

Corporate action statement/Disclosure of insider information

“On termination of a person’s right to use a certain number of votes as per the voting shares constituting the authorized capital of “IDGC of the South” PJSC”

| 1. General information | |
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| 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: “On termination of a person’s right to use a certain number of votes as per the voting shares constituting the authorized capital of “IDGC of the South” PJSC (reduction of participation share in the authorized capital of the Company beyond 5%)” | |
| 2.1. Full business name (for a non-profit organization – registered name), location, TIN (if applicable), PSRN (if applicable) of the legal entity or surname, name and patronymic (if any) of a natural person, which right to dispose of a certain number of votes as per the voting shares (stakes) constituting the authorized capital of the Issuer was terminated: Full business name: The Prosperity Quest Fund Location: Windward 1, Regatta Office Park, Grand Cayman, Cayman Islands TIN: Not applicable; PSRN: Not applicable | |

2.2. Type of the right to control a certain number of votes as per the voting shares constituting the authorized capital of the Issuer, which was terminated for the corresponding person (direct control, indirect control): **indirect control.**

2.3. Testimony of the right to dispose of a certain number of votes as per the voting shares (stakes) constituting the authorized capital of the Issuer, which was terminated for the corresponding person (independent disposal, disposal jointly with other persons): **independent disposal**

2.4. Reason by virtue whereof the person has had terminated the right to dispose of a certain number of votes as per the voting shares (stakes) constituting the authorized capital of the Issuer (termination (reduction) of equity stake in the Issuer, dissolution or of a property trust contract, a partnership contract, a commission contract, a shareholder's agreement and(or) another agreement the subject whereof is exercise of rights attested by shares of (stakes in) the Issuer or termination of such contract (agreement) due to other reasons: **reduction of equity stake in the Issuer.**

2.5. Number and percentage of votes as per the voting shares (stakes) constituting the authorized capital of the Issuer that the person had the right to dispose of before the corresponding reason occurrence: **2 764 594 656 / 5.55% of the authorized capital**

2.6. Number and percentage of votes as per the voting shares (stakes) constituting the authorized capital of the Issuer the person has obtained the right to dispose of after the corresponding reason occurrence: **2 479 011 056 / 4.98% of the authorized capital**

2.7. Date of occurrence of the ground by virtue whereof the person has acquired the right to dispose of a certain number of votes as per the voting shares (stakes) constituting the authorized capital of the Issuer: **19.12.2016.**

3. Signature

3.1 Head of Corporate Governance and Shareholders

Interaction Department (by proxy dd 30.12.2016 No.215- _____ Pavlova Ye.N.
16) (signature)

3.2. Date 10 January 2017