

**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 Open 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	
<p>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></p> <p>On item 1:  “FOR” – 11 votes  “AGAINST” – 0 votes  “ABSTAINED” – 0 votes</p> <p>On item 2:  “FOR” – 11 votes  “AGAINST” – 0 votes  “ABSTAINED” – 0 vote</p> <p>On item 3:  “FOR” – 10 votes  “AGAINST” – 0 votes</p>	

“ABSTAINED” – 1 votes

On item 4:

“FOR” – 8 votes

“AGAINST” – 0 votes

“ABSTAINED” – 2 votes

BoD member Ebzeev B.B., being a person implementing functions of sole executive body (Director general) of the Company, is considered as dependent director and does not participate in voting on this issue

On item 5:

“FOR” – 8 votes

“AGAINST” – 0 votes

“ABSTAINED” – 2 votes

BoD member Ebzeev B.B., being a person implementing functions of sole executive body (Director general) of the Company, is considered as dependent director and does not participate in voting on this issue

On item 6:

“FOR” – 8 votes

“AGAINST” – 0 votes

“ABSTAINED” – 2 votes

Company’s BoD member Ebzeev B.B., being a person implementing functions of sole executive body (Director general) of the Company, is considered as dependent director and does not participate in voting on this issue

On item 7:

“FOR” – 11 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

On item 8:

“FOR” – 7 votes

“AGAINST” – 0 votes

“ABSTAINED” – 4 votes

On item 9:

“FOR” – 6 votes

“AGAINST” – 2 votes

“ABSTAINED” – 2 votes

BoD member Ebzeev B.B., being a person implementing functions of sole executive body (Director general) of the Company, is considered as dependent director and does not participate in voting on this issue.

**Disclosure of insider information on item 1: “On approval of the report submitted by Director General of IDGC of the South PJSC on the results of implementation of the key performance indicators (KPI) of the Director General of the Company in the 2<sup>nd</sup> quarter of 2016”**

2.2.1 Content of decision:

To approve the report submitted by Director General of IDGC of the South PJSC on the results of implementation of the key performance indicators (KPI) of the Director General of the Company in the 2<sup>nd</sup> quarter of 2016, in accordance with Appendix 1 to this decision of Company’s BoD.

**Disclosure of insider information on item 2: “On consideration of the report submitted by Director General of IDGC of the South PJSC on the Company’s credit policy in the 2<sup>nd</sup> quarter of 2016”**

2.2.1 Content of decision:

1. To take into consideration the report submitted by Director General of IDGC of the South PJSC on the Company’s credit policy in the 2<sup>nd</sup> quarter of 2016, in accordance with Appendix 2 to this decision of Company’s BoD.

2. To note that the maximum available limit on interim liquidity has been exceeded.

3. To instruct Director General of the Company to ensure implementation of requirements of the Regulations for credit policy approved by the BoD.

**Disclosure of insider information on item 3: “On approval of the schedule of activities of IDGC of the South PJSC aimed to reduce overdue receivables for the service of electric power transmission and settlement of differences as of 07.01.2016”.**

### 2.2.3. Content of decision:

1. To the Schedule of activities of IDGC of the South PJSC aimed to reduce overdue receivables for the service of electric power transmission and settlement of differences as of 07.01.2016, in accordance with Appendix 3 to this decision of Company's BoD.
2. To approve the report on implementation of previous Schedule of activities of IDGC of the South PJSC aimed to reduce overdue receivables for the service of electric power transmission and settlement of differences as of 01.04.2016, in accordance with Appendix 4 to this decision of Company's BoD.
3. To take into consideration the report on the work carried by by IDGC of the South PJSC in relation to newly formed overdue accounts receivable for electric transmission services in the 2<sup>nd</sup> quarter of 2016, in accordance with Appendix 5 to this decision of Company's BoD.
4. To take into consideration the report of Director general "On collection of overdue receivables in the first half of 2016 that accrued as of 01.01.2016", in accordance with Appendix 6 to this decision of Company's BoD.

**Approving of transactions recognized in accordance with legislation of Russian Federation as large-scale transaction and (or) transactions of interest/Disclosure of insider information /Disclosure of insider information on item 4: "On approval of agreement of provision of educational services between IDGC of the South PJSC and TechnoExpert CJSC as an interested party transaction"**

### 2.2.4. Content of decision:

1. To determine that the price of the agreement between IDGC of the South PJSC and TechnoExpert CJSC as a transaction of interest, shall amount 405 000.00 rubles (four hundred five thousand rubles 00 kopecks) including 18% VAT – 61 779.66 rubles (sixty one thousand seven hundred seventy nine rubles 66 kopecks).
2. To approve the agreement on provision of educational services with TechnoExpert CJSC (hereinafter – the Agreement, appendix 7 to the decision of the Board of Directors) as a transaction of interest on the following essential terms:

Parties to the Agreement:

Customer – IDGC of the South PJSC

Contractor – TechnoExpert CJSC.

Subject of the Agreement:

The Contractor undertakes to perform training in the field of industrial safety on the programme: “B.7.1. Operation of the gas distribution and gas consumption systems”, as well as to provide services for the certification training and arrangement of certification for managers and specialists of organizations, supervised by Federal Environmental Industrial and Nuclear Supervision service of Russia, the following students:

1. Goncharov Pavel Viktorovich;
2. Petlenko Andrey Vladimirovich;
3. Chirkov Andrey Alexandrovich.

Price of the Agreement:

Cost of service is 405 000.00 rubles (four hundred five thousand rubles 00 kopecks) including 18% VAT – 61 779.66 rubles (sixty one thousand seven hundred seventy nine rubles 66 kopecks).

Duration of the agreement:

The Agreement shall enter into force upon its signing and is valid until the Parties fulfill all their contractual obligations.

**Approving of transactions recognized in accordance with legislation of Russian Federation as large-scale transaction and (or) transactions of interest/Disclosure of insider information /Disclosure of insider information on item 5: “On approval of the supplementary agreement to the contract No.61001601000036 for provision of educational services dated 31.03.2016 between IDGC of the South PJSC and National Research University “MPEI” as an interested party transaction”**

2.2.5. Content of decision:

To approve the supplementary agreement to the contract No.61001601000036 for provision of educational services dated 31.03.2016 between IDGC of the South PJSC and National Research University “MPEI” as an interested party transaction, in accordance with Appendix 8 to this decision of Company’s BoD.

**Approving of transactions recognized in accordance with legislation of Russian Federation as large-scale transaction and (or) transactions of interest/Disclosure of**

**insider information /Disclosure of insider information on item 6: “On approval of the contract for the provision of educational services between IDGC of the South PJSC and National Research University “MPEI” as an interested party transaction”**

2.2.6. Content of decision:

1. To determine that the price of the contract for the provision of educational services between IDGC of the South PJSC and National Research University “MPEI” as a transaction of interest shall amount 135 000 (one hundred thirty five thousand rubles 00 kopecks), VAT is not charged according to subparagraph 14 paragraph 2 of Article 149 of the Tax Code of the Russian Federation.

2. To approve the contract for the provision of educational services between IDGC of the South PJSC and National Research University “MPEI” (hereinafter – the Contract, appendix 9 to the decision of the Board of Directors) as a transaction of interest, on the following terms:

Parties to the Contract:

Customer – IDGC of the South PJSC

Contractor – National Research University “MPEI”

Subject of the Contract:

Under the contract the Contractor undertakes, in accordance with the task of the Customer, to provide educational services in the form of evening classes with the use of distance learning technologies for retraining programmes: “Technology of electric energy generation and transmission in the current conditions” – “Power and Electrical Engineering”, and the Customer undertakes to accept and pay for the services rendered, in the manner and amount established by the Contract.

The period of training: August 15, 2016 – February 20, 2017

Price of the Contract:

Cost of services rendered to the Customer under the contract (contract price) is 135 000 (one hundred thirty five thousand rubles 00 kopecks), VAT is not charged according to subparagraph 14 paragraph 2 of Article 149 of the Tax Code of the Russian Federation.

The customer shall pay for the rendered services within 60 sixty working days for each stage of training from the date of signing by the Parties of the Act of acceptance of the rendered services, provided that the Contractor submitted an invoice, drawn up in accordance with the requirements of Russian legislation.

Contract time:

The Contract shall enter into force upon its signing and is valid until the Parties fulfill all their contractual obligations.

**Disclosure of insider information on item 7: “On election of members to the Company’s Management Board”**

2.2.7. Content of decision:

To elect Dzhabrailova Yulianna Khasanovna, deputy director general – chief of staff of IDGC of the South PJSC, to the Board of Directors.

**Disclosure of insider information on item 8: “On approval of the Procedure for registration of investment projects of IDGC of the South PJSC that satisfy the selection criteria set by the RF Government Decree No.516 on 30.12.2015”.**

2.2.8. Content of decision:

To approve the Procedure for registration of investment projects of IDGC of the South PJSC that satisfy the selection criteria set by the RF Government Decree No.516 on 30.12.2015, in accordance with Appendix 10 to this decision of Company’s BoD.

**Approving of transactions recognized in accordance with legislation of Russian Federation as large-scale transaction and (or) transactions of interest/Disclosure of insider information on item 9: “On approval of service contract between IDGC of the South PJSC and “FOCL-Power Lines Directorate” JSC as transaction of interest**

2.2.9. Content of decision:

1. To determine that the total cost of services under the contract between IDGC of the South PJSC and “FOCL-Power Lines Directorate” JSC, a transaction of interest (hereinafter – the Contract, Appendix 11 to the present decision of the Board of Directors), shall amount 4 991 160 (four million nine hundred ninety one thousand one hundred sixty rubles 00 kopecks), including VAT.

Total cost of services under the Contract consists of:

- the cost of the services in accordance with the Calculations (Appendix 2 to the Contract) is 2 456 760 rubles (two million four hundred fifty six thousand seven hundred sixty) rubles 00 kopeks, including 18% VAT – 452 400 rubles (four hundred fifty two thousand) rubles 00 kopecks.
- the cost of performance of the obligation in accordance with Appendix 6 to the Contract is 2 534 400 (two million five hundred thirty four thousand four hundred) rubles 00 kopecks, VAT is not charged.

2. To approve the contract for services between the IDGC of the South PJSC and “FOCL-Power Lines Directorate” JSC as a of interest on the following essential terms:

Parties to the Contract:

IDGC of the South PJSC – Customer.

"FOCL-Power Lines Directorate" JSC – Contractor

Subject of the Contract:

The Contractor shall provide services for the development of configuration of Automated Control System of Maintenance, Repair and Overhaul based on “1C: Enterprise 8. Power Industry. Management of distribution grid company” in accordance with the Terms of Reference (Annex 1 to the Contract), and provide the customer the right to use (under the terms of a non-exclusive license) software products, referred to in paragraph 1.1 of the Contract, and the Customer undertakes to accept and pay for the services rendered under the contract, and for the obtained right to use in the amount and in the manner provided for by the Contract.

Price of the Contract:

Total cost of services under the contract (contract price) is 4 991 160.00 (four million nine hundred ninety one thousand one hundred sixty) rubles 00 kopecks, including VAT.

Total cost of services under the Contract consists of:

- the cost of the services in accordance with the Calculations (Appendix 2 to the Contract) is 2 456 760 rubles (two million four hundred fifty six thousand seven hundred sixty) rubles 00 kopeks, including 18% VAT – 452 400 rubles (four hundred fifty two thousand) rubles 00 kopecks.



- the cost of performance of the obligation in accordance with Appendix 6 to the Contract is 2 534 400 (two million five hundred thirty four thousand four hundred) rubles 00 kopecks, VAT is not charged.

Term of service:

The planned period of rendering the services is specified in paragraph 1.4 of Terms of Reference (Annex 1 to the Contract) and is not more than 50 working days from the date of signing the Contract.

Contract time:

The Contract shall enter into force upon signature and is valid until the Parties fulfill their obligations under the Contract.

2.3. Date of holding the meeting of Board of Directors: **7 September 2016.**

2.4. Date of drawing up and number of the minutes of meeting: **No. 200/2016 dated 12 September 2016**

### 3. Signature

3.1 Head of corporate governance and shareholders

interaction department (attorney dd 11.02.2016

No.45-16)

(signature) Pavlova Ye.N.

3.2. Date 12 September 2016