

Corporate action statement/Disclosure of insider information

“Information on decisions adopted by the Board of Directors of “IDGC of the South” PJSC

1. General information	
1.1. Full company name of the issuer	Public Joint Stock Company “Interregional Distribution Grid Company of the South”
1.2. Short company name of the issuer	“IDGC of the South” PJSC
1.3 Location of the issuer	Rostov-on-Don, Russian Federation
1.4 PSRN of the issuer	1076164009096
1.5 TIN of the issuer	6164266561
1.6 Unique issuer’s code assigned by the registration authority	34956-E
1.7 Internet website address used by the issuer for information disclosure	http://www.mrsk-yuga.ru; http://www.e-disclosure.ru/portal/company.aspx?id=11999
2. Statement content	
2.1. Quorum of meeting of issuer’s BoD and results of voting on the adopted decisions: 11 out 11 members of BoD participated in the meeting; quorum is present.	
On item 1: “FOR” – 11 votes “AGAINST” – 0 votes “ABSTAINED” – 0 votes	
On item 2: “FOR” – 11 votes “AGAINST” – 0 votes “ABSTAINED” – 0 votes	
On item 3: “FOR” – 9 votes “AGAINST” – 0 votes “ABSTAINED” – 2 votes	

On item 4:

“FOR” – 8 votes

“AGAINST” – 0 votes

“ABSTAINED” – 3 votes

On item 5:

“FOR” – 7 votes

“AGAINST” – 2 votes

“ABSTAINED” – 2 votes

On item 6:

“FOR” – 7 votes

“AGAINST” – 0 votes

“ABSTAINED” – 4 votes

Disclosure of insider information on item 1: “On approval of report submitted by the Director General of IDGC Of the South PJSC on the results of key performance indicators of the Company’s Director General in the 4th quarter of 2016”

2.2.1 Content of decision:

To approve the report submitted by the Director General of IDGC Of the South PJSC on the results of key performance indicators of the Company’s Director General in the 4th quarter of 2016, in accordance with Annex 1 to the present resolution of the Company’s Board of Directors.

Disclosure of insider information on item 2: “On approval of the Schedule of activities aimed at reduction of electricity loses in the girds of IDGC of the South PJSC”

2.2.2 Content of decision:

To postpone the discussion to a later date.

Disclosure of insider information on item 3: “On consideration of the report of the sole executive body on conformity of documents detailing the commissioning of the Company’s facilities constructed in 2016, including conformity of the names of the projects and the design and estimate documentation for all stages to the

requirements of legal documents and internal Company's documents and on the Company's observation of the rules of accepting the completed projects"

2.2.3. Content of decision:

1. To take into consideration the report of the sole executive body on conformity of documents detailing the commissioning of the Company's facilities constructed in 2016, including conformity of the names of the projects and the design and estimate documentation for all stages to the requirements of legal documents and internal Company's documents and on the Company's observation of the rules of accepting the completed projects, in accordance with Annex 2 to the present resolution of the Company's Board of Directors.
2. To pay attention to the information submitted by the Sole Executive Body of the Company on violations of requirements of the organizational and administrative documents of the Company and the legislative norms regulating the procedure for commissioning the completed objects into operation (Annex 3 to this decision).
3. To note the lack of information on actions taken by the management of the Company to eliminate the violations of the requirements of the organizational and administrative documents of the Company and the legislative norms regulating the procedure for commissioning the completed objects into operation and preventing their further development, as well as the measures taken in respect to officials who committed the violations.
4. To recommend to the Audit Commission of the Company to consider the information of the Company on the compliance of documents confirming the commissioning of the Company's completed facilities in 2016, including the conformity of titles, availability of phases (start-up packages, stages) in the approved design and estimate documentation, requirements of regulatory legal acts and internal regulatory documents of the Company and on compliance by the Company with the order of acceptance of completed construction projects.
5. The sole executive body of IDGC of the South PJSC shall:
 - 5.1. name the officials of IDGC of the South PJSC which actions (inactivity) have led to violations of the requirements of the organizational and administrative documents of the

Company and the legislative norms regulating the procedure for commissioning the completed objects into operation; take corresponding measures in respect on such officials.

5.1 develop a set of measures aimed at eliminating the facts of violations of the requirements of the organizational and administrative documents of the Company and the legislative norms regulating the procedure for accepting completed construction projects and preventing them in the future.

5.2 ensure bringing the information on implementation of measures developed in accordance with paragraph 5.1 of this decision for consideration of the Audit Committee of the Board of Directors of IDGC of the South. Deadline: within 10 days from the date of adoption of this decision.

Disclosure of insider information on item 4: “On approval of the Credit plan of IDGC of the South PJSC for the 2nd quarter of 2017.”

2.2.4. Content of decision:

1. To approve the Credit plan of IDGC of the South PJSC for the 2nd quarter of 2017, in accordance with Annex 5 to the present resolution of the Company’s Board of Directors.

Disclosure of insider information on item 5: “On discussion of the proposals on changes to the Company’s investment programme 2016-2022”

2.2.5. Content of decision:

1. To approve the proposals on changes to the Company’s investment programme 2016-2022, approved by Order of the RF Ministry of Energy on 22 December 2016 No.1387 in accordance with Annex 4 to the present resolution of the Company’s Board of Directors.

2. To instruct the Sole Executive Body of the Company:

2.1 to ensure the approval of the draft amendments to the Company’s investment programme 2016-2022, approved by Order of the RF Ministry of Energy on 22 December 2016 No.1387;

2.2 to submit a report on implementation of paragraph 2.1 of this resolution to the Board of Directors of the Company within 30 calendar days after approval of the changes to the investment programme of IDGC of the South PJSC 2016-2022;

3. Entrust the Sole Executive Body of the Company during the next adjustment of the investment programme:

3.1 to provide sources of financing in the required amount for equipping the outgoing connections of 35kV and above substation to electricity metering devices;

3.2 to assess the level of electric energy losses in 0.4-20 kV lines, to which 10 (6) /0.4 kV transformer substations are connected, if they are scheduled for reconstruction in accordance with the Company's investment programme.

Disclosure of insider information on item 6 "On expressing the Company's opinion on agenda item of the meeting of the BoD of "Recreation centre "Energetik" JSC: "On election of Director General of "Recreation centre "Energetik" JSC"

2.2.6. Content of decision:

To instruct representatives of IDGC of the South PJSC in the Board of Directors of "Recreation centre "Energetik" JSC to vote for adoption of the following resolutions:

1. To appoint Tischenko Sergey for the position of director general of "Recreation centre "Energetik" JSC till 28 August 2017 inclusive.

2. To authorize Ebzeev Boris, Director general of IDGC of the South PJSC to exercise the rights and obligations of the employer in relation to the General Director of "Recreation centre "Energetik" JSC Tishchenko Sergey, including to determine the terms of the employment contract with the General Director of "Recreation centre "Energetik" JSC and sign the employment contract, additional agreements to it and agreements related to termination of the employment contract.

2.3. Date of holding the meeting of Board of Directors: **31 March 2017.**

2.4. Date of drawing up and number of the minutes of meeting: **No. 225/2017 dated 3 April 2017**

3. Signature

3.1 Head of Department – Corporate Secretary
(attorney dd 30.12.2016 No.215-16)

_____ Pavlova Ye.N.
(signature)

3.2. Date 3 April 2017