

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

“ABSTAINED” – 0 votes

On item 4:

“FOR” – 10 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

On item 5:

“FOR” – 9 votes

“AGAINST” – 0 votes

“ABSTAINED” – 2 votes

On item 6:

“FOR” – 9 votes

“AGAINST” – 0 votes

“ABSTAINED” – 2 votes

On item 7:

“FOR” – 8 votes

“AGAINST” – 0 votes

“ABSTAINED” – 3 votes

On item 8:

“FOR” – 9 votes

“AGAINST” – 0 votes

“ABSTAINED” – 2 votes

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

On item 9:

“FOR” – 5 votes

“AGAINST” – 4 votes

“ABSTAINED” – 1 votes

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

Disclosure of insider information on item 1: “On re-election of the Chairperson of the Audit Committee attached to the Board of Directors”

2.2.1 Content of decision:

1. To terminate the powers of the Chairperson of the Audit Committee of the Board of Directors Fadeev Alexander Nikolayevich.
2. To appoint Shevchuk Alexander Viktorovich the Chairperson of the Audit Committee of the Board of Directors.

Disclosure of insider information on item 2: On consideration of report submitted by the Company General Director on insurance protection of the Company in the 3rd quarter of 2016”

2.2.1 Content of decision:

To take into consideration of report submitted by the Company General Director on insurance protection of the Company in the 3rd quarter of 2016, in accordance with Appendix 1 to this decision of Company’s BoD.

Disclosure of insider information on item 3: “On consideration of report submitted by the Company General Director on credit policy of the Company in the 3rd quarter 2016”

2.2.3. Content of decision:

1. To take into consideration report submitted by the Company General Director on credit policy of the Company in the 3rd quarter 2016, in accordance with Appendix 2 to the present decision of the Board of Directors.
2. To mark the excess of the maximum allowable limit on capital leverage.
3. To instruct the Director General to ensure implementation of the requirements of the Regulations on credit policy approved by the Board of Directors.

Disclosure of insider information on item 4: “On consideration of information on the implementation of corrective and preventive measures to eliminate violations

and shortcomings revealed by the Audit Commission in the process of the audit of financial and economic activities of the Company in 2015”

2.2.4. Content of decision:

1. To take into consideration the information on the implementation of corrective and preventive measures to eliminate violations and shortcomings revealed by the Audit Commission in the process of the audit of financial and economic activities of the Company in 2015.

2. To entrust the sole executive body of IDGC of the South PJSC to:

2.1. Take further measures to address the shortcomings, specified in Appendix 3 to this decision of the Board of Directors.

2.2. While analyzing the implemented corrective and preventive measures, to perform evaluation of the effect of the steps taken by the Company.

2.3. Ensure submission to the Board of Directors of information concerning the implementation of corrective and preventive measures to eliminate violations and shortcomings identified by the Audit Committee of the Company in the course of the audit of financial and economic activity for 2015 as of 31.12.2016.

Deadline: by 30.03.2017.

Disclosure of insider information on item 5: “On consideration of the results of on-site inspection conducted by the Russian Ministry of Energy on implementation of the investment project: “Construction of 110kV transmission line from 110kV power line “Rassvet – Rezinovaya” with a tap at substation “Stroyindustriya” (No.121) and from 110kV power line “Rassvet – Rezinovaya” with taps” (No.122) for power supply of the projected 110/10 kV substation and approval of action plan to address the revealed violations”

2.2.5. Content of decision:

1. To take into consideration the results of implementation of the investment project: “Construction of 110kV transmission line from 110kV power line “Rassvet – Rezinovaya” with a tap at substation “Stroyindustriya” (No.121) and from 110kV power line “Rassvet– Rezinovaya” with taps” (No.122) for power supply of the projected 110/10 kV substation”.

2. 2. To entrust the sole executive body of IDGC of the South PJSC:

2.1. To amend the plan of corrective actions of IDGC of the South PJSC for elimination of violations revealed by the results of on-site inspection of the Ministry of Energy of the Russian Federation of the implementation of the investment project “Rassvet – Rezinovaya” with a tap at substation “Stroyindustriya” (No.121) and from 110kV power line “Rassvet – Rezinovaya” with taps” (No.122) for power supply of the projected 110/10 kV substation” (hereinafter – the plan of corrective actions) in accordance with Appendix 4 to this decision of the Board of Directors.

2.2. To approve the plan of corrective measures in the established order according to the form approved by the Management group for monitoring implementation of the plans of corrective measures to remedy violations and deficiencies identified by the results of internal audits by the Order of the IDGC of the South PJSC No. 457 dd 28.07.2016.

2.3. To ensure control of implementation of corrective action plans and achievement of results from the implemented activities.

2.4. To ensure submission to the Company's Board of Directors of a report on the implementation of corrective action plan referred to in paragraph 2.1 of this decision.

Term: quarterly, not later than 30 days after the end of the reporting quarter, until the complete fulfillment of the Action Plan.

Disclosure of insider information on item 6 “On approval of the Central purchasing body of the Company – the Central Tender Committee of “IDGC of the South” PJSC”

2.2.6. Content of decision:

1. From the date of adoption of this decision, to consider null and void the decision of the Board of Directors of 08.07.2016 (Minutes of meeting No.193/2016 dated 11.07.2016) on the item 4.

2. From the date of adoption of this decision, the Central Tender Committee of IDGC of the South PJSC consists of following members:

Chairperson of the Central Tender Committee		
Zhuravlyov D.O.	–	Deputy Director General in charge of Development and Grid Connection, IDGC of the South PJSC

Deputy Chairpersons of the Central Tender Committee		
Ivanov Yu.V.	–	Deputy Director General in charge of Investments, IDGC of the South PJSC
Kislenko R.K.	–	Head of Security Department, IDGC of the South PJSC
Members of the Central Tender Committee		
Berdnikova S.V.	–	Leading expert at Procurement Activities Department, Rosseti PJSC
Goncharov P.V.	–	Deputy Director General in charge of Technical Issues – Chief Engineer, IDGC of the South PJSC
Lednev E.V.	–	Deputy Director General in charge of Special Projects, IDGC of the South PJSC
Niiy K.B.	–	Technological Connection Director – Head of Technological Connection Department, IDGC of the South PJSC
Koledin A.V.	–	Deputy Chief Maintenance Engineer, IDGC of the South PJSC
Kozyreva I.V.	–	Deputy Head of Legal Department, IDGC of the South PJSC
Stepanischev A.V.	–	Head of Capital Construction Department, IDGC of the South PJSC
Dubrovskiy V.A.	–	Deputy Head of HR and Organization Design Department, IDGC of the South PJSC
Member of the Central Tender Committee – Executive secretary of the Committee		
Simakina O.V.	–	Chief Specialist of Tendering Procedure Management Unit, IDGC of the South PJSC

Disclosure of insider information on item 7 “On expressing the Company’s opinion on the agendas of the extraordinary general meetings of shareholders of the affiliated and dependent companies of “IDGC of the South” PJSC –Recreation Centre “Energetik” JSC, “PSKh Sokolovskoye” JSC, “Energoservis Yuga” JSC”

2.2.7. Content of decision:

1.1. To instruct the representatives of IDGC of the South PJSC at an extraordinary general meeting of shareholders of “Recreation Centre “Energetik” JSC regarding the item “On approval of the Regulations for payment of remuneration and compensation to

members of the Board of Directors in the new edition” to vote “FOR” the following decision:

“To approve the Regulations for payment of remunerations and compensations to members of the Board of Directors of “Recreation Centre “Energetik” Joint Stock Company in the new edition, in accordance with the Appendix to this decision.”

1.2. To instruct the representatives of IDGC of the South PJSC at the Extraordinary General Meeting of Shareholders of “PSKh Sokolovskoye” JSC regarding the item “On approval of the Regulations for payment of remuneration and compensation to members of the Board of Directors in the new edition” to vote “FOR” the following decision:

“To approve the Regulations for payment of remunerations and compensations to members of the Board of Directors of “Agricultural Enterprise Sokolovskoye” Joint Stock Company in the new edition, in accordance with the Appendix to this decision.”

1.3. To instruct the representatives of IDGC of the South PJSC at an extraordinary general meeting of shareholders of “Energoservis Yuga” JSC regarding the item “On approval of the Regulations for payment of remuneration and compensation to members of the Board of Directors in the new edition” to vote “FOR” the following decision:

“To approve the Regulations for payment of remuneration and compensation to members of the Board of Directors of “Energoservis Yuga” Joint Stock Company in the new edition, in accordance with the Appendix to this decision.”

2.1. To instruct the representatives of IDGC of the South PJSC at an extraordinary general meeting of shareholders of “Recreation Centre “Energetik” JSC regarding the item “On approval of the Regulations for payment of remunerations and compensations to members of the Audit Committee in the new edition” to vote “FOR” the following decision:

“To approve the Regulations for payment of remunerations and compensations to members of the Audit Committee of “Recreation Centre “Energetik” Joint Stock Company Energetik in the new edition, in accordance with the Appendix to this decision.”

2.2. To instruct the representatives of IDGC of the South PJSC at an extraordinary general meeting of shareholders of “PSKh Sokolovskoye” JSC regarding the item “On

approval of the Regulations for payment of remunerations and compensations to members of the Audit Committee in the new edition” to vote “FOR” the following decision:

“To approve the Regulations for payment of remunerations and compensations to members of the Audit Committee of “Agricultural Enterprise Sokolovskoye” Joint Stock Company in the new edition, in accordance with the Appendix to this decision.”

2.3. To instruct the representatives of IDGC of the South PJSC at an extraordinary general meeting of shareholders of “Energoservis Yuga” JSC regarding the item “On approval of the Regulations for payment of remunerations and compensations to members of the Audit Committee in the new edition” to vote “FOR” the following decision:

“To approve the Regulations for payment of remunerations and compensations to members of the Audit Committee of “Energoservis Yuga” Joint Stock Company in the new edition in accordance with the Appendix to this decision.”

On approval of transactions recognized in accordance with the legislation of the Russian Federation as major transactions and (or) transactions of interest/Disclosure of insider information on item 8 “On approval of the agreement for the provision of educational services for the professional training programme between “IDGC of the South” PJSC and the Federal State Budgetary Educational Institution of Higher Education “Russian Presidential Academy of National Economy and Public Administration” as a transaction of interest”

2.2.7. Content of decision:

1. To determine that the price of the agreement for the provision of educational services for the professional training programme between “IDGC of the South” PJSC and the Federal State Budgetary Educational Institution of Higher Education “Russian Presidential Academy of National Economy and Public Administration” as a transaction of interest, shall amount 150 000 (one hundred fifty thousand) rubles 00 kopecks, this amount is not subject to VAT in accordance with Articles 346.12 and 346.13 of Chapter 26.2 of the RF Tax Code.

2. To approve the agreement for the provision of educational services for the professional training programme between “IDGC of the South” PJSC and the Federal State Budgetary Educational Institution of Higher Education “Russian Presidential Academy of National Economy and Public Administration” (hereinafter – the Agreement, appendix 5 to this decision of the Board of Directors) as a transaction of interest, on the following terms:

Parties to the Agreement:

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

Academy (Performer) – the Federal State Budgetary Educational Institution of Higher Education “Russian Presidential Academy of National Economy and Public Administration”

Subject matter:

The Academy undertakes to render in accordance with the instructions of the Customer educational services at the expense of the Customer to Ebzeev Boris Borisovich, in accordance with the curriculum of the retraining programme “”Top Manager” on the conditions stipulated by the Agreement, and the Customer undertakes to accept and pay for the services in the manner prescribed by the Agreement.

Contract price and payment procedure:

The cost of services under the Contract is 150 000 (one hundred fifty thousand) rubles 00 kopecks, it is not subject to VAT in accordance with Articles 346.12 and 346.13 of Chapter 26.2 of the RF Tax Code.

Contract price is fixed for the entire period of study.

Payment for education is carried out in advanced payment every three months in accordance with the following payment schedule:

- For 2016 academic year:

1. payment of 30 000 (thirty thousand) rubles 00 kopecks within 3 banking days from the contract signing date;

2. payment of 40 000 (forty thousand) rubles 00 kopecks until 10 December 2016;

- For 2017 academic year:

3. payment of 40 000 (forty thousand) rubles 00 kopecks until 20 February 2017,

4. payment of 40 000 (forty thousand) rubles 00 kopecks until 20 May 2017.

Period of rendering the services:

The period of training: November 7, 2016 –June 2017

Term of Agreement:

The Agreement shall enter into force upon signature by the Parties. Obligations of the Academy under the Agreement shall be deemed fulfilled from the date of dismissal from the Academy of the student and issuing to the student the document stipulated by the Agreement.

On approval of transactions recognized in accordance with the legislation of the Russian Federation as major transactions and (or) transactions of interest/Disclosure of insider information on item 9 “On approval of agreement on provision of a range of services between “IDGC of the South” PJSC and “FOCL-Directorate” JSC as a transaction of interest”

2.2.7. Content of decision:

Resolution was not adopted.

2.3. Date of holding the meeting of Board of Directors: **24 November 2016.**

2.4. Date of drawing up and number of the minutes of meeting: **No. 207/2016 dated 28 November 2016**

3. Signature

3.1 Head of corporate governance and shareholders _____ Pavlova Ye.N.
interaction department (attorney dd 11.02.2016 No.45-16) (signature)

3.2. Date 28 November 2016