

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	http://www.mrsk-yuga.ru; http://www.e-disclosure.ru/portal/company.aspx?id=11999
2. Statement content	
<p>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.</p> <p>On item 1: “FOR” – 7 votes “AGAINST” – 3 votes “ABSTAINED” – 1 vote</p> <p>On item 2: “FOR” – 7 votes “AGAINST” – 3 votes “ABSTAINED” – 1 vote</p> <p>On item 3: “FOR” – 5 votes “AGAINST” – 3 votes</p>	

“ABSTAINED” – 1 votes

BoD member Bogazhov A.ye., being as the same member of the BoD of “Kubanenergo” PJSC, is considered as person interested in conclusion of a transaction and does not participate in voting on this issue.

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

Disclosure of insider information on item 1: “On preliminary approval of decision on IDGC of the South PJSC concluding a transaction related to acquisition of property which constitutes the fixed assets that are used for production, transmission and distribution of electrical energy – electric grid assets owned by “KalmEnergoKom” JSC (Republic of Kalmykia)”

2.2.1 Content of decision:

To approve the Company's transaction involving the acquisition of property which constitutes the fixed assets that are used for production, transmission and distribution of electrical energy – electric grid assets owned by “KalmEnergoKom” JSC (Republic of Kalmykia), on the following conditions:

The acquired property:

Power generation and transmission assets owned by “KalmEnergoKom” JSC, as part of the property, located at the address: Elista, Republic of Kalmykia, Russian Federation (hereinafter – the Property) as specified in Appendix 1 to this decision of the Board of Directors.

The process of acquisition of the property:

Signing the contract of sale on the basis of participation in the public auction for sale of property of “KalmEnergoKom” JSC conducted in accordance with the RF Law No.127-FZ “On Insolvency (Bankruptcy)” dated 26.10.2002.

Counterparty:

Open Joint Stock Company “Kalmyk energy company”

Cost of acquisition:

The Property will be acquired in accordance with the price determined by the results of trades, but not more than 587 000 000 (five hundred eighty seven million) rubles (VAT exempt), determined on the basis of the Report of an independent appraiser “Alfa Consult” No.21/15-o (KP) .

The order of transfer of the Property:

The property is transferred by the Seller to the Buyer on the basis of the acts of transfer and acceptance signed by authorized representatives of the Parties, within 5 working days from the date of conclusion of the agreement.

The property ownership passes according to the procedure established by the legislation of the Russian Federation.

Disclosure of insider information on item 2: “On approval of the credit plan of IDGC of the South PJSC for the 4th quarter of 2016 in new version”

2.2.1 Content of decision:

To approve the credit plan of IDGC of the South PJSC for the 4th quarter of 2016 in new version, in accordance with Appendix 2 to this decision of Company’s BoD.

Disclosure of insider information on item 3: “On preliminary approval of the Company's transaction involving the alienation of property that constitutes fixed assets – production bases, under the sales contract with the Kubanenergo PJSC, which is a transaction of interest”.

2.2.3. Content of decision:

1. To determine that the price of the property that constitutes fixed assets – production bases purchased under the contract between IDGC of the South PJSC and Kubanenergo PJSC, as a transaction of interest, shall amount 101 321 880 (one hundred one million three hundred twenty one thousand eight hundred eighty) rubles 00 kopecks, including 18% VAT – 15 455 880 (fifteen million four hundred fifty five thousand eight hundred eighty) rubles 00 kopecks.

2. To approve the contract for sale of production bases between DGC of the South PJSC and Kubanenergo PJSC, as a transaction involving the acquisition of assets, including fixed assets on the following essential terms:

Parties to the Contract:

Seller – Public Joint Stock Company “Interregional Distribution Grid Company of the South”;

Buyer – Public Joint Stock Company of Power Industry and Electrification of Kuban.

Subject of the Contract:

Seller transfers to the Buyer and the Buyer accepts and pays for the property specified in the Annex 9 to the decision of the Board of Directors.

Price of the Contract:

The acquisition cost is equal to the market value of the property in accordance with the reports on the market value No.16/2-933 and No.16/4-935 made by independent appraiser “FIKON” and is 101 321 880 (one hundred one million three hundred twenty one thousand eight hundred eighty) rubles 00 kopecks, including 18% VAT – 15 455 880 (fifteen million four hundred fifty five thousand eight hundred eighty) rubles 00 kopecks.

The procedure of transfer of the property:

Ownership rights on the property pass in accordance with the procedure established by the legislation of the Russian Federation.

Contract time:

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

2.3. Date of holding the meeting of Board of Directors: **30 November 2016.**

2.4. Date of drawing up and number of the minutes of meeting: **No. 208/2016 dated 2 December 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 2 December 2016