the Head of the Republic of Adygea No. 118-rg of 30.04.2019)

One of the most important areas of activity of Kubanenergo PJSC is timely and affordable technological connection of new consumers to the power grids in order to meet the demand for energy capacity of housing construction projects, enterprises of the agro-industrial complex of the South of Russia, as well as elimination of the capacity deficit in large industrial and residential centres of the Krasnodar region and the Republic of Adygea.

Thanks to a competent approach to solving production problems, the Company's management was able to raise the level of performance indicators for the provision of grid connection services.

As of 30.06.2019, the number of contracts being implemented is 16 290. Despite the complications, there is a trend of decrease in the number of contracts on technological connection, including previously accumulated obligations.

At the same time, the demand for technological connection continues to remain at a consistently high level (on average, more than 33 thousand applications are received per year). The average ratio of the

number of concluded and implemented contracts indicates the absence of a significant increase in accumulated obligations.

According to the results of the 1st half of 2019, the Company's average time for fulfillment of obligations under contracts was 84 days, which is 8 days more than in 2018 (76), which, however, is significantly lower than the normative terms for implementation of technological connection activities established by the Rules for technological connection of devices of electric energy consumers, as well as electric grid facilities belonging to grid organizations and other entities, approved by the RF Government Decree No.861 of 24.12.2004, (4-6 months). The average time for consideration of the application and the submission of offer decreased from 15 days in 2018 to 10 days in the 1st half of 2019.

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

Opinions of the issuer's management bodies regarding the information provided are the same.

The members of the Board of Directors and the Management Board of the issuer do not have a special opinion regarding the information provided.

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.

In the current macroeconomic conditions, the core activity of the issuer is influenced by inflation. In addition, the growth of productive supply and revenue from electricity transmission are 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.

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

1. Establishment of unified "boiler" tariffs for electricity transmission services in accordance with the regulatory legal acts governing relations in the field of tariff setting. This relationship scheme, in addition to establishing a single tariff for transmission services in the region, requires regional grid companies to formalize contractual relations on the transmission of electrical energy to the final consumer with all grid organizations in the region.
 2. Since 2014, changes have been made to the Principles of Pricing in the Field of Regulated Prices (Tariffs) in the Electric Power Industry, approved by the Resolution of the Government of the Russian Federation No. 1178 of 29.12.2011, in terms of tariff approval by executive authorities of the Russian Federation; among these changes:
 - Decree of the Government of the Russian Federation No.179 of 07.03.2014 approved the criteria for classifying territorial network organizations as network organizations serving primarily one consumer
 - Decree of the Government of the Russian Federation No.542 of 11.06.2017 enshrines the obligation of the regulatory body to indicate in tariff decisions the costs of the grid organization related to implementation of technological connection to electric networks not included in the payment for technological connection
 - Resolution of the Government of the Russian Federation No.184 of 28.02.2015 approved the criteria for attribution of owners of electric grid facilities to territorial grid organizations.
- By the order of Regional Energy Commission – Price and Tariff Department for the Krasnodar Region (REC-PTD KR)

No.90/2018-e of 28.12.2018, unified (boiler) tariffs for electric power transmission services for 2019 were approved. Single-rate unified (boiler) tariffs for electric power transmission services for 2019 were approved at the level of maximum tariff levels for 2019 approved by order No.1819/18 of the FAS Russia No.1819/18 of 19.12.2018, above the level stipulated by the forecast of social and economic development of the Russian Federation. The growth of tariff will reach 5% from 01.07.2019.

The increase in the required gross revenue of the region in the current year is 2.8%.

The increase in own required gross revenues for the maintenance of Kubanenergo PJSC in 2019 compared to 2018 is 4.0%.

The increase in the average (“boiler”) tariff for electricity transmission in 2019 in relation to the approved average tariff in 2018 is 2.8%.

REC-PTD KR has set for 2019 individual tariffs for mutual settlements with territorial grid companies in accordance with paragraph 52 of Guidelines for calculation of regulated tariffs and prices on electric (thermal) energy at retail (consumer) electricity market, that were approved by the Federal Tariff Service of Russia on 06.08.2004, order No.20-e/2. The Commission set the individual tariffs taking the planned balanced power exchange between network companies as the base for calculation of individual tariffs on payment for technical losses of electric energy. Payment for services will be made for the actual amount of the net transfer.

On 28.12.2018, the Order of the Regional Energy Commission - Price and Tariff Department for the Krasnodar Region No.91/2018-e “On setting the price for technological connection to electric networks of power companies on the territory of Krasnodar region and the Republic of Adygea” approved standardized tariff rates and rate for payment per unit of maximum capacity for technological connection to networks of Kubanenergo PJSC for 2019.

Growth of rate of payment per unit of maximum capacity for coverage of maintenance costs (C1) in comparison with last year amounts 4.6% in 2019.

Growth of standard tariff rate C1 per one connection in 2019 is 6.9% in comparison to the level of the previous year.

Standard tariff rates and rates per 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.

The following factors also affect the status of the issuer:

- presence of solvent demand from consumers;
- non-observance of payment discipline by supply companies;
- technical condition of fixed production assets;
- lack of investment;
- reduction of the scientific and technical potential of the industry and, as a result, the gap with the leading countries in the development and implementation of new technologies.

The Issuer’s activity in the sphere of transmission services is influenced by the following circumstances:

- due to the fact that calculation of technological losses is performed for a 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

- absence 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 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 focuses on development of its 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 programmes;
- a range of activities pertaining the requirements of Regulations on Certificate of Reliability;
- studying the 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 in the shortest possible time.

Automation of equipment within the framework of digitization will significantly reduce the manual labour of service engineers, operational and maintenance personnel, relay protection specialists, and other specialists who carry out operational maintenance of the power facility.

Digitalization of power grid equipment will 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 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 of 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 of 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):

There are risks of failure to ensure reliable power supply to consumers and the threat to stable operation of the power system due to overloading of power lines and transformers (autotransformers)

in normal and post-emergency conditions, including as a result of adverse weather (natural disaster). **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)
- digitalization of electric networks and automation of business processes
- 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
- activities to reduce controllable costs, which allowed the Company to reduce operating expenses by at least 2% compared to the previous year

Implementation of investment programmes of Kubanenergo PJSC that presuppose development, technical re-equipment and reconstruction of the Company's grid facilities, taking into account digitalization, will improve the state of power supply for 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

Information disclosed in this paragraph remained unchanged in the reporting quarter.

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

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's Charter to the competence of the General Meeting of Shareholders of the Issuer:

- 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;
- 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 article 10 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) approve resolutions on issue of securities (additional issue), securities prospectus, and reports on the results of issue (additional issue), and notification on the results of issue (additional issue) of securities; approve reports on the results of purchase of the Company's own shares from the shareholders; reports on the results of redemption of shares; reports on the results of claims by shareholders of the Company to repurchase their shares; approve resolutions on acceptance of offers on acquisition of additional shares offered publicly after the expiration of the preemptive right, in cases determined by the Board of Directors of the Company;

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" or other federal laws

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 terminate their 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 (1st quarter, six months, nine months and reporting year)

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;

36-37) 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) and BoD meetings of subsidiaries and dependent companies ("SDCs")

38) preliminary approval of resolutions on the Company's entering into certain transactions;

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) scoping 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", the 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 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) establishment of 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) at least once a year organization 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 regulations 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 to the strategy approved by the Company; hearing of reports of General Director and members of Company's Management Board on the implementation of the approved strategy;

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

63) approval of the Company's Information Policy and consideration of report on its implementation

64) on preliminary approval of agreement on a shareholder (shareholders) of the Company making gratuitous contributions to the property of the Company in cash or in other form, which do not increase the authorized capital of the Company and do not change the nominal value of shares (contributions to the property of the Company)

65) on preliminary approval of the agreement on the Company making gratuitous contributions to the property of companies in the authorized capital of which the Company participates, in cash or otherwise, which do not increase the authorized capital of these companies and (or) do not change the nominal value of shares

66) other issues, 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 plans for future development 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 SDCs;
- 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 Chairperson of the Management Board of the Company;
- assigns responsibilities among Deputies Director General;
- 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 45 (forty-five) 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) - approves methods for calculation and evaluation of key performance indicators of subdivisions (officials) of the Company and their indicators (amended indicators) and performance reports.

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-polozheniya/>

Over the last reporting period, amendments were made to the issuer's charter (constituent documents), or to internal documents regulating the activities of the issuer's bodies

Information on amendments made during the last reporting period to the charter of the issuer, as well as to internal documents regulating the activities of the issuer's bodies:

In order to bring the Corporate Governance Code approved by the Bank of Russia into compliance with the requirements of the legislation of the Russian Federation, and improve corporate governance practices, on 20.06.2019, the issuer's Annual General Meeting of Shareholders made decisions on approval of the new version of the Charter, as well as the Regulations for:

- the General Meeting of Shareholders
- the Board of Directors
- the Management Board

In the new edition of the Charter of the Company:

- took into account the requirements of the current legislation related to the holding of General Meetings of Shareholders, as well as the convening of an extraordinary General Meeting of Shareholders
- the competence of the Board of Directors and the procedure for convening its meetings have been clarified
- it became possible to make a decision by the Board of Directors on appointment of an Acting General Director of the Company for a specified period without terminating the powers of the General Director of the Company
- provisions on internal audit in the Company were added.

The new edition of the Regulations for the General Meeting of Shareholders of the Company:

- considers the requirements of the Federal Law "On Joint-Stock Companies", and the Regulations on General Meetings of Shareholders approved by the Bank of Russia
- clarifies the list of information to be provided to persons entitled to participate in the General Meeting of Shareholders in preparation for its holding
- clarifies certain provisions related to the General Meeting of Shareholders of the Company.

The new edition of the Regulations for the Board of Directors of the Company:

- considers the requirements of the Federal Law "On Joint-Stock Companies", and the Corporate Governance Code approved by the Bank of Russia
- defines the list of the most important issues, the consideration of which requires a joint meeting of the Board of Directors
- provides possibility to convene a meeting of the Board of Directors at the initiative of the head of the Internal Audit of the Company
- clarifies the procedure for making decisions by the Board of Directors through absentee voting.

In the new edition of the Regulations for the Management Board of the Company, in accordance with the Federal Law “On Joint-Stock Companies, Head of the Internal Audit was added to the list of persons who are provided with minutes of meetings of the Management Board.

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)

Full name: **Gavrilov Alexander Ilich**

(Chairperson)

Year of birth: **1973**

Education:

Higher education:

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

Conferred a degree on Doctor of Economics

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)**
- **Federal State-Funded Institution “Education Centre” at Rostekhnadzor (Federal Service for Environmental, Technological and Nuclear Oversight of Russia): “Training and testing of knowledge of labor protection requirements of executives and specialists” (2018)**
- **International Education Academy, LLC: “First Aid at Work Training Course” (2018)**
- **Power Engineering Institute of Advanced Training of Kubanenergo PJSC: “Training for chairpersons and members of committees on prevention and liquidation of emergencies and fire safety in civil defense and ensuring unified national emergency prevention and control system” (2019)**
- **Workshops at Innopolis University: “Strategy and tactics in the era of digitalization for power industry” (2019)**
- **Seminar: Science and Technology Education Centre of RF Federal Antimonopoly Service: “Tariff regulation in 2018 and objectives of the government regulatory agencies for 2019” (2018)**

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	2019	Kubanenergo PJSC (former Kubanenergo JSC)	Director General, Chairperson of the Management Board
2014	2019	Kubanenergo PJSC (former Kubanenergo JSC)	Member of the Board of Directors
2019	present day	Kubanenergo PJSC	Chairperson 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**

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, later: Managing Director in charge of Corporate Relationships and Legal Groundwork; later: Vice-President in charge of Corporate Relations and Legal Support; later: Vice President - Managing Director of Corporate Relations and Legal Support; now: Vice President for Legal Regulation and Administration of Law
2006	present day	TsRKO RES NP (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 Management Board
2008	present day	MSO PAU (former Non-profit	Chairperson of the Board

		partnership MSO PAU)	
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	present day	Russian Railways JSC	Member of the 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	2018	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	2018	Mosenergostroy Construction Industrial Company	Member of the Board of Directors
2018	present day	Association Institute of Internal Auditors (former Institute of Internal Auditors Non-Profit Partnership)	Member of the Board
2017	2018	Scientific and Technological Company Russian Interbranch Scientific and Technical Complex (RMNTK) “Nefteotdacha”	Member of the Board of Directors
2018	present day	IDGC of Centre PJSC	Member of the Board of Directors
2018	present day	Kubanenergo PJSC	Member of the Audit Committee
2018	2019	Kubanenergo PJSC	Member of the Grid Connection 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: **Kiryukhin Sergey Vladimirovich**

Year of birth: **19759**

Education:

Higher education

- **Tula State University: “ Legal Studies ” (2002)**
- **Orel Regional Academy of Civil Service: “ State and municipal management” (2010)**

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		
2012	2016	Russian Investigative Committee	Deputy Head of Sector of the Main Directorate
2017	2017	Federal State Budgetary Institution “Labour Research Institute” of Russian Ministry of Labour	Advisor to Director General
2017	2018	Federal Service for Ecological, Technological and Atomic Supervision	Deputy Head of Directorate, Head of Directorate
2018	present day	Rosseti PJSC	Chief Advisor; then Acting Deputy Director General – Chief of Staff
2019	present day	Kubanenergo PJSC, Yantarenergo JSC, IDGC of Volga PJSC, IDGC of the North Caucasus PJSC, Tyvaenergoby JSC, Kabbalkenergo JSC, Dagestan Energy Selling Company PJSC, Sevkavenergo JSC, Karachaevo-Cherkesskenenergo JSC, Kalmenergoby JSC	Member of the Board of Directors
2018	2019	Tyumenenergo JSC. Yantarenergo JSC,	Member of the Audit Committee
2019	present day	MOESK PJSC, IDGC of Centre PJSC, Lenenergo PJSC, IDHC of Centre and	Member of the Audit Committee

		Volga Region PJSC, TsTZ JSC	
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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	2018	Industrial park "Safonovo" LLC	Deputy Director General in charge of Economics and Finances; Chairperson of the Board of Directors
2017	present day	Kubanenergo PJSC,	Member of the Board of Directors
2017	2019	Kubanenergo PJSC	Member of the Reliability Committee under the Board of Directors
2017	2019	Tyumenenergo JSC	Member of the Committee for Strategy and Development under the Board of Directors
2018	present day	Avangard JSC	Adviser to Director General

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: **Larionov Dmitry Vasilievich**

Year of birth: **1981**

Education:

Higher:

- **State University of Economics and Finances: "Financial Management" (2003)**

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		
2012	present day	Rosseti PJSC (former Holding IDGC JSC, Rosseti JSC)	Deputy Head of Property Management and Evaluation Sector of Property Management Debarment; now: Deputy Head of the Department – Head of the Sector of Land and Property Relations and Disposal of Property at Department of Property Management
2019	present day	FITs (Federal Experimentation Centre) PJSC, 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:

Committee	Chairperson
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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		
2014	present day	Rosseti PJSC (former Rosseti JSC)	Head of Division for Financial Analysis and Liquidity Management at Treasury Department; later: Head of Administration for Financial Analysis and Liquidity Management at Treasury Department ; now: Head of Administration for Financial Analysis at Finance Department
2017	present day	Kubanenergo PJSC	Member of the Board of Directors
2017	2018	Kubanenergo PJSC	Member of the Audit Committee under the Board of Directors

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: **Rozhkov Vasily Vladimirovich**

Year of birth: **1963**

Education:

Higher education

- **Tomsk Institute of Automated Control Systems and Electronic Engineering: “Radioengineering” (1985)**
- **Irkutsk State Technical University: “Electric Power Plants” (2005)**

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	2016	FGC UES PJSC	Deputy Head of Department of Business Assets Management
2016	present day	Rosseti PJSC	Head of the Operations Planning Unit at the Department for Operations and Process Management
2019	present day	Kubanenergo PJSC, Chechenenergo 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: **Sergeeva Olga Andreevna**

Year of birth: **1984**

Education:

Higher education

Plekhanov Russian University of Economics:

“Economics and Corporate Management. Building and Construction” (2006).

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		
2010	2017	Department for Fuel and Energy Economy of Moscow Government	Consultant at General Administrative Department; later: General Administrative Department Advisor; later: Deputy Head of General Administrative Department; later: Head of General Administrative Department; later: Head of Organizational and Legal Department; later: Deputy Head Department for Fuel and Energy Economy
2017	2017	Moscow Department of Housing, Utilities and Amenities	Deputy Head
2018	present day	Rosseti PJSC	Member of the Management Board; Advisor; later: Chief Advisor; later: Deputy Director General – Chief of Staff; now: Chief Advisor
2018	present day	IDGC of the South PJSC, MOESK PJSC, IDGC of North-West PJSC, Lenenergo PJSC, IDGC of North Caucasus PJSC, Kubanenergo PJSC	Member of the Board of Directors
2018	2019	Kubanenergo JSC	Chairperson of the Personnel and Remuneration Committee under the Board of Directors
2019	present day	FGC UES 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: **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		
2013	present day	Rosseti PJSC (former 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, later: Deputy Head of Securities and Information Disclosure Sector of the same Department; now: Chief Expert at Securities and Information Disclosure Sector at Department of Corporate Governance
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, Energoservice 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 and 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	2019	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” (2001);**
- **Vladimir Law Institute at the Federal Penal Correction Service: “Legal studies” (2013)**

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	2015	Federal Tariff Service of Russia	Head of Sector; later: 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; later: Acting Head of Tariff Policy Department; now: Head of Tariff Policy Department
2016	2018	IDGC of Volga PJSC	Member of the Board of Directors
2017	present day	Kubanenergo PJSC	Member of the Board of Directors, Member of the Audit Committee under the Board of Directors
2017	2018	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
2018	present day	TRK PJSC, IDGC of North-West PJSC	Member of the Board of Directors
2018	present day	MOESK PJSC, IDGC of Ural JSC	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.**

Name: **Yavorsky Viktor Korneyevich**

Independent member of the Board of Directors

Year of birth: **1955**

Education:

Higher:

- **Moscow Power Engineering Institute: "Automated Control Systems" (1981)**

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		
1998	2014	Audit Company OSBI-M LLC	Director General
2002	present day	Centre of Technologies LLC	Director General
2006	present day	Audit and Consulting Group OSBI-KLASS LLC	President
2013	present day	Russian Non-Governmental Organization of Small and Medium Business OPORA RUSSIA	Presidium Member, Member of the Management Board
2014	present day	TORI-AUDIT LLSC	Director General
2015	2019	Tyumenenergo JSC	Member of the Board of Directors
2019	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.**

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**

Information on education of the BoD members in the reporting quarter: during the reporting quarter the members of the Board of Directors were not trained at the Company's expense

Committees under the Board of Directors of the Issuer¹:

In order to ensure the Board of Directors of "Kubanenergo" PJSC is efficient in its functions of general management of the Company's activity, the Board of Directors has established the following Committees representing advisory and consultative bodies:

The Reliability Committee was established by the decision of the Board of Directors on 15.09.2006, Minutes No.21/2006.

The Committee's tasks consist in provision of recommendations to the Board of Directors on the following activities of the Board of Directors:

- evaluation 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, as well as control of their performance;
- evaluation of the quality of investigations of 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);
- evaluation and 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;
- 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;

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

- evaluation of the occupational safety and health management system in the Company;
- evaluation of the implementation of the environmental policy;
- evaluation of fire and industrial safety systems.

The Reliability Committee under the BoD before 21.06.2019 the first meeting of the new Board of Directors of the Company:

#	Name of the candidate	Employment
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	Shishigin Igor Nikolaevich	Deputy Director General in charge of Technical Issues – Chief Engineer, member of the Management Board 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	Medvedev Mikhail Vladimirovich	Deputy Director General, Holding “Intra Tool” LLC, member of the Board of Directors of Kubanenergo PJSC

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

- discussion 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;
- supervision of the efficiency of functioning of system of counteraction to fraud by the Company’s employees and third parties.

The Audit Committee as of the end of the reporting quarter:

#	Name of the candidate	Employment
1	Khokholkova Kseniya Valerievna, chairperson	Chief Expert at Directorate of Securities Management and Information Disclosure at Department of Corporate Governance, Rosseti PJSC, member of the Board of Directors of Kubanenergo PJSC
2	Varvarin Aleksandr Viktorovich	Vice-president – Managing Director in charge of Corporate Relations and Legal Support, Russian Union of Industrialists and Entrepreneurs, member of the Board of Directors of Kubanenergo PJSC
3	Shagina Irina	Head of Tariff Policy Department, Rosseti PJSC, member of the

Alexandrovna	Board of Directors of Kubanenergo PJSC
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The Committee for Strategy, Development, Investment and Reforms under the Board of Directors was established on 4 February 2010 by the 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 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

The Committee for Strategy, Development, Investment and Reforms under the BoD before 21.06.2019 the first meeting of the new Board of Directors of the Company:

#	Name of the candidate	Employment
1	Pavlov Alexey Igorevich, chairperson	Head of Treasury Department, Rosseti PJSC
2	Gritsenko Vladimir Fyodorovich	Director of Business Development, Yunitel Engineering LLC, member of the Board of Directors of Kubanenergo PJSC
3	Guselnikov Konstantin Sergeevich	Director General, FinInvest Consulting LLC
4	Balaban Fyodor Nikolaevich	Deputy Head of Strategic Projects Division at Department of Strategic Development, Rosseti PJSC
5	Mikryukov Dmitriy Vasilievich	Chief Expert of Division for Consolidated Planning and Reporting at Investments Activity Department, Rosseti PJSC
6	Ocheredko Olga Vyacheslavovna	Deputy General Director for Economics and Finance, Kubanenergo PJSC, member of the Management Board of Kubanenergo PJSC
7	Rafalskaya Inna Sergeyevna	Deputy Head of Division for Settlement of Disputes in the field of Tariff Setting of the Tariff Policy Department, Rosseti 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

The Personnel and Remuneration Committee under the Board of Directors was established on 5 August 2010 by the decision of the Board of Directors of “Kubanenergo” JSC, Minutes No. 94/2010 of 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 performing 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 performing 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.

The Personnel and Remuneration Committee under the BoD before 21.06.2019 the first meeting of the new Board of Directors of the Company:

#	Name of the candidate	Employment
1	Sergeeva Olga Andreevna, chairperson	Deputy Director General – Chief of Staff, Rosseti PJSC; chairperson (member) of the Board of Directors of Kubanenergo PJSC
2	Chevkin Dmitriy Aleksandrovich	Head of Personnel and Organization Development Department, Rosseti PJSC
3	Erpsheer Nataliya Ilinichna	Head of Division for Organization Development under Department of HR Policy and Organization Development, Rosseti PJSC

The Grid Connection Committee under the Board of Directors was established on 11 October 2011 by the decision of Kubanenergo BoD, minutes of meeting No.119/2011 of 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 the regions of the Company's responsibility;
- analysis of current situation in the Company and preparation of propositions to the BoD on technological connection of consumers to electric grids

The Grid Connection Committee under the BoD before 21.06.2019 the first meeting of the new Board of Directors of the Company:

#	Name	Position
1	Pyatigor Alexander Mikhailovich	Acting Deputy Director General for Devolvement and Selling of Services, Rosseti PJSC; Chairperson of the Committee
2	Varvarin Aleksander	Vice-president – Managing Director in charge of Corporate

	Viktorovich	Relations and Legal Support, Russian Union of Industrialists and Entrepreneurs, member of the Board of Directors of Kubanenergo PJSC
3	Korneyev Alexander Yurievich	Head of Department of Perspective Development of Grids and Grid Connection, Rosseti PJSC
4	Kostetsky Vyacheslav Yurievich	Deputy Director General for Development and Grid Connection, member of the Management Board of Kubanenergo PJSC

5.2.2. Information on the Sole Executive Body of the Issuer

Name: **Sergeyev Sergey Vladimirovich**

Year of birth: **1976**

Education:

Higher education:

- **Novocherkassk State Technical University: “Industrial and Civil Construction” (1998)**
- **Academy of National Economy of the Russian Federation Government: “Economics, Management, Finances and Legal Fundamentals of Joint-Stock Companies” (2003)**

Advanced training courses:

- **Inter-industry Regional Center for Advanced Studies and Retraining under Irkutsk State Technical University (2007)**
- **Institute of Advanced Training for Managers and Specialists of the Fuel and Energy Complex (2008)**
- **Federal State Budgetary Educational Institution of Higher Education “Moscow Power Engineering Institute”: “Basics of Modern Power Industry” (2017)**
- **Expert Centre “VolgaPromAudit” LLC (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	till		
2013	2019	Rosseti PJSC (former Rosseti JSC)	Deputy Director General for Capital Construction
2014	2015	Tyumenenergo JSC, Kubanenergo JSC, IDGC of Ural JSC	Member of the Board of Directors
2016	present day	FGC UES JSC, Lenenergo JSC	Member of the Board of Directors
2019	present day	MOESK PJSC	Member of the Board of Directors
2019	present day	Kubanenergo PJSC	Director General, Chairperson 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**

5.2.3. The Collegial Executive Body of the Issuer

Name: **Sergeyev Sergey Vladimirovich**
(Chairperson)

Year of birth: **1976**

Education:

Higher education:

- **Novocherkassk State Technical University: “Industrial and Civil Construction” (1998)**
- **Academy of National Economy of the Russian Federation Government: “Economics, Management, Finances and Legal Fundamentals of Joint-Stock Companies” (2003)**

Advanced training courses:

- **Inter-industry Regional Center for Advanced Studies and Retraining under Irkutsk State Technical University (2007)**
- **Institute of Advanced Training for Managers and Specialists of the Fuel and Energy Complex (2008)**
- **Federal State Budgetary Educational Institution of Higher Education “Moscow Power Engineering Institute”: “Basics of Modern Power Industry” (2017)**
- **Expert Centre “VolgaPromAudit” LLC (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	till		
2013	2019	Rosseti PJSC (former Rosseti JSC)	Deputy Director General for Capital Construction
2014	2015	Tyumenenergo JSC, Kubanenergo JSC, IDGC of Ural JSC	Member of the Board of Directors
2016	present day	FGC UES JSC, Lenenergo JSC	Member of the Board of Directors
2019	present day	MOESK PJSC	Member of the Board of Directors
2019	present day	Kubanenergo PJSC	Director General, Chairperson 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: **Armaganyan 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)**
- **Federal State-Funded Institution “Education Centre” at Rostekhnadzor (Federal Service for Environmental, Technological and Nuclear Oversight of Russia): “Training and testing of knowledge of labor protection requirements of executives and specialists” (2018)**
- **International Education Academy, LLC: “First Aid at Work Training Course” (2018)**
- **Federal State Autonomous Institution for Continuing Professional Education Institute for training senior officials and experts of fuel and energy complex, course: “Ensuring the protection of state secrets, maintaining secret office work and essentials of information security in organizations”, programme: 08.01.01 “Organization of protection of state secrets (state certification of managing directors)” (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	till		
2009	present day	Kubanenergo PJSC (former Kubanenergo JSC)	Head of Sector for Implementation of Energy Transmission Services; later: Head of Sector for Technological Connection; later: Head of Sector for Electricity Transport; later: Deputy Director in

			charge of Development and Implementation of Services at Kubanenergo branch Sochi Electric Networks; later: Advisor to Director General of Kubanenergo JSC; later: Acting first Deputy Director General of the Company; later: Head of Kubanenergo branch Sochi Electric Networks (main job) with part-time job as Acting First Deputy Director General (combined duties); later: Director of branch Sochi Electric Networks, later: First Deputy Director General – Director of Kubanenergo branch Sochi Electric Networks, Deputy Director General in charge of Implementation of Services (combined duties); now: First Deputy Director General – Director of Kubanenergo branch Sochi Electric Networks
2014	present day	Kubanenergo PJSC (former Kubanenergo JSC)	Member of the Management Board
2015	2017	Kubanenergo PJSC	Member of Reliability Committee under the Board of Directors
2016	present day	Energoservice of Kuban JSC (former Energoservice of Kuban OJSC)	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:

- Ernst&Young: "Risk management" (2015)

- Consulting and Education Centre “Energopersonal”, course “Internal Audit: Basic Theory and Practice” (2015)
 - Federal State-Funded Institution “Education Centre” at Rostekhnadzor (Federal Service for Environmental, Technological and Nuclear Oversight of Russia): “Training and testing of knowledge of labor protection requirements of executives and specialists” (2018)
 - International Education Academy, LLC: “First Aid at Work Training Course” (2018)
- Participation in seminar: Science and Technology Education Centre of RF Federal Antimonopoly Service: “Tariff regulation in 2018 and objectives of the government regulatory agencies for 2019” (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	till		
2012	2019	Kubanenergo PJSC (former Kubanenergo JSC)	Adviser of Director General; later: Acting Deputy Director General in charge of Logistics and Inventory without discharge from the main job; later: Deputy Director General in charge of Logistics and Inventory; later: Acting Deputy Director General in charge of Investment Activity (part time job); now: 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	till		
2013	present day	Kubanenergo PJSC (former Kubanenergo JSC)	Director of branch South-Western Electric Networks, 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 a 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)
- International Education Academy, LLC: “First Aid at Work Training Course” (2018)
- Power Engineering Institute of Advanced Training of Kubanenergo PJSC: “Training for chairpersons and members of committees on prevention and liquidation of emergencies and fire safety in civil defense and ensuring unified national emergency prevention and control system” (2019)

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

Period		Company	Position
from	till		
2013	present day	Kubanenergo PJSC (former Kubanenergo JSC)	Director General Adviser; later: 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 a 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: **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)
- International Education Academy, LLC: “First Aid at Work Training Course” (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	till		
2013	present day	Kubanenergo PJSC (former Kubanenergo JSC)	CEO Advisor; later: Deputy Director General for Development and Sales; later: Deputy Director General for Implementation and Development of Services; now: Deputy Director General for Development and Grid Connection; Member of the Management Board
2013	2015	Energoservice of 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
2018	present day	Kubanenergo PJSC	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: **Nischyuk Oleg Fyodorovich**

Year of birth: **1978**

Education:

Higher education:

Kuban State University: "World Economy" (2001)

Advanced training:

Bauman Moscow State Technical University at Educational Centre of Kubanenergo: "Management" (2006)

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		
2015	present day	Kubanenergo PJSC (former Kubanenergo JSC)	Deputy Head of Department for Selling of Services and Accounting of Electric Energy; now: Deputy Director General for Service Implementation
2016	present day	Energoservice of Kuban JSC (former Energoservice of Kuban OJSC)	Member of the Board of Directors
2018	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: **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)**
- **International Education Academy, LLC: “First Aid at Work Training Course” (2018)**
- **Science and Technology Education Centre of RF Federal Antimonopoly Service: “Tariff regulation in 2018 and objectives of the government regulatory agencies for 2019” (2018)**
- **Engineering and Technical Center at the Federal Antimonopoly Service of the Russian Federation: “Tariff regulation in the context of digitalization” (2019)**

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

Period		Company	Position
from	till		
2008	present day	Kubanenergo PJSC (former Kubanenergo	Head of Financial Department under Financial Directorate; later: Head of Directorate – Head of Division at Financial

		JSC)	Department; later: Head of Financial Division for Construction of Olympic Facilities; later: Deputy Head of Department – Head of Financial Division at Financial Department, later: Head of Financial Department; later: Head of Division for Construction of Olympic Facilities at Department of Property and Legal Support of Construction of Olympic Facilities; now: 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 (Recreation centre “Energetik” OJSC)	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; 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: **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)
- Power Engineering Institute of Advanced Training of Kubanenergo PJSC: “Training for chairpersons and members of committees on prevention and liquidation of emergencies and fire safety in civil defense and ensuring unified national emergency prevention and control system” and “Advanced training of teaching staff in the sphere of civil defense and emergencies protection” (2019)

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

Period		Company	Position
from	to		
2013	2019	Kubanenergo PJSC (former Kubanenergo JSC)	Advisor of Director General with duties of deputy director general in charge of security, without discharge from primary employment Deputy Director General in charge of Security; later: Director General Assistant; later: Deputy Director General; now: 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.**

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)

In 2015 he completed advanced training course “Corporate Management” at Bauman Moscow State Technical University.

Advanced training courses:

- SGC Vostok Limited: “Internal auditor of the Occupational Health & Safety Management System. OHSAS 18001:2007” (2013)
- State Academy of Advanced Training and Retraining of Personnel for Construction and Housing and Public Utilities Complex of Russia: “Power supply: changes in the regulatory framework, modern technologies, materials and equipment, installation features” (2014)
- Education Centre “Kubanenergo”: “Environmental safety at electric grid facilities” (2014)
- Power Engineering Institute of Advanced Training of Kubanenergo PJSC: “Advanced training on labour protection”, “General industrial safety requirements”, “Precertification training of managers and specialists of organizations operating electric networks”, “Precertification training of managers and specialists responsible for the operation of hazardous production sites where lifting constructions designed for lifting and moving cargoes are used”, “Precertification 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)
- International Education Academy, LLC: “First Aid at Work Training Course” (2018)
- Power Engineering Institute of Advanced Training of Kubanenergo PJSC: “Training for chairpersons and members of committees on prevention and liquidation of emergencies and fire safety in civil defense and ensuring unified national emergency prevention and control system” (2019)

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

Period		Company	Position
from	till		
2013	present day	Kubanenergo PJSC (former Kubanenergo JSC)	Deputy Head of Sector for Production Control and Occupational Safety at Krasnodar electric networks branch of Kubanenergo JSC; Head of Sector for Production Control and Occupational Safety at Krasnodar electric networks branch of Kubanenergo JSC; Deputy Chief Engineer – Head of Sector for Production Control and Occupational Safety at Sochi electric networks and Krasnodar electric networks, branch of Kubanenergo JSC; First Deputy Director General – Chief Engineer at Sochi electric networks
2017	present day	Kubanenergo PJSC	Deputy Director General for Technical Affairs – Chief Engineer; member of the Management Board
2019	2019	Kubanenergo PJSC	Acting Director General of Kubanenergo PJSC; Chairperson of the Management

			Board
2017	2019	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 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: **Khazikova Zanda Ivanovna**

Year of birth: **1980**

Education:

Higher education:

- **Kalmyk State University: "History" (2003)**
- **Saratov State Academy of Law: "Legal studies" (2005)**

PhD in Law

Advanced training:

Moscow State Technical University named after Bauman: "Management. Control systems at the enterprise" (2018)

Workshops:

- **Informational Web Portal of Administration of Housing Services and Utilities: online seminar on electric power industry (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	till		
2012	2014	GPB Bank (JSC)	Leading specialist at Underwriting Unit of the Credit Sector (Krasnodar branch)
2014	2017	Kubanenergo PJSC (former Kubanenergo JSC)	Deputy Head of Internal Audit and Risk Management, later: Deputy Head of Legal Support Department
2017	present day	Kubanenergo PJSC	Deputy Head of Legal Support Department, later: Acting Deputy Director General for Corporate Governance, now:

			Deputy Director General for Corporate Governance
2018	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.**

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 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	6 months of 2019
Remuneration for participation in activity of the management body	0
Salary	
Bonuses	
Commission fees	
Other remunerations	
Total	0

Information on the existing agreements on such payments in the current financial year:

In the current period, two Regulations on payment of remuneration to the members of the Board of Directors of Kubanenergo PJSC were in effect.

In accordance with the Regulation for payment of remuneration to members of the Board of Directors of Kubanenergo PJSC (approved by the AGM, minutes of the meeting No.36 of 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 the 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.

In addition to the remuneration the following premiums shall be paid:

- 30% payable to the Chairperson of the Board of Directors of the Company;
- 20% payable to the Chairperson of a committee of the Board of Directors of the Company;
- 10% payable to a member of a 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. Remuneration to the members of the Issuer's Board of Directors elected by the Annual General Meeting of Shareholders of the Company on 25.05.2018 will be paid in accordance with the above Regulation.

In accordance with the current Regulation for payment of remuneration to members of the Board of Directors of Kubanenergo PJSC approved by the AGM on 20.06.2019 (minutes of the meeting No.42 of 20.06.2019), remuneration to members of the Board of Directors shall be paid quarterly for the period of election of a person to the Board of Directors till the termination of authorities of such a member of the Board of Directors.

The amount of remuneration for participation in the Board of Directors of the Company of each member of the Board of Directors of the Company is calculated taking into account the total number of meetings of the Board of Directors of the Company conducted in the reporting quarter and the number of meetings in which such a member of the Board of Directors participated.

Along with it, the amount of the base the remuneration is determined in view of the Company's revenue calculated according to the Russian Accounting Standards for the last completed reporting year preceding the election of the Board of Directors.

The remuneration is paid within 30 calendar days after the end of the reporting quarter.

In addition to the remuneration the following premiums shall be paid:

- 30% payable to the Chairperson of the Board of Directors of the Company;
- 20% payable to the Chairperson of a committee of the Board of Directors of the Company;
- 10% payable to a member of a committee of the Board of Directors of the Company.

Premiums for chairmanship and/or membership in a specialized committee under the Board of Directors are not paid if no meetings of the Committee were held for the reporting quarter.

Remuneration is not paid if a member of the Board of Directors did not participate in more than 50% of the meetings held in the reporting quarter.

The current Regulation for payment of remuneration to members of the Board of Directors of Kubanenergo PJS applies to the members of the Board of Directors of the Company elected by the Annual General Meeting of Shareholders of the Company on 20.06. 2019, and subsequent General Meetings of Shareholders of the Company.

Collegiate executive body

Unit of measurement: **thousand rubles**

Indicator	6 months of 2019
Remuneration for participation in activity of the management body	792
Wages	13 538
Bonuses	806
Commission fees	0

Fringe benefits	0
Other remunerations	1 156
Total	16 292

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 of 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 of 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 – the Management Board of Kubanenergo PJSC.

Compensations

Unit of measurement: **thousand rubles.**

Management body	6 months of 2019
Board of Directors	0
Collegiate executive body	228

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 of 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.

In accordance with the Regulation for payment of remuneration to members of the Board of Directors of Kubanenergo PJSC, approved by the AGM on 20.06.2019 (minutes of the meeting No.42 of 20.06.2019) a member of the Board of Directors is reimbursed for expenses on participation in meetings of the Board of Directors, committees of the Board of Directors, General Meetings of Shareholders of the Company according to the rules for reimbursement of travel expenses in force at the time of the meeting (session) established for senior managers of 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 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 writing-off 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 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 and internal documents of the Issuer.

To check and approve annual financial reports of the Issuer, the General Meeting of Shareholders annually appoints an Auditor.

Based on the contract and in accordance with requirements of the RF legislation, the Issuer's Auditor checks business activity of the Company.

Following the results of inspections of the Issuer's business activity, the Company's Auditing Commission and 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
Varvarin Alexander Viktorovich	no
Shagina Irina Alexandrovna	no

Information on 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;
- 5) 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.
- 6) monitoring of implementation of activities and internal control procedures in the Company;
- 7) provision of information on the state of ICS and RMS in the Company;
- 8) organization to ensure compliance with the requirements of state supervisory bodies to the ICS;
- 9) ensuring interaction with state regulatory authorities in the exercise of control measures in respect of the Company and its subsidiaries;
- 10) 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 had been performed 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 internal control and risks unit 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 Rosseti 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 Rosseti PJSC;
- 5) organization of activities of the Audit Commission of affiliates;
- 6) participation of employees of the Department of Internal Audit as elected members of audit commissions or invited experts in the activities of the Audit Commission of an affiliate;
- 7) participation in special (official) investigations 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) informing 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) monitoring of 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 paragraph 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.

The Issuer approved an internal document that sets the rules for preventing misuse of confidential and insider information.

Information on the issuer's internal document establishing the rules to prevent misuse of confidential and 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 by the Board of Directors on 02.08.2013 (minutes of meeting No.168/2013) the Regulations on the Insider Information of the Company; on 19.06.2019 the Board of Directors approved the restated Regulations (minutes of meeting No.348/2019) and put into effect by order No.671 on 16.07.2019;
- 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;
- established 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 was updated due to:

- introduction of changes in Federal Law of RF No. 273-FZ of 25.12.2008 “On anti-corruption” recommendations of the Federal Agency for State Property Management, and
- other instructions of federal executive authorities.

The Issuer approved a list of anti-corruption measures for Kubanenergo PJSC, providing for the implementation of activities and procedures and the guidelines for their implementation.

The Programme of anti-corruption measures in Kubanenergo PJSC (Order of Kubanenergo PJSC No. 109 of 04.02.2019) is developed and approved for 2019, and it:

- contains plan of measures (list) for 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 activities;
- assigns schedule of implementation of specific activities;

Keynotes of the anticorruption policy:

- 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 prevent 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 when 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 focuses on formation of transparent business standards. The automated system – “Analysis and collection of information on 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 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;
- monitors 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 filling-in 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 combat 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: **Lelekova Marina Alexeyevna**
(Chairperson)

Year of birth: **1961**

Education:

Higher education:

- **Far East Institute of Soviet Trade: "Economics"**

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

Period		Company	Position
from	till		
2013	present day	Rosseti PJSC (former Rosseti JSC)	Head of Department of Internal Audit and Control; later: Director of Department of Internal Audit and Control, now: Director of Department of Control and Inspection
2013	present day	IDGC of North-West PJSC (former IDGC of North-West JSC)	Member of the Auditing Commission
2014	2015	IDGC of Centre JSC	Member of the Auditing Commission
2014	2016	FGC UES PJSC (former FGC UES JSC), Lenenergo PJSC (former Lenenergo JSC)	Member of the Auditing Commission
2014	present day	IDGC of Centre and Volga region	Member of the Auditing

		PJSC (former IDGC of Centre and Volga region JSC), Tyumenenergo PJSC (former Tyumenenergo JSC)	Commission
2015	present day	IDGC of Volga JSC, IDGC of Ural JSC	Member of the Auditing Commission
2015	2018	TRK PJSC	Member of the Auditing Commission
2016	2017	Lenenergo PJSC	Member of the Board of Directors
2016	2017	IDGC of the South PJSC	Member of the Auditing Commission
2018	2019	FGC UES PJSC	Member of the Auditing Commission
2018	present day	Yantarenergo JSC, IDGC of the South PJSC, IDGC of Centre PJSC, Lenenergo PJSC	Member of the Auditing Commission
2019	present day	IDGC of Siberia PJSC, TRK PJSC, ПАО IDGC of North Caucasus 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: **Kim Svetlana Anatolievna**

Year of birth: **1981**

Education:

Higher education:

Moscow State University of Railway Engineering: "Commerce" (2004)

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		

2008	2013	FGC UES PJSC	Leading expert of the Directorate of Financial Control and Internal Audit; later: Chief Expert of the Control and Audit Department; later: Head of the Investment Control Department of the Control and Audit Department
2013	present day	Rosseti PJSC (former Rosseti JSC)	Head of the Audit and Internal Audit Division of the Internal Audit and Control Department; later: Head of the Directorate for Inspection Activity of the Control Department; now: Head of Directorate for Inspection Activity at Department for Control and Inspection
2013	2014	Lenenergo JSC	Member of the Auditing Commission
2014	present day	IDGC of Ural PJSC, IDGC of Volga PJSC (former IDGC of Volga JSC), IDGC of Siberia PJSC (former IDGC of Siberia JSC)	Member of the Auditing Commission
2014	2017	IDGC of North Caucasus PJSC (former IDGC of North Caucasus JSC), MOESK PJSC (former MOESK JSC)	Member of the Auditing Commission
2015	2017	Kubanenergo PJSC	Member of the Auditing Commission
2015	present day	Yantarenergo JSC	Member of the Auditing Commission
2015	present day	IDGC of Centre PJSC, Scientific and Research Centre of IDGC JSC, Association VNIPI EnergoProm JSC, Administration of “Fiber-Optic Communication Lines – VL” JSC	Member of the Auditing Commission
2015	2016	IDGC of the South PJSC	Member of the Auditing Commission
2016	present day	Lenenergo JPSC, Scientific and Research Centre of UES JSC	Member of the Auditing Commission
2017	present day	IDGC of Centre and Volga Region PJSC, IDGC of North-West PJSC	Member of the Auditing Commission
2018	present day	Kubanenergo PJSC, IDGC of the South PJSC, MOESK PJSC, IDGC of North Caucasus PJSC	Member of the Auditing Commission
2019	present day	SZEUK (Northwest Energy Management Company) PJSC, TsTZ (Centre of Technical Employer) JSC, Tyvaenergobyt JSC, TRK JSC, FGC UES 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: **Yerandina Yelena Stanislavovna**

Year of birth: **1972**

Education:

Higher education:

Moscow State University of Environmental Engineering: "Economics and Management in Agribusiness Industry" (1994)

State University of Management: "Finances and Credit" (2006)

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		
2013	2015	Elekrtosetservis UES JSC	Chief Specialist of the Internal Audit Sector
2016	present day	Rosseti PJSC	Chief Expert of the Control and Expert Sector under the Control and Audit Department
2016	2017	Kalmenergosbyt JSC, Tyumenenergo JSC	Member of the Auditing Commission
2016	2018	Kabbalkenergo JSC, IDGC of Centre and Volga Region PJSC, IDGC of Centre PJSC, IDGC of Siberia PJSC	Member of the Auditing Commission
2016	present day	Karachaevo-Cherkesskenenergo JSC, Tyvaenergosbyt JSC, MOESK PJSC, Yantarenergo JSC, Sevkavkazenergo JSC, Dagestan Energy Selling Company PJSC	Member of the Auditing Commission

2017	present day	IDGC of North Caucasus PJSC, TRK PJSC	Member of the Auditing Commission
2018	present day	Kubanenergo PJSC, IDGC of the South PJSC, IDGC of North-West PJSC, Lenenergo PJSC, Chechenenergo JSC, Kalmenergosbyt JSC, Sevkavkazenergo JSC	Member of the Auditing Commission
2019	present day	Tyumenenergo JSC, IDGC of Siberia PJSC, IDGC of Centre and Volga region JSC, IDGC of Ural JSC, TsTZ (Centre of Technical Employer) JSC, Scientific and Research Centre of Unified Energy System 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: **Kabizskina Yelena Alexandrovna**

Year of birth: **1964**

Education:

Higher education:

Far Eastern State Technical Fisheries University, Engineering and Finance Department.

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		
2013	2014	MOESK JSC	Head of Directorate for Methodological Support at Department of Internal Audit
2013	2014	Chechenenergo JSC, IDGC of North Caucasus PJSC, Lenenergo JSC, IDGC of Volga JSC, Sevkavkazenergo JSC	Member of the Auditing Commission

2014	present day	Rosseti PJSC (former Rosseti JSC)	Deputy Head of Directorate for Auditing Activity at Department of Supervisory Activity; later: Deputy Head of Division for Auditing Activity at Department of Control and Auditing
2014	2015	Administration of “Fiber-Optic Communication Lines – VL” JSC, Scientific and research centre of UES JSC, Tyumenenergo JSC	Member of the Auditing Commission
2014	present day	Karachaevo-Cherkessskenergo JSC (former Karachaevo-Cherkessskenergo OJSC), Kalmenergosbyt JSC (former Kalmenergosbyt OJSC), Tyvaenergosbyt JSC (former Tyvaenergosbyt OJSC), Yantarenergo JSC (former Yantarenergo OJSC)	Member of the Auditing Commission
2015	2016	Ingushenergo JSC	Member of the Auditing Commission
2015	2017	IDGC of North-West PJSC, Lenenergo PJSC, Scientific and research centre of UES JSC	Member of the Auditing Commission
2015	present day	Kubanenergo PJSC, IDGC of North Caucasus PJSC, TRK PJSC, IDGC of Siberia PJSC, Sevkavkazenergo JSC (former Sevkavkazenergo PJSC), Kabbalkenergo JSC (former Kabbalkenergo PJSC), Dagestan Energy Selling Company PJSC, Chechenenergo JSC	Member of the Auditing Commission
2016	2018	MOESK PJSC, IDGC of Volga PJSC	Member of the Auditing Commission
2016	present day	SZEUK PJSC, IDGC of Centre and Volga Region PJSC, IDGC of the South PJSC, IDGC of Ural JSC	Member of the Auditing Commission
2017	2018	TsTZ JSC (Technical Customer Centre)	Member of the Auditing Commission
2018	present day	Tyumenenergo JSC, IDGC of Centre PJSC, IDGC of North-West PJSC, Lenenergo PJSC, Scientific and research centre of UES JSC	Member of the Auditing Commission
2019	present day	IDGC of Volga 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: **Malyshev Sergey Vladimirovich**

Year of birth: **1965**

Education:

Higher education:

Yaroslavl Higher Military Financial College: "Economics and Finances" (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	till		
2013	present day	Rosseti PJSC (former Rosseti JSC)	Chief Expert at Directorate for Auditing Activity at Department for Control Activity; now: Leading Specialist at Directorate for Auditing Activity at Department for Control and Auditing Activity
2013	2015	IDGC of Ural JSC	Member of the Auditing Commission
2013	present day	Dagestan energy selling company PJSC (former Dagestan energy selling company JSC)	Member of the Auditing Commission
2014	2015	Lenenergo JSC, Tyumenenergo JSC, IDGC of Centre and Volga region JSC, Kalmenergosbyt JSC, Scientific and research centre of Ural JSC	Member of the Auditing Commission
2014	2018	Karachaevo-Cherkesskenenergo JSC, former Karachaevo-Cherkesskenenergo OJSC), Tyvaenergosbyt JSC (former Tyvaenergosbyt OJSC), IDGC of North-West PJSC (North-West	Member of the Auditing Commission

		JSC), Ingushenergo JSC (Ingushenergo OJSC)	
2014	present day	IDGC of Volga PJSC (former IDGC of Volga JSC), IDGC of Centre PJSC (former IDGC of Centre JSC), IDGC of Siberia JPSC (former IDGC of Siberia JSC), Sevkavkazenergo PJSC (former Sevkavkazenergo JSC), Kubanenergo PJSC (former Kubanenergo JSC), Yantarenergo JSC (Yantarenergo OJSC), SZEUK PJSC (SZEUK JSC)	Member of the Auditing Commission
2015	present day	Kabbalkenergo PJSC (former Kabbalkenergo JSC), IDGC of North Caucasus PJSC, Scientific and research centre of IDGC JSC, VNIPInergoprom Association JSC, VNIPInergoprom real property JSC, Real property of the Southern centre of power industry”	Member of the Auditing Commission
2015	2018	Tyumenenergo JSC	Member of the Auditing Commission
2016	2018	Lenenergo PJSC	Member of the Auditing Commission
2016	2019	Scientific and research centre UES JSC	Member of the Auditing Commission
2016	present day	Chechenenergo JSC	Member of the Auditing Commission
2017	2019	Kalmenergosbyt JSC	Member of the Auditing Commission
2018	present day	TRK PJSC	Member of the Auditing Commission
2018	2019	IDGC of Ural JSC	Member of the Auditing Commission
2019	present day	IDGC of the South JSC, MOESK PJSC, IDGC of Centre and Volga region PJSC, Tyvaenergobyt JSC, Karachaevo-Cherkessenergo 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**

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: **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	till		
2013	2017	Rosseti PJSC (former Rosseti JSC)	Lead Expert of Internal Audit and Risks Management Department, later: Lead Expert of Directorate of Internal Audit, later: Chief Expert at the same directorate
2017	present day	Kubanenergo PJSC	Head of Directorate of Internal Control and Risks Management; later: Head of Directorate of Internal Control and Risks Management and on a part-time basis Head of Internal Control Department; now: Head of Internal Control Department
2018	present day	"Recreation Centre "Energetik" JSC, Energoservice of Kuban JSC	Member of the Audit 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 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: **Chernyshenko Nikolay Gennadievich**

Year of birth: **1986**

Education:

Higher education.

Kuban State Agrarian University, "Accounting, Analysis, and Audit".

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

Period		Company	Position
From	To		
2011	present day	Kubanenergo PJSC	Lead Specialist of the Internal Audit and Risk Management Department; later: Chief Specialist of the Internal Audit and Control Department; later Chief Specialist of the Internal Control and Risk Management Department; now: Head of Internal Control and Risk Management Directorate

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 remuneration and/or compensation of expenses paid to the bodies controlling the Issuer's 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	6 months of 2019
Remuneration for participation in the activity of the body exercising control of the issuer's financial and economic activities	0
Salary	
Bonuses	
Commission fees	
Other remunerations	
Total	0

Information concerning the existing agreements pertaining to such payments in the current 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.40 of 28.05.2018), the remuneration shall be paid as a lump-sum by the results of activity within the period of election of the Auditing Commission at the General Meeting of Shareholders till the next General Meeting of Shareholders with agenda item pertaining to election of members to the Auditing Commission.

The amount of remuneration paid to the members of the Auditing Commission of the Company is calculated depending on the base amount of remuneration and the degree of their participation in the activity of the Committee.

The base amount of remuneration paid to the Auditing Commission is derived from the 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	6 months of 2019
Remuneration for participation in the activity of the body exercising control of the issuer's financial and economic activities	0
Salary	2 685
Bonuses	696
Commission fees	0
Other remunerations	233
Total	3 614

Information concerning the existing agreements pertaining to such payments in the current fiscal 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	6 months of 2019
Remuneration for participation in the activity of the body exercising control of the issuer’s financial and economic activities	0
Salary	1 499
Bonuses	420
Commission fees	0
Other remunerations	83
Total	2 002

Information concerning the existing agreements pertaining to 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	6 months of 2019
Auditing Commission	0
Internal Audit Department	0
Internal Audit and Risks Management Department	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.40 of 28.05.2018), 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.

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	6 months of 2019
Average number of employees	8 634
Cash allocated for payment of wages in the reporting period	2 404 548.2
Cash allocated for social welfare in the reporting period	18 879.5

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 Concluded by the Issuer

6.1. Information on the total number of the Issuer's shareholders (participants)

Total number of persons having non-zero balances on their personal accounts and registered in the issuer's shareholder register as of the end date of the reporting quarter: **1 807**

Total number of nominee holders of the issuer's shares: **2**

Total number of persons included on the latest list of the persons entitled to participate in the issuer's general meeting of shareholders (any other list of persons that is prepared for the purposes of exercising the rights attaching to the issuer's shares and for the preparation of which the nominee holders of the issuer's shares provided details of the persons on whose behalf they held (hold) the issuer's shares): **2 648**

Date of preparing the list of persons included on the latest list of the persons entitled to participate in the issuer's general meeting of shareholders (any other list of persons that is prepared for the purposes of exercising the rights attaching to the issuer's shares and for the preparation of which the nominee holders of the issuer's shares provided details of the persons on whose behalf they held (hold) the issuer's shares): **26.05.2019**

Holders of ordinary shares of the issuer subject to inclusion in such list: **2 648**

Information on the number of treasury shares on the issuer's balance sheet as of the last date of the reporting quarter: **None**

Information on the number of the issuer's shares held by issuer-controlled entities: **There are no shares belonging to the issuer-controlled entities**

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**

Short business name: **RF represented by the Federal Agency for Management of State Property**

Address

9 Nikolsky lane, Moscow 109012, Russia

INN (Taxpayer Identification Number): **7710723134**

OGRN (Principal State Registration Number): **1087746829994**

Stake held by the participant (shareholder) in the authorized capital of the issuer: **6.86%**

Percentage of ordinary shares held by the participant (shareholder) in the issuer: **6.86%**

Persons (entities) controlling the participant (shareholder) of the Issuer: **None**

Participants (shareholders) of the entity owning at least 20 percent of its authorized capital or at least 20 percent of its ordinary shares: **None**

Other information provided by the issuer at its own discretion: **none**

2.

Full business name: **Public Joint-Stock Company "Russian Grids"**

Abbreviated business name: **Rosseti PJSC**

Address: **Moscow, Russia**

INN (Taxpayer Identification Number): **7728662669**

OGRN (Principal State Registration Number): **1087760000019**

Stake held by the participant (shareholder) in the authorized capital of the issuer: **92.78%**

Percentage of ordinary shares held by the participant (shareholder) in the issuer: **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**

Address:

9 Nikolsky lane, Moscow 109012, Russia

INN (Taxpayer Identification Number): **7710723134**

OGRN (Principal State Registration Number): **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 Rosseti 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 such 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:

6.3. Information on participatory stake of the government or a municipal unit in the authorized capital of the Issuer and a special right (“Golden Share”)

Information about the controllers of state or municipal shares: **None**

Persons (entities) that 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**

Stake in the authorized capital of the issuer held as the government’s (federal or constituent entity) or a municipality’s property: **6.86**

Property of subjects of Russian Federation

Full business name: **Regional state specialized agency “State Property Fund of the 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): **0.00015**

Special right of participation of the Russian Federation, constituent entities of the Russian Federation and municipalities in managing the issuer (joint-stock company) (“golden share”), duration of 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 capital

6.5. Information on changes in the 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 its ordinary shares

List of the issuer’s shareholders (participants) owning at least 5% of the issuer’s authorized capital and (for issuers from among joint-stock companies) at least 5% of the issuer’s ordinary shares prepared as of the date of the list of persons entitled to participate in each General Meeting of Shareholders (Participants) of the issuer held in the most recently closed fiscal year preceding the last date of the reporting quarter and in the period from the beginning of the current year to the last date of the reporting quarter based on data from the list of persons entitled to participate in each of such meetings.

Date of preparing the list of persons (entities) entitled to participate in the General Meeting of Shareholders (Participants) of the Issuer: **30.04.2018**

List of Shareholders (Participants):

Full business name: **Russian Federation represented by Federal Agency for the Administration of State Property**

Short business name: **RF represented by Federal Agency for the Administration of State Property**

Address: **9 Nikolskiy lane, Moscow 109012**

INN (Taxpayer Identification Number): **7710723134**
 OGRN (Principal State Registration Number): **1087746829994**
 Participatory interest of the person (entity) in the authorized capital of the Issuer, %: **7.36**
 Percentage of the Issuer's ordinary shares held by the person (entity), %: **6.86**

Full business name: **Public Joint Stock Company "Russian Grids"**
 Short business name: **Rosseti PJSC**
 Address: **Moscow, Russia**
 INN (Taxpayer Identification Number): **7728662669**
 OGRN (Principal State Registration Number): **1087760000019**
 Participatory interest of the person (entity) in the authorized capital of the Issuer, %: **92.24**
 Percentage of the Issuer's ordinary shares held by the person (entity), %: **92.78**

Date of preparing the list of persons (entities) entitled to participate in the General Meeting of Shareholders (Participants) of the Issuer: **24.03.2019**

List of Shareholders (Participants):

Full business name: **Russian Federation represented by Federal Agency for the Administration of State Property**
 Short business name: **RF represented by Federal Agency for the Administration of State Property**
 Address: **9 Nikolskiy lane, Moscow 109012**
 INN (Taxpayer Identification Number): **7710723134**
 OGRN (Principal State Registration Number): **1087746829994**
 Participatory interest of the person (entity) in the authorized capital of the Issuer, %: **6.86**
 Percentage of the Issuer's ordinary shares held by the person (entity), %: **6.86**

Full business name: **Public Joint Stock Company "Russian Grids"**
 Short business name: **Rosseti PJSC**
 Address: **Moscow, Russia**
 INN (Taxpayer Identification Number): **7728662669**
 OGRN (Principal State Registration Number): **1087760000019**
 Participatory interest of the person (entity) in the authorized capital of the Issuer, %: **92.78**
 Percentage of the Issuer's ordinary shares held by the person (entity), %: **92.78**

Additional information: **None**

Date of preparing the list of persons (entities) entitled to participate in the General Meeting of Shareholders (Participants) of the Issuer: **26.05.2019**

List of Shareholders (Participants):

Full business name: **Russian Federation represented by Federal Agency for the Administration of State Property**
 Short business name: **RF represented by Federal Agency for the Administration of State Property**
 Address: **9 Nikolskiy lane, Moscow 109012**
 INN (Taxpayer Identification Number): **7710723134**
 OGRN (Principal State Registration Number): **1087746829994**
 Participatory interest of the person (entity) in the authorized capital of the Issuer, %: **6.86**
 Percentage of the Issuer's ordinary shares held by the person (entity), %: **6.86**

Full business name: **Public Joint Stock Company “Russian Grids”**

Short business name: **Rosseti PJSC**

Address: **Moscow, Russia**

INN (Taxpayer Identification Number): **7728662669**

OGRN (Principal State Registration Number): **1087760000019**

Participatory interest of the person (entity) in the authorized capital of the Issuer, %: **92.78**

Percentage of the Issuer’s ordinary shares held by the person (entity), %: **92.78**

Additional information: **None**

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: rubles

Indicator	Total amount, pieces	Total amount in monetary assets
Transactions of interest concluded by the issuer in the reporting period which require the approval by the governing body of the Issuer	1	157 042 306
Transactions of interest concluded by the issuer in 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 in the reporting period which have been approved by the board of directors (supervisory board of the issuer)	1	157 042 306
Transactions of interest concluded by the issuer in 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 accounts for 5 percent 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 most recent reporting quarter

Such transactions were not performed

Transactions (groups of related transactions) of interest that were not approved by the Board of Directors (Supervisory Board) or by the General Meeting of Shareholders in cases when such approval was required by the legislation of the Russian Federation

Such transactions were not performed

Additional information :

Transactions of interest concluded in the reporting quarter that required notification of/approval from the management bodies of Kubanenergo PJSC:

#	Contractor	Sum of the contract, rubles	Contract
1	VOLS-VL Management JSC	157 042 305.64	The issuer provides VOLS-VL Management JSC (Customer) an access to power lines for installation and operation of communication lines of the Customer

Total: 157 042 305.64

6.7. Information on the accounts receivable

30.06.2019

Unit of measurement: thousand rubles

Indicator	Value
Accounts receivable of buyers and customers	8 397 434
Including overdue	2 844 033
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	1 084 439
Including overdue	271 116
Total amount of accounts receivable	9 481 873
Including total amount of overdue accounts receivable	3 115 149

Debtors that take up 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: **101 office, 13 Perepravny str., Krasnodar 350033, Krasnodar region**

TIN: **2308091759**

PSRN: **1032304155102**

Amount of accounts receivable: **1 716 952.69**

Unit of measurement: **thousand rubles**

Amount and conditions of overdue accounts receivable (interest rate, penalties, fines): **no**

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 385018, the Republic of Adygea**

TIN: **0107019540**

PSRN: **1100107001280**

Amount of accounts receivable: **523 031.16**

Unit of measurement: **thousand rubles**

Amount and conditions of overdue accounts receivable (interest rate, penalties, fines):

Overdue accounts receivable: 476 573.64 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 350000, Krasnodar region**

TIN: **2308119595**

PSRN: **1062309019794**

Amount of accounts receivable: **5 248 843.48**

Unit of measurement: **thousand rubles**

Amount and conditions of overdue accounts receivable (interest rate, penalties, fines):

Overdue accounts receivable: 2 152 610.76 thousand rubles

Sanctions, penalties, fines: no.

Debtor is affiliated entity of the Issuer: **No**

Full business name: **Inter-district Inspectorate of the Federal Tax Service for Major Taxpayers No.6**

Abbreviated business name: **Interdistrict Inspectorate of the Federal Tax Service for Major Taxpayers No.6**

Address: **12/9 proezd Cherepanovkh, Moscow 125239**

TIN: **7707323305**

PSRN: **1047743056030**

Amount of accounts receivable: **483 473.46**

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**

VII. The Issuer’s Accounting (Financial) Statements and Other Financial Information

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

Annual accounting statements are not specified for this reporting quarter.

7.2. Interim accounting (financial) statements of the Issuer

Balance sheet

30 June 2019

		Codes
Form No. 1 OKUD [Russian National Classifier of Management Documentation]		0710001
	Date	30.06.2019

Organization: Kubanenergo PJSC	OKPO [Russian Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN	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		

notes	Indicator	Line code	30.06.2019	31.12.2018	31.12.2017
	ASSETS				
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	33 680	38 621	33 456
	R&D results	1120	112 758	107 450	69 571
	Intangible development assets	1130	-	-	-
	Tangible development assets	1140	-	-	-
	Fixed assets	1150	62 069 624	62 534 635	59 659 050
	Income-bearing investments in tangible valuables	1160	-	-	-
	Financial investments	1170	37 556	37 556	36 004
	Deferred tax assets	1180	862 773	764 948	881 948
	Other non-current assets	1190	208 231	229 593	175 097
	TOTAL Section I	1100	63 324 622	63 712 803	60 855 126
	II. CURRENT ASSETS				
	Supplies	1210	1 670 837	1 762 670	1 490 541
	Value added tax on valuables acquired	1220	2 411	2 450	6 020
	Accounts receivable	1230	9 481 873	7 041 684	6 832 606
	Financial investments (except cash equivalents)	1240	-	-	-
	Monetary assets and equivalents	1250	818 400	2 194 307	1 667 376
	Other current assets	1260	1 174 378	1 194 901	1 005 084
	TOTAL Section II	1200	13 147 899	12 196 012	11 001 627
	BALANCE	1600	76 472 521	75 908 815	71 856 753

	LIABILITIES	Line	30.06.2019	31.12.2018	31.12.2017
	III. CAPITAL AND RESERVES				
	Authorized capital (reserve capital, statutory find and partners' contributions)	1310	30 379 335	30 379 335	28 286 813
	Treasury stock bought out at from the shareholders	1320	-	-	-

	Revaluation of non-current assets	1340	10 382 496	10 736 476	10 755 560
	Additional capital (without revaluation)	1350	6 481 916	6 481 916	6 481 916
	Reserve capital	1360	302 820	295 260	268 996
	Unallocated profit (uncovered loss) of	1370	(12 965 761)	(12 654 441)	(12 476 889)
	Total for section III	1300	34 580 806	35 238 546	35 408 918
	IV. LONG-TERM LIABILITIES				
	Borrowed funds	1410	10 618 379	13 283 239	22 617 796
	Deferred tax liabilities	1420	726 487	438 719	178 832
	Reserve for contingent liabilities	1430	-	-	-
	Other liabilities	1450	1 479 609	1 248 675	989 505
	Total for section IV	1400	12 824 475	14 970 633	23 786 133
	V. SHORT-TERM LIABILITIES				
	Borrowed funds	1510	15 315 636	11 395 279	91 064
	Payables	1520	12 252 931	12 812 433	11 019 865
	Reserves for future expenses	1530	119 696	123 239	126 616
	Estimated liability	1540	1 375 928	1 348 029	1 399 272
	Miscellaneous liabilities	1550	3 049	20 656	24 885
	Total for section V	1500	29 067 240	25 699 636	12 661 702
	BALANCE (assets)	1700	76 472 521	75 908 815	71 856 753

Profit and Loss Statement

January – June 2019

		Codes
Form OKUD [Russian National Classifier of Management Documentation]		0710002
	Date	30.06.2019
Organization: Kubanenergo PJSC	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		

	Indicator	Line	Jan-June of	Jan-June of
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			2019	2018
1	2	3	4	5
	Income	2110	22 981 343	22 256 417
	Cost of sales	2120	(21 280 029)	(19 776 394)
	Gross profit (loss)	2100	1 701 314	2 480 023
	Commercial expenses	2210	-	-
	Administrative expenses	2220	(69 146)	(80 732)
	Sales profit (loss)	2200	1 632 168	2 399 291
	Participation incomes	2310	-	-
	Interest receivable	2320	26 347	30 380
	Interest payable	2330	(970 624)	(963 474)
	Other incomes	2340	973 293	753 805
	Other expenses	2350	(1 977 646)	(1 837 772)
	Profit (loss) before tax	2300	(316 462)	382 230
	Current profit tax	2410		(253 862)
	including constant tax liabilities (assets)	2421	249 548	306 498
	Changes in deferred tax liabilities	2430	(288 033)	(115 297)
	Changes in deferred tax assets	2450	101 777	(13 785)
	Other	2460	(11 384)	(36 703)
	Net profit (loss)	2400	(514 102)	(37 417)
	FOR REFERENCE:	Line	Jan-June of 2019	Jan-June of 2018
	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	-514 102	-37 417
	Basis profit (loss) per share	2900	-1.6920	-0.1230
	Diluted profit (loss) per share	2910	-1.6920	-0.1230

7.3. Consolidated financial statements of the Issuer

The annual consolidated financial statements of the issuer for the last completed financial year was prepared prior to the end of the 1st quarter and was included in the report for the 1st quarter that is why it is not part of the report for the 2nd quarter.

In the reporting quarter the issuer disclosed interim consolidated financial statements.

3 months of 2019 – IFRS/GAAP

Standards (rules) of preparing the consolidated financial statements disclosed in this chapter of the report: **IFRS**

Information is attached hereto

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

Information disclosed in this paragraph remained unchanged in the reporting quarter.

7.5. Information on the total sum of export and of the portion of export in the total volume of sales

The issuer does not export products (goods, work, 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: **Transfer unit**

Brief description of property that has left the structure (has been purchased) of the issuer's property: **220kV Taman-Port, 1st circuit**

Basis for change: **commissioning**

Date of change: **15.05.2019**

Price of the property: **925 391.167**

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: **Transfer unit**

Brief description of property that has left the structure (has been purchased) of the issuer's property: **220kV Taman-Port, 2nd circuit**

Basis for change: **commissioning**

Date of change: **15.05.2019**

Price of the property: **925 391.167**

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: **Transfer unit**

Brief description of property that has left the structure (has been purchased) of the issuer's property: **110kV power line Vyshesteblievskaya-Port No.1 with spur line to 110kV substation "Volna"**

Basis for change: **commissioning**

Date of change: **15.05.2019**

Price of the property: **77 444.615**

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: **Transfer unit**

Brief description of property that has left the structure (has been purchased) of the issuer's property: **110kV power line Vyshesteblievskaya-Port No.2 with spur line to 110kV substation "Volna"**

Basis for change: **commissioning**

Date of change: **15.05.2019**

Price of the property: **77 444.615**

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: **Transfer unit**

Brief description of property that has left the structure (has been purchased) of the issuer's property: **110kV power line Vyshesteblievskaya 220 – Vyshesteblievskaya traction substation**

Basis for change: **commissioning**

Date of change: **28.06.2019**

Price of the property: **100 110.019**

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: **Transfer unit**

Brief description of property that has left the structure (has been purchased) of the issuer's property: **110kV power line Port 220 – Portovaya traction substation**

Basis for change: **commissioning**

Date of change: **28.06.2019**

Price of the property: **138 253.293**

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: **Transfer unit**

Brief description of property that has left the structure (has been purchased) of the issuer's property: **110kV power line Portovaya traction substation – Vyshesteblievskaya traction substation**

Basis for change: **commissioning**

Date of change: **28.06.2019**

Price of the property: **347 562.092**

Unit of measurement: **thousand rubles**

Additional Information: None

7.7 Details on the issuer being a party to litigation if such litigation may materially affect the issuer's financial and economic activities

Information of participation of the issuer in lawsuits as a plaintiff in 2018 and over 6 months of 2019:

Defendant	Case number	Matter in dispute	Sum of debt (thousand rubles)	Progress of the procedure, result
“NESK” JSC	A32-12945/2018	recovery of debts (disputes on connection points of “Energosistema” LLC and “BT-Resurs” LLC)	21 618.80	Legal process was ceased, as the plaintiff waived the claim
	A32-6135/2017	recovery of debts	108 485.84	
	A32-13291/2017		22 032.68	
	A32-7779/2018	recovery of debts (disputes on connection points of “Energosistema” LLC and “BT-Resurs” LLC)	91 033.46	The court hearing is scheduled for 15.08.2019
	A32-19494/2018		21 484.50	Legal process was ceased, as Kubanenergo PJSC waived the claim
State Unitary Enterprise “Kubanvodkompleks”	A32-5254/2018	recovery of debt under the service contract for electric energy transmission	46 082.13	Legal process was ceased, the parties settled amicably
	A32-11926/2018		22 587.18	Legal process was ceased, the claim was sustained
	A32-27916/2018		42 397.83	
	A32-41155/2018		25 891.72	
	A32-4631/2018		26 185.83	Legal process was ceased, the parties settled amicably
	A32-333/2019		22 798.33	Legal process was ceased, abandonment of claim
	A32-5068/2019		3 794.23	Legal process was ceased, the claim was sustained
	A32-14439/19		42 095.17	The court hearing is scheduled for 16.07.2019
	A32-14439/2019		42 095.17	The court hearing is scheduled for 16.07.2019
	A32-27494/2019		20 400.25	Summary proceeding
State Unitary Enterprise “Raivodokanal”	A32-986/2018	recovery of debt under the service contract for electric energy transmission and a forfeit; recovery of debt under the service contract for electric energy transmission	23 042.44	Legal process was ceased, the claim was sustained
“Maikop Thermal Power Station” LLC	A01-263/2016		318 198.95	
	A01-1058/2017		51031.078	
	A01-1449/2017		49 591.92	
	A01-1813/2017		48 439.98	
	A01-2344/2017		46 147.55	
	A01-2713/2017		44266.13	
	A01-223/2018		11 666.86	Legal process was ceased, the claim was sustained in part
	A01-1082/2018		257 569.23	The claim was sustained, court hearing was sent to cassation instance court, the court hearing is scheduled for 15.10.2019
	A01-1254/2018	forfeit under a contract on provision of electricity transmission services	2 730.11	Legal process was ceased, the claim was sustained
	A01-1558/2018		2 186.18	

	A01-1800/2018	debt recovery under a contract for provision of electric energy transmission services and forfeit	47 866.99	
	A01-2113/2018	forfeit under a contract on provision of electricity transmission services	1 949.37	
	A01-2406/2018		1 910.44	
	A01-2995/2018		33 742.56	
	A01-3294/2018		48 993.71	
	A01-3529/2018		53 692.95	The court hearing is scheduled for 10.09.2019
	A01-292/2019		50 460.26	The court hearing is scheduled for 15.08.2019
	A01-779/19		52 864.94	The court hearing is scheduled for 10.09.2019
	A01-292/2019	debt recovery under a contract for provision of electric energy transmission services and forfeit	50 739.68	The court hearing is scheduled for 15.08.2019
	A01-779/2019		52 864.94	The court hearing is scheduled for 10.09.2019
	A01-994/2019		51 037.10	The court hearing is scheduled for 10.09.2019
	A32-39069/2016		69 112.90	Suspended
	A32-5031/2017		79 742.40	The court hearing is scheduled for 19.08.2019
	A32-3730/2017		100 187.61	Legal process was ceased, the claim was sustained
	A32-1936/2017		148 359.11	
“TNSenergo Kuban” PJSC	A32-12243/2018	forfeit under a contract on provision of electricity transmission services	35 632.16	
	A32-21123/2018	debt recovery under a contract for provision of electric energy transmission services and penalty	147 545.35	Court of original jurisdiction and court of appellate jurisdiction sustained the claim. Hearing at court of cassation is scheduled for 14.08.2019
	A32-25526/2018	debt recovery under a contract for provision of electric energy transmission services and forfeit	33 459.96	The court hearing is scheduled for 15.08.2019
	A32-35319/2018	forfeit under a contract on provision of electricity transmission services	23 101.19	Legal process was ceased, the claim was sustained
	A32-32018/2018		47 878.07	The court hearing is scheduled for 10.09.2019
	A32-35398/2018		61 853.88	Suspended
	A32-41040/2018		37 848.96	Legal process was ceased, the claim was sustained
	A32-41170/2018		23 306.08	The court hearing is scheduled for 01.10.2019
	A32-45016/2018		37 816.68	Legal process was ceased, the claim was sustained
	A32-49421/2018		1 603 605.06	The parties settled amicably

	A32-14388/2019		68 094.32	The court hearing is scheduled for 20.08.2019
	A32-21256/2019		94 067.17	The court hearing is scheduled for 22.08.2019
	A32-23846/2019	disagreements on unaccounted consumption of electric energy	37 719.26	The court hearing is scheduled for 08.08.2019
	A32-27396/2019	forfeit	25 443.15	The court hearing is scheduled for 04.09.2019
	A32-29668/19	debt recovery under a contract for provision of electric energy transmission services and forfeit	208 349.87	The court hearing is scheduled for 25.09.2019
	A32-35200/2019		31 855.37	No court hearing scheduled
The Administrative Directorate of the President of the Russian Federation	A40-44630/2018	forfeit under a contract on provision of electricity transmission services	239 257.21	The case is closed; the claim was rejected

Information of participation of the issuer in lawsuits as a defendant in 2018 and over 6 months of 2019:

Plaintiff	Case number	Matter in dispute	Sum of debt (thousand rubles)	Progress of the procedure, result
"Oboronenergo" JSC	A32-15917/2018	debt recovery under a contract for provision of electric energy transmission services and forfeit	32 092.78	Legal process was ceased, the claim was sustained
	A32-16484/2017		35 562.37	
	A32-15921/2018		27 694.55	
	A32-9127/2018		39 190.79	
	A32-25453/2018		5 235.97	The claim was sustained, cassation appeal was filed
	A32-28628/2018		34 631.49	Court of original jurisdiction and court of appellate jurisdiction sustained the claim. Hearing at court of cassation is scheduled for 14.08.2019
"Energosistema" JSC	A32-28703/2018	debt recovery under a contract for provision of electric energy transmission services and forfeit	40 957.66	The court hearing is scheduled for 22.08.2019
"Novorossiysk Commercial Seaport" JSC	A32-19558/2017		46 951.64	Hearing at court of cassation is scheduled for 15.08.2019
"Energokom" LLC	A32-21182/2018		22 543.00	The court hearing is scheduled for 04.09.2019

“NTT-Tzentr” LLC	A32-9963/2017	recovery of rent arrears for 34 diesel-generator sets and 8 low-noise mufflers, and interest for the use of other party’s money	1 465 495.44	Legal process was ceased, the claim was denied
“Energosistemy” LLC	A32-17031/2018	debt recovery under a contract for provision of electric energy transmission services and forfeit	32 597.77	The court hearing is scheduled for 11.09.2019
“TNSenergo Kuban” PJSC	A32-377/2017	debt recovery (electricity losses)	16 866.00	The case is suspended
	A32-16866/2017		60 685.22	The court hearing is scheduled for 20.08.2019
	A32-16867/2017		94 025.74	Legal process was ceased, the claim was sustained
	A32-33976/2017		97 865.80	The court hearing is scheduled for 12.09.2019
	A32-2662/2018		2 258.36	Legal process was ceased; the claim was waived
	A32-2665/2018		126 683.02	The court hearing is scheduled for 11.09.2019
	A32-2663/2018		218 801.25	
	A32-2661/2018		236 085.25	
	A32-2667/2018		10 894.35	Legal process was ceased, the claim was denied
	A32-1878/2018		318 702.09	Appeal at Russia’s Supreme Court
	A32-38054/2017		93 583.13	The court hearing is scheduled for 29.08.2019

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): **30 379 335 000**

Ordinary shares

Total par value: **30 379 335 000**

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

If, in the most recently closed financial year preceding the last date of the reporting quarter and over the period from the first date of the current year to the last date of the reporting quarter, the issuer's authorized capital was changed, information concerning each change to be specified:

Date of change in the authorized capital: **10.10.2018**

Amount of the authorized capital before the changes (rubles): **28 286 813 000**

Structure of the authorized capital prior to change

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**

Amount of the authorized capital after the changes (rubles): **30 379 335 000**

Structure of the authorized capital after change

Ordinary shares

Total par value: **30 379 335 000**

Percentage of the authorized capital (%): **100**

Preference shares

Total par value: **0**

Percentage of the authorized capital (%): **0**

Name of the issuer's management body that decided to change the issuer's authorized capital: **the General Meeting of Shareholders of the Issuer**

Date of the minutes of the meeting of the issuer's management body that decided to change the issuer's authorized capital: **21.09.2016**

Number of the minutes: **38**

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.

In the cases stipulated by 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 (fifty) 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 items 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 setting 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 20 (twenty) 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 business 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 of 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 nominee 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 entities in which the Issuer owns at least five percent of the authorized capital, or not less than five percent of ordinary shares

List of commercial organizations in which the Issuer, as of the date of the last accounting quarter, owns at least five percent of the authorized (reserve) capital (share fund), or not less than five percent of ordinary shares

1. Full business name: "Energoservice of Kuban" Joint-Stock Company

Abbreviated business name: "Energoservice of Kuban" JSC

Location

47 Novorossiyskaya street, Krasnodar 350080, Russia

INN (Taxpayer Identification Number): **2312178191**

OGRN (Primary State Registration Number): **1112312000536**

Share of the Issuer in the authorized capital of the person: **100%**

Entity/person's portion of ordinary shares of the Issuer **100%**

Share of person's participation in the authorized capital of the Issuer: **0%**

Entity/person's portion of ordinary shares of the Issuer: **0%**

2. Full business name: “Recreation Centre “Energetik”, Joint-Stock CompanyAbbreviated business name: **Recreation Centre “Energetik”, JSC**

Location

4 Pionerskaya street, Divnomorskoye village, Ghelendjik 353490, Krasnodar region, RussiaINN (Taxpayer Identification Number): **2304041820**OGRN (Primary State Registration Number): **1042301876495**Share of the Issuer in the authorized capital of the person: **100%**Entity/person’s portion of ordinary shares of the Issuer: **100%**Share of person's participation in the authorized capital of the Issuer: **0%**Entity/person’s portion of ordinary shares of the Issuer: **0%****8.1.5. Information on material transactions effected by the Issuer**

Such transactions were not concluded

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 sharesShares category: **Ordinary**Nominal value of each share (rubles): **100**Amount of shares in circulation (shares that were not cancelled or discharged): **303 793 350**

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): **0**

Quantity of declared shares: **173 513 887**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

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.

Shareholders are entitled to:

- 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: None

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

Information disclosed in this paragraph remained unchanged in the reporting quarter.

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: **"Independent Registrar Company – R.O.S.T." Joint-Stock Company**

Abbreviated business name: **"IRC – 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.: **045-12042-000100**

Date of issue: **19.02.2019**

Expiry date: **Unlimited**

Body issuing the license: **Bank of Russia**

8.6. Information on the 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	Indicator value for reporting period – 2008
During the specified period decisions on payment of dividends were not adopted.	

Indicator	Indicator value for reporting period – 2009
During the specified period decisions on payment of dividends were not adopted.	

Indicator	Indicator value for reporting period – 2010
During the specified period decisions on payment of dividends were not adopted.	

Indicator	Indicator value for reporting period – 2011
During the specified period decisions on payment of dividends were not adopted.	

Indicator	Indicator value for reporting period – 2012
During the specified period decisions on payment of dividends were not adopted.	

Indicator	Indicator value for reporting period – 2013
During the specified period decisions on payment of dividends were not adopted.	

Indicator	Indicator value for reporting period – 2014
During the specified period decisions on payment of dividends were not adopted.	

Indicator	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 dd. 24.06.2016, minutes of meeting No.37 or 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	1144797000

specific category (type), rubles	
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	1144279337.45
Share of paid out dividends from total volume of declared dividends on shares of the type (category), %	99.95
If the announced dividends were not paid or not paid in full amount – causes of such nonpayment of the announced dividends shall be 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	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	534874001.90
Share of paid out dividends from total volume of declared dividends on shares of the type (category), %	99.95
If the announced dividends were not paid or not paid in full amount – causes of such nonpayment of the announced dividends shall be specified	-
Other information on the announced and (or) paid dividends, specified by the Issuer in its sole discretion	no
Indicator	Indicator value for reporting period: 2017, 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, 25.05.2018, minutes No.40, 28.05.2018
Amount of the announced dividends per one share, rubles	1.0585165
Total amount of the announced dividends for all shares of the specific category (type), rubles	321570000
Date on which the persons who have (had) right on receiving dividends are (were) defined	05.06.2018
Reporting period (year, quarter), for which (by the results) the announced dividends are (were) paid	2017, 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, %	61.2
Total amount of the dividends paid on all the shares of the specific category (type), rubles	321438568.25
Share of paid out dividends from total volume of declared dividends on shares of the type (category), %	99.96
If the announced dividends were not paid or not paid in full amount – causes of such nonpayment of the announced dividends shall be specified	-
Other information on the announced and (or) paid dividends, specified by the Issuer in its sole discretion	no

Indicator	Indicator value for reporting period: 2018, 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, 20.06.2019, minutes No.42, 20.06.2019
Amount of the announced dividends per one share, rubles	0.472815
Total amount of the announced dividends for all shares of the specific category (type), rubles	143638000
Date on which the persons who have (had) right on receiving dividends are (were) defined	01.07.2019
Reporting period (year, quarter), for which (by the results) the announced dividends are (were) paid	2018, 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, %	95.0
Total amount of the dividends paid on all the shares of the specific category (type), rubles	0
Share of paid out dividends from total volume of declared dividends on shares of the type (category), %	0
If the announced dividends were not paid or not paid in full amount – causes of such nonpayment of the announced dividends shall be	-

specified	
Other information on the announced and (or) paid dividends, specified by the Issuer in its sole discretion	no

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 amended on 30.07.2018 by the resolution of the Board of Directors (minutes of the meeting No. 316/2018 of 31.07.2018) 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**

one bond of the issue rubles/foreign currency							
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	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	01.06.2018	30.11.2018	31.05.2019
Form of payment of income on bonds of the issue (moneys, other property)	money	money	money	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	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%	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 322 transactions with state and municipal companies for a total sum of 137.33 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:

Within the reporting quarter, the Company concluded 15 intra-group transactions for the total sum of 926.0 thousand rubles

Contractor	Sum of the contract, in rubles	Contract
Energoservice of Kuban JSC	-	Changes to the service contract pertaining the increase of VAT from 18% to 20% and clarification of the procedure for establishment of rights for removable improvements
Energoservice of Kuban JSC	-	Changes to the service contract pertaining the volume of saved electricity at the facilities of Kubanenergo PJSC
Energoservice of Kuban JSC	497 323.85	Services on check of electromagnetic environment at facilities of Labinsk electric networks, branch of Kubanenergo
Energoservice of Kuban JSC	428 708.28	Services on check of electromagnetic environment at facilities of Leningradskiye electric networks, branch of Kubanenergo
Energoservice of Kuban JSC	Unspecified price	11 framework agreements on development of design documentation and paperwork on land and legal documentation for facilities intended for grid connection of falling under the subsidized category consumers to the networks of Kubanenergo PJSC: Adygea, Armavir, Krasnodar, Labinsk, Leningradskiye, Slavyansk, Sochi, Timashevsk, Tikhoretsk, Ust-Labinsk, and South-Western (Yugo-Zapadnye) branches

Total: 926 032.13

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

In the reporting quarter Energoservice of Kuban JSC concluded the following transactions which amount of liabilities is equal to or exceeds 10% of the net value of assets:

The issuer's subsidiary company	Contractor	Sum of the contract, in rubles	Contract
Energoservice of Kuban JSC	Object-Expert LLC	79 737 097.20	Upgrade of electricity metering systems for the needs of the branch of Kubanenergo PJSC – Krasnodar electric networks (Seversky Distribution Zone)
	Stroyteplyug LLC	4 100 500.00	Maintenance of individual heating unit of heat supply system of a building 1 and individual heating unit of heat supply system of a building 4 of the Executive Office of Kubanenergo PJSC

Total: 83 837 597.2

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.