

Corporate Action Statement/Disclosure of insider information
“Information on decisions taken by Board of Directors of “IDGC of the South” JSC

1. General information	
1.1. Full company name of the issuer	Open Joint Stock Company “Interregional Distribution Grid Company of the South”
1.2. Short company name of the issuer	“IDGC of the South”, JSC
1.3 Location of the issuer	49 Bolshaya Sadovaya str., Rostov-on-Don, the Russian Federation, 344002
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.	
<p>On item 1:</p> <p>“FOR” – 11 votes</p> <p>“AGAINST” – 0 votes</p> <p>“ABSTAINED” – 0 vote</p> <p>On item 2:</p> <p>“FOR” – 11 votes</p> <p>“AGAINST” – 0 votes</p> <p>“ABSTAINED” – 0 vote</p> <p>On item 3:</p> <p>“FOR” – 11 votes</p> <p>“AGAINST” – 0 votes</p>	<p>On item 7:</p> <p>“FOR” – 11 votes</p> <p>“AGAINST” – 0 votes</p> <p>“ABSTAINED” – 0 votes</p> <p>On item 8:</p> <p>“FOR” – 11 votes</p> <p>“AGAINST” – 0 votes</p> <p>“ABSTAINED” – 0 votes</p> <p>On item 9:</p> <p>“FOR” – 11 votes</p> <p>“AGAINST” – 0 votes</p>

“ABSTAINED” – 0 votes

On item 4:

“FOR” – 11 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

On item 5:

“FOR” – 11 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

On item 6:

“FOR” – 11 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

“ABSTAINED” – 0 votes

On item 10:

“FOR” – 11 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

On item 11:

“FOR” – 11 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

On item 12:

“FOR” – 10 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

Disclosure of insider information on item 1: “Approval of redrafted Regulation on Audit Committee of “IDGC of the South” JSC Board of Directors”

2.2.1 Content of decision :

To approve redrafted Regulation on Audit Committee of “IDGC of the South” JSC Board of Directors, in accordance with Appendix 1 to the decision of the BoD.

**On approving internal documents /Disclosure of insider information on item 2
“Approval of report on implementation of adjusted business plan (including investment programme) of IDGC of the South for 4th quarter of 2014 and 2014”**

2.2.2. Content of decision:

1. To approve the report of Director General of “IDGC of the South” JSC on implementation of adjusted business plan (including investment programme) of “IDGC of the South” JSC for 4th quarter of 2014 and 2014 in accordance with Appendix 2 to present decision of Company’s BoD.

2. To note the non-fulfillment on results of 2014 the projected events on decreasing of electric energy losses by “IDGC of the South” JSC branch – “Kalmenergo” for 5.51 mln. kV/h (projected – 7.50 mln. kV/h, in fact – 3.92 mln. kV/h).

3. To note the non-fulfillment key indicators of Plan of perspective development of the

Company for 2014-2018, approved by Company's Board of Directors: EBITDA, debt/EBITDA, maximum allowed limit on capital leverage, maximum allowed limit debt coverage and maximum allowed limit on debt service coverage.

4. To instruct Director General of the Company to provide the implementation of key indicators of Plan of perspective development for 2014-2018, approved by Company's BoD.

Disclosure of insider information on item 3 "Expressing Company's opinion on agenda items of "IDGC of the South" JSC subsidiaries and affiliates: "Approval of the reports on results of implementation of "IDGC of the South" JSC subsidiaries and affiliates business plans for 4th quarter of 2014 and 2014"

2.2.3. Content of decision:

1. To instruct the representatives of "IDGC of the South" JSC in "Recreation centre "Energetik" JSC Board of Directors on agenda item "Approval of the report on results of Company's business plan implementation for 4th quarter of 2014 and 2014" to vote FOR adoption of the following decision:

1. To approve the report on results of "Recreation centre "Energetik" JSC business plan implementation for 4th quarter of 2014 and 2014 in accordance with Appendix to present decision of BoD.

2. To note the non-fulfillment of indicator net profit (loss) by the results of 2014 (planned – 343 thousand rubles, actual (-4 214) thousand rubles).

3. To instruct Director General of "Recreation Centre "Energetik" JSC to work out measures on increasing of amount of services to ensure lossless Company's operation.

2. To instruct the representatives of "IDGC of the South" JSC in "PSKh named after Grechko A.A." JSC Board of Directors on agenda item "Approval of the report on results of Company's business plan implementation for 4th quarter of 2014 and 2014" to vote FOR adoption of the following decision:

1. To approve the report on results of "PSKh named after Grechko A.A." JSC business plan implementation for 4th quarter of 2014 and 2014 in accordance with Appendix to present decision of BoD.

2. To note the non-fulfillment of indicator net profit (loss) by the results of 2014 (planned

(-12 018) thousand rubles, actual (-15 407) thousand rubles).

3. To instruct the representatives of “IDGC of the South” JSC in “PSKh Sokolovskoe” JSC Board of Directors on agenda item “Approval of the report on results of Company’s business plan implementation for 4th quarter of 2014 and 2014” to vote FOR adoption of the following decision:

1. To approve the report on results of “PSKh Sokolovskoe” JSC business plan implementation for 4th quarter of 2014 and 2014 in accordance with Appendix to present decision of BoD.

2. To note the non-fulfillment of indicator net profit (loss) by the results of 2014 (planned – 166 thousand rubles, actual (-43 454) thousand rubles).

3. To instruct Director General of “PSKh Sokolovskoe” JSC to work out measures on increasing of amount of services to ensure lossless Company’s operation.

4. To instruct the representatives of “IDGC of the South” JSC in “Energoservice Yuga” JSC Board of Directors on agenda item “Approval of the report on results of Company’s business plan implementation for 4th quarter of 2014 and 2014” to vote FOR adoption of the following decision:

To approve the report on results of “Energoservice Yuga” JSC business plan implementation for 4th quarter of 2014 and 2014 in accordance with Appendix to present decision of BoD.

Disclosure of insider information on item 4 “Approval of Scheduled plan of events of the Company on reducing of overdue receivables for services on electric energy transmission and settlement of disputes appeared at 01.01.2015”.

2.2.4. Content of decision:

To approve scheduled plan of events of the Company on reducing of overdue receivables for services on electric energy transmission and settlement of disputes appeared at 01.01.2015 in accordance with Appendix 3 to present decision of Company’s BoD.

Disclosure of insider information on item 5 “On taking into consideration of report of Company’s Director General on implementation of Programme of innovative development of “IDGC of the South” JSC for 2011-2016 for 12 months of 2014”

2.2.5. Content of decision:

1. To take into consideration the report of Company's Director General on implementation of Programme of innovative development of "IDGC of the South" JSC for 2011-2016 for 12 months of 2014 in accordance with Appendix 4 to present decision of Company's BoD.
2. To instruct Director General of the Company to place for consideration by Company's BoD the annual report on implementation of Programme of innovative development of the Company as part of Report of Company's Director General on implementation of Company's BoD decisions for the 4th quarter.

Disclosure of insider information on item 6 "Expressing Company's opinion on agenda item of "PSKh Sokolovskoe" JSC BoD: "On electing "PSKh Sokolovskoe" Director General for the next term of office"

2.2.6. Content of decision

To instruct the representatives of "IDGC of the South" JSC in "PSKh Sokolovskoe" JSC BoD on agenda item "On electing "PSKh Sokolovskoe" Director General for the next term of office" to vote FOR the following decision:

1. To elect Vasiliev Vladimir Vasilievich, Director General of "PSKh Sokolovskoe" JSC for the next term up to 20th March of 2016.
2. To authorize Ebzeev Boris Borisovich, Director General of "IDGC of the South" JSC to exercise rights and obligations in relation to Vasiliev Vladimir Vasilievich, Director General of "PSKh Sokolovskoe" JSC, to specify condition of labor contract with "PSKh Sokolovskoe" JSC Director General and sign labor contract, supplemental agreements to it and agreements relating to the termination of labor contract.

Disclosure of insider information on item 7 "On taking into consideration the information of Company's Director General on reliability and quality level of rendered services in all branches of the Company subject to tariff regulation on the base of long-term parameters of activity's regulation in 2014"

2.2.7. Content of decision

1. To defer the consideration of item to the next meeting of Company's BoD.
2. To instruct Director General of the Company:
 - 2.1. To revise the report on reliability and quality level of rendered services in 2014;
 - 2.2. To add to the list the report form on actual indicators of level of reliability and quality

of rendered services, the forms No. 8 of Guidelines for the calculation of the reliability and quality of goods supplied and services rendered to arrange management of the unified national (Russian) electric grid and regional network organizations, approved by Order of RF Ministry of Energy No. 718 dd. 14.10.2013, on calculation of indicators of reliability of services rendered by grid companies (SAIDI/SAIFI) for 2014.

Disclosure of insider information on item 8 “Expressing Company’s opinion on agenda item of the extraordinary general meeting of shareholders of “IDGC of the South” JSC subsidiaries and affiliates – “Energoservice Yuga” JSC: “Approving the contractor contract between “Energoservice Yuga” JSC and “DANA-Stroy” LLC as a major transaction”

2.2.8. Content of decision

To instruct the representatives of “IDGC of the South” JSC at extraordinary general meeting of shareholders of “Energoservice Yuga” JSC to vote FOR the adoption of resolution on the following agenda: “Approving the contractor contract between “Energoservice Yuga” JSC and “DANA-Stroy” LLC as a major transaction”:

To approve the contractor contract between “Energoservice Yuga” JSC and “DANA-Stroy” LLC as a major transaction (hereinafter – Contract, Appendix to the Resolution) on the following conditions:

Contract Parties:

Contractor - “Energoservice Yuga” JSC

Customer – “DANA-Stroy” LLC

Subject of the Contract:

The Customer instructs and the Contractor undertakes obligations to perform using its own sources, technical means, materials at its own risk the range of works on construction of two supply lines of 6kV to supply Customer’s power distribution centre located at the address: 1.5 km to north-east of village Tinaki, 6 km to north-west from village Solyanka, Narimanovskiy district, Astrakhan region.

Contract price: The total cost of works under the Contract is defined by fixed contractual price and amounts 57 000 000 (fifty seven million) rubles 00 kopecks, including 18% VAT – 8 694 915 (eight million six hundred ninety four thousand nine hundred fifteen)

rubles 25 kopecks.

Performance time: The works under the Contract are performed in accordance with the schedule of works (Appendix 6 to the Contract). The date of commencement of works is the date when the monetary assets are transferred to the account of the Contractor. Date of works completion is the date when the Completed facility acceptance report is signed (form No. KC-11).

Disputes settlements: In case the Parties do not reach any agreement during negotiations all the disputes should be considered by Commercial Court at claimant's location.

Contract term: The Contract enters into force upon the signature on condition of presence as of the date of approval of large transaction by the Board of Directors of "Energoservice Yuga" JSC. The Contract is valid till complete performance of Parties' obligations.

Disclosure of insider information on item 9 "Expressing Company's opinion on agenda item of the extraordinary general meeting of shareholders of "IDGC of the South" JSC subsidiaries and affiliates – "Energoservice Yuga" JSC: "Approving the delivery contract between "Energoservice Yuga" JSC and "AS-Stroy" LLC as a major transaction"

2.2.9. Content of decision

To instruct the representatives of "IDGC of the South" JSC at extraordinary general meeting of shareholders of "Energoservice Yuga" JSC to vote FOR the adoption of resolution on the following agenda: "Approving the delivery contract between "Energoservice Yuga" JSC and "AS-Stroy" LLC as a major transaction":

1. To approve the delivery contract between "Energoservice Yuga" JSC and "AS-Stroy" LLC as a major transaction (hereinafter – Contract) in the amount of 28 076 000 (twenty eight million seventy six thousand) rubles 00 kopecks, including 18% VAT – 4 282 779 (four million two hundred eighty two thousand seven hundred seventy nine) rubles 66 kopecks.

2. To approve the delivery contract between "Energoservice Yuga" JSC and "AS-Stroy" LLC as a major transaction (Appendix to present resolution of Company's BoD) at the following conditions:

Contract Parties:

Customer - "Energoservice Yuga" JSC

Deliverer – "AS-Stroy" LLC

Subject of the Contract: The Deliverer undertakes to deliver at receiver's address – "City Group" LLC (power supply facility "CITYGROUP" in Kirovskiy district, lit. B, 47, Svobody square, Astrakhan 414024) 2 complete containerized transformer substation and skid-mounted distribution substation of 10kV at the facility of "City Group" LLC in accordance with specification (Appendix 1 to Contract), to discharge Goods, supervising installation in accordance with technical part of the purchasing documentation (Appendix 2 to Contract), and Customer undertakes to receive and purchase Goods, rendered works and services.

Contract price: The total cost of the Contract with Specification (Appendix 1 to Contract) amounts 28 076 000 (twenty eight million seventy six thousand) rubles 00 kopecks, including 18% VAT – 4 282 779 (four million two hundred eighty two thousand seven hundred seventy nine) rubles 66 kopecks.

The Contract price includes all Deliverer's expenditures for delivering, works and services including transportation costs of Goods to the destination (power supply facility "CITYGROUP" in Kirovskiy district, lit. B, 47, Svobody square, Astrakhan 414024) and discharge of Goods, development of transportation project, obtaining of permit on large-sized heavy cargo transportation, coordination and realization of necessary measures on delivery of Goods to the destination, supervising installation and adjusting, insurance contributions, taxes, fees, payments as well as additional expenses and other mandatory deductions paid by Deliverers in accordance with the procedure established by law.

Terms of delivery of goods and execution of supervision works:

Goods delivery is carried out by Deliverer in accordance with terms and conditions specified in Specification (Appendix 1 to Contract), Technical details of Purchasing documentation (Appendix 2 to Contract), delivery schedule of Goods (Appendix 3 to Contract) and other terms specified in Contract.

Disputes settlements:

In the cause of implementation of the Contract the Parties solve disagreements by negotiations the agreements they come to should be presented as additional agreement,

which is integral part of the Contract.

All disagreements and claims arising out of or in connection with the Contract, as well as related to its conclusion, changing, implementation, violation, cessation, termination and validity the Parties will solve according to pre-court dispute settlement procedure.

Deadline to answer the claim – 10 days after the Party receives it.

In case of failure to settle disputes, disagreements and requirements using pre-court procedure such disputes and requirements arising out of or in connection with the Contract, as well as related to its conclusion, changing, implementation, violation, cessation, termination and validity are subject to settlement by Commercial Court of Rostov region.

Contract term: The Contract enters into force upon the signature on condition of presence as of the date of approval of large transaction by the Board of Directors of “Energoservice Yuga” JSC. The Contract is valid till complete performance of Parties’ obligations.

Disclosure of insider information on item 10 “Determining priority activities of the Company: on implementation of events on centralization and automation of treasury function”

2.2.10. Content of decision

1. To determine the implementation of events on centralization and automation of treasury function as priority activity of the Company.
2. To approve “Scheduled plan of project of centralization and automation of treasury function implementation” (hereafter – Scheduled plan) in accordance with Appendix 5 to present decision of BoD.
3. To instruct Sole executive body of the Company to provide the timely implementation of events provisioned by Scheduled plan.

Disclosure of insider information on item 11 “Taking into consideration the project of redrafted investment programme of the Company for 2015 and 2016-2020”

2.2.11. Content of decision

1. To approve the project of redrafted investment programme of “IDGC of the South” JSC for 2015 and 2016-2020 in accordance with Appendix 6 to present decision of BoD.
2. To instruct Director General of the Company to provide the approval of project of

redrafted investment programme of “IDGC of the South” JSC for 2015 and 2016-2020 in the authorized bodies of executive power of the Russian Federation in accordance with the requirements of statutory and regulatory enactments of the Russian Federation, that regulate investment activity.

3. To submit the report on implementation of paragraph 2 of present decision to consideration by Company’s BoD during 30 days after approval of redrafted investment programme of “IDGC of the South” JSC for 2015 and 2016-2020 in accordance with the requirements of statutory and regulatory enactments of the Russian Federation, that regulate investment activity.

Disclosure of insider information on item 12 “Approving the transaction of interest (confidential)”.

2.2.12. Content of decision

1. CONFIDENTIAL

2. To approve the transaction of interest.

CONFIDENTIAL: In accordance with paragraph 6.2.2.8gulation on disclosure of information by issuers of equity securities approved by Order of Federal Commission for Securities Market of Russia No. 11-46/pz-n dd. 04.10.2011, information on entities which are the parties and beneficiary parties, conditions and price of the contract approving by current decision, should not be disclose.

2.3. Date of holding the meeting of Board of Directors: **March 13, 2015.**

2.4. Date of drawing up and number of the minutes of meeting: **No. 154/2015 dated March 16, 2015**

3. Signature

3.1 Head of corporate governance and shareholders

interaction department (attorney dated 19.01.2015 No.25-15) (signature)Pavlova Ye.N.

3.2. Date 16 March 2015