

Approved on 18th July 2016 by the  
Board of Directors of IDGC of the South  
PJSC

registered on **4 August 2016**  
state registration number  
1-01-34956-E-

**Bank of Russia**

\_\_\_\_\_  
(the issuer's body that approved the  
Prospectus)  
minutes of meeting No.194/2016 dated  
21st July 2016

\_\_\_\_\_  
(name of the issuing body)

Kuritsyn V.A.

The Financial  
Market Access Department

\_\_\_\_\_  
(signature of authorized person)

\_\_\_\_\_  
(seal of the registering body)

**Securities Prospectus  
Public Joint Stock Company**

**“Interregional Distribution Grid Company of the South”**

**ordinary registered uncertified shares**

**par value of 10 kopecks each in amount of 11 615 110 154 (eleven billion six  
hundred fifteen million one hundred ten thousand one hundred fifty four)  
pieces, offered under public subscription**

Information in this Securities Prospectus is subject for disclosure in accordance  
with the legislation of the Russian Federation on securities

The registering authority is responsible for accuracy of the information contained  
in this Securities Prospectus and by the fact of its registration does not express its  
opinion on the placed securities

Acting Director General of IDGC of the South PJSC _____	Goncharov P.V.
21 <sup>st</sup> July 2016	
Chief accountant – Head of Financial Records, Accounts and Tax Returns, IDGC of the South PJSC	_____ Savin G.G.
21 <sup>st</sup> July 2016	

## Introduction

a) General information on the Issuer:

Full and abbreviated name:

Full name in Russian language: Публичное акционерное общество

“Межрегиональная распределительная сетевая компания Юга”;

abbreviated name in Russian language: ПАО “МРСК Юга”;

Full name in English language: “Interregional Distribution Grid Company of South”

Public Joint Stock Company;

abbreviated name in English language: IDGC of South PJSC.

TIN 6164266561

PSRN (OGRN): 1076164009096

Residence: Rostov-on-Don, Russian Federation

Address: 49 Bolshaya Sadovaya str., Rostov-on-Don, 344002, Russian Federation

Date of state registration: 28.07.2007

The goal of the issuer (if any):

IDGC of the South PJSC was established by decision of the founder (Order of the Chairperson of RAO “UES of Russia” No.192r dated 22.06.2007) in accordance with the Civil Code of the Russian Federation, the Federal Law “On Joint Stock Companies”, other legal acts of the Russian Federation.

The main objectives of IDGC of the South PJSC are:

- 1) to gain profit;
- 2) to implement effective and reliable operation of the distribution grid complex;
- 3) to ensure sustainable development of the distribution grid complex;
- 4) to provide reliable and high-quality power supply to consumers (in terms of delivery and transmission).

The main economic activities of the issuer: **electricity transmission**

Economic activity according to OKVED (Russian National Classifier of Economic Activities) codes:

The code of the main industrial areas of activity of the issuer in accordance with OKVED:

40.10.2 - power transmission

Other codes according to OKVED, assigned to the issuer:

40.10.3 - distribution of electricity

40.10.5 - activity for providing efficiency of electrical networks

64.20.11 - activities in the field of telecommunication

74.14 - consulting on business and management

74.15.2 – management of holding companies

b) Basic information on placed by the issuer securities in relation to which the registration of the prospectus was performed:

Class, category (type) and other identification characteristics of securities: **ordinary registered uncertified shares**

Quantity of securities: **11 615 110 154 (eleven billion six hundred fifteen million one hundred ten thousand one hundred fifty four)**

Par value of each security of the additional issue: **10 (ten) kopecks**

Placement method: **public offering**

**Procedure for determining the start date of the placement:**

The start date for the placement of securities constituting this additional issue of the Issuer's securities shall be the day following the date when the persons included on the list of the persons having the preemptive right to acquire additional shares have been notified that they may exercise the preemptive right to acquire additional shares. However, the placement start date may not be earlier than the date from which the Issuer provides access to the Securities Prospectus.

The Issuer shall post notification on the date of commencement of securities placement:

- in the news "Interfax" (hereinafter – the news) - not later than 1 (one) day before the date of commencement of securities placement;

- at the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>) - not later than 1 (one) day before the date of commencement of securities placement.

**Procedure for determining the end date of the placement:**

The end date of the placement of securities of this additional issue is 15 (fifteen) days from the expiry date for the submission of offers for acquisition of additional shares by public offering, referred to in paragraph 8.3 of the decision on the additional issue of securities (hereinafter – the End date of securities placement”).

Securities placement period may not exceed one year from the date of state registration of additional issue of securities. The dates of the placement of securities are determined on the basis of specifying the dates of disclosure of information concerning the additional issue of securities.

**Procedure for disclosing such information:**

Information on the state registration of the additional issue of securities shall be disclosed by the issuer in the form of a statement of material fact: “Information on the stages of the procedure of issuing the issuer's securities”, containing information on the state registration of the additional issue of securities and the procedure for access to information contained in the Securities Prospectus, within the following deadlines from the date of publication of information on the state registration of the additional issue of securities on the registering agency's website on the Internet or reception of a written notice from the registering body on the state registration of the additional issue of securities by mail, fax or electronic mail, delivery by hand, depending on which of the date comes earlier:

- in the news – within 1 (one) day
- on the Internet within 2 (two) days (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>).
- The persons from the list of persons having the preemptive right to purchase additional shares, shall be notified by the Issuer on the possibility to exercise this right within 6 (six) business days from the date of state registration of the additional issue of securities. During this period, the notice on the possibility of exercising the preemptive right to purchase shares of the Issuer shall be published on the issuer's web-site on the Internet at [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru).

Date of commencement of placement of the securities cannot occur before the date on which the issuer provided access to the Prospectus.

The Issuer shall publish the text of the registered Securities Prospectus on the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru>) before the date of commencement of placement of securities.

The Issuer is obliged to provide access to any interested party to the information contained in the registered Securities Prospectus by placing copies at: 49 Bolshaya Sadovaya str., Rostov-on-Don, 344002, Russian Federation.

The issuer, Russian Federation, provide a copy of the registered Securities Prospectus of the issuer to the securities owners and other interested parties on their request for a fee not exceeding the cost of making such copies within a period not exceeding 7 (seven) days from the date of receipt of such requirement.

### **Value of placement or the procedure of its definition**

The offering price of one additional ordinary registered uncertified share (as well as for the persons included in the list of persons having the preemptive right to purchase additional shares,) is 10 (ten) kopecks.

### **Placement procedure:**

Shares shall be placed by means of entering into agreements aimed at acquiring placed securities (hereinafter also, the “Share Acquisition Agreement”).

In accordance with Article 40 of the Federal Law “On Joint-Stock Companies,” shareholders shall have the preemptive right to acquire the quantity of the Issuer’s additional shares in proportion to the quantity of the Issuer’s ordinary shares that they hold.

The placement of shares to the persons exercising the preemptive right to acquire placed securities shall be carried out in accordance with the procedure provided for in paragraph 8.5 of the decision on the additional securities issue (hereinafter – the “Decision on the Additional Securities Issue”) and subparagraph 8.8.5 of this Securities Prospectus. Prior to the expiration of the Preemptive Right Period specified in paragraph 8.5 of the Decision on the Additional Securities Issue, shares may not be placed otherwise than by virtue of the exercise of the preemptive right.

The person having the preemptive right to purchase additional shares of common stock shall be entitled to fully or partially exercise their pre-emptive right by sending to the issuer a written application to purchase shares of additional issue (hereinafter – the “Application”) and document(s) confirming the payment for the amount of shares specified in the Application .

Duration of the of the preemptive right (the period during which the application for the acquisition of shares by using pre-emptive right, as well as the document on payment for the purchased shares must be received by the Issuer), is 65 (sixty five) days from the date of publication of the notification on the website of the issuer on the Internet at [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru).

If during the term of the preemptive right to purchase the shares of the issuer, not all shareholders took advantage of the preferential right to purchase the shares or did not use the advantage of this right to full extent, the remaining unsold shares are distributed among the public through public subscription.

Placement of additional shares among unlimited number of individuals by the open subscription is carried out by entering into Agreements to acquire shares in the manner described in paragraph 8.3 of the Decision on Additional Issue of Shares and subparagraph 8.8.3 of this Securities Prospectus.

For the purposes of entering into the Share Acquisition Agreement, the Issuer shall publish in the news of the information agency “Interfax”, and also on the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>) an offer, addressed to an indefinite number of persons, to acquire additional shares (hereinafter - the “The invitation to make offers”). The invitation to make an offer is published by the Issuer on the first working day following the day on which the Issuer in accordance with the procedure specified in paragraphs 8.5 and 11 of the Decision on additional issue of securities and subparagraphs 8.8.5 and 11 of this Securities Prospectus , took a decision to disclose information on the results of the pre-emptive rights.

The Offers may be submitted to the Issuer within 10 (ten) days after the later of the following acts done by the Issuer: the publication of the Invitation to Offer through

the newswire or the posting of the Invitation to Offer on the Internet at <http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>.

c) basic information about the placed by the issuer securities in respect of which the Prospectus is registered (in case of registration of the securities prospectus later (after the state registration of the report (submission of a notification) on the results of the issue (additional issue) of securities): registration of the securities prospectus has been carried out prior to the state registration of the securities issue

d) the main aims of the issue and ways use of funds received from the placement of the securities: The purposes of issue: attracting investments, improving the financial sustainability of the issuer

Intended use of the funds received as a result of the placement of securities:

- Replenishment of working capital of the issuer;
- In accordance with Federal law No.384-FZ “On the Federal Budget for 2015 and the planning period of 2016 and 2017” from 01.12.2014, the Orders of the Russian Federation Government No.518 “About preparation for the 2018 in the Russian Federation for the world Cup” (20.06.2013) in order to create infrastructure for hosting the World Cup in the Russian Federation in 2018, the authorized capital of IDGC of the South PJSC will receive the federal budget funds. The aim of the implementation of these measures is to provide reliable power supply of sport and infrastructure facilities prepared for World Cup in 2018 in the Russian Federation in Volgograd and Rostov-on-Don.

e) other information which the issuer deems necessary to specify in the introduction: websites of the Issuer: <http://www.e-disclosure.ru/portal/company.aspx?id=11999>, <http://www.mrsk-yuga.ru/>.

This quarterly report contains the estimates and forecasts of the authorized management authorities of the Issuer concerning future events and/or actions, prospects of development of the economy sector in which the Issuer carries out the ordinary activity, and results of the Issuer’s activity, including plans of the Issuer, probability of occurrence of certain events and fulfillment of certain actions. Investors should not fully rely on estimates and forecasts of management authorities

of the Issuer as actual results of the Issuer's activity in future can differ from those predicted for many reasons. Acquisition of securities of the Issuer is connected with risks described in this securities prospectus.

**I. Information on bank accounts, auditor (auditing company), appraiser and financial consultant of the Issuer as well as other persons that signed the securities prospectus**

1.1. Details on the Issuer's Bank Accounts

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 041203602

Number of the bank account: 40702810105000003326

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 041203602

Number of the bank account: 40702810205000003514

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 041203602

Number of the bank account: 40702810805000003516

Correspondent account number: 30101810500000000602



Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 041203602

Number of the bank account: 40702810605000003965

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 041203602

Number of the bank account: 40702810205000003019

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 041203602

Number of the bank account: 40702810605000003020

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 041203602

Number of the bank account: 40702810905000003021

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 041203602

Number of the bank account: 40702810505000003515

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 041203602

Number of the bank account: 40702810105000003517

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 041203602

Number of the bank account: 40702810405000003518

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 041806647

Number of the bank account: 40702810711100100886

Correspondent account number: 30101810100000000647

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 040702615

Number of the bank account: 40702810060300102033

Correspondent account number: 30101810907020000615

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 040702615

Number of the bank account: 40702810360300102034

Correspondent account number: 30101810907020000615

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 046015602

Number of the bank account: 40702810252000000007

Correspondent account number: 30101810600000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 046015602

Number of the bank account: 40702810552000000011

Correspondent account number: 30101810600000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893 RCBIC: 046015602

Number of the bank account: 40702810952000000006

Correspondent account number: 30101810600000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 046015602

Number of the bank account: 40702810552000000008

Correspondent account number: 30101810600000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Joint Stock Company Gazprombank**

Abbreviated company name: GPB JSC

Location: 16/1 Nametkina street, Moscow 117420

TIN: 7744001497;RCBIC: 041806779

Number of the bank account: 40702810000210001483

Correspondent account number: 30101810700000000968

Type of the bank account: settlement account

Data on credit company

Full company name: **Joint Stock Company Gazprombank**

Abbreviated company name: GPB JSC

Location: 16/1 Nametkina street, Moscow 117420

TIN: 7744001497; RCBIC: 041806779

Number of the bank account: 40702810500100301311

Correspondent account number: 30101810900000000779

Type of the bank account: settlement account

Data on credit company

Full company name: **Joint Stock Company SMP Bank**

Abbreviated company name: SMP Bank JSC

Location: 71/11, Sadovnicheskaya Str., Moscow, Russian Federation 115035

TIN: 7750005482; RCBIC: 040349838

Number of the bank account: 40702810108300000131

Correspondent account number: 30101810000000000838

Type of the bank account: settlement account

Data on credit company

Full company name: **Joint Stock Company “Bank Russia”**

Abbreviated company name: Bank Russia JSC

Location: 2A Rastrelli str., Sain-Petersburg 191124

TIN: 7831000122; RCBIC: 044030861

Number of the bank account: 40702810200000005510

Correspondent account number: 30101810800000000861

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 046015602

Number of the bank account: 40702810405000001138

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 046015602

Number of the bank account: 40702810705000001139

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: **Public Joint Stock Company Sberbank of Russia**

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893; RCBIC: 046015602

Number of the bank account: 40702810105000001140

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

## 1.2. Data on Auditor (Auditors) of the Issuer

1. Information about the auditor (auditing company), that performs (performed) an independent audit of accounting (financial) statements of the issuer and the consolidated financial statements of the issuer included in the Securities Prospectus, for the last three completed reporting years and the auditor (auditing company) that prepared auditing reports, included in the Securities Prospectus.

1.1. Full company name: **Closed joint stock company “KMPG”**

Abbreviated name: **“KMPG” CJSC**

Location: office 3035, 18/1 Olimpiyskiy prospect, Moscow, Russia 123110

TIN: 7702019950 PSRN: 1027700125628

phone: (495) 937-4477; fax: (495) 937-4400; e-mail: [moscow@kpmg.ru](mailto:moscow@kpmg.ru)

Full company name self-regulating organizations of auditors: Non-profit Partnership “Russian Audit Chamber”; Location: building 3, 3<sup>rd</sup> Syromyatnicheskiy pereulok 3/9, Moscow, 105120;

Financial year(s) among the last three completed financial years and other financial year for which the auditor (auditing company) carried out an annual independent audit of statements of the issuer: 2013

Type of accounting (financial) statements of the issuer in respect of which the auditor (audit company) conducted an independent audit (accounting (financial) statements, the consolidated financial statements):

**1. accounting (financial) statements for 2013**

**2. consolidated financial statements for 2013**

Factors that may influence the independence of the auditor from the issuer, including information on presence of significant interests connecting the auditor (or persons holding positions in the management bodies and the bodies of control over financial and economic activities of the audit company) and the issuer (persons holding positions in the management bodies and bodies controlling financial and economic activity of the issuer):

presence of shares of the auditor (or persons holding positions in the management bodies and the bodies controlling financial and economic activities of the audit company) in the authorized capital of the issuer: auditor (persons holding positions in the management bodies and the bodies controlling financial and economic activities of the audit company) does not have shares in the authorized capital of the issuer

the provision by the issuer of borrowed funds to auditor (or persons holding positions in the management bodies and the bodies controlling financial and economic activities of the audit company): the issuer did not provide borrowed funds to the auditor (or persons holding positions in the management bodies and the bodies controlling financial and economic activities of the audit company)

presence of close business relations (participation in promotion of products (services) of the issuer, joint ventures, etc.), and kinship: the issuer and the auditor

does not have any close business relationship and kinship information on persons holding positions in the governing bodies and (or) bodies controlling financial and economic activities of the issuer, which simultaneously hold positions in the governing bodies and (or) bodies controlling financial and economic activities of the audit company: there aren't such persons

Measures taken by the issuer and the auditor (audit company) to reduce the influence of these factors: the auditor is fully independent of management bodies of the issuer in accordance with the requirements of Article 8 of the Federal Law dated 30.12.2008 No. 307-FZ "On Auditing Activity". The Auditor's fee does not depend on the results of the audit. The main measure undertaken by the issuer to reduce the impact of these factors is the process of careful consideration of the auditor of the issuer to ensure its independence from the issuer, and the absence of these factors.

#### Procedure for Selecting Auditor for the Issuer

Tender is procedure connected with auditor selection and the main terms:

The auditor is chosen based on the results of open contest held by the Company according to Regulations on the procedure of scheduled purchases of goods, works and services to satisfy the needs of "IDGC of the South" JSC (p.1.1.1, p.7.1.1) or by the Company's authorized entity based on the Agreement concluded. The Company's Auditor is approved by General Shareholders Meeting of the Company according to p.11 cl.10.2 of the Charter of "IDGC of the South" JSC.

To participate in the Tender, auditor should meet the following requirements:

- shall not be in the process of liquidation;
- shall not have a resolution concerning suspension of operations in accordance with the procedure stipulated by the Code of the Russian Federation on Administrative Offences as of the date of consideration of the Application Form for participation in the Tender;
- shall not have debts under the accrued taxes, duties and other obligatory payments to the budgets of any level or the state unappropriated funds as of the last calendar year the amount of which exceeds twenty five percent of the balance sheet asset of the participant according to the accounting reports as of the last completed



accounting period. Participant of the order placement is considered to meet the requirement in case it appeals against the debt in accordance with the legislation of the Russian Federation, and the decision on the appeal is not taken as for the date of application for the Competition is not taken

- not to fall under terms enlisted in clause 1 of article 8 of the Federal Law “On the Auditor’s Activity” No.307-FZ dated 30 December 2008.

The procedure of nomination of the auditor for its approval at by the shareholders’ (participants’) meeting, including the responsible management authority:

According to articles No.No.47, 48, 54 and 88 of the Federal Law on Joint Stock Companies, according to subparagraph 11 of the paragraph10.2 of article 10; paragraph11.1 of article 11, paragraph.24.8 of article 24 of the Charter of “IDGC of the South”, JSC General Shareholders Meeting annually approves the Auditor Company for audit and check of annual financial statements of the Company.

Federal Law “On Joint Stock Companies” does not fix any date or terms for nomination of candidature of the auditors for entering them in the voting list on the issue of approbation as the Company’s auditor. The given law also doesn’t delegate shareholders the authority to nominate the candidate auditor.

The Company’s Board of Directors Audit Committee carries out the selection of candidate auditors for the Company estimation of their qualification level, their work efficiency and their observation of independence, introduction of the auditor candidates for the Board of Directors consideration as well a conclusion making concerning auditor candidates introduced by the third persons.

In this connection, the candidate auditor for approval at the annual general shareholders meeting is selected by the Board of Directors of the Company within the framework of resolution on the issues of preparing and holding of the annual general shareholders meeting.

For the purpose of auditing financial statements and financial (accounting) reports for 2013 the Board of Directors of “IDGC of the South” JSC has recommended (Minutes of meeting No. 108/2013 dd 17.05.2013) and appointed “KMPG” CJSC as the auditor of the Company on June 25, 2013 by the decision of the Annual General

Shareholders Meeting of the Company (Minutes of meeting No. 9 dd 25.06.2013).  
Information on the works conducted by the auditor with the frameworks of special auditor tasks: auditor was not given any special tasks.

The procedure of Auditor remuneration estimation :

Amount of fee of the issuer's auditor is determined by the Issuer's Board of Directors in accordance with the Charter. Service cost and order of paying the auditor's fee are specified by the agreement concluded between the Company and the auditor.

On 30.08.2013 the Board of Directors (minutes of meeting No.114/2013 from 02.09.2013) determined the amount of payment for the services of the auditor of "IDGC of South" JSC – "KPMG" CJSC, under a contract for the provision of audit services for audit of "IDGC of South" JSC, the consolidated financial statements prepared in accordance with IFRS for 2013 (audited period from 1 January 2013 to 31 December 2013): 3 868 217.00 (three million eight hundred sixty eight thousand two hundred seventeen) rubles, including VAT (18% ).

The same decision defined the auditor's fee size of "KPMG" CJSC, the auditor of "IDGC of South" JSC, under a contract for the provision of audit services to audit the financial statements IDGC of the South", prepared in accordance with RAS for 2013 (audited period from January 01, 2013 to December 31, 2013): 1 558 780,00 (one million five hundred fifty eight thousand seven hundred eighty) rubles, including VAT (18%).

the actual amount of remuneration paid to the auditor (audit company) at the end of the last completed fiscal year for which the auditor conducted independent audit of the annual accounting (financial) statements:

**for 2013:** 1 558 780.00 rubles, including VAT (18%) (accounting (financial) statements prepared in accordance RAS)

**for 2013:** 3 868 217.00 rubles, including VAT (18%) (consolidated financial statements prepared in accordance with IFRS)

Information on deferred and overdue payments for auditor's services: **the Issuer does not have deferred and/or overdue payments for auditor's services.**

1.2. Full business name: **Limited Liability Company Ernst and Young**

Abbreviated business name: Ernst and Young, LLC

Location: 77/1 Sadovnicheskaya Naberezhnaya, Moscow, Russian 115035

TIN: 7709383532; PSRN: 1027739707203

Telephone: (495) 755-97-00; Fax: (495) 755-97-01; e-mail: [moscow@ru.ey.com](mailto:moscow@ru.ey.com)

Information on the Auditor's membership in self-regulating auditor organizations

Name: Self-regulatory organization of auditors Non-profit Partnership "Auditor Chamber of Russia"; Location: Building 3/9, 3rd Syromyarnicheskiy lane, Moscow, Russia 105120

Financial year(s) among the last three completed financial years and other financial year for which the auditor (auditing company) carried out an annual independent audit of statements of the issuer: 2014

Type of accounting (financial) statements of the issuer in respect of which the auditor (audit company) conducted an independent audit (accounting (financial) statements, the consolidated financial statements):

**1. accounting (financial) statements for 2014**

**2. consolidated financial statements for 2014**

Factors that may influence the independence of the auditor from the issuer, including information on presence of significant interests connecting the auditor (or persons holding positions in the management bodies and the bodies of control over financial and economic activities of the audit company) and the issuer (persons holding positions in the management bodies and bodies controlling financial and economic activity of the issuer):

presence of shares of the auditor (or persons holding positions in the management bodies and the bodies controlling financial and economic activities of the audit company) in the authorized capital of the issuer: auditor (persons holding positions in the management bodies and the bodies controlling financial and economic activities of the audit company) does not have shares in the authorized capital of the issuer

the provision by the issuer of borrowed funds to auditor (or persons holding positions in the management bodies and the bodies controlling financial and economic

activities of the audit company): the issuer did not provide borrowed funds to the auditor (or persons holding positions in the management bodies and the bodies controlling financial and economic activities of the audit company)

presence of close business relations (participation in promotion of products (services) of the issuer, joint ventures, etc.), and kinship: the issuer and the auditor does not have any close business relationship and kinship

information on persons holding positions in the governing bodies and (or) bodies controlling financial and economic activities of the issuer, which simultaneously hold positions in the governing bodies and (or) bodies controlling financial and economic activities of the audit company: there aren't such persons

Measures taken by the issuer and the auditor (audit company) to reduce the influence of these factors: the auditor is fully independent of management bodies of the issuer in accordance with the requirements of Article 8 of the Federal Law dated 30.12.2008 No. 307-FZ "On Auditing Activity". The Auditor's fee does not depend on the results of the audit. The main measure undertaken by the issuer to reduce the impact of these factors is the process of careful consideration of the auditor of the issuer to ensure its independence from the issuer, and the absence of these factors.

Procedure for Selecting Auditor for the Issuer

Tender is procedure connected with auditor selection and the main terms:

The auditor is chosen based on the results of open contest held by the Company according to Regulations on the procedure of scheduled purchases of goods, works and services to satisfy the needs of "IDGC of the South" JSC (p.1.1.1, p.7.1.1) or by the Company's authorized entity based on the Agreement concluded. The Company's Auditor is approved by General Shareholders Meeting of the Company according to p.11 cl.10.2 of the Charter of "IDGC of the South" JSC.

To participate in the Tender, auditor should meet the following requirements:

- shall not be in the process of liquidation;
- shall not have a resolution concerning suspension of operations in accordance with the procedure stipulated by the Code of the Russian Federation on Administrative Offences as of the date of consideration of the Application Form for participation in

the Tender;

- shall not have debts under the accrued taxes, duties and other obligatory payments to the budgets of any level or the state unappropriated funds as of the last calendar year the amount of which exceeds twenty five percent of the balance sheet asset of the participant according to the accounting reports as of the last completed accounting period. Participant of the order placement is considered to meet the requirement in case it appeals against the debt in accordance with the legislation of the Russian Federation, and the decision on the appeal is not taken as for the date of application for the Competition is not taken

- not to fall under terms enlisted in clause 1 of article 8 of the Federal Law “On the Auditor’s Activity” No.307-FZ dated 30 December 2008.

The procedure of nomination of the auditor for its approval at by the shareholders’ (participants’) meeting, including the responsible management authority:

According to articles No.No.47, 48, 54 and 88 of the Federal Law on Joint Stock Companies, according to subparagraph 11 of the paragraph10.2 of article 10; paragraph11.1 of article 11, paragraph.24.8 of article 24 of the Charter of “IDGC of the South”, JSC General Shareholders Meeting annually approves the Auditor Company for audit and check of annual financial statements of the Company.

Federal Law “On Joint Stock Companies” does not fix any date or terms for nomination of candidature of the auditors for entering them in the voting list on the issue of approbation as the Company’s auditor. The given law also doesn’t delegate shareholders the authority to nominate the candidate auditor.

The Company’s Board of Directors Audit Committee carries out the selection of candidate auditors for the Company estimation of their qualification level, their work efficiency and their observation of independence, introduction of the auditor candidates for the Board of Directors consideration as well a conclusion making concerning auditor candidates introduced by the third persons.

In this connection, the candidate auditor for approval at the annual general shareholders meeting is selected by the Board of Directors of the Company within the framework of resolution on the issues of preparing and holding of the annual

general shareholders meeting.

For the purpose of auditing financial statements and financial (accounting) reports for 2014 the Board of Directors of “IDGC of the South” JSC has recommended (Minutes of meeting No. 133/2017 dd 08.05.2014) and appointed “Ernst and Young” LLC as the auditor of the Company on 25 June 2014 by the decision of the Annual General Shareholders Meeting of the Company (Minutes of meeting No. 11 dd 25.06.2014).

Information on the works conducted by the auditor with the frameworks of special auditor tasks: **auditor was not given any special tasks.**

The procedure of Auditor remuneration estimation: Amount of fee of the issuer’s auditor is determined by the Issuer’s Board of Directors in accordance with the Charter. Service cost and order of paying the auditor’s fee are specified by the agreement concluded between the Company and the auditor.

On 31.07.2014 the Board of Directors (minutes of meeting No.140/2014 from 04.08.2014) determined the amount of payment for the services of the auditor of “IDGC of South” JSC – “Ernst and Young” LLC, under a contract for the provision of audit services for audit of “IDGC of South” JSC on audit of accounting statements IDGC of the South prepared in accordance with RAS and the consolidated financial statements prepared in accordance with IFRS for the year ended 31.12.2014 (audited period from 1 January 2014 to 31 December 2014): 3 606 817.13 (three million six hundred six thousand eight hundred seventeen rubles 17 kopecks), including VAT (18% ) – 550 192.48 rubles.

the actual amount of remuneration paid to the auditor (audit company) at the end of the last completed fiscal year for which the auditor conducted independent audit of the annual accounting (financial) statements:

for 2014: 3 606 817.13 (three million six hundred six thousand eight hundred seventeen rubles 17 kopecks), including VAT (18% ) – 550 192.48 rubles (for audit of accounting (financial) statements prepared in accordance RAS and consolidated financial statements prepared in accordance with IFRS)

Information on deferred and overdue payments for auditor’s services: **the Issuer**

**does not have deferred and/or overdue payments for auditor's services.**

Full business name: **Limited Liability Company "RSM RUS"**

Abbreviated business name: **"RSM RUS", LLC**

Location: **4 Pudovkina street, Moscow, 119285**

TIN: 7722020834

PSRN: 1027700257540

Telephone: +7 (495) 363-2848; fax: +7 (495) 981-4121; e-mail: [mail@rsmrus.ru](mailto:mail@rsmrus.ru)

Information on the Auditor's membership in self-regulating auditor organizations

Name: Self-regulatory organization of auditors Non-profit Partnership "Auditing Association "Sodruzhestvo"; Location: 21/4 Michurinsky Prospekt, Moscow, Russia 11919

Financial year(s) among the last three completed financial years and other financial year for which the auditor (auditing company) carried out an annual independent audit of statements of the issuer: **2015**

Type of accounting (financial) statements of the issuer in respect of which the auditor (audit company) conducted an independent audit (accounting (financial) statements, the consolidated financial statements):

**1. accounting (financial) statements for 2015**

**2. consolidated financial statements for 2015**

Factors that may influence the independence of the auditor from the issuer, including information on presence of significant interests connecting the auditor (or persons holding positions in the management bodies and the bodies of control over financial and economic activities of the audit company) and the issuer (persons holding positions in the management bodies and bodies controlling financial and economic activity of the issuer):

presence of shares of the auditor (or persons holding positions in the management bodies and the bodies controlling financial and economic activities of the audit company) in the authorized capital of the issuer: auditor (persons holding positions in the management bodies and the bodies controlling financial and economic activities of the audit company) does not have shares in the authorized capital of the

issuer

the provision by the issuer of borrowed funds to auditor (or persons holding positions in the management bodies and the bodies controlling financial and economic activities of the audit company): the issuer did not provide borrowed funds to the auditor (or persons holding positions in the management bodies and the bodies controlling financial and economic activities of the audit company)

presence of close business relations (participation in promotion of products (services) of the issuer, joint ventures, etc.), and kinship: the issuer and the auditor does not have any close business relationship and kinship

information on persons holding positions in the governing bodies and (or) bodies controlling financial and economic activities of the issuer, which simultaneously hold positions in the governing bodies and (or) bodies controlling financial and economic activities of the audit company: there aren't such persons

Measures taken by the issuer and the auditor (audit company) to reduce the influence of these factors: the auditor is fully independent of management bodies of the issuer in accordance with the requirements of Article 8 of the Federal Law dated 30.12.2008 No. 307-FZ "On Auditing Activity". The Auditor's fee does not depend on the results of the audit. The main measure undertaken by the issuer to reduce the impact of these factors is the process of careful consideration of the auditor of the issuer to ensure its independence from the issuer, and the absence of these factors.

### **Procedure for Selecting Auditor for the Issuer**

Tender is procedure connected with auditor selection and the main terms: The auditor is chosen based on the results of open contest held by the Company according to Regulations on the procedure of scheduled purchases of goods, works and services to satisfy the needs of "IDGC of the South" JSC (p.1.1.1, p.7.1.1) or by the Company's authorized entity based on the Agreement concluded. The Company's Auditor is approved by General Shareholders Meeting of the Company according to p.11 cl.10.2 of the Charter of the Company.

To participate in the Tender, auditor should meet the following requirements:

- shall not be in the process of liquidation;



- shall not have a resolution concerning suspension of operations in accordance with the procedure stipulated by the Code of the Russian Federation on Administrative Offences as of the date of consideration of the Application Form for participation in the Tender;
- shall not have debts under the accrued taxes, duties and other obligatory payments to the budgets of any level or the state unappropriated funds as of the last calendar year the amount of which exceeds twenty five percent of the balance sheet asset of the participant according to the accounting reports as of the last completed accounting period. Participant of the order placement is considered to meet the requirement in case it appeals against the debt in accordance with the legislation of the Russian Federation, and the decision on the appeal is not taken as for the date of application for the Competition is not taken
- not to fall under terms enlisted in clause 1 of article 8 of the Federal Law “On the Auditor’s Activity” No.307-FZ dated 30 December 2008.

In accordance with the established procedure an open tender has been announced for the right to conclude contracts for carrying out audit of annual accounts of affiliated and dependent companies of “Rosseti” for 2015-2017. “RSM RUS” won the open competition (Minutes of the meeting of the Tender Commission No.5/552r, 20.04.2015).

The procedure of nomination of the auditor for its approval at by the shareholders’ (participants’) meeting, including the responsible management authority:

According to articles No.47, 54 and 88 of the Federal Law on Joint Stock Companies, according to subparagraph 11 of the paragraph10.2 of article 10; paragraph11.1 of article 11, paragraph.24.8 of article 24 of the Charter of the Company, the General Shareholders Meeting annually approves the Auditor Company for audit and check of annual financial statements of the Company.

Federal Law “On Joint Stock Companies” does not fix any date or terms for nomination of candidature of the auditors for entering them in the voting list on the issue of approbation as the Company’s auditor. The given law also does not delegate shareholders the authority to nominate the candidate auditor.

The Company's Board of Directors Audit Committee carries out the selection of candidate auditors for the Company estimation of their qualification level, their work efficiency and their observation of independence, introduction of the auditor candidates for the Board of Directors consideration as well a conclusion making concerning auditor candidates introduced by the third persons.

In this connection, the candidate auditor for approval at the annual general shareholders meeting is selected by the Board of Directors of the Company within the framework of resolution on the issues of preparing and holding of the annual general shareholders meeting.

For the purpose of auditing financial statements and financial (accounting) reports for 2015 the Company's Board of Directors has recommended (Minutes of meeting No. 158/2015 dd 21.05.2015) and the Annual General Shareholders Meeting of the Company (Minutes of meeting No. 12 dd 22.06.2015) appointed "RSM RUS" LLC as the auditor of the Company on 19 June 2015.

Information on the works conducted by the auditor with the frameworks of special auditor tasks: **auditor was not given any special tasks.**

The procedure of Auditor remuneration estimation: Amount of fee of the issuer's auditor is determined by the Issuer's Board of Directors in accordance with the paragraph 24.10 of article 24 of the Company's Charter. Service cost and order of paying the auditor's fee are specified by the agreement concluded between the Company and the auditor.

On 08.09.2015 the Board of Directors (minutes of meeting No.166/2015 from 10.09.2015) determined the amount of payment for the services of the auditor of "IDGC of South" JSC – "RSM RUS" LLC, under a contract for the provision of audit services for audit of "IDGC of South" JSC on audit of accounting statements IDGC of the South prepared in accordance with RAS and the consolidated financial statements prepared in accordance with IFRS for the year ended 31.12.2015 (audited period from 1 January 2015 to 31 December 2015): 2 177 796.76 (two million one hundred seventy seven thousand seven hundred ninety six rubles 76 kopecks), including VAT (18% ) – 332 206.29 rubles.

the actual amount of remuneration paid to the auditor (audit company) at the end of the last completed fiscal year for which the auditor conducted independent audit of the annual accounting (financial) statements:

for 2015: 2 177 796.76 (two million one hundred seventy seven thousand seven hundred ninety six rubles 76 kopecks), including VAT (18% ) – 332 206.29 rubles, including VAT (18% ) – 332 206.29 rubles (for audit of accounting (financial) statements prepared in accordance RAS and consolidated financial statements prepared in accordance with IFRS)

Information on deferred and overdue payments for auditor's services: **the Issuer does not have deferred and/or overdue payments for auditor's services.**

### 1.3. Data on Appraiser of the Issuer

The Issuer did not invite: Appraiser to determine the market value of:  
securities to be placed;

property, which may be paid for the placed securities;

property subject to lien on the issuer's bonds secured by a pledge;

property that is the subject of major transactions and other transactions to which, in accordance with the Charter of the Issuer to which the procedure of approval of major transactions and transactions with related parties is applied, provided that the date of the evaluation is not older than 12 months.

The Issuer is not a joint stock investment fund.

### 1.4. Data on Advisors of the Issuer

Financial consultants at the securities market, as well as other persons who provide consulting services to the issuer relating to the issuance of securities, and signed the prospectus for securities were not involved.

Other Issuer's consultants, the disclosure of which, according to the Issuer, is essential for making a decision on acquisition of securities of the issuer: none.

### 1.5. Data on Other Individuals that Signed the Quarterly Report.

Name: **Goncharov Pavel Viktorovich**

Year of birth: 1966

Information of place work and position: Deputy Director General in charge of

Technical Issues – Chief Engineer of IDGC of the South, acting director general

Name: **Savin Grigory Grigorievich;**

Year of birth: **1952**

Information of place work and position: Chief accountant – Head of Financial Records, Accounts and Tax Returns at “IDGC of the South” PJSC

## **II. Basic Information on Financial and Economic Performance of the Issuer**

### 2.1. Financial and Economic Performance Indicators of the Issuer

Dynamics of indicators showing financial and economic activities of the issuer for the last five completed fiscal years and for the last completed reporting period before the date of approval of the securities prospectus (information is provided in a table, indicators are calculated as of the end of each completed fiscal year and the end date the last completed reporting period before the securities prospectus approval date):

Indicator	2011	2012	2013	2014	2015	1 <sup>st</sup> quarter of 2016
Workforce productivity, thousand rubles/person	1668.47	1661.55	1996.07	2145.20	2236.67	582.20
Debt-to-equity ratio	1.67	2.65	2.88	7.10	7.16	7.43
Long-term debt to total sum of debt and equity ratio (leverage ratio)	0.52	0.58	0.53	0.80	0.72	0.67
Debt coverage ratio	1.29	3.41	3.25	2.24	3.20	19.22
current arrears rate, %	3.89	5.65	14.64	13.82	14.52	17.30

These figures are calculated based on the issuer's financial statements, prepared in accordance with Russian accounting standards, according to the method recommended by the Bank of Russia in the Regulations on Disclosure of Information by Issuers of Securities, approved by the Bank of Russia on 12.30.2014, No. 454-P. When specifying the parameters, for observance of the comparability for the prior periods due to changes in the lines of the balance sheet and profit and loss statements (income statement) the following data from the balance sheets and profit and loss statements (the statement of income) were taken:

- For calculation of the indicators for 2011 – balance sheet for 2013 (column “On December 31, 2011”); report on financial results for the 2012 (column “2011”);
- For calculation of the indicators for 2012 – balance sheet for 2014 (column “On December 31, 2012”); report on financial results for the 2012 (column “2012”);

- For calculation of the indicators for 2013 – balance sheet for 2015 (column “On December 31, 2013”); report on financial results for January –December 2014 (column “2013”);
- For calculation of the indicators for 2014 – balance sheet for 2015 (column “On December 31, 2014”); report on financial results for January –December 2015 (column “2014”);
- For calculation of the indicators for 2015 – balance sheet for 2015 (column “On December 31, 2015”); report on financial results for January –December 2015 (column “2015”);
- For calculation of the indicators for the 1<sup>st</sup> quarter of 2016 – balance sheet for 31 March 2016 (column “On March 31, 2016”); report on financial results for January –March 2016 (column “31 march 2016”).

Analysis of the issuer’s business activity based on the abovementioned indicators:

**It is generally accepted that the labour productivity shows that the company is effectively using the labour resources.**

The dynamics of this indicator over the last five completed financial years is stable, which is explained, first of all, by the peculiarities of formation of revenues from electricity transmission services, which is a regulated activity of the Issuer. Thus, a small increase in productivity in 2013-2015 in comparison to 2012 is due to increase in revenue from electricity transmission because of the growth of tariffs for electricity transmission services. The labour productivity was affected by the change in the structure of supply of electric power and a higher average tariff for its transfer over networks. The ratio of debt (long-term and short-term liabilities) to equity, long-term debt to total long-term debt and equity capital, as well as the degree of coverage of debt by the current income (profit) characterize the level of dependence of the issuer on the borrowed and attracted funds and, in general, determine the size of the risk for the creditors.

The debt-to-equity ratio characterizes the borrowings ratio and shows the extent of their use in the total amount of funds invested in the company. During the reporting

period, there has been a growth of the issuer's dependence on attracted funds and borrowings, because of the growth of debt and the decrease in equity.

With the issuer's long-term debt rising (mainly due to the increase in long-term debt on credits and loans), the leverage ratio increased from 0.53 in 2013 to 0.80 – by the results of 2014. The decline at the end of 2015 (0.72) and the 1<sup>st</sup> quarter of 2016 (0.67) was due to decrease in long-term liabilities in terms of long-term debt on loans.

The debt coverage ratio reflects the company's ability to pay its short-term obligations, describes how many rubles of own resources are accounted for one ruble of obligations payable in the reporting period. At the end of the 1<sup>st</sup> quarter of 2016 it reached the value of 19.22, which is higher than in 2011-2015. The increase is due to growth in current liabilities due to increase in short-term loans while the loan portfolio was kept at the level of 2015. Dynamics of indicators in the period 2011-2015 is due to changes in short-term obligations of the issuer in the course of economic activity.

The share of overdue accounts payable of the issuer as of 31.03.2016 is significant and amounts to 17.30%. The dynamics of this indicator for 2011-2015 is explained by the growth in accounts receivable, which occurred because of non-payment by guaranteeing suppliers and energy supply companies.

## **2.2. Market Capitalization of the Issuer**

Year/reporting period	Market capitalization, rubles
2011	3 283 547 452.54
2012	2 591 173 217.24
2013	1 583 494 743.87
2014	1 579 011 745.23
2015	1 544 143 977.98
1st quarter of 2016	2 236 518 213.27

Market capitalization is calculated by way of multiplying the corresponding category (class) shares amount by a share market price disclosed by Securities Market Maker. To calculate the market price of the Issuer's shares for the reporting quarter, the Company used the information of "MICEX Stock Exchange".

## **2.3. Issuer's liabilities**

### **2.3.1. Accounts Payable**

Information about the total amount of the issuer's borrowing funds with a separate indication of the total amount of outstanding debts for the last five completed financial years:

	2011	2012	2013	2014	2015
The total sum of borrowed funds, thousand rubles	16 589 120	19 341 890	21 989 353	24 867 427	25 033 572
As well as total sum of overdue borrowed funds of the issuer, thousand rubles	0	0	0	0	0

Note:

When specifying parameters, for observance of their comparability with prior periods due to changes in balance sheet, the following data was taken from balances:

- Figures for 2011 - balance sheet for 2013 (column "On December 31, 2011");
- Figures for 2012 - balance sheet for 2014 (column "On December 31, 2012").
- Figures for 2013, 2014, 2015 - the balance for 2015 (column "On 31 December 2013", "On December 31, 2014", "On December 31, 2015" respectively).

Borrowed funds of the issuer for the last completed fiscal year and the last completed reporting period before the date of approval of the securities prospectus:

Indicator	In thousand rubles; 31.12.2015	In thousand rubles; 31.03.2016
Long-term loans	13 403 378	10 056 378
including:		
credits	8 403 378	5 053 378
loans, except bonded loans	0	0
bonded loan	5 000 000	5 000 000
Short-term loans	11 630 194	14 980 194
including:		
credits	11 598 753	14 948 753
loans, except bonded loans	0	0
bonded loan	31 441	31 441
Total sum of overdue loan	0	0
including:		
credits	0	0
loans, except bonded loans	0	0
bonded loan	0	0

Information about the total amount of the issuer's loan payable with a separate indication of the total amount of outstanding debts for the last five completed financial years:

	2011	2012	2013	2014	2015

The total sum of loan payable, thousand rubles	8 136 316	10 462 059	10 968 855	8 627 223	9 562 106
As well as total sum of overdue loan payable of the issuer, thousand rubles	995 277	1 798 234	5 070 643	5 022 904	5 409 120

Note: When specifying parameters, for observance of their comparability with prior periods due to changes in balance sheet, the following data was taken from balances:

- Figures for 2011 - balance sheet for 2013 (column “On December 31, 2011”);
- Figures for 2012 - balance sheet for 2014 (column “On December 31, 2012”).
- Figures for 2013, 2014, 2015 - the balance for 2015 (column “On 31 December 2013”, “On December 31, 2014”, “On December 31, 2015” respectively).

Borrowed funds of the issuer for the last completed fiscal year and the last completed reporting period before the date of approval of the securities prospectus:

Indicator	In thousand rubles; 31.12.2015	In thousand rubles; 31.03.2016
Total amount of credit debts	9 562 106	10 064 920
overdue	5 409 120	6 632 306
including		
to budget and state non-budgetary funds	687 600	890 921
overdue	0	0
to suppliers and contractors	7 207 769	7 504 838
overdue	7 207 769	7 504 838
to staff	248 132	239 651
overdue	0	0
other	343 073	322 040
overdue	22 580	245 646

There are overdue accounts payable. Causes of non-fulfillment as well as consequences following or likely to follow the abovementioned outstanding commitments, including sanctions imposed on the Issuer and terms (approximate terms) of overdue accounts repayment.

The overdue debt of IDGC of the South JSC as of 31.03.2016 is 65.9% from the total accounts payable. The main consequences of failure of the Issuer to repay accounts payable might become creditor’s juridical debt reclaim performed in accordance with the norms of RF Civil Code. However, the Company fulfills its obligations to the lending agencies in due terms. To minimize risks of debts reclaimed the Company is suing out pretrial litigation settlement and legal restructuring of liabilities existing.



Repayment of overdue payables is possible in case of fulfillment of the plan of mobilization of receivables. The reason for the growth of accounts payable, including overdue, is the increase in receivables due to non-payment of guaranteeing suppliers and energy supply companies.

Full company name: **“Federal Grid Company of Unified Energy System” Public Joint Stock Company;**

Short company name: **“UES FGC” PJSC**

Location: Moscow;

TIN: 4716016979; RCBIC: 1024701893336

Amount of accounts payable as of 31.03.2016: 4 988 175 thousand rubles

The size and terms of overdue debt (interest rate, penalties, fines): overdue debt to the PJSC “FGC UES” as of 31.03.2016 year is 4 547 515 thousand rubles. There are penalties in the amount of 1/365 of the refinancing rate of the Central Bank of the Russian Federation for each day of delay. The creditor is an affiliate of the issuer.

The issuer's share in the authorized capital of PJSC “FGC UES”: 0.000853%

Percentage of ordinary shares of PJSC “FGC UES” belonging to the issuer: 0.000853%

Share of PJSC “FGC UES” in the charter capital of the issuer: 0%

Percentage of ordinary shares of the Issuer owned by the affiliate: 0%

### **2.3.2. Credit History of the Issuer.**

Fulfillment of liabilities by the Issuer under credit and/or loan contracts having been in effect during the last completed financial year and (or) loan agreements, including those concluded by issuing and selling bonds, the principal of which is 5% of the net value of the assets as of the date the last complete reporting period, consisting of 3, 6, 9 or 12 months preceding the conclusion of the respective agreement as well as other credit agreements and (or) loan agreements which the Issuer considers material

Type and identification characteristics of liability	
1. Bonded loan	
Terms of liability and information of its fulfilling	
Full company name and address or name of the creditor	Purchasers of securities (state registration number 4-02-34956-E)

Sum of debt as of the moment of creation of obligations, rubles/foreign currency	6 000 000 000.00 rubles
Sum of debt as of the end of the reporting quarter, rubles/foreign currency	0,00
Credit (loan) period, years	5
Average interest rate, % per annum	8.1
Number of interest (coupon) periods	10 coupon periods 182 days each
Overdue on interest payments	no
Planned credit payment period	26.08.2014
Actual credit payment period	26.08.2014
Other information on obligations specified by the issuer at its own discretion	The column "Amount of the principal debt as of the date of the last completed reporting period before the date of approval of the Prospectus, rubles/foreign currency contains the amount owed as of 31.03.2016.

Type and identification characteristics of liability	
1. Bonded loan (state registration number of issue 4B02-01-34956-E)	
Terms of liability and information of its fulfilling	
Full company name and address or name of the creditor	Purchasers of securities
Sum of debt as of the moment of creation of obligations, rubles/foreign currency	5 000 000 000,00 rubles
Sum of debt as of the end of the reporting quarter, rubles/foreign currency	5 000 000 000,00 rubles
Credit (loan) period, years	5
Average interest rate, % per annum	13.5
Number of interest (coupon) periods	20
Overdue on interest payments	no
Planned credit payment period	08.06.2020
Actual credit payment period	current
Other information on obligations specified by the issuer at its own discretion	The amount of bonds of the issue: 6 000 000 pcs., the number of actually placed securities: 5 000 000 pcs. The column "Amount of the principal debt as of the date of the last completed reporting period before the date of approval of the Prospectus, rubles/foreign currency contains the amount owed as of 31.03.2016.

Type and identification characteristics of liability	
Revolving line of credit, Credit agreements No. 180 dd. 20.11.2009	
Terms of liability and information of its fulfilling	
Full company name and address or name of the creditor	Public Joint Stock Company "Sberbank of Russia"; 19 Vavilova street, 117997 Moscow
Sum of debt as of the moment of creation of obligations, rubles/foreign currency	2 900 000 000.00 rubles

Sum of debt as of the end of creation of obligations, rubles/foreign currency	0.00
Credit (loan) period, years	3
Average interest rate, % per annum	8,9
Number of interest (coupon) periods	36
Overdue on interest payments	No
Planned credit payment period	19.11.2012
Actual credit payment period	17.10.2012
Other information on obligations specified by the issuer	The column “Sum of debt as of the moment of creation of obligations, rubles/foreign currency” specifies the limit of the debt under the contract. The column “Amount of the principal debt as of the date of the last completed reporting period before the date of approval of the Prospectus, rubles/foreign currency contains the amount owed as of 31.03.2016.

### 2.3.3. The Issuer’s Obligations from Collateral Furnished to Third Parties

Information about the total amount of the security provided by the issuer (the amount (sum) of outstanding liabilities in respect of which the issuer provided security, if in accordance with the terms of the security the relevant obligations were fulfilled in full) with a separate indication of the collateral, which is granted by the issuer under obligations of third parties:

Indicator	2011	2012	2013	2014	2015	1 <sup>st</sup> quarter of 2016
The total amount of the security provided by the issuer (the amount (sum) of outstanding liabilities in respect of which the issuer provided security, if in accordance with the terms of the security the relevant obligations were fulfilled in full)*	2 616	140	140	-	-	-
as well as obligations of third parties	2 321	-	-	-	-	-
The total amount of the security provided by the issuer (the amount (sum) of outstanding liabilities in respect of which the issuer provided security, if in accordance with the terms of the security the relevant obligations were fulfilled in full) in the form of a security	295	140	140	-	-	-
as well as obligations of third parties	-	-	-	-	-	-
The total amount of the security provided by the issuer (the amount (sum) of outstanding liabilities in respect of which the issuer provided security, if in accordance with the terms of the security the relevant obligations were fulfilled in full) in the form of a guarantee	2 321	-	-	-	-	-
as well as obligations of third parties	2321	-	-	-	-	-

\*In balance sheet for 2013 they are indicated as “other issued securities”

Separately is disclosed the information on each case of provision of security, the size of which is five percent or more of the Company's assets at the date of the last completed reporting period (quarter, year) preceding the provision of security, indicating:

the type, size and content of the secured obligation and the term of its implementation;

means of securing an obligation, its size and the conditions for granting, including the subject and value of the collateral if the means of securing an obligation is a security; the period for which provision is granted;

in the case of the provision of security for the obligation of a third party – the assessment of risk of non-performance or improper performance by the third party of its obligations secured by the issuer with indication of the factors that can lead to such failure or improper performance, and the likelihood of such factors: these commitments are absent.

#### **2.3.4. Other Obligations of the Issuer**

The Issuer's agreements including urgent transactions not reflected in the accounting (financial) statements that may materially affect the issuer's financial position, its liquidity, sources of financing and conditions of their use, performance and expenses: none.

Factors, in which the above-mentioned obligations may result in these changes and the probability of their occurrence: data are not given due to the absence these commitments.

The reasons for the conclusion of these agreements by the issuer, the issuer's alleged benefits from these agreements and the reasons for which these agreements are not reflected in the accounting (financial) statements of the issuer: no information is given due to the absence such agreements.

#### **2.4. Purposes of issue and use of the funds received as a result of placement of equity securities**

The purposes of issue: attracting investment, improving the financial sustainability of the issuer.

Intended use of the funds received as a result of the placement of securities:

- Replenishment of working capital of the issuer;
- In accordance with Federal law No.384-FZ “On the Federal Budget for 2015 and the planning period of 2016 and 2017” from 01.12.2014, the Orders of the Russian Federation Government No.518 “About preparation for the 2018 in the Russian Federation for the world Cup” (20.06.2013) in order to create infrastructure for hosting the World Cup in the Russian Federation in 2018, the authorized capital of IDGC of the South PJSC will receive the federal budget funds. The aim of the implementation of these measures is to provide reliable power supply of sport and infrastructure facilities prepared for World Cup in 2018 in the Russian Federation in Volgograd and Rostov-on-Don.

Issue of securities is not carried out in order to finance a certain transaction (interconnected transactions) or other operation.

## **2.5. Risks Connected with Purchase of Equity Securities Placed**

Investments in the securities of the issuer are associated with some degree of risk, so before making any investment decision, potential investors should carefully consider the following risk factors. Each of these factors could have an adverse effect on the financial position and the value of securities of the issuer.

In this section of the securities prospectus provides a detailed analysis of the risk factors associated with the acquisition of equity securities, in particular:

industry risks;

country and regional risks;

financial risks;

legal risks;

the risk of loss of business reputation (reputational risk);

strategic risk;

risks associated with the issuer's activities.

The Issuer's policy in the field of risk management:

Company's risk management policy is aimed at reducing the likelihood, materiality of risks, and ultimately to achieve the strategic goals. For this the Company set acceptable risk levels for each category of significant risks.

The Company's risk management policy takes into account the relationship between the various categories of risk. To assess their overall impact on its activities the Company applies a consistent approach to evaluating the financial, operational and other risks.

The key tasks of the risk management policies of the Company are as follows:

- ensuring compliance with the requirements of proper corporate governance practices in accordance with which the Company must pay particular attention to accounting, risk monitoring, management and proper disclosure of information in this field;
- prevention of situations that threaten the Company's strategic goals, and to ensure adequate protection;
- ensure coordination and integration of risk management processes related to various aspects of financial and economic activities, in order to enhance the overall effectiveness of the Company's management;

Company's risk management system is connected with the process of strategic and operational planning, as well as with the budgeting process and ensures that the management bodies adopt the most effective economic solutions.

Organizational and legal basis for the functioning of the risk management system is a risk management policy of "IDGC of the South" PJSC, approved by the Board of Directors on 01.04..2016 (Minutes of meeting No.182/2016 dd 01.04.2016), which defines the basic principles of organization, implementation and monitoring of management processes risks in "IDGC of the South" PJSC.

Methodological documents on the risk management of "IDGC of the South" PJSC, approved by order of the "IDGC of the South" PJSC on 11.08.2015 No.512. Instructions for the planning and implementation of risk management of "IDGC of the South" PJSC, approved by order of the "IDGC of the South" PJSC in 11.12.2015

No.777 defines the procedure for the development of annual plans of action in the process of risk management.

### **Improvement of the system of internal control and risk management**

The Company has appointed the key risk owners, who are responsible for quarterly updating of risk and personal responsibility for the organization of risk management. The owners of the risks on a quarterly basis identify and evaluate the risks, development and implementation of risk management, risk monitoring. The evaluation department of internal audit and control prepares a quarterly report on key risks. This report includes information on risk classification, risk factors, distribution of integrated values of the risks by business processes, risk map, the data on the most significant risks, their assessment data risk management activities, information on the implementation risks, the conclusions and suggestions for further monitoring and control of risks. The report examines the key risks on a quarterly basis at the meetings of the Management Board. Report on key risks up to six months and a year is to be discussed by the Audit Committee of the Board of Directors and the Board of Directors. This allows shareholders and the Company's management to obtain information about the most significant risks in the context of the key business processes, control the level of the Company's risks, monitor risk management activities, integrate information about key risks of the Company for the further adoption of risk management solutions. The core units of the Company in accordance with their functional responsibilities carry out an ongoing monitoring by means of the existing local regulations.

#### **2.5.1. Industry Risks**

The impact of potential deterioration in the issuer's industry on its activities and performance of obligations under securities. The most significant, in the issuer's opinion, possible changes in the industry (separately for domestic and foreign markets), as well as the alleged actions of the issuer in this case:

In accordance with the applicable legislation rendering electricity transmission services and technological connection of consumers to the electric networks are regulated activities. Thus, the revenues of IDGC of the South PJSC and the

fulfillment of obligations under the securities depends on the tariffs approved by the regulatory authorities.

The main industry (regulatory) risks are:

- instability of the legislation in the field of electricity, resulting in frequent changes in the existing regulatory framework, the publication of new legislation;
- occurrence of deficit in financing the costs and development related to government policies aimed at containing the growth of tariffs for electricity transmission on regional networks.
- reduction of the share of the Company in view of the termination of the contracts lease of power grid facilities owned by FGC UES PJSC ( “last mile”) and the transition of consumers of electric power transmission services to direct payments to FGC UES PJSC. Under the provisions of the Federal Law No. 35-FZ dated March 26, 2003 “On Power Industry” dd 01.01.2014 the contracts of the “last mile” have been cancelled in the Astrakhan region, which had a significant impact on the Issuer's activities. Contracts of lease of UNEG facilities have been prolonged in Volgograd and Rostov regions until 07.01.2017 with simultaneous introduction of an additional level of voltage HV1;
- decline in market share of IDGC of the South PJSC because of the aggressive market strategies of some allied network organizations. The latter create technological opportunity to connect new consumers to their networks, including networks of FGC UES PJSC (UNEG);
- faster growth of the necessary gross proceeds of other territorial grid organizations (TGO), which in the conditions of containment of tariffs leads to a redistribution of the regional necessary gross revenue;
- faster growth of the purchase price of electricity from the wholesale market and sales markups of guaranteeing suppliers compared with the tariffs for services on electric power transmission;
- incorrect forecasting of electricity demand and new connection resulting from the lack of planning system of development of areas at the level of municipalities and regions of the Russian Federation;



The following measures are taken to reduce the risks:

- participation of IDGC of the South PJSC in the development of new regulations and amendments to the current regulations of priority for the organization of the distribution grid complex;
- interaction with the regional regulatory authorities to uphold the position of the need to advancing growth of expenses of IDGC of the South PJSC as the backbone of the region;
- interaction with the regional regulators, the Federal Antimonopoly Service, the Ministry of Energy of the Russian Federation for compensation for lost revenues of branches of IDGC of the South PJSC, related to the implementation of the provisions of the Federal Law No. 35-FZ dated March 26, 2003 “On Power Industry” in terms of UNEG facilities lease contracts ( “last mile”);
- conducting systematic work to reduce their own costs and optimization of the investment programme.

### **Operational risks**

Depreciation of fixed assets can lead to negative changes in the industry, such as reduction in reliability of power supply. In order to reduce these risks the Company carries out reconstruction of existing and construction of new electricity networks, as well as the technical re-equipment of its fixed assets.

### **Industrial and technical risks**

The following risks are of particular importance:

- the risk of switching to operation with forced (emergency) power flow;
- the risk of sharp non-recurrent off-schedule load increase in connection with natural disasters;
- technical risks connected with equipment operation, caused by such factors as operation with limit deviations from normative technical requirements.

The Company’s activities on risks reduction are as follows:

- analyzing probable risk situations with the purpose of risk prediction in the process of operation schedule fulfillment and taking protective actions against the risks impact;

- commercial insurance of property, dangerous industrial facilities, transportation facilities, civil responsibility, personnel accident and sickness insurance;
- carrying out measures on power system reliability improvement, which includes measures carried out for account of steady replenishment of fuel, spares and materials.

Expected actions of the Issuer in the event of changes in the industry:

the following measures are taken to reduce the risks:

- participation of IDGC of the South PJSC in the development of new regulations and amendments to the current regulations of priority for the organization of the distribution grid complex;
- interaction with the regional regulatory authorities to uphold the position of the need to advancing growth of expenses of IDGC of the South PJSC as a systemically important company in the region;
- interaction with the regional regulators, the Federal Tariff Service, the Ministry of Energy of the Russian Federation for compensation for lost revenues branches of IDGC of the South, related to the implementation of the provisions of the Federal Law No. 35-FZ dated March 26, 2003 “On Power Industry” in terms of UNEG facilities lease contracts( “last mile”);
- reduction of the issuer’s own costs and optimization of the investment programme.
- if necessary, submission of applications for pre-trial disputes with the executive authorities of the Russian Federation in the field of state regulation of tariffs in the Federal Antimonopoly Service.

**Risks connected with potential change in prices for raw materials, services the issuer uses in its activity (separately domestically and in foreign markets) and their impact on the issuer’s activity and its performance of obligations under the securities**

Electricity transmission over grids, which do not belong to Unified Federal (All-Russian) Power System and line voltage of which does not exceed 220 kV, is among key activities of the Issuer.

Carrying out of the activity is connected with the necessity of materials and equipment purchasing, using outsourced services for repair works, running maintenance and construction of own grids.

Probability of price escalation is basically connected with inflationary development. Apparent escalation in prices for materials and equipment, outsourced services will require updating planned expenditure and alterations made to plans for investment programs implementation.

To reduce the specified risks, the Issuer purchases materials and equipment, selects service providers by means of competitive and regulated procurement of materials, equipment, input and other services.

These risks have a negative impact on the financial performance of the Company, as they lead to increased costs and, consequently, to a decrease in profits, as a result they will have an impact on the Issuer's performance of its obligations under the Securities. The Issuer does not carry out activities in the foreign market.

**Risks connected with potential change in prices for goods, services of the issuer uses (separately domestically and in foreign markets) and their impact on the issuer's activity and its performance of obligations under the securities**

The Company gets its income mainly from payment for electricity transmission services and technological connection.

The Company's activities as the subject of natural monopolies pose a risk of improper state tariff regulation. Currently, the executive authorities in the field of regulation of tariffs (RTS – Regional Tariff Service) do not include or include partially some costs in the tariff decisions of IDGC of the South PJSC.

To minimize these risks the issuer regularly interacts with regional tariff bodies to approve reasonable tariffs and the introduction of new, progressive tariff methodologies. However, the scope of the issuer to influence decision-making by federal and regional executive authorities is limited and the issuer cannot guarantee that actions aimed at overcoming negative changes will be able to remedy the situation. The impact of possible deterioration of the situation in the sector of the

issuer on performance of the issuer's obligations under securities is rated as moderate because the issuer has outlined measures to be taken to reduce the risks.

the following measures are taken to reduce the risks:

- participation of IDGC of the South PJSC in the development of new regulations and amendments to the current regulations of priority for the organization of the distribution grid complex;
- interaction with the regional regulatory authorities to uphold the position of the need to advancing growth of expenses of IDGC of the South PJSC as a systemically important company in the region;
- interaction with the regional regulators, the Federal Tariff Service, the Ministry of Energy of the Russian Federation for compensation for lost revenues branches of IDGC of the South, related to the implementation of the provisions of the Federal Law No. 35-FZ dated March 26, 2003 "On Power Industry" in terms of UNEG facilities lease contracts( "last mile");
- reduction of the issuer's own costs and optimization of the investment programme.

Risks associated with changes in prices on foreign markets do not exist, as the issuer does not provide services for export. The Issuer does not conduct its activities on the foreign market, and therefore the description of industry risks on the foreign market in this subparagraph is not provided, due to their absence.

#### **2.5.2. Country and Regional Risks**

**Risks connected with political and economic situation in the country and the region where the issuer is registered as a taxpayer and/ or carries out its ordinary activity provided that the principal activity of the issuer in such country (region) brings more than 10 percent of revenues for the last complete reporting period prior to the date of approval of the securities prospectus:**

The Company is registered in Rostov-on-Don and carries out its operating activity on the territory of Astrakhan, Volgograd and Rostov region regions as well as in the Republic of Kalmykia. The specified regions are politically stable and risk of military conflicts and emergency situation is practically absent there. Nevertheless,

there is a risk of terrorist attack and the Company makes security measures supporting industrial safety.

Social environment in the regions mentioned can be characterized as quiet, without pronounced ethnic conflicts, religious extremism. It enables to fulfill economic operations at minimum social and political risks.

Expected actions of the Issuer in case of negative impact of the changed situation in the country (countries) and region on the Company's operation could be specified as follows: In case political or economic situation in Russia or in a certain region destabilizes, the Company will take a number of measures of anti-crisis management with the purpose of maximum decrease of the negative impact of the situation on IDGC of the South PJSC including cutting costs and other expenditures, reducing investment plans.

**Risks connected with possible military conflicts imposing emergency rule and strikes in the country and the region where the issuer is registered as a taxpayer and/ or carries out its primary activity**

Military conflicts and emergency rule imposing in the Issuer's operating country and regions is highly improbable. If military conflicts occur, the Issuer bears the risks of the fixed assets disabling.

**Risks connected with geographic peculiarities of the country and the region including the heightened danger of natural disasters, possible discontinuance of transportation:** Risk of losses subsequent to adverse weather conditions may be referred to risks resulted from geographical features of the region the Issuer carries out its activity in. The Issuer's actions on reducing the influence of these factors consist in designing electric power transmission lines with regard to regional climate peculiarities, as well as in insurance against corresponding risks.

The Issuer's operating regions have well developed transport infrastructure and are not exposed to risks connected with transportation discontinuance because of remoteness and/ or inaccessibility.

**2.5.3. Financial Risks**

**Risks caused by interest rates, exchange rate variation in connection with the issuer's operation or hedging practiced by the issuer for mitigation of negative consequences of the specified risks' effects**

In the course of carrying out its primary activity, the Issuer uses borrowed funds, which makes the Issuer subject to risks connected with credit and loan interest rate changes. But the Issuer, on account of constant analysis of the own financial condition, floating interest rate behavior, considers the risk to be insignificant.

Due to the fact that the Company's assets and liabilities are in rubles, IDGC of the South is almost not subject to risk of changes in foreign currency exchange rates.

To reduce debt portfolio service costs, the Company aims at using credits and loans with fixed interest rate, selecting financial institutions to render financial services through open single stage tender or open auction held in compliance with the procedures established by Russian Federation legislation, persistent monitoring of debt capital market and debt restructuring when applicable. The Issuer does not resort to hedging as a tool of financial risk management in its activity.

**Exposure of the issuer's financial state, liquidity, sources of finance, performance results etc. to shifts in exchange rate (exchange risks)**

Assets and liabilities of the Issuer are expressed in national currency. In this connection the Issuer's financial state, sources of finance, performance results are almost independent on the exchange rate shift. Besides, the Issuer now carries out the activity only domestically and does not plan to operate on the foreign market that is why the effect of national currency exchange rate to foreign currencies (US dollar, euro) variations on the Issuer's financial state is estimated as inconspicuous.

A liquidity risk is a possibility of diseconomies over money shortage in terms demanded and as a result, inability of the Company to implement its commitment. Such a risky event occurrence may result in fines and penalty fee, detriment of business reputation of IDGC of the South PJSC, etc.

Liquidity risk management is performed by IDGC of the South by way of cash flow planning, analysis of planned and factual cash flow of IDGC of the South as a whole

as well as in its branch offices. Arising problems with ultimate liquidity are solved by means of credit and loans as well as by way of payments priority stating.

### **Expected actions of the issuer in case of negative impact of exchange and interest rate shifts on the issuer's activity**

The Issuer is subject to risk of interest rate change. Along with interest rate growth, the commercial bank credit interest payments increase, and the Company's profit falls. If significant negative changes of interest rates take place, the Issuer will aim at making short term external borrowings, the Company' investment program will be modified. In case of negative influence of exchange rate shift on financial and economic activity, the Issuer plans to analyze risks and take proper decision in each separate case.

### **Influence of Inflation on Security Interest Payments. Inflation Levels Considered Critical by the Issuer, and the Issuer's Expected Actions on the Specified Risk's Mitigation**

Present inflation rate does not bear significant influence on the Issuer's condition. Inflation values as they are predicted must not have critical influence on the Issuer's solvency, including security interest payments.

The risk of inflation influence is likely to arise in case when money of "IDGC of the South" PJSC, received as an income, lose their real purchase power value faster than it grows nominally. Rise in inflation may result in the Company's expenditure growth (for account of fixed assets, materials, works and services of foreign organizations cost rise), followed by Company profit fall, its profitability reduction as well as by rise in prices of loans resulting in shortage of floating assets.

According to the Issuer, the critical values of inflation are significantly higher than the rate of inflation, projected by the Ministry of Economic Development of the Russian Federation, and constitute 30% or more.

In case of impetuous inflation rise, the Company is intended to devote special attention to rise of working capital turnover, first at the account of supply, as well as to review current contractual relationship with consumers to shorten loan portfolio turnover.

**Financial reporting indicators which are most of all exposed to change under the influence of specified financial risks. Risks, their probability and pattern of change in the report**

Accounts receivable indicator of the Issuer's reporting is most of all subject to the risks specified, it occurs as a result of contractors' economic incapacity to pay for the Issuer's services. Probability of occurrence of the risk is low and originates from overall situation in the country, inflation, exchange rate alterations, and the effect of these factors on Russia's economy in general. Deterioration of the national operating environment can cause electric power transmission via the Issuer's grid expense growth, which (on retention of the present schedule charge) will lead to reduction in profits.

**2.5.4. Legal risks**

Currently, the issuer is involved in a number of legal disputes initiated by statements of claim of territorial grid companies for the recovery of unjust enrichment. The greatest part of the demands are stated in the claims of "Energiya" JSC. The adoption by the court of the negative for the issuer decision bears the risk of decreased income, the amount of which may substantially affect financial and economic activities of the issuer.

In addition, the strengthening of this kind of judicial practice allows other contractors of the Company, using similar mechanisms to declare this kind of requirements for subsequent periods and transmission facilities.

The Company is involved in litigation involving guaranteeing suppliers of electric energy (by zones of the Company branches). Adverse outcome of such processes brings for the issuer the risk of further losses related to the need to pay an additional amount for electricity consumed for the purposes of compensation of losses in the electric grid facilities.

Additional financial burden can create negative outcome of court cases related to the recovery of contract penalty for contract implemented with violation of the terms of payment under the contracts of delivery, outsourcing, services.



Legal risks management is based on improving the process of legal documents implementation and the Company's operation legal support. To reduce legal risks, any business processes of the Company exposed to risk are subject to obligatory legal examination.

The Issuer (along with all the other Joint Stock companies operating on the territory of the Russian Federation) is at risk of changes to legislation (Federal Laws and subordinate legislation) on corporate relationship.

#### **Risks connected with changes in currency legislation**

Risks connected with currency legislation changes will have but slight influence on the Issuer's activity, as the Issuer does not operate and does not intend to operate outside the Russian Federation.

#### **Risks connected with tax law changes**

Tax risks may have a number of manifestations like possibility of introducing new types of taxes and fees, probability of current tax rates increase, extending tax basis, change of terms and procedure of tax payment as well as of tax reporting.

Changes in the tax law in its part of tax rate increase or alteration of procedure and terms of tax (fees) calculation and payment may result in the Issuer's net profit decrease, which in its turn may lead to decrease in amount of dividends paid.

To minimize the risks of improper tax assessment and/ or payment caused by ambiguous treatment of tax legislation, the Company continuously works on optimizing the patterns of taxation base calculation in strict adherence to the current legislation of the Russian Federation.

#### **Risks connected with changes in the rules of customs control and duties:**

Changes in the rules of customs control and duties do not put the Issuer's operation at risk since the Issuer does not plan to export services outside the Russian Federation.

**Risks connected with change of requirements for the issuer's ordinary activity licensing or licensing of rights for use of facilities with limited recourse (including natural resources)**

Change of requirements on the Issuer's ordinary activity can lead to longer terms of document preparation for license renewal, as well as the necessity to conform to the given requirements. Nevertheless, the risk should in general be viewed as insignificant, except for the cases when license renewal or carrying out licensed activity will presuppose requirements that are inappropriate for the Company or will be connected with excess expenditure, which can incite termination of this kind of activity. If the license regulation changes, the Company will conform to the principles of new legislation

**Risks connected with changes in judiciary law on matters that concern the issuer's activity (including license regulation) which can have negative impact on the issuer's performance, as well as the results of the current litigations of the issuer**

Although case law is not applied in Russian legislation, court practice is valid for the law enforcement. Any pleas not delegating law system in direct way, presuppose in specific cases, call for legal norm interpretation, subject to application. For judicial bodies obligatory for application are the following:

- Resolutions of the Supreme Court Plenum (art. 126 of RF Constitution, art. 56 of RSFSR Law "On RSFSR Judicial System", art. 19 of federal constitutional law dd. 31.12.1996 No. 1-ΦK3 "On Judicial System of Russian Federation" );
- Resolutions of the RF Highest Arbitration Court (art. 127 RF Constitution, art. 9,10 of FLS "About Arbitration Courts in RF");
- Constitutional Court Decisions (art. 6 of FLS "About RF Constitutional Court").

Courts orders are used for legal norms to be interpreted and applied in the correct way.

In accordance with the rules of procedure of the Russian Federation legislation, uniformity in interpretation and application of the rule of law is one of the fundamental requirements for judicial acts. The title uniformity is ensured by an explanation of the higher courts (Supreme Court, formerly also the Supreme Arbitration Court of the Russian Federation) expressed in actions, newsletters and surveys of the plenum and the Presidium of the respective higher courts.

Accordingly, the establishment or change of practice of interpreting or applying a law governing the activities of the issuer may lead to a need to adjust the activity of the issuer in accordance with the modified or established jurisprudence.

#### **2.5.5. Reputational risks.**

Description of a risk of the issuer bearing losses as a result of reducing the number of customers (counterparties) because of the negative image of financial stability, financial position of the issuer, quality of its products (works, services) or the nature of its activities in general.

Operational risk management is carried out by the Company in order to reduce potential losses, preserve and maintain the goodwill of the Company to customers and counterparties, shareholders, public authorities and local governments.

Risk of loss of goodwill can be caused by the following internal and external factors:

- the Company failure to observe the legislation of the Russian Federation, constituent and internal documents, business practices, principles of professional ethics and non-performance of contractual obligations before counterparties,
- appearance of a conflict of interest with contractors and employees of the Company, including the occurrence of complaints, lawsuits initiated by contractors and enforcement measures on the part of regulators and supervisors.
- drawbacks in the management of the Company's industry risks, leading to the possibility of damage to business reputation. Implementation of risky credit, investment and market-oriented policies, a high level of operational risk.
- publication of negative information about the Company or its employees, founders and members of the management bodies in the media.

In order to minimize reputational risk because of the reduction in the number of customers, the Company takes steps to enhance regional access points for the receipt of applications for technological connection, the project “Customers Day” allows to solve the problematic issues of the applicants for technological connection, campaigns to promote the on-line resources for receiving applications for technological connection.

#### **2.5.6. Strategy risks**

The risk of the issuer bearing losses as a result of errors (deficiencies), admitted in decision-making, defining business strategy and development of the issuer (strategic management) and expressed in not counting or insufficient account of possible hazards that may threaten the operations of the issuer, wrong or insufficiently substantiated by the determination of perspective directions activity in which the issuer can achieve a competitive advantage, absence or incomplete provision of necessary resources (financial, material, technical, human) and organizational measures (administrative decisions), which should ensure the achievement of the strategic objectives of the issuer's activity.

The negative impact on the Company's performance may have both macroeconomic factors and changes in political, economic and social conditions in Russia. The ability to reduce demand and prices for the main export of the Russian Federation of raw materials (oil, gas, metals) as a result of the crisis, the possibility of reducing the demand for goods in the domestic market, as well as reducing the rate of production leads to the occurrence of such strategic risks of the Company as a significant deviation of actual productive supply and electricity consumption from the planned values, as well as reducing the volume of technological connection to the networks.

In accordance with the Strategy of development of the electric grid complex of the Russian Federation (approved by the order of the RF Government No.511-p dated April 3, 2013), the main purpose (mission) of the electric grid complex activities is long-term provision of reliable, high-quality and affordable energy to consumers in the Russian Federation. Thus, the strategic risks of the Company are risks affecting the Company's probability of achieving the long-term reliability, quality and affordable energy supply to customers in the Russian Federation.

Risk factors are:

- deterioration of electrical networks
- decrease in the level of technological and occupational safety
- threat of a terrorist nature

In order to manage strategic risks and prevent the realization of this risk, the Company carries out a set of measures, the main ones are:

- implementation of investment and repair programmes for renovation of the electric grid complex
- implementation of programmes that are aimed to improve the occupational safety and health management system
- arrangement of the anti-terrorist drills at the Company's facilities and installations, according to the approved investment programme, engineering and technical means of protection.

The Company assessed the probability of occurrence of these risks as low.

### **2.5.7. Risks associated with the Issuer's activity**

#### **Labour protection risks**

Company's activity specific presupposes serious professional training of the staff including labour protection spheres.

Accidents at the manufacture endanger life and health of the staff and may cause suspension of work as well as property damage. To reduce the risk of staff injury the Company follows the principles of corporate "Policy in the sphere of labour protection and industrial safety" approved by the Board of Directors of PJSC "IDGC of the South".

The Company carries on work on its staff training and professional development as well as that of specialists in labour protection. Briefings and training on safe techniques and methods of work are carried on by the Company. Data and requirements on labour safety are constantly revised. Ant-damage and fire-prevention training as well as duplication and other forms of work with the staff are carried on as regulated by current legislation. Studies of advanced domestic and foreign experience in labour protection improvement, its implementation in the branches of "IDGC of the South" PJSC alongside with obligatory forms of work with the staff are carried on.

In order to implement obligations in the sphere of labour protection taken by the Company, it follows principals and requirements of international standard OHSAS-

18001-2007 “Labour Protection Management” as well as the requirements of local standardized documents, which are in force at the “IDGC of the South”:

- Policy in the sphere of health and labour protection;
- “Identification of Danger and Risk Assessment in the Sphere of Health and Labour Protection” standard of the Company;
- “Planning in the Sphere of Health and Labour Protection” standard of organization.

Annually the Board of Directors approves the programme of reduction of staff traumatism risk for the current year.

**Risks associated with current litigations in which the issuer participates.**

Currently, the issuer is involved in a number of litigations for collecting overdue accounts from contractors. The adoption of the negative decision of the court bears for the issuer the risk of decreased income, the amount of which may substantially affect financial and economic activities of the issuer.

**Risks connected with impossibility of the issuer’s license renewal for a certain kind of activity or use of facilities with limited recourse (including natural resources)**

Risks connected with impossibility to give further effect to the Issuer’s license to carry out this or that type of activity or to use facilities of limited presence in circulation (including natural resources) are not traced now, except cases creating requirements the Issuer will not be able to meet although being in necessity of licence renewal or business activity subject to licensing. Thus, risks connected with re-issuance of licenses are estimated as insignificant.

**Risks related to potential liability of the issuer for the debts of third parties, including the Issuer's subsidiaries.**

At the moment, the issuer is not liable for the debts of third parties.

The responsibility for the debts of its subsidiaries may occur in the event that the issuer's instructions binding upon subsidiaries, will lead to losses or bankruptcy of such subsidiary company. However, the issuer shall make every effort to prevent the

occurrence of such situation, because it would be contrary to the main goal of the Company, which is a profit.

Risks related to potential liability of the Issuer for third parties' debts are estimated by the management of the issuer as insignificant.

**Risks related to potential loss of consumers, the turnover with which is at least 10 percent of the total proceeds from the sale of goods (works, services):**

Due to the lack of alternative third-party network equipment and qualified staff (for maintenance and repairs), this risk can be assessed as insignificant.

#### **2.5.8. Bank risks**

The information is disclosed as the Issuer is not a credit company.

### **III. Detailed Information on the Issuer**

#### **3.1. Incorporation History and Development of the Issuer**

##### **3.1.1. Data on Company Name (Name) of the Issuer**

Full corporate name of the Issuer in Russian: **Публичное акционерное общество “Межрегиональная распределительная сетевая компания Юга”**

Full corporate name of the Issuer in English: **Public Joint Stock Company “Interregional Distribution Grid Company of the South”**

Date of introducing the current company name: **01.07.2015**

Short name of the Issuer in Russian: **ПАО "МРСК Юга"**

Short name of the Issuer in English: **“IDGC of the South” PJSC**

Date of introducing the current company short name: **01.07.2015**

The Issuer’s full and abbreviated name is similar to other legal bodies:

1. Public Joint Stock Company “Interregional Distribution Grid Company of the Centre and Volga Region” (“IDGC of the Centre and Volga Region” PJSC);
2. Public Joint Stock Company “Interregional Distribution Grid Company of Volga” (“IDGC of Volga” PJSC);
3. Public Joint Stock Company “Interregional Distribution Grid Company of Centre” (“IDGC of Centre” PJSC);
4. Public Joint Stock Company “Interregional Distribution Grid Company of the Northern Caucasus” (“IDGC of the Northern Caucasus” PJSC);

5. Public Joint Stock Company “Interregional Distribution Grid Company of Siberia” (“IDGC of Siberia” PJSC);

6. Public Joint Stock Company “Interregional Distribution Grid Company of the Northwest” (“IDGC of the Northwest” PJSC)

In order not to confuse the names, special attention must be given to the contents of the full and short names of these entities specifying the regions of their location – the Centre, the Centre and Volga region, Urals, Volga, the Northern Caucasus, Siberia, the Northwest.

In addition, the issuer uses in the official documents and contracts location, TIN and/or OGRN (PSRN) to distinguish itself from other companies.

Brand name of the issuer is not registered as a trademark (service mark).

Previous company names of the Issuer throughout the Company’s lifetime:

1) Full corporate name of the Issuer: **Open Joint Stock Company “Interregional Distribution Grid Company of the South”** (Открытое акционерное общество “Межрегиональная распределительная сетевая компания Юга”)

Short name of the Issuer: **“IDGC of the South” JSC** (ОАО "МРСК Юга")

Form of business ownership: **Open Joint Stock Company**

Introduced on: **28.06.2007**

Order of RAO UES of Russia No.192p dated 22.06.2007.

2) **Full corporate name of the Issuer: Public Joint Stock Company “Interregional Distribution Grid Company of the South”** (Публичное акционерное общество “Межрегиональная распределительная сетевая компания Юга”)

Short name of the Issuer: **“IDGC of the South” PJSC** (ПАО "МРСК Юга")

Form of business ownership: **Public Joint Stock Company**

Introduced on: **01.07.2015**

Reason for introduction of the name: because of the amendments to the Civil Code (amended on 05.05.2014) and the abolition of closed and open companies, the Company changed its legal form Open Joint Stock Company “Interregional Distribution Grid Company of the South” (IDGC of the South JSC) to Public Joint



Stock company “Interregional Distribution Grid Company of the South” (“IDGC of the South” PJSC). The new version of the charter, mutatis mutandis, was approved by the Annual General Meeting of Shareholders (Minutes of meeting No.13 dated June 22, 2015) and registered by the Inter-district Inspectorate of the Federal Tax Service No.26 in Rostov region on 1 July 2015.

### **3.1.2. Data on State Registration of the Issuer**

Primary State Registration Number of juridical entity: **1076164009096**

Date of registration: **28.06.2007**

Name of registering authority: **Federal Tax Service Office in Leninskiy district, Rostov-on-Don**

### **3.1.3. Data on the Issuer’s Incorporation and Development**

The Issuer was established for an indefinite period.

Brief establishment and development history of the Issuer. Goals of establishment mission (if any), and other information on the Issuer’s activity which is important for taking decision on the Issuer’s securities acquisition:

Establishment of the Company is an integral part of the approved plan of the Russian power sector reform, which provides interregional integration of newly created enterprises after division of the companies by the types of business.

Main events and dates of reforming the power industry are described in details in the article on the Company’s webpage in section “Reforming”.

On June 28, 2007 “IDGC of the South” JSC was registered on the basis of decision of sole founder – RAO “UES of Russia” JSC (Executive order of RAO “UES of Russia”, JSC No.192p dd 22.06.2007).

Purposes of establishment: the Company was established to ensure effective management of the distribution grid complex of the Astrakhan, Rostov and Volgograd regions and the Republic of Kalmykia in the framework of the investment stage of reforming of RAO “UES of Russia”, which resulted in the subdivision of interregional distribution grid companies.

On March 31, 2008 an entry was made in the Unified State Register of Legal Entities about the termination of activity of attached to the Company's four of the five DGC

(Astrakhanenergo JSC, Volgogradenergo JSC, Rostovenergo JSC, Kalmenergo JSC). Since then, the Company operates as a unified operating company. The Company implemented functions of a sole executive body In respect of Kubanenergo till 01.12.2010.

Since December 1, 2010 regions of the Company's presence has been Astrakhan, Volgograd, Rostov regions and the Republic of Kalmykia. The Company is responsible for the transport of electricity through grids of 110 kV and lower in four of the abovementioned territorial subjects of the Russian Federation.

On 19 June 2015, the Annual General Meeting of Shareholders adopted a resolution to rename the Company into Public joint stock company "Interregional Distribution Grid Company of the South".

"IDGC of the South" PJSC serves a total area of more than 330.000 square kilometers with a population of about 9 million people. The length of overhead power lines served by the Company is about 160,000 kilometers. The number of employees is about 15.000 people.

At present "IDGC of the South" PJSC is occupying a dominant position in the market for electricity transmission services in the Southern Federal District, is a part of "Rosseti" PJSC (till 04.04.2013 – "IDGC Holding"), one of the largest infrastructure companies in Russia that controls about eighty percent of the distribution grid complex.

"IDGC of the South" PJSC aims at gaining leading positions in the industry, and for this purpose, the company has determined Its Mission, Values and Strategic Goals.

The Mission of "IDGC of the South" PJSC

We are a team of professionals, making a base for stable development of economy in regions of the South of Russia and basing ourselves upon consolidation of energetic assets and improvement of efficiency of power supply as well as upon successful experience of every employee of the Company and of our partners.

We are taking care of faster growth of the grids and providing availability of electric power for the consumers while trying to make it possible for them to use electricity where, when and in the volume the consumers need.

We endeavor to create favourable conditions for activity of each of our employees doing for opportunity to unlock their potential and maintain their health.

Vision of “IDGC of the South” PJSC

“IDGC of the South” PJSC is a modern distribution grid company representing a team of professionals, sharing a common goal, managing unified high-tech grids with low depreciation percentage.

“IDGC of the South” PJSC is an attractive employer at high level of social responsibility. Efficient structure provides for optimal balance in sharing functions of structural subdivisions between the Company’s management levels.

Quality of our services makes it possible for us to take leading positions among distribution grid companies of Eastern Europe and expand our regular customers’ base.

The financial status provides for accumulation of assets for the further stable development of not only our company but Southern Federal District of Russia as well.

Values of “IDGC of the South” PJSC

Reliability (reducing time of shortfalls);

Responsibility (such subjective attitude of the Company’s employees to their work, when they realize importance of the task and are responsible for their performance).

Customer-centric approach (reflects the place of clients’ interests in priority system of the Company as efforts of the Company’s executives to meet the customers’ requirements);

Professionalism (an ability to achieve the best results in the professional field for the good of the Company at a minimum input).

Social responsibility (level managers realize their responsibility to society, consumers, personnel, shareholders and future generations, recognizing their influence and endeavoring to minimize negative impact on the matters specified).

Steadiness (ability of the Company to work for a long period without sharp negative changes within its internal environment developing and introducing up-to-date technologies at the same time).

### **3.1.4. Contact Information**

Location: Rostov-on-Don, Russia

Address of the Issuer specified in the Unified State Register of Legal Entities:

49 Bolshaya Sadovaya st., Rostov-on-Don, Russia, 344002

Telephone: (863)238-58-59; fax: (863)258-55-65; e-mail: office@mrsk-yuga.ru

**Internet website address (addresses) for information disclosure on the Issuer, the securities issued and/ or in the process of issuance:** [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru), <http://www.e-disclosure.ru/portal/company.aspx?id=11999>

Name of the Issuer's specialized division for shareholders and investors: Corporate Governance and Shareholders relations Department of "IDGC of the South" PJSC.

Location of the division: 325 room, building 147, 2<sup>nd</sup> Krasnodarskaya str., Rostov-on-Don, Russia

Telephone: (863)307-08-38, fax: (863)307-08-38; e-mail: [pavlovaen@mrsk-yuga.ru](mailto:pavlovaen@mrsk-yuga.ru)

Internet website: the Department does not have own website

### **3.1.5. Taxpayer Identification Number**

6164266561

Branches and regional offices of the Issuer according to Its Charter (constitutive documents):

1. Full branch name: **"Volgogradenergo" branch of IDGC of the South JSC**

Location: 15 Lenin prospect, Volgograd, 400066

Opening date: 31.03.2008

Director: Kushnerov Anatoly Valerievich

Term of warrant: 31.12.2016

2. Full branch name: **"Astrakhanenergo" branch of IDGC of the South PJSC**

Location: 32 Krasnaya Naberezhnaya st., Astrakhan, 414000

Opening date: 31.03.2008

Director: Natkho Inver Yusufovich

Term of warrant: 31.12.2016

3. Full branch name: **"Kalmenergo" branch of IDGC of the South PJSC**

Location: Northern industrial area, Elista, Republic of Kalmykia, 358007

Opening date: 31.03.2008

Director: Alayev Timur Ulumdzhevich

Term of warrant: 31.12.2016

4. Full branch name: **“Rostovenergo” branch of IDGC of the South PJSC**

Location: 49 Bolshaya Sadovaya st., Rostov-on-Don

Opening date: 31.03.2008

Director: Chekmaryov Sergey Alexeyevich

Term of warrant: 31.12.2016

5. Full branch name: **“Kubanenergo” branch of IDGC of the South PJSC**

Location: 2 Stavropolskaya st., Krasnodar, 350033

Pestov Dmitry Vladimirovich

Opening date: 18.04.2008

Director: Dzhabrailov Yulianna Yusufovna

Term of warrant: 31.12.2017

The issuer does not have representative offices.

### **3.2. Core Business of the Issuer**

#### **3.2.1. Main Types of Business Activity of the Issuer**

The code of the main type of economic activity: 40.10.2.

Other OKVED codes of the issuer: 40.10.3, 40.10.5, 64.20.11, 74.14, 74.15.2

#### **3.2.2. Principal Business Activity of the Issuer**

Types of business activity (types of activity, types of goods (works, services)), providing not less than 10% of the Issuer’s proceeds (income) for the last 5 reporting years, as well as for the last reporting period before the date of approval of the securities prospectus:

Indicator	2011	2012	2013	2014	2015	1 <sup>st</sup> quarter of 2016
Electricity transmission						
Volume of proceeds (income) of the type of business activity	22 688 104	21 362 644	25 881 598	28 009 171	29 675 051	7 888 898
Share of proceeds volume in the type of activity related to the total volume of the proceeds (income) of the Issuer, %	93%	91%	94%	97%	98%	99%

Change of proceeds volume of the Issuer from its principal business activity

accounts for 10% in comparison with the corresponding previous reporting period and the reasons of such changes:

Indicator	2013
Electricity transmission	+21.2%

In 2012, revenue from electricity transmission services of “IDGC of the South” PJSC was 21 362.6 million rubles, in comparison to 2011 it decreased by 1 325.46 million rubles, or 5.8%. The decrease was mainly due to the growth of electricity losses from 2011 and, accordingly, the growth of the cost of purchasing electricity in order to compensate for power losses of the Company.

In 2013, revenue from electricity transmission services of “IDGC of the South” PJSC was 25 881.6 million rubles, in comparison to 2012 it increased by 4518.95 million rubles, or 21.2%. Most of the increase happened because of reduction in electricity losses in comparison to 2012 and the increase in the average tariff for transmission of electricity, as well as changes in the structure of productive supply of electricity by voltage levels. Since 1 January 2013, guaranteeing suppliers are required to apply only the prices (tariffs) in the calculations for the services of electric power transmission, provided by the territorial network organizations, selected by consumers they serve. In connection with the introduction on 01.09.2013 in the Rostov area of social norms of consumption of individual electrical energy tariff for electric power transmission network for settlements between organizations has been revised upwards (the decision of the Regional Tariff Department in Rostov region, order No.32/3 dd 23.08.2013).

In 2014, revenue from electricity transmission services of IDGC of the South was 28 009.2 million rubles, in comparison to 2013 it increased by 2 127.57 million rubles, or 8.2%. In general, this situation is due to: reduction in electricity losses by 21 thousand KWh in comparison to 2013; increase in the actual average sale tariff for electricity transmission (redistribution of structure of productive supply by the lower voltage levels), increase of productive supply of electric power for the group of “other consumers, paying at flat-rate” and the volume of the balanced flow of electricity at networks of “Donenergo”.

Following the results of “IDGC of the South” PJSC in 2015, the size of revenue for electricity transmission services amounted to 29 675 million rubles, VAT excluded, that in comparison with the 2014 (28 009.2 rubles) is 1666 million rubles more, or by 5.9%. The revenue growth is related to increase in the average tariff for electricity transmission (including the cost of electricity load losses) by 16 rubles/thousand kWh in comparison to 2014, due to changes in the structure of productive supply of electricity by voltage levels.

In the 1st quarter of 2016 the amount of revenue for electricity transmission services amounted to 7 888.9 thousand rubles, without VAT, which is 372.5 million rubles or 5.0% higher than the actual figure of the same period of 2015 (7 516.4 million rubles). The revenue growth can be explained by increase in the average tariff for electricity transmission (including the cost of electricity load losses) by 92 rubles/thousand kWh or 8%, due to changes in the structure of productive supply of electricity by voltage levels.

The general structure of the issuer’s expenses for the last completed fiscal year, as well as for the last completed reporting period before the approval of the Prospectus in percentage of the total cost:

Indicator	2015	1 <sup>st</sup> quarter of 2016
Raw and other materials,%	2.25	0.94
Purchased components and intermediates, %	0	0
Works and services of production types, maintenance and delivery services performed by external agencies performed by third-party organizations, %	32.29	29.91
Fuel, %	0.92	0.68
Energy, %	24.44	32.97
Labour costs, %	18.69	16.81
Interest on credits, %	0	0
Rental payments, %	0.4	0.38
Fringe benefit expenses,%	5.59	5.1
Depreciation of fixed assets,%	10.57	9.24
Taxes included to production costs,%	1.15	1.2
Miscellaneous expenses (explain)	3.7	2.77
intangible assets depreciation, %	0.036	0.03
remuneration for innovation proposals, %	0	0
compulsory insurance payments, %	0.36	0.33
hospitality expenditures, %	0.05	0.003
other, %	3.3	2.41
Total: costs of production and selling (of works, services) (prime cost), %	100	100

For reference only: product (works, service) proceeding, %	119.29	112.49
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New essential types of products (works, services), offered by the issuer on its principal activity market to the extent matching common information concerning such products (works and services): New essential types of products (works, services) are absent.

Standards (rules), in accordance with which the accounting (financial) statements of the issuer and calculations are indicated in this paragraph of the securities prospectus:

1.1 Order of Russian Ministry of Finance “On Forms of Financial Statements in Organizations” No. 66H dated 02.07.2010

1.1. Order of Russian Ministry of Finance No.124H dated 05.10.2011 “On introducing changes to the forms of accounting report of organizations, approved by the Order of Russian Ministry of Finance No.66H dated 2 July 2010;

1.2. Order of the Russian Finance Ministry of 29.07.1998 No. 34n “On Approval of the Regulations on accounting and financial reporting in the Russian Federation”

1.3. Chart of Accounts, approved by Order of Russian Ministry of Finance No. 94H dd. 31.10.2000 and Its Application Sheet as amended

2. Accounting regulations:

2.1. RAS 1/2008 "Accounting Policy", approved by order of the Russian Ministry of Finance from 06.10.2008 No. 106n;

2.2. RAS 2/2008 "Accounting for Construction Contracts", approved by order of the Russian Ministry of Finance from 24.10.2008 No. 116n;

2.3. RAS 3/2006 "Accounting for assets and liabilities denominated in Foreign Currency ", approved by the Order of the Russian Ministry of Finance 27.11.2006 Number 154n;

2.4. RAS 4/99 "Accounting organization," approved by order of the Russian Ministry of Finance from 06.07.1999 No. 43n;

2.5. RAS 5/01 "Accounting of Inventories", approved by order of the Russian Ministry of Finance from 09.06.2001 No. 44n;



- 2.6. RAS 6/01, "Accounting of Fixed Assets", approved by order of the Russian Ministry of Finance from 30.03.2001 No. 26n;
- 2.7. RAS 7/98 "Subsequent Events", approved by order of the Russian Ministry of Finance from 25.11.1998 No. 56n;
- 2.8. RAS 8/2010 "Provisions, Contingent Liabilities and Contingent Assets", approved by order of the Russian Ministry of Finance from 13.12.2010 No. 167n";
- 2.9. RAS 9/99 "Income", approved by order of the Russian Ministry of Finance from 06.05.1999 No. 32n;
- 2.10. RAS 10/99 "Expense," approved by order of the Russian Ministry of Finance from 06.05.1999 No. 33n;
- 2.11. RAS 11/2008 "Information on related parties", approved by order of the Russian Ministry of Finance from 29.04.2008 No. 48n;
- 2.12. RAS 12/2010 "Segment Information", approved by order of the Russian Ministry of Finance from 08.11.2010 No. 143n;
- 2.13. RAS 13/2000 "Accounting of Government Assistance", approved by order of the Russian Ministry of Finance from 16.10.2000 No. 92n;
- 2.14. RAS 14/2007 "Accounting of Intangible Assets", approved by order of the Russian Ministry of Finance from 27.12.2007 No. 153n;
- 2.15. RAS 15/2008 "Accounting of loans and credits," approved by order of the Russian Ministry of Finance from 06.10.2008 No. 107n
- 2.16. RAS 16/02 "Information on discontinued operations", approved by order of the Russian Ministry of Finance from 02.07.2002 No. 66n;
- 2.17. RAS 17/02 "Accounting of research, development and engineering works", approved by order of the Russian Ministry of Finance from 19.11.2002 No. 115n;
- 2.18. RAS 18/02 "Accounting of income tax of organizations", approved by order of the Russian Ministry of Finance from 19.11.2002 No. 114n
- 2.19. RAS 19/02 "Accounting of investments", approved by order of the Russian Ministry of Finance from 10.12.2002 No. 126n;
- 2.20. RAS 20/03 "Information on participation in joint activities", approved by order of the Russian Ministry of Finance from 24.11.2003 No. 105n;

2.21. RAS 21/2008 "Change estimates", approved by order of the Russian Ministry of Finance from 06.10.2008 No. 106n;

2.22. RAS 22/2010 "Correcting errors in the accounting and reporting", approved by order of the Russian Ministry of Finance from 28.06.2010 No. 63n;

2.23. RAS 23/2011 "Statement on Cash Flows", approved by order of the Russian Ministry of Finance from 02.02.2011 No. 11n

The order of the Russian Ministry of Finance 84н "On approval of the valuation of net assets of joint-stock companies";

The order of the Russian Ministry of Finance from 21.03.2000 No. 29n "On approval of recommendations on the disclosure of profit per share";

Federal Law dated 23.11.2009 No. 261-FZ "On energy saving and increasing energy efficiency and on amendments to certain legislative acts of the Russian Federation".

### **3.2.3 Materials, Goods (Raw Materials) and Suppliers of the Issuer 6 months of 2016**

Name, address, TIN (if applicable) (if any), OGRN (if applicable) (if any) of the Issuer's suppliers which account for at least 10 percent of all deliveries of materials and goods, and their share in total deliveries for the last completed fiscal year, as well as for the last completed reporting period before the date of approval of the securities prospectus:

Suppliers of the Issuer with at least 10% of all the materials and goods (raw materials) supplied in 2015: none

Suppliers of the Issuer with at least 10% of all the materials and goods (raw materials) supplied in 2016:

Full company name: **“Energokontrakt FPG” CJSC**

Location: **3 Profsoyuznaya street, Moscow, RF 117036**

TIN: **7703268269**; PSRN: **1027739479404**

Part in the total volume of supplies, %: **22.2**

Full company name: **“Ultraform Project” LLC**

Location: **8/1 Presnenskaya naberezhnaya, 123317 Moscow, RF**

TIN: **7713312020**; PSRN: **1027739448660**

Part in the total volume of supplies, %: **12.89**

Data on change in prices for basic materials and goods (raw materials) for the last completed fiscal year, as well as for the last completed reporting period before the date of approval of the securities prospectus:

Changes in price for more than 10% on the main materials and goods in 2015:

#	Goods	Change in price (%)	notes
1.	automatic circuit-breaker BA57-35-100A	134,44	increase
2.	Insulators 0.4kV ИПУ-10/630-7,5 УХЛ2	90,51	increase
3.	Insulators 0.4kV – 100kV ШФ-20Г	59,20	increase
4.	35-220kV input, high-voltage bush КВН III-90- 40,5/1000, ВУЕ.686351.230	42,02	increase
5.	35-220kV input, high-voltage bush ГКВН III-60-126/2000 (ИВУЕ.686352.132)	37,76	increase
6.	power transformers 6-20kV, ТМГСУ-400/10/0,4 У/УН-0 У1	-5,95	decrease
7.	Wire A50	108,42	increase
8.	Wire A35	108,33	increase
9.	Wire AS 35/6.2	93,80	increase
10.	cable coupling sleeve TRAJ 42/1x120-240-1HL	55,47	increase
11.	power cable АСБл 3x120 - 10	78,12	increase
12.	Accumulator 3 CT 215	66,75	increase
13.	Accumulator 6 CT 55	62,68	increase
14.	Accumulator 6 CT 62	29,16	increase
15.	Accumulator 6 CT 132	74,90	increase

Changes in price for more than 10% on the main materials and goods in the 1<sup>st</sup> quarter of 2016:

#	Goods	Change in price (%)	notes
1.	wooden pole 9.5 meters	39,07	increase
2.	self-supporting insulated wire-2 3x120+1x70	15,60	increase
3.	self-supporting insulated wire-2 3x70+1x54,6	10,53	increase
4.	self-supporting insulated wire 2*16	10,14	increase
5.	wire holder ИПУ-10/630-7,5 УХЛ2	-1,16	decrease
6.	porcelain insulator ТФ-20	56,25	decrease
7.	porcelain insulator ШФ-20Г	51,26	increase
8.	surge arrester ОПН-П-0,4 УХЛ1	5,77	increase
9.	surge arrester ОПН-П-35/40,5	5,32	increase
10.	accumulator 6 CT 66	26,27	increase

Share of import in materials and goods supply, import sources availability forecast

and potential alternative sources: There is no import supply.

### **3.2.4. Commodity Markets of Products (Works, Services) of the Issuer**

Basic Markets of the Issuer's Operation: Issuer's ordinary activity is rendering services on electric power transmission and technological connection of power receivers (electric power installations) owned by legal persons and individuals to electric power grids. "IDGC of the South" PJSC brings together distribution grid systems of 4 constituent entities of the Russian Federation: Republic of Kalmykia, Astrakhan region, Volgograd region and Rostov region.

The Issuer carries out its core activity in conditions of natural monopoly, state regulated as to setting tariffs for rendering services of electric power transmission and technological connection of the customers to the electric grid. With regard of the growing demand for electric power in the areas, the Issuer pays particular attention to the development, restructuring and enhancing of transmission capacity of the electric grid facilities, expecting increase in electric power transmission service volumes.

Electric power transmission services provided by the branches of "IDGC of the South" PJSC are consumed by participants of wholesale and retail electric power markets. According to accounting data of the 1<sup>st</sup> quarter of 2016, seven guarantee suppliers, 41 independent power supply companies, 957 "direct" consumers and 60 territorial grid entities were registered; 94.53% of all contracts of IDGC of the South are revenue agreements.

Market share of services on energy transmission to end-users of networks of  
"IDGC of the South" PJSC in the 1<sup>st</sup> quarter of 2016

Branch of "IDGC of the South" PJSC	Market share, %
"Astrakhanenergo"	90.21%
"Volgogradenergo"	43.22%
"Kalmenergo"	53.66%
"Rostovenergo"	31.71%
"IDGC of the South" PJSC, total	42.81%

Factors of possible negative impact on the issuer's product (works, services) sales and probable actions of the issuer on mitigation of such impact:

Responsibility area of the IDGC of the South includes four of territorial subjects of the Russian Federation: Rostov, Astrakhan and Volgograd regions, the Republic of Kalmykia. A special feature is that except the issuer there're several territorial network organizations, including such as Donenergo JSC, and small network companies, on the same geographical area. Because of this, the principle of uniformity of technical solutions is violated: within the area of the companies included in the "Rosseti" PJSC, enclaves appear with their technical and operational policies. Often there is duplication of transaction costs (e.g. dispatching) and investment costs (construction of new substations). At the same time, small territorial network organizations do not have sufficient scale for the independent resolution of emergencies. The volume of electricity transmission service may decline as a result of the reduction of energy consumption by existing enterprises (the recession of production). The difference in regulation of the activity on the territorial network organizations and interregional distribution grid companies also has a destabilizing effect on the tariff system. Emergence of new territorial grid organizations is accompanied by disproportionately rapid build-up of their total revenue from the provision of services for power transmission. Issuer's strategy envisages the use of the following measures to solve this problem: the consolidation of power grid assets, an example of "KalmEnergoKom" JSC and "VMES" during the bankruptcy proceedings.

### **3.2.5. Data on the Issuer' Licenses**

The issuer does not have permission (license) to engage in:

- banking operations;
- insurance activities;
- activity of a professional participant of the securities market;
- activities of a joint stock investment fund;
- activities which are of strategic importance for national defense and state security, in accordance with the legislation of the Russian Federation on the implementation of the foreign investments in business entities of strategic importance for national defense and state security.

The main economic activities of the issuer (transmission of electricity and provision of technological connection services) in accordance with the Russian legislation is not subject to licensing and does not require special admissions.

**Permits, licenses, and admissions for the implementation of other activities that are essential for the issuer's financial and economic importance:**

1. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Abstraction of underground water for domestic and industrial needs in Voroshilovsky district of Volgograd.

Number of license (permission) proving the receipt of the permission to particular types of work: БЖГ No.01548 БЭ, date of issue: 26.05.2008.

Body (company) that issued a licence (permission) or admission to particular types of works: Subsurface Management Department in Volgograd region.

The duration term for licence (permit) or admission to particular types of works: 01.01.2032.

At the end of the license it is planned to obtain a new license.

2. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Abstraction of underground water for domestic and industrial needs, watering planted land of “Danilovka” Substation.

Number of license (permission) proving the receipt of the permission to particular types of work: БЖГ No. 01550 БЭ, date of issue: 26.05.2008.

Body (company) that issued a licence (permission) or admission to particular types of works: Subsurface Management Department in Volgograd region.

The duration term for licence (permit) or admission to particular types of works: 01.01.2034.

At the end of the license it is planned to obtain a new license.

3. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Extraction of underground water for domestic and industrial needs, irrigation of green spaces at Log worker’s settlement, Ilovlipskiy district, Volgograd region.

Number of license (permission) proving the receipt of the permission to particular types of work: БЖГ No. 01540 БЭ, date of issue: 16.05.2008.

Body (company) that issued a licence (permission) or admission to particular types of works: Subsurface Management Department in Volgograd region.

The duration term for licence (permit) or admission to particular types of works: 01.01.2033.

At the end of the license it is planned to obtain a new license.

4. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Abstraction of underground water for domestic and industrial needs in Kalinin village, Sredneakhtubinsky district, Volgograd region.

Number of license (permission) proving the receipt of the permission to particular types of work: БЖГ No. 01549 БЭ, date of issue: 26.05.2008.

Body (company) that issued a licence (permission) or admission to particular types of works: Subsurface Management Department in Volgograd region.

The duration term for licence (permit) or admission to particular types of works: 01.01.2034.

At the end of the license it is planned to obtain a new license.

5. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Extraction of technical groundwater in Bykovo village, Bykovksy district, Volgograd region.

Number of license (permission) proving the receipt of the permission to particular types of work: БЖГ No. 02041 БЭ, date of issue: 06.03.2013.

Body (company) that issued a licence (permission) or admission to particular types of works: Subsurface Management Department in Volgograd region.

The duration term for licence (permit) or admission to particular types of works: 24.01.2018.

At the end of the license it is planned to obtain a new license.

6. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Extraction of technical groundwater for process

water supply of the industrial facility from the hole in Zavetnoye village, Zavetinskiy district, Rostov region.

Number of license (permission) proving the receipt of the permission to particular types of work: PCT 02227 BЭ, date of issue: 05.10.2010.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Agency for Subsoil Use of the Southern Federal District

The duration term for licence (permit) or admission to particular types of works: 04.10.2030.

At the end of the license it is planned to obtain a new license.

7. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Extraction of technical groundwater for process water supply of the industrial facility in Volgodonsk, Rostov region.

Number of license (permission) proving the receipt of the permission to particular types of work: PCT 02228 BЭ, date of issue: 05.10.2010.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Agency for Subsoil Use of the Southern Federal District

The duration term for licence (permit) or admission to particular types of works: 04.10.2030.

At the end of the license it is planned to obtain a new license.

8. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Extraction of technical groundwater in Bolshaya Martynovka village for water supply of the industrial facility, Martynovskiy district.

Number of license (permission) proving the receipt of the permission to particular types of work: PCT 02327 BЭ, date of issue: 21.01.2011.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Agency for Subsoil Use of the Southern Federal District

The duration term for licence (permit) or admission to particular types of works: 20.01.2031.

At the end of the license it is planned to obtain a new license.



9. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Extraction of technical groundwater in Klyuchnikova Balka village for process water supply of the industrial facility, Rostov region.

Number of license (permission) proving the receipt of the permission to particular types of work: PCT 02414 БЭ, date of issue: 21.04.2011.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Agency for Subsoil Use of the Southern Federal District

The duration term for licence (permit) or admission to particular types of works: 20.04.2031.

At the end of the license it is planned to obtain a new license.

10. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Exploration and production of subsurface water for process water supply of grid facility in Veshenskaya village, Sholokhovsky district, Rostov region.

Number of license (permission) proving the receipt of the permission to particular types of work: PCT 02024 БЭ, date of issue: 01.07.2009.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Agency for Subsoil Use of the Southern Federal District

The duration term for licence (permit) or admission to particular types of works: 30.06.2029.

At the end of the license it is planned to obtain a new license.

11. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: underground water abstraction at land plot Starostanichny No.3 for supply of service water at grid facilities, village Staraya, Kamensky district, Rostov region.

Number of license (permission) proving the receipt of the permission to particular types of work: PCT 02925 БЭ, date of issue: 30.04.2013.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Agency for Subsoil Use of the Southern Federal District

The duration term for licence (permit) or admission to particular types of works:  
29.04.2033.

At the end of the license it is planned to obtain a new license.

12. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Underground water abstraction at land plot Milyutinsky No.5 for supply of service water at grid facilities, 1.1 km south of Milyutinskaya village, Milyutinsky district, Rostov region.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Agency for Subsoil Use of the Southern Federal District

Number of license (permission) proving the receipt of the permission to particular types of work: PCT 02920 БЭ, date of issue: 30.04.2013.

The duration term for licence (permit) or admission to particular types of works:  
29.04.2033.

At the end of the license it is planned to obtain a new license.

13. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Underground water abstraction at land plot Tatsinsky No.8 for supply of service water at grid facilities, Tatsinskaya village, Tatsinsky district, Rostov region.

Number of license (permission) proving the receipt of the permission to particular types of work: PCT 02921 БЭ, date of issue: 30.04.2013.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Agency for Subsoil Use of the Southern Federal District.

The duration term for licence (permit) or admission to particular types of works:  
29.04.2033.

At the end of the license it is planned to obtain a new license.

14. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Underground water abstraction at land plot Kolushkinsky for supply of service water at grid facilities, Rostov region.

Number of license (permission) proving the receipt of the permission to particular types of work: PCT 02923 БЭ, date of issue: 30.04.2013.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Agency for Subsoil Use of the Southern Federal District.

The duration term for licence (permit) or admission to particular types of works: 29.04.2033.

At the end of the license it is planned to obtain a new license.

15. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Underground water abstraction at land plot Golubinsky No.4 for supply of service water at grid facilities, Golubinka village, Belokalitvenniy district, Rostov region.

Number of license (permission) proving the receipt of the permission to particular types of work: PCT 02922 БЭ, date of issue: 30.04.2013.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Agency for Subsoil Use of the Southern Federal District.

The duration term for licence (permit) or admission to particular types of works: 29.04.2033.

At the end of the license it is planned to obtain a new license.

16. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Underground water abstraction at land plot Kalitvensky No.1 for supply of service water at grid facilities, north of Kalitvenskaya village, Kamensky district, Rostov region.

Number of license (permission) proving the receipt of the permission to particular types of work: PCT 02924 БЭ, date of issue: 30.04.2013.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Agency for Subsoil Use of the Southern Federal District.

The duration term for licence (permit) or admission to particular types of works: 29.04.2033.

At the end of the license it is planned to obtain a new license.

17. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Underground water abstraction at land plot

Volgogdonsky No.1 for supply of service water at industrial facilities, Volgogdonsk, Rostov, region.

Number of license (permission) proving the receipt of the permission to particular types of work: PCT 03017 BЭ, date of issue: 30.12.2013.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Agency for Subsoil Use of the Southern Federal District.

The duration term for licence (permit) or admission to particular types of works: 29.12.2033.

At the end of the license it is planned to obtain a new license.

18. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Operation and maintenance of explosion and fire hazardous facilities

Number of license (permission) proving the receipt of the permission to particular types of work: BII-29-001130, date of issue: 15.01.2010.

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Service for Environmental, Technological and Nuclear Supervision.

The duration term for licence (permit) or admission to particular types of works: Perpetual licence

19. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Admission to a particular kind or kinds of works that have (has) an impact on the security of capital construction projects

Number of license (permission) proving the receipt of the permission to particular types of work: No. 0265.04-2015-6164266561-C-060

Body (company) that issued a licence (permission) or admission to particular types of works: "Energostroy" NPO, Self-Regulatory Organization

Date of issue of license (permission) or admission to particular types of works: 07.09.2015

The duration term for licence (permit) or admission to particular types of works: Perpetual licence

20. Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Admission to a particular kind or kinds of works that have (has) an impact on the security of capital construction projects

Number of license (permission) proving the receipt of the permission to particular types of work: П-0251-04-2010-0262

Body (company) that issued a licence (permission) or admission to particular types of works: “Energostroy” NPO, Self-Regulatory Organization

Date of issue of license (permission) or admission to particular types of works: 02.09.2015

The duration term for licence (permit) or admission to particular types of works: Perpetual licence

If the license obtained by the issuer or access to certain types of work is not of unlimited duration, the issuer reveals the forecast of the probability of extending its validity: will be extended with a high probability.

### **3.2.6. Information on particular categories of issuers**

Such information is not indicated, because the Issuer is not an incorporated investment fund, insurance or credit company, mortgage agent.

### **3.2.7. Additional requirements to issuers which main activity is the extraction of minerals**

Mining is not the core activities of the issuer or its affiliated company.

### **3.2.8. Additional requirements to issuers which main activity is the provision of telecommunications services**

## **3.3. Plans for Future Activity of the Issuer**

Provision of telecommunications services is not the core activities of the issuer.

Brief description of the issuer's plans for future activities and future revenue sources, including plans for a new production, expansion or reduction of production, product development, modernization and reconstruction of fixed assets, possible changes in operating activities:

“IDGC of South” PJSC is an interregional grid company, a subsidiary of “Rosseti” PJSC, is the main territorial power grid company providing electricity transmission

services and technological connection of electricity consumers in the Rostov, Volgograd and Astrakhan regions and the Republic of Kalmykia. Currently IDGC of the South PJSC is one of the largest and most dynamically developing power companies in the Southern federal district. The main development directions of IDGC of the South PJSC are:

- customer-oriented policy and increase of accessibility of power grid infrastructure;
- effective planning of the development of power grids, taking into account the trends of the socio-economic environment and territorial planning in the regions;
- modernization and technical re-equipment of power facilities;
- construction of the power grid facilities;
- energy efficiency and energy saving.

IDGC of the South PJSC, being a subsidiary of Rosseti PJSC, solves industry-wide problems, which are to improve the reliability, quality and availability of energy services to consumers, provided by the company, improving operating efficiency and investment activity, capitalization growth and attracting private investments in the industry.

Financial and economic activity of IDGC of the South PJSC is carried out against the background of restrictions in recent years, the growth of tariffs for electricity transmission, manifested in the shortage of funding operations and the company's investment programmes. The Company operates in conditions of reduced ability to attract non-tariff sources of financing for the development of the electric grid complex, such as borrowed funds to banks, private investors, and limited possibility of using public funds in the form of public investment and subsidies.

The macroeconomic situation, manifested in the reduction of power consumption, reducing solvency of consumers of electricity, increasing of the cost of borrowing significantly exacerbates the impact of these imbalances and identifies the need for an integrated approach to improve the effectiveness of IDGC of the South PJSC activity.

In this regard, plans for future activities of IDGC of the South PJSC are aimed at the implementation of the Strategy of development of the electric grid complex of the

Russian Federation, approved by the Decree of the Government of the Russian Federation No. 511-p dated 04.03.2013, that determined the basic targets (benchmarks) for grid companies, in particular:

- Reduction of specific operating costs of grid companies per unit of electrical equipment maintenance.
- Reduction of specific investment costs of grid companies in rubles per physical unit.
- Increased capacity utilization in percent of the installed capacity of transformers of all voltage levels, net of compulsory redundancy.
- Reducing by 2017 the value of power losses (power consumption for technological needs).

Production figures, in part of the electricity transmission for 2016 and up to 2020, have been formed on the basis of actual indicators of 2015, taking into account the consumers from “the last” mile that will be excluded from the balance starting from the 01.07.2017 in the Rostov and Volgograd regions, in particular, for 2016 the planned volume of electricity transmission is 26 141 million kWh, in 2020 the volume of electricity transmission is planned to be 24 784 million kWh.

When planning future activities, IDGC of the South PJSC pays particular attention to the implementation of large, socially important activities within the framework of which will be realized investment projects aimed at increasing the availability of power grid infrastructure. One such project is the organization of external power supply facilities for the World Football Championship 2018.

In accordance with the decision taken by the members of the International Football Federation (FIFA) in Zurich to host the World Cup 2018 in Russia, in September 2012 11 Russian cities were officially declared, which will host football matches of the tournament and cultural public events of the Championship.

Among these 11 cities, two are included in the service area of IDGC of the South PJSC, precisely, Volgograd and the capital of the Southern Federal District –

Rostov-on-Don. In order to ensure timely implementation of measures aimed at providing power supply of the World Cup infrastructure by 2018 IDGC of the South PJSC has arranged active interaction with the executive authorities.

The investment programme of the company is formed with consideration of facilities provided by the programme of the World Cup 2018 in Rostov-on-Don and Volgograd, as well as objects for which there are requirements of supervisory authorities and executive authorities of regions. This programme is formed taking into account the financial and economic condition of the Company and unconditional implementation of the full obligations under the current operating activities. Financing of the investment programme is carried out mainly from the Company's own sources, the advances from technological connection and by means of additional issue of shares.

IDGC of the South PJSC, provided the target programme (plan), aimed at improving operational efficiency, including in order to fulfill the directives of the Government of the Russian Federation No.2073p-P13 dated 29.03.2016 that are aimed to reduce operating costs (cost) of open joint stock companies in the authorized capital of which the share of the Russian Federation in the aggregate exceeds 50%.

### **Information about future plans for the implementation of the investment programme of the Company**

For each branch of "IDGC of the South" PJSC in the investment program there are scheduled capital investments to carry out works for the construction of substations, reconstruction and expansion of the existing substation to the replacement of power transformers, construction and reconstruction of high-voltage transmission lines.

### **Scheduled investments of "IDGC of the South" PJSC for 2016 - 2020 is estimated follows (million rubles)**

branch of IDGC of the South	Investments, million rubles					
	2016	2017	2018	2019	2020	2016-2020
"Astrakhanenergo"	362	359	362	330	330	1 743
"Volgogradenergo"	616	615	320	173	173	1 896
"Kalmenergo"	50	57	58	38	38	240
"Rostovenergo"	1 530	1 326	791	790	790	5 228
IDGC of the South PJSC, total	2 558	2 357	1 531	1 331	1 331	9 107



The programmes should be carried out according to the technical policy adopted by “Rosseti” PJSC. Relating to power grids the policy is determined by key strategic development goals of the Unified National Energy System which are as follows:

- creating grid and technological infrastructures to enable efficient functioning of the competitive electric power market within the Russian Federation and ensuring international power market integration
- overcoming deterioration of fixed assets and electric grids and grid facilities through scaling-up their overhaul and retrofitting (re-equipment of substations, retrofitting of high-voltage power transmission lines, upgrade and development of information infrastructure)

**The Company's plans for future activities to implement the functions of technological connection of consumers:**

An estimated amount of the connected capacity for 2016 is 258 MW, the planned volume of revenue for 2016 amounts to 409.9 million rubles.

In order to reduce the number of contracts for technological connection that have not been implemented because of the fault of the Company in due time up to 5% of the total, and unconditional fulfillment of obligations, reduce complaints and claimants, the Company established a working group on the contracted control of technological connection contracts requiring capital expenditures (Order No.164 dated 05.04.2013)

The objectives of these working groups are:

- organization of the performance of obligations under technological connection contracts in time, taking measures to eliminate violations and prevent violations in the future;
- analysis and assessment of the options of technical specifications and technical design specifications elaborated for the purpose of the technological connection. The adoption of optimal technical and economic solutions;
- the adoption of measures to eliminate violations and prevent the occurrence of complaints and claims of the applicants;

- determination of feasibility and the possibility of implementation of the Company's liabilities using own resources, including design and survey, construction and installation works.

In order to improve the efficiency of enforcement of technological connection contracts the Company has established a procedure for the turnkey contracts (up to 10 million rubles) and framework contracts for the supply of materials and work performance.

Target indicator of fulfillment of the obligations under the technological connection for the category applicants to 15kW at 2016: 8004 contracts. The volume of the planned connection of capacity is 73 MW.

Proceeds from the applicants under this category of technological connection services in 2016 will amount to 40.5 million rubles.

**The planned revenues from the provision of services for technological connection in 2016 by the branches, in million rubles:**

Astrakhanenergo: 121.3; Volgogradenergo: 69.8; Kalmenergo: 0.3; Rostovenergo: 218.5.

#### **Plans for future activities of the issuer to provide services to consumers**

The earlier devoid of a status of a supplier, "YUMEK" JSC has resumed its activities on the territory of the Republic of Kalmykia (activity zone – Elista). Taking into account the strict requirements on the part of the: Association "NP Market Council" (hereinafter – the Association) to the subjects of the wholesale electricity market in terms of payment discipline in the wholesale electricity market of IDGC South believes that the newly restored rights of guaranteeing supplier YUMEK JSC cannot provide 100% fulfillment of its obligations to suppliers of electricity at the wholesale market of electricity (capacity). As a result, there are significant risks once again in removal from YUMEK the status of guaranteeing supplier.

In view of the risks identified above, IDGC of the South PJSC needs to be ready to accept the functions of guaranteeing supplier in the territory of the Republic of Kalmykia in the zone of responsibility of YUMEK JSC. To perform the functions of guaranteeing supplier on the territory, the Company shall be a member of the

Association “NP Market Council”. On January 27, 2016, MRSRK South PJSC is a member of the Association “Nonprofit Partnership Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market” (the Association “NP Market Council”). The purpose of the participation of IDGC of the South PJSC in the Association is the adoption by the Company of functions of a guaranteeing supplier in the regions of its presence.

In 2016-2017 the Company's planning to conclude energy service contracts regarding the establishment of commercial and technical accounting of electric power with the remote data collection in the branches of IDGC of South PJSC – “Astrakhanenergo” and “Rostovenergo”.

Currently, within the frameworks of implementation of an energy service contract at branch of IDGC of South PJSC – “Volgogradenergo”, the employees of “Progress Energetika” LLC has carried out pre-project survey of 37.940 metering points or 100%, the results of which were discussed by experts of the branch of IDGC of South PJSC – “Volgogradenergo”. In addition, the company “Progress Energetika” LLC developed and presented to the branch of IDGC of South PJSC – “Volgogradenergo” design and estimate documentation: Urban RES - 585 volumes, Srednehtubinsky RES - 644 volumes, Horodyshe RES - 580 volumes.

As for now the branch of IDGC of South PJSC – “Volgogradenergo” has submitted the project documentation, approved and adjusted in accordance with the earlier issued recommendations. After re-negotiation an expert opinion will be issued for the approval of the design and estimate documentation.

In addition, the branch of IDGC of South PJSC – “Volgogradenergo” sent a letter to “Progress Energetika” LLC for the schedule (detailed on RES) of performance of construction works in order to further control the timeliness of the implementation of commitments on the part of “Progress Energetika” LLC ". Upon receipt of the schedule for construction and installation work, the branch of IDGC of South PJSC – “Volgogradenergo” will consider and approve directly with production offices and RECs the schedule of turning off the power equipment.

The implementation of these contracts will allow more efficient activities aimed at energy saving and efficient use of energy resources, which ultimately lead to the reduction of technological consumption (losses) of electricity during its transmission in networks of branches of IDGC of South PJSC.

### **3.4. Participation of the Issuer in industrial, bank and financial groups, holdings and associations**

1. Name of a group, holding company or an association: **Association “Non-profit Partnership “Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market” (NP “Market Council”)**

Role (place) and functions of the Issuer in the organization:

Since January 27, 2016 “IDGC of the South” PJSC has been a member of the Association “Non-profit Partnership “Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market” (NP “Market Council”). The purpose of the participation of “IDGC of the South” PJSC in the Association “NP Market Council” is the adoption by the Company of functions of a guaranteeing supplier in the regions of its presence.

Term of participation: not limited in time.

If results of financial and economic activities depend strongly on other members of the banking group, the bank holding company, holding company or association, this fact should be pointed out and a detailed description of the nature of this dependence should be indicated: results of financial and economic activity of the issuer do not depend on other members of banking group, bank holding company, holding company or association.

2. Name of a group, holding company or an association: **Association “Non-profit Partnership of Territorial Grid Organizations”**

Role (place) and functions of the Issuer in the organization:

Since March 31, 2014 IDGC of the South has been a member of Association “Non-profit Partnership of Territorial Grid Organizations”. The purpose of participation of IDGC of the South in the Association is the possibility of communication with other

members of the partnership and the sharing the best business practices in the electric grid complex. Term of participation: not limited in time.

If results of financial and economic activities depend strongly on other members of the banking group, the bank holding company, holding company or association, this fact should be pointed out and a detailed description of the nature of this dependence should be indicated: results of financial and economic activity of the issuer do not dependent on other members of banking group, bank holding company, holding company or association.

### 3.5. The Issuer's affiliated and dependent companies

1.

Full Company name	Open Joint Stock Company "Agricultural Enterprise named after Grechko A.A."
Short Company name	"PSKh named after Grechko A.A." JSC
TIN	6117010611
PSRN (OGRN)	1036117000798
Address	21 Teatralnaya st, village Kuibyshevo, Kuibyshevskiy district, Rostov Area, Russia
Grounds for recognizing the company as a subsidiary of the issuer	As the issuer holds the major share in the authorized capital of the company, the issuer is entitled to adopt decisions
1) Issuer's stake in the authorized capital of the company	1) 100.00%
2) Issuer's stake of the ordinary shares of the company	2) 100.00%
1) Stake of the company in the Issuer's authorized capital	1) 0%
Stake of the Issuer's ordinary shares held by the company	2) 0%

2.

Full Company name	Open Joint Stock Company "Agricultural Enterprise Sokolovskoye"
Short Company name	"Sokolovskoye PSKh" JSC
TIN	6151011887
PSRN (OGRN)	1036151002667
Address	32 Kurskaya Str., settlement Sokolovo-Kurduchenskiy, Novoshakhtinsk, Russia
Grounds for recognizing the company as a subsidiary of the issuer	As the issuer holds the major share in the authorized capital of the company, the issuer is entitled to adopt decisions
1) Issuer's stake in the authorized capital of the company	1) 100.00%
2) Issuer's stake of the ordinary shares of the company	2) 100.00%

1) Stake of the company in the Issuer's authorized capital Stake of the Issuer's ordinary shares held by the company	1) 0% 2) 0%
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3.

Full Company name	Open Joint Stock Company "Recreation Centre "Energetik"
Short Company name	"Recreation Centre "Energetik" JSC
TIN	2355016847
PSRN (OGRN)	1032330762463
Address	3 Shkolnaya Str., village Shepsi, Tuapsinskiy district, Krasnodar Region, Russia
Grounds for recognizing the company as a subsidiary of the issuer	As the issuer holds the major share in the authorized capital of the company, the issuer is entitled to adopt decisions
1) Issuer's stake in the authorized capital of the company 2) Issuer's stake of the ordinary shares of the company	1) 100.00% 2) 100.00%
1) Stake of the company in the Issuer's authorized capital Stake of the Issuer's ordinary shares held by the company	1) 0% 2) 0%

4.

Full Company name	Open Joint Stock Company "Energoservis Yuga"
Short Company name	"Energoservis Yuga" JSC
TIN	2355016847
PSRN (OGRN)	1032330762463
Address	3 Shkolnaya Str., village Shepsi, Tuapsinskiy district, Krasnodar Region, Russia
Grounds for recognizing the company as a subsidiary of the issuer	As the issuer holds the major share in the authorized capital of the company, the issuer is entitled to adopt decisions
1) Issuer's stake in the authorized capital of the company 2) Issuer's stake of the ordinary shares of the company	1) 100.00% 2) 100.00%
1) Stake of the company in the Issuer's authorized capital 2) Stake of the Issuer's ordinary shares held by the company	1) 0% 2) 0%

### **3.6. Composition, Structure and Value of the Issuer's Fixed Assets, Data on Plans for Acquisition, Replacement, Retirement of Fixed Assets, as well as all the Facts of Encumbrance of the Issuer's Fixed Assets**

#### **3.6.1. Fixed assets**

Information about the initial (replacement) value of fixed assets and the amount of accumulated depreciation for the last five completed financial years:

Fixed assets	Initial (replacement) value, rubles	Depreciation, rubles
Reporting date: 31.12.2011		
Land plots	2 036 835	0
Buildings	3 769 919 868	408 366 520
Constructions, except power lines	913 078 893	239 216 477
Transmission lines and devices	17 026 655 233	3 638 972 744
Machinery and equipment for production of electric energy, substations, equipment for conversion of electrical energy	11 257 409 600	3 419 529 660
Transportation equipment	492 659 995	315 004 963
Other fixed assets	88 677 133	57 014 746
Total	33 550 437 557	8 078 105 111

Fixed assets	Initial (replacement) value, rubles	Depreciation, rubles
Reporting date: 31.12.2012		
Land plots	12 033 451	0
Buildings	3 910 639 194	530 936 131
Constructions, except power lines	1 146 844 395	324 673 207
Transmission lines and devices	18 275 042 974	4 673 122 172
Machinery and equipment for production of electric energy, substations, equipment for conversion of electrical energy	12 886 000 713	4 519 304 367
Transportation equipment	697 614 991	367 880 912
Other fixed assets	92 031 665	67 233 793
Total	37 020 207 383	10 483 150 582

Fixed assets	Initial (replacement) value, rubles	Depreciation, rubles
Reporting date: 31.12.2013		
Land plots	16 433 685	0
Buildings	4 130 470 406	658 169 267
Constructions, except power lines	1 290 111 925	405 972 595
Transmission lines and devices	20 322 816 284	5 832 966 080
Machinery and equipment for production of electric energy, substations, equipment for conversion of electrical energy	15 501 886 838	5 763 179 164
Transportation equipment	786 264 454	454 162 929
Other fixed assets	100 675 734	73 394 521
Total	42 148 659 326	13 187 844 556

Fixed assets	Initial (replacement) value, rubles	Depreciation, rubles
Reporting date: 31.12.2014		
Land plots	22 035 245	0
Buildings	4 165 472 532	780 882 998

Constructions, except power lines	1 314 667 207	486 259 250
Transmission lines and devices	20 920 525 537	7 037 961 694
Machinery and equipment for production of electric energy, substations, equipment for conversion of electrical energy	16 422 672 218	7 084 075 567
Transportation equipment	790 559 830	527 422 549
Other fixed assets	110 660 810	78 473 134
Total	43 746 593 379	15 995 075 192

Fixed assets	Initial (replacement) value, rubles	Depreciation, rubles
Reporting date: 31.12.2015		
Land plots	22 372 408	0
Buildings	4 206 316 657	909 794 964
Constructions, except power lines	1 354 355 601	554 719 589
Transmission lines and devices	21 302 343 949	8 211 208 191
Machinery and equipment for production of electric energy, substations, equipment for conversion of electrical energy	17 393 679 356	8 390 624 831
Transportation equipment	811 307 581	592 429 271
Other fixed assets	97 210 572	83 022 305
Total	45 187 586 124	18 741 799 151

Information on methods of depreciation charges accounting for fixed assets item group: depreciation for fixed assets items is accounted by straight-line method, issuing from terms of benefit period of the items. Accrual of depreciation for the facilities acquired by the Company under lease agreements and booked on its balance is carried out by method, stipulated by the agreement. Results of revaluation of fixed assets and long-term leased assets, carried out during the last five completed financial years: revaluation of fixed assets was not carried out.

Data referring to plans on acquisition, replacement, and retirement of fixed asset, value of which amounts 10% and more of the Issuer's fixed assets value and other fixed assets disclosed at the Issuer's opinion: the Issuer does not have such plans.

All facts of fixed assets of the Issuer encumbrance (with indication of encumbrance character, moment of encumbrance its validity term and other conditions at the Issuer's opinion):

Data on Encumber Assets of "IDGC of the South" PJSC				
Fixed Assets Leased				
#	Short characteristics of property	Encumbrance grounds (number and	Lessee	Starting and termination date of encumbrance



	Name, address	Area, square m.	date of lease agreement)		Original term of lease according to the agreement	Renewal of agreement
1	2	3	4	5	6	7
<b>“Astrakhanenergo” branch of “IDGC of the South”PJSC</b>						
1.	Non-residential Premises (19 Sovetskoy Militsii street, 32 Naberezhnaya street Astrakhan)	3,0	No. 080-14-101 dd 11.02.2016	SMARTS CJSC	30.12.15 - 24.12.2016	yes
2.	Non-residential Premises(building A, 1 Energetikov street, industrial hub, Privolzhsky district, Astrakhan region)	6,1	No. 080-14-95 dd 04.02.2016	SMARTS CJSC	30.12.15 - 24.12.2016	yes
3.	Place for installation of a container and place at lighting mast for installation of aerials (substation “Tsarevskaya”, building C, 1 B.Khmel'nitskogo street, Astrakhan)	15,85	No. 080-14-96 dd 04.02.2016	SMARTS CJSC	30.12.15 - 24.12.2016	yes
4.	Part of land plot on 204 Kramatorskaya street, Astrakhan	7.0	No.080-14-12 dd 31.12.2014	AstrakhanGSM CJSC	30.12.2014- 29.12.2015 28.12.2015- 29.02.2016	yes
5.	Non-residential premises(Ikryannisky distribution zone, substation “Zhitnaya”, village Zhitnoye)	6,0	No. 080-14-26 dd 30.12.14	Megafon JSC	29.12.201- 24.12.2016	yes
6.	Non-residential premises (substation “Ikryanoye”, Ikryanisky distribution zone, Ikryanoye village, Chapayeva street)	6,0	No. 080-14-73 dd 23.11.2015	Megafon JSC	29.12.201- 24.12.2016	yes
7.	Non-residential Premises (building A, RPB-2 1 Energetikov street, Provilzhsky district,)	6,5	No. 080-14-80 dd 11.12.2015	Megafon JSC	29.12.201- 24.12.2016	yes
8.	Place for placement of a container with equipment, substation “Sovetskaya”	14,0	No. 080-14-43 dd 29.12.2015	Megafon JSC	30.12.2015- without limitation	yes
9.	Place for placement of a container and place at metal light post for installation of antenna-feeder devices (39 Michurina street, Volodarsky village, Volodarsky district, Astrakhan region)	10,81	No. 080-14-78 dd 27.11.2015	Megafon JSC	29.12.201- 24.12.2016	yes
10.	Non-residential Premises (substation “Solodniki”, Chernoyarsky	7,6	No. 080-14-77 dd	Megafon JSC	29.12.201-	yes

	distribution zone, Chernoyarsky district, Astrakhan region)		27.11.2015		24.12.2016	
11.	Place for placement of a container and place at metal light post for installation of antenna-feeder devices (Ikryannisky distribution zone) 13 Zarechnaya street, Ilinka village	2,3 x3, 5	No. 080-14-74 dd 27.11.2015	Megafon JSC	29.12.2016-24.12.2016	yes
12.	Non-residential premises: substation control house, building C, substation Tsarevskaya, 1 Khmelnitkogo street, Astrakhan	15, 85	No. 080-14-76 dd 27.11.2015	Megafon JSC	29.12.2016-24.12.2016	yes
13.	Place for placement of a container with equipment (substation "Pervomaiskaya")	10, 4	080-14-75 dd 27.11.2015	Megafon JSC	29.12.2016-24.12.2016	yes
14.	Land (part of the land plot) for installation and operation of equipment of NMT cellular base stations (110/69kV substation "Sudostroitel'naya", 89 Kotelnaya street, Sovetsky district, Astrakhan)	40, 5	080-14-79 dd 09.12.2015	Megafon JSC	31.12.2016-24.12.2016	yes
15.	Non-residential premises 33 Sadovaya street, Zamiyany village, Yenotayevsky distribution zone	3,2	No. 080-14-64 dd 12.11.2015	JSC Vypelkom	26.12.2016-24.12.2016	yes
16.	Non-residential premises (18 I. Franko street, Akhtubinsk, Akhtubinsky distribution zone)	26, 1	No. 080-14-63 dd 12.11.2015	JSC Vypelkom	26.12.2016-24.12.2016	yes
17.	Place for placement of a container and place at metal light post for installation of antenna-feeder devices (46 Chapayeva street, Ikryanoye village, Ikryannisky distribution zone)	7,0	No. 080-14-71 dd 20.11.2015	JSC Vypelkom	26.12.2016-24.12.2016	yes
18.	Place for installation of antenna-feeder devices (substation "Oktyabrskaya", 3 Gorniy pereulok, Trusovsky district, Astrakhan)	6,0	No. 080-14-66 dd 13.11.2015	JSC Vypelkom	26.12.2016-24.12.2016	yes
19.	Non-residential premises, part of the room 48 (1 Energetikov street, RPB-2, Astrakhan)	6,0	No. 080-14-68 dd 20.11.2015	JSC Vypelkom	26.12.2016-24.12.2016	yes
20.	Place for installation of equipment and place at antenna mast structure (substation "Neftebaza")	15, 0	No. 080-14-67 dd 20.11.2015	JSC Vypelkom	26.12.2016-24.12.2016	yes
21.	Land (part of the land plot) for installation of equipment located at: substation "Sovetskaya", Astrakhan region, Akhtubinsky district	20, 0	No. 080-14-69 dd 20.11.2015	JSC Vypelkom	26.12.2016-24.12.2016	yes

22.	Land (part of the land plot) for installation of equipment located at: 89 Kotelnaya street, Astrakhan	15,0	No. 080-14-70 dd 20.11.2015	JSC Vypelkom	30.12.2015- 24.12.2016	yes
23.	Part of land plot located at: 204 Kramatorskaya street, Astrakhan	9,2	No. 080-14-65 dd 20.11.2015	JSC Vypelkom	30.12.2015- 24.12.2016	yes
24.	Non-residential Premises (room 8, administrative building, 18 I. Franko street, Akhtubinsk, Akhtubinsky distribution zone)	10,1	No. 080-14-83 dd 14.12.2015	Mobile TeleSystems JSC	31.12.14 - 30.12.15	yes
25.	Non-residential premises: 71 room, RPB-2, 1 Energetikov street, Astrakhan	6,0	No. 080-14-81 dd 14.12.2015	Mobile TeleSystems JSC	30.12.2015- 24.12.2016	yes
26.	Place for installation of communication equipment (concrete pylon SK-26 and container with equipment of cellular base stations) 89 Kotelnaya street, Sovetsky district, Astrakhan	32,0	No. 080-14-82 dd 14.12.2015	Mobile TeleSystems JSC	31.12.2015- 24.12.2016	yes
27.	Part of land plot located at: 204 Kramatorskaya street, Astrakhan	15,2	No. 080-14-81 dd 14.12.2015	Mobile TeleSystems JSC	30.12.2015- 24.12.2016	yes
28.	Place for installation of equipment and place at antenna mast structure (89 Kotelnaya street, Astrakhan)	4,5	No. 080-14-88 dd 21.12.2015	Mobile TeleSystems JSC	30.12.2015- 24.12.2016	yes
29.	Place for installation of equipment and place at antenna mast structure (189 Starovera street, Astrakhan)	4,5	No. 080-14-86 dd 21.12.2015	Osnova Telecom JSC	30.12.2015- 24.12.2016	yes
30.	Place for installation of equipment and place at antenna mast structure (1B.Khmelnitskogo street, Astrakhan)	3,0	No. 080-14-89 dd 21.12.2015	Osnova Telecom JSC	28.12.2015- 24.12.2016	yes
31.	Part of non-residential premises No. 44,0 sq.m., Located at: Kulakovsky village, Privolzhsky district, Astrakhan region	1,0	080-14-87 dd 21.12.2015	Osnova Telecom JSC	30.12.2015- 24.12.2016	yes

32.	Place for installation of closed container (0.4 x 0.6m) with communication devices of cellular radiotelephone communication inside it, and place at antenna mast structure for installation of three-segment aerial (3 Gorniy pereulok, Trusovsky district, Astrakhan)	1,0	080-14-90 dd 21.12.2015	Osnova Telecom JSC	30.12.2015- 24.12.2016	yes
33.	Non-residential premises (75/69 Sun-Yat-Sen/Kulikov str., Astrakhan)	11,9	080-14-92 dd 29.12.2015	“Real Medical Service” LLC	31.12.2015- 24.12.2016	yes
34.	Non-residential premises 1 Energetikov Stre., Astrakhan, Astrakhanenergo	18,9.1	080-14-91 dd 25.12.15	Mikhailova Alexandra Vladimirovna, individual entrepreneur	31.12.2015- 24.12.2016	yes
<b>“Volgogradenergo” Branch of “IDGC of the South” PJSC</b>						
35.	Administrative building (canteen), Volgograd, Lenina prospekt, 15	13,5,2	Contract No.34701123 10 dd 30.12.2011	Richetta LLC	from 16.01.2012	yes
36.	Administrative building (office), Volgograd, Lenina prospekt, 15	6,4	Contract No. 34001601003 273 dd 25.03.2016	Agency of Air Service “Airport-Service” LLC	from 01.01.2015 for 11 months	yes
37.	Administrative building (office No.202), Volgograd, Lenina prospekt, 15	8,6	Contract No.34001601005186 dd 16.05.2016	Private security firm “Kobalt-C” LLC	from 01.01.2015 for 11 months	yes
38.	Administrative building (attic), Volgograd, Lenina prospekt, 15	5,2	Contract No. 877 dd 16.10.2006	“T2 Mobile” LLC	from 01.10.2006	yes
39.	Radio mast, 139 Lenina prospekt, Uryupinsk, Volgograd region	11,0	Contract No. 877 dd 16.10.2006	“T2 Mobile” LLC	from 01.10.2006	yes
40.	Radio mast, substation “Archedinskaya”, Mikhailovka village, Volgograd region	18,5	Contract No. 877 dd 16.10.2006	“T2 Mobile” LLC	from 01.10.2006	yes
41.	Radio mast, substation “Kotluban”, village Ssamofalovka, Volgograd region	18,5	Contract No. 877 dd 16.10.2006	“T2 Mobile” LLC	from 01.10.2006	yes
42.	Radio mast, substation “Zolotari”, Pallasovsky district, Volgograd region	18,0	Contract No. 877 dd 16.10.2006	“T2 Mobile” LLC	from 01.10.2006	yes
43.	Radio mast, substation “Maxim Gorky”, village Gorkovsky, Volgograd	18,0	Contract No. 877 dd 16.10.2006	“T2 Mobile” LLC	from 01.10.2006	yes

44.	Two-storey building of manufacturing building (A), 1A Granovitaya street, Volgograd	64 7,7	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2 014	yes
45.	One and two-storey garage (buildings Б,И,Г1,Г2,Г3,Г9), 1A Granovitaya street, Volgograd	76 2,7	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2 014	yes
46.	Part of two-storey building (buildings Б,3), 1A Granovitaya street, Volgograd	44 9,9	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2 014	yes
47.	service room (building Г), 1A Granovitaya street, Volgograd	17, 3	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2 014	yes
48.	Warehouse (building Г4), 1A Granovitaya street, Volgograd	5,7	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2 014	yes
49.	Warehouse (building Г5), 1A Granovitaya street, Volgograd	10	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2 014	yes
50.	Warehouse (building Г6), 1A Granovitaya street, Volgograd	12	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2 014	yes
51.	One-storey reinforced concrete building of a warehouse (building Д), 1A Granovitaya street, Volgograd	13 4,5	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2 014	yes
52.	One-storey wooden building of dispatchers station ( building Ж), 1A Granovitaya street, Volgograd	17, 9	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2 014	yes
53.	One-storey brick building of warehouse (building E),	26 5,7	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2 014	yes
54.	Pavement (building V), 1A Granovitaya street, Volgograd	12 57, 0	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2 014	yes
55.	Part of non-residential premises at administrative building (building A), 52 Gvardeiskaya street, Nikolayevsk, Volgograd region	74, 1	Contract No.34001501 003972 dd 01.04.2015	Gazprom MezhregionGaz LLC	from 01.04.2 015	yes
56.	Place for installation of container at antenna mast structure, 8 building, 220 Podstantsiy street, Petrov Val, Volgograd region	11	Contract No. 130 dd 11.07.2007	“T2 Mobile” LLC	FROM 01.09.2 014	yes
57.	Canteen (205B Lenina str., Mikhailovka, Volgograd region)	22 4.7	Contract No. 34001501009 40 dd 24.09.2015	Sekachyov A.N. individual entrepreneur	From 24.09.2 015	yes
58.	Non-residential premises: 52 Gvardeiskaya 13 <sup>th</sup> street., Nokolaeyevsk, Volgograd region (in administration building)	62. 1	Contract No 34001601006 dd 11.05.2016	Municipal unitary enterprise “Housing and utilities sector”	From 11.05.2 016	yes

59.	Non-residential premises: 52 Gvardeiskaya 13 <sup>th</sup> street., Nokolaeyevsk, Volgograd region	62, 6	Contract No 34001601006 dd 11.05.2016	Municipal unitary enterprise "Housing and utilities sector"	From 11.05.2016	yes
<b>"Kalmenergo" Branch of "IDGC of the South" JSC</b>						
60.	<b>Non-residential Premises</b> Type (group)of Capital Asset: buildings: 1)Ketchenerovsk Electric Grid District; 2)Yashkulsk Electric Grid District; 3)Preyutnensk Electric Grid District; 4)Gorodovikovsk Electric Grids; 5)Sarpin Tidal Electric Station; 6)Elista (car park boxes, Garages); <b>Movable Assets:</b> 1)Type (group)of Capital Asset: machinery and equipment: refrigerator, fax machine, switchboard etc. (12 items in all) 2) Type (group)of Capital Asset: industrial and household equipment: safe, storage wall, etc. (10 items in total)	72, 26, 57, 3, 66, 5, 79, 9, 15, 7.4, 17, 2	Renting relationship are still in force.	Kalmenergosbyt JSC	from 01.11.2008 to 30.10.2009 Additional agreement dated 01.06.2015 No. 08001501001432	yes
<b>"Rostovenergo" Branch of "IDGC of the South" PJSC</b>						
61.	Land plot, 18D Volkova str., Rostov-on-Don	21, 24	61201501000037 dated 30.12.2014	"Vavilon" LLC	30.12.2014-30.12.2016	Renewal is not provided for
62.	Non-residential premises, located on the territory of production unit of Rostovenergo. The list of premises is specified in Appendix 1 to the Contract.	77, 3, 1, 6	194/01/12/155505/25/1201.03.2012	Energosbyt Rostovenergo JSC	01.03.2012 01.02.2013	yes
63.	Parts of non-residential premises No.19, No.21-22-23-24-25, No.10-13-14, No.10, No.45, located at the 1 <sup>st</sup> , 2 <sup>nd</sup> floors and in the basement level of Culture Centre Energetik located at: 48 Semashko pereulok, Rostov-on-Don. The parts of the premises are used as dance studio	23, 8, 6	136732/25/112.10.2011	Radchenko V.M.	12.10.2011 12.09.2012	yes
64.	Non-residential premises No.1013-14, located at the 2 <sup>nd</sup> floor Culture Centre Energetik located at: 48 Semashko pereulok, Rostov-on-Don. The premises are used as dance studio	54, 3	6120013000058826.06.2013	Bardian S.V.	26.06.2013 26.05.2014	yes
65.	Non-residential premises No.43r, of	36,	163130/25/1	Uspekhh Plus	01.07.2	yes

	total area 17,9 sq.m. and No.46, of total area 18,7 sq.m., located at Culture Centre Energetik located at: 48 Semashko pereulok, Rostov-on-Don. Premises are used for statutory activities of the contractor	6	2 01.07.2012	LLC		012 01.06.2 013	
66.	Non-residential premises No.19, in the basement level of Culture Centre Energetik located at: 48 Semashko pereulok, Rostov-on-Don. The premises are used as dance studio	78, 7	141058/25/1 1 01.11.2011	Self-employed entrepreneur Krivosheina M.S.		01.11.2 011 01.10.2 012	yes
67.	Part of non-residential premises No.1011, At the 1 <sup>st</sup> floor of Culture Centre Energetik located at: 48 Semashko pereulok, Rostov-on-Don. Premises are used as English language learning centre.	34, 1	111260/11 03.02.2011	Ankudinova N.V.		01.01.2 011 30.11.2 011	Renewal is not provided
68.	Non-residential premises , located at: 49 B. Sadovaya street, Rostov-on-Don, at the 1 <sup>st</sup> floor, for installation of cash machines	12, 12	68895/08 12.12.2008	Center-Invest Bank JSC		01.01.2 009 30.11.2 009	yes
69.	Non-residential premises , rooms No.-No. 215-16-17-18-1920-22-23-24-2526-27-28-29-3033-35-36-37-3940-41-42-43-4445-46-47-48-49-50, No.21, No.32, No.38, No.12Б, Located at the 1 <sup>st</sup> floor of non-residential premises "A", located at: 147b, 2-ya Krasnodarskaya street, Rostov-on-Don	54 4,1	61201401000 512 31.01.2014.	Don-Restraunt-Service LLC		15 years from the date of the contract conclusion	Renewal is not provided for
70.	Apartment. Area: total 83 sq.m. Floor: 3. Building: A. Apartment No.: 2, 35 Krepostnoy per., Kirovsky district, Rostov-on-Don	83, 0	295 dd 05.01.2004 298 dd 05.01.2004.	Lapteva A.V., Nicheyev A.A.	not specified not specified 5years from the date of the contract conclusion	Currently, real property facilities are in the process of market valuation. In the future, the apartments will be offered to natural persons for the acquisition. The property is in actual use with payment for public facilities. A contract was concluded with Leiko A.A.; the agreement is in process of registration at Federal Service for State Registration, Cadaster and Cartography for Rostov region.	
71.	Apartment. Area: total 68,5 sq.m. Floor: 3. Building: A. Apartment No.: 2, 35 Krepostnoy per., Kirovsky district, Rostov-on-Don, Russia,	68, 5	296 dd 05.01.2004.	Starchenko N.Yu.	not specified not specified		

					d	
<b>Central Power Plant</b>						
72.	Non-residential premises of total area 15 sq.m. and space at tower at the height of 50metres, 54 Narodnaya street, Novocherkassk	15,0	63635/9/08/AP-12-H/97 dd 28.10.1997	Rostov mobile communications CJS	28.10.1997-31.12.2012	For unspecified period, in the absence of refuse of the parties
<b>Northeast Electric Grids</b>						
73.	Non-residential premises with total area of 46,9 sq.m., (26 Geroyev Pionerov street, Kamensk-Shakhtinsky, Rostov region), catering for employees of production unit Northeast Electric Grids Rostovenergo	46,9	135392/25/11 27.09.2011	self-employed entrepreneur Galaktionov G. K.	27.09.2011 - 27.07.2012	For unspecified period
74.	Part of premises with total square 39.1 sq.m. at: Serviceman room at substation "Chebotovskaya". Area: total 100.7 sq.m. Inventory number: 5722. Building: A. Number of floors: 1, 3 Tsentralnaya street, Chebotovka village, Tarasovsky district	39,1		Baidakova N.I. lives there since 1978, retired		In accordance with the registry of non-core assets, approved at the meeting of the BoD on 29.10.2010, the specified part of the premises of total area 39.1 sq.m. is planned for selling
75.	Premises of total area 48.7 sq.m at facilities: Building of Serviceman room at substation "Alifanovskaya". Area: 115.9 sq.m. Inventory number: 8/580. Building: A, a, a1. Number of floors: 1. 12 Linina street, Alifanov village, Tatsinsky district, Rostov region	48,7		Family of Bezrodny N.M. (retired) lives there since 1980		In accordance with the registry of non-core assets , approved at the meeting of the BoD on 29.10.2010, the specified part of the premises of total area 48.7 sq.m. is planned for selling
76.	Serviceman room. Area: total 105,3 sq.m. Inventory number: 5102. Building: A,a,a1. Number of floors: 1. 13 Vostochnayua street, Kasahtanovsky village, oblilvsky district, Rostov region	105,3		Family of Tkachenko N.V. (4 people)lives there since 1990		In accordance with the registry of non-core assets , approved at the meeting of the BoD on 29.10.2010, the premises are planned for selling
77.	Premises of total square 122 sq.m. at facilities: Serviceman room. Area: total 144 sq.m. Inventory number: 5102. Building: A,a,a1. Number of floors: 1. 6 Dachnaya street, Sosnovy village, Oblivsky district, Rostov region.	122,0		Family of Motorkin F.A. lives there since 1981		In accordance with the registry of non-core assets , approved at the meeting of the BoD on 09.04.2009, the premises (total square 114 sq.m.) are planned for selling
<b>Southern Electric Grids</b>						
78.	Residential house: 24a Kooperativnaya street, Azov	54,5	171763/12/12 dd 13.12.2012	Peshkov A.I. employee of "YuES	till 13.12.20	actual use, renewal is stipulated



				Rostovenergo”	17	
79.	Residential house: 24a Kooperativnaya street, Azov	54. 5	171764/12/12/6 1200000027627 dd 25.07.2013	Anferov A.V., employee of “YuES Rostovenergo”	Till 25.0 7.20 18	actual use, renewal is stipulated
<b>Eastern Electric Grids</b>						
80.	Non-residential Premises, of total area 3 sq.m., 22 Grishina street, Tsimlyansk	3	2-II/55079/07 29.12.2006	Centr- Invest Bank JSC	29.12.20 006- 31.10.20 07	Without limitatio n
81.	Non-residential premises No.1 - of total area 2,3 sq.m.; No.2- of total area 18,3 sq.m.; No.6 - of total area 48,1 sq.m., of total square 68,7 sq.m., located at: 39 Sovetskaya street, Progress village, Volgodonsky district,	68, 7	389/08/64660/08 01.01.2008	“Southern telecomm unication company” JSC	01.01.20 08 30.11.20 08	yes
82.	Non-residential Premises No.2 - of total area 10,7 sq.m.; No.3 - of total area 21,6 sq.m., of total square 32,2 sq.m., located at: 22 Grishina street, Tsimlyansk Rostov region	32, 2	109440/11/10 01.12.2010	self- employed entreprene ur Cherednya kova	01.12.20 10 31.10.20 11	yes
83.	Premises, of total square 31,9 sq.m., located at: 13 room, 22 Grishina street, Tsimlyansk	31, 9	0-11/73619 01.04.2006	Mengel V.T.	01.04.20 06 30.04.20 07	yes
84.	Premises, of total square 22,9 sq.m., located at: 3 room, 22 Grishina street, Tsimlyansk	22, 9	0-10/73618 01.04.2006	Turichenk o A.A.	01.04.20 06 30.04.20 07	yes
85.	Premises, of total square 30,3 sq.m., located at: 6 room, 22 Grishina street, Tsimlyansk	30, 3	0-6/73613 01.04.2006	Shlyakhtin O.N.	01.04.20 06 30.04.20 07	yes
86.	Premises, of total square 30,5 sq.m., located at: 10 room, 22 Grishina street, Tsimlyansk	30, 5	0-3/73611 01.04.2006.	Bezverkho va M.A.	01.04.20 06 30.04.20 07	yes
87.	Premises, of total square 31,5 sq.m., located at: 8 room, 22 Grishina street, Tsimlyansk	31, 5	0-2/73610 01.04.2006.	Kalmykov S.I.	01.04.20 06 30.04.20 07	yes
88.	Premises, of total square 37,0 sq.m., located at: 17 room, 22 Grishina street, Tsimlyansk	37, 0	0-9/73616 05.05.2006.	Ladygin S.V.	05.05.20 06 31.05.20 07	yes
89.	Premises, of total square 23,0 sq.m., located at: 7 room, 22 Grishina	23, 0	0-1/73576 01.04.2006.	Veresova Ye.G.	01.04.20 06	yes

	street, Tsimlyansk				30.04.2007	
90.	Premises No.4 - of total area 16,5 sq.m.; No.3 - of total area 12,5 sq.m.; No.5 - of total area 3,4 sq.m.; No.6 - of total area 1,5 sq.m., of total square 33,9 sq.m., located at the 2 <sup>nd</sup> floor of maintenance building located at: 22 Grishina street, Tsimlyansk	33,9	612014010009452 01.07.2014	Ylianov N.S.	01.07.2014 31.05.2015	yes
91.	Premises No.7 - of total area 1,8 sq.m.; No.8 - of total area 3,9 sq.m.; No.10 - of total area 9,1 sq.m.; No.11 - of total area 10,7 sq.m., of total square 25,5 sq.m., located at the 3 <sup>rd</sup> floor of maintenance building located at: 22 Grishina street, Tsimlyansk	22,5	61201401009458 01.07.2014	Kustovsky S.A.	01.07.2014 31.05.2015	yes

#### Northern Electric Grids

92.	Room with total area of 11,8 sq.m., located at: 34 Artilleriyskaya street, Millerovo village, Rostov region, Russia	11,8	61201501005634 04.06.2015	Insurance company "Soglasie" LLC	01.05.2015 31.04.2016	Prolongation is not provided for
93.	Room with total area of 49,67 sq.m., located at: : 34 Artilleriyskaya street, Millerovo village, Rostov region, Russia	49,67	61201401002103 27.03.2014	self-employed entrepreneur Ilminskaya	11.03.2014- 11.02.2015	Prolongation is not provided for
94.	Room with total area of 49,67 sq.m., located at: : 34 Artilleriyskaya street, Millerovo village, Rostov region, Russia	49,67	61201501006574 19.06.2015	self-employed entrepreneur Scherbakova L.N.	08.06.2015 07.05.2016	Prolongation is not provided for

#### Southwest Electric Grids

95.	Canteen building. Address: 144, Dzerzhiskiy street, Taganrog.	179.6	142617 09.12.2011	"Salen" LLC	09.12.2011 09.11.2012	yes
96.	Administrative Building of Repair and Production Base-3, type of Southwest Electric Grids Production Association, Letter A, ATM, 144 Dzerzhinskiy st. Taganrog	8	142874 01.07.2011	"Centre-Invest" Commercial Bank, JSC	01.07.2011 01.06.2012	yes
97.	Checkpoint Building, 144 Dzerzhinskiy st. Taganrog	24.8	142874 01.07.2011	"Centre-Invest" Commercial Bank, JSC	01.07.2011 01.06.2012	yes

Fixed Assets Transferred to the Operational Management

	Brief Description of the Property		Basis of Encumbrances (Rulings had been made by management body before the moment "Rostovenergo" JSC was affiliated to "IDGC of the South" JSC)	Start Date and End Encumbrances
	Name	Area, sq.m.		
1	Part of underground accommodation, 1 and 2 levels of real estate property "Building, purpose: non-residential" Area: total 7001 square meters. Inventory number: 22069. Cadastral number: 61:44:0072704:3706. Building A. number of floors: 5. number of underground floors: 1. Address: 147/2 2-aya Krasnodarskaya st., Sovetskiy dc, Rostov on Don, Rostov Region	2894.6	Basis: Extract of Management Board meeting of "IDGC of the South" PJSC dated 28.08.2015 No.164, acceptance and transfer certificate dated 01.09.2015	01.09.2015 – without time restrictions
2	Building, Letter A, location: 147/2 2-aya Krasnodarskaya st., Sovetskiy dc, Rostov on Don, Rostov Region	4789.1	Basis: Extract of Board of Directors of "Rostovenergo" JSC dated 26.04.2004, Minutes No. 22 (as to the agenda item No. 14 "Regarding Property Settled on "Training Centre "Energetik", Non-state Non-commercial Educational Institution on the basis of operational management) (Certificate of State Registration of Rights 61 AF No. 981623 dated 26.08.2008)	Since 26.08.2008 – without time restrictions
3	Movable Assets to the number of 9 203 ea amounting to 2 046 570,69 rub	-	Basis: Ruling of Board of Directors of "Rostovenergo" JSC dated 26.04.2004, Minutes No. 22 (as to the agenda item No. 14 "Regarding Property Settled on "Training Centre "Energetik", Non-state Non-commercial Educational Institution on the basis of operational management)	Since 01.07.2004 – without time restrictions
4	Production Base Building of Training Centre totaling to 12052190.08 rub, Letter of Building No. 65, location: Industrial hub at Thermoelectric Plant-2, Privolzhskiy dc, Astrakhan Region	1158.5	Basis: Ruling of Board of Directors of "Astrakhanenergo" JSC dated 29.04.2003, Minutes No. 100 (as to the agenda item "Regarding Participation of "Astrakhanenergo" JSC in "Astrakhan Training Complex" Non-state Non-commercial Educational Institution by means of property transferred under the operational management), Treaty on the Right of Operational Asset Management No. 01-25-24/37 dated 05.01.2004, Additional Agreement No. 1 dated 24.03.2008 to treaty No. 01-25-24/37 dated 05.01.2004, Certificate of State Registration of Rights 30 CP No. 009108 dated 12.05.2004.	Since 12.05.2004 - without time restrictions
5	Movable Assets to the number of 100 ea amounting to 36500.47 rub.	-----	Basis: Ruling of Board of Directors of "Astrakhanenergo" JSC dated 29.04.2003, Minutes No. 100 (as to the agenda item "Regarding Participation of "Astrakhanenergo" JSC in "Astrakhan Training Complex" Non-state Non-commercial Educational Institution by means of property transferred under the operational management), Treaty on the Right of Operational Asset Management No. 01-25-24/35 dated 05.01.2004, Additional Agreement dated 20.12.2006 to treaty No. 01-25-24/35 dated 05.01.2004, Additional Agreement No. 2 dated	Since 05.01.2004 - without time restrictions

			24.03.2008 to treaty No. 01-25-24/35 dated 05.01.2004.	
6	Movable Assets to the number of 4 ea amounting to 12988.10 rub.		Basis: Ruling of Board of Directors of “Astrakhanenergo” JSC dated 29.04.2003, Minutes No. 100 (as to the agenda item “Regarding Participation of “Astrakhanenergo” JSC in “Astrakhan Training Complex” Non-state Non-commercial Educational Institution by means of property transferred under the operational management), Treaty on the Right of Operational Asset Management No. 01-11/03-Д117-1P dated 29.06.2004, Additional Agreement No. 3 dated 24.03.2008 to treaty No. 01-11/03-Д117-1P dated 29.06.2004.	Since 29.06.2004 - without time restrictions
7	Movable Assets to the number of 2 ea amounting to 21310.43 rub.		Basis: Ruling of Board of Directors of “Astrakhanenergo” JSC dated 29.04.2003, Minutes No. 100 (as to the agenda item “Regarding Participation of “Astrakhanenergo” JSC in “Astrakhan Training Complex” Non-state Non-commercial Educational Institution by means of property transferred under the operational management), Treaty on the Right of Operational Asset Management No. 01-11/03-Д117-1P dated 13.08.2004, Additional Agreement No. 4 dated 24.03.2008 to treaty No. 01-11/03-Д117-1P dated 13.08.2004.	Since 13.08.2004 - without time restrictions

### 3.7. Organizations of significant importance controlled by Issuer.

During the reporting quarter there were no changes in the information disclosed in this chapter

## IV. Data on Financial and Economic Activity of the Issuer

### 4.1. Results of Financial and Economic Activity of the Issuer

Indicators of financial and economic activities of the issuer, including its profits and losses for the last five completed financial years:

Indicator	2011	2012	2013	2014	2015
Net profit norm, %	0.3	-14.1	0.1	-23.9	0.5
Asset turnover ratio, times	0.60	0.54	0.59	0.70	0.71
Return on assets, %	0.20	-7.53	0.06	-16.62	0.35
Return on equity, %*	0.01	-24.53	-0.49	-61.65	-6.83
Uncovered loss as of the reported date, thousand rubles	4 582 265	7 878 410	7 833 272	14 719 067	14 550 384
Ratio of uncovered loss rate as of the reported date to balance sheet, %	11.21	17.97	16.79	35.48	33.83

These indicators (except for the indicator “Return on equity,%”) are calculated on the basis of the Issuer's financial statements, prepared in accordance with the Russian

Accounting Standards, according to the procedure recommended by the Bank of Russia in the Regulations on Disclosure of Information by Issuers of Securities approved by the Bank of Russia on 30.12.2014, No 454-P.

\* The indicator “Return on equity” is calculated on the basis of the following methodology:  $(\text{Net income} - (\text{Profit of the last years revealed in the reporting period} + \text{Income in the form of written-off accounts payable}) * (1 - \text{tax rate}) - \text{Income from revaluation of financial assets} - \text{Write-off of restructured fines and penalties on taxes}) / \text{Shareholders' equity at the beginning of the year}$ .

When specifying the parameters, for observance of the comparability for the prior periods due to changes in the lines of the balance sheet and profit and loss statements (income statement) the following data from the balance sheets and profit and loss statements (the statement of income) were taken:

- For calculation of the indicators for 2011 – balance sheet for 2013 (column “On December 31, 2011”); report on financial results for the 2012 (column “2011”);
- For calculation of the indicators for 2012 – balance sheet for 2014 (column “On December 31, 2012”); report on financial results for the 2012 (column “2012”);
- For calculation of the indicators for 2013 – balance sheet for 2015 (column “On December 31, 2013”); report on financial results for January –December 2014 (column “2013”);
- For calculation of the indicators for 2014 – balance sheet for 2015 (column “On December 31, 2014”); report on financial results for January –December 2015 (column “2014”);
- For calculation of the indicators for 2015 – balance sheet for 2015 (column “On December 31, 2015”); report on financial results for January –December 2015 (column “2015”).

When specifying the parameters, for observance of the comparability for the prior periods due to changes in the lines of the balance sheet and profit and loss statements (income statement) the following data from the balance sheets and profit and loss statements (the statement of income) were taken:

- For calculation of the indicators for 2011 – balance sheet for 2013 (column “On December 31, 2011”); report on financial results for the 2012 (column “2011”);
- For calculation of the indicators for 2012 – balance sheet for 2014 (column “On December 31, 2012”); report on financial results for the 2012 (column “2012”);
- For calculation of the indicators for 2013 – balance sheet for 2015 (column “On December 31, 2013”); report on financial results for January –December 2014 (column “2013”);
- For calculation of the indicators for 2014 – balance sheet for 2015 (column “On December 31, 2014”); report on financial results for January –December 2015 (column “2014”);
- For calculation of the indicators for 2015 – balance sheet for 2015 (column “On December 31, 2015”); report on financial results for January –December 2015 (column “2015”);

Economic analysis of profitability/unprofitability of Issuer, based on the dynamics of these indicators, and reasons that caused the unprofitability/profitability of Issuer: The indicator “net profit” shows the share of the net profit remaining at the disposal of the Company from the total sales revenue. Compared to 2011 the net profit decreased from 0.3% to -14.1% due to the presence of losses by the end of 2012. The main factors of such loss by the results of 2012 are a reversal of revenue of the branch “Rostovenergo” on counterparty “Energosbyt Rostovenergo” (Arbitration Court resolution No.A53-8310/2012), in the amount of 1 717 million rubles, the creation of a reserve for doubtful debts in accordance with recommendations of internal and external auditors of the Company in the amount of 1 651 million rubles, creation of the provision for other contingent liabilities in the amount of 1 236 million rubles, creation of a reserve for impairment of financial investments in subsidiaries of the Company in the amount of 278 million rubles. Compared with 2013 the net profit margin increased from -14.1% to 0.1% due to the presence of net profit. Compared to 2014, the net profit margin increased from - 23.9% to 0.5% due to the presence of net profit.

The main factors of presence of loss by the results of 2014 are: creation of a reserve for doubtful debts in the amount of 6 617 million rubles, creation of the provision for other contingent liabilities in the amount of 1 262 million rubles. Asset turnover ratio characterizes the efficiency of the Company's usage of all available resources, regardless where they originated from, that is, shows how many times during the period under review makes a complete cycle of production and circulation. This indicator in the electric power industry reflects the characteristics of in the production process. Indicator of assets turnover in 2012 comparing to 2011 changed by - 0.06% due to the decrease in revenue by 3.7%. Indicator of assets turnover in 2013 comparing to 2012 increased by 0.05% due to the revenue growth by 16.9% and increase in the balance assets cost by 6.4%. Indicator of assets turnover in 2014 comparing to 2013 increased by 0.11% due to revenue growth by 5.3%. Indicator of assets turnover in 2015 comparing to 2014 has remained almost unchanged due to increase of revenue by 5.1% and increase of balance assets cost by 3.7%.

Return of assets characterizes the efficiency of Company's funds application, i.e. the efficiency of Issuer's funds managing and returning through the every ruble invested in assets, and shows the generating of Company's profit. The indicator in 2012 declined comparing to 2011 and was - 7.53%, due to the presence of loss by the results of 2012. The indicator in 2013 comparing to 2012 increased and amounted to 0.06%, due to the presence of net profit in 2013. The indicator in 2014 declined comparing to 2013 and amounted to -16.62%, which is associated with the presence of loss by the results of 2014. In comparison with 2014, the indicator increased and equals to 0.35% due to significant increase in of net profit in 2015.

Return on equity is the coefficient of net profit to equity and characterizes the efficiency of invested in organization of own funds. Compared to 2011, the indicator has decreased from 0.01% to -24.53% in 2012; in comparison with 2012, the indicator has increased from -24.53% to -0.49% in 2013; in comparison with 2013 the indicator has decreased from -0.49% to -61.65% in 2014; in comparison with 2014 the indicator has increased from -61.65% до -6.83% in 2015.

The sum of uncovered loss as compared with 2011 in 2012 increased by 3 296 million rubles mainly due to the presence of losses by the end of 2012. Compared with 2012 in 2013 the indicator “Uncovered loss” decreased by 45 million rubles; the main reduction factor is the presence of net profit in 2013. Compared with 2013, the indicator “Uncovered loss” increased by 6 886 million rubles in 2014 mainly due to the presence of losses by the end of 2014. Amount of uncovered loss as compared to 2014 decreased by 169 million rubles in 2015, mainly due to the presence of net profit in 2015. The indicator “Ratio of uncovered loss as of the reporting date and the balance sheet value of assets” compared with 2011 increased from 11.21% to 17.97% in 2012 due to the presence of losses by the end of 2012. Compared with 2012, “Ratio of uncovered loss as of the reporting date and the balance sheet value of assets” decreased from 17.97% to 16.79% in 2013 due to the presence of net profit at the end of 2013. Compared with 2013, “Ratio of uncovered loss as of the reporting date and the balance sheet value of assets” increased from 16.79% to 35.48% in 2014 due to the presence of losses by the end of 2014. Compared to 2014 “Ratio of uncovered loss as of the reporting date and the balance sheet value of assets” decreased from 35.48% to 33.83% in 2015 due to the presence of net profit in 2015. Over the last five years, from 2011 to 2015, the main reason for increase in revenue of the issuer were changes in the structure of supply of electric power and increase in tariffs.

Opinions of the Issuer's governing bodies concerning the mentioned factors and/or their effects on the results of financial and economic activities of the Issuer are the same. None of the members of the Board of Directors of the Issuer or the Issuer's collegial executive body has a special opinion on the mentioned factors and/or their effects on the results of financial and economic activity of the Issuer.

#### **4.2. Issuer’s Liquidity, Capital and Current Assets Adequacy**

The dynamics of indicators of Issuer’s liquidity for the last 5 reporting years:

Indicator	2011	2012	2013	2014	2015
Net fixed assets	1 399 319	-4 199 917	-7 483 997	-5 447 471	-10 383 008
Current ratio	1,16	0,72	0,64	0,66	0,56
Quick ratio	1,02	0,64	0,59	0,62	0,53



These indicators are calculated on the basis of the Issuer's financial statements, prepared in accordance with the Russian Accounting Standards, according to the procedure recommended by the Bank of Russia in the Regulations on Disclosure of Information by Issuers of Securities approved by the Bank of Russia on 30.12.2014, No 454-P.

When specifying the parameters, for observance of the comparability for the prior periods due to changes in the lines of the balance sheet the following data were taken:

- For calculation of the indicators for 2011 – balance sheet for 2013 (column “On December 31, 2011”); report on financial results for the 2012 (column “2011”);
- For calculation of the indicators for 2012 – balance sheet for 2014 (column “On December 31, 2012”); report on financial results for the 2012 (column “2012”);
- For calculation of the indicators for 2013 – balance sheet for 2015 (column “On December 31, 2013”); report on financial results for January –December 2014 (column “2013”);
- For calculation of the indicators for 2014 – balance sheet for 2015 (column “On December 31, 2014”); report on financial results for January –December 2015 (column “2014”);
- For calculation of the indicators for 2015 – balance sheet for 2015 (column “On December 31, 2015”); report on financial results for January –December 2015 (column “2015”).

When specifying the parameters, for observance of the comparability for the prior periods due to changes in the lines of the balance sheet and profit and loss statements (income statement) the following data from the balance sheets and profit and loss statements (the statement of income) were taken:

- For calculation of the indicators for 2011 – balance sheet for 2013 (column “On December 31, 2011”);
- For calculation of the indicators for 2012 – balance sheet for 2014 (column “On December 31, 2012”);

- For calculation of the indicators for 2013 – balance sheet for 2015 (column “On December 31, 2013”);
- For calculation of the indicators for 2014 – balance sheet for 2015 (column “On December 31, 2014”);
- For calculation of the indicators for 2015 – balance sheet for 2015 (column “On December 31, 2015”).

An economic analysis of Issuer’s liquidity and solvency, the Issuer's capital adequacy ratio for the performance of short-term obligations and meet current operating expenses, based on economic analysis of the dynamics of these indicators: Net working capital is the difference between value of working capital and current liabilities. This indicator characterizes the value of floating capital, devoid of short-terms (current) liabilities, i.e. the share of Company’s floating assets, which has been financed from long-term sources and it cannot be used for discharging of current debt. The value of the net working capital of the issuer as of 31.12.2015 was minus 10 383 008 thousand rubles.

The current liquidity ratio shows the extent to which the current assets cover short-term liabilities of the organization, and allows us to estimate the amount of current assets per ruble of current liabilities. As of 31.12.2015 this ratio was 0.56. The recommended value of the quick liquidity ratio shall be not less than 0.84.

The quick ratio shows how the most liquid assets cover the current liabilities of the organization. As of 31.12.2015 the ratio was 0.53. The recommended value of the quick liquidity ratio shall be not less than 0.5.

Factors which, in the opinion of the Issuer's management bodies, have the most significant impact on the liquidity and solvency of the issuer in the reporting period: In 2015, we can observed deterioration in comparison with the year 2014. The decrease in net working capital in comparison to 2014 happened due to increase in short-term liabilities.

The opinions of the Issuer’s administration with respect to the causes or extent of their influence on the results of the Issuer’s financial activities match.

None of any members of the Issuer's Board of the directors or a member of the Issuer's collegial executive body has a special opinion on the reasons mentioned and/or the degree of their influence on the results of the Issuer's financial activities.

### 4.3. The size and structure of capital and working capital of the Issuer

#### 4.3.1. The size and structure of capital and working capital of the Issuer

Indicator	2011	2012	2013	2014	2015
a) Issuer's authorized capital, thousand rubles	4 981 110	4 981 110	4 981 110	4 981 110	4 981 110
b) total cost of shares purchased by the issuer for resale (transfer), thousand rubles	-	-	-	-	-
Percentage of shares (stakes) of the issuer repurchased by the Issuer for resale (transfer) of distributed shares (authorized capital) of the issuer	-	-	-	-	-
c) The size of the reserve capital of the issuer formed by deductions from the issuer's profit, thousand rubles.	142 867	148 736	148 736	150 095	150 095
d) The amount of the additional capital of the issuer, reflecting the increase in the value of assets as a result of the revaluation, as well as the amount of the difference between the sales price (placement price) and par value of shares (stakes) of the company due to sale of stock (shares) at a price exceeding the nominal value, thousand rubles. *	14 757 652	14 744 980	14 727 032	14 710 817	14 691 709
e) Undistributed net profits, thousand rubles.	- 4 582 265	- 7 878 410	- 7 833 272	- 14 719 067	- 14 550 384
f) Issuer's capital, total, thousand rubles	15 299 364	11 996 416	12 023 606	5 122 955	5 272 530

\* The line reflects the total value of the indicator values on the lines of the balance sheet of the Company "Additional capital" (line 1350) and "Revaluation of non-current assets" (line 1340).

Note: When specifying the parameters, for observance of the comparability for the prior periods due to changes in the lines, the following data from the balance sheets were taken:

- For calculation of the indicators for 2011 – balance sheet for 2013 (column "On December 31, 2011");

- For calculation of the indicators for 2012 – balance sheet for 2014 (column “On December 31, 2012”);
- For calculation of the indicators for 2013 – balance sheet for 2015 (column “On December 31, 2013”);
- For calculation of the indicators for 2014 – balance sheet for 2015 (column “On December 31, 2014”);
- For calculation of the indicators for 2015 – balance sheet for 2015 (column “On December 31, 2015”).

The size of the authorized capital specified in this section corresponds to the size of the authorized capital specified in the constituent documents of the issuer as of the end of the reporting period.

The structure and size of the issuer's current assets in accordance with the accounting (financial) statements of the issuer for the last five completed financial years:

#### 2011-2013

Indicator	2011		2012		2013	
	thousand rubles	%	thousand rubles	%	thousand rubles	%
Resources	1 064 327	10.06	953 070	8.48	956 524	6.98
Input VAT	63 758	0.60	254 061	2.26	63 882	0.47
Accounts receivable	7 943 613	75.07	8 262 868	73.52	11 482 427	83.83
Financial investments (excluding cash equivalents)	4 000	0.04	0	0	0	0
Money and money equivalents	1 404 180	13.27	1 738 812	15.47	1 177 472	8.60
Misc. current assets	102 353	0.97	30 760	0.27	16 172	0.12
Total	10 582 231	100	11 239 571	100	13 696 477	100

#### 2014-2015

Indicator	2011		2012	
	thousand rubles	%	thousand rubles	%
Resources	649 191	6.02	720 902	5.36
Input VAT	62 366	0.58	13 207	0.10
Accounts receivable	9 330 109	86.46	10 687 246	79.42
Financial investments (excluding cash equivalents)	0	0	403 000	2.99
Money and money equivalents	716 955	6.64	1 581 079	11.75
Misc. current assets	32 148	0.30	50 919	0.38
Total	10 790 769	100	13 456 353	100

Note: When specifying the parameters, for observance of the comparability for the prior periods due to changes in the lines, the following data from the balance sheets were taken:

- For calculation of the indicators for 2011 – balance sheet for 2013 (column “On December 31, 2011”);
- For calculation of the indicators for 2012 – balance sheet for 2014 (column “On December 31, 2012”);
- For calculation of the indicators for 2013 – balance sheet for 2015 (column “On December 31, 2013”);
- For calculation of the indicators for 2014 – balance sheet for 2015 (column “On December 31, 2014”);
- For calculation of the indicators for 2015 – balance sheet for 2015 (column “On December 31, 2015”).

The Issuer's policy on financing of working capital:

The Issuer's policy in relation to the financing of working capital is to optimize the volume and structure of financial sources with a view to ensuring the effective use of equity capital and internal resources in order to reduce the loan capital.

Factors that may cause a change in the policy of financing current assets:

The current assets financing policy is based on the formation of a balanced budget of cash flow. Current financing of working capital is carried out at the expense of revenues from the Issuer's core activities. At the same time, the Issuer developed an action plan aimed at minimizing the risk of the issuer policy changes in terms of financing of working capital.

Estimating the probability of occurrence of factors that could cause a change in the policy of financing current assets: The probability of occurrence of factors that can lead to changes in the policy of financing of working capital, the Company has assessed as low.

#### **4.3.2 Financial Investments of the Is**

List of the issuer's financial investments which amount 10% and more percent of its total financial investments as of the end date of the reporting period before the date

of approval of Securities Prospectus:

**Investments in equity securities**

1.Type of securities: **ordinary shares.**

Full Company name of Issuer: **“Sokolovskoe Agricultural Enterprise”, Open Joint Stock Company**

Short Company name of the Issuer: **“PSKh Sokolovskoe”, JSC**

Location of the Issuer: **32 Kurskaya st. Sokolovo-Kundruchinskiy settlement, Novoshakhtinsk Russia**

TIN: **6151011887**; PSRN: **1036151002667**

Register number: 1-02-33839-E

Date of state registration of the issue: 14.12.2012

Registration authority: Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer, rubles: **161 713 447**

Total nominal value of the securities owned by the Issuer: **129 370 758 rubles**

Total book value of securities owned by the Issuer, rub: **178 640 453.77**

The issuer of the securities is a subsidiary company of IDGC of the South PJSC

In 2014 and 2015 dividends were not declared

2.Type of securities: **ordinary shares.**

Full Company name of Issuer: **“Grechko A.A. Agricultural Enterprise” Open Joint Stock Company**

Short Company name of the Issuer: **“PSKh Grechko A.A.”JSC**

Location of the Issuer: **21 Teatralnaya st. Kuibyshevo village, Kuibyshev dc, Rostov Region, Russia**

TIN: **6117010611**; PSRN: **1036117000798**

Register number: 1-01-33837-E

Date of state registration of the issue: 15.01.2004

Registration authority: Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: **77 686 000**

Total nominal value of the securities owned by the Issuer: **77 686 000 rubles**

Total book value of securities owned by the Issuer, rub: **79 972 216.44**

The issuer of the securities is a subsidiary company of IDGC of the South PJSC

In 2014 and 2015 dividends were not declared.

Information on provisions for impairment of securities. In the case of creation of provision for impairment of securities, the company shall indicate the value of the reserve at the beginning and end of the last completed financial year to the date of approval of the securities prospectus: the issuer created an allowance for impairment of investments in securities.

On 01.01.2015 the provision for impairment of financial investments was formed in the amount of 237 984 301.00 rubles, including on deposits in authorized capital of the subsidiary – 189 721 068.31 rubles.

On 31.12.2015 the provision for impairment of financial investments was 234 082 854.71 rubles.

- on deposits in authorized capital of the Company's subsidiaries – 185 819 622.02 rubles.

- on deposits in joint ventures – 48 263 232.69 rubles.

If the value of the issuer's investments in shares of joint stock companies increased due to the increase of the share capital, performed at the expense of the company's property, the company shall indicate the number and nominal value (the sum of increase of the nominal value) of shares received by the issuer: the value of investments of the issuer in shares of joint stock companies did not increase due to the increase of the share capital.

Information on the amount of potential losses related to bankruptcy of organizations (enterprises) in which investments were made; for each type of these investments: Commercial Court of Rostov region on 24.12.2015 in respect of "PSKh named after Grechko" introduced a procedure of observation. In the event if the Company's subsidiaries and affiliates are recognized as bankrupt, the maximum potential losses amount to 90 million rubles.

Issuer's financial investments in non-equity securities, which make up 10 percent or more of all its financial investments as of the end of the last financial year to the date of approval of this Prospectus: no.

Standards (rules) of accounting statements in accordance with which the Issuer made calculations reflected in this part of the quarterly report:

- The Federal Law № 402-FZ “On Accounting” dated 06.12.2011;
- Order of the Russian Finance Ministry № 34n dated 29.07.1998 “On Approval of Regulations on Accounting and Reporting in the Russian Federation”;
- Tax Code of the Russian Federation;
- PBU19/02 “Accounting of Financial Investments” approved by order of the Russian Finance Ministry No.126n dated 10.12.2002;

#### **4.3.3. Intangible Assets of the Issuer**

Information on intangible assets, initial (replacement) value of intangible assets and accumulated depreciation for the last five completed financial years:

Reporting date: 31.12.2011

Trademark	Undepreciated (replacement) value	Amortization charge
Total	24 100	6 481
Trademark	24 100	6 481

Reporting date: 31.12.2012

Trademark	Undepreciated (replacement) value	Amortization charge
Total	24 100	9 451
Trademark	24 100	9 451

Reporting date: 31.12.2013

Trademark	Undepreciated (replacement) value	Amortization charge
Total	24 100	12 421
Trademark	24 100	12 421

Reporting date: 31.12.2014

Trademark	Undepreciated (replacement) value	Amortization charge
Total	24 100	15 392
Trademark	24 100	15 392

Reporting date: 31.12.2015

Trademark	Undepreciated (replacement) value	Amortization charge
Total	24 100	18 362
Trademark	24 100	18 362



The contributions of intangible assets to the share capital or their admission free of charge were not made.

Standards (rules) of accounting in accordance with which the issuer gives data on its intangible assets are as follows: Accounting Regulation “Intangible Assets Accounting” (ПБВ 14/2007), approved by Order of Ministry of Finance of the Russian Federation No. 153Н dated 27.12.2007.

#### **4.4. Data on policy and expenditures of the issuer in the field of scientific and technical development, concerning licenses and patents, new development and research**

Information about the issuer's policy in the field of scientific and technological development over the last five completed financial years, including information about the costs of implementation of scientific and technical activity at the expense of own funds of the Issuer for each period:

The Issuer's policy in the field of scientific and technological development, new research and development is regulated by the Regulation on the innovation activities of the Company and is carried out in accordance with the Programme of innovative development of the Company.

“Innovative Development Programme of “IDGC of the South” JSC for 2011-2016 (hereinafter - the Programme) was developed in “IDGC of the South” JSC in 2011, approved by “IDGC Holding” JSC and approved by the Board of Directors of “IDGC of the South” JSC at the meeting held on 29 July 2011 (extract from the minutes of the meeting No.69/2011 dated 1 August 2011).

“The plan of implementation of the Programme of innovative development of “IDGC of the South” JSC for 2011-2016” was developed by JSC “IDGC of the South” JSC, approved by “IDGC Holding” JSC and approved by the order of “IDGC of the South” JSC No.528 dated 31 August 2011 “On programme of innovative development of “IDGC of the South” JSC.”

Based on the decision of the Board of Directors of “IDGC Holding” JSC adopted at the meeting held on 11 September 2012 (Minutes of the meeting No.94 dated 11.09.2012), on 14 October 2012 “IDGC of the South” JSC amended the Programme

of innovative development. The adjusted Programme was agreed with “IDGC Holding” JSC and on 30 October 2012 approved at meeting of the Board of Directors of “IDGC of the South” JSC (Minutes of the meeting No.98/2012 dated 02.11.2012). In accordance with the approved Programme of innovative development, the principle directions of the innovative development of “IDGC of the South” PJSC:

- development of the methodical (regulatory) support;
- human resources development (personnel training);
- planning and implementation of research, development and technological works;
- implementation of “ready” effective innovative developments;
- enhancement of basic business processes;
- development of the information technologies and the IT infrastructure;
- enhancement of energy efficiency;
- developing and implementation of labour-saving activities.

In accordance with the Programme, the principle directions of R&D works at “IDGC of the South” PJSC are:

- maintaining uninterrupted power supply to the consumers and minimizing the risks of technological disruptions in power grids;
- power loss decrease in distribution grids;
- optimization of management, improving the efficiency of financial, economic, operational and maintenance activities (development of advanced solutions and measures to improve the power grid complex maintenance systems);
- more efficient control over the parameters of ice and wind loads applied to the phase conductors and lightning protection cables for HVLS, improving the quality of field personnel decisions and preventing its mistakes during electric
- mode management, reduction of material costs for HVL maintenance with minimal material costs for icing early detection system maintenance;
- reduction of material costs for power grid complex facilities technical re-equipment;
- performing trial runs of next-generation electro technical equipment;

- development and introduction of modern diagnostics methods;
- enhancement of energy efficiency (introduction of energy-efficient equipment, lighting and microclimate control systems, power loss decrease in distribution grids, costs optimization);
- using power complex switchgear simulators to train the personnel;
- improvement of the regulatory, technical and methodological base;
- development of organizational and technical measures to improve the sustainability of facilities in emergency situations;
- enhancement of environmental and information security.

Funding for R & D projects over the last five completed financial years:

2011	27 980.977 thousand rubles
2012	16 728.30 thousand rubles
2013	56 525.28 thousand rubles
2014	12 665.20 thousand rubles
2015	4 289.257 thousand rubles

Total funding of research and development of IDGC of the South PJSC in 2011-2015 amounted to 118 189.014 thousand rubles, VAT included.

Data on creation and acquisition by the issuer of legal protection of intellectual property objects (including the date of issue and validity of patents for invention, utility model and industrial design, trademark state registration and service marks, appellations of origin), on the basic directions and results of the issuer to use the main for the issuer intellectual property objects: For the period between 2010 and 2015 between the “IDGC of the South” PJSC and contractors were signed 11 contracts, worth 127.92 million rubles, 10 contracts of which are accomplished and 1 contract is in progress, with the actual payment performed by “IDGC of the South” PJSC for the stages of R&D implemented by contractors amounting 116.392 million rubles, with the same planned value (the actual performance of 100%). Total the company received 4 copyright protection documents for R&D results for the period 2010-2015, details of which are presented below:

**1.** A utility model patent “Device for detection of deposits on the wire of anchoring arm of overhead transmission line”, registration number 116705, application number 2011148052/07, the priority date November 28, 2011, the legal owner –

IDGC of the South PJSC, the registering authority – Federal State Institution “Federal Institute of Industrial Property” (FIPS), expiry date of the patent: 28 November 2021, registered at the State register of utility models of the Russian Federation on May 27, 2012.

Actual results of the research and development works: development and installation of a modern system of early icing detection on the control posts at transmission towers, phase conductors and ground wire of 35-110 kV overhead lines at branches of “IDGC of the South JSC – “Rostovenergo” and “Volgogradenergo”, as well as at premises of operative dispatching services, their production departments and dispatchers control centres for network management, as well as introduction into experimental operation on the basis of the requirements of the order of “IDGC of the South” JSC dated 25 June 2013 No.287 “On commissioning the equipment of the system of early icing detection on the phase conductors and ground wires of 35-110 kV overhead lines”, dated 12 August 2013 No.405 “On Amendments to the Order of “IDGC of the South” JSC d dated 25 June 2013 No.287 “On commissioning the equipment of the system of early icing detection on the phase conductors and ground wires of 35-110 kV overhead lines” and dated 14 January 2014 No.5 “On performing the experimental operation of the system of early icing detection installed on the phase conductors and ground wire of 35-110kV networks at branches of “IDGC of South” JSC – “Rostovenergo” and “Volgogradenergo” in order to improve the quality and reliability of its work, providing a drastic reduction in material costs of “IDGC of the South” JSC for repair and operation and maintenance, increasing efficiency of preventive measures aimed to prevent the process of icing on the elements of 35-110kV overhead lines, as well as reducing the undersupply of electricity to consumers.

2. A utility model patent “Microprocessor-based blocking of switching devices”, registration number: 151377, application number: 2012155406/07, the priority date: 19 December 2012, the legal owner –IDGC of the South PJSC, the registering authority – Federal State Institution “Federal Institute of Industrial Property” (FIPS),

expiry date of the patent: December 19, 2022, patent is registered at the State register of utility models of the Russian Federation on March 3, 2015.

The actual result of research and development works under the project “Introduction of the microprocessor-based blocking of 110kV disconnections of new generation (microelectronic and microprocessor electromagnetic lock with the installation of the prototype on a switchgear substation of the branch of “IDGC of South” JSC – “Rostovenergo”), completed in full in accordance with the contract between IDGC of the South PJSC and “The Scientific and Research Institute of Power Engineering Technologies” (dated 27 September 2011 No.727), was the development and installation at electrical equipment on 10kV switchgear 10 кВ at 110/10kV substation “Nosovskaya” of Production Department “South-Western Electric Networks” of “Rostovenergo” a microelectronic and microprocessor systems of electromagnetic locking of disconnectors with inductive sensors of switchgear position BREM-01M, as well as its commission in experimental operation on the basis of the requirements of the orders of “IDGC of the South” JSC on 7 August 2013 No.392 “On installation and commissioning in experimental operation of microprocessor and microelectronic systems of electromagnetic locks on 110/35/10 kV “Novikovskaya” substation” and on 21 January 2014 No.20 “On carrying out trial operation of microprocessor and microelectronic systems of electromagnetic lock installed on 110/10 kV substation “Novikovskaya” in order to objectively assess the effectiveness of its introduction and reliability, as well as to provide possibility of the comparative analysis of its technical characteristics and reliability, with the same parameters of traditional technical solutions.

The microprocessor systems of electromagnetic locking of disconnectors with inductive sensors of switchgear position BREM-01M was also installed on switching devices of 110kV “Sh-34” and “Sh-46” at Production Department “Western Electric Networks” of “Rostovenergo” and on 110kV substations “T-26” and “Latonovskaya” of Production Department “South-Western Electric Networks” of “Rostovenergo”. Moreover, the aforementioned microprocessor system of electromagnetic locking of switching devices was presented by employees of PJSC

IDGC of the South PJSC and “The Scientific and Research Institute of Power Engineering Technologies” at the annual International energy industry forum “Rugrids-Elektro 2015”, held in the period from 20 to 23 October 2015 under the auspices of the Ministry of energy of the Russian Federation and organized by Rosseti PJSC and exhibition center “Expocenter”.

**3.** A patent for the invention “Protection device from single-phase ground fault at overhead and cable lines of 6-35 kV distribution networks”, registration number: 2550348, application number: 2013141284/07, the priority date: 10 September 2013, the legal owner –IDGC of the South PJSC, the registering authority – Federal State Institution “Federal Institute of Industrial Property” (FIPS), expiry date of the patent :10 September 2033, patent is registered at the State register of utility models of the Russian Federation on 9 April 2015.

**4.** A patent for the invention “Device for single-phase ground fault protection at overhead and cable lines of 6-35 kV distribution network” registration number: 2565060, application number: 2013141283/07, the priority date: 10 September 2013, the legal owner –IDGC of the South PJSC, the registering authority – Federal State Institution “Federal Institute of Industrial Property” (FIPS), expiry date of the patent: 10 September 2033, patent is registered at the State register of utility models of the Russian Federation on 15 September 2015.

The actual result of the project “Creation of at the modern hardware components base and introduction into trial operation of a set of selective protection of single-phase ground fault in compensated and non-compensated voltage of 6-35 kV networks, based on the definition of a single-phase ground fault in the transient and steady processes”, completed in full in accordance with the contract concluded between “IDGC of the south” JSC and “Scientific and Research Center for Engineering Technologies” LLC on 10 May 2012 No. 12/027/628, was development of 3 prototypes of individual protection devices from a single phase earth fault of the type “TOP 110-И3H” and 2 prototypes of centralized selective signaling devices of type “Bresler-0107.OPF.” The prototypes were installed at 6kV closed switchgear of 110/6kV substation “Olympiyskaya” which is serviced by “Right-bank electric

networks” (branch of “Volgogradenergo”), the prototypes were put into operation on the basis of the order of “IDGC of the South” JSC No.231 dd 15 April 2014 “On putting into operation single phase-to-ground fault protection and centralized selective signaling devices at 110/6kV substation “Olympiyskaya”, and on the basis of order of “Volgogradenergo” JSC No. 1400-II/463 dd 20 May 2014 “ On putting into operation single phase-to-ground fault protection and centralized selective signaling devices at 110/6kV substation “Olympiyskaya” and order No. 1400/P/17 dd 31 January 2014 “On operation testing of signaling of selective determination of single-phase ground fault ", respectively, in connection with the need to gain experience of their operation”.

On the basis of the letter of Rosseti PJSC dated February 5, 2016 No.MR5/53/66 “About licensing agreements for the use of the results of R&D projects” (Annex 1) and Part 4 of the Civil Code of the Russian Federation No.51-FZ (November 30, 1994) in 2016, IDGC of the South PJSC, “Scientific and research Center for Engineering Technologies” LLC and “Research and production enterprise Bresler” plan to conclude license agreements for the right to use the results of the R&D projects, namely:

1. Microelectronic and microprocessor system of electromagnetic locking of switching devices with inductive sensors of switchgear position BREM-01M. In 2015, IDGC of the South PJSC received a patent for utility model No.151377 “Electromagnetic device for switching devices locking”;
2. Centralized selective signaling device of type “Bressler-0107.OPF”, IDGC of the South PJSC in 2015 received a patent for the invention No.2565060 “Centralized method of selective protection against earth faults in electrical distribution networks.”

No trademarks. Now, the company is in process of concluding contracts for the acquisition of non-exclusive licenses for the use of utility model “Device for electromagnetic locking of Switchgear” No.151377 from March 3, 2015 and the invention “Method of centralized selective protection against earth faults in electrical distribution networks” No.2565060 from September 15, 2015.

#### **4.5. Analysis of Development Trends Related to the Issuer's Ordinary Activity**

Major trends in the industry in which the issuer conducts its core business for the last five completed financial years and the main factors influencing the state of the industry: Key industry trends for technological connection activities are to provide high-quality service to the customers.

The priority task of the network of organizations is the implementation of the Action Plan ("Roadmap") "Improving accessibility of energy infrastructure", approved by the Federal Government on 30.06.2012, order No.1144-p (hereinafter - the "Roadmap"). The implementation of the "Roadmap" was designed to facilitate the conditions for connecting users to the power grids, facilitate conditions for users to connect to the energy infrastructure, to make the procedure of connection more simple, fast, transparent, and less costly. Now there are three operating levels of grid companies in electric power industry of Russia, generated by technological and administrative-territorial grounds:

Level 1. Federal Grid Company ("FGC UES" PJSC) is the organization managing Unified National (Russian) Electric Grid (UNEG), owning 220 kV and above Grids operating on the territory of Russian Federation (having branches in all regions of Russia).

Level 2. Interregional Distribution Grid Companies (IDGC), formed in the result of AO- energoes reorganization as distinguished on the basis of their activity types and subsequent association of Regional Grid Companies.

IDGC own 110-0.4 kV grids, provide services for the transmission and distribution of electric energy on the territory of Russian Federation Subdivisions the Regional Grid Companies of which are their constituents.

Level 3. Local Grid Companies formed as municipal enterprises (serving customers of one and the same municipal entity) owning mostly 10-0.4 kV grids.

The process of reorganization resulted in association of enterprises of this level: local Grid Companies serve consumers of several municipal districts and some of the Companies serve consumers of the entire Russian Federation subdivision territory.



Presently, “IDGC of the South” PJSC is an Interregional Distribution Grid Company of the second Level, technologically connected to UNEG and dominating in transmission service market of Southern Federal District of the Russian Federation. Meanwhile any other grid company located on the territory of “IDGC of the South” service is considered subordinate and in order to operate shall conclude a service contract for the transfer of electricity with “IDGC of the South” PJSC (this concerns organizations of the third level, having technological connection to electric grids of “IDGC of the South” PJSC).

The consumers of the Company’s service are mostly power supply companies, consumers are participants in the wholesale- and retail electricity markets as well as local grid organizations. Considerable part of electricity, supplied to the consumers on the service territory of “IDGC of the South” PJSC, is transmitted by electric grids of the Company.

**The main trends in the development of power grid company IDGC of the South are associated with the following main strategic objectives for the long term:**

1. Ensuring the reliability of power supply and customer service quality.
2. Further development of the electric grid complex in order to maintain economic growth in the regions of operation, energy efficiency, including through the introduction of “smart” electrical grids that improve network transmission capacity and stability of energy supply, reduce losses and costs of technical and commercial accounting of the customer, implementation of a unified technical policies and other tasks.
3. Within the framework of a unified technical policy of company, IDGC of the South PJSC will overcome the aging trend of fixed assets by their modernization and application of innovative technologies in the reconstruction, modernization and construction of electrical networks, the introduction of advanced operating technologies using modern diagnostic tools, monitoring and technical and information-measuring systems.

4. Increased operating and investment efficiency of IDGC of the South PJSC in the sphere of reducing the specific investment and operating costs, improvement of financial stability.

The state of the industry is most significantly affected by the following factors:

- the speed of the reform processes, namely the readiness of regulatory framework;
- the presence of demands from consumers;
- technical condition of basic production assets.

Overall rating of the issuer's performance in the industry, assessment of conformity of the issuer's performance to the trends of the industry, the reasons justifying the results of operations (satisfactory and unsatisfactory, according to the issuer):

Overall rating of the issuer's performance in terms of technological connection is shown in the Table “The quality of customer service

**“Quality customer service”**

IDGC of the South	Unit of measurement	Target value	Actual value	Target value	Actual value
indicators		2014		2015	
1. The average duration of examination of the application on grid connection and the submission of the offer under the contracts with the request for a maximum capacity of up to 150kW inclusive, for which the draft contracts were submitted during the reporting period (tender-offer)	days	10	9	10	7
2. The average duration of examination of the application on grid connection and the submission of the offer under the contracts with the request for a maximum capacity of 150kW – 670kW inclusive, for which the draft contracts were submitted during the reporting period (tender-offer)	days	20	21	17	15
3. Number of visits of the applicant with the stated capacity of up to 150 kW in the affiliated companies of Rosseti PJSC for grid connection services	visits	3	3	3	3
4. Terms of readiness for implementation of technological connection of the applicants with the maximum capacity up to 150 kW (average duration of grid connection at subsidiaries and affiliates for applicants with maximum capacity up to 150 kW inclusive (implementation contract). In case the applicant fails to full obligations in time and the company	days	90	40	45*	48

fulfilled its obligation in time, the date of implementation of the contract shall be the date of implementation of contract and submission of the relevant notice to the applicant)					
5.Synchronization of SDCs' investment programmes and network development schemes of the RF subjects in 35kV and more voltage level	%	40	30	50	50
6. Availability of technological connection to networks of Rosseti's subsidiary and dependent companies (share of technological connection contracts without investment cost)	%	65	74	67	71
7. Available growth of rate of revenue to the volume of connected capacity of Rosseti's subsidiary and dependent companies	%	10	41	6	1
8. Number of contracts untimely performed by the subsidiaries and affiliates of Rossetti. The company does not take into account the contracts where the applicant failed to full obligations in time and the company fulfilled its obligation in time and the company fulfilled its obligation in time and submitted the relevant notice to the applicant.	%	10	8	8	5

\*- the average term for implementation of contracts for applicants for  $\geq 150\text{kW}$  in 2015 is 135 days.

Targets indicators of the quality of services for technological connection in 2014-2015, approved by Rossetti PJSC, were mainly fulfilled by IDGC of the South PJSC. In general, IDGC of the South PJSC evaluates the results of its activities as corresponding to the modern trends in the industry in which it carries out its business activity. The Issuer estimates the overall performance of the issuer in the industry as satisfactory. This information is provided in accordance with the views expressed by the issuer's management bodies. Opinions of the Issuer's governing bodies concerning the presented information coincide. The Board of Directors and the Management Board members do not have any special opinions on the information provided.

#### **4.6. Analysis of Factors and Conditions Influencing the Issuer's Activity**

Factors and conditions (the impact of inflation, changes in foreign currency exchange rates, decisions of public authorities, other economic, financial, political and other factors) affecting the issuer's activity and that have influenced the change

in proceeds from the sale of goods, products, works, services and profit (loss) from operating activities:

IDGC of the South PJSC is a large power company of the Southern Federal District. Development of infrastructure in regions of the Company's service area and construction of various facilities are followed by electricity consumption growth. Situation arises when substantial risks of consumers reliability supply emerge; safe and stable operation of the power system is endangered by transmission lines and transformers overload in normal and post emergency conditions. Power equipment deterioration makes the situation more complicated as well.

Over the last few years, IDGC of the South PJSC has been carrying out financial and economic activity in difficult conditions due to the following key factors:

1. Limiting the growth of tariffs for services on electric power transmission, reduced electricity consumption.
2. Significant debt of energy supply companies for the services of electricity transmission, in particular: "Volgogradenergosbyt", MUPP "VMES", "Kalmenergokom" JSC being in a state of bankruptcy, and large consumers, working with the Company under direct contracts (in particular "Khimprom" JSC). Accounts receivable at the end of 2015 in total for IDGC of the South PJSC was 16.6883 billion rubles.
3. Significant amounts of borrowed funds due to the impact of influence of the previously mentioned factors, the result of which are significant costs on loans.
4. The lack of a steady trend of growth of electricity consumption in the regions of company's operation, including the absence of growth of capacity of the connected volume.

Main factors and conditions affecting the Issuer's activity in terms of technological connection:

1. The growth of tariffs for technological connection is almost exhausted its potential;
2. Reduced rates for the target groups of consumers, as well as their extension (including the exclusion of the costs associated with the construction of transmission

facilities – from the existing electric grid facilities to connected power devices and (or) electric power facilities, as part of payment for technological connection of power device maximum capacity of not more than 150 kW);

3. Moderate demand for electricity in the conditions of economic sanctions imposed on the Russian Federation and the economic crisis.

**Revenue from the provision of technological connection services, million rubles:** 2011 – 1 464; 2012 – 1 953; 2013 – 1 367; 2014 – 704; 2015 – 500.

To make forecasts on the first two main factors is difficult due to the fact that these matters are the responsibility of the federal and regional authorities and are related to changes in the RF legislation.

As for the third factor, the demand for electrical energy in the issuer's area of responsibility shifts significantly between regions and settlements. Along with the reduction of consumption of electrical energy in rural areas, we observe its significant growth in cities. In its turn, the reduction of power consumption in industrial areas is compensated by its growth in the areas where office facilities and commercial real estate or housing are being built. Changing of the geography of demand for electric energy creates the following problems:

- need to maintain underutilized electric networks;
- need for new investment in electric networks at new sites;
- increase of rate caused by the need for new investments in the situation of lack of growth in demand in general.

**Forecast of duration of these factors and conditions:**

As the issuer carries out its activities (services on electric power transmission) in the conditions of monopoly, in the nearest future the changes in the part of the authority for regulation of tariffs for power transmission services are not expected. As for the limiting levels of tariffs for electric power transmission, the issuer does not expect, in the nearest future, any sharp fluctuations in this indicator whether upward or downward. These factors are the components of the general trend of market development. In the Issuer's opinion, they can have a lasting impact on activity in the medium term.

Actions taken by the Issuer and actions which the Issuer plans to undertake in the future to effectively use these factors and conditions:

To reduce the negative effect of the factors, the issuer arranges communication with the authorities of the Russian Federation/municipalities of sites where within the period 2016-2017 it is planned to construct and connect facilities. The second stage is planning of area adjacent to the electric grid facilities of the issuer and the applicant's facilities, the construction of electricity networks needed to connect new applicants. The following measures are taken to reduce the risks:

- the issuer's participation in the development of new regulations and changes to the existing regulatory legal acts having priority for the organization of the distribution grid complex;
- interaction with the regional regulatory authorities to uphold the position of the need to advancing growth of expenses of IDGC of the South as the backbone of the region, as well as to approve reasonable tariffs and introduce new, progressive methods of tariff formation;
- conducting regular work on optimization of the investment programme.

Methods used by the Issuer and methods the Issuer plans to use in the future in order to reduce the negative impact of factors and conditions influencing the Issuer's activity can be specified as follows:

- Optimization of the structure of operational expenditures;
- Reconstruction the existing power grids and construction of new grids;
- Technical re-equipment of fixed assets;
- Elaboration and implementation of medium-term investment program;
- Implementation of medium-term leasing programs;
- Elaboration and implementation of medium-term programs to decrease technological loss in the Company's grid
- Adoption of new management methods based on IT technologies' development
- Saving the method of tariff regulation based on the determination of return on invested capital (RAB-regulation).

- Consolidation of power grid facilities of the territorial network organizations of the 3<sup>rd</sup> level in the regions of IDGC of the South PJSC presence in the framework of the implementation of Development Strategy of electric grid complex of the Russian Federation, approved by the resolution of the RF Government No. 511r issued on 04.03.2013.

**Significant events/ factors which can have the utmost negative effect on the Issuer's future possibility to show similar or better results compared to the last accounting period can be described as follows:**

- Decrease in electric power consumption because of production recession and, correspondingly, incurrence of Issuer's income deficiency;
- Power equipment deterioration;
- Increase of inflation rate (when actual growth exceeds the predicted level);
- Change of tariffs for rendering the services in electric power transmission;
- Rival power grid companies emerging, disaggregating electric grid utility (emerging of a great number of small grid companies instead of several large ones);
- Risk of cancelling of "FGC UES" PJSC equipment sublease agreements ("last mile" agreements);
- Risk of subjective tariff-rating decisions taken by Ministry of Energy, Federal Tariff Service of Russia, Regional Tariffs Service of Russia, including decisions on electric power losses norm;
- Rise in price of credit resources in case of the global "second wave" financial crisis.

**Significant events/factors that can improve the performance of the issuer, the probability of their occurrence and their duration:**

- growth of electricity consumption in the regions that are in the Company's area of responsibility;
- implementation in the Company financial recovery programme;
- introduction of energy-saving technologies.

The Issuer considers the probability of occurrence of the above events and factors such as the average, and duration - how long.

Taking all the aforesaid into consideration, we can add that we need a timely implementation of investment programmes, which have a positive impact on the prospects for the development of electricity networks infrastructure that is included in the zone of the issuer's activity. This development of electric grids will improve the reliability of power supply to the existing customers and in the long term will make it possible to carry out the connection of a number of new socially important applicants, and in the future to obtain additional sources of revenue for the branches from the sale of electric power transmission services.

#### **4.7. Business Competitors of the Issuer.**

Major existing and prospective competitors of the issuer in the core activities, including foreign competitors:

Issuer's competitors are the small and medium-sized distribution companies on the territory of the issuer's presence. It should be noted that smaller competitors are located locally, linked to certain municipalities and have no significant effect on the issuer's activities. The most significant competitor of the issuer may become "Donenergo" JSC in Rostov region due to the territory of the coverage and comparability of tariffs level of technological connection. However, the degree of influence on the competitiveness of provided services on technological connection of "Donenergo" is insignificant due to division of the territories of responsibility of the issuer and "Donenergo", except for some municipalities.

#### **A list of the issuer's competitive factors and description of their impact on the competitiveness of goods (works, services):**

The Company performs its principal activity in the natural monopoly regulated by the State in terms of setting of transmission tariffs and taxes on technological connection, consumers of electric energy do not have the possibility to choose the organization for connecting the equipment.

### **V. Detailed Data on Members of Management Authorities of the Issuer, Authorities of the Issuer Undertaking Control over Financial and Economic Activities, and Brief Data on the Staff (Employees) of the Issuer**

#### **5.1. Data on Structure and Competence of the Issuer's Management**



## **Authorities**

Description of the issuer's management bodies and their competence in accordance with the charter (constituent documents) of the issuer:

The management bodies of the Issuer are:

- General Shareholders Meeting;
- Board of Directors;
- Management Board;
- Director General.

### **The items falling within the competence of the general shareholders meeting**

In accordance with the paragraph 10.2 article 10 of the Issuer's Charter (as well as "the Company"):

- 1) introduction of alternations and amendments in the Charter and approval of new version;
- 2) restructuring of the Company;
- 3) liquidation of the Company; appointment of the liquidation committee and the approval of the interim and final liquidation balances;
- 4) determination of the amount, nominal value, category (type) of declared shares and attached rights to shares;
- 5) increase of the authorized capital by reducing the nominal value of shares or by placing additional shares;
- 6) reduction of the Company's authorized capital by decreasing the nominal value of the shares, through the acquisition by the Company the part of shares with the view of reducing their total amount or with the view of repaying of the acquired or paid out shares;
- 7) reverse stock split;
- 8) making the decision on placing bonds convertible to shares and other securities;
- 9) determination of the quantitative structure of the Board of Directors, election of members and the early termination of the authorities;
- 10) election of the members of the Auditing Committee of the Company and the early termination of the authorities;

- 11) appointment of the Company's Auditor;
- 12) making the decision on the transfer of the sole executive body authority to the managing organization (managing director) and on the early termination of the authority;
- 13) approval of annual reports, annual accounting statements, including profit and loss statements (profit and loss accounts) of the Company, and distribution of profit including payment (declaration) of dividends, except for the profit distributed in the form of dividends by the results of the first quarter, half-year, nine months of fiscal year, and losses of the Company by the results of fiscal year;
- 14) payment (announcement) of dividends by the results of the first quarter, half a year, nine months of the financial year;
- 15) determination of the procedure for holding the general meeting of Company's shareholders;
- 16) adopting decision on the approval of deals in cases stipulated by Article 83 of the Federal Law "On Joint Stock Companies";
- 17) making decision on the approval of large deals in cases stipulated by Article 79 of the Federal Law "On Joint Stock Companies";
- 18) making decision on the participation in holding companies, financial and industrial groups, associations and other unions of for-profit organizations;
- 19) approval of the internal documents regulating the activity of the Company's bodies;
- 20) making decision on paying to members of the Auditing Committee remunerations and/or compensations;
- 21) making decision on paying to members of the Company's Board of Directors remunerations and/or compensations;
- 22) decisions on filing an application on delisting Company's shares and (or) issuance securities convertible to shares;
- 23) solution of other issues stipulated by the Federal Law "On Joint Stock Companies".

### **The issues concerning the competence of the Board of Directors**

In accordance with the paragraph 15.1 of article 15 of the Issuer's Charter:

1. setting the business priorities of the Company's activity and Company's development strategies;
2. convocation of the annual and extraordinary general meetings, except for the cases stipulated by item 14.8 of Article 14 of the Charter and declaration of the new General Meeting date to be held instead of a failed one due to absence of quorum;
3. approval of the agenda for general shareholders meeting;
4. election of the Secretary for general shareholders meeting;
5. fixing the date of drawing up the list of persons entitled to participate in the general shareholders meeting, and estimate of costs for preparation and carrying out the Company general shareholders meeting and making decisions on other issues related to preparation and holding of the General Meeting of the Company's Shareholders;
6. introduction for the decision of the general meeting of the shareholders of the Company issues stipulated by subparagraphs 2, 5, 7, 8, 12-20 of Item 10.2 of Article 10 of the Charter, as well as on the reduction of the authorized capital of the Company by reducing the net value of the shares, as well as fixing the date of making the list of persons entitled to receive dividends;
7. placement of additional shares, into which preferred shares placed by the Company of a certain type are converted, convertible into common shares or preferred shares of other types, if such a placement is not associated with an increase in the authorized capital of the Company, as well as placement of bonds or other equity securities other than shares; Eurobond issue and determining policy in the sphere of the issue of securities (except for shares) and Eurobonds;
8. approval of the decision on securities issue, prospect of securities, the report on the results of the issue of securities, approval of the reports on the results of the acquisition of the shares of the Company from its shareholders, reports on the redemption of shares, reports on the results of the demands by the shareholders of the Company on the redemption of the shares owned by them;

9. determining the price (monetary value) of the property, the price of the placement and acquisition of emission securities in cases envisaged by the Federal Law “On Joint Stock Companies” as well as while solving issues stipulated in subitems 11, 22, 38 of Item 15.1 of Article 15 of the Charter;
10. acquisition of the shares, bonds and other securities placed by the Company in cases stipulated by the Federal Law “On Joint Stock Companies”;
11. carve-out (selling) shares received by the Company for the disposal as a result of the acquisition or redemption from the Company’s shareholders, as well as in other cases stipulated by the Federal Law “On Joint Stock Companies”;
12. election of the Director General of the Company and early termination of the powers including the decision making on early termination of the labour contract with Director General;
13. determining the quantitative structure of the Company’s Management Board, election of members of the Company Board, establishment of compensations and remunerations paid to them, preschedule termination of their powers, including early termination of labour contracts with them;
14. recommendations to the general meeting of the Company’s shareholders on the amount of remunerations and compensations paid to the members of the Auditing Committee and determination of the remuneration of the Auditor’s services;
15. recommendations on the amount of the dividend per shares and the procedure for payment;
16. approval of the Company’s internal documents determining the procedure for the formation and use of the Company’s funds;
17. making the decision on the use of the funds, approval of the cost estimates for the use of special purpose funds and consideration of the implementation results of cost estimates for the use of special purpose funds;
18. approval of the internal documents of the Company except for internal documents, the approval of which is referred to the competence of the general meeting of the shareholders of the Company and other internal documents of the

Company, the approval of which is referred to the competence of the executive bodies of the Company;

19. approval of the business plan (revised business plan) including the investment program and report on results of its execution, as well as approval of key indicators of cash flows of the Company;

20. examination of investment programme, including amendments;

21. foundation of branches and offices of the Company, liquidation, as well as amending the Company's Charter in connection with establishing branches, offices of the Company (including change of the data on names and locations of branches and offices of the Company).

22. decision-making on Company's share in other organizations (on incorporation with the operating organization or establishing new organization, including coordination of the foundation documents), as well as on purchase, carve-out and charging of shares and stakes in the authorized capitals of the organizations, in which the Company participates, change of the stake of participation in the authorized capital of the corresponding organization, and termination of Company's participation in other organizations;

23. determination of the Company's credit policy as to provision by the Company of loans, making credit contracts and loan contracts, issuing of guarantees, acquisition of liabilities on bills (issuing of ordinary and transfer bill), transfer of property in pledge and making the decision on the above mentioned deals of the Company in cases when the procedure for the decision-making of them is not determined by the credit policy of the Company as well as decision making in the order stipulated by the Company's credit policy on bringing the debt situation of the Company to limits determined by the Company's credit policy;

24. approval of the large deals in cases stipulated by Chapter X of the Federal Law "On Joint Stock Companies";

25. approval of deals in cases stipulated by Chapter XI of the Federal Law "On Joint Stock Companies";

26. approval of the Company's registrar, terms of contract with the registrar, as well as termination of the agreement with him;
27. election of the Company Board of Directors Chairperson and the early termination of chairman's authorities;
28. election of the Company Board of Directors Deputy Chairperson and the early termination of deputy's authorities;
29. election of the Company's Corporate Secretary and the early termination of secretary's authorities;
30. preliminary approval of decisions on deals of the Company connected with the gratuitous transfer of Company's property or property rights (requirement) to company or the third party, deals connected with the liberation from property liabilities to company or the third party, deals connected with the gratuitous rendering of services by the Company (carrying out of works) to the third party, in cases (amount) determined by the special decision of the Company's Board of Directors, decision-making on the given deals by the Company in cases when the above-mentioned cases (Amount) are not determined;
31. decision-making on suspension of managing organization (managing director) authorities;
32. decision-making on the appointing the acting Director General of the Company and his calling to an account;
33. calling to disciplinary liability of Company's Director General and Management Board members and remuneration of Director General in accordance with the labour legislation of Russian Federation;
34. consideration of the reports of the Director General on the Company's activity (including the report on carrying out of functions) on the implementation of the general meeting decisions and Board of Directors;
35. approval of the procedure for the interaction of the Company with the organizations, in which the Company participates;
36. definition of Company's position (representatives of the Company), including the assignment to participate or not in voting on the agenda items, to vote "for",

"against" or "abstained", on the following items of the agenda of general shareholders (participants) meetings of affiliated and dependent companies (hereinafter referred to as ADC) (except for cases when functions of the ADC general shareholders meetings are carried out by the Company's Board of Directors), and meetings of the ADC boards of directors (except for an item on approval the agenda of the general meetings of shareholders ADC when functions of the ADC general shareholders meeting are carried out by the Company's Board of Directors):

- a) on the determining the agenda of the general shareholders meeting (participants) of ADC (except those where the Company owns 100% of authorized capital);
- b) on the reorganization and liquidation of ADC;
- c) on the determination of the quantitative composition of the Board of Directors of ADC, nomination and election of its members and the early termination of their powers, nomination, election of AAC sole executive body and early termination of its powers;
- d) on the determination of the number, nominal value, category (type) of the authorized shares of ADC and the rights attached to shares;
- e) on the multiplying the ADC authorized capital by means of increasing of the nominal value of shares or placing additional shares;
- f) on placement of ADC securities convertible to ordinary shares;
- g) on the fractioning of ADC shares and reserve split;
- h) on the approval of large deals, made by the ADC;
- i) on the participation of ADC in other organizations (on entering the existing organization or on the foundation of the new one), as well as on the acquisition, alienation, encumbrance of shares and parts in the authorized capitals of the organizations, in which ADC participates, changes in the part of the participation in the authorized capital of the respective organization;
- j) on the deals made by ADC (including several associated deals) connected with the alienation or the possibility of alienation of property, representing fixed assets, non-material assets, objects of unfinished construction, the purpose of the use of which is the production, transmission, dispatching, distribution of electric and

heating power in cases (amount) by the procedure of interrelations of the Company with organizations in which the Company participates, approved by the Company's Board of Directors;

k) on the introduction of alternations and amendments in the constituent documents of ADC;

l) on the determination of the procedure of remuneration payments to the members of the Board of Directors and Auditing Committee of ADC;

m) on the approval of target meanings of key performance indicators (corrected target meanings of key performance indicators);

n) on the approval of the report on the implementation planned features of annual and quarter key performance indicators;

o) on business plan approval (revised business plan), including investment programme and quarterly report on results of its implementation;

p) on the approval (consideration) of the report on business plan implementation;

q) on the approval of the distribution of profits and losses on the results of the financial year;

r) on the recommendations on the amount of dividend on shares and the procedure of its payment;

s) on payment (declaration) of dividends following the results of the first quarter, half of a year, nine months of a financial year as well as following the results of a financial year;

t) on the approval (revision) of the investment program;

u) on the approval (consideration) of the report on the investment program implementation;

v) on reduction of the authorized capital of subsidiaries and affiliates by reducing the nominal value of shares through the acquisition of subsidiaries and affiliates' shares in order to reduce their total number, as well as by redemption of repurchased shares of subsidiaries and affiliates;

w) determination of the credit policy of the ADC in respect of provision of loans, making credit contracts and loan agreements, issue of guarantees, commitments on



bills (issuing of ordinary and transfer bill), property mortgage and making decisions about the subsidiaries and affiliates of such transactions when the procedure for making decisions on them is not determined by the credit policy of subsidiaries and affiliates, as well as the adoption in the manner prescribed by the credit policy of ADC on bringing the debt position of ADC in line with the limits established by the credit policy of the ADC report on the review of the credit policy of ADC, the approval of the loan plan of ADC on the approval of the plan of development of ADC, the adjusted plan of development of ADC, on the consideration of the report on the implementation of the plan of development of ADC;

37. determination of the opinion of the Company (representatives of the Company) on the following items of the agenda of the ADC Board of Directors meetings (including the order to participate or not to participate in the vote on the items of the agenda, to vote “for”, “against”, or “abstained”):

a) on determination of the ADC representatives position on the items of general shareholders meetings agenda (participants) and the meetings of the Board of Directors of the affiliated and dependent entities in respect of ADC, concerning the approval of deals, including several associated deals, connected with alienation or the possibility of alienation of the property representing fixed assets, immaterial assets, objects of unfinished construction, the purpose of the use of which is the production, transmission, dispatching, distribution of electric and heating power in cases (amount) determined by the procedure of interrelations of the Company with organizations in which the Company participates, approved by Company’s Board of Directors;

b) on determination of the ADC representatives position on the items of the agenda of the general shareholders (participants) meetings and meetings of the Board of Directors of the affiliated and dependent companies in respect of ADC, participating in the production, transmission, dispatching, distribution of electric and heating power, reorganization and liquidation, increase of the authorized capital of the given companies by increasing the nominal value of shares or by placing additional shares, securities convertible into ordinary shares;

38. preliminary approval of decisions on Company's accomplishment of:

a) transaction dealing with non-current assets of the Company in the amount exceeding 10 percent of the balance sheet value of the assets as of the last reporting day;

b) transactions (including several associated transactions) connected with acquisition or disposal of the real estate forming the fixed assets, intangible assets, objects of construction-in-progress with aim of usage for production, transmission, dispatching, distribution of electric and heat energy in cases (amounts) determined by special decisions of Company's Board of Directors, or if such cases are not determined;

c) transactions (including several associated transactions) connected with acquisition or disposal of the real estate forming the fixed assets, intangible assets, objects of construction-in-progress which aim of usage is not production, transmission, dispatching, distribution of electric and heat energy in cases (amounts) determined by special decisions of Company's Board of Directors or if such cases are not determined;

d) preliminary approval of transactions of Company's real estate, including lands, objects of construction-in-process in cases determined by special decision of Company's Board of Directors (for instance, by fixing the amount and/or listing) as well as any other above-mentioned transactions with real estate, including lands, objects of constructions-in-progress if such cases (amounts, list) are not determined;

e) transactions for receiving or transferring of fixed assets for temporary possession and use or for temporary use for a period of more than 5 years, in cases (amounts) determined by separate decisions of the Board of Directors, or if such cases (amounts) are not determined by Company's Board of Directors;

39. nomination by the Company candidates for elections to the position of the sole executive body, to other bodies of management, bodies of control, and nominations for the Auditor of the organizations, in which the Company participates, carrying out production, transmission, dispatching, distribution and sales of electric and heating power, as well as the repairs and maintenance types of activities;

40. finding out ways of insurance protection of the Company including the approval of the Insurer of the Company;
41. approval of the structure of the Company's executive body and its amending;
42. approval of nominees for particular positions at Company's executive body defined by the Company's Board of Directors;
43. approval of regulation on remuneration of Director General, regulations on remunerations to supreme Company's management, compiling the registry of top managers;
44. preliminary approval of labour contracts, agreements concluded by the Company to legitimate labour relations, and approval of documents on non-state pension provision of Company's workers;
45. establishment of committees attached to Company's Board of Directors, election of Committee members and early termination of the authorities of members, election and early termination of committees chairmen's authorities;
46. election of independent appraiser (appraisers) for setting value of shares, property and other Company's assets in cases stipulated by Federal Law "Joint Stock Companies", the Charter as well as other decisions of Company's Board of Directors;
47. election of financial adviser as per the Federal Law "Securities market" as well as candidates for book runners and consultant of transactions directly related to attraction of financial borrowings in the form of public borrowings;
48. preliminary approval of transactions, that could result in liabilities, expressed in foreign currency (or liabilities which volume is counted in foreign currency) in cases and amounts determined by separate decisions of the Company's Board of Directors and if the cases (amounts) are not determined by the Company's Board of Directors; specifying company's policy in the area of transactions with financial instruments;
49. determination of the purchasing policy of the Company, including the approval of the Regulations on the procedure for carrying out the specified purchases of goods, works and services, approval of the head of the Central purchasing unit of the Company and its members, and approval of the annual comprehensive program

of purchases and decision making on other items in accordance with the documents approved by the Company regulating the purchasing activity of the Company;

50. decision making on the nomination of the Director General of the Company for state orders award;

51. approval of the target values (revised values) of the key performance indicators (KPI) of the Company and the reports on the implementation;

52. determination of the policy of the Company directed at the improving the stability of the power grids distribution complex and other objects of the power energy complex, including the approval of the Company strategic programs to stabilize the power grid complex, its development and its safety;

53. housing policy regulations for providing to Company's employee better living conditions by compensating expenses, grants, interest-free loans and adoption of resolution to provide the support in cases where the order of provision of such support is not described in company's housing policy;

54. filing an application for listing of Company's shares and (or) securities of the Company convertible into shares;

55. decision on joining the Company to industry and inter-industry standards, regulations and other documents in the electricity sector in various areas of the Company's activities, including the technical regulation;

56. determination of the principles and approaches to risk management and internal control in the Company;

57. assessment of key operational risks (both financial and non-financial risks), as well as the establishment of an acceptable amount of risk for the Company;

58. organization of at least once a year of analysis and evaluation of the system of risk management and internal control;

59. the annual review of questions of arrangement, functioning and effectiveness of the risk management and internal control in the Company;

60. the control and organization of the internal audit unit, including the approval of a plan of internal audit activities, report on the implementation plan of the internal audit and the internal audit unit of the budget, approval of resolutions on the

appointment, removal from office and the definition of remuneration of the head of the internal audit;

61. monitoring the compliance of the company's executive bodies approved by the Company's strategy; hearing of reports of General Director and members of Company's Management Board on the implementation of the approved the Company of strategy;

62. recommendations to the executive bodies of the Company on any matters of the Company;

63. preliminary approval of one or more interconnected transactions of the Company related to the acquisition or possible acquisition of options, notes, investment shares of mutual funds and/or bonds worth more than 1 000 000 000 (one billion) rubles;

64. preliminary approval of one or more interconnected transactions of the Company relating to the transfer or possibility of the transfer of property by the Company in trust management worth more than 1 000 000 000 (one billion) rubles;

65. preliminary approval of one or more interconnected transactions of the Company relating to the receipt or possibility of the receipt of bank guarantees by the Company, under which the Company is a principal, in the amount of more than 1 000 000 000 (one billion) rubles;

66. approval of the list of credit institutions in which the Company may place funds;

67. other issues that are in Board of Directors' sphere in accordance with the Federal Law "On Joint Stock Companies" and the Charter.

In accordance with the paragraph 22.2 of the Issuer's Charter:

**22.2. The following issues are in Company's Management competence:**

1) working-out of the Company development strategy and submission for consideration to the Board of Directors;

2) preparation of the annual (quarter) business plan, including the investment program and the report on results of the performance, and also approval (revising) of cash (budget) flow of the Company;

- 3) preparation of the annual report on financial and economic activity of the Company, on performance by the Board of Company's general shareholders meeting and Board of Directors' decisions;
- 4) consideration of deputies General Director and heads of the isolated structural divisions reports on results of performance of the approved plans, programmes, instructions, consideration of reports, documents and other information about activity of the Company and affiliated and dependent companies;
- 5) decision-making concerning the items referred to the competence of the supreme bodies of management of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company (in view of subitems 36, 37 of item 15.1. of Article 15 of the Charter);
- 6) preparation of the reports on financial and economic activity of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company, and their submission for consideration to the Board of Directors;
- 7) decision-making on conclusion of transactions, the subject of which is the property, works and services, the cost of which equals from 1 to 25 percent of the balance sheet value of the Company assets determined on the date of decision-making on the conclusion of the transaction (except for the cases stipulated by subitem 38 of item 15.1 of the Charter);
- 8) effective risk management within the framework of the current activities of the Company; approval of the budget for the risk management activities within the limits agreed by the Board of Directors of the Company; the resolution of cross-functional (performed by several structural divisions) objectives for risk management
- 9) dealing with other issues of the Company current activity management according to the decisions of the general shareholders meeting, the Company's Board of Directors, and also the issues which were submitted to consideration to Management by the Company General Director.

The competence of the Director General in accordance with the Issuer's Charter:

In accordance with article 23 of the Issuer's Charter:

23.1. Director General performs the management of the Company's current activity in accordance with the decisions of the general shareholders meetings, Board of Directors and Management of the Company founded in accordance with their functions.

23.2. The competence of the Director General includes all the issues of the current activity management of the Company, except for the issues referred to the exceptional competence of the General Meeting of Shareholders, Management Board or the Board of Directors.

23.3. The Director General acts without a Power of Attorney on behalf of the Company taking into account the limitations determined by the legislation of the Russian Federation, the present Charter and decisions of the Company's Board of Directors. The Director General shall:

- ensure the fulfillment of the activity plans of the Company necessary for the solution of its tasks;
- organize bookkeeping and accounting in the Company;
- make use of the property of the Company and accomplish deals on behalf of the Company, issue Powers of Attorney, open with the banks and other credit institutions (as well as in cases envisaged by the law in the organizations and professional agents of the securities market) settlement and other accounts of the Company;
- issue orders, approve (accept) instructions, local regulation reports and other internal documents of the Company on the issues of his/her competence, give instructions necessary for the execution by all employees of the Company;
- approve Provisions on affiliations and offices of the Company;
- in accordance with organizational structure of Company's executive body, approves personnel arrangements and official salaries and wages of the Company's employees;
- exercise in respect of the Company's employees the rights and obligations of the employer, envisaged by the labor law;

- Performs the functions of the Chairperson of the Management Board of the Company;
- distribute obligations among the Deputies of the Director General;
- submit for the consideration of the Board of Directors reports on financial and business activity of affiliated and dependent companies, the shares (parts) of which are possessed by the Company, as well as information on other organizations in which the Company participates, except for the cases stipulated by subitem 6) of item 22.2 of Article 22 of the Charter;
- not later than 45 (forty five) days prior to the holding of the annual general meeting of the shareholders of the Company submit for the consideration of the Company's Board of Directors Annual report, accounting balance sheet, the report on the profits and losses of the Company and distribution of profits and losses of the Company;
- solve other issues of the current activity of the Company, except for the issues referred to the competence of the general meeting of shareholders and the Company's Board of Directors.

**Information on presence of the Code of Corporate Conduct (Governance) of the Issuer or any other similar document:**

Issuer's Corporate Governance Code approved by the Board of Directors of IDGC of the South PJSC on 06.03.2013 (Minutes of meeting No.105/2013 dd. 11.03.2013)

**The issuer's internal documents regulating the activities of its governing bodies:**

On 19 June 2015 the AGM of Shareholders of IDGC of the South PJSC decided to approve the following internal documents of the issuer:

- Regulations on the General Meeting of Shareholders in the new edition;
- Regulations on the Board of Directors in the new edition;
- Regulations on the Management Board in the new edition;
- Regulations on the Auditing Committee in the new edition.

Address of the Internet page on which free access to full text of the current Charter and internal documents regulating the activities of the issuer, as well as the code of corporate governance of the issuer in case of its presence: <http://www.e-disclosure.ru/portal/company.aspx?id=11999>; <http://www.mrsk-yuga.ru>.



## 5.2. Data on Members of the Issuer's Management Authorities

Structure of the Board of Directors of the Issuer

### 1. Arkhipov Sergey Aleksandrovich

Year of birth: 1967

Education: Higher. Ph.D. in Economics

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job:

Period		Company	Position
from	until		
2010	2012	IDGC of the South JSC	Director General
2013	2013	Rosseti JSC	Deputy Executive Director - Chief technical officer
2013	2013	Rosseti JSC	Deputy Executive Director - Chief technical officer
2013	2014	Rosseti JSC	Deputy Executive Director - Chief engineer
2014	2014	Rosseti JSC	Deputy Director General in charge of North-Caucasus and Southern Federal Districts
2014	Present day	Rosseti JSC / Rosseti PJSC	Chief Advisor
2014	Present day	IDGC of North-Caucasus JSC/ IDGC of North-Caucasus PJSC	Chairperson of the Board of Directors
2015	Present day	IDGC of the South JSC / IDGC of the South PJSC	Chairperson of the Board of Directors

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

## **2.Dudchenko Vladimir Vladimirovich, independent member of the BoD**

Year of birth: 1973

Education: Higher.

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period		Company	Position
from	to		
2007	currently	Fotographer.Ru LLC	Director General
2008	currently	Non-profit company Documentary photography support fund	Director, founder
2010	2011	Uralsvyazinform JSC	Board of Director Member, Member of Committees
2010	2014	NCH Advisors Inc, Moscow representative office	Director
2011	currently	Gallery Greenberg LLC	Director General
2015	currently	SoftBCom JSC	Financial Director, procurist
2015	currently	IDGC of the South JSC / IDGC of the South PJSC	Board of Directors Member
2015	currently	SoftBComBerlin	Financial Director, procurist

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

### **Information on participation in the Committees of the BoD:**

Audit Committee under the BoD of "IDGC of the South" PJSC, member

Personnel and Remuneration Committee under the BoD of "IDGC of the South" PJSC, member

Committee for Strategy, Investments, Reform and Development under the BoD of "IDGC of the South" PJSC, member

### **3.Pankstianov Yuriy Nikolaevich**

Year of birth: 1980

Education: Higher.

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period	Company	Position
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from	to		
2008	2013	Holding IDGC JSC	Head of Tariff Formation Department
2013	currently	Rosseti JSC/ Rosseti PJSC	Head of Tariff Policy Department
2015	currently	IDGC of the South JSC / IDGC of the South PJSC	Board of Directors Member

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

#### **Information on participation in the Committees of the BoD:**

Audit Committee under the BoD of "IDGC of the South" PJSC, Deputy Chairperson

#### **4. Filkin Roman Alekseevich, independent member of the BoD**

Year of birth: 1983

Education: Higher

**Positions held in issuing company and other entities in chronological order within the last 5 years and now:**

Period		Company	Position
from	to		
2006	2011	Dagestan energy selling company” JSC	Board of Directors Member
2006	2011	Penza company for repair in the sphere of power industry” JSC	Board of Directors Member
2006	2011	Smolensk company for repair in the sphere of power industry” JSC	Board of Directors Member
2006	2011	Smolensk company for services in the sphere of power industry” JSC	Board of Directors Member
2006	2011	Tver company for repair in the sphere of power industry” JSC	Board of Directors Member
2006	2014	Territorial generating company No.6” JSC	Board of Directors Member
2007	2010	Voronezh energy selling company JSC	Board of Directors Member
2007	2011	Novgorodsetstroy” JSC	Board of Directors Member
2008	2010	Krasniy Kotelschik JSC	Board of Directors Member
2008	2011	Dalenergomontazh” JSC	Board of Directors Member
2008	2011	NOVGORODOBLKOMMUNELEKTRO” JSC	Member of Supervisory Board
2008	2011	Energospetsmontazh JSC	Board of Directors Member
2009	2010	Severtruboprovodstroy JSC	Board of Directors Member
2009	2010	VASO JSC	Board of Directors Member
2009	2011	Bashkirenergo” JSC	Board of Directors Member
2009	2011	Urengoytruboprovodstroy” JSC	Board of Directors Member
2009	2011	Magadanenergo” JSC	Board of Directors Member
2009	2011	Yuzhtruboprovodstroy JSC	
2009	2015	Representative office of Prosperity Capital Management (RF) LTD	Co-director, power industry, engineering
2009	currently	IDGC of Centre JSC / IDGC of Centre PJSC	Board of Directors Member
2010	2010	Tambov energy selling company” JSC	Board of Directors Member
2011	2012	Prokatmontazh JSC	Board of Directors Member
2011	2013	IDGC of North-West JSC/ IDGC of North-West PJSC	Board of Directors Member
2012	currently	Dalenergomontazh” JSC	Board of Directors Member
2012	currently	Smolensk company for repair in the sphere of power industry” JSC	Board of Directors Member
2012	2014	Kurganmashzavod JSC	Board of Directors Member
2011	currently	IDGC of the South JSC / IDGC of the South PJSC	Member of Audit Committee under the BoD
2011	2015	IDGC of the South JSC / IDGC of the South PJSC	Member of Committee Strategy, Investment, Development and Reforming under the BoD
2012	2015	IDGC of the South JSC / IDGC of the South PJSC	Member of Personnel and Remuneration Committee under the BoD

2009	currently	IDGC of Centre and Volga region JSC / IDGC of Centre and Volga region PJSC	Board of Directors Member
2008	2011	NOVAYA ERA JSC	Board of Directors Member
2015	currently	Representative office of Prosperity Capital Management (RF) LTD	Director, power industry, engineering
2012	2014	Prokatmontazh JSC	Board of Directors Member
2013	currently	Territorial generating company -2 ” JSC	Board of Directors Member
2012	2014	Noyabrelektrosetstroy JSC	Board of Directors Member
2014	currently	IDGC of North-West” JSC/ IDGC of North- West” PJSC	Board of Directors Member
2008	2011	Sevzapelektrosetstroy” JSC	Board of Directors Member
2012	2015	Urengoytruboprovodstroy” JSC	Board of Directors Member

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer’s options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: **none**

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer’s options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

**Information on participation in the Committees of the BoD:**

Audit Committee under the BoD of “IDGC of the South” PJSC, member  
 Personnel and Remuneration Committee under the BoD of “IDGC of the South” PJSC, member

Committee for Strategy, Investments, Reform and Development under the BoD of “IDGC of the South” PJSC, member

### **5. Shevchyuk Aleksandr Viktorovich, independent member of the BoD**

Year of birth: 1983

Education: Higher.

All the positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period		Company	Position
from	to		
2004	2014	Non-profit Partnership Association of Professional Investors (API)	Deputy Executive Director
2010	2011	Sibirtelekom, JSC	Board of Directors Member
2010	2011	Tsentrttelekom, JSC	Board of Directors Member
2010	2011	YuTK JSC	Board of Directors Member
2011	2012	IDGC of North Caucasus JSC	Board of Directors Member
2011	2012	Volgogradgorgaz, JSC	Board of Directors Member
2011	2012	Urengoytruboprovodstroy, JSC	Board of Directors Member
2011	2014	IDGC of Centre, JSC	Board of Directors Member
2011	2012	IDGC of North-West JSC / IDGC of North-West PJSC	Board of Directors Member
2011	currently	IDGC of the South JSC/ IDGC of the South PJSC	
2012	currently	MOSTOTREST JSC	Board of Directors Member
2014	currently	Association for protection of investors rights/Association of Professional Investors	Executive director
2014	currently	IDGC of Centre and Volga region JSC / IDGC of Centre and Volga region PJSC	Board of Directors Member
2011	2012	IDGC of North-West JSC / IDGC of North-West PJSC	Board of Directors Member

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

**Information on participation in the Committees of the BoD:**

Audit Committee under the BoD of "IDGC of the South" PJSC, member

Personnel and Remuneration Committee under the BoD of "IDGC of the South" PJSC, member

Committee for Strategy, Investments, Reform and Development under the BoD of "IDGC of the South" PJSC, member

**6. Ebzeyev Boris Borisovich**

Year of birth: 1975

Education: Higher, PhD of Legal science

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period		Company	Position
from	to		
2012	2014	United Energy Company, JSC	Advisor to Director General
2014	2014	IDGC of the South, JSC	First Deputy Director General



2014	currently	IDGC of the South JSC / IDGC of the South PJSC	Chairperson of Management Board, Director General
2015	currently	IDGC of the South JSC / IDGC of the South PJSC	Member of IDGC of the South, JSC Board of Directors,

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

**Information on participation in the Committees of the BoD:** does not participate

**7. Fadeyev Alexandr Nikolayevich**

Year of birth: 1949

Education: Higher.

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period		Company	Position
from	to		
2009	2011	Federal Grid Company of Unified Energy System JSC	Head of Economic Security Department
2011	2014	Federal Grid Company of Unified Energy System JSC	
2014	currently	Rosseti JSC/ Rosseti PJSC	Deputy Director General in Charge of Security
2011	2012	Tyumenenergo JSC	Board of Directors member
2011	2012	Engineering and Construction Management Centre of UES, JSC (CIUS UES)	Board of Directors member
2012	2013	Elektrosetservis JSC	Board of Directors member
2013	2014	IDGC of Ural JSC	Board of Directors member
2015	2016	IDGC of Centre and Volga region	Board of Directors member
2015	2016	IDGC of Ural JSC	Board of Directors member
2015	2016	IDGC of Siberia PJSC	Board of Directors member
2015	currently	IDGC of the South PJSC	Board of Directors member

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: **none**

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

**Information on participation in the Committees of the BoD:**

Audit Committee under the BoD of “IDGC of the South” PJSC, member

Personnel and Remuneration Committee under the BoD of “IDGC of the South” PJSC, member

**8. Spirin Denis Alexandrovich**

Year of birth: 1980

Education: Higher.

All the positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period		Company	Position
from	to		
2007	currently	Non-profit Partnership Association of Professional Investors (API)	Corporate Governance Director
2008	2009	TGK-6 JSC	Board of Directors Member
2008	2009	TGK-2 JSC	Board of Directors Member
2008	2011	Tver repair company JSC	Board of Directors Member
2008	2011	Urengoytrouboprovodstroy JSC	Board of Directors Member
2008	2011	Smolensk repair company JSC	Board of Directors Member
2008	2011	Penza repair company JSC	Board of Directors Member
2008	2011	IDGC of Centre JSC	Board of Directors Member
2010	2014	TGK-6 JSC	Board of Directors Member
2014	2014	Prokatmontazh JSC	Member of Auditing Commission
2012	2015	Urengoytrouboprovodstroy JSC	Board of Directors Member
2012	currently	TGK-2 JSC	Board of Directors Member
2012	currently	Smolensk repair company JSC	Board of Directors Member
2016	currently	IDGC of Centre JSC	Board of Directors Member
2016	2016	Kamensk-Uralsky non-ferrous processing plant (KUZOCM Inc.)	Board of Directors Member
2016	currently	IDGC of the South PJSC	Board of Directors Member

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer’s options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: **none**

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

**Information on participation in the Committees of the BoD:** does not participate

## **9. Kolyada Andrey Sergeyevich**

**Year of birth:** 1984

**Education:** Higher.

All the positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

<b>Period</b>		<b>Company</b>	<b>Position</b>
<b>from</b>	<b>to</b>		
2008	2013	Federal Agency for the Administration of State Property	Leading spetsialist-expert, Chief Expert, Deputy Head, Head of the Fuel and Energy and Mines Office of infrastructure sectors and organizations of the military-industrial complex, ead of the fuel and energy industry organizations at power industry Department of property relations and privatization of the largest organizations

2013	currently	Rosseti PJSC	Head of Directorate for joint-stock capital at Department of corporate governance and interaction with shareholders and investors
2014	2014	Argorelektroset JSC	Member of the Board of Directors
2014	2015	Scientific and Research Centre of the North-West, JSC	Member of the Board of Directors
2014	2016	Uralenergotrans LLC	Member of the Board of Directors
2014	2016	Lenenergo PJSC	Member of the Board of Directors
2014	currently	Dagestan power energy selling company PJSC	Member of the Board of Directors
2014	currently	Yantarenergoservis JSC	Member of the Board of Directors
2016	currently	IDGC of the South PJSC	Member of the Board of Directors

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: **none**

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

**Information on participation in the Committees of the BoD:**

Audit Committee under the BoD of “IDGC of the South” PJSC, member

## 10. Gvozdev Dmitry Borisovich

Year of birth: 1974

Education: Higher, PhD in Economics

Positions held in issuing company and other entities in chronological order within the last 5 years and now:

Period		Company	Position
from	to		
2009	2011	FGC UES, JSC	Deputy Chairperson of the Management Board – Chief Engineer
2011	2011	FGC UES, JSC	Deputy Chairperson of the Management Board
2011	2012	Invest Holding, LLC	Advisor to Director General
2012	2013	National Research University “MPEI”	Deputy director of Electric Power Institute
2013	2013	Russian Telecom Equipment Company, CJSC	Deputy Director General
2013	currently	Rosseti PJSC	Head of Situation and Analysis Centre
2014	currently	Tyumenenergo JSC	Member of the Board of Directors
2014	currently	Roskartografiya (Russian Cartography) JSC	Member of the Board of Directors
2016	currently	IDGC of the South PJSC	Member of the Board of Directors

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer’s options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: **none**

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer’s options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

**Information on participation in the Committees of the BoD:** does not participate

10. Name: **Bogashov Alexandr Yevgenievich**

Year of birth: **1989**

Education: **Higher.**

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Company	Position
from	to		
			Member of the Board of Directors
2016	currently	IIDGC of Volga PJSC	Member of the Board of Directors
2016	currently	IDGC of Centre PJSC	Member of the Board of Directors
2016	currently	IDGC of the South PJSC	Member of the Board of Directors
2016	currently	Kubanenergo PJSC	Member of the Board of Directors
2015	2016	Permneftegeofizika PJSC	Member of the Board of Directors
2015	2016	CGE JSC	Member of the Board of Directors
2015	2016	Nizhnevartovskneftegeofizika JSC	Member of the Board of Directors
2015	2016	Volga Institute of Geology and Fossil Fuels Development, JSC	Member of the Board of Directors
2015	2016	Sibirneftegeofizika JSC	Member of the Board of Directors
2013	currently	RF Ministry of Energy	Chief advisor, deputy Head of the Corporate Governance Section within the Department of Corporate Governance, Pricing Environment and Control&Audit Activities in fuel-and-power sectors controlled by the Ministry of Energy of the Russian Federation
2011	2013	The Federal Agency for State Property Management	The 1 <sup>st</sup> category specialist, then acting advisor at management department

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: **none**

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

**Information on participation in the Committees of the BoD:** does not participate

11. Name: **Bogashov Alexandr Yevgenievich**

Year of birth: **1989**

Education: **Higher.**

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Company	Position
from	to		
2016	currently	IIDGC of Volga PJSC	Member of the Board of Directors



2016	currently	IDGC of Centre PJSC	Member of the Board of Directors
2016	currently	IDGC of the South PJSC	Member of the Board of Directors
2016	currently	Kubanenergo PJSC	Member of the Board of Directors
2015	2016	Permneftegeofizika PJSC	Member of the Board of Directors
2015	2016	CGE JSC	Member of the Board of Directors
2015	2016	Nizhnevartovskneftegeofizika JSC	Member of the Board of Directors
2015	2016	Volga Institute of Geology and Fossil Fuels Development, JSC	Member of the Board of Directors
2015	2016	Sibirneftegeofizika JSC	Member of the Board of Directors
2013	currently	RF Ministry of Energy	Chief advisor, deputy Head of the Corporate Governance Section within the Department of Corporate Governance, Pricing Environment and Control&Audit Activities in fuel-and-power sectors controlled by the Ministry of Energy of the Russian Federation
2011	2013	The Federal Agency for State Property Management	The 1 <sup>st</sup> category specialist, then acting advisor at management department

**The person has no participation shares/ordinary shares in authorized capital of the Issuer**

**Information on participation in the Committees of the BoD:** The member of the BoD (supervisory board) does not participate in any Committee of the BoD (supervisory board)

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

**The person does not own the specified shares**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

**No specified family relations**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

**The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or

insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

**The person did not hold the specified positions**

**Information on participation in the Committees of the BoD:** does not participate

**Independent directors:** 1. Dudchenko Vladimir Vladimirovich; 2. Shevchyuk Alexandr Viktorovich.

Collegiate Executive Body of the Issuer:

**1. Ebzeyev Boris Borisovich**

Year of birth: 1975

Education: Higher, PhD of Legal science

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period		Company	Position
from	to		
2012	2014	United Energy Company, JSC	Advisor to Director General
2014	2014	IDGC of the South, JSC	First Deputy Director General
2014	currently	IDGC of the South JSC / IDGC of the South PJSC	Chairperson of Management Board, Director General
2015	currently	IDGC of the South JSC / IDGC of the South PJSC	Member of IDGC of the South, JSC Board of Directors,

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

## 2. Alaev Timur Ulyumdzhevich

Year of birth: 1971

Education: Higher

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period		Entity	Position
from	to		
2008	2013	IDGC of the South JSC	Deputy Director General — Director of Kalmenergo Branch
2011	currently	IDGC of the South JSC / IDGC of the South PJSC	Member of the Management Board
2013	April 2016	IDGC of the South JSC / IDGC of the South PJSC	Deputy Director General — Director of Astrakhanenergo Branch
April 2016	currently	IDGC of the South JSC / IDGC of the South PJSC	Deputy Director General — Director of Kalmenergo Branch

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

### **3.Goncharov Pavel Viktorovich**

Year of birth: 1966

Education: Higher

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

<b>Period</b>		<b>Entity</b>	<b>Position</b>
from	to		
2010	2013	IDGC of the South JSC	Deputy Director General — Director of the Branch Astrakhanenergo
2010	currently	IDGC of the South JSC	Member of Management Board
2011	2013	Astrakhanelektrosetremont, OJSC	Member of Board of Directors
2013	currently	IDGC of the South JSC / IDGC of the South PJSC	Deputy Director General, Technical Issues — Chief Engineer

2013	currently	Energoservis Yuga JSC	Chairperson of the BoD
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The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

#### **4. Kiyok Oleg Petrovich**

Year of birth: 1972

Education: Higher.

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period		Entity	Position
from	to	IDGC of the South JSC	Head of Department of Economic Security and Regime
2010	2011	IDGC of the South JSC	Head of Security Department
2011	2013	IDGC of the South JSC	Deputy Chief of Staff
2013	2013	IDGC of the South JSC	Deputy Director General — Chief of Staff
2013	currently	“Energetik” Recreation Center, JSC	Chairperson of the Board of Directors
2013	currently	IDGC of the South JSC/ IDGC of the South PJSC	Member of the Management Board
2013	currently	IDGC of the South JSC	Head of Department of Economic Security and Regime

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: **none**

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the

Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

**5.Rybin Alexey Alexandrovich**

Year of birth: 1972

Education: Higher

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period		Entity	Position
from	to		
2011	2011	Kaluga Region Development Corporation, OJSC	Deputy Director of Department for Development of Communal Infrastructure — Director of Department for Development of Communal Infrastructure
2011	2012	FGC UES JSC	Deputy Director, Development of Investments and services - Rostov Enterprise of Main Power Transmission Lines
2012	currently	IDGC of the South JSC/ IDGC of the South PJSC	Deputy Director General, Economics and Finances
2013	currently	IDGC of the South JSC/ IDGC of the South PJSC	Member of the Management Board

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

## **6. Savin Grigoriy Grigorievich**

Year of birth: 1952

Education: Higher

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period		Entity	Position
from	to		
2008	2011	IDGC of the South JSC	Member of the Management Board
2008	currently	IDGC of the South JSC	Chief Accountant — Head of Accounting and Tax Reporting Department
2013	currently	IDGC of the South JSC/ IDGC of the South PJSC	Member of the Management Board

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**



Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

## **7.Chasovskoi Aleksandr Aleksandrovich**

Year of birth: 1957

Education: Higher

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

<b>Period</b>		<b>Position</b>	<b>Period</b>
from	to	Troop unit #2400 of Piatigorsk city	Deputy Head of Division
2004	2013	IDGC of the South, OJSC	Head of Security Department
2013	2013	IDGC of the South JSC/ IDGC of the South PJSC	Deputy Director General, Safety
2013	currently	IDGC of the South JSC/ IDGC of the South PJSC	Deputy Director General, Security
2013	currently	Troop unit #2400 of Piatigorsk city	Deputy Head of Division

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

## **8. Chekmaryov Sergey Alexeyevich**

Year of birth: 1976

Education: Higher

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period		Entity	Position
from	up to		
2011	2011	IDGC of the South JSC	Deputy Chief Engineer, Kalmenergo branch
2011	2013	IDGC of the South JSC	Deputy Director of the Branch, Technical Issues — Chief Engineer. Kalmenergo branch

2013	2014	IDGC of the South JSC	Deputy Director General — Director of Kalmenergo branch
2014	currently	IDGC of the South JSC	Deputy Director General — Director of Rostovenergo Branch
2013	currently	IDGC of the South JSC / IDGC of the South PJSC	Member of the Management Board

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: **none**

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

**Director General**

**Ebzeyev Boris Borisovich**

Year of birth: 1975

Education: Higher, PhD of Legal science

All positions held by the person at the Issuer Company and other entities within the last five years and at present, including part-time:

Period		Company	Position
from	to		
2012	2014	United Energy Company, JSC	Advisor to Director General
2014	2014	IDGC of the South, JSC	First Deputy Director General
2014	currently	IDGC of the South JSC / IDGC of the South PJSC	Chairperson of Management Board, Director General
2015	currently	IDGC of the South JSC / IDGC of the South PJSC	Member of IDGC of the South, JSC Board of Directors,

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

### 5.3. Data on Amount of Remuneration and/ or Reimbursement of Expenses of Each Management Authority of the Issuer

#### Remuneration to members of the Issuer's BoD

Type of remuneration	Amount of remuneration (thousands rubles)	
	2015	1 <sup>st</sup> quarter of 2016
Salaries of members of the issuer's management bodies, that are (were) its employees, including those working (worked) as a part-time employee	0	0
Bonuses	0	0
Commission fee	0	0
Remuneration for participation in activity of the management body	7 146	0
Other payments	0	0
Total	7 146	0

#### Remuneration to members of the Issuer's Management Board

Type of remuneration	Amount of remuneration (thousands rubles)	
	2015	1 <sup>st</sup> quarter of 2016
Salaries of members of the issuer's management bodies, that are (were) its employees, including those working (worked) as a part-time employee	36 062	7 312
Bonuses	34 089	400
Commission fee	0	0
Remuneration for participation in activity of the management body	1 787	482
Other payments	0	0
Total	71 938	8 194

The expenses on implementation of functions of members of the issuer's management bodies (Board of Directors, Management Board), compensated by the issuer for the last completed fiscal year and the last completed reporting period before the date of approval of the Prospectus:

Expenses	Amount (thousands rubles)	
	2015	1 <sup>st</sup> quarter of 2016
The Board of Directors	38	0
The Collegiate Executive Body	3 738	942

If the Issuer paid remuneration and (or) compensation of expenses to the person, who is also a member of the Board of Directors (Supervisory Board) and was part of the collegial executive body (management board, directorate) of the Issuer, any remuneration and (or) compensation of the costs to such person associated with the implementation of their functions of a board member (Supervisory Board) of the issuer are included in the aggregate amount of the remuneration paid and (or) compensated to the Board of Directors (Supervisory Board) and other types of paid

remuneration and (or) compensation for expenses of that person are included in the aggregate amount of remuneration and (or) compensation of expenses for the collegial executive body (management board, directorate) of the issuer.

Information about resolutions adopted by the authorized issuer's management bodies and (or) the existing agreements concerning the size of the remuneration payable, and (or) the size of compensations:

From 01.01.2015 to 19.06.2015 remuneration to the members of the Board of Directors was paid out in accordance with the Regulations on payment remuneration and compensation to members of the Board of Directors of Open Joint Stock Company "Interregional Distribution Grid Company of South", approved by resolution of the Annual General Meeting of Shareholders of IDGC of the South JSC (minutes of meeting No.1 dd 04.06.2008 No.1) (hereinafter – the Regulations). The Annual General Meeting of Shareholders held on 19.06.2015 (Minutes of meeting No.13 dd June 22, 2015), adopted a decision on approval of the Regulations on payment remuneration and compensation to members of the Board of Directors of in new version (hereinafter – the Regulations 2015) (the AGM held on 19.06.2015 approved the Charter in new edition, according to which the abbreviated corporate name of the Company changed from IDGC of the South JSC to IDGC South PJSC). These Regulations remain unaffected to members of the Company's Board of Directors who are also members of the collegiate executive body or the sole executive body (General Director) of the Company. In accordance with Section 3 of the Regulations amended in 2015, the remuneration for the Chairperson and members of the Board of Directors, that are the persons for whom the federal law prescribes restriction or ban on the receipt of any payments from any commercial organizations, are not charged and are not paid out.

In accordance with clause 4.1 of the Regulations amended in 2015, the payment of remuneration to the members of the Board of Directors is made on the basis of work for the period from the date of election to the Board of Directors of the candidate before the election of the Board of Directors in its new composition, and therefore

the payment of remuneration to members of the Board of Directors for the period from 19.06.2015 to 31.12.2015 and for the 1st quarter of 2016 was not carried out. Members of the Management Board belong to the category of top managers of the Company.

In conformance with labour contracts concluded between the Company and members of the Management Board, remuneration to the member of the Management Board is paid in amount and in order specified by Regulations "On Material Motivation of Top Managers of JSC "IDGC of the South" (new revision) approved by the decision of the Board of Directors on 14.06.2011 (Minutes No.67/2011 dd 16.06.2011).

Members of the Management Board are motivated by:

- by making, in accordance with order of Company Director general, bonus payments in amount up to 15% from the fixed salary of top manager;
- paying quarterly and annual remuneration to members of the Management Board as top managers for achieving target values of key performance indicators

On the basis of decision adopted by "IDGC of the South" JSC Board of Directors on determining the amount of members of Management Board and on electing members to the Board, as well as in accordance with article 21 of the Company Charter and articles 15 and 57 of RF Labour Code additional agreements to the labour contracts are concluded with members of the Management Board of the Company on exercising powers of members of the Collegiate Executive Body of the Company - Management Board.

From the date of creation of the Board of JSC "IDGC of the South" (19.05.2008) to 31.08.2011 the Board members of the Company for exercise of powers is paid monthly remuneration in the amount of five (5) times the monthly minimum wage rates of a first rate worker, established by industry tariff agreement in the power sector of the Russian Federation Starting from 01.09.2011 members of Management Board receive monthly payments in amount of 11% from fixed top manager's salary for exercising their authorities.

#### **5.4. Data on Structure and Competence of Authorities Undertaking Control**

## **over the Issuer's Financial and Economic Activities**

Full description of structure and competence of authorities undertaking control over the Issuer's business activity is provided according to the Charter (constituent documents) of the Issuer:

In accordance with paragraph 24.1 of the Issuer's Charter: 24.1. For auditing of financial and economic activity of the Company, the Audit Committee of the Company is elected by the AGM for the period until the following Annual General Shareholders Meeting is convened. Should Audit Committee be elected by Extraordinary General Shareholders Meeting, the members of Auditing Committee are considered to be elected for the period until the date of Annual General Shareholders Meeting of the Company. Quantitative structure of Audit Committee of the Company includes 5 (five) persons. Order of the Audit Committee proceedings is determined by Regulations on the Audit Committee of "IDGC of the South" approved by decision of the AGM (Minutes of meeting No.13 dated 22.06.2015). Audit Committee, according to the decision on inspection (audit), has a right to involve specialists of the corresponding branches of legislation, economy, finance, accounting, management, economic security and others, including specialized entities. Inspection (audit) of the Issuer's financial and economic activity is divided into scheduled and unscheduled. Scheduled check of the Company's financial and economic activity is held according to approved Annual Activity plan of Audit Committee. Unscheduled check of the Company's financial and economic activity may be performed at any time following the initiative of Audit Committee of the Issuer, decision of General Shareholders Meeting, Board of Directors of the Issuer or upon demand of a shareholder (shareholders) of the Issuer owning in aggregate at least ten percent of the Issuer's voting shares.

24.3. The competence of the Audit Committee of the Company shall include the following:

- check (inspection) of the financial, accounting, settlement and other documentation of the Company, connected with the carrying out by the Company of financial and business activity in order to ensure its correspondence with the



legislation of the Russian Federation, the Charter, internal and other documents of the Company;

- check and analysis of financial state of the Company, its solvency, functioning of internal control and risks management systems, the liquidity of assets, the ratio of debt to equity, accuracy and timeliness of calculation and payment of interest on bonds, yield on other securities;

- control over cash spending of the Company in accordance with the approved business plan and budget of the Company;

- control over the buildup and use of the reserve and other specialized funds of the Company;

- check of the timeliness and correctness of settlement transactions with counterparties and the budget, as well as settlement transactions on wages, social insurance, and payment of dividends and other payment transactions;

- control over compliance with the established procedure for charge-off of debts of insolvent debtors; - check of business transactions of the Company carried out in accordance with agreements concluded; - verification of compliance with the use of material, labour and financial resources in the financial and economic activities of existing agreements, norms and standards, approved budgets and other documents regulating the activities of the Company;

- control over the safety and use of fixed assets;

- check of cash and property of the Company, effective use of assets and other resources of the Company, identifying causes of non-production losses and expenses, identification of reserves to improve the financial condition of the Company;

- check of performance of instructions given formerly for elimination of violations and defects, previously revealed by the Audit Committee of the Company;

- development of recommendations for the management bodies of the Company;

- other actions (measures) related to check of financial and business activity of the Company.

24.4. All decisions on the issues referred to the competence of the Audit Committee shall be made by the simple majority of the votes from the total number of its members.

24.5. The Audit Committee shall be entitled and in case of the revealed serious violations of financial and business activity of the Company obliged to demand the convening of the extraordinary general meeting of the shareholders of the Company.

24.6. The regulations of the activity of the Audit Committee of the Company shall be determined by the internal document of the Company approved by the general meeting of shareholders of the Company. The Audit Committee in accordance with the decision on carrying out examination (audit) shall be entitled in order to carry out the given examination (audit) attract specialists in the corresponding field of law, economy, finance, accounting, management, economic security and others including specialized organizations.

24.7. The examination (audit) of the financial and business activity of the Company can be carried out at any time at the initiative of the Audit Committee of the Company, by the decision of the general meeting of the shareholders of the Company, the Company's Board of Directors or by the demand of a shareholder (shareholders) of the Company possessing in total at least 10 percent of the voting shares of the Company.

In accordance with the Regulations on the Audit Committee:

2.1. The tasks of the Audit Committee of the Company are as follows:

- 1) exercise control over business activity of the Company;
- 2) independent assessment of the data contained in the Company's annual report and annual financial statements.

Information about the organization of risk management and internal control over business activity of the issuer (internal audit), including information about the presence of the Audit Committee of the Board of Directors (Supervisory Board) of the issuer, its functions, the personal and quantitative composition:

The Issuer has established Audit Committee under the Board of Directors.

Since 1 December 2009 Audit Committee at the Board of Directors of “IDGC of the South” JSC is acting in the Company. Main goal of the Committee is to provide efficient work of the Board of Directors solving problems regarded to its competence. Working out and submission of recommendations (decisions) to the Board of Directors of the Company in the sphere of Audit and Accounts of the Company are objectives of the Company.

The Basic functions of the Committee:

- review of accounting (financial) statements of the Company and monitoring of the process of its preparation;
- control of risk management systems, internal controls and corporate governance;
- control of the external audit and the selection of the auditor;
- organization and maintenance of the independency and objectivity of the internal audit function;
- monitoring performance of the system introduced to respond to unfair acts of the Company's employees and third parties;

The Committee is not meant to serve as guarantor of reliability of financial statements, effectiveness of risk management, internal control, corporate governance and observance of legislation. It is established to control the performance by the executive bodies of their duties to ensure the reliability of the accounting statements, to create reliable and efficient systems of risk management, internal control, corporate governance, compliance with legislation and internal documents of the Company.

**The Committee’s competence:**

**1. In the field of accounting (financial) statements:**

- Control (supervision) for ensuring the completeness, accuracy and reliability of the annual and interim financial statements.
- Analysis of the main aspects of the Company's accounting policies.
- Participation in the examination of the substantive issues and judgments with respect to the accounting (financial) statements of the Company.
- Analysis of press releases of the Company on financial matters, any public

statements in relation to external and internal audit, risk management and internal control of the Company, as well as published financial information.

- Consideration of intermediate accounting (financial) statements of the Company prior to submission to the Board of Directors of the Company, consideration of the annual financial statements of the Company.

**2. In the field of monitoring reliability and efficiency of the internal control systems, risk management systems, corporate governance practices:**

- Review, before submission to the Company's Board of Directors, the approaches to organization of risk management and internal control systems, analysis and evaluation of performance of the Company's policy in the field of risk management, internal control.

- Monitoring the reliability and efficiency of the internal control systems, risk management systems, corporate governance practices.

- Monitoring the Company's compliance with the legal and regulatory requirements.

**3. In the field of monitoring the conduct of external audit and auditor selection:**

- Review and development of recommendations for the Board of Directors to be submitted to shareholders for approval at the AGM for the appointment, re-election and dismissal of external auditor.

- Development of recommendations of the Board of Directors to determine the period of rotation of the external auditor.

- Provision of overall supervision over the selection of external auditor.

- Supervision of the conduct of external audit and evaluation of quality of implementation of the audit and the auditor's conclusions.

- Carrying out at least once a year evaluation of effectiveness of external audit.

- Development and submission for the BoD's approval the policy in the field of external non-audit services by the auditor.

- Ensuring effective interaction between external and internal auditors.

**4. In the area of ensuring the independence and objectivity of the internal audit:**

- Arrangement of the internal audit function.

- Ensuring independence and objectivity of the internal audit.
- Consideration of the restrictions that can adversely affect the performance of the internal audit function.
- Evaluating effectiveness of the internal audit function.

#### **5. Supervising the efficiency of fraud management:**

- Supervise implementation of measures adopted by the Company concerning the information on potential cases of unfair actions of employees, identified violations and the results of investigations.
- Develop and submit for approval to the BoD a draft documents relating to organization of the Audit Committee.
- The Board of Directors may introduce for the Audit Committee other matters related to its competence.

The Committee cooperates with: - Board of Directors; - Executive bodies;

- Committee of Experts; - Internal Audit; - The external auditor of the Company; - Audit Commission.

In accordance with the Regulation on the Audit Committee of the Board of Directors of IDGC of the South PJSC, approved by the Board of Directors on 14.03.2016 (Minutes of meeting No.180) the number of commission members shall be not less than three (3) persons. The Board of Directors from among the candidates submitted by the Board of Directors members shall elect members of the Committee.

#### **The Committee consists of six members:**

Fadeev Alexander Nikolaevich (chairperson), Pankstianov Yuriy Nikolaevich, Kolyada Andrey Sergeevich, Dudchenko Vladimir Vladimirovich, Filkin Roman Alexeyevich, Shevchyuk Alexander Viktorovich.

Information on the availability of a separate structural division (divisions) of the issuer's for risks management and internal control (other than the Audit Commission (Auditor), body (structural unit) in charge of internal control over financial and economic activities of the issuer), its tasks and functions:

Ensuring effective functioning of the internal control and risk management in the Company is performed by the Department of internal audit and control. In

accordance with the organizational structure, the Department of Internal Audit and Control is directly subordinated to the General Director and functionally subordinated to the Audit Committee of the Board of Directors of the Company.

The main functions of the internal control and risk management:

- organization and implementation of control over activities of the Company and its subsidiaries;
  - organization of effective cooperation and support of the Audit Committee of the Company, organization of the Audit Committee at affiliates;
  - organization of interaction with the external auditor of the Company and its subsidiaries for the assessment of the effectiveness of internal control and risk management;
  - cooperation with the Audit Committee in the framework of functional reporting lines;
  - introduction in the Company and its subsidiaries and affiliates of common approaches to the construction of the system of internal control and risk management;
  - methodological and organizational support of the introduction of preventive monitoring in the Company and its subsidiaries;
  - interaction with state regulatory authorities on the issues related to the internal control
  - interaction with the executive bodies of the Issuer's management and the Board of Directors (supervisory board) is carried out in accordance with the issuer's current Regulations on the internal audit and control, Internal control policy of "IDGC of the South" PJSC and the Risks management policy of "IDGC of the South" PJSC.
- Information on the Issuer's separate structural units (services) of internal audit, its tasks and functions;

Within the frameworks of organization of the internal audit, the department of internal audit and control performs the following functions:

- assessment of the reliability and efficiency of the internal control and risk management, identification of deficiencies in the system of internal control.

- planning, arrangement and conducting of internal audits of structural subdivisions of the executive office and its branches, business processes, projects and activities.
- planning, organization and audit of how the Company and its subsidiaries implement orders of state bodies of the Russian Federation on the performance and grid development.
- implementation of the expert-analytical activities on behalf of the Director General of the Company.
- participation in special (official) investigation into the abuse (fraud), damage, misuse, inefficient use of resources.
- preparation of reports and opinions on the results of the internal audit.
- making recommendations to improve the effectiveness and efficiency of the Company and its subsidiaries, improvement of corporate governance, the effectiveness of internal controls and risk management processes as a result of internal audits and evaluations.
- post-implementation monitoring and control of the implementation of corrective actions by the results of the internal audit.
- providing information on the results of controls and audits the state's system of internal control and risk management, the main trends and developments in the activities, the submission of proposals to improve the performance.

The Issuer's policy in the area of risk management and internal control is described in the internal control policy of IDGC of the South PJSC, approved by the Board Directors (Minutes of meeting No.180 dated 14.03.2016) and Risk Management Policy of IDGC of the South PJSC, approved by the Board Directors (minutes of meeting No.182 dated 01.04.2016).

In order to implement the requirements of the Federal Law No. 224-FZ dated 27.07.2010 "On prevention of unauthorized use of insider information and market manipulation and on amendments to certain legislative acts of the Russian Federation" (hereinafter - FZ-224), on 28 May 2015 the Board of Directors of "IDGC of the South" JSC approved (Minutes of meeting No.160/2015 dated 29.05.2015 issue No.4) the Regulations on insider information of "IDGC of the

South” JSC (hereinafter – the Regulations). The Regulations were disclose at the corporate website of “IDGC of the South” PJSC in the section “Information for insiders”, where it can be available to all interested persons.

In accordance with paragraph 5.5 of the regulations one of the functions of the department is an annual reporting to the Board of Directors on the implementation of measures to comply with the requirements of the legislation on the control of insider information in “IDGC of the South” PJSC.

Address of the Internet page on which the full text of the Regulation are disclosed:

[http://www.mrsk-yuga.ru/pages/show/company\\_insiders](http://www.mrsk-yuga.ru/pages/show/company_insiders)

### **5.5. Data on Members of Authorities Undertaking Control over the Issuer’s Financial and Economic Activities**

The body controlling business activity of the issuer –Audit Committee

#### **1. Slesareva Yelena Yurievna**

Year of birth: **1970**

Education: **Higher**

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	to		
2009	2013	IDGC of the South JSC	Chief specialist of Department for internal audit and risks management
2013	currently	Rosseti PJSC	Chief expert at Directorate for internal audit
2014	Currently	IDGC of the South PJSC	Member of Audit Committee

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer’s options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**



Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

## 2. Kirillov artyom Nikolaevich

Year of birth: **1984**

Education: **Higher.**

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	to		
2009	2012	FGC UES JSC	Chief expert at Department for control and inspections
2013	2013	FGC UES JSC	Chief expert at Department for control and inspections
2013	currently	Rosseti JSC/ Rosseti PJSC	Deputy head of Directorate for supervisory activity at Department for supervisory activity
2014	currently	IDGC of the South PJSC	Member of Audit Committee

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

### **3. Medvedeva Oxana Alexeyevna**

Year of birth: **1978**

Education: **Higher.**

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	to		
2010	2011	Baikal Serkis TK LLC	Head of sector for internal control
2011	2014	FGC UES JSC	Head of sector at Department for control and inspection
2014	currently	Rosseti JSC (Rosseti PJSC)	Chief expert at Directorate for auditing activity at Department for auditing activity
2015	Currently	IDGC of the South PJSC	Member of Audit Committee

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: **none**

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

#### 4. **Lelekova Marina A**Lexeyevna

Year of birth: **1961**

Education: **Higher.**

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	to		
2009	2013	FGC UES JSC	Head of Department for control and inspection
2013	2015	Rosseti JSC	Head of Department for internal audit

2014	currently	Rosseti PJSC	Head of Department for control and inspection activities
2016	currently	IDGC of the South PJSC	Member of Audit Committee

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

##### **5. Kabizskina Yelena Alexandrovna**

Year of birth: **1964**

Education: **higher**

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	to		
2005	2013	FGC UES JSC	Head of Department for internal control and risks management, deputy head of Department for control and inspections
2013	2014	MOESK JSC	Head of Directorate for methodological support at Department of internal audit
2014	2015	Rosseti JSC	Deputy head of Directorate for auditing activity and internal audit at Department of internal audit and control
2015	currently	Rosseti PJSC	Deputy head of Directorate for auditing activity at Department of supervisory activity
2016	currently	IDGC of the South PJSC	Member of Audit Committee

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: **none**

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

## Internal audit and control department

Information on head of structural subdivision (unit): Position of the head of structural subdivision: **Head of Department of internal audit and control**

**Pechenkin Nikolay Vladimirovich**

Year of birth: 1983

Education: Higher

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	to		
2010	2011	IDGC of the South JSC	Chief specialist at sector for internal control at Department of internal control and risks management
2012	2012	IDGC of the South JSC	Head of sector for internal control at Department of internal control and risks management
2012	2013	IDGC of the South JSC	Deputy head of Department of internal control and risks management
2013	now	IDGC of the South PSC	Head of Department of internal control and risks management

The share of participation in the authorized capital of the issuer: **0**

Percentage of the Issuer's ordinary shares: **0**

The number of shares of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Stakes in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer: none

Ordinary shares in a subsidiary or affiliated company of the issuer: **none**

Number of shares of a subsidiary or affiliated company of the issuer of each category (type) that may be acquired by the person by exercising rights under the issuer's options owned by such person: **none**

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer: **none**

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power: **The person was not brought to the specified kinds of responsibility**

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy): **The person did not hold the specified positions**

## **5.6. Information on Remuneration, Benefits and/or Reimbursement of Expenses to Body Undertaking Control over the Issuer's Business Activity**

Remuneration paid to members of Audit Committee:

Type of remuneration	Amount of remuneration (thousands rubles)	
	2015	1 <sup>st</sup> quarter of 2016
Salaries of members of the issuer's management bodies, that are (were) its employees, including those working (worked) as a part-time employee, rubles	0	0
Bonuses, rubles	0	0
Commission fee, rubles	0	0
Remuneration for participation in activity of the management body, rubles	143	0
Other payments, rubles	0	0
Total, rubles	143	0

Before 19 June 2015 Payment of remuneration to members of the Audit Committee was carried out in accordance with the Regulations for payment of remuneration and compensation to members of the Audit Committee of IDGC of the South JSC, approved by AGM (Minutes of meeting No.13 dated 22.06.2015).

Starting from 19 June 2015 the Company has restated Regulations for payment of remuneration and compensation to members of the Audit Committee of IDGC of the South, approved by AGM (Minutes of meeting No.13 dated 22.06.2015). In accordance with the Company's Charter, the decision to pay remuneration and (or) compensation members of the Audit Committee shall be taken by the General Meeting of Shareholders based on the Board of Directors recommendations on the

amount of such remuneration and (or) compensation. The size and procedure of payment is established in the abovementioned Regulations.

#### Remuneration paid to Internal audit and control department

Type of remuneration	Amount of remuneration (thousands rubles)	
	2015	1 <sup>st</sup> quarter of 2016
Salaries of members of the issuer's management bodies, that are (were) its employees, including those working (worked) as a part-time employee	3 904	901
Bonuses	2 361	525
Commission fee	0	0
Remuneration for participation in activity of the management body	0	0
Other payments	0	0
Total, thousand rubles	6 265	1 426

Expenses related to performance of functions of members of the bodies controlling business activity of the issuer, compensated by the issuer for the last completed fiscal year and the last completed reporting period before the date of approval of the Prospectus:

Control body (structural subdivision)	Remuneration, thousand rubles	
	2015	1 <sup>st</sup> quarter of 2016
Auditing Committee	104	0
Internal audit and control department	0	0

Information on resolutions adopted by the issuer's management bodies and (or) the existing agreements concerning the size of the remuneration payable, and (or) the size of such costs for compensation: Payments are made in accordance with labor agreements with employees of the Internal Audit and Control Department. Additional agreements with employees of the Internal Audit and Control Department of IDGC of the South PJSC were not concluded by the issuer.

#### **5.7. Headcount and General Data on Education and Structure of the Issuer's Employees (Staff Members), and also on Headcount Change of the Issuer**

Average number of employees of the Issuer, including the employees working in its branches and representative offices, as well as the size of wages and salaries and social payments for the last five completed financial years:

Indicator	Reporting period				
	2011	2012	2013	2014	2015
Average number of employees	14 598	14 122	13 740	13 468	13 576



Volume of money transferred for remuneration of labour, thousand rubles	4 059 586	4 612 146.8	4 423 530.1	4 941 078	5 435 632.6
Volume of money transferred for social benefits, thousand rubles	55 933.2	33 148.9	25 540.1	23 995.4	26 546.6

If any vital changes in the number of employees occurred within the reporting period is for the issuer, this fact should be indicated as well as the reasons of such changes and their impact on the business activity of the issuer: such changes did not occur.

The composition of the staff (employees) of the issuer does not include employees have a significant effect on the issuer's business activity (key employees).

The executive office of the Company established a trade union body (the certificate of registration of the primary trade union organization No.1610307 dated 05.08.2015).

#### **5.8. Data on any Obligations of the Issuer to Employees Concerning Possibility of their Participation in the Authorized Capital of the Issuer**

There are no agreements or obligations of the issuer concerning the possibility of participation of the staff (employees) of the issuer in its authorized capital.

There is no possibility to provide issuer's option to employees the issuer.

### **VI. Data on Participants (Shareholders) of the Issuer and on the Issuer's Interested Parties Transactions**

#### **6.1. Data on the Total Amount of Shareholders (Participants) of the Issuer**

The total number of participants issuer's as of the date of approval of the Securities Prospectus: 9 228

The total number of persons with non-zero balances on personal accounts registered in the shareholders register as of the date of approval of the Prospectus: **9 228**

Total number of nominee shareholders of the Issuer: **4**

The total number of persons included in the final recorded list of persons who had (who have) the right to participate in the general meeting of shareholders of the issuer (another list of persons recorded to perform the (sale) of rights on shares of the issuer and which is to be made the nominees in the issuer provided the data on persons for whose benefit they owned (own) the shares of the issuer): **11 318**

Record date of the list of persons: **18.04.2016**

Category (type) of shares of the issuer, the owners of which were to be included in such list: **Ordinary shares.**

The number of own shares held by the issuer as of the date of the reporting quarter, separately for each category (type) of shares: the end date of the reporting quarter of shares on the issuer's balance sheet: none

The number of shares owned by the issuer's subsidiary organizations, separately for each category (type) of shares (information known to the issuer): as far as the issuer knows, the issuer's controlled organizations do not have shares of the issuer.

**6.2. Data on Participants (Shareholders) of the Issuer Holding at least 5 percent of Authorized (Share) Capital (Share Fund) or at least 5 percent of Ordinary Shares, as well as Data on Participants (Shareholders) of the Bodies Holding at least 20 percent of Authorized (Share) Capital (Share Fund) or at least 20 percent of Ordinary Shares**

Participants (shareholders) of the Issuer holding at least 5 percent of the Issuer's authorized (share) capital (share fund) or at least 5 percent of ordinary shares

1. Full company name: **Public Joint Stock Company "Russian Grids"**

Short company name: **"Rosseti" PJSC**

Location: **Moscow**

TIN: **7728662669**; PSRN: **108776000019**

Stake of the person in the Issuer's authorized capital, %: **51.66**

Stake of the Issuer's ordinary shares held by the person, %: **51.66**

Information about entities controlling this shareholder, and in case of the absence of such entities - its members (shareholders) holding not less than 20 percent of the authorized capital or not less than 20 percent of its ordinary shares:

- 1.1. Full company name: **Federal Agency of State Property Management;**

Short company name: none;

Address: **9, Nikolskiy lane, Moscow, 109012;**

TIN: **7710723134**; PSRN: **1087746829994**;

Type of control, under which the issuer's shareholder is related to the its controlling entity: **direct control**;

Basis on which the entity controlling the issuer's shareholder, exercises such control: **participation in a legal entity, which is a shareholder of the issuer;**

Characteristics of the entity, controlling shareholder of the issuer, implementing such control: the right to use more than 50 percent of the votes in the supreme governing body of the legal entity that is the issuer's shareholder;

The share of such entity in the authorized capital of the Issuer's shareholder: **85.31%**

Stake of ordinary shares of the Issuer's shareholder: **86.32%**

The share of such entity in the authorized capital of the issuer: **0.139%**

Stake in ordinary shares of the Issuer: **0.139%**

Other information provided by the issuer at its own discretion: **none**

2. Full company name: **Lancrenan Investment limited**

Short company name: **Not applicable**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus**

TIN: **is not assigned;** PSRN: **is not assigned;**

Stake of the person in the Issuer's authorized capital, %: 9.28

Stake of the Issuer's ordinary shares held by the person, %: 9.28

Information about entities controlling this shareholder, and in case of the absence of such entities - its members (shareholders) holding not less than 20 percent of the authorized capital or not less than 20 percent of its ordinary shares:

2.1. Full company name: **The Prosperity Quest Fund**

Short company name: none;

Address: **Winward I, Regatta Office Park, P.O. Box 897, Grand Cayman, KYI-1103;**

TIN: **is not applicable;** PSRN: **is not applicable;**

Type of control, under which the issuer's shareholder is related to the its controlling entity: **direct control;**

Basis on which the entity controlling the issuer's shareholder, exercises such control: **participation in a legal entity, which is a shareholder of the issuer;**

Characteristics of the entity, controlling shareholder of the issuer, implementing such control: the right to use more than 50 percent of the votes in the supreme governing body of the legal entity that is the issuer's shareholder;

The share of such entity in the authorized capital of the Issuer's shareholder: **100%**

Stake of ordinary shares of the Issuer's shareholder: issuer's shareholder is not a joint stock company

The share of such entity in the authorized capital of the issuer: **0%**

Stake in ordinary shares of the Issuer: **0%**

Other information provided by the issuer at its own discretion: **none**

3. Full company name: **Protsvetanie Holding Limited Company**

Short company name: **Not applicable**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus**

TIN: **is not assigned; PSRN: is not assigned;**

Stake of the person in the Issuer's authorized capital, %: 6.8

Stake of the Issuer's ordinary shares held by the person, %:6.8

Information about entities controlling this shareholder, and in case of the absence of such entities - its members (shareholders) holding not less than 20 percent of the authorized capital or not less than 20 percent of its ordinary shares:

3.1. Full company name: **The Russian Prosperity Fund**

Short company name: none;

Address: **Winward I, Regatta Office Park, P.O. Box 897, Grand Cayman, KYI-1103;**

TIN: **is not applicable; PSRN: is not applicable;**

Type of control, under which the issuer's shareholder is related to the its controlling entity: **direct control;**

Basis on which the entity controlling the issuer's shareholder, exercises such control: **participation in a legal entity, which is a shareholder of the issuer;**

Characteristics of the entity, controlling shareholder of the issuer, implementing such control: the right to use more than 50 percent of the votes in the supreme governing body of the legal entity that is the issuer's shareholder;

The share of such entity in the authorized capital of the Issuer's shareholder: **100%**  
Stake of ordinary shares of the Issuer's shareholder: issuer's shareholder is not a joint stock company

The share of such entity in the authorized capital of the issuer: **0%**

Stake in ordinary shares of the Issuer: **0%**

Other information provided by the issuer at its own discretion: **none**

Participants (shareholders) of the Issuer holding at least 5 percent of the Issuer's authorized (share) capital (share fund) or at least 5 percent of ordinary shares

1. Full company name: **Limited Liability Company "Depository and corporate technologies"**

Short company name: **"DTK", CJSC**

Location: 4/1 Stromynka str., 107014 Moscow, Russia

TIN: **7729520219**; PSRN: **1057746181272**

Telephone: **(495) 641-3031**; Fax: **(495) 641-3031**;

E-mail address: **dkt@depotech.ru**

Data on license of professional participant of the securities market

Number: **177-11151-000100**

Date of issue: **03.04.2005**

Valid until: Without limitation of validity period

License issuing authority: FSEC (FFMS) of Russia

Number of ordinary shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: **25 730 843 051**

Number of preferred shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: **0**

2. Full company name: **Non-profit Partnership "National Depository Centre"**

Short company name: **"NDC" CJSC**

Location: 12/8 Spartakovskaya str., 206066 Moscow, Russia

TIN: **7702165310**; PSRN: **1027739132563**;

Telephone: **495) 234-4827**; Fax: **(495) 956-0938**; E-mail address: [dc@ndc.ru](mailto:dc@ndc.ru)

Data on license of professional participant of the securities market

Number: **177-12042-000100**

Date of issue: **19.02.2009**

Valid until: Without limitation of validity period

License issuing authority: FSEC (FFMS) of Russia

Number of ordinary shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: **22 490 789 575**

Number of preferred shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: **0**

#### **6.4. Data on restriction on participation in authorized (share) capital (share fund) of the Issuer**

Issuer's Charter does not set limitations on the number of shares held by one shareholder and / or their total nominal value, and / or maximum number of votes granted to one shareholder.

The legislation of the Russian Federation or other legal acts of the Russian Federation do not have restrictions on participation of foreign persons/entities in the authorized capital of the issuer.

Other restrictions related to participation in the authorized capital of the issuer: none

#### **Data on Changes in Composition and Amount of Participation of Shareholders (Participants) of the Issuer Holding at least 5 percent of Authorized Capital or at least 5 percent of Ordinary Shares**

Structure of the Issuer's shareholders (participants) holding at least 5 percent of the Issuer's authorized capital (at least 5 percent of the Issuer's ordinary shares – for Issuers representing joint stock companies) as of the date of drawing up the list of the persons entitled to participate in each General Shareholders Meeting for the 5 latest completed financial years prior to the date of approval of Securities Prospectus according to the list of the persons who had a right to participate in each of such meetings.

1.

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders Meeting: 20.04.2011
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Structure of the Issuer's shareholders holding at least 5 percent of the Issuer's authorized capital and at least 5 percent of the Issuer's ordinary shares
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1	<p>Full company name: Open Joint Stock Company “Holding of Interregional Distribution Grid Companies”</p> <p>Short company name: “IDGC Holding”, JSC</p> <p>Location: 26, Ulanskiy lane, Moscow 107996</p> <p>TIN: 7728662669</p> <p>PSRN: 1087760000019</p> <p>Stake of the person in the Issuer’s authorized capital, %: 51.66</p> <p>Stake of the Issuer’s ordinary shares held by the person, %: 51.66</p>
2	<p>Full company name: Lancrenan Investment limited</p> <p>Short company name: no information</p> <p>Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus</p> <p>TIN: is not applicable; PSRN: is not applicable</p> <p>Stake of the person in the Issuer’s authorized capital, %: 9.18</p> <p>Stake of the Issuer’s ordinary shares held by the person, %: 9.18</p>
3	<p>Full company name: Protsvetanie Holding Limited Company</p> <p>Short company name: no information</p> <p>Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus</p> <p>TIN: is not applicable; PSRN: is not applicable</p> <p>Stake of the person in the Issuer’s authorized capital, %: 6.8</p> <p>Stake of the Issuer’s ordinary shares held by the person, %: 6.8</p>

2.

Date of drawing up the list of persons who are entitled to participate in the Issuer’s Shareholders Meeting: 06.05.2011	
Structure of the Issuer’s shareholders holding at least 5 percent of the Issuer’s authorized capital and at least 5 percent of the Issuer’s ordinary shares	
1	<p>Full company name: Open Joint Stock Company “Holding of Interregional Distribution Grid Companies”</p> <p>Short company name: “IDGC Holding”, JSC</p> <p>Location: 26, Ulanskiy lane, Moscow 107996</p> <p>TIN: 7728662669</p> <p>PSRN: 1087760000019</p> <p>Stake of the person in the Issuer’s authorized capital, %: 51.66</p> <p>Stake of the Issuer’s ordinary shares held by the person, %: 51.66</p>
2	<p>Full company name: Lancrenan Investment limited</p> <p>Short company name: no information</p> <p>Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus</p> <p>TIN: is not applicable; PSRN: is not applicable</p> <p>Stake of the person in the Issuer’s authorized capital, %: 9.25</p> <p>Stake of the Issuer’s ordinary shares held by the person, %: 9.25</p>
3	<p>Full company name: Protsvetanie Holding Limited Company</p> <p>Short company name: no information</p> <p>Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus</p> <p>TIN: is not applicable; PSRN: is not applicable</p> <p>Stake of the person in the Issuer’s authorized capital, %: 6.85</p> <p>Stake of the Issuer’s ordinary shares held by the person, %: 6.85</p>

3.

Date of drawing up the list of persons who are entitled to participate in the Issuer’s Shareholders Meeting: 08.05.2012	
Structure of the Issuer’s shareholders holding at least 5 percent of the Issuer’s authorized capital and at least 5 percent of the Issuer’s ordinary shares	
1	<p>Full company name: Open Joint Stock Company “Holding of Interregional Distribution Grid Companies”</p>

	<p>Short company name: "IDGC Holding", JSC  Location: 26, Ulanskiy lane, Moscow 107996  TIN: 7728662669  PSRN: 1087760000019  Stake of the person in the Issuer's authorized capital, %: 51.66  Stake of the Issuer's ordinary shares held by the person, %: 51.66</p>
2	<p>Full company name: Lancrenan Investment limited  Short company name: no information  Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  TIN: is not applicable; PSRN: is not applicable  Stake of the person in the Issuer's authorized capital, %: 9.25  Stake of the Issuer's ordinary shares held by the person, %: 9.25</p>
3	<p>Full company name: Protsvetanie Holding Limited Company  Short company name: no information  Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  TIN: is not applicable; PSRN: is not applicable  Stake of the person in the Issuer's authorized capital, %: 6.85  Stake of the Issuer's ordinary shares held by the person, %: 6.85</p>

4.

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders Meeting: 05.07.2012	
Structure of the Issuer's shareholders holding at least 5 percent of the Issuer's authorized capital and at least 5 percent of the Issuer's ordinary shares	
1	<p>Full company name: Open Joint Stock Company "Holding of Interregional Distribution Grid Companies"  Short company name: "IDGC Holding", JSC  Location: 26, Ulanskiy lane, Moscow 107996  TIN: 7728662669  PSRN: 1087760000019  Stake of the person in the Issuer's authorized capital, %: 51.66  Stake of the Issuer's ordinary shares held by the person, %: 51.66</p>
2	<p>Full company name: Lancrenan Investment limited  Short company name: no information  Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  TIN: is not applicable; PSRN: is not applicable  Stake of the person in the Issuer's authorized capital, %: 9.25  Stake of the Issuer's ordinary shares held by the person, %: 9.25</p>
3	<p>Full company name: Protsvetanie Holding Limited Company  Short company name: no information  Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  TIN: is not applicable; PSRN: is not applicable  Stake of the person in the Issuer's authorized capital, %: 6.85  Stake of the Issuer's ordinary shares held by the person, %: 6.85</p>

5.

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders Meeting: 17.05.2013	
Structure of the Issuer's shareholders holding at least 5 percent of the Issuer's authorized capital and at least 5 percent of the Issuer's ordinary shares	
1	<p>Full company name: Open Joint Stock Company "Russian Grids"  Short company name: "Rosseti" JSC</p>



	<p>Location: 26, Ulanskiy lane, Moscow 107996  TIN: 7728662669  PSRN: 1087760000019  Stake of the person in the Issuer's authorized capital, %: 51.66  Stake of the Issuer's ordinary shares held by the person, %: 51.66</p>
2	<p>Full company name: Lancrenan Investment limited  Short company name: no information  Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  TIN: is not applicable; PSRN: is not applicable  Stake of the person in the Issuer's authorized capital, %: 9.28  Stake of the Issuer's ordinary shares held by the person, %: 9.28</p>
3	<p>Full company name: Protsvetanie Holding Limited Company  Short company name: no information  Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  TIN: is not applicable; PSRN: is not applicable  Stake of the person in the Issuer's authorized capital, %: 6.85  Stake of the Issuer's ordinary shares held by the person, %: 6.85</p>

6.

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders Meeting: 23.12.2013	
Structure of the Issuer's shareholders holding at least 5 percent of the Issuer's authorized capital and at least 5 percent of the Issuer's ordinary shares	
1	<p>Full company name: Open Joint Stock Company "Russian Grids"  Short company name: "Rosseti" JSC  Location: 26, Ulanskiy lane, Moscow 107996  TIN: 7728662669  PSRN: 1087760000019  Stake of the person in the Issuer's authorized capital, %: 51.66  Stake of the Issuer's ordinary shares held by the person, %: 51.66</p>
2	<p>Full company name: Lancrenan Investment limited  Short company name: no information  Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  TIN: is not applicable; PSRN: is not applicable  Stake of the person in the Issuer's authorized capital, %: 9.28  Stake of the Issuer's ordinary shares held by the person, %: 9.28</p>
3	<p>Full company name: Protsvetanie Holding Limited Company  Short company name: no information  Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  TIN: is not applicable; PSRN: is not applicable  Stake of the person in the Issuer's authorized capital, %: 6.85  Stake of the Issuer's ordinary shares held by the person, %: 6.85</p>

7.

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders Meeting: 19.05.2014	
Structure of the Issuer's shareholders holding at least 5 percent of the Issuer's authorized capital and at least 5 percent of the Issuer's ordinary shares	
1	<p>Full company name: Open Joint Stock Company "Russian Grids"  Short company name: "Rosseti" JSC  Location: 26, Ulanskiy lane, Moscow 107996  TIN: 7728662669</p>

	PSRN: 1087760000019 Stake of the person in the Issuer's authorized capital, %: 51.66 Stake of the Issuer's ordinary shares held by the person, %: 51.66
2	Full company name: Lancrenan Investment limited Short company name: no information Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus TIN: is not applicable; PSRN: is not applicable Stake of the person in the Issuer's authorized capital, %: 9.28 Stake of the Issuer's ordinary shares held by the person, %: 9.28
3	Full company name: Protsvetanie Holding Limited Company Short company name: no information Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus TIN: is not applicable; PSRN: is not applicable Stake of the person in the Issuer's authorized capital, %: 6.96 Stake of the Issuer's ordinary shares held by the person, %: 6.96

8.

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders Meeting: 12.01.2015	
Structure of the Issuer's shareholders holding at least 5 percent of the Issuer's authorized capital and at least 5 percent of the Issuer's ordinary shares	
1	Full company name: Open Joint Stock Company "Russian Grids" Short company name: "Rosseti" JSC Location: 26, Ulanskiy lane, Moscow 107996 TIN: 7728662669 PSRN: 1087760000019 Stake of the person in the Issuer's authorized capital, %: 51.66 Stake of the Issuer's ordinary shares held by the person, %: 51.66
2	Full company name: Lancrenan Investment limited Short company name: no information Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus TIN: is not applicable; PSRN: is not applicable Stake of the person in the Issuer's authorized capital, %: 9.28 Stake of the Issuer's ordinary shares held by the person, %: 9.28
3	Full company name: Protsvetanie Holding Limited Company Short company name: no information Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus TIN: is not applicable; PSRN: is not applicable Stake of the person in the Issuer's authorized capital, %: 6.96 Stake of the Issuer's ordinary shares held by the person, %: 6.96

9.

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders Meeting: 12.01.2015	
Structure of the Issuer's shareholders holding at least 5 percent of the Issuer's authorized capital and at least 5 percent of the Issuer's ordinary shares	
1	Full company name: Open Joint Stock Company "Russian Grids" Short company name: "Rosseti" JSC Location: 26, Ulanskiy lane, Moscow 107996 TIN: 7728662669 PSRN: 1087760000019 Stake of the person in the Issuer's authorized capital, %: 51.66

	Stake of the Issuer's ordinary shares held by the person, %: 51.66
2	Full company name: Lancrenan Investment limited Short company name: no information Location:9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus TIN: is not applicable; PSRN: is not applicable Stake of the person in the Issuer's authorized capital, %: 9.28 Stake of the Issuer's ordinary shares held by the person, %: 9.28
3	Full company name: Protsvetanie Holding Limited Company Short company name: no information Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus TIN: is not applicable; PSRN: is not applicable Stake of the person in the Issuer's authorized capital, %: 6.96 Stake of the Issuer's ordinary shares held by the person, %:6.96

10.

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders Meeting: 25.11.2015	
Structure of the Issuer's shareholders holding at least 5 percent of the Issuer's authorized capital and at least 5 percent of the Issuer's ordinary shares	
1	Full company name: Public Joint Stock Company "Russian Grids" Short company name: "Rosseti" PJSC Location: 26, Ulanskiy lane, Moscow 107996 TIN: 7728662669 PSRN: 1087760000019 Stake of the person in the Issuer's authorized capital, %: 51.66 Stake of the Issuer's ordinary shares held by the person, %: 51.66
2	Full company name: Lancrenan Investment limited Short company name: no information Location:9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus TIN: is not applicable; PSRN: is not applicable Stake of the person in the Issuer's authorized capital, %: 9.28 Stake of the Issuer's ordinary shares held by the person, %: 9.28
3	Full company name: Protsvetanie Holding Limited Company Short company name: no information Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus TIN: is not applicable; PSRN: is not applicable Stake of the person in the Issuer's authorized capital, %: 6.96 Stake of the Issuer's ordinary shares held by the person, %:6.96

## 6.6. Data on the Issuer's Interested parties Transactions

Data on number and monetary volume of the Issuer's transactions considered to be transactions of interest which required approval by the authorized management body of the Issuer according to legislation of the Russian Federation and concluded in the last accounting period.

Indicator	Indicator for corresponding reporting period				
	2011	2012	2013	2014	2015
Total number volume in monetary terms of interested parties transactions which required approval by the authorized	58 / 425 603	50 / 174 476	17 / 436 805	16 / 585 908	17 / 73 967

management body of the Issuer, number/thousand rubles					
Total number volume in monetary terms of Interested parties transactions concluded in the accounting period and approved by General Meeting of participants (shareholders), number/thousand rubles	0	0	0	0	0
Total number volume in monetary terms of Interested parties transactions concluded for the accounting period and approved by Board of Directors (supervisory board) of the Issuer, number/thousand rubles	58 / 425 603	50 / 174 476	17 / 436 805	16 / 585 908	17 / 73 967
Total number volume in monetary terms of Interested parties transactions for the accounting period which required approval yet were not approved by the authorized management body of the Issuer, number/thousand rubles	0	0	0	0	0

Data on transactions (groups of associated transactions) concluded by the Issuer in the accounting period making of at least 5 (five) percent of the balance sheet cost of the Issuer's funds as of the last 5 reporting years and before the approval of the Securities Prospectus: **such transactions were not concluded**

Data on interested parties transactions (a group of associated transactions) decision on approval of which was not taken by Board of Directors (supervisory board) or the Issuer's General Shareholders (participants) Meeting if such approval is obligatory according to the legislation of the Russian Federation: **such transactions were not concluded.**

### 6.7. Data on the Amount of Accounts Receivable

Information about the total amount of the issuer's receivables with a separate indication of the total amount of overdue receivables for the last five completed financial years:

Indicator	2011	2012	2013	2014	2015
Total sum of accounts receivable, thousand rubles	8 930 446	8 262 868	11 482 427	9 330 109	10 687 246
Total sum of overdue accounts receivable, thousand rubles	4 257 600	5 313 409	7 876 610	5 550 955	6 801 332

Notes: When specifying indicators of the total sum of receivables, to comply with their compatibility for the previous periods because of the changes in the balance, the following balance data were taken:

- Figures for 2011 – balance sheet for 2013 (column “On December 31, 2011”);

- Figures for 2012 – balance sheet for 2014 (column “On December 31, 2012”);
- Figures for 2013, 2014, 2015 – the balance of 2015 (the column “At December 31, 2013”, “On December 31, 2014”, “On December 31, 2015”, respectively).

Structure of the issuer's accounts receivable for the last completed fiscal year and the last completed reporting period prior to the date of approval of the securities prospectus:

2015:

Type of accounts receivable	in thousands rubles
Accounts receivable from buyers and customers	9 366 324
including overdue	6 468 314
Accounts receivable from bills	0
including overdue	0
Accounts receivable from participants (founders) on payments to share capital	0
including overdue	0
Other accounts receivable	1 250 387
including overdue	315 330
Total	10 687 246
including total overdue	6 801 332

31.03.2016:

Type of accounts receivable	in thousands rubles
Accounts receivable from buyers and customers	10 996 598
including overdue	8 320 893
Accounts receivable from bills	0
including overdue	0
Accounts receivable from participants (founders) on payments to share capital	0
including overdue	0
Other accounts receivable	790 462
including overdue	533 792
Total	11 825 058
including total overdue	8 866 123

Information about the presence in the issuer's accounts receivable for the last five complete financial years of debtors, which share is at least 10% from total sum of accounts receivable:

2011: Full company name: **Open joint stock company “Volgogradenergosbyt”**

Short name: **“Volgogradenergosbyt” JSC**

Location: **Volgograd**

TIN: **3445071523**; PSRN: **1053444090028**

Sum of accounts receivable: **2 524 217 thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor's overdue payable to IDGC of the South is 1 173 002 thousand rubles.

Claim-related work on collection the debt is being carried out. Terms and conditions (penalties, fines) are provided at a rate of 1/360 of the refinancing rate of the Central Bank of the untimely paid amount for each day of delay.

Debtor is issuer's affiliated person: **no**

Full company name: Municipal Unitary Production Enterprise "**Inter-district electric grids of Volgograd**"

Short name: **MUPP VMES of Volgograd**

Location: **Volgograd**

TIN: **3441010181**;PSRN: **1023402460620**

Sum of accounts receivable: **1 221 207 thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor's overdue payable to IDGC of the South is 872 822 thousand rubles.

Claim-related work on collection the debt is being carried out. Terms and conditions (penalties, fines) are provided at a rate of 1/360 of the refinancing rate of the Central Bank of the untimely paid amount for each day of delay.

Debtor is issuer's affiliated person: **no**

2012:

Full company name: **Open joint stock company "Volgogradenergosbyt"**

Short name: "**Volgogradenergosbyt**" JSC

Location: **Volgograd**

TIN: **3445071523**; PSRN: **1053444090028**

Sum of accounts receivable: **3 598 712.62 thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor's overdue payable to IDGC of the South is 2 974 895.11 thousand rubles.

Claim-related work on collection the debt is being carried out. Terms and conditions (penalties, fines) are provided at a rate of 1/360 of the refinancing rate of the Central Bank of the untimely paid amount for each day of delay.

Debtor is issuer's affiliated person: **no**

Full company name: Municipal Unitary Production Enterprise "**Inter-district electric grids of Volgograd**"

Short name: **MUPP VMES of Volgograd**

Location: **Volgograd**

TIN: **3441010181**; PSRN: **1023402460620**

Sum of accounts receivable: **1 410 496.24 thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor's overdue payable to IDGC of the South is 1 001 993.91 thousand rubles.

Claim-related work on collection the debt is being carried out. Terms and conditions (penalties, fines) are provided at a rate of 1/360 of the refinancing rate of the Central Bank of the untimely paid amount for each day of delay.

Debtor is issuer's affiliated person: **no**

2013:

Full company name: Municipal Unitary Production Enterprise "**Inter-district electric grids of Volgograd**"

Short name: **MUPP VMES of Volgograd**

Location: **Volgograd**

TIN: **3441010181**; PSRN: **1023402460620**

Sum of accounts receivable: **2 570 800 thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor's overdue payable to IDGC of the South is 2 383 767 thousand rubles.

Claim-related work on collection the debt is being carried out. Terms and conditions (penalties, fines) are provided at a rate of 1/360 of the refinancing rate of the Central Bank of the untimely paid amount for each day of delay.

Debtor is issuer's affiliated person: **no**

Full company name: **Open joint stock company "Volgogradenergosbyt"**

Short name: "**Volgogradenergosbyt**" JSC

Location: **Volgograd**

TIN: **3445071523**; PSRN: **1053444090028**

Sum of accounts receivable: **3 932 832 thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor's overdue payable to IDGC of the South is 3 599 298 thousand rubles.

Claim-related work on collection the debt is being carried out. Terms and conditions (penalties, fines) are provided at a rate of 1/360 of the refinancing rate of the Central Bank of the untimely paid amount for each day of delay.

Debtor is issuer's affiliated person: **no**

2014:

Full company name: Municipal Unitary Production Enterprise "**Inter-district electric grids of Volgograd**"

Short name: **MUPP VMES of Volgograd**

Location: **Volgograd**

TIN: **3441010181**; PSRN: **1023402460620**

Sum of accounts receivable: **2 024 359 thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor's overdue payable to IDGC of the South is 1 814 208 thousand rubles.

Claim-related work on collection the debt is being carried out. Terms and conditions (penalties, fines) are provided at a rate of 1/360 of the refinancing rate of the Central Bank of the untimely paid amount for each day of delay.

Debtor is issuer's affiliated person: **no**

Full company name: **Open joint stock company "Astrakhan energy selling company" Open joint stock company**

Short name: "**Astrakhan energy selling company**" JSC

Location: **Astrakhan**

TIN: 3017041554; PSRN: 1053000000041

Sum of accounts receivable: **1 150 445 thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor's overdue payable to IDGC of the South is 685 116 thousand rubles.

Claim-related work on collection the debt is being carried out. Terms and conditions



(penalties, fines) are provided at a rate of 1/360 of the refinancing rate of the Central Bank of the untimely paid amount for each day of delay.

Debtor is issuer's affiliated person: **no**

Full company name: **Open joint stock company "Energosbyt Rostovenergo"**

Short name: **"Energosbyt Rostovenergo" JSC**

Location: **Rostov-on-Don**

TIN: 6168002922; PSRN: 1056164000023

Sum of accounts receivable: **1 683 881 thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor's overdue payable to IDGC of the South is 899 783 thousand rubles.

Claim-related work on collection the debt is being carried out. Terms and conditions (penalties, fines) are provided at a rate of 1/360 of the refinancing rate of the Central Bank of the untimely paid amount for each day of delay.

Debtor is issuer's affiliated person: **no**

2015:

Full company name: Municipal Unitary Production Enterprise **"Inter-district electric grids of Volgograd"**

Short name: **MUPP VMES of Volgograd**

Location: **Volgograd**

TIN: **3441010181**; PSRN: **1023402460620**

Sum of accounts receivable: **1 985 251 thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor's overdue payable to IDGC of the South is 1 730 603 thousand rubles.

Claim-related work on collection the debt is being carried out. Terms and conditions (penalties, fines) are provided at a rate of 1/360 of the refinancing rate of the Central Bank of the untimely paid amount for each day of delay.

Debtor is issuer's affiliated person: **no**

Full company name: **"Astrakhan energy selling company" Public joint stock company**

Short name: **"Astrakhan energy selling company" PJSC**

Location: **Astrakhan**

TIN: 3017041554; PSRN: 1053000000041

Sum of accounts receivable: **2 225 099 thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor's overdue payable to IDGC of the South is 1 842 662 thousand **rubles**.

**Claim-related work on collection the debt is being carried out.** Terms and conditions (penalties, fines) are provided at a rate of 1/360 of the refinancing rate of the Central Bank of the untimely paid amount for each day of delay.

Debtor is issuer's affiliated person: **no**

Full company name: **“TNS-energo Rostov-on-Don” Public joint stock company**

Short name: **“Energosbyt Rostovenergo” PJSC**

Location: **Rostov-on-Don**

TIN: 6168002922; PSRN: 1056164000023

Sum of accounts receivable: **1 337 717 thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor's overdue payable to IDGC of the South is 398 584 thousand rubles.

Claim-related work on collection the debt is being carried out. Terms and conditions (penalties, fines) are provided at a rate of 1/360 of the refinancing rate of the Central Bank of the untimely paid amount for each day of delay.

Debtor is issuer's affiliated person: **no**

## **VII. Accounting (Financial) Report of the Issuer and Other Financial Information**

### **7.1. Annual Accounting (Financial) Report of the Issuer**

Composition of the annual accounting (financial) statements of the issuer attached to the Securities Prospectus:

a) annual accounting (financial) statements of the issuer for the last three completed fiscal years preceding the date of approval of the Prospectus, prepared in accordance with Russian legislation, with enclosed audit report in respect of the financial (accounting) statements:

Annual financial statements for 2013 (Appendix No.1 to this Prospectus)

- audit report;
- Balance sheet (form No.1);
- Report on financial results (form No.2);
- Statement of changes in equity (form No.3);
- Cash flow statement (form No.4);
- Explanatory Notes to the financial statements.

Annual financial statements for 2014 (Appendix No.2 to this Prospectus)

- audit report;
- Balance sheet (form No.1);
- Report on financial results (form No.2);
- Statement of changes in equity (form No.3);
- Cash flow statement (form No.4);
- Explanatory Notes to the financial statements.

Annual financial statements for 2015 (Appendix No.3 to this Prospectus)

- audit report;
- Balance sheet (form No.1);
- Report on financial results (form No.2);
- Statement of changes in equity (form No.3);
- Cash flow statement (form No.4);
- Explanatory Notes to the financial statements.

b) information on the issuer's annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) or other than IFRS, internationally recognized rules for the period stipulated in subparagraph “a” of this paragraph: The issuer has no annual financial statements for 2013 - 2015, prepared in accordance with International Financial Reporting Standards (IFRS) or other than IFRS, internationally recognized rules.

## **7.2. Interim accounting (financial) report of the Issuer**

Composition of the intermediate accounting (financial) statements of the issuer attached to the Prospectus:

a) intermediate accounting (financial) statements of the issuer for the last completed reporting quarter (reporting period, consisting of three, six or nine months of the year), preceding the date of approval of the Prospectus prepared in accordance requirements of the Russian Federation, and if it's been audited – the corresponding auditor's report:

Interim accounting (financial) statements for the 1<sup>st</sup> quarter of 2016 (Appendix No.4 to this Prospectus)

- Balance sheet (form No.1);
- Report on financial results (form No.2).

b) if the issuer's interim financial statements prepared in accordance with International Financial Reporting Standards (IFRS) or other than IFRS, internationally recognized rules, additionally is accompanied by such interim financial statements of the issuer, and it's been audited –the relevant audit report in Russian language for the last completed reporting quarter (reporting period, consisting of three, six or nine months of the year), preceding the date of approval of the prospectus: The Issuer does have not interim financial statements for the 1<sup>st</sup> quarter of 2016 that were prepared in accordance with International Financial Reporting Standards (IFRS) or other than IFRS, internationally recognized rules.

### **7.3. Consolidated accounting reports of Issuer**

Composition of the consolidated financial statements of the issuer attached to the Prospectus:

a) annual consolidated financial statements of the issuer in respect of which submission deadline has or was made before the expiration such period, for the last three completed fiscal years preceding the date of approval of the Prospectus, prepared in accordance with Russian legislation, with enclosed audit report in respect of the annual consolidated financial statements: To this Securities Prospectus the issuer attached annual consolidated financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS) for the last three completed fiscal years preceding the date of approval of the Prospectus.

Consolidated financial statements for the year ended December 31, 2013

(Annex 5 to this Prospectus)

- Audit report
- Consolidated Statement of profit or loss and other comprehensive income
- Consolidated Statement of financial state
- Consolidated Statement of changes in equity
- Consolidated Cash flow statement
- Notes to Consolidated Financial Statements

Consolidated financial statements for 2014

(Annex 6 to this Prospectus)

- Audit report
- Consolidated Statement of profit or loss and other comprehensive income
- Consolidated Statement of financial state
- Consolidated Statement of changes in equity
- Consolidated Cash flow statement
- Notes to Consolidated Financial Statements

Consolidated financial statements for 2015

(Annex 7 to this Prospectus)

- Audit report
- Consolidated Statement of profit or loss and other comprehensive income
- Consolidated Statement of financial state
- Consolidated Statement of changes in equity
- Consolidated Cash flow statement
- Notes to Consolidated Financial Statements

Standards (rules) according to which the annual consolidated financial statements was compiled: International Financial Reporting Standards (IFRS)

b) interim consolidated financial statements of the issuer for the reporting period, consisting of six months of this year, prepared in accordance with the Russian legislation, and if it's been audited - with application of the corresponding audit report: such statements are not prepared by the issuer.

c) if the issuer's consolidated interim financial statements for the reporting periods, consisting of three or nine months of the year, further accompanied by such interim consolidated financial statements of the issuer for the last completed reporting period, consisting of three or nine months of the year, and if it's been audited – with submission of the auditor's report: such statements are not prepared by the issuer.

#### **7.4. Information about Issuer's accounting policy.**

Main provisions of the issuer's accounting policy independently determined by the issuer in accordance with the legislation of the Russian Federation on accounting and approved by orders or instructions of the person responsible for the organization and the state accounting reports of the issuer: The accounting policy of the issuer in relation to 2013 - 2016, self-determined by the issuer in accordance with the legislation of the Russian Federation on accounting and approved by orders or instructions of the person responsible for the organization and condition of accounting reporting of the issuer are included in Annex No. 9, 10, 11 and 12 to this Prospectus.

#### **7.5. Data on total export amount and on export share in total amount of sales**

The issuer does not export products (goods, works, services)

#### **7.6. Data on essential changes which occurred in structure of property of the Issuer following the end date of the last completed financial year**

Information on significant changes in the Issuer's property that occurred after the date of the last completed fiscal year, annual accounting (financial) statements for provided in the Prospectus and until the date of approval of the securities prospectus: significant changes in the issuer's property after the end date of 2015 and before the date of securities prospectus approval did not occurred.

#### **7.7. Data on the Issuer's Participation in Litigations if such Participation Can Have a Significant Impact on the Issuer's Business Activity**

**2013:**

1) “Volgogradenergosbyt”, JSC made a claim against “IDGC of the South” for recovering losses of electric energy from grids of the Issuer: **1 060 486 008. 21 rub.** The claim was not settled by the decision of Arbitrage of Volgograd dated

05.11.2009. By the decision of 12<sup>th</sup> arbitration court dated 20.12.2012 the claim is partially satisfied at the sum of 31 431 433.98 rubles was recovered. On 13.06.2013 cassation court left unchanged the court decision adopted earlier.

**2) “Volgogradenergosbyt”, JSC made a claim on recovering the cost of energy consumed during the period when the restrained mode has not been introduced. The claim is against “Khimprom” LLC, the sum of the claim - 264 453 445.61 rubles.** The commercial court of Volgograd region took a decision on 24.01.2011 to leave unchanged the order of the Twelfth commercial court of 12.04.2011, the demand was fulfilled. The cassation court resolved that the all decisions on the issue are to be left unchanged. The Company addressed the Supreme Commercial Court of RF with application for review of case. The Supreme Commercial Court refused to submit the case to the Presidium of the Supreme Arbitration Court of the Russian Federation. The court order was fulfilled.

**3) “Nizhnovatomenergosbyt” JSC produced a claim on collecting from the Company 588 681 52.79 rubles.**

The claims are based on the application of the consequences of the invalidity of the transaction - the contract for the provision of services of power transmission, the court itself recognized as a result of the dispute on the so-called lease “last mile” (the agreement on the use of transmission facilities included in the unified national power grid (UNPG)). The claim was satisfied by Arbitration court of Rostov region on 05.12.2011. The decision upheld by decision of Fifteenth Court of Appeal dd. 06.02.2012. The execution of court decree is suspended by cassation court to the complaint. By the decision of court dated 05.10.2012 the claim was satisfied to full extend in favour of “Nizhnovatomenergosbyt” JSC; 482 665.83 thousand rubles of unjust enrichment were collect in favour of “Nizhnovatomenergosbyt” JSC as well as 135 377.86 thousand rubles of interest on money had and received. Under order of the court of appeal dated 27.12.12 the decision was left without changes. By order of cassation court dated 03.07.2013 the court orders were cancelled, the claim was dismissed.

**4) “Rusenergosbyt” JSC initiated claim from “IDGC of the South” JSC (“Rostovenergo”) of unjustifiable enrichment in the amount of 331 847 168.54 rubles, and also 55 733 630.94 rubles, interest for using foreign monetary funds.**

By decision of Fifteenth Arbitrage court dated 02.07.2012 the claim was left without changes. By order of appellate instance arbitration court dated 27.06.2012 the decision of the court of the decision of trial court was left in power. By the order of cassation court dated 29.08.12 the decisions were cancelled and the case was taken for reconsideration to the trial court. By decision of the trial court dated 22.08.2013 the claim was dismissed. The claimer made an appeal. Should the sue claims be satisfied the business activity of the issuer may be influenced.

**5) “Rusenergosbyt” LLC filed sue on recovery from “IDGC of the South” JSC (“Rostovenergo” and “Volgogradenergo”) on recovery of unjust enrichment in amount 730 622.52 thousand rubles in 2010, as well as 146 568.18 thousand rubles of interest on money had and received. Court decision of 05.09.2013 denied the lawsuit. The plaintiff filed an appeal. On the stage of the proceedings on appeal the plaintiff claimed the rejection of the claim. Disclaimer accepted by the court, the proceedings were terminated.**

#### **2014:**

1. “Energiya” JSC filed a suit against “IDGC of the South” JSC on collecting 135.4 mln. rubles of the unreasonable earnings in the amount of unpaid cost of services on electric energy transmission for January, 2014. By the decision of Commercial court of Rostov region dd. 07.07.2014 the claims were satisfied. Judicial act passed the stage of appeal and cassation appeal. Implementation of court decision was made in the enforcement procedure by writing off monetary funds from bank account of the Company. The Company filed a cassation appeal in Supreme Court of Russia.

2. “Energiya” JSC filed a suit against “IDGC of the South” JSC on collecting 371 mln. rubles of the unreasonable earnings in the amount of unpaid cost of services on electric energy transmission for the period from February to April of 2014. By the decision of Commercial court of Rostov region dd. 13.10.2014 the claims were satisfied. Decision was appealed in the court of appeal. By the decision of Fifteenth



Commercial Court dd. 30.03.2015 the appeal of “IDGC of the South” JSC was sustained. The Company filed a cassation appeal with the request to stay of enforcement the judicial act.

3. “Energiya” JSC filed a suit against “IDGC of the South” JSC on collecting 220 mln. rubles of the unreasonable earnings in the amount of unpaid cost of services on electric energy transmission for the period from May to June of 2014. By the decision of Commercial court of Rostov region dd. 24.02.2015 the claims were partially satisfied, 77.7 mln. rubles were collected from the Company. “Energiya” JSC appealed the decision in the court of appeal, the consideration of appeal petition was appointed at 10.04.2015.

4. “Energosbyt Rostovenergo” JSC filed a suit against “IDGC of the South” JSC on collecting 130 383 664.59 rubles of debt to compensate electric energy losses in networks for the period from March of 2010 to December of 2011. By the decision of Commercial court of Rostov region dd. 06.02.2014 the claims were satisfied. The Company filed cassation appeal on judicial acts in Supreme Court of Russia. By the decision dd. 22.01.2015 the Company received a refuse to file cassation appeal for consideration in a court session of Chamber for Commercial Disputes of the Supreme Court of Russian Federation. Cassation appeal is prepared to file in General Committee of Supreme Court of the Russian Federation.

5. “Energosbyt Rostovenergo” JSC filed a suit against “IDGC of the South” JSC on collecting 163 693 111.61 rubles of debt to compensate electric energy losses in networks for the period from January of 2012 to December of 2012. By the decision of Commercial court of Rostov region dd. 04.12.2013 the claims were satisfied. The Company filed cassation appeal on judicial acts in Supreme Court of Russia dd. 15.10.2014 the judicial acts were cancelled, the case was sent for retrial in Commercial Court of Rostov region. Commercial Court of Rostov region satisfied claims in the amount of 159 897 565.18 rubles dd. 26.03.2015.

6. “Energosbyt Rostovenergo” JSC filed a suit against “IDGC of the South” JSC on collecting 104 888 115.44 rubles of debt in connection with non-fulfillment of request on limitation of electric energy delivery to customers for the period from

May of 2013 to August of 2013. By the decision of Commercial court of Rostov region dd. 18.07.2013 the claims were satisfied. The decision was kept in force by decisions of Court of Appeal and Cassation Court. Cassation appeal is prepared to file in Supreme Court of the Russian Federation.

7. “Energosbyt Rostovenergo” JSC filed a suit against “IDGC of the South” JSC on collecting 176 654 362.06 rubles of debt to compensate electric energy losses for the period from January of 2013 to November of 2013. By the decision of Commercial court of Rostov region dd 26.05.2014 on case No.A53-2756/2014 the claims were satisfied. The Company filed cassation appeal. By the decision dd. 18.11.2014 the case was suspended until case No. A53-16593/2013 will come into legal force. Supreme Court of Russia adopted definition on settlement of cassation appeal of the Company on similar case (No. A53-16593/2013). Thus, there is a positive legal precedent for the Company.

8. “IDGC of the South” JSC produced a claim against “Energosbyt Rostovenergp” JSC on collecting 200 107 836.06 rubles of debt for services on electric energy transmission for March of 2014. By the decision of Commercial court of Rostov region dd. 23.03.2015 the claims were refused. The Company prepares cassation appeal.

9. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting of cost of losses of electric energy in the amount of 19 987 579.19 rubles for September of 2008. By the decision of Commercial court of Astrakhan region dd. 27.12.2013 the claims were partially satisfied in the amount of 514 340 rubles. The decision was appealed by “Astrakhan energy selling Company” JSC, proceedings on the case was suspended in connection with assignment of legal expertise. By the decision of Twelfth Commercial Court dd. 24.02.2015 the decision was changed, 11 981 268.84 rubles were collected.

10. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting 12 646 631.97 rubles of debt to compensate electric energy losses for October of 2008. The proceeding on case was suspended: until the resolution on case No. A06-7614/2010, until consideration of appeal on case No.

A06-6248/2011 by Twelfth Commercial Court of Astrakhan region. By the decision of Commercial court of Astrakhan region dd. 27.28.2014 the claims were partially satisfied in the amount of 7 244 466.57 rubles. The parties filed cassation appeal. By the decision of Twelfth Commercial Court of Astrakhan region dd. 10.03.2015 the decision was upheld, the appeals were not satisfied.

11. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 21 448 966.59 rubles for December of 2008. The proceeding on case was suspended many times: until the resolution on case No. A06-7614/2010, until the consideration of appeal on case No. A06-6248/2011 by Twelfth Commercial Court of Astrakhan region. By the decision of Commercial court of Astrakhan region dd. 12.01.2015 the claims were satisfied in the amount of 20 685 912.01 rubles. “IDGC of the South” JSC filed cassation appeal, the consideration was appointed at 09.04.2015.

12. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 20 277 551.18 rubles for July of 2009. The proceedings on case were suspended many times: until the resolution on case No.A06-7614/2010, until the consideration of appeal on case No.A06-6248/2011. By the decision of Commercial court of Astrakhan region dd. 07.11.2014 the claims were partially satisfied in the amount of 2 365 263.67 rubles. “Astrakhan energy selling Company” JSC filed cassation appeal, the consideration was appointed at 07.04.2015.

13. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 64 989 116.82 rubles for December of 2009. The proceedings on case were suspended many times: until the resolution on case No. A06-7614/2010, until the consideration of appeal on case No. A06-6248/2011. By the decision of Commercial court of Astrakhan region dd. 01.09.2014 the claims were satisfied. “IDGC of the South” JSC filed cassation appeal. By the decision of Twelfth Commercial Appeal Court dd. 10.03.2015 the decision was upheld, the Company’s appeal was not satisfied.

14. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 57 741 926.17 rubles for June of 2011. The proceedings on case were suspended until the consideration of appeal on case No.A06-6248/2011 by Twelfth Commercial Appeal Court of Astrakhan region. The proceedings on case were suspended in connection with appointing of legal expertise dd. 30.10.2014.

15. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 43 320 285.87 rubles for July of 2011. The proceedings on case were suspended until the consideration of appeal on case No.A06-6248/2011 by Twelfth Commercial Appeal Court of Astrakhan region. The proceedings on case were suspended in connection with appointing of legal expertise dd. 07.08.2014.

16. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 41 743 893.18 rubles for August of 2011. The proceedings on case were suspended until the consideration of case No.A06-6994/2011. Reopened, appointed for consideration at 06.04.2015.

17. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 23 543 433.62 rubles for September of 2011. The proceedings on case were suspended until the decision will come into force by Court’s decision on case No.A06-7787/2011. Reopened, appointed for consideration at 14.04.2015.

18. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 41 026 186.02 rubles for May of 2013. By the decision of Commercial Court of Astrakhan region dd. 19.03.2015 the claims were partially satisfied in the amount of 128 615 rubles.

19. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of

33 471 482.80 rubles for April of 2013. By the decision of Commercial Court of Astrakhan region dd. 16.03.2015 the claims were not satisfied.

20. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 30 859 374.90 rubles for September of 2013. The proceedings on case were suspended dd. 10.07.2014 until the decision will come into force by Court’s decision on case No.A06-8979/2013.

21. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 138 053 233.60 rubles for October of 2013. The proceedings on case were suspended dd. 30.07.2014 until the judicial act will come into force on case No.A06-10152/2013.

22. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 94 922 990.95 rubles for November of 2013. The proceedings on case were suspended dd. 31.07.2014 until the judicial act will come into force on case No. A06-1633/2013.

23. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 198 601 379.36 rubles for December of 2013. The proceedings on case were suspended dd. 16.07.2014 until the judicial act will come into force on case No.A06-2538/2013.

24. “Astrakhan energy selling Company” JSC filed a suit against “IDGC of the South” JSC on collecting the cost of electric energy losses in the amount of 200 471 617.93 rubles for January of 2014. The proceedings on case were suspended dd. 28.01.2015 until the judicial act will come into force on case No.A06-2540/2014.

**2015:**

1. Energia JSC filed a suit against IDGC of the South PJSC on collection of unjustified enrichment (case No.A53-3457/2015) in the amount of 56 112 923,55 rubles for January 2015. The requirements in the undisputed part were satisfied (828

988,65 rubles on case A53-3457/15), claims on amount of 53 204 265,73 rubles were regarded as separate case (case No.A53-15810/15). The Resolution of Commercial court of Rostov region dated 15.02.2016 on case A53-15810/15, claims were satisfied in full. Resolution of Court of Appeal and Cassation Court of Rostov region dated 15.02.2016 was left without changes.

2. Energia JSC filed a suit against IDGC of the South PJSC on collection of unjustified enrichment in the amount of 4 814 290,08 rubles for September – December 2014 (No.A53-6178/2015). Claim on amount of 4 557 170.85 rubles (No.A53-17149/2015) was considered separately. Energia JSC refused from appeal petition on case No.A53-6178/15. On case No.A53-17149/15 claims were satisfied in full. Resolution of Court of Appeal and Cassation Court of Rostov region dated 04.02.2016 was left without changes.

3. Energia JSC filed a suit against IDGC of the South PJSC on collection of unjustified enrichment in the amount of 103 433 300,77 rubles for March – April 2015. (No.A53-12457/2015). Claims in the amount of 5 299 048,64 rubles were satisfied in full (No.A53-12457/2015), claims on amount of 98 134 251,60 rubles were regarded as separate case (No.A53-19855/15). The Resolution of Commercial court of Rostov region dated 02.03.2016 claims were satisfied in full. Resolution of Court of Appeal of Rostov region dated 02.03.2016 was left without changes.

4. Energia JSC filed a suit against IDGC of the South PJSC on collection of unjustified enrichment in the amount of 50 156 606,13 rubles for February 2015 (No.A53-6179/2015). The requirements in the undisputed part were satisfied (2 862 389,53), claims on amount of 47 294 216,6 rubles were regarded as separate case (A53-16164/15). Resolution of Court of Appeal and Cassation Court of Rostov region dated 05.02.2016 was left without changes.

5. Energia JSC filed a suit against IDGC of the South PJSC on collection of unjustified enrichment in the amount of 82 922 175,81 rubles for May – June 2015 (case No.A53-20751/15). The Resolution of Commercial court of Rostov region dated 25.02.2016 claims were satisfied in full. The Company filed appeal petition. Hearing is scheduled for 14.07.2016.

6. Energia JSC filed a suit against IDGC of the South PJSC on collection of unjustified enrichment in the amount of 80 190 178,51 rubles for July – August 2015 (case No.A53-25047/15). The Resolution of Commercial court of Rostov region dated 18.02.2016 the claim was sustained in full. Resolution of Court of Appeal dated 13.05.2016 left the resolution of Commercial court of Rostov region unchanged.

7. Energia JSC filed a suit against IDGC of the South PJSC on collection of unjustified enrichment in the amount of 34 066 223,34 rubles for September 2015 (case No.A53-29711/2015). The Resolution of Commercial court of Rostov region dated 19.02.2016 the claim was sustained in full. Resolution of Court of Appeal dated 23.05.2016 left the resolution of Commercial court of Rostov region unchanged.

8. Prometei LLC filed a claim to IDGC of the South PJSC on recovery of debt for January – March 2015 in the amount of 55 148 708 rubles 98 kopecks (case No. A53-9942/15), that has formed in results of the rent contract and absence of payment for electric energy. Claims were satisfied in full. Resolution of Court of Appeal dated 03.02.2016 cancelled the resolution; amicable agreement was reached.

9. Prometei LLC filed a claim to IDGC of the South PJSC on recovery of unjustified enrichment in the amount of 16 087 497.64 rubles for April 2015 (case No.A53-12879/15). By the resolution of Commercial court of Rostov region from 15.10.2015 the proceedings were suspended until the entry into force of decision of the Commercial court of Rostov region No.A53-9942/15. On 04.02.2016 it was announced on the termination of the proceedings, the settlement agreement was approved.

10. Prometei LLC filed a claim to IDGC of the South PJSC on recovery of unjustified enrichment in the amount of 14 936 505.54 rubles for May 2015 (case No.A53-17809/15). By the resolution of Commercial court of Rostov region on 21.10.2015 the proceedings were suspended until the entry into force of decision of the Commercial court of Rostov region A53-9942/15. On 04.02.2016 it was announced on the termination of the proceedings, the settlement agreement was

approved.

11. Prometei LLC filed a claim to IDGC of the South PJSC on recovery of unjustified enrichment in the amount of 41 650 403.02 rubles за июнь-июль 2015. (case No.A53-23512/15). The court session is scheduled for 12.01.2016. On 02.02.2016 it was announced on the termination of the proceedings, the settlement agreement was approved.

12. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 32 435 854,50 rubles for July 2008. The claim was satisfied in full on 28.12.2015. Resolution of Court of Appeal dated 06.04.2016 left the resolution without changes.

13. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 53 265 115.89 rubles for the period of November 2009. By the resolution of the Commercial court of Astrakhan region, on 28.07. In 2015 the claims were satisfied in full. By the resolution of the appellate court from 14.10.2015 the decision as left unchanged. Cassational appeal was filed. By decision of the court of cassation on 18.02.2016 judicial acts are left unchanged.

14. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 43 320 285,87 rubles for June 2011. By the resolution dated 15.03.2016 the claims were satisfied in full. On 29.06.2016 the 12<sup>th</sup> Arbitration Court left the resolution without changes.

15. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 41 743 893.18 rubles for August 2011. By the resolution dated 11.01.2016 the claim was satisfied in the amount of 27 908 348.92 rubles. Resolution of Court of Appeal dated 20.04.2016 was the court's decision left without changes. IDGC of the South filed a cassation appeal.

16. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 23 543 433.62 rubles for September 2011. On 30.05.2016 decision of the Arbitration Court of Astrakhan



region satisfied the claim in the amount of 22 502 247 rubles 24 kopecks. IDGC of the South filed an appeal petition.

17. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 30 859 374.90 rubles for September 2013. Claims were partially satisfied for the amount of 19 720 082 rubles on 27.04.2016. IDGC of the South filed an appeal petition.

18. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 138 053 233.60 rubles for October 2013. 31.07.2014 the proceedings were suspended before the entry into force of the judicial act on the case No.A06-10152/2013.

19. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 94 922 990.95 rubles за период ноябрь 2013. 31.07.2014 the proceedings were suspended before the entry into force of the judicial act on the case No.A06-1633/2014.

20. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 198 601 379.36 rubles for December 2013. On 16.07.2014 the proceedings were suspended before the entry into force of the judicial act on the case No.A06-2538/2014.

21. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 200 471 617.93 rubles for January 2014. 28.01.2015 the proceedings were suspended before the entry into force of the judicial act on the case No.A06-2540/2014. By the resolution dated 23.12.2015 the claim was satisfied in the amount of 45 903 054.18 rubles. By the resolution of the appellate court from 15.03.2016 the decision as left unchanged.

22. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 76 832 868.79 rubles for February. 22.12.2014 the proceedings were suspended before the entry into force of the judicial act on the case No.A06-11134/2014.

23. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 22 068 740.93 rubles

for March 2014. 26.01.2015 the proceedings were suspended before the entry into force of the judicial act on the case No.A06-11132/2014.

24. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 25 740 085.05 rubles for May 2014. 26.01.2015 the proceedings were suspended before the entry into force of the judicial act on the case No.A06-11228/2014.

25. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 17643883.38 rubles for October 2014. The proceedings were suspended before the entry into force of the judicial act on the case No.A06-4188/2015.

26. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 5286897.11 rubles for November 2014. The proceedings were suspended before the entry into force of the judicial act on the case No.A06-4190/2015.

27. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 130712320.20 rubles for December 2014. The proceedings were suspended before the entry into force of the judicial act on the case No.A06-4189/2015.

28. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 19051310.97 rubles for January 2015. The proceedings were suspended before the entry into force of the judicial act on the case No.A06-5028/2015. On 23.06.2016 Arbitration Court of Astrakhan region sustained the claims in the amount of 12 699 448,11 rubles.

29. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 46542188.31 rubles for February 2015. The proceedings were suspended before the entry into force of the judicial act on the case No.A06-5026/2015.

30. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 67437349.12 rubles for March 2015. The proceedings were suspended before the entry into force of the

judicial act on the case No.A06-5027/2015.

31. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 9 492 299,10 rubles for April 2014. The proceedings were suspended before the entry into force of the judicial act on the case No. A06-11130/2014.

32. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 29 476 860,18 rubles for April 2015. The proceedings were suspended before the entry into force of the judicial act on the case on case No. A06-5027/2015.

33. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 36 026 795,79 rubles for May 2015. The proceedings were suspended before the entry into force of the judicial act on the case No. A06-10739/2015.

34. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 43 664 235,38 rubles for July 2015. The proceedings were suspended before the entry into force of the judicial act on the case No. A06-10738/2015.

35. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 18 972 481,98 rubles for July 2015. The proceedings were suspended before the entry into force of the judicial act on the case No. A06-10740/2015.

36. Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 19 343 246,41 rubles for September 2015. The proceedings were suspended before the entry into force

37. Volgogradenergosbyt PJSC filed a suit against IDGC of the South PJSC on collection of cost of energy losses in the amount of 164 756 282.99 rubles for the period from 01.07.2009 to 31.12.2009. Double cassation instance court returned the case for retrial to the court of the first instance. With the new examination of the case by the trial court Volgogradenergosbyt JSC specifirf the amount of the claim to 122 077 128.36 rubles; by decision of the first instance court of 13.02.2015 the claim

was satisfied in full. On 21.05.2015 Court of appeal upheld the decision. An appeal was filed, which the review is scheduled for 21.07.2015. By the definition of the Court of Volgograd region from 06.16.2015, IDGC of the South PJSC was provided an opportunity of payment by installments on the case No.A12-23449/2010. On 02.10.2015 IDGC of the South PJSC appealed to the Supreme Court of the Russian Federation on judicial acts on the case. By the resolution of the Supreme Court of the Russian Federation of 10.02.2016, IDGC of the South PJSC was denied in transfer of cassation appeal for consideration at the Judicial Board on Economic Disputes of the Supreme Court.

38. IDGC of the South PJSC filed a claim to Volgogradenergosbyt JSC to recover the debt for electricity transmission services for the period January-April 2012 in the amount of 1 346 333 718 rubles, Volgogradenergosbyt JSC filed a counter-claim to IDGC of the South PJSC for the recovery of the cost of electric power losses for the same period in the amount of 56 293 992 rubles. The cassation instance court case was remanded for a new trial in the court of appeal. As of the reporting date, the court of appeal the lawsuit of IDGC of the South PJSC was partially satisfied for the amount of 1 342 309 577 rubles, a counter-claim was partially satisfied for the amount of 9 899 485 rubles. Volgogradenergosbyt JSC filed a cassation complaint, consideration of which is scheduled for 26.03.2015. Decision of the Court of appeal on 31.03.2015 canceled the judicial acts, the case was sent for a new trial in the court of the first instance. By the resolution of the Commercial court of Volgograd region from 19.06.2015 from Volgogradenergosbyt JSC was recovered 11 897 773.15 rubles in favour of IDGC of the South PJSC recovered 15 239 511.69 rubles, as a result of settlements with IDGC of the South PJSC recovered 3141 738.54 rubles from Volgogradenergosbyt JSC. An appeal was submitted. The definition of the Twelfth Appellate Court dated 15.10.2015 on case assigned examination with a period of conduct - 30 calendar days upon the receipt by an expert of the case files (case No.A12-9388 / 2012).

39. IDGC of the South PJSC filed a claim to Volgogradenergosbyt JSC filed to recover the debt for electricity transmission services for the period July-September

2012 in the amount of 539 399 150 rubles, Volgogradenergosbyt JSC filed a counter-claim to IDGC of the South PJSC for the recovery of the cost of electric power losses in the same period in the amount of 251 971 572 rubles. The cassation court returned the case for a new trial at the court of appeal. As of the reporting date, the case is being considered by the appellate court, the court session was postponed till 31.03.2015. By the definition of the appellate court on 31.03.2015 the proceedings were suspended in connection with the appointment of judicial examination. The proceedings resumed at the request of the expert organization, the court session is scheduled for 24.11.2015 (case No.A12-26448 / 2012). Resolution of the appellate court from 29.01.2016, the decision of the court of first instance was revoked in part satisfaction of counter-claims, the proceedings were discontinued and initial claims were changed. In favour of IDGC of the South PJSC 33 798 540.70 rubles were recovered. IDGC of the South PJSC filed a cassation complaint to court in Povolzhsky district. Hearing was suspended till 19.07.2016.

40. IDGC of the South PJSC filed a claim to Volgogradenergosbyt JSC to recover the debt for electricity transmission services for October- December 2012 in the amount of 734 976 760 rubles, Volgogradenergosbyt JSC filed a counter-claim to IDGC of the South PJSC for the recovery of the cost of electric power losses for the same period in the amount of 256 254 793 rubles. The appeal court returned the case for retrial to the court of first instance. The court session is scheduled for 09.04.2015. By the resolution of the Commercial court of Volgograd region from 15.06.2015, Volgogradenergosbyt JSC was charged 378 834 372.23 rubles, IDGC of the South PJSC was charged 2 069 605.13 rubles. Volgogradenergosbyt JSC was charged 376 764 767,10 rubles in favour of IDGC of the South PJSC. An appeal was submitted. On 15.10.2015 Twelfth Appellate court appointed expert examination of the case for 30 calendar days from the date of receipt of by the expert case materials (case No.A12-1542/2013). Examination was completed; casae was resumed, hearing is scheduled for 19.05.2016. Volgogradenergosbyt JSC was charged 350 210,532 thousand rubles for serviced rendred in the periof from October 2012 to Decmeber 2012, IDGC of the South PJSC was charged 78 662 428.44 rubles of the cost of

electric power losses for the period of October, November, December of 2012. As a result of set-off in favor of IDGC of the South PJSC, 271 548 103.61 thousand rubles for services on electric power transmission for the period of October, November, December of 2012 were recovered (case No. A12-1542/2013).

41. IDGC of the South PJSC filed a claim to Volgogradenergosbyt JSC to recover the debt for electricity transmission services for January - April 2013 in the amount of 869,444,791 rubles, Volgogradenergosbyt JSC filed a counter-claim to IDGC of the South PJSC for the recovery of the cost of electric power losses for the same period in the amount of 162,083,296 rubles. Appellate court partially satisfied the claim of IDGC of the South PJSC for the amount of 694 million rubles; the counterclaim was dismissed. Volgogradenergosbyt JSC filed cassational appeal. Judicial acts were cancelled, the case was sent for a new trial, and the trial is scheduled for 09.04.2015. By the resolution of the Commercial court of Volgograd region from 20.05.2015 in favour of IDGC of the South PJSC 701 700 053.27 rubles were recovered. In favour Volgogradenergosbyt JSC 4 607 612.26 rubles were recovered. As a result mutual settlements in favour of IDGC of the South PJSC 697 092 441.01 rubles recovered. An appeal was submitted. On 09.15.2015 decision of the court rejected the appeal of Volgogradenergosbyt PJSC (case No.A12-7090 / 2013). Hearing of cassation appeal of Volgogradenergosbyt PJSC is scheduled for 02.04.2016. Decision of the Court of appeal of Povolzhsky region from 04.02.2016 left unchanged the judicial acts on the case and the cassation of Volgogradenergosbyt PJSC was dismissed.

42. IDGC of the South PJSC filed a claim to Volgogradenergosbyt JSC to recover the debt for electricity transmission services for the period October-November 2013 in the amount of 539,040,409 rubles, Volgogradenergosbyt JSC filed a counter-claim to IDGC of the South PJSC for the recovery of the cost of electric power losses in the same period in the amount of 32,142,429 rubles by the Court of first instance the claim of IDGC of the South PJSC was satisfied in the amount of 437,548,025 rubles (in connection with a voluntary debt payment), a counter-claim is granted in part on amount of 2 146 913. Volgogradenergosbyt JSC submitted an appeal.

Consideration of the appeal is scheduled for 16.04.2015. By the resolution of the 12<sup>th</sup> Appellate court on 27.04.2015, the re-examination of the case was assigned, proceedings were suspended. By the resolution of the 12<sup>th</sup> Appellate court on 27.04.2015, the re-examination of the case was assigned, proceedings were suspended. By a decision dated 09.09.2015, the additional documents were submitted and proceedings were extended for the period of examination for 15 working days from the date of delivery of announcement on extending the period of examination to the expert of the court (case No.A12-31771/2013). The court of appeal changed the decision. The initial Company's requirements were satisfied in the amount of 412 396 562.78 rubles. Counter claim was satisfied in the amount of 29 382 780.81 rubles. IDGC of the South PJSC filed a cassational appeal the Court of appeal of Povolzhsky district. Decision of the Court of Appeal of Volga region from 17.06.2016 left unchanged all the judicial acts on the case, the cassation appeal of "IDGC of the South" PJSC was not satisfied. The court session for consideration of the cassation appeal of IDGC of the South on judicial act to grant installment fulfillment of resolution is scheduled for 07.14.2016.

43. IDGC of the South PJSC filed a suit against Volgogradenergosbyt JSC on collection of indebtedness for services of electric energy transmission for the period: April - June 2014 года in the amount of 256 587 482 rubles, Volgogradenergosbyt JSC filed a statement of counter claim against IDGC of the South PJSC on collection of the cost of electric energy losses for the same period in the amount of 125 834 233 rubles. The legal proceedings were suspended by the court of the first instance until the accomplishment of expertize by 12.02.2015. The legal proceedings were resumed, the hearing was appointed on 23.03.2015. By the resolution of the court of appeal of Volgograd region on the legal proceedings were suspended due to commissioning of a repeated expert examination. By resolution of 04.06.2015 the term of the expert examination was extended till 25.07.2015. Volgogradenergosbyt PJSC filed an appeal. The court upheld the act. By the resolution of the Commercial court of Volgograd region from 28.08.2015 in favour of IDGC of the South PJSC 457 045 855.97 rubles were recovered. By the decision of the 12<sup>th</sup> Court of Appeal

dated 07.12.2015 the resolution of the court of the 1<sup>st</sup> instance was left unchanged. By the decision of Court of Appeal of Povolzhsky district from 31.03.2016 cassation petition of Volgogradenergosbyt PJSC was rejected. On 20.01.2016 the Commercial Court of the Volgograd Region provided an extension of deadline for implementation of the court order for 36 months. The resolution of the 12<sup>th</sup> Court of appeal on 17.03.2016 left the resolution on extension of deadline unchanged (case A12-22014/2014).

44. IDGC of the South PJSC filed a suit against Volgogradenergosbyt JSC on collection of indebtedness for services of electric energy transmission for the period: July-August 2014 in the amount of 335 959 645 rubles, Volgogradenergosbyt JSC filed a statement of counter claim against IDGC of the South PJSC on collection of the cost of electric energy losses for the same period in the amount of 74 301 631 rubles on 10.03.2015. The legal proceedings were suspended by the court of the first instance for the period of expertize implementation. By resolution of the Commercial court of Volgograd region dated 08.07.2015 the initial claim was satisfied, 160 109 359, 79 rubles were charged from the company in favour of IDGC of the South, the counter claim was partially satisfied in favour of Volgogradenergosbyt JSC in the amount 9 287 122,20 rubles. By the results of the offsetting, 150 822 237.59 rubles were charged from the company in favour of IDGC of the South. An appeal was submitted, which is left without a motion. Consideration of the complaint is scheduled for 10.22.2015. Delayed on 29.10.2015 (case No.A12-37939/2014). The proceedings were suspended. Examination was appointed.

45. IDGC of the South PJSC filed a suit against Volgogradenergosbyt JSC on collection of indebtedness for services of electric energy transmission for the period: September 2014 in the amount of 238 998 832 rubles, Volgogradenergosbyt JSC filed a statement of counter claim against IDGC of the South PJSC on collection of the cost of electric energy losses for the same period in the amount of 12 888 788 rubles on 19.03.2015. The legal proceedings were suspended by the court of the first instance for the period of expertize implementation. By resolution of the



Commercial court of Volgograd region dated 21.05.2015 claims of IDGC of the South PJSC were satisfied, Volgogradenergosbyt JSC was charged 177 954 793.31 rubles. The counter claim was dismissed. Volgogradenergosbyt JSC filed an appeal petition. By the decision of the court on 15.09.2015, the appeal of Volgogradenergosbyt PJSC was rejected (case No.A12-42051/2014). Cassation of Volgogradenergosbyt PJSC was scheduled for consideration on 09.02.2016. By the decision of the Court of Appeal of Povolzhsky district from 09.02.2016 the judicial acts on the case were upheld.

46. IDGC of the South PJSC filed a suit against Volgogradenergosbyt JSC on collection of indebtedness for services of electric energy transmission for the period: October, November in the amount of 98 297 597.27 rubles, Volgogradenergosbyt JSC filed a statement of counter claim against IDGC of the South PJSC on collection of the cost of electric energy losses for the same period in the amount of 86 758 210.01 rubles. By resolution of the Commercial court of Volgograd region dated 11.06.2015 the legal proceedings were suspended by the court of the first instance for the period of expertize implementation; case No.A12-669/2015. By the resolution of the Commercial court of Volgograd region dated 29.09.2015, the original claim was satisfied in favour of IDGC of the South PJSC, 81 946 501.11 rubles were recovered. Counterclaim is partially satisfied in favour of Volgogradenergosbyt PJSC, 22 998 053.02 rubles were recovered. According to the results settlements in favour of IDGC of the South PJSC 58 948 448.09 rubles were recovered on 29.10.2015. Volgogradenergosbyt PJSC submitted an appeal (case No.A12-669 / 2015). By the resolution of the 12<sup>th</sup> Court of Appeal from 03.03.2016, the claim of Volgogradenergosbyt PJSC was rejected.

47. IDGC of the South PJSC filed a suit against Volgogradenergosbyt JSC on collection of indebtedness for services of electric energy transmission for the period: December 2014 in the amount of 253 328 861.23 rubles, Volgogradenergosbyt JSC filed a statement of counter claim against IDGC of the South PJSC on collection of the cost of electric energy losses for the same period in the amount of 116 551 059, 27 rubles. By resolution of the Commercial court of Volgograd region dated

18.06.2015 the legal proceedings were suspended by the court of the first instance for the period of expertize implementation, case No.A12-6090/2015. By the resolution of the Commercial court of Volgograd region from 10.09.2015, the original claim was satisfied in favour of IDGC of the South PJSC, 242 184 958.25 rubles were recovered. Counterclaim was partially satisfied in favour of Volgogradenergosbyt PJSC, 20 927 603.21 rubles were recovered. According to the results of settlements, in favour of IDGC of the South PJSC 221 257 355.04 rubles were recovered. By the resolution of the 12<sup>th</sup> Court of Appeal from 02.03.2016, the claim of Volgogradenergosbyt PJSC was rejected. Hearing of cassation appeal of Volgogradenergosbyt in the Arbitration Court Povolzhsky region is scheduled for 08.02.2016.

48. IDGC of the South PJSC κ Volgogradenergosbyt JSC filed a suit against on collection of indebtedness for services of electric energy transmission for the period: January, February, March 2015 in the amount of 94 130 008.36 rubles, Volgogradenergosbyt JSC filed a statement of counter claim against IDGC of the South PJSC on collection of the cost of electric energy losses for the same period in the amount of 93 045 365.44 rubles. By resolution of the Commercial court of Volgograd region dated 30.06.2015 the legal proceedings were suspended by the court of the first instance for the period of expertize implementation, case No. A12-15676/2015. On 10.15.2015 by the resolution of the court the examination was extended until 16.11.2015. The hearing is scheduled for 08.02.2016. By the resolution of the Commercial court of Volgograd region from 02.03.2016, the lawsuit of IDGC of the South PJSC was satisfied, 69 346 162.09 rubles were recovered; counterclaim was partially satisfied, 26 573 546.33 rubles were recovered. By the results of settlements, in favour of IDGC of the South PJSC 42 772 615.76 rubles were recovered. Hearing of cassation appeal of Volgogradenergosbyt is scheduled for 14.07.2016.

49. IDGC of the South PJSC filed a claim to Volgogradenergosbyt JSC to recover the debt for electricity transmission services for April-June 2015 in the amount of 50 000 rubles. The lawsuit is considered in summary procedure (case No.A12-

28642/2015). IDGC of the South PJSC adjusted the sum of the claim by increasing it up to 521 469 525.83 rubles. Volgogradenergosbyt PJSC filed a counter-claim for the recovery of losses in the amount of 138 534 746.3 rubles. The court session was postponed till 26.10.2015. On 26.10.2015 the proceedings were suspended for carrying out expert examination. On 15.01.2016 the proceedings were renewed. Court session is scheduled for 10.02.2016. By the resolution of the Commercial court of Volgograd region dated 11.03.2016, the claim of IDGC of the South PJSC was satisfied, 115 027 680.37 rubles were recovered. The counter-claim was partially satisfied 27 076 268.25 rubles were recovered. By the results of settlements, in favour of IDGC of the South PJSC 87 951 412.12 rubles were recovered. On 06.07.2016 the proceedings were suspended, re-examination was assigned.

50. IDGC of the South PJSC filed a claim to Volgogradenergosbyt JSC to recover the debt for electricity transmission services for the period of July-August 2015 in the amount of 50 000 rubles, then the plaintiff adjusted the sum and increased it up to 494 357 791.87 rubles (case No. A12-44580/2015). The proceedings were suspended. Examination was assigned. After examination, IDGC of the South reconsidered the amount of the claim to 83 696 483.58 rubles PJSC Volgogradenerosbyt also reconsidered the amount of the counterclaim to 37 427 290.74 rubles. The court session is scheduled for 19.07.2016.

51. IDGC of the South PJSC filed a claim to Volgogradenergosbyt JSC for the recovery of interest on borrowed funds for November 2011 - July 2015 in the amount of 374 557 324 rubles 56 kopecks (case No.A12-49817/2015). In favour of the Company 371 530 688.23 rubles were charged. On 22.04.2016 the 12<sup>th</sup> Arbitration Appeal Court on 22.04.2016 left the resolution without changes.

## **VIII. Information on the issued securities, as well as their volume, terms, conditions and the order of their placement**

**8.1 Class, category (type) of securities:** registered shares

Category of shares: registered shares; Category: ordinary

These securities are inconvertible.

**8.2. Form of securities:** uncertified

**8.3. Required mandatory centralized custody:**

Mandatory centralized custody is not stipulated.

**8.4. Par value of each security of the additional issue:** 10 (ten) kopecks

**8.5. Quantity of securities of the additional issue (pieces):** 11 615 110 154 (eleven billion six hundred fifteen million one hundred ten thousand one hundred fifty four)

**8.6. Total quantity of previously placed securities of this issue (pieces):** 49 811 096 064 (forty nine billion eight hundred eleven million ninety six thousand sixty four) pieces.

**8.7. Rights of the holder of each security of the additional issue:**

In accordance with paragraph 6.2 of the Charter of IDGC of the South PJSC (hereinafter also, the “Issuer” or “Company”):

“6.2. Each ordinary share provides a shareholder - its owner - an equal amount of rights. According to the rights attached to ordinary shares, the shareholder is entitled to:

- 1) attend in person or by representatives the General Meeting of the Company’s Shareholders, having the right to vote on any matter within his competence;.....
- 4) receive dividends, declared by the Company;.....
- 6) receive part of the property in case of the Company’s liquidation;.....
- 11) Exercise other rights, stipulated by the law of the Russian Federation and this Charter.”

The Charter of the Company does not provide restriction of the maximum amount of votes belonging to one shareholder.

**8.8. Terms and method of placement of securities of the issue (additional issue):**

**8.8.1. Placement method:** public offering

Procedure for determining the start date of the placement:

The start date for the placement of securities constituting this additional issue of the Issuer’s securities shall be the day following the date when the persons included on the list of the persons having the preemptive right to acquire additional shares have been notified that they may exercise the preemptive right to acquire additional

shares. However, the placement start date may not be earlier than the date from which the Issuer provides access to the Securities Prospectus.

The Issuer shall post notification on the date of commencement of securities placement:

- in the news “Interfax” (hereinafter – the news) - not later than 1 (one) day before the date of commencement of securities placement;

- at the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>) - not later than 1 (one) day before the date of commencement of securities placement.

**Procedure for determining the end date of the placement:**

The end date of the placement of securities of this additional issue is 15 (fifteen) days from the expiry date for the submission of offers for acquisition of additional shares by public offering, referred to in paragraph 8.3 of the decision on the additional issue of securities (hereinafter – the End date of securities placement”).

Securities placement period may not exceed one year from the date of state registration of additional issue of securities. The dates of the placement of securities are determined on the basis of specifying the dates of disclosure of information concerning the additional issue of securities.

**Procedure for disclosing such information:**

Information on the state registration of the additional issue of securities shall be disclosed by the issuer in the form of a statement of material fact: “Information on the stages of the procedure of issuing the issuer's securities”, containing information on the state registration of the additional issue of securities and the procedure for access to information contained in the Securities Prospectus, within the following deadlines from the date of publication of information on the state registration of the additional issue of securities on the registering agency's website on the Internet or reception of a written notice from the registering body on the state registration of the additional issue of securities by mail, fax or electronic mail, delivery by hand, depending on which of the date comes earlier:

- in the news – within 1 (one) day

- on the Internet within 2 (two) days (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>).

The persons from the list of persons having the preemptive right to purchase additional shares, shall be notified by the Issuer on the possibility to exercise this right within 6 (six) business days from the date of state registration of the additional issue of securities. During this period, the notice on the possibility of exercising the preemptive right to purchase shares of the Issuer shall be published on the issuer's web-site on the Internet at [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru).

Date of commencement of placement of the securities cannot occur before the date on which the issuer provided access to the Prospectus.

The Issuer shall publish the text of the registered Securities Prospectus on the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>) before the date of commencement of placement of securities.

The Issuer is obliged to provide access to any interested party to the information contained in the registered Securities Prospectus by placing copies at: 49 Bolshaya Sadovaya str., Rostov-on-Don, 344002, Russian Federation.

The issuer is obliged to provide a copy of the registered Securities Prospectus of the issuer to the securities owners and other interested parties on their request for a fee not exceeding the cost of making such copies within a period not exceeding 7 (seven) days from the date of receipt of such requirement.

### **8.8.3. Placement procedure:**

Procedure and conditions for entering into agreements aimed at transferring securities to initial holders in the process of placing securities:

Shares shall be placed by means of entering into agreements aimed at acquiring placed securities (hereinafter also, the “Share Acquisition Agreement”).

The placement of shares to the persons exercising the preemptive right to acquire placed securities shall be carried out in accordance with the procedure provided for in paragraph 8.5 of the Decision on the Additional Securities Issue in accordance with their written applications to acquire placed securities. Prior to the expiration of

the Preemptive Right Period specified in paragraph 8.5 of the Decision on the Additional Securities Issue, shares may not be placed otherwise than by virtue of the exercise of the preemptive right.

If during the term of the preemptive right to purchase the shares of the issuer, not all shareholders took advantage of the preferential right to purchase the shares or did not use the advantage of this right to full extent, the remaining unsold shares are distributed among the public through public subscription.

Placement of additional shares among unlimited number of individuals on the open subscription is carried out by entering into an agreement to acquire shares in the manner described below in this paragraph.

For the purposes of entering into the Share Acquisition Agreement, the Issuer shall publish in the news of the information agency “Interfax”, and also on the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>) an offer, addressed to an indefinite number of persons, to acquire additional shares (hereinafter - the “The invitation to make offers”). The invitation to make an offer is published by the Issuer on the first working day following the day on which the Issuer in accordance with the procedure specified in paragraphs 8.5 and 11 of the Decision on additional issue of securities, took a decision to disclose information on the results of the pre-emptive rights.

Deadline for submitting offers to acquire the placed securities (hereinafter also, the “Offers”): The Offers may be submitted to the Issuer within 10 (ten) days after the later of the following acts done by the Issuer: the publication of the Invitation to Offer through the newswire or the posting of the Invitation to Offer on the Internet at <http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>.

The Offer shall be submitted by the potential acquirer (hereinafter – the Acquirer) at the Issuer’s address (49 Bolshaya Sadovaya str., Rostov-on-Don, 344002, Russian Federation) at business days from 9:00 a.m. to 16:00 p.m., Moscow time, either in person or via the Acquirer’s authorized representative having a duly issued power of attorney.

The Offer may also be sent by the Acquirer by mail to: IDGC of the South PJSC 49 Bolshaya Sadovaya str., Rostov-on-Don, 344002, Russian Federation.

Each Offer shall contain the following information:

- title: “Offer to Acquire Ordinary Registered Uncertified Shares of Public Joint Stock Company “Interregional Distribution Grid Company of the South”
- state registration number and date of state registration of the additional issue of securities
- full corporate name ) the Acquirer (for legal entities); surname, first name and patronymic of the Acquirer (for individuals)
- Taxpayer Identification Number (INN) of the Acquirer (if any)
- location (for legal entities) or place of residence (for individuals) of the Acquirer;
- in the case of an individual – identity document data (date and place of birth; series, number, and date of issue; issuing authority (or other identity document));
- in the case of a corporate entity, incorporation particulars (including, in the case of a Russian corporate entity, information about state registration/registration on the Uniform State Register of Juridical Persons (date, registration authority, registration certificate number));
- consent of the Acquirer to the purchase the placed shares in the quantity specified in the Offer at the offering price set forth in the Offer;
- quantity of acquired securities that may be expressed in one of the following ways:
  - as the exact number of shares that the Acquirer undertakes to acquire;
  - as the minimum number of shares that the Acquirer undertakes to acquire. Where the minimum number of shares is specified, this means that the Acquirer submitting the Offer has offered to acquire any number of placed shares in the quantity that is not less than the specified minimum number of shares;
  - as the maximum number of shares that the Acquirer undertakes to acquire. Where the maximum number of shares is specified, this means that the Acquirer submitting the Offer has offered to acquire any number of placed shares in the quantity that is not more than the specified maximum number of shares;



•as the minimum and maximum number of shares that the Acquirer undertakes to acquire. Where the minimum and maximum number of shares is specified, this means that the Acquirer submitting the Offer has offered to acquire any number of placed shares in the quantity that is not less than the specified minimum number of shares and not more than the specified maximum number of shares;

- number and details of the Acquirer's personal account on the Issuer's register of holders of registered securities

- if the Acquirer is a client of a nominal holder and the shares must be enrolled in the register of holders of the registered securities of the Issuer to a nominee account, then the Offer shall include data on the personal account of the nominal holder in the register of securities holders: the full corporate name of the depository (hereinafter – Depository of the first level. The depository of the first level in the Decision on the additional securities issue and the securities Prospectus is understood as a central depository, which carries out its activities in accordance with the requirements of the Federal law No.414-FZ “On the central Depository” dd 07.12.2011), information on the state registration (PSRN, name of the body that conducted the state registration, date of the state registration and making the entry to Unified State Register of Legal Entities), number of the personal account of the nominal holder in the register of holders of registered securities of the issuer, securities account of the Acquirer, the number and date of the depository agreement concluded between the depository and the Acquirer. If the Buyer's custody account is maintained by a nominee holder, that in its turn is a depositor of another nominee (hereinafter – the Second Level Depository), then the following information shall be specified in the Offer for each of such Custodians:

full company name;

data on the state registration (PSRN, name of the body that conducted the state registration, date of the state registration and entering the depository in the Unified State Register of Legal Entities) of the Depository of the First Level

the First Level Depository account number in the register of holders of registered securities of the Issuer;

the Acquirer's deposit account number;  
number and date of the depositary agreement concluded between the Depositary of the Second Level and the Acquirer;  
number and date of inter-depositary agreement concluded between the depositaries.

This information shall be indicated for all the nominal holders, starting with the nominal holder, at which the Acquirer opened a custody account (in respect of securities), and ending with nominal holder having a personal account in the register of holders of registered securities of the Issuer;

- banking details of the Acquirer that may be used for refund purposes
- method of submission of the results of the consideration of the Offer (handing to the Acquirer personally or through the authorized representative, or by the postal address, e-mail or fax) with contact information
- date of signing the Offer.

The Offer shall be signed by the Acquirer (or by the Acquirer's authorized person, provided that the Offer is accompanied by the original or a notarized copy of the duly issued power of attorney or any other document confirming the representative's authority) and shall, in the case of a corporate entity, bear the corporate seal (if any).

The Issuer may determine the recommended form of the Offer and publish it on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru)) simultaneously with an invitation to make an offer.

The Offer shall be accompanied:

- in the case of a corporate entity – by a notarized copy of constitutive documents and documents certifying the authority of the person empowered to act on behalf of the corporate entity without a power of attorney;
- if the person submitting the Offer is required by law to acquire the quantity of shares specified in the Offer with the prior consent of the antimonopoly authority, by a copy of the antimonopoly authority's consent thereto;
- if the person submitting the Offer is required by law to acquire the quantity of shares specified in the Offer with the prior consent of the Acquirer's authorized

management body, by a copy of the resolution to approve the transaction related to the acquisition of placed securities.

Offers that do not meet these requirements shall not be acknowledged.

The issuer registers the submitted Offers in the special register of the Offers (hereinafter – “Record Book”) on the date of their receipt, indicating the time of receipt to the exact minute.

Within 2 (two) working days after the deadline for submission of Offers, the issuer decides on the adoption (acceptance) of Offers of persons determined by the Issuer in its sole discretion from among the persons who submitted the Offer, in accordance with the requirements of paragraph 8.3 of the Decision on additional issue of securities. The issuer accepts the decision on acceptance of the Offer only if it meets the requirements set out in the Decision on additional issue of securities.

Submitted Offer that are to be satisfied in sole discretion of the issuer, shall be satisfied by the issuer satisfies to full extent, if the specified number of shares in the Offer does not exceed the number of shares remaining for placement after the Issuer satisfied Offers of other persons/ entities. If the number of shares specified in the Offer exceeds the number of shares remaining for placement after the Offers of others have been satisfied, the Offer may be granted in the amount remaining for the placement of shares, in case of presence in the Offer the Acquirer’s agreement to purchase fewer shares than specified in the Offer.

In the case an Offer to purchase all shares was satisfied, the satisfaction of the other offer shall not be carried out.

In no later than 1 (one) business day from the date of issuing the decision on the acceptance of the Offer, the Issuer sends a response on acceptance (satisfaction) of the Offer to the Acquirer, in person or through the authorized representative, or sends to the postal address, e-mail and fax specified in the Offer.

In response on acceptance of the Offer, the issuer indicates the number of shares in respect of which the Offer is met, the price of placement, as well as other essential terms of securities placement.

The Share Acquisition Agreement shall be deemed to be entered into upon receipt by the Acquirer the Issuer's reply that the Offer is accepted (acceptance). At the request of the Acquirer, the Agreement on the acquisition of shares may be issued as a single document signed by such person and the issuer during the term of the placement of shares (the signing of the contract is carried out on weekdays from 09.00 till 16.00 (Moscow time) at the Issuer's address: 49 Bolshaya Sadovaya street, Rostov-on-Don, 344002, Russian Federation).

Acquirer must pay for the shares in accordance with the procedure set forth in paragraph 8.6 of this Decision on the Additional Securities Issue.

If the obligation to pay for placed shares is not fulfilled, the Issuer shall have the right to refuse to fulfill its reciprocal obligation to transfer shares to the Acquirer.

In case the Acquirer partially fulfills obligations to pay for the shares within the specified period, the issuer has the right to fulfill its reciprocal obligation to transfer shares to the Acquirer in the amount paid by the Acquirer, or to completely refuse to fulfill the reciprocal obligation to transfer shares to the Acquirer. In the case the Issuer agrees to fulfill its reciprocal obligation to transfer shares to the Acquirer in the amount paid by the Acquirer, the Share Purchase Agreement with the Acquirer shall be considered amended upon the transfer to the Acquirer the amount of paid shares.

In the case of total refuse of the Issuer to fulfill its reciprocal obligation to transfer shares to the Acquirer in the abovementioned cases:

- a notice is to be given to the Acquirer in person or through the authorized representative, or sent to the postal address, email address and fax specified in the Offer, no later than 2 (two) business days from the date of issuing the decision to refuse to fulfill the reciprocal obligation. Share Purchase Agreement with the Acquirer shall be deemed terminated as of the date of dispatch or the date of delivery of such notice;
- Funds received by the Issuer from the Acquirer as the implementation (partial implementation) of obligations to pay for the shares shall be returned to such

Acquirer by bank transfer to bank details specified in the Offer, no later than within 30 (thirty) business days from the end date of the securities placement.

The costs of return of the overpaid funds shall be incurred by the person/entity the transferred the excessive funds.

Any agreements entered into for the purposes of the placement of shares may be amended and/or terminated for the reasons and in accordance with the procedure provided for in Chapter 29 of the Civil Code of the Russian Federation.

Securities are registered, the registrar is in charge of keeping the registry of holders.

The person to whom the Issuer issues (sends) a transfer order which is serving as the ground for making a credit entry in the personal account or custody account of the first owner – the issuer's registrar:

Full name: Joint Stock Company “Registrar ROST”

Abbreviated name: “Registrar ROST” JSC

Location: 18/3 Strominka str., Moscow

The number of license allowing to carry out the activity of a registrar: 045-13976-000001

Date of issue: 03.12.2002

Validity of the license: unlimited

Issuing authority: Federal Securities Commission of Russia

Phone: (495) 771-73-36.

The Issuer shall send to the registrar a transfer order, which is the basis for entry in the register of shareholders of a credit entry in the personal account of the Acquirer, or nominee whose depositor is the Acquirer, after full payment by the Acquirer for the corresponding number of shares not later than 3 (three) business days prior to the end date of placement.

The Issuer shall send to the registrar a transfer order, which is the basis for entry in the register of shareholders of a credit entry in the personal account of the person that implements pre-emptive right to acquire securities of the issuer or a nominal holder whose depositor is such person, not before the date of placement and not later than the day of summing up the results of implementation of the pre-emptive right

to purchase the securities.

Transfer of shares to the accounts of Acquirers of shares in the registry of holders of the issuer's registered securities (custody account in the Depository – nominee holder of the issuer's shares) is carried out only after full payment for the securities. Entry on the personal account of the Acquirer of shares in the registry of holders of the issuer's registered securities/custody accounts in the Depository - nominal holder, must be made before the end of the securities placement.

Pre-emptive right to purchase securities is provided when placing securities.

The placement of shares of this additional issue is carried out without the possibility of an acquisition outside of the Russian Federation, including through the placement in accordance with foreign laws of corresponding foreign securities certifying the rights in respect of the shares.

Shares, securities convertible into shares and options of the issuer distributed by closed subscription only among all shareholders with the provision to the specified shareholders the possibility to purchase whole number of the placed securities, proportional to the number of owned shares of the relevant category (type) are not placed.

The securities are not placed through bidding-based subscription.

The Issuer (or its authorized person) does not intend to enter into preliminary agreements in relation to placed securities.

Brokers providing the Issuer with services in relation to the placement and/or organization of the placement of securities are not engaged to make the placement of the securities.

Shares of this additional issue are not intended for distribution outside the Russian Federation, including by means of the placement of any relevant foreign securities.

It is not planned, at the same time as placing the securities, to offer for acquisition, including outside the Russian Federation by means of the placement of any relevant foreign securities, any of the Issuer's previously placed (outstanding) securities of the same class or category (type).

As defined by the Federal Law “On the Procedure for Making Foreign Investments in Economic Entities of Strategic Importance to Ensuring the Country’s Defense and National Security,” the Issuer is an economic entity that is of strategic importance to ensuring the country’s defense and national security.

In accordance with the Federal Law “On the Procedure for Making Foreign Investments in Economic Entities of Strategic Importance to Ensuring the Country’s Defense and National Security,” entering into agreements aimed at the transfer of the Issuer’s securities to their initial holders during the course of their placement requires prior consent under the above-mentioned Federal Law in the event that entering into such agreements results in a foreign investor or a foreign investor’s group taking control of the Issuer.

Entering into agreements aimed at the transfer of the Issuer’s securities to their initial holders during the course of their placement does not require prior approval of these agreements in accordance with the Federal Law “On the Procedure for Making Foreign Investments in Economic Entities of Strategic Importance to Ensuring the Country’s Defense and National Security”.

**8.8.4. Offering price(s) or procedure for determining the offering price(s):**

Offering price (including with respect to the persons included on the list of the persons having the preemptive right to acquire placed additional shares) of one additional share: 10 (ten) kopeks.

**8.8.5. Procedure for exercising the preemptive right to acquire placed securities.**

Date of the list of the persons having the preemptive right to acquire placed securities: 18.04.2016

Procedure for notifying the persons having the preemptive right to acquire placed securities that they may exercise the preemptive right:

The persons included on the list of the persons having the preemptive right to acquire additional shares shall be notified that they may exercise the preemptive right to acquire additional shares after the state registration of the additional issue of securities and not later than the sixth (6th) day after the date of the state registration

of the additional issue of securities by publishing the Preemptive Right Notice through the newswire and on the Internet at [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru) on the same day.

The Preemptive Right Notice shall contain information concerning:

- the quantity of placed additional shares;
- their offering price, including their offering price if the preemptive right is exercised
- the procedure for determining the quantity of shares that may be acquired by each person having the preemptive right
- the procedure for such persons' submitting to the Issuer their applications to acquire shares
- and the deadline for the Issuer's receiving such applications ("Preemptive Right Period")

Procedure for exercising the preemptive right to acquire placed securities:

In accordance with Article 40 of the Federal Law "On Joint-Stock Companies," shareholders owning the Issuer's ordinary shares shall have the preemptive right to acquire the quantity of the Issuer's additional shares in proportion to the quantity of the Issuer's ordinary shares that they hold.

Shareholders owning the Issuer's ordinary shares shall have the preemptive right to acquire the quantity of the Issuer's additional shares in proportion to the quantity of the Issuer's ordinary shares that they hold on the basis of the written applications (hereinafter also, the "Application(s)") to acquire such placed securities and document(s) on payment for acquired number of securities, specified in the Application.

The Issuer may approve the recommended application form. In this case, the sample of application is published on the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/> ) before the start date of the Term of the preemptive right.

In the process of exercising the preemptive right to acquire placed securities, the Share Acquisition Agreements shall be entered into with the persons having the



preemptive right to acquire placed securities in accordance with the procedure described below.

The Application shall contain the following information:

- title: “Application to Acquire Ordinary Registered Uncertified Shares of Public Joint Stock Company “Interregional Distribution Grid Company of the South” Through Exercising the Preemptive Right
- Full name (full corporate name) of the person having the preemptive right to acquire placed securities;
- Place of residence (registered address) of the person having the preemptive right to acquire placed securities;
- Quantity of the acquired securities

It is recommended that the following information also be included in the Application:

- In the case of an individual, identity document data (date and place of birth; series, number, and date of issue; issuing authority) ((or other identity document);
- In the case of a corporate entity, incorporation particulars (including, in the case of a Russian corporate entity, information about state registration/registration on the Uniform State Register of Juridical Persons (date, registration authority, registration certificate number))
- Taxpayer Identification Number (INN) of the person having the preemptive right to acquire the placed securities (if any)
- Number and details of the Applicant’s personal account on the Issuer’s register of holders of registered securities
- If any shares shall be deposited in a nominee holder’s personal account of the Central Custodian on the Issuer’s register of holders of registered securities, then the following information shall be specified:
  - data on the personal account of the nominal holder in the register of securities holders: the full corporate name of the depository (hereinafter – Depository of the first level. The depository of the first level in the Decision on the additional securities issue and the securities Prospectus is understood as a central depository, which

carries out its activities in accordance with the requirements of the Federal law No.414-FZ “On the central Depository” dd 07.12.2011), information on the state registration (PSRN, name of the body that conducted the state registration, date of the state registration and making the entry to Unified State Register of Legal Entities), number of the personal account of the nominal holder in the register of holders of registered securities of the issuer, securities account of the Acquirer, the number and date of the depositary agreement concluded between the depository and the Acquirer. If the Buyer's custody account is maintained by a nominee holder, that in its turn is a depositor of another nominee (hereinafter – the Second Level Depository), then the following information shall be specified in the Offer for each of such Custodians:

full company name;

data on the state registration (PSRN, name of the body that conducted the state registration, date of the state registration and entering the depository in the Unified State Register of Legal Entities) of the Depository of the First Level

the First Level Depository account number in the register of holders of registered securities of the Issuer;

the Acquirer's deposit account number;

number and date of the depositary agreement concluded between the Depository of the Second Level and the Acquirer;

number and date of inter-depository agreement concluded between the depositories.

This information shall be indicated for all the nominal holders, starting with the nominal holder, at which the Acquirer opened a custody account (in respect of securities), and ending with nominal holder having a personal account in the register of holders of registered securities of the Issuer;

- banking details of the Acquirer that may be used for refund purposes

- contact details of the applicant (postal address, email address and fax with area code);

- indication of the documents accompanying the application, confirming the Applicant's payment for the placed securities.

The Application shall be accompanied by a document confirming the payment for shares. Applicant must pay for the shares in accordance with the procedure set forth in paragraph 8.6 of this Decision on the Additional Securities Issue.

The Offer shall be signed by the Acquirer (or by the Acquirer's authorized person, provided that the Offer is accompanied by the original or a notarized copy of the duly issued power of attorney or any other document confirming the representative's authority) and shall, in the case of a corporate entity, bear the corporate seal (if any).

The Application shall be signed by the person having the preemptive right to acquire placed securities (or by such person's authorized person, provided that the Application is accompanied by the original or a notarized copy of the duly issued power of attorney or any other document confirming the representative's authority), or is sent by post.

Receipt of applications is carried out during the Term of the preemptive rights at the Issuer's address: 49 Bolshaya Sadovaya str., Rostov-on-Don, 344002, Russian Federation, every business day from 09.00 am to 4.00 pm (Moscow time). Address of the issuer for a submission by post: IDGC of the South PJSC 49 Bolshaya Sadovaya str., Rostov-on-Don, 344002, Russian Federation

The Applications shall be registered on a register of received Applications, specifying the time and date of receipt of each Application. The Issuer shall be entitled to refuse the exercise of the preemptive right by the person submitting the Application if:

- the Application fails to satisfy the requirements set forth in paragraph 8.5 of this Decision on the Additional Securities Issue;
- the Application does not allow the person on whose behalf the Application is submitted to be identified as the person having the preemptive right to acquire placed securities;
- the Application filed by a representative of the person having the preemptive right to purchase shares is not accompanied by the original or notarized copy of the duly executed power of attorney or other document confirming the representative's powers

- the Application fails to be accompanied by a document confirming the payment for shares by the person having the preemptive right to acquire shares;
- the Issuer receives the Application and/or a document confirming the payment for shares after the expiration of the Preemptive Right Period.

In the event the Issuer refuses to provide the possibility of exercising the preemptive right to a persons that submitted the Application, the Issuer shall, in not later than 10 (ten) business days, send to such person a notification with an indication of reasons why the implementation of pre-emptive rights is impossible.

In the case of receipt of notification on the impossibility of exercising the preemptive right to purchase additional shares, the person wishing to carry out the preemptive right, has the right to re-apply before the expiry of preemptive right period, by eliminating the errors because of which the implementation of preemptive rights is impossible.

The shares purchase agreement with persons exercising their preemptive right shall be deemed concluded at the time of receipt by the Issuer of a duly documented Application with the attached documents on payment for shares. If the statement was received by the Issuer prior to the date of commencement of placement of additional shares, the contract shall be concluded at the date of commencement of placement of shares.

During the term of the preemptive right, the person with the preemptive right can request a conclusion of contract on the purchase of shares in the form of a single document and signed by the parties. The contract can be sighed daily during working days from 9 a.m. to 4 p.m. (Moscow time) at the issuer's address: 49 Bolshaya Sadovaya street, Rostov-on-Don, 344002, Russian Federation.

The maximum quantity of the additional shares that may be acquired by a person through exercising the preemptive right to acquire the shares is proportional to the quantity of the Issuer's registered ordinary shares held by such person as of 18 April 2016 (the date of compiling the list of persons entitled to participate in the Annual General Meeting of Shareholders, held on June 6, 2016, at which it was decided to

increase the authorized capital by placing additional shares), and shall be calculated using the following formula:

$$V=A*(11\ 615\ 110\ 154 / 49\ 811\ 096\ 064),$$

V – is the maximum quantity of the additional shares of the additional issue of IDGC of the South PJSC, that may be acquired by the person having the preemptive right to acquire the placed additional shares,

A - is the quantity of the Issuer's registered ordinary shares held by the person having the preemptive right to acquire the shares as of 18 April 2016 (the date of compiling the list of persons entitled to participate in the Annual General Meeting of Shareholders, held on June 6, 2016, at which it was decided to increase the authorized capital by placing additional shares),

11 615 110 154 – is the quantity of the additional shares placed by the Issuer in accordance with the Resolution on issues of additional securities,

49 811 096 064 – is the quantity of the Issuer's placed ordinary shares as of 18 April 2016 (the date of compiling the list of persons entitled to participate in the Annual General Meeting of Shareholders, held on June 6, 2016, at which it was decided to increase the authorized capital by placing additional shares).

If the calculation of the quantity of the additional shares that may be acquired by any person having the preemptive right to acquire the additional shares by virtue of such person's preemptive right results in a fractional number, then such person shall be entitled to acquire the portion of a placed additional share (fractional share) corresponding to the fractional part of the calculated number. Any fractional share shall vest in the shareholder owning such share the rights attaching to the relevant category of shares within the scope equal to the portion of a whole share constituted by such fractional share. Fractional shares shall be traded on a par with whole shares. In the register maintenance system, fractional shares accounted for in registered persons' personal accounts shall not be subject to rounding up or down to the nearest whole share.

In case of refusal of the issuer to satisfy the request, the issuer returns the paid according to the documents accompanying the application for payment of placed

shares, funds received by the Issuer as payment for the shares, within 30 (thirty) business days from the date of expiration of the preemptive right.

If the number of shares specified in the Application is less the number of shares, the Applicant has paid for, it is considered that the applicant had exercised the preemptive right in respect of the number of shares specified in the Application; along with it the Application is approved in respect of the number of shares specified in it. In this case the overpaid funds shall be returned to the Applicant in the manner and time stipulated by paragraph 8.5 of the Resolution on the additional issue of securities.

If the number of shares specified in the Application exceeds the number of shares, the Applicant has paid for, it is considered that the Applicant had exercised the preemptive right in respect of the number of shares the Applicant paid for.

If the number of shares specified in the Application exceeds the maximum number of shares that may be acquired by the Applicant and the number of shares that are paid for is not less than the maximum number of shares that the applicant has the right to acquire in the exercise of preemptive rights, it is considered that the Applicant exercised the preemptive right in respect of the maximum number of shares which may be acquired by the Applicant when exercising the preemptive right. In this case the overpaid funds shall be returned to the applicant in the manner and time stipulated by paragraph 8.5 of the Resolution on the additional issue of securities.

**The procedure for return of funds overpaid by the Applicant when implementing the preemptive right to acquire additional shares**

In the abovementioned cases, the overpaid money shall be returned by bank transfer not later than 30 (thirty) business days from the date of expiration of the preemptive right. Return of funds is made to the bank account specified in the Application and if the Application details are not specified, then the details specified in the request for refund shall be used. If the request for refund does not contain bank details for the refund, and the demand for the return of funds was received by the issuer within 30 (thirty) business days from the date of expiration of the preemptive right, a refund

is made to the bank account specified in the registry of holders of registered securities of the issuer. The costs of return of overpaid funds shall be incurred by a person/entity that transferred the excessive money.

**Preemptive Right Period:**

Duration of the of the preemptive right (the period during which the application for the acquisition of shares by using pre-emptive right, as well as the document on payment for the purchased shares must be received by the Issuer), is 65 (sixty five) days from the date of publication of the notification on the website of the issuer on the Internet at [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru).

Prior to the expiration of the preemptive right period with respect to the placed securities, the securities may not be placed otherwise than by virtue of the exercise of this preemptive right.

The procedure of summarizing the results of implementation of pre-emptive right to purchase the securities:

Not later than 5 (five) days from the date of expiration of the pre-emptive right, the person performing the function of the sole executive body of the issuer, summarizes the results of the implementation of pre-emptive right to purchase the shares and specifies the total number of additional shares to be placed by public subscription among the general public.

Procedure for disclosing information concerning the exercised preemptive right to acquire placed securities:

Within 5 (five) days from the date of summing up the results of implementation of the pre-emptive right to purchase additional shares, the issuer discloses a message about the results of the pre-emptive right in “Interfax news agency, as well as on the Internet at: (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru>).

#### **8.8.6. Terms and procedure for payment for securities:**

**Payment may be made in monetary funds.**

Payment for additional ordinary registered uncertified shares of the Company is made in monetary funds in Russian rubles. The obligation to pay for the

corresponding amount of shares shall be deemed fulfilled upon the moment of receipt of funds to the accounts specified in the Resolution on additional issue of securities. Payment may not be made in cash. Payment shall be made by bank transfer. Method of payment by bank transfer: payment instructions, bank transfer receipts.

Cashless form of payment is stipulated.

### **Credit institution details**

1) Full corporate name: Public Joint Stock Company "Sberbank of Russia" (Astrakhan branch No.8625 of Public Joint Stock Company "Sberbank of Russia")

Short corporate name: "Sberbank of Russia" PJSC (Astrakhan branch No.8625 of "Sberbank of Russia" PJSC)

Location: Moscow, Russian Federation

Bank address: 19 Vavilova St., 117997 Moscow, Russia

(address of the Astrakhan branch No.8625 of "Sberbank of Russia" PJSC – 41 Kirova st., 414000 Astrakhan)

Account details:

Account number: 40702810405000003518

Account type: settlement account

BIC (Bank Identification Code): 041203602

Correspondent account: 30101810500000000602

Recipient: Public Joint Stock Company "Interregional Distribution Grid Company of the South" (TIN6164266561, tax registration reason code (KPP) 997450001)

2) For transfer of the federal budget payment for securities is carried out by transferring the money to the following account:

Full corporate name: Federal Treasury Department in Rostov Region

Short corporate name: FTD in Rostov Region

Location: 7/2 Svobody Square, 344019 Rostov-on-Don

Bank details of accounts to which the money received in payment for the securities shall be transferred:

TIN 6163030517



BIC (Bank Identification Code):046015001

Account type: settlement account

Account number: 40501810260151000002

Recipient: Public Joint Stock Company "Interregional Distribution Grid Company of the South" (TIN6164266561, tax registration reason code (KPP) 997450001)

Payment terms:

When shareholders exercise their preemptive right to purchase additional shares, the payment for the acquired shares shall be made not later than the expiry of the preemptive right referred to in paragraph 8.5 of the Resolution on the additional issue of securities.

Non- monetary form of payment is not stipulated.

**8.8.7. Information concerning the document that contains the actual results of the placement of securities and is submitted upon completion of the placement of securities**

The document that contains the actual results of the placement of securities and shall be submitted by the Issuer to the registration agency upon completion of the placement of securities is the Notification on the Additional Securities Issue Results

**8.9 Procedure and conditions of bond redemption and payment of income**

This paragraph applies to bonds only

**8.10 Information concerning the acquisition of bonds**

This paragraph applies to bonds only

**8.11 Procedure for the issuer's disclosing information concerning the additional issue of securities:**

Securities of the additional issue are placed by public subscription and state registration of additional issue of securities is accompanied by registration of the securities prospectus.

The procedure for the disclosure of information by the issuer on the additional issue of securities:

Information on the issue of securities is disclosed in the form of statements of the material facts and in accordance with the requirements established by the Federal

Law “On the Securities Market”, the Regulations on Standards of securities issue, the procedure of state registration of the issue (additional issue) of securities, state registration of the reports on issue (additional issue) of securities and registration of securities prospectuses approved by the Bank of Russia on August 11, 2014, No.428-P, and the Regulation on information disclosure by issuers of securities approved by the Bank of Russia on 11.08.2014 No. 454-P (hereinafter - Regulation).

In the event of changes in the legislation of the Russian Federation regulating the procedure and terms of disclosure of information by issuers of securities, the Company will be guided by the legislation current at the time of the information disclosure. The Issuer is obliged to disclose information on the additional issue of securities in the manner prescribed in Chapter II of the Regulation.

Announcements disclosed during the process issue, in accordance with the chapter II of the Regulation, are posted by the issuer on the issuer’s page on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and [www.mrsk-yuga.ru/](http://www.mrsk-yuga.ru/)), and should be available on the issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and [www.mrsk-yuga.ru/](http://www.mrsk-yuga.ru/)) for at least 12 (twelve) months from the date of expiration of the deadlines for their publication on the Internet, and if they are published on the Internet after the expiration of such period – from the date of their publication on the Internet.

Disclosure of information in the form of statements of material facts shall be carried out by publication of the notice of material fact in the following terms from the date of occurrence of the material fact:

- in the news agency “Interfax” - no later than 1 (one) day;
- on the Issuer's website (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and [www.mrsk-yuga.ru/](http://www.mrsk-yuga.ru/)) - no later than 2 (two) days.

The text of each statement of material fact will be available on the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and [www.mrsk-yuga.ru/](http://www.mrsk-yuga.ru/)) for at least twelve (12) months from the date of expiry of the deadline set for by the Regulation of its publication on the Internet, and if it is

published in the Internet after the expiration of such period – from the date of its publication on the Internet.

In the case where, in accordance with the Regulation information should be disclosed by publication in the news bulletin, the disclosure of such information in other ways, including, in accordance with the requirements of the Regulation, up to the moment of its publication in the news bulletin is not allowed.

1. Information on the adoption of decision on placement of securities is disclosed in the form of material fact notice on the decision on placement of securities. The moment of occurrence of the material fact on adoption of the decision to place securities shall be the date of making the minutes of meeting (the expiration date established by the legislation of the Russian Federation for making the minutes of meeting) of the general meeting of shareholders at which the decision on placement of securities was adopted.

2. Information on approval of the decision on the additional securities, information shall be disclosed by the Issuer in the form of a statement of material fact on approval of the decision on the additional securities issue.

The moment of occurrence of the material fact on adoption of the decision to place securities shall be the date of making the minutes of meeting (the expiration date established by the legislation of the Russian Federation for making the minutes of meeting) of the general meeting of shareholders at which the decision on placement of securities was adopted.

3. Information on the state registration of the additional issue of securities shall be disclosed:

3.1. in the form of statement of material fact on the state registration of the additional issue of securities.

The moment of occurrence of the material fact of state registration of additional issue of securities shall be the date of publication of information on the state registration of the additional issue of the issuer's securities on the registering agency's website on the Internet or the date of receipt of a written notice from the on state registration

of the additional issue of securities by post, fax, electronic communication, delivery by hand, depending on which of the date comes earlier;

3.2. in the form of a Decision on the additional issue of securities by way of publication on the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/> ;

The Issuer shall publish the text of the registered Decision on the additional issue of securities in the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru>) before the date of commencement of placement of securities. The text of the registered Resolution on the additional issue of securities shall be available on the Internet from the date of expiration of the deadlines for its publication on the Internet, and if it is published in the Internet after the expiration of such period – from the date of its publication on the Internet and to maturity of the additional issue of securities;

3.3. in the form of the Securities Prospectus published on the Issuer's Internet page (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>).

The Issuer shall publish the text of the registered Securities Prospectus on the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>) before the date of commencement of placement of securities.

The text of the registered Securities Prospectus shall be available on the Internet with an expiration date set by the Regulation for its posting on the Internet, and if it is published in the Internet after the expiration of such period – from the date of its publication on the Internet and before the expiration of at least five years from the date of publication on the Internet of the text of notification on the results of additional issue of securities submitted to the registration authority.

4. Information on the date of commencement of placement of securities shall be disclosed by the issuer in the form of an announcement on the date of commencement of placement in the news of the information agency “Interfax” and on the Issuer's website on the Internet (

[disclosure.ru/portal/company.aspx?id=11999](http://disclosure.ru/portal/company.aspx?id=11999) and <http://www.mrsk-yuga.ru/>) not later than in 1 (one) day prior to the placement of securities.

4.1. In case the issuer decides to postpone (change) the date of placement of the securities, disclosed in the above order, the issuer must publish a notice on the change of the date of securities placement in the news of the information agency “Interfax” and on the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>) not later than 1 (one) day prior to such date.

5. In the event that, during the securities placement period, the Issuer decides to amend the Decision on the Additional Securities Issue and/or the Securities Prospectus and/or in the event that, during the share placement period, the Issuer receives from the Bank of Russia a written request (order, prescript) to suspend the placement of securities, then the Issuer shall suspend the placement of securities and publish a statement of the suspension of the placement of securities through the newswire and on the Internet

A statement of the suspension of the placement of securities shall be published by the Issuer within the periods listed below after the date of the minutes (the expiration date of the period prescribed by the laws of the Russian Federation for issuing the minutes) of the meeting of the Issuer's authorized management body that has adopted the decision to amend the Decision on the Additional Securities Issue and/or the Securities Prospectus or, in the event of any change in the terms and conditions set forth in the securities placement decision, after the date of the minutes (the expiration date of the period prescribed by the laws of the Russian Federation for issuing the minutes) of the meeting of the Issuer's authorized management body that has adopted the decision to change such terms and conditions or after the date of receipt by the Issuer from the Authorized Agency a written request (order, prescript) to suspend the placement of securities by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first:

- in the case of publication through the newswire, not later than one (1) day;
- in the case of publication on the Internet at (

[disclosure.ru/portal/company.aspx?id=11999](http://disclosure.ru/portal/company.aspx?id=11999) and <http://www.mrsk-yuga.ru/>) - not later than 2 (two) days.

If placement of securities is suspended in connection with the adoption by the registering authority of resolution to suspend the issuance of securities, information on suspension of securities shall be disclosed by the issuer in the form of a statement of material fact on the suspension of the issue of securities.

The moment of occurrence of the material fact on the suspension of the issue of securities is the date of publication of the information on the suspension of the issue of securities by the issuer on the registration agency's website on the Internet or the date of receipt of a written notice from the registering authority to suspend the issuance of securities by mail, fax or electronic mail, delivery by hand depending on which of the date comes earlier.

6. During the securities placement period, after amendments to the Decision on the Additional Securities Issue and/or the Securities Prospectus are registered, after it is decided to refuse to register such amendments, or after a written notice (prescript, decision) is received during the securities placement period from the Authorized Agency stating permission to resume the placement of securities (termination of grounds for suspending the placement of securities), the Issuer shall publish a statement of the resumption of the placement of securities through the newswire and on the Internet. A statement of the resumption of the placement of securities shall be published by the Issuer within the periods listed below after the date when information concerning the registration of amendments to the Decision on the Additional Securities Issue and/or the Securities Prospectus or the refusal to register such amendments is posted on the registration agency's webpage or after the date when the Issuer receives from the registration agency a written notice of the registration of amendments to the Decision on the Additional Securities Issue and/or the Securities Prospectus or the refusal to register such amendments or a written notice (prescript, decision) from the Authorized Agency stating permission to resume the placement of securities (termination of grounds for suspending the placement of securities) by mail, by facsimile transmission, by electronic mail, or

by delivery against receipt, whichever date occurs first:

- in the case of publication through the newswire, not later than 1 (one) day;

- in the case of publication on the Internet at (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>) - not later than 2 (two) days.

If any amendments to the Decision on the Additional Securities Issue and/or the Securities Prospectus are registered, the Issuer shall publish the text of such registered amendments to the Decision on the Additional Securities Issue and/or the Securities Prospectus on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>) within two (2) days after information concerning the registration of such amendments is posted on the registration agency's webpage or after the Issuer receives from the registration agency a written notice of the registration of such amendments by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first.

The text of any registered amendments to the Decision on the Additional Securities Issue shall be available on the Internet from the expiration date of the period prescribed in the Disclosure Regulations for its publication on the Internet or, if published on the Internet after such expiration date, from the date of its publication on the Internet until the expiration of the period prescribed in the Disclosure Regulations for providing access on the Internet to the text of the registered decision on the additional securities issue.

The text of any registered amendments to the Decision on the Additional Securities Issue shall be available on the Internet from the expiration date of the period prescribed in the Disclosure Regulations for its publication on the Internet or, if published on the Internet after such expiration date, from the date of its publication on the Internet until the expiration of the period prescribed in the Disclosure Regulations for providing access on the Internet to the text of the registered decision on the additional securities issue.

If the placement of securities is resumed due to the registration agency's deciding to resume the issue of securities, then information concerning the resumed issue of securities shall be disclosed by the Issuer in the form of a statement of material fact about the resumption of the issue of securities within the periods listed below after the date when information that the issue of the Issuer's securities is resumed is posted on the registration agency's webpage or the date when the Issuer receives from the registration agency a written notice that the issue of securities is resumed by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first.

7. Within 5 (five) days from the date of summing up the results of implementation of the pre-emptive right to purchase additional shares, the issuer discloses the message about the results of the pre-emptive right in the news of the information agency "Interfax", as well as on the pages of the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>).

8. For the purposes of the conclusion of agreements on acquisition of shares, the issuer publishes at "Interfax" news agency, as well as on the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>) the offer addressed to an indefinite number of persons to acquire additional shares (hereinafter - the "invitation to make offers"). The invitation to make an offer is published by the Issuer on the first working day following the day on which the Issuer in accordance with the procedure specified in paragraphs 8.5 and 11 of the Decision on additional issue of securities, disclosed information on the results of the pre-emptive rights.

9. The Issuer is obliged to disclose the intention to submit a notification on the results of additional issue of securities prior to the placement of shares of the additional issue in the newswire of the information agency "Interfax" on the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>). The publication on the Issuer's website on the Internet (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>) is carried out after the publication at the news agency "Interfax".



10. Information on completion of placement of securities shall be disclosed in the form of a material fact notice on the completion of the securities placement.

The moment of occurrence of the material fact of the completion of the placement of securities is the date on which the placement of securities is completed.

At the stage of giving to the registration agency the Notice of the Additional Securities Issue Results, information shall be disclosed by the Issuer in the form of a statement of material fact about the Notice of the Additional Securities Issue Results given to the registration agency, and also in the form of notification on Additional Securities Issue Results at the issuer's website (<http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru/>).

The moment of occurrence of the material fact on submitting a notification to the registration authority on the additional issue of the securities issue, is the date of the submission (sending) of the notification to the registration authority.

The Issuer shall publish the text of the Notice of the Additional Securities Issue Results given to the registration agency on the Internet at <http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru> within two (2) days after the date when the Notice of the Additional Securities Issue Results is submitted (sent) to the registration agency.

The text of the Notice of the Additional Securities Issue Results shall be available on the Internet for at least 12 months from the expiration date of the period prescribed in the Disclosure Regulations for its publication on the Internet or, if published on the Internet after such expiration date, from the date of its publication on the Internet.

Information by publication in a periodical magazines/newspapers is not disclosed.

Information shall be disclosed through publication on the Internet: <http://www.e-disclosure.ru/portal/company.aspx?id=11999> and <http://www.mrsk-yuga.ru>

In addition, the issuer must disclose information in the form of statements of material facts, as well as in the form of a quarterly report of the issuer of the securities in accordance with the requirements of the order, form and timing of disclosure established by the Regulation.

The issuer must provide a copy of each message, including a copy of each statement of material fact published by the Issuer in accordance with the Regulation, as well as a copy of the registered decision on the additional issue of securities, securities prospectus and amendments thereto, submitted to the registration authority notification on the outcome of the additional issue of securities, a copy of the quarterly report of the issuer of the securities, a copy of the other documents, mandatory for disclosure under the regulations, to the owners of the issuer's securities and other interested parties upon their request for a fee not exceeding the cost of making such copies within a period not exceeding 7 days from the date of receipt of such requirements at the following address: 49 Bolshaya Sadovaya str., Rostov-on-Don, 344002, Russian Federation.

**8.12. Information concerning collateral for bond obligations related to the additional issue):**

This paragraph applies to bonds only

**8.13. Information concerning the representative of bond holders**

This paragraph applies to bonds only

**8.14. Information on referring the purchase of the bond to category of investment with increased risk**

This paragraph applies only to bonds

**8.15. Additional Information on Russian depositary receipts**

The securities are not Russian depositary receipts.

**8.16. Restrictions on acquisition and circulation of placed equity securities**

Indication of restrictions on the acquisition and circulation of securities, established in accordance with the RF law.

In accordance with the Federal Law No. 39-FZ of 22.04.1996 “On the Securities Market” and the Federal Law No. 46-FZ of 05.03.1999 “On Protection of Rights and Lawful Interests of Investors at the Securities Market”:

a) transactions entailing the transfer of ownership rights for equity securities (circulation of equity securities) shall be allowed after the state registration of the issue (additional issue) or assignment to the issue (additional issue) identification

number, unless otherwise stipulated by the Federal Law No. 39-FZ of 22.04.1996 “On the securities market”.

The transfer of ownership rights to the equity securities is prohibited until they are fully paid, and if the procedure for the issue of securities provides the state registration of the placement report (additional issue), - and to state registration of the said report;

b) public circulation of equity securities, including their offer to the public (including the use of advertising) is allowed, unless otherwise provided by the Federal Law dated 22.04.1996 No. 39-FZ “On the Securities Market”, while the following conditions are simultaneously met:

- registration of the securities prospectus (the prospectus of securities, privatization plan, registered as a securities prospectus), admission of exchange bonds or Russian depositary receipts to organized trading with the submission to the exchange the prospectus of these securities or the admission of equity securities to the organized trading without inclusion in the quotation lists;

- disclosure of the information by the issuer in accordance with the requirements of the Federal Law No. 39-FZ of 22.04.1996 “On the Securities Market”, and in case of admission to the organized trading of equity securities in respect of which registration of the securities prospectus is not carried out, - in accordance with the requirements of the trade organizer;

c) at the securities market is prohibited: public offering and public circulation, advertising and offer any other form of an unlimited range of securities entities, intended for qualified investors, securities, public placement and (or) public circulation of which is prohibited or not provided for by federal laws and other legal acts of the Russian Federation.

Limitations imposed by the issuer in accordance with its charter of on the maximum number of shares and their nominal value, belonging to one shareholder: none

Restrictions stipulated by the charter of the issuer and the Russian Federation, for potential purchasers - non-residents, including restrictions on the size of the share of foreign entities in the authorized capital of the issuer: none

### **8.17. Information on the dynamics of changes in the prices of equity securities**

Ordinary shares of the issuer are included in the list of securities admitted to organized trading in MICEX Stock Exchange. Kind, category (type), form and other identification features of securities: uncertified registered ordinary shares, registration number 1-01-34956-E of 20.09.2007

Information for each quarter during which at least 10 transactions involving such securities were concluded through the trade organizer, but in not more than the last three completed years:

Ordinary registered uncertified shares:

Reporting quarter	The minimum price of one share, rubles	The maximum price of one share, rubles	Market price of one share, disclosed by trade organizer, rubles
1 <sup>st</sup> quarter of 2013	0.04833	0.04898	0.04863
2 <sup>nd</sup> quarter of 2013	0.035	0.03619	0.03585
3 <sup>rd</sup> quarter of 2013	0.03320	0.03392	0.03366
4 <sup>th</sup> quarter of 2013	0.03118	0.03219	0.03164
1 <sup>st</sup> quarter of 2014	0.02403	0.02498	0.02371
2 <sup>nd</sup> quarter of 2014	0.03520	0.03653	0.03578
3 <sup>rd</sup> quarter of 2014	0.03600	0.03813	0.03656
4 <sup>th</sup> quarter of 2014	0.0309	0.0360	0.032
1 <sup>st</sup> quarter of 2015	0.0316	0.0350	0.0323
2 <sup>nd</sup> quarter of 2015	0.0309	0.0319	0.0316
3 <sup>rd</sup> quarter of 2015	0.0300	0.0313	0.0308
4 <sup>th</sup> quarter of 2015	0.0309	0.0312	0.0312

Organizer of trade, selected by the Issuer at its own discretion, for the purposes of disclosure of information on the dynamics of changes in prices for securities of the issuer (organizer of trade, through which transactions were concluded, on the basis of which this paragraph specifies information about the dynamics of changes in the prices of securities): Closed Joint Stock Company MICEX Stock Exchange (address:13 Bolshoy Kislovskiy pereulok, 125009, Moscow)

### **8.18. Information on the stock exchange organizers on which it is assumed to place and (or) circulate equity securities**

The issuer does not place securities by subscription through an auction organized by a stock exchange or a trade organizer in the securities market.

Securities of the issue, with respect to which the placed securities are an additional issue, are circulating through the organizer of trade at the securities market.

The Issuer does not plan to apply to the Stock Exchange or any other organizer of trade with the application for admission of securities to be placed to the organized trading.

Information on organizer of trade at the securities market, through which the securities of the issue, in relation to which the placed securities are additional issue (to which the issuer may apply for the admission of securities to trading securities), are circulating:

Full company name: Closed Joint Stock Company MICEX Stock Exchange

Abbreviated name: MICEX Stock Exchange, MICEX

Address: 13 Bolshoy Kislovskiy pereulok, 125009, Moscow Russian Federation, number of license of trade organizer to perform activities for the organized trading on commodities and (or) financial markets: License No. 077-007

Date of issue: 20.12.2013

expiration date: unlimited

Issued by: the Central Bank of Russian Federation

Other information on the trade in the securities market by the Issuer at its own discretion: none

### **8.19. Other information on the placed securities**

Other information about the securities being placed, their conditions and the order of their placement by the Issuer at its own discretion: none.

## **IX. Additional information on the Issuer and its issued securities**

### **9.1. Additional information about the issuer**

#### **9.1.1. Data on the size and structure of the issuer's authorized capital**

The size of the issuer's authorized capital as of the date of approval of the Prospectus: 4 981 109 606 (four billion nine hundred eighty one million one hundred nine thousand six hundred six) rubles 40 kopecks

Breakdown of the issuer's authorized capital for common and preferred shares:

Ordinary shares:

Total nominal value of ordinary shares: 4 981 109 606 (four billion nine hundred eighty one million one hundred nine thousand six hundred six) rubles 40 kopecks

Ordinary shares in the authorized capital of the issuer: 100%

Preference shares:

Total nominal value of preference shares: 0 rubles

The size of the preferred shares in the authorized capital of the issuer: 0%

The issuer's shares are not traded outside the Russian Federation by way of circulation of depositary securities (securities of a foreign issuer, certifying the rights in respect of such shares of a Russian issuer).

### **9.1.2. Information on changes in the issuer's authorized capital**

Information on the amount of the authorized capital of the issuer for the last five completed financial years preceding the date of approval of the Prospectus, as well as for the period from the beginning of the year up to the date of approval of the securities prospectus:

Changes the size of the authorized capital for the last five completed financial years preceding the date of approval of the Prospectus, as well as for the period from the beginning of the year to the Prospectus approval date did not occur.

### **9.1.3. Information on the procedure of convening and holding the meeting (session) of the issuer's supreme management body**

Name of the supreme body of the issuer: General Shareholders' Meeting

#### **The procedure for notifying shareholders on the meeting of the supreme body of the issuer:**

In accordance with paragraphs 11.5, 12.4 and 14.9.4 of the issuer's Charter:

11.5. The announcement on general shareholders meeting is placed on the Company's Internet web-site [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru) not later than 30 (thirty) days prior to the date of its carrying out.

The notice of the General Meeting of Shareholders shall specify:

- full corporate name and location of the Company;
- form of the General Meeting of Shareholders (joint presence or absentee voting);
- date, venue (including information about the premises), time of the General Meeting of Shareholders and postal address to which the filled-in ballots can be sent;

- the date of compiling the list of persons entitled to attend the General Meeting of Shareholders;
- agenda of the General Meeting of Shareholders;
- procedure of obtaining the information (materials) subject to provision during preparation for holding General Meeting of Shareholders, and address (addresses) where such information can be found;
- information about the documents that must be submitted for admission to the premises where the general meeting of shareholders will be hold, if the admission to the premises is not free.

12.4. Notification on holding the extraordinary General Meeting of Shareholders shall be published on the web site of Company [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru) on the Internet not later than 30 (thirty) days before the Company stops receiving the voting ballots.

The notice of the General Meeting of Shareholders shall specify:

- full corporate name and location of the Company;
- form of the General Meeting of Shareholders (joint presence or absentee voting);
- the deadline for receiving of voting bulletins and postal address to which the filled-in bulletins can be sent;
- the date of compiling the list of persons entitled to attend the General Meeting of Shareholders;
- agenda of the General Meeting of Shareholders;
- procedure of obtaining the information (materials) subject to provision during preparation for holding General Meeting of Shareholders, and address (addresses) where such information can be found.

14.9.4. The announcement on carrying out the extraordinary general shareholders meeting should be made not later than 70 (seventy) days up to the date of carrying out the meeting.

In accordance with Clause 2 of Article 52 of the Federal Law “On Joint Stock Companies” (as amended by Federal Law No. 210-FZ of 29.06.2015):

The following shall be indicated in an announcement of a general meeting of shareholders:

- the full name of the company and its location;
- the form of the forthcoming general meeting of shareholders (meeting or postal voting);
- the date, place and time of the forthcoming general meeting of shareholders and in the event completed ballot papers can be sent to the company under Item 3 Article 60 of the present Federal Law, the postal address to which they can be mailed, or in the event of the general meeting of shareholders being held in the form of voting, the deadline for receipt of ballot papers and the postal address to which completed ballot papers must be mailed;
- the date of compilation of the list of persons entitled to attend the general meeting of shareholders; the agenda of the general meeting of shareholders;
- the procedure for getting familiarised with information (materials) offered in preparation for the general meeting of shareholders and the address (addresses) where one can familiarise oneself with them
- e-mail address for sending the filled in ballots, and (or) the address of the website in the information and telecommunication network “Internet”, which can be filled in an electronic form of ballots, if such methods of submission and (or) filling in the ballots are provided by the company's charter;
- category (type) of shares whose owners have the right to vote on all or some of the issues on the agenda of the general meeting of shareholders.

Persons (bodies) entitled to convene (require to convene) an extraordinary meeting of the supreme body of the issuer, as well as the procedure for submitting (making) such requests:

**In accordance with paragraphs 14.2 - 14.5 of the Charter:**

14.4. The requirement on carrying out the extraordinary general meeting of Company's shareholders should contain items subjected to inclusion in the agenda of the meeting.

The persons (person) demanding convocation of the extraordinary general meeting of Company's shareholders are entitled to present the draft decision of the extraordinary general meeting of Company's shareholders, the proposal on the form



of carrying out of general shareholders meeting. If the requirement on convocation of the extraordinary general shareholders meeting contains the proposal of candidates, the corresponding provisions of Article 13 of the Charter are to be applied to such proposal. The Company's Board of Directors are not entitled to change the wording of the items of the agenda, wording of decisions on such items and to change the proposed form of carrying out the extraordinary general meeting of shareholders convoked on demand of the Audit Committee of the Company, the Auditor of the Company or the shareholders (shareholder) who are (is) owner(s) of at least 10 (ten) percent of the Company voting shares.

14.5. If the requirement on convocation of extraordinary general meeting of Company's shareholders is received from the shareholder (shareholders), it should contain name of the shareholder (shareholders) demanding convocation of the meeting, with indication of quantity, category (type) of the Company shares possessed by shareholder.

The request on convocation of the extraordinary general meeting of Company's shareholders should be signed by the person (persons) demanding convocation of the extraordinary general shareholders meeting.

**The procedure for determining the date of the Issuer's management body meeting:**

In accordance with paragraph 11.1 of the Charter.:

11.1. Annual general meeting of Company's shareholders is held not earlier than two months prior to and not later than six months after termination of the financial year.

In accordance with Clause 2, 3 of Article 55 of the Federal Law "On Joint Stock Companies" (as amended by Federal Law No. 210-FZ of 29.06.2015):

2. An extraordinary general meeting of shareholders convened on the request of the audit commission of the company, an auditor of the company or shareholders (shareholder) owning at least ten per cent of the voting shares of the company shall be held within 40 days after the filing of a request for convocation of an extraordinary general meeting of shareholders. If the agenda proposed for the

extraordinary general meeting of shareholders includes the issue of election of members of the board of directors (supervisory board) of the company who must be elected by cumulative vote such a general meeting of shareholders shall be convened within 75 days after the filing of the request for convocation of a general meeting of shareholders, unless a shorter term is required by the charter of the company. In this case, the Board of Directors (Supervisory Board) of the Company shall determine the date before which shareholders' proposals will be accepted for nomination of candidates for election to the Board of Directors (Supervisory Board) of the company.

3. In cases when under Articles 68 - 70 of the present Federal Law the board of directors (supervisory board) of a company must make a decision to convene an extraordinary general meeting of shareholders such a general meeting of shareholders shall be convened within 40 days after the date when the decision to convene it was adopted by the board of directors (supervisory board) of the company, unless a shorter term is envisaged by the charter of the company. In cases when under the present Federal Law the board of directors (supervisory board) of a company must make a decision to convene an extraordinary general meeting of shareholders for the purpose of electing members of the board of directors (supervisory board) of the company who must be elected by cumulative voting such a general meeting of shareholders shall be convened within 70 days after the date when the decision to convene it was adopted by the board of directors (supervisory board) of the company, unless a shorter term is envisaged by the charter of the company.

In accordance with paragraph 2.2 of the Regulations on the General Shareholders' Meeting (approved by the AGM of IDGC of the South. Minutes of meeting No.13 dated 06.22.2015) the decision on determining the date of the General Meeting of Shareholders shall be adopted by the Board of Directors of the Issuer (and, in the cases provided by paragraph 3.1 of this Regulations – by other persons) during preparation for the General meeting of shareholders.

**Persons entitled to make proposals to the agenda of the issuer's top management body meeting and the procedure for making such proposals:**

**In accordance with paragraphs 13.1 - 13.7 of the Charter:**

13.1. The shareholders (shareholder) of the Company possessing in total at least 2 (two) percent of Company's voting shares in the term not later than 60 (sixty) days after termination of the financial year are entitled to propose items for the agenda of the annual general shareholders meeting and to nominate candidates for the Board of Directors and the Audit Committee of the Company, which number does not exceed the quantitative structure of the corresponding body.

13.2. The proposal on inclusion of items in the agenda of the general shareholders meeting and the proposal on nomination of candidates shall be brought in writing with indication of the name of the shareholders (shareholder) who presented them, quantity and category (type) of shares belonging to them and shall be signed by the shareholders (shareholder).

13.3. The proposal on moving items in the agenda of the general shareholders meeting should contain the wording of each proposed item, and the proposal on nomination of candidates - name and data of the document proving the identity (series and (or) number of the document, date and place of its issuing, the body which issued the document) of each proposed candidate, the name of body he/she is proposed to.

13.4. The Company's Board of Directors are obliged to consider the received proposals and to make the decision to include or not the items in the agenda of the general meeting of Company's shareholders not later than 5 (five) days after termination of the term specified in the item 13.1 of the Article.

13.5. The Company's Board of Directors is entitled to refuse the inclusion of the items proposed by the shareholder (shareholders) in the agenda of the general shareholders meeting and also to refuse entering of candidates in the list of nominees for voting at election to the corresponding body of the Company on the bases stipulated by the Federal Law "On Joint Stock Companies" and other legal acts of the Russian Federation.

13.6. The well-founded decision of the Company's Board of Directors on refusal to include an item in the agenda of the general meeting of Company's shareholders or the candidate in the list of nominees for voting at election to the corresponding body of the Company should be sent to the shareholder (shareholders) who proposed an item or made a proposal on nomination, no later than 3 (three) days from the moment of its taking.

13.7. The Company's Board of Directors cannot change the wording of the items proposed for inclusion in the agenda of the general shareholders meeting, and (if available) in the wording of decisions on such items.

Besides the items proposed for inclusion in the agenda of the general shareholders meeting by shareholders, and also in case of absence of such proposals, absence or insufficient quantity of the candidates proposed by shareholders for forming the respective body, the Company's Board of Directors shall be entitled to include items or candidates for the list of nominees in the agenda of the general shareholders meeting at their own discretion.

**In accordance with Clause 3 of Article 53 of the Federal Law "On Joint Stock Companies" (as amended by Federal Law No. 210-FZ of 29.06.2015):**

"3. The proposal to include items to the agenda of the General Meeting of Shareholders and nomination of candidates shall be submitted with the name of shareholder(s), number and category (type) of shares owned by them and shall be signed by the shareholder(s) or their representatives. Shareholder(s) who are not registered in the register of shareholders of the Company shall be entitled to make proposals to the agenda of the General Shareholders Meeting and proposals on nomination of candidates and by giving appropriate instructions to a person who considers their rights to shares. These instructions are given in accordance with the rules of the Russian Federation on securities."

Persons who are entitled to review the information (materials) provided for preparation and holding of Issuer's management body meeting and also the order of familiarization with such information (materials):

**In accordance with paragraphs 11.7 - 11.8 of the Charter:**

11.7. The information (materials) about the General Meeting agenda issues – within 20 (twenty) days, and in case of the General Meeting with the agenda including the issue concerning the Company reorganization within 30 (thirty) days prior to the General Meeting date – shall be available to the persons entitled to attend the General Meeting of Shareholders in order to familiarize therewith in the office of the executive body of the Company and other places the addresses whereof are specified in the notice of the General Meeting of Shareholders. The stated information (materials) shall be available to persons participating in the General Meeting of Shareholders in the course of the meeting. Along with it, the Company aims to ensure the availability of materials for the General Meeting of Shareholders not less than 30 days prior to the meeting.

11.8 The order of examination by the persons entitled to participation in the general shareholders meeting, of the information (data) on the agenda items of the general shareholders meeting and the list of such information (materials) shall be defined by the decision of the Company's Board of Directors.

**In accordance with Clause 3 of Article 52 of the Federal Law “On Joint Stock Companies” (No. 210-FZ of 29.06.2015):** Where a person entitled to attend the general meeting of shareholders so requests the company shall provide copies of the aforesaid documents thereto. The payment charged by the company for these copies shall not exceed the cost thereof.

In accordance with Clause 4 of Article 52 of the Federal Law “On Joint Stock Companies” (No. 210-FZ of 29.06.2015): “4. If a person registered in the register of shareholders of a company is the nominal holder of shares the announcement of general meeting of shareholders and information (materials) that are to provided to the persons entitled to attend the general meeting of shareholders, during the preparation for the general meeting of shareholders of the company are available at accordance with the rules of the Russian legislation on securities for provision of information and materials to persons exercising rights under the securities.”

**Procedure of announcement (bringing to the attention of the issuer's shareholders) of decisions taken by the supreme governing body of the issuer as well as voting results:**

**In accordance with paragraph 11.13 of the Charter:** 11.13. Decisions adopted by the General Shareholders Meeting and the voting results are announced at the general meeting of shareholders, and should be provided to the persons included in the list of persons entitled to attend the general meeting of shareholders, in the form of Report on voting in the manner prescribed for notifying on the General Meeting of Shareholders no later than four working days after the closing date of the General Meeting of Shareholders.

If as of the date of making the list of persons entitled to attend the General Meeting of Shareholders a person registered in the registry of shareholders of the Company was a nominee shareholder, then the report on the results of voting shall be sent in electronic form (in the form of an electronic document signed by electronic signature) to a nominal holder of shares. A nominee shareholder shall inform their participants on the report on the voting results obtained in accordance with this clause of the Charter, in the manner and within the time established by regulations of the Russian Federation or the contract the depositor.

**In accordance with paragraph 12.8 of the Charter:** 12.8. Decisions adopted by the General Shareholders Meeting and the voting results are announced at the general meeting of shareholders, and should be provided to the persons included in the list of persons entitled to attend the general meeting of shareholders, in the form of Report on voting in the manner prescribed for notifying on the General Meeting of Shareholders no later than four working days after the closing date of the General Meeting of Shareholders.

If as of the date of making the list of persons entitled to attend the General Meeting of Shareholders a person registered in the registry of shareholders of the Company was a nominee shareholder, then the report on the results of voting shall be sent in electronic form (in the form of an electronic document signed by electronic signature) to a nominal holder of shares. Nominee shareholder shall inform their

participants on the report on the voting results obtained in accordance with this clause of the Charter, in the manner and within the time established by regulations of the Russian Federation or the contract the depositor.

In accordance with Clause 4 of Article 61 of the Federal Law “On Joint Stock Companies” (No. 210-FZ of 29.06.2015):

“4. Decisions taken by the General Meeting of Shareholders and the results of voting are announced at the General Meeting of Shareholders at which the voting took place, and should be brought to the attention of the persons included in the list of persons entitled to attend the general meeting of shareholders, in the form of the report on voting results in the manner prescribed for the notice of the general meeting of shareholders not later than four working days after the closing date of the general meeting of shareholders or the deadline for receipt of ballots if the general meeting of shareholders is held in the form of absentee voting.

If on the date of determination (fixing) the persons entitled to attend the general meeting of the shareholders, the person registered in the register of shareholders of the company is a nominee holder of shares, the information contained in the report on the voting results, shall be given to the nominal holder of shares in accordance with the law of the Russian Federation on securities for provision of information and materials to persons exercising rights under the securities.”

**8.1.4. Data on the commercial entities in which the Issuer holds at least 5 percent of authorized (share) capital (share fund) or at least 5 percent of ordinary shares**

1.

Full Company name	Joint Stock Company “Agricultural Enterprise named after Grechko A.A.”
Short Company name	“PSKh named after Grechko A.A.” JSC
Address	21 Teatralnaya st, village Kuibyshevo, Kuibyshevskiy district, Rostov Area, Russia
TIN	6117010611
PSRN (OGRN)	1036117000798
1) Issuer’s stake in the authorized capital of the company	1) 100.00%
2) Issuer’s stake of the ordinary shares of the company	2) 100.00%

1) Stake of the company in the Issuer's authorized capital Stake of the Issuer's ordinary shares held by the company	1) 0% 2) 0%
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2.

Full Company name	Joint Stock Company "Agricultural Enterprise Sokolovskoye"
Short Company name	"Sokolovskoye PSKh" JSC
Address	32 Kurskaya Str., settlement Sokolovo-Kurduchenskiy, Novoshakhtinsk, Russia
TIN	6151011887
PSRN (OGRN)	1036151002667
1) Issuer's stake in the authorized capital of the company 2) Issuer's stake of the ordinary shares of the company	1) 100.00% 2) 100.00%
1) Stake of the company in the Issuer's authorized capital Stake of the Issuer's ordinary shares held by the company	1) 0% 2) 0%

3.

Full Company name	Joint Stock Company "Recreation Centre "Energetik"
Short Company name	"Recreation Centre "Energetik" JSC
Address	3 Shkolnaya Str., village Shepsi, Tuapsinskiy district, Krasnodar Region, Russia
TIN	2355016847
PSRN (OGRN)	1032330762463
Address	3 Shkolnaya Str., village Shepsi, Tuapsinskiy district, Krasnodar Region, Russia
1) Issuer's stake in the authorized capital of the company 2) Issuer's stake of the ordinary shares of the company	1) 100.00% 2) 100.00%
1) Stake of the company in the Issuer's authorized capital Stake of the Issuer's ordinary shares held by the company	1) 0% 2) 0%

4.

Full Company name	Joint Stock Company "Energoservis Yuga"
Short Company name	"Energoservis Yuga" JSC
TIN	2355016847
PSRN (OGRN)	1032330762463
Address	49 Bolshaya Sadovaya str., Rostov-on-Don 344002, Russia, RF
1) Issuer's stake in the authorized capital of the company 2) Issuer's stake of the ordinary shares of the company	1) 100.00% 2) 100.00%



1) Stake of the company in the Issuer's authorized capital	1) 0%
2) Stake of the Issuer's ordinary shares held by the company	2) 0%

### **9.1.5. Data on material transactions concluded by the Issuer**

Information on each material transaction (group of interrelated transactions) with liabilities which amounts to 10 percent or more of the Company's assets according to its financial statements for the last completed reporting period preceding the transaction made by the issuer for the last 5 completed financial years preceding the date of approval of the Securities Prospectus:

In 2011 - 2015 the Issuer did not make any significant transactions (groups of interrelated transactions) with liabilities which amount to 10 percent or more of the Company's assets according to its financial statements for the last completed reporting period prior to the transaction.

### **9.1.6. Data on credit ratings of the Issuer**

Information on assignment of credit rating to the issuer and/or securities of the issuer, known to the issuer, for the last five completed financial years:

Issuer and (or) securities of the issuer were not assigned any credit ratings for the last five completed financial years.

## **9.2. Data on each category (type) of the Issuer's shares**

Category of shares: **ordinary**

The nominal value of each share (rubles): **10 (ten) kopecks**

The number of shares in circulation (number of shares that are not redeemed or canceled): **49 811 096 064**

The number of additional shares that may be placed, or are in the process of placement (number of additional shares with state registration is carried out, but for which was not performed a state registration of the report on the additional issue or not a notification on the results of additional issue was not submitted, if in case in accordance with the Federal Law "On the Securities Market" the state registration of report on the additional issue of shares was not carried out): **0**

Number of authorized shares: **31 078 103 936 ordinary registered shares**

The number of shares in ownership (on the balance sheet) of the issuer: **0**

The number of additional shares that may be placed as a result of conversion of outstanding securities convertible into shares or performing obligations under the issuer's options: **0**

State registration number of the issuer's shares and the date of state registration, and in the presence of additional issues of shares of the issuer in relation to which the registering agency did not made decision on cancellation of the individual number (code), - and state registration number and date of state registration of each such additional issue: **Date of state registration: 20.09.2007; State registration number of the issue: No.1-01-34956-E**

The rights granted by shares to their owners:

In accordance with paragraph 6.2 of the Charter of IDGC of the South PJSC (hereinafter also, the "Issuer" or "Company"):

"6.2. Each ordinary share provides a shareholder - its owner - an equal amount of rights. According to the rights attached to ordinary shares, the shareholder is entitled to:

- 1) attend in person or by representatives the General Meeting of the Company's Shareholders, having the right to vote on any matter within his competence;.....
- 4) receive dividends, declared by the Company;.....
- 6) receive part of the property in case of the Company's liquidation; .....
- 11) Exercise other rights, stipulated by the law of the Russian Federation and this Charter."

### **9.3 Data on previous issues of securities of the Issuer except for shares**

#### **9.3.1. Data on issues all securities of which were repaid**

Information on each issue, all the securities of which were redeemed during the last five completed financial years:

Kind, series (type), form and other identification characteristics of securities	non-convertible interest-bearing certificated bonds with mandatory centralized custody, series 02; with maturity at 1820 <sup>th</sup> day from the date of issue, par value: 1 000 rubles each in the amount of 6 000 000 shares to be placed by open subscription
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State registration number, date of state registration of the issue, (identification number of the issue and the date of its assignment in case the issue of securities is not subject to state registration)	State registration number: 4-02-34956-E; date of state registration of the issue: 16.12.2008
Registering authority that performed the state registration of securities (the organization that assigned the identification number to the issue of securities, in case the issue of securities is not subject to state registration)	FFMS of Russia
Amount of securities of the issue	6 000 000
Volume of the issue at par value or indication that in accordance with RF legislation the par value in this type of securities is not provided	6 000 000 000 rubles
Term (date) of the securities redemption	26.08.2014
Basis for redemption of securities of the issue (implementation of obligations under securities, their conversion in connection with the placement of the securities of another issue, recognition of the issue of securities as failed or invalid, other)	implementation of obligations under securities

### **9.3.2. Information on the issues, the securities of which are not redeemed**

Information on the total number and par value (in case of presence of nominal value for this type of securities) of all securities of the issuer of each kind, with the exception of shares in respect of which the state registration of issue(s) was performed (assignment of identification number in case in accordance with the Federal law “On securities market” issue is not subject to state registration), and which are not paid (can be placed, are being placed, placed and (or) are in circulation):

Types of securities	Total number of all securities	Total volume of all securities at par value, rubles
Bonds	11 000 000	11 000 000 000
Registration number:		
Bonds (4B02-01-34956-E)	5 000 000	5 000 000 000
Bonds (4B02-02-34956-E)	6 000 000	6 000 000 000

Information on each issue of securities in respect of which state registration was carried out (assignment of identification number in case in accordance with the Federal law “On securities market” issue is not subject to state registration), and which are not paid (can be placed, are being placed, placed and (or) are in circulation):

1.

Kind, series (type), form and other identification characteristics of securities	documentary interest non-convertible exchange-traded bearer bonds of series BO-01 with obligatory central storage
State registration number, date of state registration of the issue, (identification number of the issue and the date of its assignment in case the issue of securities is not subject to state registration)	The issue of securities is not subject to state registration ; Identification number of the issue: 4B02-01-34956-E Date of ID assignment: 04.09.2014
Registering authority that performed the state registration of securities (the organization that assigned the identification number to the issue of securities, in case the issue of securities is not subject to state registration)	The body that assigned identification number to the issue: Closed Joint Stock Company "MICEX Stock Exchange".
Amount of securities of the issue	5 000 000
Volume of the issue at par value or indication that in accordance with RF legislation the par value in this type of securities is not provided	5 000 000 000 rubles Nominal: 1 000 rubles
State of securities(can be placed, are being placed, placed and (or) are in circulation)	in circulation
Date of state registration of report on the results of securities issue (date of submission of the notice on the issue of securities)	State registration of the issue report was not performed
The amount of interest (coupon) period for which payments are made for income (coupons, interest) on securities of the issue	20
Term (date) of the securities repayment	The maturity date is 1813-th (one thousand eight hundred and thirteenth) day from the date of commencement of the placement of exchange-traded bonds.
Address of the Internet page on which the text of the decision on the securities issue and the securities prospectus was published	<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.

Kind, series (type), form and other identification characteristics of securities	documentary interest non-convertible exchange-traded bearer bonds of series BO-02 with obligatory central storage
State registration number, date of state registration of the issue, (identification number of the issue and the date of its assignment in case the issue of securities is not subject to state registration)	The issue of securities is not subject to state registration ; Identification number of the issue: 4B02-02-34956-E Date of ID assignment: 04.09.2014
Registering authority that performed the state registration of securities (the organization that assigned the identification number to the issue of securities, in case the issue of securities is not subject to state registration)	The body that assigned identification number to the issue: Closed Joint Stock Company "MICEX Stock Exchange".
Amount of securities of the issue	6 000 000
Volume of the issue at par value or indication that in accordance with RF legislation the par value in this type of securities is not provided	6 000 000 000 rubles Nominal: 1 000 rubles

State of securities(can be placed, are being placed, placed and (or) are in circulation)	in circulation
Date of state registration of report on the results of securities issue (date of submission of the notice on the issue of securities)	State registration of the issue report was not performed
The amount of interest (coupon) period for which payments are made for income (coupons, interest) on securities of the issue	20
Term (date) of the securities repayment	The maturity date is 1813-th (one thousand eight hundred and thirteenth) day from the date of commencement of the placement of exchange-traded bonds.
Address of the Internet page on which the text of the decision on the securities issue and the securities prospectus was published	<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>

With respect to securities the state registration of the additional securities issue (the assignment of the identification number of the additional issue of securities was not carried out) was not implemented.

The securities are not secured bonds. The securities are not convertible securities.

The securities are not Issuer's options. The securities are not Russian depositary receipts. The Issuer does not have non-performed or improperly performed obligations under securities of the issue, maturity date of which has occurred.

#### **9.4 Information on the person(s), that provided security for bonds of the issuer with the provision, as well as the security provided for the issuer's bonds with the provision**

The Issuer did not place secured bonds for which the obligations have not been fulfilled.

#### **9.5. Information on entities recording the rights to the issued securities of the Issuer**

Registrar is keeping the register of the Issuer's bearer securities holders

Full company name: **Open Joint Stock Company "Registrar R.O.S.T."**

Short company name: "Registrar R.O.S.T.", JSC

Location: 18/13 Stromynka St., Moscow, 107996

TIN: 7726030449; PSRN: 1027739216757

Number of license for keeping the register of securities holders: 045-13976-00001

Issuing date: 03.12.2002

License validity term: Without limitation of the period of validity

License issuing authority: FCSM (FFMS) of Russia

Date of commencement of keeping the register of the Issuer's bearer securities holders by the Registrar: 02.12.2010

Other data on keeping the register of holders of registered securities of the Issuer, specified by the Issuer at its own discretion: address for sending e-mail correspondence to the registrar: 18/13 Stromynka St., Moscow, 107996

The Issuer's certificated securities subject to compulsory centralized storage are in circulation.

Depositories

Full company name: The National Settlement Depository (Closed Joint Stock Company); Sort company name: NSD,

Location: Building 4, 1/13 Sredniy Kislovskiy per., Moscow, Russia 125009

TIN: 7702165310; PSRN: 1027739132563

Data on the license to carry out the depository activity in the securities market

Number: 177-10042-000100

Issuing date: 19.02.2009

License validity term: Without limitation of the validity term

Name of the license issuing authority: Bank of Russia

#### **9.6. Data on the acts regulating issues of import and export of capital that can influence distribution of dividends, interest and other payments to nonresidents**

Legislation acts of the Russian Federation, current on the date of approval of the Prospectus, which regulate the import and export of capital, and may affect the payment to nonresidents of dividends on shares of the issuer, and if the issuer has other securities in circulation – also payment of interest and other payments to nonresidents – owners of such securities:

- Tax Code of the Russian Federation (part one) No.146-FZ (articles 11, 45) dated 31.07.1998;
- Tax Code of the Russian Federation (part two) No.117-FZ (articles 207,208, 215, 224, 284, 310, 312) dated 05.08.2000;

- Federal Law “On Currency Regulation and Currency Control” No.173-FZ dated 10.12.2003;

International treaties of the Russian Federation for the avoidance of double taxation, as well as the Federal Law on ratification of agreements between the Russian Federation and foreign countries for the avoidance of double taxation, investment protection, prevention of tax evasion. Currently, double taxation treaties are concluded with more than 50 countries.

## **9.7. Information on declared (accrued) and paid dividends on shares of the issuer, as well as the income on Bonds**

### **9.7.1. Information on declared and paid dividends on shares of the issuer**

Information on declared and / or paid dividends on the issuer's shares for the last five completed fiscal years for each category (type) of shares:

During 2011, 2012, 2014 dividends on ordinary shares were declared or paid.

Indicator	Reporting period
	2013
Category (type) of shares	Ordinary shares
Issuer's management body that adopted decision of dividends	AGM of IDGC of the South Shareholders
Date of the decision	25.06.2014
Date of drawing up and number of minutes of meeting Issuer's management body that adopted decision of dividends	Minutes of meeting No.11 dd 25.06.2014
Amount of the declared dividends per one share, rubles	0.00014
Amount of the declared dividends of total shares of this category, rubles	6 973 553.45
Date of determining persons who have (had) the right to receive dividends (Date of making the list of persons entitled to receive dividends)	14.07.2014
Reporting period (year, quarter) for which (by the results of which) dividends were declared/paid	2013
Date of dividends payment	The term of payment of dividends to a nominal holder and a trustee, which is a professional participant of the securities market, is not more than 10 working days, to other registered in the register of shareholders – 25 business days from the date of compiling the list of persons entitled to receive dividends.
The form of payment of the bond yield (money, other property)	Money

The source of payment of the declared dividends (net profit of the reporting period, undistributed profit, special fund)	net profit of the reporting period
The share of dividends declared in the net profit of the reporting year,%	25.65
The total amount of dividends paid on shares of this category (type), rubles	6 880 307.38
The share of paid dividends in the total amount of announced dividends on shares of this category (type),%	98.66
If declared dividends were not paid or underpaid - the reasons for non-payment of declared dividends	The reason for non-payment of the remained declared dividends is the absence of details for money transfer
Other details of declared and (or) paid dividends, disclosed at the Issuer's discretion	none

Indicator	Reporting period
	2015
Category (type) of shares	Ordinary shares
Issuer's management body that adopted decision of dividends	AGM of IDGC of the South Shareholders
Date of the decision	06.06.2016
Date of drawing up and number of minutes of meeting Issuer's management body that adopted decision of dividends	Minutes of meeting No.15 dd 09.06.2016
Amount of the declared dividends per one share, rubles	0.002852693
Amount of the declared dividends of total shares of this category, rubles	142 095 765.06
Date of determining persons who have (had) the right to receive dividends (Date of making the list of persons entitled to receive dividends)	24.06.2016
Reporting period (year, quarter) for which (by the results of which) dividends were declared/paid	2015
Date of dividends payment	The term of payment of dividends to a nominal holder and a trustee, which is a professional participant of the securities market, is not more than 10 working days, to other registered in the register of shareholders – 25 business days from the date of compiling the list of persons entitled to receive dividends.
The form of payment of the bond yield (money, other property)	Money
The source of payment of the declared dividends (net profit of the reporting period, undistributed profit, special fund)	net profit of the reporting period
The share of dividends declared in the net profit of the reporting year,%	95
The total amount of dividends paid on shares of this category (type), rubles	137 561 656.10



The share of paid dividends in the total amount of announced dividends on shares of this category (type),%	96.8
If declared dividends were not paid or underpaid - the reasons for non-payment of declared dividends	The term of payment of dividends to other registered shareholders (other than nominal holders) have not come.
Other details of declared and (or) paid dividends, disclosed at the Issuer's discretion	Date of making the list of persons entitled to receive dividends – June 24, 2016.

### 9.7.2. Information on accrued and paid income on the issuer's bonds

Information on each bond issue, which for the last five completed financial years preceding the date of approval of the securities prospectus, dividend was paid:

Indicator	2011
Kind of securities (bonds), series, form and other identification characteristics of the bonds	bearing documentary bonds of series 02 with mandatory centralized custody
State registration number of the bond issue and the date of its state registration (identification number of the bond issue and the date of its assignment if the bond issue is not subject to state registration)	4-02-34956-E dated 16 December 2008
Type of yield paid on bonds of the issue (face value, interest (coupon), other)	nominal value and coupon
The size of income to be paid under the bond issue, in monetary terms, based on a bond issue, rub./foreign currency	1 040.39 rubles / 28.80 US dollars
Revenue to be paid under the bond issue, in terms of money in the aggregate for all bonds of the issue, rubles/foreign currency	184 084 614.12 rubles / 5 096 459.16 US dollars
The deadline (date) of payment of the bond yield	26.08.2014
The form of payment of the bond yield (money, other property)	money
The total amount of yield paid on all bonds of the issue, rubles/foreign currency	3 199 509 686.52 rubles / 88 579 757.16 US dollars
The share of paid income on bonds in the total amount payable on issued bonds, %	100%
If the payable income on bonds was not paid or was not paid partially, the reasons for such non-payment	
Other information on bond income specified at the Issuer's discretion	

Indicator	2011-2015
Kind of securities (bonds), series, form and other identification characteristics of the bonds	documentary interest non-convertibles exchange bonds series BO-01 with obligatory centralized storage with the possibility of early redemption at the

	holders' request at the discretion of the IDGC of the South"placed by open subscription
State registration number of the bond issue and the date of its state registration (identification number of the bond issue and the date of its assignment if the bond issue is not subject to state registration)	4B02-01-34956-E September 4, 2014
Type of yield paid on bonds of the issue (face value, interest (coupon), other)	The third coupon
The size of income to be paid under the bond issue, in monetary terms, based on a bond issue, rub./foreign currency	33.66 rubles / 0.48 US dollars
Revenue to be paid under the bond issue, in terms of money in the aggregate for all bonds of the issue, rubles/foreign currency	168 300 000 rubles / 2 393 797.46 US dollars
The deadline (date) of payment of the bond yield	14.03.2016
The form of payment of the bond yield (money, other property)	money
The total amount of yield paid on all bonds of the issue, rubles/foreign currency	491 950 000.00 rubles / 7 717 116.27 US dollars
The share of paid income on bonds in the total amount payable on issued bonds,%	100%
If the payable income on bonds was not paid or was not paid partially, the reasons for such non-payment	
Other information on bond income specified at the Issuer's discretion	Number of the bond issue: 6 000 000 pcs., the number of actually placed securities: 5 000 000 pcs. Payment of the third coupon yield is indicated in US dollars at the exchange rate US to Russian ruble established by the Central Bank as of 14.03.2016

### **9.8.Other information**

Absent.