

**Corporate Action Statement/Disclosure of insider information**  
**“Information on decisions adopted by 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, the 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	<a href="http://www.mrsk-yuga.ru;">http://www.mrsk-yuga.ru;</a> <a href="http://www.e-disclosure.ru/portal/company.aspx?id=11999">http://www.e-disclosure.ru/portal/company.aspx?id=11999</a>
2. Statement content	
2.1. Quorum of meeting of issuer’s BoD and results of voting on the adopted decisions: <b>11 out 11 members of BoD participated in the meeting; quorum is present.</b> 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” – 11 votes “AGAINST” – 0 votes “ABSTAINED” – 0 votes	

On item 4:

“FOR” – 9 votes

“AGAINST” – 0 votes

“ABSTAINED” – 2 vote

On item 5:

“FOR” – 9 votes

“AGAINST” – 0 votes

“ABSTAINED” – 2 votes

On item 6:

“FOR” – 7 votes

“AGAINST” – 2 votes

“ABSTAINED” – 3 votes

Member of the Board of Directors Ebzeev B.B. being a person implementing functions of sole executive by (Director General) is considered as dependent directors and does not participate in vote on this agenda item

On item 7:

“FOR” – 7 votes

“AGAINST” – 0 votes

“ABSTAINED” – 3 votes

**Disclosure of insider information on item 1: “On discussion of report of the Company’s Director General on the implementation of the Schedule of activities that are aimed to increase efficiency and improve financial and economic state of IDGC of the South PJSC for 9 months of 2016”**

2.2.1 Content of decision:

1. To approve the report of the Company’s Director General on the implementation of the Schedule of activities for increase of efficiency and improve financial and economic state of IDGC of the South PJSC for 9 months of 2016, in accordance with Appendix 1 to this decision of Company’s BoD.

2. To note that by the results of its activity for 9 months of 2016 the Company did not reach the planned indicator “Level of electricity losses” for branch “Astrakhanenergo” by 1.95% (plan: 17.28%, expected: 19.23%).

**Disclosure of insider information on item 2: “On submission of report of Director General on the causes of exceeding the planned target of the relative amount of electric energy losses, including the specification of the results of measures taken to reduce energy losses by branch of “Astrakhanenergo” in the 1<sup>st</sup> half 2016 with details on voltage levels”**

2.2.1 Content of decision:

1. To take into consideration the report of Director General on the causes of exceeding the planned target of the relative amount of electric energy losses, including the specification of the results of measures taken to reduce energy losses by branch of “Astrakhanenergo” in the 1<sup>st</sup> half 2016 with details on voltage levels in accordance with Appendixes 2 and 3 to the present decision of the Board of Directors.

2. To prepare, adopt organizational and administrative documents of the Company and commence the implementation of the plan, providing for additional actions (effects), and necessary resources in order to reduce energy losses in the specific network junction points (hereinafter – the Plan) in order to reach the key indicator of the business plan: “Level of electricity losses” by the end of 2016.

3. To submit the Plan to the Board of Directors within 10 working days after its approval at the Company.

**Disclosure of insider information on item 3: “On submission of report of Director General on the causes of the deviations that appeared in the process of implementation of the approved investment programme of IDGC of the South PJSC”**

2.2.3. Content of decision:

To take into consideration the report of Director General on the causes of the deviations that appeared in the process of implementation of the approved investment programme of IDGC of the South PJSC, in accordance with Appendix 4 to the present decision of the Board of Directors.

**Disclosure of insider information on item 4: “On development of local regulations that establish the normalization of purchases of certain types of goods, works and services”**

2.2.4. Content of decision:

1. To instruct the Company’s General Director to ensure:

1.1. Determination of the list of goods, works and services procured for own economic needs and subject to limitation.

1.2. Approval (update) of the Company’s internal document regulating the standards of procurement of certain goods, works and services, providing for maximum prices of goods, works, services and (or) requirements for quantity, consumer properties and other characteristics, and satisfying the needs for goods, works, services, which do have redundant consumer properties.

Deadline: 10 days after the decision approval by the Company’s Board of Directors.

1.3. Placement of the approved standards of procurement on the official website of the Company on the Internet.

1.4. From the date of the internal document approval mandatory application of the procurement regulations in the planning of economic activity.

1.5. Conduct on an annual basis, starting in 2017 (following the results the 2016 fiscal year), of monitoring of results of the Company’s procurement activities, including in terms of compliance with the approved standards in the procurement of goods, works and services for the needs of the Company, as well as regarding the compliance of the designated purpose of acquired by the Company goods, works and services with the statutory activity.

1.6. Update of the Company’s approved specifications of goods, works and services on an annual basis.

**Disclosure of insider information on item 5: “On lump sum bonus payment to Director General of IDGC of the South PJSC for implementation of especially important tasks (work)”**

2.2.5. Content of decision:

In accordance with section 4 of the Regulations on material incentives for the General Director of “IDGC of the South” PJSC the BoD decides to pay one-time premium to the Director General of “IDGC of the South” PJSC for implementation of the following particularly important tasks:

- for the project “Construction of 110/35/10 kV “Chertkovskaya substation” with the rearrangement of entries of power lines 110, 35, 10 kV to newly constructed substation – in the amount of 1 salary;
- for organization of activities for elimination of consequences of emergency situations related to the termination of the electricity supply to the Crimean power system – in the amount of 1 salary;
- for conduct of measures to prevent power outages and disturbances in electricity supply in the central part of Rostov-on-Don in connection with the reconstruction of a Voroshilov bridge over the River Don – in the amount of 0.5 of the base salary;
- for arrangement of works on liquidation of emergency situations in the regions of the Company's activities – in the amount of 0.5 of the base salary.

**On approval of transactions recognized in accordance with the legislation of the Russian Federation as major transactions and (or) transactions of interest/Disclosure of insider information on item 6 “On approval of the agreement for lease of movable and immovable property to “Energoservis Yuga” JSC as a transaction of interest”**

2.2.6. Content of decision:

1. To determine that the price of the agreement on lease of movable and immovable property between “IDGC of the South” PJSC and “Energoservis Yuga” JSC as a transaction of interest, shall amount 415.395 (four hundred fifteen thousand three hundred ninety five) rubles 64 kopecks for 11 (eleven ) months rent, including 18% VAT – 63 365 (sixty three thousand three hundred sixty five) rubles 39 kopecks.
2. To approve the agreement on lease of movable and immovable property between “IDGC of the South” PJSC and “Energoservis Yuga” JSC (hereinafter – the Agreement,

Appendix 5 to this decision of the Board of Directors) as a transaction of interest, on the following terms:

Parties to the Agreement:

Lessor – “IDGC of the South” PJSC;

Lessee – “Energoservis Yuga” JSC.

Subject of the agreement:

The Lessor undertakes to transfer and the Lessee shall accept for payment for temporary possession and use of movable and immovable property (hereinafter referred to as the Leased property), located on the third (3rd) floor of the building (inventory number – 148/31b) at the address: 48 Semashko lane, Leninsky district, Rostov-na -Don, as follows:

- Non-residential premises No.12-13, area: 19.0 sq. metres;
- Non-residential premises No.14-15, area:16.8 sq. metres;
- Non-residential premises No.16, area: 27,5 sq. metres;

The list of the Leased movable property is specified in Appendix 1 to the Agreement.

The parameters (number, area) of immovable property are determined in accordance with the technical passport as of 13.05.2010.

Price of the Agreement:

The monthly lease payment under the Agreement is 37 763 (thirty seven thousand seven hundred sixty three) rubles 24 kopecks, including VAT 18% – 5 760.49 rubles.

Contract time:

The term of the lease is 11 (eleven) months from the date of signing the Contract by both Parties.

**Disclosure of insider information on item 7 “On introduction of amendments to the decision of the Board of Directors of IDGC of the South PJSC taken on June 3, 2016 (Minutes of meeting No. 190/2016 dated 06.06.2016) on item 5: “On approval of the schedule of activities of IDGC of the South PJSC that are aimed to reduce overdue receivables for services of electric power transmission and settlement of disputes existing as of 01.04.2016””**

2.2.7. Content of decision:

To put the paragraph 4.1 of resolution of the Board of Directors of “IDGC of the South” PJSC taken on June 3, 2016 (Minutes of meeting No. 190/2016 dated 06.06.2016) on item 5: “On approval of the schedule of activities of IDGC of the South PJSC that are aimed to reduce overdue receivables for services of electric power transmission and settlement of disputes existing as of 01.04.2016” in the following way:

“To ensure payment of 7241 million rubles of overdue receivables from the amount accrued as of on 01.01.2016 in, including 3 231 million rubles in the 1st quarter of 2016, 1 605 million rubles in the 2nd quarter of 2016, 929 million rubles in the 3rd quarter of 2016, 1 476 million rubles in the 4th quarter of 2016.”

2.3. Date of holding the meeting of Board of Directors: **19 October 2016.**

2.4. Date of drawing up and number of the minutes of meeting: **No. 205/2016 dated 20 October 2016**

### 3. Signature

3.1 Head of corporate governance and shareholders \_\_\_\_\_ Pavlova Ye.N.  
interaction department (attorney dd 11.02.2016 No.45-16) (signature)

3.2. Date 20 October 2016