

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

1. General information	
1.1. Full company name of the issuer	Public Open Joint Stock Company “Interregional Distribution Grid Company of the South”
1.2. Short company name of the issuer	“IDGC of the South”, PJSC
1.3 Location of the issuer	49 Bolshaya Sadovaya str., Rostov-on-Don, the Russian Federation, 344002
1.4 PSRN of the issuer	1076164009096
1.5 TIN of the issuer	6164266561
1.6 Unique issuer’s code assigned by the registration authority	34956-E
1.7 Internet website address used by the issuer for information disclosure	http://www.mrsk-yuga.ru ; http://www.e-disclosure.ru/portal/company.aspx?id=11999
2. Statement content	
2.1. Quorum of meeting of issuer’s BoD and results of voting on the adopted decisions: 11 out 11 members of BoD participated in the meeting, quorum is present.	
<p>On item 1: “FOR” – 11 votes “AGAINST” – 0 votes “ABSTAINED” – 0 votes</p> <p>On item 2: “FOR” – 11 votes “AGAINST” – 0 votes “ABSTAINED” – 0 vote</p> <p>On item 3: “FOR” – 8 votes “AGAINST” – 0 votes “ABSTAINED” – 3 votes</p> <p>On item 4: “FOR” – 11 votes</p>	<p>On item 5: “FOR” – 11 votes “AGAINST” – 0 votes “ABSTAINED” – 0 votes</p> <p>On item 6: “FOR” – 9 votes “AGAINST” – 2 votes “ABSTAINED” – 0 votes</p> <p>On item 7: “FOR” – 10 votes “AGAINST” – 0 votes “ABSTAINED” – 1 votes</p> <p>On item 8: “FOR” – 7 votes</p>

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

“AGAINST” – 0 votes

“ABSTAINED” – 4 vote

On item 9:

“FOR” – 5 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

In accordance with paragraph 3 of Article 83 of Federal Law “On joint-stock companies” the decision on current issue is adopted by majority of votes of independent directors who are not interested in transaction.

The following Company’s BoD members are considered as persons interested in transaction and do not participate in voting on current issue: Branis A.M., Filkin R.A., Shevchyuk A.V., Pankstianov Yu.N., Kharin A.N.

Company’s BoD member Ebzeev B.B. is independent director (implements the functions of sole executive body – Director General) and do not participate in voting on current issue.

On item 10:

“FOR” – 6 votes

“AGAINST” – 1 votes

“ABSTAINED” – 3 votes

In accordance with paragraph 3 of Article 83 of Federal Law “On joint-stock companies” the decision on current issue is adopted by majority of votes of independent directors who are not interested in transaction.

Company’s BoD member Ebzeev B.B. performs function of sole executive body (Director General) of the Company, is considered as independent director and do not participate in voting on current issue.

Disclosure of insider information on item 1: “Approving the report on implementation of business plan consolidated on principals of RAS of “IDGC of the South” PJSC companies’ group for the period from 2015 to 2015 for the 1st half year of 2015”

2.2.1 Content of decision:

To approve the report of Company's Director General on implementation of business plan consolidated on principals of RAS of "IDGC of the South" PJSC companies' group for the period from 2015 to 2015 for the 1st half year of 2015 in accordance with Appendix 1 to present decision of Company's BoD.

Disclosure of insider information on item 2: "Approving the report on implementation of business plan consolidated on principals of IFRS of "IDGC of the South" PJSC companies' group for the period from 2015 to 2015 for the 1st half year of 2015"

2.2.1 Content of decision:

To approve the report of Company's Director General on implementation of business plan consolidated on principals of IFRS of "IDGC of the South" PJSC companies' group for the period from 2015 to 2015 for the 1st half year of 2015 in accordance with Appendix 1 to present decision of Company's BoD.

Disclosure of insider information on item 3: "Approving of Scheduled-plan of events of the Company on reducing of overdue accounts receivable for services on electric energy transmission and settlement of disputes appeared at 01.07.2015".

2.2.3. Content of decision:

1. To approve Scheduled-plan of events of the Company on reducing of overdue accounts receivable for services on electric energy transmission and settlement of disputes appeared at 01.07.2015 in accordance with Appendix 1 to present decision of Company's BoD.

2. To take into consideration the report on implementation of adopted earlier by Company's BoD Scheduled-plan of events of "IDGC of the South" PJSC on reducing of overdue accounts receivable for services on electric energy transmission and settlement of disputes appeared at 01.07.2015 in accordance with Appendix 2 to present decision of Company's BoD.

3. To take into consideration the activity report of "IDGC of the South" PJSC in charge of newly formed overdue accounts receivable for services on electric energy transmission in the 2nd quarter of 2015 in accordance with Appendix 3 to present

decision of Board of Directors.

4. To instruct Director General of the Company to provide the reducing of overdue accounts receivable by the end of 2015 to less than 10.5 billion rubles.

Disclosure of insider information on item 4: “On approving budgets of the Committees of “IDGC of the South” PJSC for the 2nd half year of 2015”

2.2.4. Content of decision:

1. To approve the budget of Human Resources and Compensation Committee of “IDGC of the South” PJSC Board of Directors for the 2nd half year of 2015 in accordance with Appendix 4 to present decision of Company’s BoD.

2. To approve the budget of Committee on strategy, development, investments and reforming of “IDGC of the South” PJSC Board of Directors for the 2nd half year of 2015 in accordance with Appendix 5 to present decision of Company’s BoD.

3. To approve the budget of Committee on technological connection to electric networks of “IDGC of the South” PJSC Board of Directors for the 2nd half year of 2015 in accordance with Appendix 6 to present decision of Company’s BoD.

4. To approve the budget of Reliability Committee of “IDGC of the South” PJSC Board of Directors for the 2nd half year of 2015 in accordance with Appendix 7 to present decision of Company’s BoD.

Disclosure of insider information on item 5: “Approving of Credit plan of “IDGC of the South” PJSC for the 4th quarter of 2015”

2.2.5. Content of decision:

To approve Credit plan of “IDGC of the South” PJSC for the 4th quarter of 2015 in accordance with Appendix 8 to present decision of Company’s BoD.

Disclosure of insider information on item 6: “Expressing Company’s opinion on agenda items of Boards of Directors of “IDGC of the South” PJSC subsidiaries and affiliates: “Approving the reports on results of business plan implementation of “IDGC of the South” PJSC subsidiaries and affiliates for the 1st half year of 2015”

2.2.6. Content of decision:

1. To instruct the representatives of “IDGC of the South” PJSC in Board of Directors

of "Recreation Centre "Energetik" JSC to vote FOR the adoption of the following agenda item "Approving the report on results of business plan implementation for the 1st half year of 2015".

"To approve the report on results of business plan implementation of "Recreation Centre "Energetik" JSC for the 1st quarter of 2015" in accordance with Appendix to present decision of Company's BoD".

2. To instruct the representatives of "IDGC of the South" JSC in Board of Directors of "PSKh named after Grechko A.A." JSC to vote FOR the adoption of the following agenda item "Approving the report on results of Company's business plan implementation for the 1st half year of 2015":

"1. To approve the report on spending of budgetary cost estimate of "PSKh named after A.A. Grechko" JSC for the 1st half year of 2015 in accordance with Appendix to present decision of Company's BoD".

2. To note the non-implementation of indicator net profit (loss) by the results of the 1st half year of 2015 (planned: -2 858 thousand rubles, in fact: -4 233 thousand rubles).

3. To instruct Director General of "PSKh named after Grechko A.A." to provide the implementation of specified indicator net profit by the results of 2015".

3. To instruct the representatives of "IDGC of the South" PJSC in "PSKh Sokolovskoe" JSC Board of Directors to vote FOR the adoption of following agenda item "Approving the report on results of Company's business plan implementation for the 1st half year of 2015".

"To approve the report on results of business plan implementation of "PSKh Sokolovskoe" JSC for the 1st half year of 2015 in accordance with Appendix to present decision of Company's BoD".

4. To instruct the representatives of "IDGC of the South" PJSC in "Energoservice Yuga" JSC Board of Directors to vote FOR the adoption of following agenda item "Approving the report on results of Company's business plan implementation for the 1st half year of 2015".

"1. To approve the report on results of business plan implementation of "Energoservice Yuga" JSC for the 1st half year of 2015 in accordance with Appendix to present

decision of Company's BoD.

2. To note the non-implementation of indicator net profit (loss) by the results of the 1st half year of 2015 for the amount of 3 422 mln. rubles (planned: 2 351 thousand rubles, in fact: 1 071 thousand rubles).

3. To instruct Director General of "Energoservice Yuga" JSC to provide the implementation of specified indicator net profit by the results of 2015".

Disclosure of insider information on item 7: "Changing in decision of "IDGC of the South" PJSC Board of Directors dd. 18.06.2015 (Minutes No. 161/2015 dd. 19.06.2015) on item No. 12 "On reducing of operating expenditures (expenses) of the Company for at least 2-3 percent every year"

2.2.7. Content of decision:

To state paragraph 1.2. of decision of "IDGC of the South" PJSC Board of Directors dd. 18.06.2015 (Minutes No. 161/2015) on item "Reducing of operational expenditures (expenses) at least for 2-3 percent every year" in a new version:

"1.2. To submit for consideration of Company's Board of Directors the issue on approving the updated business plan for 2015 including providing the implementation of target value of reducing of operational expenditures in accordance with Guideline of Russian Federation Government No. 2303-П13 dd. 16.04.2015 on reducing of operational expenditures for at least 2-3 percent every year.

Deadline: 15.10.2015."

Disclosure of insider information on item 8: "On determination of cases (amounts) of transactions, decisions on making of which are subjects of preliminary approval by Company's BoD".

2.2.8. Content of decision:

1. To determine that in accordance with sub-paragraph 38 (d) of paragraph 15.1 of Article 15 of Charter of "IDGC of the South" PJSC the decisions on implementation of transactions by the Company for the period of more than 5 years on assignment for temporary owning and use of property, power supply network facilities or for the period of more than 5 years on acceptance for temporary owning and use of property, that are not used for electric energy transmission and distribution in cases if net assets

value or market value of assigned or accepted property exceeds 30 million rubles excluding cases of acceptance for temporary owning and use or temporary use are required prior approval:

- land plots for operation or construction (reconstruction) of electric energy facilities in accordance with investment projects and land plots for Company's real property;
- power supply network facilities implemented in accordance with paragraphs 6-8 of Article 8 of Federal Law No.35-ФЗ dd. 26.03.2003 "On power industry".

2. To consider as invalid the decision of Company's BoD dd. 15.08.2014 (Minutes No.141/2014) on item "On consideration of cases (amounts) of transactions with Company's property are subject to preliminary approval by Company's BoD".

Approving of transactions recognized in accordance with legislation of Russian Federation as large-scale transaction and (or) transactions of interest / Disclosure of insider information on item 9: "Approving of contractor's agreement conclusion on implementation of repair works between "IDGC of the Centre" PJSC and "IDGC of the South" PJSC as transaction of interest"

2.2.9. Content of decision:

1. To determine the price of contractor's agreement on implementation of repair works between "IDGC of the Centre" PJSC and "IDGC of the South" PJSC as transaction of interest in amount of 1 778 347 (one million seven hundred seventy eight thousand three hundred forty seven) rubles 84 kopecks including VAT.

2. To approve the contractor's agreement on implementation of repair works between "IDGC of the South" PJSC and "IDGC of the Centre" PJSC (hereafter – Agreement, Appendix No. 4 to present decision of BoD) as transaction of interest on the following conditions:

Parties of the Agreement: Customer – "IDGC of the South" PJSC;

Contractor – "IDGC of the Centre" PJSC

Subject of Agreement: Contractor is obliged on Customer's order to implement emergency recovery works on dealing the consequences of natural disasters on the facilities of "IDGC of the South" PJSC branch – "Rostovenergo" using resources of the Customer in accordance with list of facilities (Appendix No. 3 to Agreement) and

report under act on result of implemented works to the Customer, and Customer is obliged to accept the results of work and pay off it in accordance with procedure specified in Agreement.

List, type, content and amount of works implemented by Contractor are specified by the Parties in local estimates (Appendixes 1, 1.1, 1.2 to the Agreement).

Price of Agreement: Price of works is determined by agreed price that at the time of signing the Agreement specified by cost estimate documentation (Appendix No. 1.1-1.2 to the Agreement), Contractual Price Agreement Protocol (Appendix No. 2 to the Agreement) and amounts 1 778 347 (one million seven hundred seventy eight thousand three hundred forty seven) rubles 84 kopecks including VAT.

Works implementation period:

Works implementation period is determined in accordance with Schedule of works implementation (Appendix No. 4 to the Agreement).

Works at facilities are determined as implemented by Contractor after signing work completion certificate by both Parties.

Terms of Agreement:

The Agreement comes into force from the moment of signing it by both Parties, covers legal relationship between the parties occurred from March 29th of 2015 and valid till full implementation of all obligations under the Agreement by Parties.

Liability of the parties:

Contractor and Customer are financially liable in accordance with legislation of Russian Federation for non-implementation and inadequate implementation of obligations by the Agreement.

Settlement of the disputes:

Disputes arising during the execution of the Agreement or in connection with it, including those related to its conclusion, alteration, execution, termination and validity, the Parties shall settle in the course of pre-court dispute procedure. Term of consideration of the claim amounts 20 (twenty) working days from the moment of its receiving.

All disputes, controversies and claims arising out of the Agreement (contract) or in

connection with it, including related to its conclusion, alteration, execution, violation, termination and validity unsettled in the course of pre-court dispute procedure are the subject to consideration by the local Commercial Court.

Approving of transactions recognized in accordance with legislation of Russian Federation as large-scale transaction and (or) transactions of interest / Disclosure of insider information on item 10: “Approving of agreement between “IDGC of the South” PJSC and “IT Energy Service” LLC on rendering services on preventive maintenance of Barco video wall as transaction of interest”

2.2.10. Content of decision:

1. To determine the price of agreement between “IDGC of the South” PJSC and “IT Energy Service” LLC on rendering services on preventive maintenance of Barco video wall as transaction of interest in amount of 1 400 000 (one million four hundred thousand) rubles 00 kopecks including VAT.

2. To approve the agreement between “IDGC of the South” PJSC and “IT Energy Service” LLC on rendering services on preventive maintenance of Barco video wall (hereafter – Agreement, Appendix No. 5 to present decision of BoD) as transaction of interest on the following conditions:

Parties of the Agreement:

Customer – “IDGC of the South” PJSC

Contractor – “IT Energy Service” LLC

Subject of Agreement:

Contractor is obliged to render services on preventive maintenance of Barco video wall of Software and hardware complex of Network control centre of “IDGC of the South” PJSC branch – “Volgogradenergo” (hereafter – preventive maintenance) at the address: 15, Lenin avenue, Volgograd. The Customer is obliged to accept and pay off rendered services in amount specified by the Agreement. Amount, content and quality of rendered services shall comply with statement of work (Appendix No. 2 to the Agreement).

Price of Agreement and payment policy:

Total price of services on Agreement (price of agreement) in accordance with

Calculation (Appendix No. 1 to the Agreement) amounts 1 400 000 (one million forty thousand) rubles 00 kopecks including VAT.

Services of the Contractor are paid by Customer by transfer of funds to the Contractor's current account within 60 days from the moment of signing acceptance certificate of rendered services. The invoice is provided simultaneously with service acceptance certificate.

Price of services includes Contractor's expenses connected with rendering services on preventive maintenance of BARCO OV-508 projection system, delivering of genuine spare parts and materials, travel expenses, transportation and other expenses in accordance with Calculation (Appendix No. 1 to the Agreement).

Settlement of the disputes:

All disputes, controversies and claims arising out of the Agreement or in connection with it, including related to its conclusion, alteration, execution, violation, termination and validity the Parties will settle in the course of pre-court dispute procedure. Term of claim consideration amounts 30 (thirty) days from the date of its receiving.

If Parties cannot achieve the consensus in pre-trial complaint procedure, all disputes, controversial and demands arising from the Agreement or connected with it, including connected with its conclusion, changing, fulfillment, violation, termination or validation must be conducted in Commercial court of Volgograd district.

Term of the Agreement: the Agreement is effective from the date of signing and to full implementation of obligations by Parties.

2.3. Date of holding the meeting of Board of Directors: **5 October 2015.**

2.4. Date of drawing up and number of the minutes of meeting: **No. 167/2015 dated 8 October 2015**

3. Signature

3.1 Head of corporate governance and shareholders

interaction department (attorney dd 19.01.2015

No.25-15)

(signature) Pavlova Ye.N.

3.2. Date 8 October 20 15