

# QUARTERLY REPORT

**Public Joint Stock Company**  
**Interregional Distribution Grid Company of the South**  
**Issuer's Code: 3 4 9 5 6 - E**

**2<sup>nd</sup> quarter of 2016**

Location: 49 Bolshaya Sadovaya St., Rostov-on-Don, Russian Federation, 344002

Information contained in this quarterly report is subject to disclosure in accordance with the legislation of the Russian Federation on securities

Director General of "IDGC of the South" PJSC

Date: 12 August 2016

\_\_\_\_\_ Ebzeyev B.B.  
signature

Chief Accountant of "IDGC of the South" PJSC

Date: 12 August 2016

\_\_\_\_\_ Savin G. G.  
signature

Contact person: Tselikova Yelena Grigorievna, chief specialist of Corporate Governance and Shareholders Relations Departemnt, "IDGC of the South" PJSC

phone: (863) 307-0469; Fax: : (863) 307-0554

e-mail: [celikovaeg@mrsk-yuga.ru](mailto:celikovaeg@mrsk-yuga.ru)

Internet website used by the issuer for the information disclosure:

[www.e-disclosure.ru/portal/company.aspx?id=11999](http://www.e-disclosure.ru/portal/company.aspx?id=11999);

<http://mrsk-yuga.ru/aktsioneru-investoru/ezhekvertalnyy-otchet-emitenta/>

|  |  |
|--|--|
| Introduction .....   | 5                                      |
| I. Information on bank accounts, auditor (auditing company), appraiser and financial consultant of the Issuer as well as other persons signed the quarterly report .....   | 6                                      |
| 1.1. Details on the Issuer's Bank Accounts.....  | 6                                      |
| 1.2. Data on Auditor (Auditors) of the Issuer.....   | 6                                      |
| 1.3. Data on Appraiser of the Issuer .....   | 10                                     |
| 1.5. Data on Other Individuals that Signed the Quarterly Report. ....  | 10                                     |
| II. Basic Information on Financial and Economic Performance of the Issuer .....  | 11                                     |
| 2.1. Financial and Economic Performance Indicators of the Issuer .....   | 11                                     |
| 2.3. Obligations of the Issuer.....  | 12                                     |
| 2.3.1. Accounts Payable .....  | 12                                     |
| 2.3.3. The Issuer's Obligations from Collateral Furnished to Third Parties .....   | 16                                     |
| 2.3.4. Other Obligations of the Issuer.....  | 16                                     |
| 2.4.2. Country and regional risks.....   | <b>Ошибка! Закладка не определена.</b> |
| 2.4.3. Financial risks.....  |  |
| 2.4.4. Legal risks .....   | 26                                     |
| III. Detailed Information on the Issuer .....  | 31                                     |
| 3.1. Incorporation History and Development of the Issuer .....   | 34                                     |
| 3.1.1. Data on Company Name (Name) of the Issuer .....   | 34                                     |
| 3.1.3. Data on the Issuer's Incorporation and Development .....  | 35                                     |
| 3.1.4. Contact Information.....  | 35                                     |
| 3.1.5. Taxpayer Identification Number .....  | 36                                     |
| 3.1.6. Branches and Regional Offices of the Issuer.....  | 36                                     |
| 3.2. Core Business of the Issuer .....   | 36                                     |
| 3.2.1. Main Types of Business Activity of the Issuer .....   | 36                                     |
| 3.2.2. Principal Business Activity of the Issuer.....  | 36                                     |
| 3.2.3. Materials, Goods (Raw Materials) and Suppliers of the Issuer .....  | 39                                     |
| 3.2.4. Commodity Markets of Products (Works, Services) of the Issuer .....   | 43                                     |
| 3.2.5. Data on the Issuer's Licenses .....   | 44                                     |
| 3.3. Plans for Future Activity of the Issuer .....   | 54                                     |
| 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 ..... | 62                                     |
| IV. Data on Financial and Economic Activity of the Issuer.....   | 63                                     |

|   |     |
|---|-----|
| 4.1. Results of Financial and Economic Activity of the Issuer .....   | 77  |
| 4.2. Issuer's Liquidity, Capital and Current Assets Adequacy.....   | 80  |
| 4.3. Financial Investments of the Issuer .....  | 81  |
| 4.4. Intangible Assets of the Issuer.....   | 81  |
| 4.5. Data on policy and expenditures of the issuer in the field of scientific and technical development, concerning licenses and patents, new development and research .....  | 87  |
| 4.6. Analysis of Development Trends Related to the Issuer's Ordinary Activity.....  | 102 |
| 4.7. Analysis of Factors and Conditions Influencing the Issuer's Activity.....  | 105 |
| 4.8. Business Competitors of the Issuer. ....   | 105 |
| 5.1. Data on Structure and Competence of the Issuer's Management Authorities.....   | 105 |
| 5.2. Data on Members of the Issuer's Management Authorities.....  | 105 |
| 5.2.1. Structure of the Board of Directors (Supervisory Body) of the Issuer.....  | 105 |
| 5.2.2. Information on Sole Executive Body of the Issuer.....  | 123 |
| 5.2.3. Structure of Collegiate Executive Body of the Issuer .....   | 124 |
| 5.4. Data on Structure and Competence of Authorities Undertaking Control over the Issuer's Financial and Economic Activities.....   | 136 |
| 5.8. Data on any Obligations of the Issuer to Employees (Staff Members) Concerning Possibility of their Participation in the Authorized (Share) Capital (Share Fund) of the Issuer .....  | 155 |
| VI. Data on Participants (Shareholders) of the Issuer and on the Issuer's Interested Parties Transactions .....   | 157 |
| 6.1. Data on the Total Amount of Shareholders (Participants) of the Issuer.....   | 157 |
| 6.5. Data on Changes in Composition and Amount of Participation of Shareholders (Participants) of the Issuer Holding at least 5 percent of Authorized (Share) Capital (Share Fund) or at least 5 percent of Ordinary Shares ..... | 160 |
| 6.6. Data on the Issuer's Interested parties Transactions .....   | 173 |
| 6.7. Data on the Amount of Accounts Receivable .....  | 175 |
| VII. Accounting (Financial) Report of the Issuer and Other Financial Information.....   | 178 |
| 7.1. Annual Accounting Report of the Issuer .....   | 178 |
| 7.3. Consolidated accounting reports of Issuer for the last completed fiscal year .....   | 181 |
| 7.4. Information about Issuer's accounting policy. ....   | 181 |
| 7.6. Data on cost of real estate of the Issuer and essential changes which occurred in structure of property of the Issuer following the end date of the last completed financial year.....                                       | 182 |
| 8.1. Additional Data on the Issuer .....  | 202 |
| 8.1.1. Data on Amount and Structure of the Issuer's Authorized (Share) Capital (Share Fund)   | 202 |

|   |     |
|---|-----|
| 8.1.2. Data on Adjustment of the Amount of the Issuer's Authorized (Share) Capital (Share Fund)   | 203 |
| 8.1.5. Data on important transactions closed by the Issuer  | 205 |
| 8.1.6. Data on credit ratings of the Issuer   | 205 |
| 8.2. Data on each category (type) of the Issuer's shares  | 205 |
| 8.3. Data on previous issues of securities of the Issuer except for shares  | 207 |
| 8.3.1. Data on issues all securities of which were repaid (cancelled)   | 207 |
| 8.3.2. Data on issues securities on which are in circulation  | 207 |
| 8.4. Information about the Person (Persons) that Provided Security for the Issued Bonds   | 207 |
| 8.4.1. Conditions of fulfillment of obligations on mortgage-backed bonds  | 207 |
| 8.5. Information on entities recording the rights to the issued securities of the Issuer.   | 208 |
| 8.6. Data on the acts regulating issues of import and export of capital that can influence distribution of dividends, interest and other payments to nonresidents | 208 |
| 8.7. Description of taxation scheme for the revenue on the Issuer's securities that were placed and are in the process of placement                               | 208 |
| 8.7.2 Data on the declared (accrued) and paid dividends under the Issuer's shares and also on revenue under the Issuer's bonds                                    | 208 |

## **Introduction**

Basis for the Issuer's obligations to disclose information in the form of quarterly report:

The Issuer had the securities Prospectus registered in respect of its securities; State registration of the Issuer's securities issue (additional issue) was implemented along with the security Prospectus registration; therewith, such securities were placed by open subscription or by closed subscription in a group of persons not exceeding 500.

Exchange-traded bonds of the Issuer are admitted to trading on an organized exchange with the submission of bonds prospectus to stock exchange.

Due to the fact that the annual accounts (consolidated financial) statements of the issuer for the last completed fiscal year were made after the end date of the first quarter, these statements were not included in the report for the 1<sup>st</sup> quarter, and are contained in the report of the issuer for the 2<sup>nd</sup> quarter report.

As the Issuer has changed its business name, in this quarterly report it is referred to as a Public Joint Stock Company "Interregional Distribution Grid Company of the South" (IDGC of the South PJSC), however, in the text of the report can be found the former name – IDGC of the South JSC when referring to the events happened before the change of the Company's name, as well as in terms of links to documents, approved (adopted) by the Company during the period.

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 by the Issuer is connected with risks described in the present quarterly report.

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

### **1.1. Details on the Issuer's Bank Accounts**

During the reporting quarter no changes occurred in information disclosed in this chapter.

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

The following information is specified: 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 report, as well as auditor (auditing company) approved (elected) for auditing the annual financial (accounting) statements of the issuer, including its consolidated financial statements for the current and the last completed fiscal year.

Full business name: **Limited Liability Company “RSM RUS”**

Abbreviated business name: **“RSM RUS” LLC**

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

TIN: **7722020834**

PSRN: **1027700257540**

Telephone: **(495) 363-2848**

Fax: **(495) 981-4121**

e-mail: [mail@rsmrus.ru](mailto:mail@rsmrus.ru)

Details of 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**

Additional Information: **phone: +7 (495) 734-22-22, fax: +7 (495) 734-04-22; e-mail: [info@auditor-sro.org](mailto:info@auditor-sro.org).**

**The date of receipt of a Self-regulatory organization status: December 30,**

**2009 Document, which was obtained on the basis of the status of Self-regulatory organization: Order of the Ministry of Finance of the Russian Federation No.721 dated 30.12.2009**

**Number in the state register of Self-regulatory organization: 06**

Financial year(s) from among the last five completed financial years and current financial year, for which the Auditor carried out (will carry out) an independent audit of annual accounting (accounting) statements of the Issuer

| financial (accounting) statements, year | Consolidated financial report, year |
|---|-------------------------------------|
| 2015                                    | 2015                                |

Periods from among the last five completed financial years and current financial year, for which the Auditor carried out(will carry out) an independent audit of interim accounting (financial) statements of the Issuer

| financial (accounting) statements, reporting date | Consolidated financial report, reporting date |
|---|---|
| 30.09.2015  |   |

Factors that may affect the independence of the auditor (auditing organization) of the issuer, including specified information on any material interests between the auditor (or persons holding positions in the management bodies and the bodies of control over financial and economic activities of the audit organization) and the issuer (persons holding positions in the management and control bodies of financial and economic activities of the issuer): **There are no factors that may affect the independence of the auditor (auditing organization) of the issuer, including specified information on any material interests between the auditor (or persons holding positions in the management bodies and the bodies of control over financial and economic activities of the audit organization) and the issuer (persons holding positions in the management and control bodies of financial and economic activities of the issuer).**

**Procedure for selection of the Issuer's Auditor:**

Tender procedure for auditor selection and the main terms:

The auditor company 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 candidature for 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” PJSC.

For participation in the Competition, auditor organizations should meet the following requirements:

- shall not be in the process of liquidation;
- shall not have the resolution concerning the 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 Competition;
- shall not have debts on 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 12 of the Federal Law “On the Auditor’s Activity”.

On the basis of decision of the Tender committee of Rosseti on summing up the results of public competitive negotiations without prequalification of bidders for the right to conclude contracts on obligatory annual audit of reports of affiliated and depended companies of Rosseti for 2015-2017 (minutes of meeting No.5/552p dated 20.04.2015), the candidature of “RSM RUS”, LLC was pronounced the winner.



The procedure of nomination of the auditor for approval by the shareholders' (participants') meeting, including the responsible management authority, is specified as follows: According to articles No.47, 54 and 88 of the Federal Law on Joint Stock Companies; according to subclause 11 of cl.10.2 of article 10; cl.11.1 of article 11; cl.24.8 of article 24 of the Charter of "IDGC of the South" PJSC the General Shareholders Meeting annually approves the Auditor of Company for the audit and check of annual financial statements of the Company. The Federal Law "On Joint Stock Companies" does not fix any date or terms of nominating the candidatures of 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 candidature of an auditor.

Due this fact, the candidature of an auditor for approval at the annual general shareholders meeting is selected by the Board of Directors of the Company within the framework of discussion of the issues of preparing and holding the annual general shareholders meeting.

For the purpose of auditing the financial statements and financial (accounting) reports for 2015 the Board of Directors of "IDGC of the South" PJSC has recommended (Minutes of meeting No.158/2015 dated 21.05.2015) and appointed "RSM RUS" LLC as the auditor of the Company on 19 June 2015 by the decision of the Annual General Shareholders Meeting of the Company (Minutes of meeting No.113 dated 22.06.2015).

**Works performed by Auditor within the framework of special audit assignments were not performed.**

Procedure for determining the remuneration of the auditor; actual amount of remuneration paid to the auditor by the results of the last completed financial year on which the auditor performed audit of accounting report; information on deferred and overdue payments for the services rendered by the auditor:

Amount of remuneration of the issuer's auditor is determined by the Issuer's Board of Directors according to clause 24.10 of the article 24 of the Charter of the Company.

Service cost and procedure of paying the auditor's remuneration are specified by the agreement concluded between the Company and the auditor.

**The Board of Directors in its resolution on 05.08.2016 (minutes of meeting No.197/2016 dated 08.08.2016) determined the amount of payment of remuneration to the auditor "RSM RUS" LLC under the contract of provision of services on audit of accounting report prepared under RAS and audit of consolidated financial statements prepared under IFRS for the year ended 31.12.2016 (the audited period from 1 January 2016 to 31 December 2016): 2 177 796.76 rubles (two million one hundred and seventy seven thousand seven hundred ninety six rubles 76 kopecks), including VAT (18%). There aren't any deferred or overdue payments for the services rendered by the auditor.**

### **1.3. Data on Appraiser of the Issuer**

During the reporting quarter no changes occurred in information disclosed in this chapter.

### **1.4. Data on Advisors of the Issuer**

According to reasons specified in the chapter, consultants were not invited during 12 months up to the date of end reporting quarter.

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

Name: **Ebzeyev Boris Borisovich;**

Year of birth: **1973**

Information of place work: **"IDGC of the South" PJSC**

Position: **Director general**

Name: **Savin Grigory Grigorievich;**

Year of birth: **1952**

Information of place work: **"IDGC of the South" PJSC**

Position: **Chief accountant – head of Department of financial records, accounts and tax returns**

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

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

Performance indicators that characterize issuer's activity are shown according to the accounting (financial) report

Standards (rules) used for making the accounting report – RAS (Russian Accounting Standards)

Unit of measurement for index of performance: rubles/employee

| Indicator  | 6 months of 2015 | 6 months of 2016 |
|--|------------------|------------------|
| Workforce productivity                               | 177.38           | 1 099.8          |
| Debt-to-equity ratio                                 | 6.81             | 8.85             |
| Long-term debt to total sum of debt and equity ratio | 0.77             | 0.77             |
| Current ratio  | 5.77             | 7.87             |
| Overdue debt, %                                      | 18.82            | 20.5             |

Analysis of the issuer's business activity on the basis of the abovementioned indicators:

Labor productivity indicator for the 2015 in accordance with the previously applied method is presented based per one month, 2016 is the analyzed period. In order to compare the data on labor productivity in 2016 in terms of one month is 183.3 thousand rubles per one person, which is higher than the same period of the previous year.

Productivity ratio as of 30.06.2015 is given per one month as of 30.06.2016 calculation is given per six months. For 6 months of 2016 in average 1 person had 1 099.8 thousand rubles of revenue. The positive dynamic characterizes the increase in labour productivity, improvement of efficiency of human resource management.

The ratio of debt to equity capital characterizes leverage ratio and shows the extent of their use in the total amount of funds invested in the organization. Compared to 6 months of 2015 this figure had risen to 8.85, which is explained by the growth of loans in connection with non-payment for services rendered for electricity

transmission guaranteeing suppliers and retail companies, as well as decrease in the value of equity in the reporting period.

The ratio of the size of long-term debt to total long-term debt and shareholders' equity for 6 months in 2016 amounted to 0.77, which was similar to the same period of the previous year. This fact is explained by a decrease in the value of equity for the 6 months of 2016 by 1.24 times and a decrease in long-term debt by 1.26 times compared to the same period of the previous year.

The index level of the current coverage of debt income (profit) describes how the sources have their own rubles per ruble liabilities, payable in the reporting period.

Overdue debt level reflects the share of unpaid payables in total liabilities of the enterprise and as of 30.06.2016 it amounted to 20.5%.

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

Market capitalization is calculated by way of multiplying the corresponding category (class) shares amount by a share market price disclosed by Securities Market Maker.

Unit of measurement: **rubles**.

| Indicator             | as of 31.12.2015 | as of 30.06.2016 |
|-----------------------|------------------|------------------|
| Market capitalization | 1 544 143 977.98 | 1 813 123 896.73 |

Information on securities market maker providing data for market capitalization calculation, and other additional information on securities public circulation disclosed at the Issuer's discretion:

**To calculate the market price of the Issuer's shares for the reporting quarter, the Company used the information of Closed Joint Stock Company "MICEX Stock Exchange" (ZAO "MICEX Stock Exchange"), the organizer of trade on the securities market, to which were admitted the issuer's shares.**

**Company's shares were listed at "RTS" JSC by 19.12.2011 (date of corporate restructuring of "RTS" JSC)**

## **2.3. Obligations of the Issuer**

### **2.3.1. Accounts Payable**

30.06.2016

Structure of the Issuer's borrowed funds

Unit of measurement: thousand rubles

| Indicator                  |            |
|----------------------------|------------|
| Long-term loans            | 13 904 700 |
| including:                 |            |
| credits                    | 8 904 700  |
| loans, except bonded loans | 0          |
| bonded loan                | 5 000 000  |
| Short-term loans           | 10 902 282 |
| including:                 |            |
| credits                    | 10 870 841 |
| loans, except bonded loans | 0          |
| bonded loan                | 31 441     |
| Total sum of overdue loan  | 0          |
| including:                 |            |
| credits                    | 0          |
| loans, except bonded loans | 0          |
| bonded loan                | 0          |

Structure of the Issuer's account payable

Unit of measurement: thousand rubles

| Indicator                               |            |
|---|------------|
| Total amount of credit debts            | 11 126 490 |
| overdue                                 | 7 939 229  |
| including                               |            |
| to budget and state non-budgetary funds | 662 277    |
| overdue                                 | 0          |
| to suppliers and contractors            | 8 369 928  |
| overdue                                 | 7 003 614  |

|          |         |
|----------|---------|
| to staff | 241 900 |
| overdue  | 0       |
| other    | 609 028 |
| overdue  | 496 462 |

In case of presence of overdue accounts payable including credit facility agreements or loan agreements, as well as Issuer's debt securities (bonds, notes, etc.), causes of non-fulfillment should be mentioned 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.

Creditors accounting for no less than 10% of the total sum of accounts receivable or no less than 10% from the total amount of borrowed (long-term and short-term) funds:

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

Short company name: **“UES FGC” JSC**

Location: Moscow;

TIN: **4716016979;**

RCBIC: **1024701893336**

Amount of accounts payable: **5 986 082 thousand rubles**

Amount and terms of overdue accounts payable (interest rate, fines and penalty fees): **Overdue accounts payable to “UES FGC” JSC as of 30.06.2016 amounted to 5 342 931 thousand rubles.** Forfeit for failure to timely pay amounts per day of default.

The creditor is an affiliate of the Issuer.

The Issuer's share in the authorized (share) capital (mutual fund) of the business entity, %: 0.0009

Issuer's share of common shares of the company, %: 0.0009

Share of the entity in the Issuer's charter capital: 0%

Percentage of ordinary shares of the issuer,%: 0

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

Short company name: **Sberbank of Russia PJSC**

Location: **19 Vavilov street, Moscow 117997**

TIN: **7707083893**

RCBIC: **1027700132195**

Amount of accounts payable: **19 775 299 thousand rubles**

Amount and terms of overdue accounts payable (interest rate, fines and penalty fees): no overdue accounts payable

Whether the creditor is an affiliate of the Issuer: no

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

Fulfilment 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         |                          |
|--|--------------------------|
| <b>1. Bonded loan 4B02-01-34956-E</b>                        |                          |
| 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, RUR | 5 000 000 RUR X 1000     |
| Sum of debt as of the end of the reporting quarter, RUR      | 5 000 000 RUR X 1000     |
| 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. |

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

Such liabilities are absent

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

Other obligations, which were not described in the balance sheet and might significantly influence financial status of the Issuer, its cash position sources of financing and terms of their use performance of the Issuer, are absent.

## **2.4. Risks Connected with Purchase of Equity Securities Placed or in the Process of Placement.**

### **The Issuer's policy in the sphere of risk management:**

The policy of "IDGC of the South" PJSC in the field of risk management involves timely detection and prevention of possible risks in order to minimize company's financial and other losses.

The system of internal control and risk management (hereinafter – the System) is an integral part of the corporate management and is aimed at its improvement, the System ensures that the management bodies adopt the most efficient and economically sound decisions, strives to increase transparency and efficiency of management and Company's investment attractiveness. This activity is recognized by the Board of Directors of the Company as a priority activity.

Functioning of the System provides a permanent and documented process of identification, evaluation and management of the Company's risks, integration into business processes, control procedures, reducing the risks and responsibilities for their implementation. The System implies the involvement of all departments of



the Company in the risk management process and improving the control environment.

**The basic documents governing the system of internal control and risk management are:**

- The Risk Management Policy in the new version was approved by the Board of Directors on 01.04.2016 (Minutes of meeting No.182/2016 dated 01.04.2016); the Policy determines the strategy for the development of the internal control and risk management; The Internal Control Policy in the new version, approved by the Board of Directors on 14.03.2016 (Minutes of meeting No.180/2016 dated 14.03.2016); The Internal Audit Policy, approved by the Board of Directors on 14.03.2016 (Minutes of meeting No.180/2016 dated 14.03.2016); The Guidelines for Risk Management of “IDGC of the South” PJSC, approved by the order of “IDGC of the South” PJSC No.512 from 11.08.2015, the Guidelines define the basic methods of identification, assessment, monitoring and management of risks; The Regulations on the Control Environment and Risks in the Business Processes “Commercial accounting and implementation of services for the transmission of electricity”, “Procurement”, “The implementation of technological connection services”, “Operational activity”, approved by the Board of Directors (Minutes of meeting No.66/2011 dated 09.06.2011); the Regulations describe the control environment of business processes by the definition of control points, identifying the risks of a business process integration and control procedures in the business process in order to reduce risks.

**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.

#### **2.4.1. Industry Risks**

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.
- 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.

### **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 will be taken to reduce the risks involved:

- participation of IDGC of the South PJSC in the development of new regulations and amendments to the current regulations which have priority importance for the organization of the distribution grid complex
- interaction with regional regulatory authorities to defend the necessity of the 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 the branches of IDGC of the South PJSC, related to the implementation of the provisions of the Federal No.35-FZ “On Electric power industry” Law dated March 26, 2003 in terms of agreements of leasing facilities of UNEG (“last mile”)
- carrying out a systematic work to reduce 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 to 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.

**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**

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.

Influence of the risks associated with possible changes in prices of raw materials and services used by the Issuer in its activities on the domestic market, the performance of obligations under securities: 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 the following measures to be taken to reduce the risks involved:

- 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 at foreign markets do not exist, as the issuer does not provide services for export.

The Issuer does not conduct its activities on the external market, and therefore the description of industry risks at the foreign market in this subparagraph is not provided, due to their absence.

#### **2.4.2. Country and Regional Risks**

During the reporting changes in information disclosed in this report did not occur

#### **2.4.3. 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. However, only a significant increase in interest rates may limit the pace of development of the Company's activities.

Due to the fact that the Company's assets and liabilities are in rubles, “IDGC of the South” PJSC 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.

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.

#### **2.4.4. Legal risks**

Legal risks management is based on improving the process of legal documents implementation and legal support in the Company's operation. 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-ФКЗ "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.

#### **2.4.5. Reputational risks.**

The 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, and quality of its products (works, services) or the nature of its activities in general.

Reputational 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's 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 the Company takes the following steps:**

- expressing the official position of the Company, its publication on the official website, in the media, organization of press conferences, briefings, with the participation of the company's management, placement of information in social networks in order to maintain topics/discussions in line with the company's required;
- demonstration of openness and readiness for dialogue with the media;

- preparation and coordination of responses to media inquiries;

The following activities are carried out to avoid reputational risks:

- daily maintenance of the Company's presence in the media space

- constant interaction with editors and leading journalists of key media for timely notification, exchange of information

- daily monitoring of the media and social networks

- preparation and coordination of responses to media inquiries

- holding press tours, event-actions

- publication on the Company's official website, in media, social networking information, forming a positive background information on the activities and plans of the company, including on the implementation of programmes on prevention of injury at grid facilities, reduce of accounts receivable, as well as the accessibility and transparency of the process of technological connection (notification on activities aimed to increase regional access to the customer service centres and offices, arrangement of special event – “Day of the consumer”, promotion of the on-line resource for the reception of applications for technological connection).

- initiation in social networks of active discussion/debate among bloggers/moderators of opinions on the topics related to the company's activities.

#### **2.4.6. 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.

#### **2.4.7. 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 staff traumatism risk

reduction 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 (initiated by statements of claim of territorial grid companies for the recovery of unjust enrichment). 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.

The greatest demand (more than 1 billion rubles) claimed within ten claims of “Energy” JSC (the period January 2014 - September 2015). The situation is similar with other “Prometheus” LLC.

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.

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.

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

Negative outcome of court cases related to the recovery of the amount of contractual penalty on executed in violation of the terms of payment delivery contracts, outsourcing, and services may create additional financial burden.

**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 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 shall not be 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.

**Factors which may adversely affect the sales of the Issuer's products (works, services) and possible actions of the Issuer to minimize such effect:**

Speaking about the services rendered by the issuer, precisely electricity transmission services, there is a risk of decline as a result of the reduction of energy consumption of existing enterprises (the recession of production).

**Risks related to potential loss of consumers, the turnover with which is at**

**least:** These risks can be assessed as insignificant.

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

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

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

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

The Issuer’s full and abbreviated name (name of non-profit organization) is similar to other legal bodies:

Public Joint Stock Company “Interregional Distribution Grid Company of the Centre and Volga Region” (“IDGC of the Centre and Volga Region”, PJSC);

Public Joint Stock Company “Interregional Distribution Grid Company of Volga” (“IDGC of Volga”, PJSC);

Public Joint Stock Company “Interregional Distribution Grid Company of Centre” (“IDGC of Centre”, PJSC);

Public Joint Stock Company “Interregional Distribution Grid Company of the Northern Caucasus” (“IDGC of the Northern Caucasus”, PJSC);

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

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.

All previous company names of the Issuer throughout the Company's lifetime:

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")

Date of introducing the new company name: **28.06.2007**

Reason for introduction of the name: Order of RAO UES of Russia No.192p dated 22.06.2007.

### **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**

No changes occurred in the information disclosed in this chapter

### **3.1.4. Contact Information**

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

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: no

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

6164266561

### **3.1.6. Branches and Regional Offices of the Issuer**

The changes that have taken place in the reporting period at the Issuer's branches and representative offices, and in the event of changes in the reporting quarter, the name, location of the branch or representative office, surname, name and patronymic of its director, the term of the power of attorney issued to them by the issuer and information on such changes

- on 04.04.2016 Natkho Inver Yusufovich was appointed Director of the branch of IDGC of South PJSC – “Astrakhanenergo”
- on 04.04.2016 Alaev Timur Ulyumdzhievich was appointed Director of the branch of IDGC of South PJSC – “Kalmenergo”
- on 21.06.2016 Dzhabrailova Julianna Hasanovna was appointed Acting Director of the branch of IDGC of South PJSC – “Kubanenergo”

## **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:

| OKVED codes |
|-------------|
| 40.10.2     |

| OKVED codes |
|-------------|
| 40.10.3     |
| 40.10.5     |
| 74.14       |
| 74.15.2     |
| 64.20.11    |

### **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 accounting

period

In items of thousand rubles

Type of activity: **electricity transmission**

| Indicator  | 6 months of 2015 | 6 months of 2016 |
|--|------------------|------------------|
| Volume of proceeds (income) of the type of business activity   | 14 178 949       | 14 863 094       |
| Share of proceeds volume in the type of activity related to the total volume of the proceeds (income) of the Issuer, % | 98.7             | 98.9             |

Change of proceeds volume of the Issuer from its principal business activity accounts for 10% in comparison with the correspondent reported period of the previous year which resulted from the following: changes did not occur

#### **Data on energy transmission across Company's networks**

| Branch                          | Grid output   | Productive supply | General power loss |              |
|---------------------------------|---------------|-------------------|--------------------|--------------|
|                                 | million kWh   | million kWh       | million kWh        | %            |
| 2 <sup>nd</sup> quarter of 2016 |               |                   |                    |              |
| “Astrakhanenergo”               | 696.9         | 601.0             | 95.9               | 13.75%       |
| “Volgogradenergo”               | 2352.7        | 2252.8            | 99.9               | 4.25%        |
| “Kalmenergo”                    | 113.4         | 95.6              | 17.8               | 15.73%       |
| “Rostovenergo”                  | 3172.2        | 2951.4            | 220.8              | 6.96%        |
| Total: IDGC of the South PJSC   | <b>6335.3</b> | <b>5900.8</b>     | <b>434.5</b>       | <b>6.86%</b> |

Note: Grid output is a volume electric energy delivered to the electric networks of the grid company delivered from other grids or electric power producers; productive supply - electric power volume consumed by power receivers of the User connected to this grid along with electric power transmitted by other grid companies; power loss – difference between power grid output and productive supply.

By the results of activity of IDGC of the South PJSC in the 2<sup>nd</sup> quarter of 2016 the

grid output was 6 335.3 million kW\*h, while the productive supply was 5 900.8 million kW\*h. Actual losses in the 2<sup>nd</sup> quarter of 2016 were 434.5 million kW\*h or 6.86%.

#### Services rendered

| Indicator                       | units of measurement | planned        | actual         | Difference, % |
|---------------------------------|----------------------|----------------|----------------|---------------|
| 1 <sup>st</sup> quarter of 2016 |                      |                |                |               |
| Services performed, including:  | mln kWh              | <b>6 007.6</b> | <b>5 818.4</b> | <b>-3.15%</b> |
| “Astrakhanenergo”               | mln kWh              | 669.1          | 595.6          | -10.99%       |
| “Volgogradenergo”               | mln kWh              | 2 363.2        | 2 236.3        | -5.37%        |
| “Kalmenergo”                    | mln kWh              | 93.4           | 95.6           | 2.33%         |
| “Rostovenergo”                  | mln kWh              | 2 881.9        | 2 890.9        | 0.31%         |
| Revenue, including:             | mln rbs              | <b>7 050.2</b> | <b>6 974.2</b> | <b>-1.08%</b> |
| “Astrakhanenergo”               | mln rbs              | 1 085.6        | 1 004.1        | -7.51%        |
| “Volgogradenergo”               | mln rbs              | 2 377.9        | 2 331.0        | -1.97%        |
| “Kalmenergo”                    | mln rbs              | 187.4          | 193.6          | 3.30%         |
| “Rostovenergo”                  | mln rbs              | 3 399.4        | 3 445.5        | 1.36%         |

Actual volume of the rendered services on transmission of electric energy amounted to 5 818.4 million kW\*h in the 2<sup>nd</sup> quarter of 2016, which is 189.3 million kW\*h or 3.55% lower than the planned indicator.

The revenue from the rendered services was 6 974.2 million rubles, VAT excluded. Decrease in revenue in the 2<sup>nd</sup> quarter of 2016 amounted 76.2 million rubles or by 1.08% in comparison with planned indicator.

#### General Structure of the Issuer’s Expenses

| Indicator  | 6 months of 2015 | 6 months of 2016 |
|--|------------------|------------------|
| Raw and other materials,%  | 1.54             | 1.71             |
| 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, % | 33.06            | 32.84            |

|  |        |       |
|--|--------|-------|
| Fuel, %  | 0.85   | 0.84  |
| Energy, %  | 25.64  | 25.71 |
| Labour costs, %  | 17.81  | 18.4  |
| Interest on credits, %   | 0      | 0     |
| Rental payments, %   | 0.37   | 0.42  |
| Fringe benefit expenses,%  | 5.38   | 5.58  |
| Depreciation of fixed assets,%   | 11.11  | 10.02 |
| Taxes included to production costs,%   | 1.15   | 1.3   |
| Miscellaneous expenses (explain)   | 3.09   | 3.19  |
| intangible assets depreciation, %  | 0.04   | 0.03  |
| remuneration for innovation proposals, %                                       | 0      | 0     |
| compulsory insurance payments, %   | 0.37   | 0.36  |
| hospitality expenditures, %  | 0.004  | 0.004 |
| other, %   | 2.68   | 2.8   |
| Precisely:   |        |       |
| - business trips and hospitality expenditures                                  | 0.21   | 0.21  |
| - leasing  | 0.01   | 0     |
| - services of third parties  | 2.46   | 2.59  |
| - misc.  | 0.002  | 0.002 |
| Total: costs of production and selling (of works, services)<br>(prime cost), % | 100    | 100   |
| For reference only: product (works, service) proceeding, %                     | 116.59 | 115.9 |

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 reflected in this subparagraph:**

- Federal Law “On Accounting” No. 402-Φ3 dated 06.12.2011;

- Order of Russian Ministry of Finance “On Forms of Financial Statements in Organizations” No. 66H dated 02.07.2010;
- 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;
- 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”
- Chart of Accounts, approved by Order of Russian Ministry of Finance No. 94H dd. 31.10.2000 and Its Application Sheet as amended;
- accounting regulations:
  - RAS 1/2008 "Accounting Policy", approved by order of the Russian Ministry of Finance from 06.10.2008 No. 106n;
  - RAS 2/2008 "Accounting for Construction Contracts", approved by order of the Russian Ministry of Finance from 24.10.2008 No. 116n;
  - 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;
  - RAS 4/99 "Accounting organization," approved by order of the Russian Ministry of Finance from 06.07.1999 No. 43n;
  - RAS 5/01 "Accounting of Inventories", approved by order of the Russian Ministry of Finance from 09.06.2001 No. 44n;
  - RAS 6/01, "Accounting of Fixed Assets", approved by order of the Russian Ministry of Finance from 30.03.2001 No. 26n;
  - RAS 7/98 "Subsequent Events", approved by order of the Russian Ministry of Finance from 25.11.1998 No. 56n;
  - RAS 8/2010 "Provisions, Contingent Liabilities and Contingent Assets", approved by order of the Russian Ministry of Finance from 13.12.2010 No. 167n”;
  - RAS 9/99 "Income", approved by order of the Russian Ministry of Finance from 06.05.1999 No. 32n;



- RAS 10/99 "Expense," approved by order of the Russian Ministry of Finance from 06.05.1999 No. 33n;
- RAS 11/2008 "Information on related parties", approved by order of the Russian Ministry of Finance from 29.04.2008 No. 48n;
- RAS 12/2010 "Segment Information", approved by order of the Russian Ministry of Finance from 08.11.2010 No. 143n;
- RAS 13/2000 "Accounting of Government Assistance", approved by order of the Russian Ministry of Finance from 16.10.2000 No. 92n;
- RAS 14/2007 "Accounting of Intangible Assets", approved by order of the Russian Ministry of Finance from 27.12.2007 No. 153n;
- RAS 15/2008 "Accounting of loans and credits," approved by order of the Russian Ministry of Finance from 06.10.2008 No. 107n;
- RAS 16/02 "Information on discontinued operations", approved by order of the Russian Ministry of Finance from 02.07.2002 No. 66n;
- 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;
- RAS 18/02 "Accounting of income tax of organizations", approved by order of the Russian Ministry of Finance from 19.11.2002 No. 114n;
- RAS 19/02 "Accounting of investments", approved by order of the Russian Ministry of Finance from 10.12.2002 No. 126n;
- RAS 20/03 "Information on participation in joint activities", approved by order of the Russian Ministry of Finance from 24.11.2003 No. 105n;
- RAS 21/2008 "Change estimates", approved by order of the Russian Ministry of Finance from 06.10.2008 No. 106n;
- 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;
- RAS 23/2011 "Statement on Cash Flows", approved by order of the Russian Ministry of Finance from 02.02.2011 No. 11n;

- RAS 24/2011 "Accounting of expenses for development of natural resources", approved by order of the Russian Finance Ministry No.125n on 06.10.2011;
- 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**

Suppliers of the Issuer sharing not less than 10% of all the materials and goods: none

Data on Changes in Prices for More than 10% of Basic Materials and Goods (Raw Materials) during the Accounting Period as Compared with Corresponding Accounting Period of the Previous Year:

| # | Goods   | Change in price (%) | notes    |
|---|---|---------------------|----------|
| 1 | wooden pole 9.5 meters                          | 39,07               | increase |
| 2 | self-supporting insulated wire-2<br>3x120+1x70  | 15,60               | increase |
| 3 | self-supporting insulated wire-2<br>3x70+1x54,6 | 10,53               | increase |
| 4 | self-supporting insulated wire 2*16             | 10,14               | increase |
| 5 | porcelain insulator ТФ-20                       | 56,25               | decrease |
| 6 | porcelain insulator ШФ-20Г                      | 51,26               | increase |
| 7 | 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 2<sup>nd</sup> quarter of 2016, seven guarantee suppliers, 41 independent power supply companies, 972 "direct" consumers and 62 territorial grid entities were registered.

Market share of services on energy transmission to end-users of networks of  
"IDGC of the South" PJSC in the 2<sup>nd</sup> quarter of 2016

| Branch of "IDGC of the South" PJSC | Market share, % |
|------------------------------------|-----------------|
| "Astrakhanenergo"                  | 91.32%          |
| "Volgogradenergo"                  | 45.58%          |
| "Kalmenergo"                       | 55.02%          |
| "Rostovenergo"                     | 33.52%          |
| "IDGC of the South" PJSC, total    | 44.77%          |

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

As part of the issuer's services on electricity transmission there might be reduction in the amount of such services dues to reduction in energy consumption by existing enterprises (manufacturing recession).

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

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

Number of license (permission) proving the receipt of the permission to particular types of work: **БЛГ No. 01548 БЭ**

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

Date of issue of license (permission) or admission to particular types of works: **26.05.2008**

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

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

Number of license (permission) proving the receipt of the permission to particular types of work: **БЛГ No. 01550 БЭ**

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

Date of issue of license (permission) or admission to particular types of works: **26.05.2008**

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

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

Number of license (permission) proving the receipt of the permission to particular

types of work: **БЖГ No. 01540 БЭ**

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, Ilovlipkiy district Date of issue: **16.05.2008**

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

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

Number of license (permission) proving the receipt of the permission to particular types of work: **БЖГ No. 01549 БЭ**

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

Date of issue of license (permission) or admission to particular types of works: **26.05.2008**

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

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

Number of license (permission) proving the receipt of the permission to particular types of work: **БЖГ No. 02041 БЭ**

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

Date of issue of license (permission) or admission to particular types of works: **06.03.2013**

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

Body (company) that issued a licence (permission) or admission to particular

types of works: Federal Agency for Subsoil Use, Department of Mineral Resources of the Southern Federal District

Number of license (permission) proving the receipt of the permission to particular types of work: **PCT 02227 BЭ**

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

Date of issue of license (permission) or admission to particular types of works: **05.10.2010**

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

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

Number of license (permission) proving the receipt of the permission to particular types of work: **PCT 02228 BЭ**

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

Date of issue of license (permission) or admission to particular types of works: **05.10.2010**

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

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

Number of license (permission) proving the receipt of the permission to particular types of work: **PCT 02327 BЭ**

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

Date of issue of license (permission) or admission to particular types of works:  
**21.01.2011**

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

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

Number of license (permission) proving the receipt of the permission to particular types of work: **PCT 02414 BЭ**

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

Date of issue of license (permission) or admission to particular types of works:  
**21.04.2011**

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

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

Number of license (permission) proving the receipt of the permission to particular types of work: **PCT 02024 BЭ**

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

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

**01.07.2009**

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

**30.06.2029**

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

Number of license (permission) proving the receipt of the permission to particular types of work: **PCT 02925 BЭ**

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

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

**30.04.2013**

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

**29.04.2033**

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

Number of license (permission) proving the receipt of the permission to particular types of work: **PCT 02920 BЭ**

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

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

**30.04.2013**

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

**29.04.2033**

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



District

Number of license (permission) proving the receipt of the permission to particular types of work: **PCT 02923 BЭ**

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

Date of issue of license (permission) or admission to particular types of works: **30.04.2013**

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

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

Number of license (permission) proving the receipt of the permission to particular types of work: **PCT 02922 BЭ**

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

Date of issue of license (permission) or admission to particular types of works: **30.04.2013**

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

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

Number of license (permission) proving the receipt of the permission to particular types of work: **PCT 02924 BЭ**

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

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

**30.04.2013**

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

**29.04.2033**

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

Number of license (permission) proving the receipt of the permission to particular types of work: **PCT 03017 BЭ**

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

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

**30.12.2013**

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

**29.12.2033**

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

Number of license (permission) proving the receipt of the permission to particular types of work: **БП-29-001130**

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

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

**15.01.2010**

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

**perpetual**

Body (company) that issued a licence (permission) or admission to particular types of works: Federal Service for Supervision in the Sphere of Communications, Information Technology and Mass Communications

Number of license (permission) proving the receipt of the permission to particular types of work: **№120752**

Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Provision of local telephone services, with the exception of local telephone services using payphones and multiple access devices

Date of issue of license (permission) or admission to particular types of works: **06.08.2014**

The duration term for licence (permit) or admission to particular types of works: **06.08.2019**

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

Number of license (permission) proving the receipt of the permission to particular types of work: **No. 0265.03-2011-6164266561-C-060**

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

Date of issue of license (permission) or admission to particular types of works: **01.01.2012**

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

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

License number: **II-0251-02-2010-0262**

Type of activity (activities): Admission to a particular kind or kinds of works that have (has) an impact on the security of capital construction projects

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

**14.12.2012**

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

**Perpetual licence**

Body (company) that issued a licence (permission) or admission to particular types of works: Administration of the Federal Security Service of the Russian Federation for the Rostov region

Number of license (permission) proving the receipt of the permission to particular types of work: **3665 (FTN№ 0073358) dd 13.07.2015**

Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: The license for activities related to the use of information constituting a state secret, with the stamp of secrecy allowed to use information marked as “top secret” of the executive office of “IDGC of the South” PJSC.

Date of issue of license (permission) or admission to particular types of works: **13.07.2015**

The duration term for licence (permit) or admission to particular types of works: **12.07.2020**

Body (company) that issued a licence (permission) or admission to particular types of works: Administration of the Federal Security Service of the Russian Federation for the Rostov region

Number of license (permission) proving the receipt of the permission to particular types of work: **3724 (FT No. 0073413) dated 16.10.2015**

Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: The license for activities related to the use of information constituting a state secret, with the stamp of secrecy allowed to use information marked as “top secret” of the branch of “IDGC of the South” PJSC – “Astrakhanenergo”.

Date of issue of license (permission) or admission to particular types of works: **03.11.2015**

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

**12.07.2020**

Body (company) that issued a licence (permission) or admission to particular types of works: Administration of the Federal Security Service of the Russian Federation for the Volgograd region

Number of license (permission) proving the receipt of the permission to particular types of work: **3665/1204-J13 (ГТ No. 0076599) dated 17.11.2015**

Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: The license for activities related to the use of information constituting a state secret, with the stamp of secrecy allowed to use information marked as “top secret” of the branch of “IDGC of the South” PJSC – “Volgogradenergo”.

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

**17.11.2015**

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

**12.07.2020**

Body (company) that issued a licence (permission) or admission to particular types of works: Administration of the Federal Security Service of the Russian Federation for Kalmykia

Number of license (permission) proving the receipt of the permission to particular types of work: **3665/171 (ГТ No. 0010852) dated 17.11.2015**

Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: The license for activities related to the use of information constituting a state secret, with the stamp of secrecy allowed to use information marked as “top secret” of the branch of “IDGC of the South” PJSC – “Kalmenergo”.

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

**17.11.2015**

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

**12.07.2020**

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

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

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

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

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

“IDGC of South” PJSC is 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.

Currently, within the frameworks of implementation of energy service contract at branch of IDGC of South PJSC – Volgogradenergo, “Progress Energy” LLC completed the first stage of works, including pre-project survey of 37,940 reference points, and formed 1809 volumes of construction documents, being processed and approved at branch.

The implementation of these contracts will allow to carry out 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 the South PJSC.

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<br>IDGC of the South   | Investments, mln rbs |       |       |       |       |           |
|----------------------------------|----------------------|-------|-------|-------|-------|-----------|
|                                  | 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,<br>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)

**Primary implementation areas of investment programme of “IDGC of the South” PJSC (scheduled and actual indicators of the 1<sup>st</sup> quarter of 2016) are represented in the following table**

| branch of IDGC of the South PJSC | Plan for the 1 <sup>st</sup> half of 2016 |                           |              |               | Actual in the 1 <sup>st</sup> half of 2016 |             |                           |             |               |             |               |             |
|----------------------------------|---|---------------------------|--------------|---------------|--|-------------|---------------------------|-------------|---------------|-------------|---------------|-------------|
|                                  | Assimilation                              | Introduction into service |              |               | Assimilation of CAPEX                      |             | Introduction into service |             |               |             |               |             |
|                                  |   | mln rbs                   | mln rbs      | M VA          | km   | mln rbs     | %                         | mln rbs     | %             | M VA        | %             | km          |
| <b>IDGC of the South</b>         | <b>164</b>                                | <b>76</b>                 | <b>1.510</b> | <b>23.113</b> | <b>398</b>                                 | <b>243%</b> | <b>228</b>                | <b>301%</b> | <b>10.844</b> | <b>718%</b> | <b>88.480</b> | <b>383%</b> |
| Astrakhanenergo                  | 39  | 13                        | 0.410        | 4.723         | 85   | 220%        | 49                        | 364%        | 3.678         | 897%        | 33.393        | 707%        |
| Volgogradenergo                  | 73  | 1                         |              | 0.460         | 64   | 87%         | 14                        | 1653%       | 1.068         | >100%       | 6.930         | 1507%       |
| Kalmenergo                       | 8   | 3                         |              | 1.575         | 13   | 172%        | 13                        | 525%        | 1.450         | >100%       | 8.777         | 557%        |
| Rostovenergo                     | 44  | 59                        | 1.100        | 16.355        | 228  | 516%        | 152                       | 258%        | 4.648         | 423%        | 39.380        | 241%        |
| Administrative office            |   |                           |              |               | 8  | >100%       |                           |             |               |             |               |             |
| Kubanenergo                      |   |                           |              |               | 0  | >100%       | 0                         | >100%       |               |             |               |             |

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

At present IDGC of the South PJSC is one of the largest and fastest-growing energy companies of the Southern Federal District.

In order to implement the directions of the Company's development in terms of the modernization and technical upgrading of electric power facilities, construction of

transmission facilities, as well as compliance with the requirements of energy efficiency and energy saving, all branches of IDGC of the South PJSC perform activities, provided by the investment programme of the Company.

In order to implement schemes and programmes of perspective development of electric power industry of the Russian Federation, as well as increasing the availability of grid infrastructure, IDGC of the South PJSC plans to continue to implement measures aimed not only at improving the reliability of the existing power grid, but also to ensure the possibility of technological connection of new consumers. These activities include the reconstruction of substations, increasing the cross-section of power lines, as well as construction of new feeding centers, installation of overhead and cable lines.

An estimated amount of the connected capacity for 2016 is 258 MW, an identical figure according to the revised business plan 2015 amounted to 344 MW. As of 2015 the adjusted planned revenue from the provision of technological connection services (hereinafter – TC) for all categories of applicants is 444 million rubles. 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;

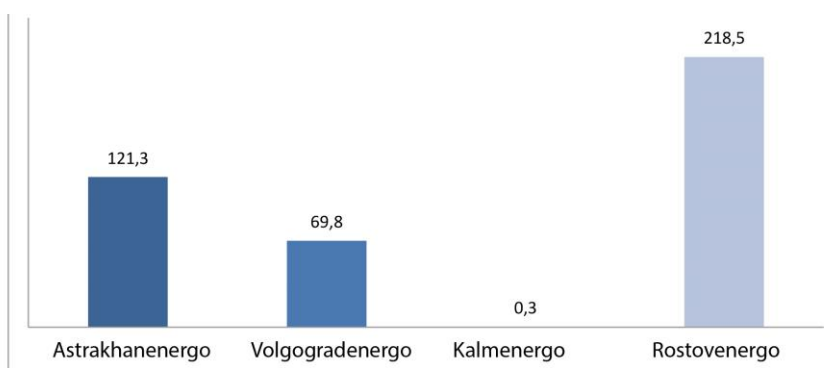
- the adoption of measures to eliminate violations and prevent the occurrence of complaints and claims of the applicants;
- determination of feasibility and the possibility of implementation of the Company's liabilities using own resources, including design and survey, construction and installation works.

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.

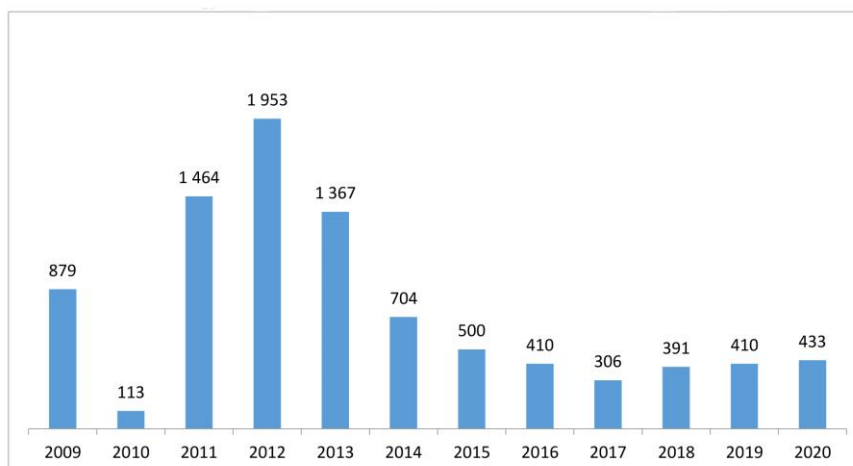
Target indicator of fulfillment of the obligations under the technological connection for the category applicants to 15kW at 2016: 8004 contracts. The volume of the planned connection of capacity is 73 MW.

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 of IDGC of the South PJSC, in million rubles**



Revenue from technological connection services, in million rubles



In 2016 the revenues from technological connection services is planned to amount 410 million rubles, which is million rubles or 18% less than the revenues in 2015. This circumstance is due to the fact that the revenue from contract for technological connection concluded with “Oboronenergo” JSC in the amount of 98 million rubles (without VAT) was included in the report of 2015.

**Information on the plans for future activities of the Company to provide services to consumers**

In the 1st quarter of 2016 IDGC of the South PJSC has the following offices for the interaction with customers:

| Branch of IDGC of the South PJSC | Number of divisions |                           |                          |
|----------------------------------|---------------------|---------------------------|--------------------------|
|                                  | All offices         | Customer services centres | Customer servicing point |
| IDGC of the South PJSC, total    | 116                 | 9                         | 107                      |
| Astrakhanenergo                  | 16                  | 1                         | 15                       |
| Volgogradenergo                  | 41                  | 5                         | 36                       |
| Kalmenergo                       | 14                  | 1                         | 13                       |
| Rostovenergo                     | 45                  | 2                         | 43                       |

In the reporting period the Company prepared an order to start the project of development and implementation of measures for increasing the availability of consumer services provided by “IDGC of the South” PJSC for the implementation of applications for the technological connection on the basis of multifunctional centers (MFC) in the Rostov and Astrakhan regions.

In the 3<sup>rd</sup> quarter of 2016 it is planned to conclude a contract with UIA multifunctional center in Rostov and Astrakhan regions of the branches of “IDGC of the South” PJSC.

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

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

**3.5. Organizations of significant importance controlled by Issuer.**

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

### 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

**30.06.2016**

Unit of measurement: thousand rubles

| Fixed assets                      | Initial (replacement) cost | Depreciation      |
|-----------------------------------|----------------------------|-------------------|
| Land plots                        | 22 387                     | 0                 |
| Buildings                         | 4 213 352                  | 974 869           |
| Constructions, except power lines | 1 354 180                  | 585 128           |
| Transmission lines and devices    | 21 451 241                 | 8 801 778         |
| Machinery and equipment           | 17 461 065                 | 8 974 530         |
| Transportation equipment          | 809 533                    | 623 395           |
| Other fixed assets                | 96 864                     | 84 682            |
| <b>Total</b>                      | <b>45 408 622</b>          | <b>20 044 382</b> |

Information on the 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.

Accounting date: 30.06.2016

Results of revaluation of fixed assets and leased assets, carried out during the last completed financial year, as well as the date of the revaluation, gross and net (minus depreciation) of the book value of fixed assets before revaluation and gross and net (minus depreciation) of the replacement cost fixed assets to reflect this reassessment. The specified information is provided for groups of fixed assets. The information is provided on methods of calculation of depreciation for groups of fixed assets.

**Revaluation of fixed assets during this period was not carried out.**

Data is pointed out 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 at the Issuer's option, as well as data on 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):

| <b>Data on Encumber Assets of "IDGC of the South" PJSC as of 30.06.2016</b> |  |                 |  |             |   |                      |
|---|--|-----------------|--|-------------|---|----------------------|
| Fixed Assets Leased   |  |                 |  |             |   |                      |
| #   | Short characteristics of property  |                 | Encumbrance grounds (number and date of lease agreement) | Lessee      | Starting and termination date of encumbrance      |                      |
|   | Name, address  | Area, square m. |  |             | 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.Khmelnitskogo street, Astrakhan)                     | 15,85           | No. 080-14-96 dd 04.02.2016                              | SMARTS CJSC | 30.12.15 - 24.12.2016                             | yes                  |
| 4.  | 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                  |
| 5.  | Non-residential premises (substation "Ikryanoye", Ikryannisky 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                  |
| 6.  | 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                  |
| 7.  | Place for placement of a container with equipment, substation "Sovetskaya"   | 140,0           | No. 080-14-43 dd 29.12.2015                              | Megafon JSC | 30.12.2015-without limitation                     | yes                  |
| 8.  | 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                  |
| 9.  | Non-residential Premises (substation "Solodniki", Chernoyarsky   | 7,6             | No. 080-14-77 dd   | Megafon JSC | 29.12.201-24.12.201                               | yes                  |

|     |  |                 |                                |                 |                                   |     |
|-----|--|-----------------|--------------------------------|-----------------|-----------------------------------|-----|
|     | distribution zone, Chernoyarsky district, Astrakhan region)  |                 | 27.11.2015                     |                 | 6                                 |     |
| 10. | 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<br>x3,<br>5 | No. 080-14-74 dd<br>27.11.2015 | Megafon JSC     | 29.12.201-<br>24.12.201<br>6      | yes |
| 11. | Non-residential premises: substation control house, building C, substation Tsarevskaya, 1 Khmelnitkogo street, Astrakhan   | 15,<br>85       | No. 080-14-76 dd<br>27.11.2015 | Megafon JSC     | 29.12.201-<br>24.12.201<br>6      | yes |
| 12. | Place for placement of a container with equipment (substation "Pervomaiskaya")   | 10,<br>4        | 080-14-75 dd<br>27.11.2015     | Megafon JSC     | 29.12.201-<br>24.12.201<br>6      | yes |
| 13. | Land (part of the land plot) for installation and operation of equipment of NMT cellular base stations (110/69kV substation "Sudostroitelnaya", 89 Kotelnaya street, Sovetsky district, Astrakhan) | 40,<br>5        | 080-14-79 dd<br>09.12.2015     | Megafon JSC     | 31.12.201-<br>24.12.201<br>6      | yes |
| 14. | Non-residential premises 33 Sadovaya street, Zamiyany village, Yenotayevsky distribution zone  | 3,2             | No. 080-14-64 dd<br>12.11.2015 | JSC<br>Vypelkom | 26.12.201<br>5-<br>24.12.201<br>6 | yes |
| 15. | Non-residential premises (18 I. Franko street, Akhtubinsk, Akhtubinsky distribution zone)  | 26,<br>1        | No. 080-14-63 dd<br>12.11.2015 | JSC<br>Vypelkom | 26.12.201<br>5-<br>24.12.201<br>6 | yes |
| 16. | 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<br>20.11.2015 | JSC<br>Vypelkom | 26.12.201<br>5-<br>24.12.201<br>6 | yes |
| 17. | Place for installation of antenna-feeder devices (substation "Oktyabrskaya", 3 Gorniy pereulok, Trusovsky district, Astrakhan)   | 6,0             | No. 080-14-66 dd<br>13.11.2015 | JSC<br>Vypelkom | 26.12.201<br>5-<br>24.12.201<br>6 | yes |
| 18. | Non-residential premises, part of the room 48 (1 Energetikov street, RPB-2 ,Astrakhan )  | 6,0             | No. 080-14-68 dd<br>20.11.2015 | JSC<br>Vypelkom | 26.12.201<br>5-<br>24.12.201<br>6 | yes |
| 19. | Place for installation of equipment and place at antenna mast structure (substation "Neftebaza")   | 15,<br>0        | No. 080-14-67 dd<br>20.11.2015 | JSC<br>Vypelkom | 26.12.201<br>5-<br>24.12.201<br>6 | yes |
| 20. | Land (part of the land plot) for installation of equipment located at: substation "Sovetskaya", Astrakhan  | 20,<br>0        | No. 080-14-69 dd<br>20.11.2015 | JSC<br>Vypelkom | 26.12.201<br>5-<br>24.12.201      | yes |



|     |   |      |                                |                              |                           |     |
|-----|---|------|--------------------------------|------------------------------|---------------------------|-----|
|     | region, Akhtubinsky district  |      |                                |                              | 6                         |     |
| 21. | Land (part of the land plot) for installation of equipment located at: 89 Kotelnaya street, Astrakhan   | 15,0 | No. 080-14-70 dd<br>20.11.2015 | JSC<br>Vympelkom             | 30.12.2015-<br>24.12.2016 | yes |
| 22. | Part of land plot located at: 204 Kramatorskaya street, Astrakhan   | 9,2  | No. 080-14-65 dd<br>20.11.2015 | JSC<br>Vympelkom             | 30.12.2015-<br>24.12.2016 | yes |
| 23. | Non-residential Premises (room 8, administrative building, 18 I. Franko street, Akhtubinsk, Akhtubinsky distribution zone)  | 10,1 | No. 080-14-83 dd<br>14.12.2015 | Mobile<br>TeleSystems<br>JSC | 31.12.14-<br>30.12.15     | yes |
| 24. | Non-residential premises: 71 room, RPB-2, 1 Energetikov street, Astrakhan   | 6,0  | No. 080-14-81 dd<br>14.12.2015 | Mobile<br>TeleSystems<br>JSC | 30.12.2015-<br>24.12.2016 | yes |
| 25. | 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<br>14.12.2015 | Mobile<br>TeleSystems<br>JSC | 31.12.2015-<br>24.12.2016 | yes |
| 26. | Part of land plot located at: 204 Kramatorskaya street, Astrakhan   | 15,2 | No. 080-14-81 dd<br>14.12.2015 | Mobile<br>TeleSystems<br>JSC | 30.12.2015-<br>24.12.2016 | yes |
| 27. | Place for installation of equipment and place at antenna mast structure (89 Kotelnaya street, Astrakhan)  | 4,5  | No. 080-14-88 dd<br>21.12.2015 | Mobile<br>TeleSystems<br>JSC | 30.12.2015-<br>24.12.2016 | yes |
| 28. | Place for installation of equipment and place at antenna mast structure (189 Starovera street, Astrakhan)   | 4,5  | No. 080-14-86 dd<br>21.12.2015 | Osnova Telecom<br>JSC        | 30.12.2015-<br>24.12.2016 | yes |
| 29. | Place for installation of equipment and place at antenna mast structure (1B.Khmelnitskogo street, Astrakhan)  | 3,0  | No. 080-14-89 dd<br>21.12.2015 | Osnova Telecom<br>JSC        | 28.12.2015-<br>24.12.2016 | yes |
| 30. | Part of non-residential premises No. 44,0 sq.m., Located at: Kulakovsky village, Privolzhsky district, Astrakhan region   | 1,0  | 080-14-87 dd<br>21.12.2015     | Osnova Telecom<br>JSC        | 30.12.2015-<br>24.12.2016 | yes |

|   |  |        |  |  |                                  |     |
|---|--|--------|--|--|----------------------------------|-----|
| 31.   | 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<br>21.12.2015                       | Osnova Telecom JSC   | 30.12.2015-<br>24.12.2016        | yes |
| 32.   | Non-residential premises (75/69 Sun-Yat-Sen/Kulikov str., Astrakhan)   | 11,9   | 080-14-92 dd<br>29.12.2015                       | “Real Medical Service” LLC                                 | 31.12.2015-<br>24.12.2016        | yes |
| 33.   | Non-residential premises 1 Energetikov Stre., Astrakhan, Astrakhanenergo   | 18,9.1 | 080-14-91 dd<br>25.12.15                         | Mikhailova Alexandra Vladimirovna, individual entrepreneur | 31.12.2015-<br>24.12.2016        | yes |
| <b>“Volgogradenergo” Branch of “IDGC of the South” PJSC</b> |  |        |  |  |                                  |     |
| 34.   | Administrative building (canteen), Volgograd, Lenina prospekt, 15  | 13,5,2 | Contract No.34701123<br>10 dd<br>30.12.2011      | Richetta LLC   | from<br>16.01.2012               | yes |
| 35.   | Administrative building (office), Volgograd, Lenina prospekt, 15   | 6,4    | Contract No. 34001601003<br>273 dd<br>25.03.2016 | Agency of Air Service “Airport-Service” LLC                | from<br>01.01.2015 for 11 months | yes |
| 36.   | Administrative building (office No.202), Volgograd, Lenina prospekt, 15  | 8.6    | Contract No.34001601005186 dd<br>16.05.2016      | Private security firm “Kobalt-C” LLC                       | from<br>01.01.2015 for 11 months | yes |
| 37.   | Administrative building (attic), Volgograd, Lenina prospekt, 15  | 5,2    | Contract No. 877 dd<br>16.10.2006                | “T2 Mobile” LLC  | from<br>01.10.2006               | yes |
| 38.   | Radio mast, 139 Lenina prospekt, Uryupinsk, Volgograd region   | 11,0   | Contract No. 877 dd<br>16.10.2006                | “T2 Mobile” LLC  | from<br>01.10.2006               | yes |
| 39.   | Radio mast, substation “Archedinskaya”, Mikhailovka village, Volgograd region  | 18,5   | Contract No. 877 dd<br>16.10.2006                | “T2 Mobile” LLC  | from<br>01.10.2006               | yes |
| 40.   | Radio mast, substation “Kotluban”, village Ssamofalovka, Volgograd region  | 18,5   | Contract No. 877 dd<br>16.10.2006                | “T2 Mobile” LLC  | from<br>01.10.2006               | yes |
| 41.   | Radio mast, substation “Zolotari”, Pallasovsky district, Volgograd region  | 18,0   | Contract No. 877 dd<br>16.10.2006                | “T2 Mobile” LLC  | from<br>01.10.2006               | yes |
| 42.   | Radio mast, substation “Maxim Gorky”, village Gorkovsky, Volgograd   | 18,0   | Contract No. 877 dd<br>16.10.2006                | “T2 Mobile” LLC  | from<br>01.10.2006               | yes |

|     |   |                |  |   |                        |     |
|-----|---|----------------|--|---|------------------------|-----|
| 43. | Two-storey building of manufacturing building (A), 1A Granovitaya street, Volgograd   | 64<br>7,7      | Contract No.<br>1 dd<br>29.04.2010                 | FGC UES, JSC  | from<br>01.09.201<br>4 | yes |
| 44. | One and two-storey garage (buildings Б,И,Г1,Г2,Г3,Г9), 1A Granovitaya street, Volgograd   | 76<br>2,7      | Contract No.<br>1 dd<br>29.04.2010                 | FGC UES, JSC  | from<br>01.09.201<br>4 | yes |
| 45. | Part of two-storey building (buildings Б,3), 1A Granovitaya street, Volgograd   | 44<br>9,9      | Contract No.<br>1 dd<br>29.04.2010                 | FGC UES, JSC  | from<br>01.09.201<br>4 | yes |
| 46. | service room (building Г), 1A Granovitaya street, Volgograd   | 17,<br>3       | Contract No.<br>1 dd<br>29.04.2010                 | FGC UES, JSC  | from<br>01.09.201<br>4 | yes |
| 47. | Warehouse (building Г4), 1A Granovitaya street, Volgograd   | 5,7            | Contract No.<br>1 dd<br>29.04.2010                 | FGC UES, JSC  | from<br>01.09.201<br>4 | yes |
| 48. | Warehouse (building Г5), 1A Granovitaya street, Volgograd   | 10             | Contract No.<br>1 dd<br>29.04.2010                 | FGC UES, JSC  | from<br>01.09.201<br>4 | yes |
| 49. | Warehouse (building Г6), 1A Granovitaya street, Volgograd   | 12             | Contract No.<br>1 dd<br>29.04.2010                 | FGC UES, JSC  | from<br>01.09.201<br>4 | yes |
| 50. | One-storey reinforced concrete building of a warehouse (building Д), 1A Granovitaya street, Volgograd                           | 13<br>4,5      | Contract No.<br>1 dd<br>29.04.2010                 | FGC UES, JSC  | from<br>01.09.201<br>4 | yes |
| 51. | One-storey wooden building of dispatchers station ( building Ж), 1A Granovitaya street, Volgograd                               | 17,<br>9       | Contract No.<br>1 dd<br>29.04.2010                 | FGC UES, JSC  | from<br>01.09.201<br>4 | yes |
| 52. | One-storey brick building of warehouse (building E),  | 26<br>5,7      | Contract No.<br>1 dd<br>29.04.2010                 | FGC UES, JSC  | from<br>01.09.201<br>4 | yes |
| 53. | Pavement (building V), 1A Granovitaya street, Volgograd   | 12<br>57,<br>0 | Contract No.<br>1 dd<br>29.04.2010                 | FGC UES, JSC  | from<br>01.09.201<br>4 | yes |
| 54. | Part of non-residential premises at administrative building (building A), 52 Gvardeiskaya street, Nikolayevsk, Volgograd region | 74,<br>1       | Contract<br>No.34001501<br>003972 dd<br>01.04.2015 | Gazprom<br>MezhregionGaz<br>LLC   | from<br>01.04.201<br>5 | yes |
| 55. | Place for installation of container at antenna mast structure, 8 building, 220 Podstantsiy street, Petrov Val, Volgograd region | 11             | Contract No.<br>130 dd<br>11.07.2007               | “T2 Mobile”<br>LLC  | FROM<br>01.09.201<br>4 | yes |
| 56. | Canteen (205B Lenina str., Mikhailovka, Volgograd region)   | 22<br>4.7      | Contract No.<br>34001501009<br>40 dd<br>24.09.2015 | Sekachyov A.N.<br>individual<br>entrepreneur                            | From<br>24.09.201<br>5 | yes |
| 57. | Non-residential premises: 52 Gvardeiskaya 13 <sup>th</sup> street., Nokolaeyevsk, Volgograd region (in administration building) | 62.<br>1       | Contract No<br>34001601006<br>dd<br>11.05.2016     | Municipal<br>unitary<br>enterprise<br>“Housing and<br>utilities sector” | From<br>11.05.201<br>6 | yes |

|     |  |          |  |   |                        |     |
|-----|--|----------|--|---|------------------------|-----|
| 58. | Non-residential premises: 52<br>Gvardeiskaya 13 <sup>th</sup> street.,<br>Nokolaeyevsk, Volgograd region | 62,<br>6 | Contract No<br>34001601006<br>dd<br>11.05.2016 | Municipal<br>unitary<br>enterprise<br>“Housing and<br>utilities sector” | From<br>11.05.201<br>6 | yes |
|-----|--|----------|--|---|------------------------|-----|

**“Kalmenergo” Branch of “IDGC of the South” JSC**

|     |  |   |   |                       |  |     |
|-----|--|---|---|-----------------------|--|-----|
| 59. | <b>Non-residential Premises</b><br>Type (group)of Capital Asset:<br>buildings:<br>1)Ketchenerovsk Electric Grid<br>District;<br>2)Yashkulsk Electric Grid District;<br>3)Preyutnensk Electric Grid<br>District;<br>4)Gorodovikovsk Electric Grids;<br>5)Sarpin Tidal Electric Station;<br>6)Elista (car park boxes, Garages);<br><b>Movable Assets:</b><br>1)Type (group)of Capital Asset:<br>machinery and equipment:<br>refrigerator, fax machine,<br>switchboard etc. (12 items in all)<br>2) Type (group)of Capital Asset:<br>industrial and household<br>equipment: safe, storage wall, etc.<br>(10 items in total) | 72,<br>26<br>57,<br>3<br>66,<br>5<br>79,<br>9<br>15<br>7.4<br>17<br>2 | Renting<br>relationship<br>are still in<br>force. | Kalmenergosbyt<br>JSC | from<br>01.11.200<br>8<br>to<br>30.10.200<br>9<br>Additional<br>agreement<br>dated<br>01.06.201<br>5 No.<br>08001501<br>001432 | yes |
|-----|--|---|---|-----------------------|--|-----|

**“Rostovenergo” Branch of “IDGC of the South” PJSC**

|     |   |                |  |                                   |                                   |  |
|-----|---|----------------|--|-----------------------------------|-----------------------------------|--|
| 60. | Land plot, 18D Volkova str.,<br>Rostov-on-Don   | 21<br>24       | 61201501000<br>037 dated<br>30.12.2014   | “Vavilon” LLC                     | 30.12.201<br>4-<br>30.12.206<br>3 | Renewa<br>l is not<br>provide<br>d for |
| 61. | Non-residential premises, located on<br>the territory of production unit of<br>Rostovenergo. The list of premises is<br>specified in Appendix 1 to the<br>Contract.   | 77<br>3,1<br>6 | 194/01/12/15<br>5505/25/12<br>01.03.2012 | Energosbyt<br>Rostovenergo<br>JSC | 01.03.201<br>2<br>01.02.201<br>3  | yes                                    |
| 62. | Parts of non-residential premises<br>No.19, No.21-22-23-24-25, No.10-<br>13-14, No.10, No.45,<br>located at the 1 <sup>st</sup> , 2 <sup>nd</sup> floors and in<br>the basement level of Culture Centre<br>Energetik located at: 48 Semashko<br>pereulok, Rostov-on-Don. The parts<br>of the premises are used as dance<br>studio | 23<br>8,6      | 136732/25/1<br>1<br>12.10.2011           | Radchenko<br>V.M.                 | 12.10.201<br>1<br>12.09.201<br>2  | yes                                    |
| 63. | Non-residential premises No.1013-<br>14,<br>located at the 2 <sup>nd</sup> floor Culture<br>Centre Energetik located at: 48   | 54,<br>3       | 612001300<br>00588<br>26.06.2013         | Bardian S.V.                      | 26.06.201<br>3<br>26.05.201<br>4  | yes                                    |

|     |   |        |   |   |   |   |
|-----|---|--------|---|---|---|---|
|     | Semashko pereulok, Rostov-on-Don. The premises are used as dance studio   |        |   |   |   |   |
| 64. | Non-residential premises No.43r, of 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  | 36,6   | 163130/25/12<br>01.07.2012                    | Uspekh Plus LLC                             | 01.07.2012<br>01.06.2013  | yes   |
| 65. | 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   | 141058/25/11<br>01.11.2011                    | Self-employed entrepreneur Krivosheina M.S. | 01.11.2011<br>01.10.2012  | yes   |
| 66. | 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   | 111260/1103.02.2011                           | Ankudinova N.V.                             | 01.01.2011<br>30.11.2011  | Renewal is not provided   |
| 67. | 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  | 68895/0812.12.2008                            | Center-Invest Bank JSC                      | 01.01.2009<br>30.11.2009  | yes   |
| 68. | 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 "А", located at: 147b, 2-ya Krasnodarskaya street, Rostov-on-Don | 54,4,1 | 61201401000512<br>31.01.2014.                 | Don-Restraunt-Service LLC                   | 15 years from the date of the contract conclusion                                 | Renewal is not provided for   |
| 69. | 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<br>05.01.2004<br>298 dd<br>05.01.2004. | Lapteva A.V., Nichayev A.A.                 | not specified<br>not specified<br>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 |

|     |  |      |                       |                     |                                |  |
|-----|--|------|-----------------------|---------------------|--------------------------------|--|
| 70. | 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<br>05.01.2004. | Starchenko<br>N.Yu. | not specified<br>not specified | Leiko A.A.; the agreement is in process of registration at Federal Service for State Registration, Cadaster and Cartography for Rostov region. |
|-----|--|------|-----------------------|---------------------|--------------------------------|--|

### Central Power Plant

|     |  |      |  |                                  |                           |   |
|-----|--|------|--|----------------------------------|---------------------------|---|
| 71. | 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<br>-12-H/97 dd<br>28.10.1997 | Rostov mobile communications CJS | 28.10.1997-<br>31.12.2012 | For unspecified period, in the absence of refuse of the parties |
|-----|--|------|--|----------------------------------|---------------------------|---|

### Northeast Electric Grids

|     |  |       |                            |  |   |                        |
|-----|--|-------|----------------------------|--|---|------------------------|
| 72. | 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<br>27.09.2011 | self-employed entrepreneur Galaktionov G. K.             | 27.09.2011<br>-<br>27.07.2012   | For unspecified period |
| 73. | 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  |                        |
| 74. | 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 |                        |
| 75. | Serviceman room. Area: total 105,3 sq.m. Inventory number: 5102. Building: A,a,a1. Number of floors: 1. 13 Vostochnayua street,  | 105,3 |                            | Family of Tkachenko N.V. (4 people)liv                   | In accordance with the registry of non-core assets , approved at the meeting of the BoD on  |                        |

|     |   |        |  |  |  |
|-----|---|--------|--|--|--|
|     | Kasahtanovsky village, oblilvsky district, Rostov region  |        |  | es there since 1990                            | 29.10.2010, the premises are planned for selling   |
| 76. | 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 |

### Southern Electric Grids

|     |  |       |  |   |                   |                                   |
|-----|--|-------|--|---|-------------------|-----------------------------------|
| 77. | Residential house: 24a Kooperativnaya street, Azov | 54, 5 | 171763/12/12 dd 13.12.2012                 | Peshkov A.I. employee of "YuES Rostovenergo"  | till 13.1 2.20 17 | actual use, renewal is stipulated |
| 78. | 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 |

### Eastern Electric Grids

|     |   |       |                            |  |                           |                    |
|-----|---|-------|----------------------------|--|---------------------------|--------------------|
| 79. | 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 limitation |
| 80. | 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 telecommunication company" JSC | 01.01.20 08 30.11.20 08   | yes                |
| 81. | 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 entrepreneur Cherednyakova | 01.12.20 10 31.10.20 11   | yes                |
| 82. | 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                |
| 83. | Premises, of total square 22,9 sq.m., located at: 3 room, 22 Grishina street, Tsimlyansk  | 22, 9 | 0-10/73618 01.04.2006      | Turichenko A.A.                          | 01.04.20 06 30.04.20 07   | yes                |
| 84. | 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      | yes                |

|     |   |      |                                   |                      |                          |     |
|-----|---|------|-----------------------------------|----------------------|--------------------------|-----|
|     |   |      |                                   |                      | 07                       |     |
| 85. | Premises, of total square 30,5 sq.m., located at: 10 room, 22 Grishina street, Tsimlyansk   | 30,5 | 0-3/73611<br>01.04.2006.          | Bezverkho<br>va M.A. | 01.04.2006<br>30.04.2007 | yes |
| 86. | Premises, of total square 31,5 sq.m., located at: 8 room, 22 Grishina street, Tsimlyansk  | 31,5 | 0-2/73610<br>01.04.2006.          | Kalmykov<br>S.I.     | 01.04.2006<br>30.04.2007 | yes |
| 87. | Premises, of total square 37,0 sq.m., located at: 17 room, 22 Grishina street, Tsimlyansk   | 37,0 | 0-9/73616<br>05.05.2006.          | Ladygin<br>S.V.      | 05.05.2006<br>31.05.2007 | yes |
| 88. | Premises, of total square 23,0 sq.m., located at: 7 room, 22 Grishina street, Tsimlyansk  | 23,0 | 0-1/73576<br>01.04.2006.          | Veresova<br>Ye.G.    | 01.04.2006<br>30.04.2007 | yes |
| 89. | 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 | 61201401000945<br>2<br>01.07.2014 | Ylianov<br>N.S.      | 01.07.2014<br>31.05.2015 | yes |
| 90. | 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<br>01.07.2014      | Kustovsky<br>S.A.    | 01.07.2014<br>31.05.2015 | yes |

### Northern Electric Grids

|     |  |       |                              |   |                           |                                  |
|-----|--|-------|------------------------------|---|---------------------------|----------------------------------|
| 91. | Room with total area of 11,8 sq.m., located at: 34 Artilleriyskaya street, Millerovo village, Rostov region, Russia    | 11,8  | 61201501005634<br>04.06.2015 | Insurance<br>company<br>"Soglasie"<br>LLC       | 01.05.2015<br>31.04.2016  | Prolongation is not provided for |
| 92. | Room with total area of 49,67 sq.m., located at: : 34 Artilleriyskaya street, Millerovo village, Rostov region, Russia | 49,67 | 61201401002103<br>27.03.2014 | self-<br>employed<br>entrepreneur<br>Ilminskaya | 11.03.2014-<br>11.02.2015 | 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 | 61201501006574<br>19.06.2015 | self-<br>employed<br>entrepreneur<br>Scherbako  | 08.06.2015<br>07.05.2016  | Prolongation is not provided for |



|                                 |  |           |                      | va L.N.  |                                  |     |
|---------------------------------|--|-----------|----------------------|--|----------------------------------|-----|
| <b>Southwest Electric Grids</b> |  |           |                      |  |                                  |     |
| 94.                             | Canteen building. Address: 144, Dzerzhiskiy street, Taganrog.  | 17<br>9.6 | 142617<br>09.12.2011 | “Salen”<br>LLC                                 | 09.12.20<br>11<br>09.11.20<br>12 | yes |
| 95.                             | Administrative Building of Repair and Production Base-3, type of Southwest Electric Grids Production Association, Letter A, ATM, 144 Dzerzhinskiy st. Taganrog | 8         | 142874<br>01.07.2011 | “Centre-<br>Invest”<br>Commercial<br>Bank, JSC | 01.07.20<br>11<br>01.06.20<br>12 | yes |
| 96.                             | Checkpoint Building, 144 Dzerzhinskiy st. Taganrog   | 24.<br>8  | 142874<br>01.07.2011 | “Centre-<br>Invest”<br>Commercial<br>Bank, JSC | 01.07.20<br>11<br>01.06.20<br>12 | 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, | 2894.6      | Basis: Extract of Managmernt 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 |

|   |   |        |  |  |
|---|---|--------|--|--|
|   | Rostov Region   |        |  |  |
| 2 | Building, Letter A, location:<br>147/2 2-aya Krasnodarskaya st.,<br>Sovetskiy dc, Rostov on Don,<br>Rostov Region   | 4789.1 | Basis: Extract of Board of Directors of<br>“Rostovenergo” JSC dated<br>26.04.2004, Minutes No. 22 (as to the<br>agenda item No. 14 “Regarding<br>Property Settled on “Training Centre<br>“Energetik”, Non-state Non-<br>commercial Educational Institution on<br>the basis of operational management)<br>(Certificate of State Registration of<br>Rights 61 АГ No. 981623 dated<br>26.08.2008) | Since<br>26.08.200<br>8 –<br>without<br>time<br>restrictio<br>ns |
| 3 | Movable Assets to the number<br>of 9 203 ea amounting to 2 046<br>570,69 rub  | -      | Basis: Ruling of Board of Directors of<br>“Rostovenergo” JSC dated<br>26.04.2004, Minutes No. 22 (as to the<br>agenda item No. 14 “Regarding<br>Property Settled on “Training Centre<br>“Energetik”, Non-state Non-<br>commercial Educational Institution on<br>the basis of operational management)   | Since<br>01.07.2<br>004 –<br>without<br>time<br>restricti<br>ons |
| 4 | Production Base Building of<br>Training Centre totaling to<br>12052190.08 rub, Letter of<br>Building No. 65, location:<br>Industrial hub at Thermoelectric<br>Plant-2, Privolzhskiy dc,<br>Astrakhan Region | 1158.5 | Basis: Ruling of Board of Directors of<br>“Astrakhanenergo” JSC dated<br>29.04.2003, Minutes No. 100 (as to<br>the agenda item “Regarding<br>Participation of “Astrakhanenergo”<br>JSC in “Astrakhan Training Complex”<br>Non-state Non-commercial<br>Educational Institution by means of<br>property transferred under the  | Since<br>12.05.2<br>004 -<br>without<br>time<br>restricti<br>ons |

|   |   |       |  |  |
|---|---|-------|--|--|
|   |   |       | 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.  |  |
| 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 24.03.2008 to treaty No. 01-25-24/35 dated 05.01.2004. | Since 05.01.2004 - without time restrictions |

|   |   |  |  |  |
|---|---|--|--|--|
| 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/O3-Д117-1P dated 29.06.2004. | SinceC 29.06.2004 - without time restricti ons |
| 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   | Since 13.08.2004 - without time restricti ons  |

|  |  |   |  |
|--|--|---|--|
|  |  | Agreement No. 4 dated 24.03.2008 to treaty No. 01-11/O3-Д117-1P dated 13.08.2004. |  |
|--|--|---|--|

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

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

Business activity dynamics, including company's (un)profitability complied on the basis of accounting report

Standard (rules) applied for accounting (financial report): **RAS (Russian Accounting Standards)**

In rubles unit of measurement: thousand rubles

| Indicator   | 6 months of 2015 | 6 months of 20160 |
|---|------------------|-------------------|
| Net profit, %   | 2                | -5                |
| Return on equity, %   | 0.34             | 0.35              |
| Return on assets, %   | 0.68             | -1.74             |
| Ratio of net profit, %  | -3.65            | -15.15            |
| Uncovered loss amount as of the reported date                         | 14 421 316       | 15 437 109        |
| Ratio of uncovered loss rate as of the reported date to balance sheet | 34.13            | 35.8              |

**All indicators are calculated on the basis of existing methods of calculation**

Economic analysis of profitability/unprofitability of Issuer, based on the dynamics of these indicators, and also reasons that caused the unprofitability/profitability of Issuer showed in accounting (financial) report:

“Ratio of net profit” shows the share of net profits, remaining at the disposal of the Company, percentage of total sales revenue. In comparison with 6 months of 2015 the net profit has decreased from 2.0% to -5.0% due to decrease of the net profit because of creation of provisions for doubtful debts, significant costs on interest payment on loans and due to contractors' not paying for the rendered electricity transmission services.

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 for 6 months of 2016 comparing to similar period of the lat year has increased due to increase of revenue by 4.6%.

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. In comparison with last year indicator decreased and equals to -1.74% due to significant decrease in of net profit and increase of net cost of assets.

Revenue for the 6 months of 2016 amounted to 15 021 030 thousand rubles, which is more than the indicator for 6 months in 2015 by 4.6%. The main reason for the increase in revenue is a change of productive power supply structure and growth of rates.

The prime cost for the 6 months 2016 amounted to 12 960 012 thousand rubles, which is more in comparison with the same period of the previous year by 5.2%. The main reason for the increase cost is inflation.

The gross profit for six months of 2016 has increased in comparison to the same period of the last year to a value of 2 06 ,018 thousand rubles.

Net profit (loss) for 6 months of 2016 amounted to (-751,331) thousand rubles, which is considerably less than in the same period of the previous year. The main reason is the creation of provisions for doubtful debts, significant expenses on payemner of interest on loans and contractor's not paying for the rendered electricity transmission services.

Return on sales characterizes the efficiency of production and commercial activity, estimates the proportion of the cost of sales, shows the amount of operating profit in the volume of the Issuer's sales. This is the main and most frequently mentioned measure of profitability. In other words, this ratio shows how much profit remains with the company after covering the cost of production. For 6 months of 2016 it

amounted to 11.7%, which is lower than for the corresponding figure of the same period of the previous year. The reason is the decline in profits from sales and revenue growth.

The capital turnover ratio reflects the rate of turnover of the issuer's capital and as of the reporting date it equals to 0.3 (remained at the level of the same period last year).

Factors that had impact on change of the issuer's sales, product, work and service proceeding and on change of the issuer's income (loss) from operations, in thousand rubles

| indicator  | 6 months of 2015 | 6 months of 2016 |
|--|------------------|------------------|
| Revenues (net) from sales of products (services), total, rub | 14 362 159       | 15 021           |
| Cost of products (services), total, rub                      | 12 318 249       | 12 960           |
| Gross profit, total, rub                                     | 2 043 910        | 2 061 018        |
| Net profit (loss)  | 286 722          | -751 331         |
| ROE (Return on equity, cumulative), %                        | -3,65            | -15,15           |
| ROS, return on sales   | 12,4             | 11,7             |
| Ratio of capital turnover                                    | 0,3              | 0,3              |

The Issuer's revenue in the reporting period was as follows:

- revenue from the transfer and transit of electricity – 14 863 094 rubles or 99.0%;
- revenue from technological connection of consumers – 79 263 rubles or 0.5%;
- revenue from other activities – 81 673 thousand rubles or 0.5%.

Opinions of issuer's management bodies in relation to the causes or the effects on results of financial and economic activities are not the same: **no**

Member of the Board of Directors (Supervisory Board) of the Issuer, or a member of the collegial executive body has a special opinion on the above reasons and / or their impact on the financial performance of the issuer, as reflected in the minutes of the meeting (session) of the Board of Directors (Supervisory Board) of the Issuer or the collective executive body, which considered the relevant issues, and

insists on including such opinion in the quarterly report: **no**

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

The dynamics of indicators of Issuer's liquidity, calculated on the basis of accounting (financial) report.

Standard (rules) applied for preparing accounting (financial) report: **RAS**

Unit of measurement for indicator "net fixed asset": **thousand rubles**

| Indicator        | 6 months of 2015 | 6 months of 2016 |
|------------------|------------------|------------------|
| Net fixed assets | -5 986 247       | -9 713 144       |
| Current ratio    | 0.69             | 0.6              |
| Quick ratio      | 0.65             | 0.56             |

At the Issuer's discretion it shows the additional dynamic of indicators, characterizing Issuer's liquidity, calculated on the basis of consolidated accounting (consolidated financial) report of Issuer, which is included in year report: **No**.

All figures are based on the recommended methods of calculations: **Yes**

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 with a description of factors that, in the opinion of the Issuer, had the most significant impact on the liquidity and solvency of the Issuer:

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.

Net working capital - the difference between the value of current assets and current liabilities. This indicator characterizes the value of working capital, free from short-term

The value of the net working capital of the issuer as of 30.06.2016 was minus 9 713 144 thousand rubles. The decrease in net working capital in comparison to 2015 is explained by the increase in short-term liabilities.



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 30.06.2016 it amounted to 0.6. 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 30.06.2016 the ratio was 0.56. The recommended value of the quick liquidity ratio shall be not less than 0.5.

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 does not match: **No**. A member of the Issuer's Board of the directors (supervisory council) 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, as reflected in the minutes of the meeting (conference) Issuer's Board of directors (supervisory council) or the collective executive body, which considered the issues involved, and insists on reflecting this view in the quarterly report: **No**.

#### **4.3. Financial Investments of the Issuer**

30.06.2016

List of the issuer's financial investments which amount 5% and more percent of its total financial investments as of the closing date of the accounting period

Investments in equity securities

Type of securities: **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**

| Date of state registration of the issue (issues) | Register number | Registration authority   |
|--|-----------------|--|
| 15.01.2004                                       | 1-01-33837-E    | Regional Department of Russian FCSM in Southern Federal District |
| 14.12.2012                                       | 1-02-33839-E    | Regional Department of Russian FCSM in Southern Federal District |

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

Total nominal value of the securities owned by the Issuer: **129 370 758 RUR x 1**

Currency: **rubles**

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

The issuer of the securities is a subsidiary and (or) dependent company in respect of the issuer that have drawn up this quarterly report

**During 2013 the Company accrued dividends in the amount of 7 thousand rubles; the dividends were paid in full in 2014.**

**In 2014-2015 dividends were not declared.**

The size of the fixed interest or other income on bonds and other promissory equity securities or the procedure for determining the payment deadline;

the amount of dividend on preferred shares or the procedure for determining when it is defined in the charter of the joint stock company - issuer, term of payment;

the size of declared dividend on ordinary shares (in the absence of data on the size of declared dividend on ordinary shares in the current year, the amount of dividends declared in the previous year), term of payment

Additional information: no

Type of securities: **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**

| Date of state registration of the issue (issues) | Register number | Registration authority   |
|--|-----------------|--|
| 15.01.2004                                       | 1-01-33837-E    | 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 RUR x 1**

Currency: **rubles**

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

The issuer of the securities is a subsidiary and (or) dependent company in respect of the issuer that have drawn up this quarterly report

**Dividends were not declared.**

The size of the fixed interest or other income on bonds and other promissory equity securities or the procedure for determining the payment deadline;

the amount of dividend on preferred shares or the procedure for determining when it is defined in the charter of the joint stock company - issuer, term of payment;

the size of declared dividend on ordinary shares (in the absence of data on the size of declared dividend on ordinary shares in the current year, the amount of dividends declared in the previous year), term of payment

Additional information: By the decision of the arbitration court of the Rostov region on 12.24.2015 bankruptcy proceedings started in respect of "PSKh Grechko A.A." JSC, the Company was declared bankrupt.

Type of securities: **shares.**

Full Company name of Issuer: **"Energetik" Recreation centre" Open Joint Stock Company**

Short Company name of the Issuer **"Energetik" Recreation centre" JSC**

Location of the Issuer: **"Energetik" Recreation centre" JSC**

| Date of state registration of the issue (issues) | Register number | Registration authority   |
|--|-----------------|--|
| 15.01.2004                                       | 1-01-33856-E    | Regional Department of Russian FCSM in Southern Federal District |
| 26.05.2011                                       | 1-02-33856-E    | Regional Department of Russian FCSM in Southern Federal District |
| 17.01.2013                                       | 1-03-33856-E    | Regional Department of Russian FCSM in Southern Federal District |

Number of securities owned by the Issuer: **111 279 355**

Total nominal value of the securities owned by the Issuer **50 075 710 RUR x 1000**

Currency: **rubles**

Total book value of securities owned by the Issuer, rub: **65 417 247.18**

The issuer of the securities is a subsidiary and (or) dependent company in respect of the issuer that have drawn up this quarterly report

**Dividends were not declared.**

The size of the fixed interest or other income on bonds and other promissory equity securities or the procedure for determining the payment deadline;

the amount of dividend on preferred shares or the procedure for determining when it is defined in the charter of the joint stock company - issuer, term of payment;

the size of declared dividend on ordinary shares (in the absence of data on the size of declared dividend on ordinary shares in the current year, the amount of dividends declared in the previous year), term of payment

Additional information: no

Type of securities: **shares.**

Full Company name of Issuer:

in Russian: **Открытое акционерное общество “Энергосервис Юга”**,

in English: **“Energoservis of the South” Open Joint Stock Company**

Short Company name of the Issuer in Russian: **ОАО «Энергосервис Юга»**, in English: **“Energoservis of the South” JSC**

Location of the Issuer: **49 Bolshaya Sadovaya st., Rostov-on-Don, Russian**

Federation, 344002; TIN 6164301167; PSRN 1106164005750

| Date of state registration of the issue (issues) | number       | Registration authority   |
|--|--------------|--|
| 25.02.2011                                       | 1-01-35378-E | Regional Department of Russian FCSM in Southern Federal District |

Number of securities owned by the Issuer: 2 500

Total nominal value of the securities owned by the Issuer 2 500 000

Currency: RUB

Total book value of securities owned by the Issuer, rubles: 2 500 000

**In 2013 the Company paid 25 thousand rubles of dividends, the dividends were paid out in full in 2014.**

**In 2014 the Company accrued 1 762 thousand rubles of dividends, the dividends were paid out in full in 2015.**

**In 2015 the Company paid 3 170.3 thousand rubles of dividends, the dividends were paid out in full on 15.07.2016.**

**Resolution on whether to pay out the dividends by the results of 2015 will be taken at AGM.**

The size of the fixed interest or other income on bonds and other promissory equity securities or the procedure for determining the payment deadline;

the amount of dividend on preferred shares or the procedure for determining when it is defined in the charter of the joint stock company - issuer, term of payment;

the size of declared dividend on ordinary shares (in the absence of data on the size of declared dividend on ordinary shares in the current year, the amount of dividends declared in the previous year), term of payment

Additional information: no

**Investments in non-equity securities: none**

The issuer made a reserve for impairment of investments in securities

The amount of provision for impairment of securities at the beginning and the end

of the last completed financial year prior to the date of the last reporting quarter:

As of 01.01.2015 a provision for impairment of investments amounted 237 984 301.00 rubles, including contributions to the charter capital of subsidiary companies - 189 721 068.31 rubles;

As of 31.12.2015 a provision for impairment of investments amounted 234 082 854.71 rubles, including:

– contributions to the charter capital of subsidiary companies – 185 819 622.02 rubles

– investments in joint activity – 48 263 232.69 rubles.

As of 30.06.2016 a provision for impairment of investments amounted 234 082 854.71 rubles:

– contributions to the charter capital of subsidiary companies – 185 819 622.02 rubles

– investments in joint activity – 48 263 232.69 rubles.

#### **Other Financial Investments**

Financial investment project: **Construction and maintenance of Elista Gas and Steam Turbine Power Plant**

Investment monetary value: **40 425 376.53**

Currency: RUB

level of income from financial investment project or the order of its determination, terms of payment:

Construction work is not completed which resulted in absence of income.

Additional information: no

Financial investment project: **Construction and maintenance of Kalmykia Wind-power Plant**

Investment monetary value: **7 837 856.16**

Currency: RUB

Level of income from financial investment project or the order of its determination,

terms of payment:

Construction work is not completed which resulted in absence of income.

Additional information: no

Information on the amount of potential losses related to bankruptcy of organizations (enterprises) in which investments were made; for each type of these investments: **Arbitration 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.**

Information about losses is provided in the Issuer's assessment of financial investments shown in the financial statements of the Issuer for the period from the beginning of the financial year to the date of the last reporting quarter

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;

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

**30.06.2016**

Unit of measurement: thousand rubles

| Trademark                                | Undepreciated<br>(replacement) value | Amortization<br>charge |
|--|--------------------------------------|------------------------|
| Trademark                                | 24                                   | 20                     |
| Electromagnetic locking of switch device | 2 905                                | 1 077                  |
| Total                                    | 2 929                                | 1 097                  |

Standards (rules) of accounting in accordance with which the issuer gives data on its intangible assets are as follows:

Accounting Regulation “Intangible Assets Accounting” (ПБУ 14/2007), approved

by Order of Ministry of Finance of the Russian Federation No. 153H dated 27.12.2007. Intangible Assets are not reassessed. Amortization expenses for all types of Intangible Assets are charged by straight-line method.

Reporting date: **30.06.2016**

#### **4.5. Data on policy and expenditures of the issuer in the field of scientific and technical development, concerning licenses and patents, new development and research**

“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” JSC:

- development of the methodical (regulatory) support;
- human resources development (personnel training);



- planning and implementation of research, development and technological works;
- implementation of “finished” 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.

Programme of innovative development, 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.

The adjusted Programme of innovative development contains approved “Plan of research, development and technological works of “IDGC of the South” JSC for 2011-2016”, which provides for the implementation of (including in 2015) R&D performed by contractors under the terms of contracts concluded with them, which will result from the preparation for mass deployment in the distribution grid complex of “IDGC of the South” PJSC, the latest models of electrical equipment and devices, as well as the most effective and advanced technologies.

As of 30 June 2016 between the “IDGC of the South” PJSC and contractors were signed 12 contracts, worth 160.994 million rubles, 10 contracts of which are accomplished and 2 contracts are 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, while the planned amount was 126.398 million rubles (the actual performance – 92%).

Therefore, “IDGC of the South” PJSC has current accounts payable to the counterparties amounting to 10.006 million rubles.

The actual payment by the “IDGC of the South” PJSC for the stages of R&D works performed by contractors within the 2<sup>nd</sup> quarter of 2016 was not carried out.

Among the accomplished R&D projects are:

1. Agreement dated 19 September 2011 No.743 to perform R&D works on project “Experimental operation of the device of short-circuit in neutral of 10 kV network on the basis of reclosers for the needs of the branch of “IDGC of the South” JSC – “Volgogradenergo”, concluded with “Group of companies “Tavrida Electric” JSC and providing for 3 stages of R&D, with a total value of 3 142 million rubles (including VAT).

As of 30 June of 2016 all three stages of R&D project were carried out in full.

The effect of the project is the development and installation at transmission pylon

No.310 between 10 kV power line No.17 of substation “Lebyazhye” and 10 kV power line of substation No.4 “Umet” of production department “Kamyshinskye Electric Networks” Volgogradenergo” of experimental-industrial sample of device short-circuit in the neutral of 10 kV network on the basis of reclosers and its commissioning.

2. Agreement dated 19 September 2011 No.2-476/11y/742 on implementation of research and development works under the project “Research and development of methods for determining the efficiency of transport of electrical energy in conjunction with reactive power flows and indicators of quality of electric power in electric networks 110 kV”. The agreement was concluded with Federal State Budgetary Educational Institution of Higher Professional Education “National Research Polytechnic University of Tomsk” and provides for 3 phases of research and development works, with a total value of 9.0 million rubles (including VAT).

As of 30 June of 2016 all the stages of R&D were carried out in full.

The actual results of R&D works were the acquisition of fundamental knowledge and development of “Guidelines and techniques for determining the efficiency of transport of electrical energy in conjunction with reactive power flows and indicators of quality of electric power in 110 kV electric networks” and “Guidelines for calculation of the basic and additional losses of electric energy that resulted from current unbalance and current distortion in 110 kV networks” as well as their commissioning and entry into force in the branches of “IDGC of South” PJSC – “Rostovenergo” and “Volgogradenergo” based on the requirements of the order of “IDGC of the South” JSC dated 11 June 2013 No.253 “On commissioning into operation the completed research and development work”

At the same time the actual payment by the “IDGC of the South” PJSC to its counterparty for the performance of the research and development work, was carried out in full and amounted to 9.0 million rubles due to the cost of electricity.

3. Agreement dated 19 September 2011 No.706 to perform research and development works under the project “Development of technical requirements and

characteristics of the sources of DC control power installed at 6-10 kV power distribution stations, 35-110 kV substations, made on modern element base, with development of pattern models”. The agreement was concluded with “Inter-regional industrial association of technical staffing “Tekhnokomplekt” CJSC and presupposes 5 stages of research and development works, with a total value of 3.15 million rubles (including VAT).

As of 30 June of 2016 all the stages of R&D were carried out in full.

The actual result of research and development works was the development of “Model pattern 706-001-TM.011 “Development of technical requirements and characteristics of the sources of DC control power installed at 6-10 kV power distribution stations, 35-110 kV substations, made on modern element base, with development of pattern models”, as well as its approval and enactment at the branches of “ IDGC of South” PJSC based on the requirements of the order of “IDGC of the South” JSC dated 11 June 2013 No.253 “On commissioning into operation the completed research and development work” and dated 7 March 2013 No.101 “On approval and enactment of the pattern model developed by “Inter-regional industrial association of technical staffing “Tekhnokomplekt” CJSC in order to ensure its maximum use during implementation of activities of “The investment programme on development of “IDGC of the South” JSC branches of in 2013 and for years ahead” with the obligatory reference to the specific distribution facilities which are subject to reconstruction and technical upgrading.

Along with it, the actual payment by “IDGC of the South” PSJC to its counterparty for the performance of the research and development works, was carried out in full and amounted to 3.15 million rubles due to the cost of electricity.

4. Agreement dated 19 September 2011 No.745 to perform research and development works under the project “Introduction of a modern early icing detection system on 35-110 kV power lines” (branches of “IDGC of the South” JSC – “Volgogradenergo” and “Rostovenergo”). The agreement was concluded with “Scientific and Technical Centre “Instrument-Micro” and presupposes 5

stages of research and development works, with a total value of 18.78 million (including VAT).

As of 30 June 2016 all the stages of R&D projects are carried out in full.

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.

Along with it, the actual payment by the “IDGC of the South” PJSC to its counterparty for the performance of the R&D project, was carried out in full and amounted to 18.78 million rubles due to the cost of electricity.

5. Agreement dated 19 September 2011 No.2-475/11u/741 to perform research and

development works under the project “Study of the influence of traction and other non-linear loads on 110kV electric networks on the quality and level of electric power losses”. The agreement was concluded with Federal State Budgetary Educational Institution of Higher Professional Education “National Research Tomsk Polytechnic University of Tomsk” and presupposes 3 phases of research and development works, with a total value of 12.0 million rubles (including VAT). As of 31 March 2016 all stages of R&D were carried out in full.

Actual results of R&D was the acquisition of fundamental knowledge and development of “Techniques for studying the influence of traction and other non-linear loads of 110kV electric networks on the quality and level of electric power losses” and “Guidelines for the calculation of basic and additional losses of electric energy that resulted from current unbalance and current distortion in 110 kV networks” as well as their commissioning and entry into force in the branches of “IDGC of South” PJSC – “Rostovenergo” and “Volgogradenergo” based on the requirements of the order of “IDGC of the South” JSC dated 11 June 2013 No.253 “On commissioning into operation the completed research and development works”.

Along with it, the actual payment by “IDGC of the South” PJSC to its counterparty for the performance of the stages of R&D works was carried out in full and amounted to 12.0 million rubles due to the cost of electricity.

6. The agreement dated 27 September 2011 No.727 to perform research and development works under the project on “Introduction of the microprocessor-based blocking of 110kV disconnectors 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”)/ The agreement was concluded with “The Scientific and Research Institute of Power Engineering Technologies” and presupposes 3 phases of R&D works, with a total value of 2.9 million rubles (VAT is not stipulated).

As of 30 June 2016 all the stages of R&D works were carried out in full.

The actual result of research and development works was the development and installation at electrical equipment on 10kV switchgear at 110/10kV substation “Nosovskaya” at Production Department “South-Western Electric Networks” of “Rostovenergo” of the following equipment: a microelectronic and microprocessor systems of electromagnetic locks, as well as its commission in experimental operation on the basis of the requirements of the orders of “IDGC of the South” JSC dated 22 July 2013 No.359 “On installation and commissioning in experimental operation of microprocessor and microelectronic systems of electromagnetic locks on 110/35/10 kV “Novikovskaya” substation”, dated 7 August 2013 No.392 “On Amendments to the Order of “IDGC of the South” JSC dated 22 July 2013 №359 “On installation and commissioning in experimental operation of microprocessor and microelectronic systems of electromagnetic locks on 110/35/10 kV “Novikovskaya” substation” and dated 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.

Along with it, the actual payment by “IDGC of the South” PJSC to its counterparty for the performance of the stages of R&D works, was carried out in full and amounted to 2.9 million rubles due to the cost of electricity.

7. Agreement dated 19 September 2011 No.726 to perform research and development works under the project on “Elaboration of costing standards database for determining the cost of the repair and maintenance of electrical installations in the price level as of 1 January 2012”. The agreement was concluded with “Siberian Centre for pricing in construction, industry and power industry” and presupposed the implementation of four phases of research and development works with a total value of 12.057 million rubles (including VAT).

As of 30 June 2016 all the stages of research and development works were carried

out in full.

Actual results of research and development works: elaboration of “Elaboration of costing standards database for determining the cost of the repair and maintenance of electrical installations of branch of “IDGC of the South” – “Rostovenergo”, the successful conduct of their examination by the Federal autonomous institution “Federal Centre for pricing of building materials in construction and industry”, as well as the approval and enactment at the branch of “IDGC of South” JSC – “Rostovenergo” on the basis of the requirements of the order of “IDGC of South” JSC dated 6 March 2014 No.138 “On approval and enactment of costing standards database for determining the cost of the repair and maintenance of electrical installations at branch of “IDGC of the South” – “Rostovenergo”, in order to ensure their use in the preparation (adjustment) of repair programme of branch of “ IDGC of South” PJSC – “Rostovenergo” in 2015 and subsequent years, along with those of their function development and software products used in the “IDGC of the South” PJSC.

Along with it, the actual payment by “IDGC of the South” PJSC to its counterparty for the performance of the stages of R&D works, was carried out in full and amounted to 12.057 million rubles due to the cost of electricity.

8. Agreement dated 31 October 2012 No.17/12-K/897 to prepare technical recommendations on project “Development of requirements document system for “IDGC of the South” JSC, based on the requirements of ISO 50001:2011”. The agreement was concluded with “FINEX Quality” CJSC and the project includes five stages, the total cost of the agreement - 5.894 million rubles (including VAT). As of 30 June 2016 all stages of the project were fully implemented.

Actual results of the project: “The Regulations on the Energy Management System of “IDGC of the South” JSC” and “The Regulations on the Energy Management System of Subsidiary Companies of “Rosseti” JSC, as well as their approval and implementation were approved and introduced at branches of “IDGC of the South” JSC on the basis of orders of “IDGC of the South” JSC No.732



dated 26 December 2013 “On approval and introduction of the Regulations on the Energy Management System of “IDGC of the South” JSC” and order No.760 dated 30 December 2013 “On approval and introduction of the Regulations on the Energy Management System of Subsidiary Companies of “Rosseti” JSC” in order to maximize the management of further activities in the areas of management, energy saving and energy efficiency.

Along with it, the actual payment by “IDGC of the South” PJSC to its counterparty for the performance of the stages of engineering development, was carried out in full and amounted to 5.894 million rubles due to the cost of electricity.

8. Agreement dated 10 May 2012 No.12/027/628 to perform research and development works under the project “Creation 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”. The agreement was concluded with “Scientific and Research Engineering Center of Interregional Distribution Grid Companies” JSC and presupposes implementation of 6 stages of research and development works with a total value of 33.0 million rubles (including VAT).

As of 30 June 2016 all stages of research and development works were carried out in full.

The actual result of this project is development of 3 prototypes of individual protection devices from a single phase earth fault of the type “TOP 110-ИЗН” 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”.

Along with it, the actual payment by “IDGC of the South” PJSC to its counterparty for the performance of the stages of engineering development, was carried out in full and amounted to 33.0 million rubles due to the cost of electricity.

10. Agreement dated 9 November 2012 No.891 to perform development project on the topic “Development of educational materials for training staff at the electrical switchgear equipment with use of switching power system simulator” was carried out in accordance with the terms of agreement concluded with “Inter-regional industrial association of technical staffing “Tekhnokomplekt” CJSC and presupposes implementation of 5 stages of development works with a total value of 15.501 million rubles (including VAT).

As of 30 June 2016 all the stages of development works are carried out in full.

The actual results of performance of the development project was the development of electrical equipment simulator for switchgear of power systems, its installation in classrooms No.116 and No.116A at the premises of “Training centre “Energetik”, located at: 147, Vtoraya Krasnodarskysya street, Sovetsky district; the simulator was recognized (the introduction of fixed assets) as fixed asset of the branch of “IDGC of South” – “Rostovenergo”, based on the requirements of the order of “IDGC of the South” JSC No.853 dated 11 December 2014 “On commission of simulator at distribution devices and provision of educational materials for conducting trainings at the equipment” and the order of the branch of “IDGC of South” – “Rostovenergo” No.466-A dated 16 December 2014 “On commissioning simulator for switchgear of power systems and training materials for the training of personnel at the electrical equipment of the power systems””, as

well as the development of teaching materials for training the staff at the electrical equipment of distribution devices using the simulator (Methodological guide for practical work at the simulator of switchgear devices “Educational and methodological support VISP.9652283.05”) and its approval and implementation of the requirements on the basis of the above-mentioned order of “IDGC of the South” JSC.

Along with it, the actual payment by “IDGC of the South” PJSC to its counterparty for the performance of the stages of R&D works was carried out in full and amounted to 15.501 million rubles due to the cost of electricity.

Current contracts/agreements on research and development works:

11. Contract dated 27 March 2015 No.10001501000041 to perform research and development works under the project “Development of an integrated system of specialized monitoring, forecasting and support when taking strategical management decisions in the event of severe weather impacts in the area of operational responsibility of “IDGC of the South” JSC. The contract was concluded with “Management Company “DonGIS” and presupposes the implementation of 6 stages of research and development works for a total value of 12.496 million rubles (including VAT).

The planned result of R&D is the creation at the territory of the operational responsibility of the IDGC of the South PJSC, of a modern integrated information system of specialized monitoring and forecasting of meteorological parameters of the environment, as well as early warning of their adverse and dangerous values of the staff of the various organizations on the territory of Rostov, Volgograd and Astrakhan regions as well as the republic of Kalmykia, including units of the Russian Emergencies Ministry, the Ministry of Defense and transport, in order to enable the adoption of appropriate operational decisions.

As of 30 June 2016 the 1<sup>st</sup> and the 2<sup>nd</sup> stages of research and development works are completed in full.

Along with it, IDGC of the South PJSC actually paid for the 1<sup>st</sup> and 2<sup>nd</sup> stages of

R&D works performed by the counterparty 0.968 million rubles due to the cost of electricity at planned amount of 10.974 million rubles, so that the total actual current payables of IDGC of the South PJSC to the counterparty amount 10.006 million rubles.

12. Contract No.10001601000088 dated 23 June 2012 for the implementation of research, development and technological work on the project “Research and development of technologies and instrumentation and analytical support for the X-ray inspection of high-voltage circuit breakers”, concluded with “Inspection control of technical condition of power facilities” JSC. The Contact presupposes the implementation of four stages of research, development and technological works with the total value of 33.074 million rubles (including VAT).

The planned result of the research, development and technological works is creation of technologies and instrumentation and analytical support for the operative (on-site) monitoring the technical condition of high-voltage low-oil switches of type BMT 110 without bus isolation and opening, namely creation of device-analytical set for X-ray examination of the above-mentioned switches.

Under the terms of agreement between “IDGC of the South” JSC and “Research and Technology Centre “Instrument-Micro”, considered to be completed in full on 19 September 2011 No.745 under research and development project “On commissioning the equipment of the system of early icing detection on the phase conductors and ground wires of 35-110 kV overhead lines” (at branches of “IDGC of the South JSC – “Rostovenergo” and “Volgogradenergo”), based on the application submitted to the Federal State Institution “Federal Institute of Industrial Property of Federal Intellectual Property, Patent and Trademark Service” on 28 November 2011 No.2011148052 / 07, in 2012, “IDGC of the South” JSC received a patent for utility model No.116705 “The device of detection deposits on the wire of anchor span at overhead transmission line” (hereinafter – the Patent), which on 27 May 2012 was published and registered by the State Register of Utility Models of the Russian Federation (expires on 28 November 2021).

The formula of useful model “Device detection of deposits on the wire of anchor span of overhead power line (VL) containing, embedded to Y-shaped suspension insulator strings, sensors of ice with installed temperature sensors and a multi-channel controllers, characterized in that the device has an additional force-measuring sensor, which is installed in such a way that it forms with one of the available sensors of icing a V-shaped suspension insulator strings, and its output is connected to the corresponding output controller polling”.

Under the terms of agreement dated 27 September 2011 No.727 to perform research and development works under the project on “Introduction of the microprocessor-based blocking of 110kV disconnectors of new generation (microelectronic and microprocessor electromagnetic blocking with the installation of the prototype on a switchgear substation of the branch of “IDGC of South” JSC – “Rostovenergo”), based on the application submitted to the Federal State Institution “Federal Institute of Industrial Property of Federal Intellectual Property, Patent and Trademark Service” on 19 December 2012 No.2012155406/07 in 2015, “IDGC of the South” JSC received a patent for utility model No.151377 “Electromagnetic blocking device for switchgear equipment”, which on March 3 2015 was published and registered in the State Register of Utility Models of the Russian Federation (expires on 19 December 2022).

Formula of invention: “The device is an electromagnetic blocking of switchgear devices, which comprises a system of contactless sensors of position of the switching devices, block-locks on the drives of switching devices and electromagnetic key, characterized in that there were additionally installed individual sensors of state of the switching device, combined with the help of the data bus and consisting of the input unit, which receives information from contactless condition sensors and transmitting it to the data processing unit, which forms a permitting or blocking signal for the unit of input transducers and further to the locks of electromagnetic block through the exchange of data with the memory unit and data transmission unit that receives and transmits information

using a data bus”.

In accordance with the terms of contract concluded between “IDGC of the south” JSC and “Scientific and Research Engineering Center of Interregional Distribution Grid Companies” JSC on 10 May 2012 No. 12/027/628 “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”, based on the application submitted to the Federal State Institution “Federal Institute of Industrial Property of Federal Intellectual Property, Patent and Trademark Service” on 10 September 2013 No.2013141284/07 in 2015. “IDGC of the South” JSC received a patent for the invention No.2550348 “Protection device from single-phase ground fault at overhead and cable lines of 6-35 kV distribution networks”, which on 9 April 2015 was published and registered by the State Register of Utility Models of the Russian Federation (expires on 10 September 2033).

Formula of invention: “A method of centralized selective protection against earth faults in electrical distribution networks, in which zero sequences of all outgoing connections are measured, current connections are selected, exceeding the minimum prescribed level, the base signal is formed, the measured zero sequence currents of all outgoing connections are compared to the baseline signal, the damaged outgoing connections are determined, characterized in that if the conditions of a damaged connection are not performed for none of the outgoing connections, it is decided that a ground fault has occurred on the bushing or in the winding of the supply transformer”

Formula of invention: “Device for single-phase ground fault protection at overhead and cable lines of 6-35 kV distribution network includes: directional element which consists of tracking transformers of current and voltage of transformer type, two low-pass filters, two filters alarm with components, comparison circuits of signs of current and voltage, two monostable multivibrators,

two inhibit circuits and fault detector which consists of a filter of industrial frequency, one inhibit circuit, voltage relay, but also contains an element “AND”, element of time, two output relays, along with it an input of tracking current converter of transformer type which is connected with the secondary chains of residual current of the protected line, and exit through the series connection of the first filter alarm components and the first low-pass filter coupled to the first input of the comparator circuit signs of current and voltage, the input of tracking voltage converter of transformer type is connected to the secondary circuits of the residual voltage section (system) of bus bars to which is connected a protected line and the first output through series connected second filter with emergency components and a second low pass filter coupled to the second input of the comparison circuit marks voltage and current, the second output of tracking inverter of transformer type via filter discharge power frequency connected to the input relay voltage output is connected to a first input of the “AND” and through the first inhibit circuit is connected to the input of inhibit of the first monostable, the first output of the comparison circuit signs of the current and voltage is connected to the enabling input of the first monostable multivibrator, whose output is coupled to a second input of the “AND” and input of the second inhibit circuit, , and the second output of the scheme for comparison of the current and the voltage with enable input of the second monostable multivibrator, whose output is connected to the input of the third inhibit circuit and the input of the first output switch, the output of the third inhibit element is connected to the inhibit element of the first monostable multivibrator, an output of second inhibit element is connected with inhibit entrance of the second monostable, the output of the element “AND” is coupled to a second input of the “AND” and through the element of time to the input of the second output switch, characterized in that there are additional three threshold elements and three output relay, the filter power frequency, comparison circuit, element “AND” element “OR” and a time element, the input of the first additional output relay through an additional time element is connected to the

output of an additional element “OR”, the first input is coupled to an output of the first additional threshold body having an input connected to the output of an additional filter of industry frequency having an input connected to the output of the tracking current converter of transformer type, and the second input of the additional element “OR” is connected to the voltage relay, the second output of tracking inverter of transformer type through a filter of industrial frequency is connected to the first input of further comparison element, a second input connected with the output of additional filter of power frequency, the first output of the additional comparator circuit via a second additional threshold element is connected to the first input of an additional element of “AND” and the second output of the additional comparator circuit through the third additional threshold element is connected to the second auxiliary relay output, the output of an additional element “AND” is connected to the first input of the additional element “AND” and with a third additional output relay, and the second input of the additional element “AND” is connected to the output voltage relay”.

In addition, based on the submitted to the Federal State Institution “Federal Institute of Industrial Property of Federal Intellectual Property, Patent and Trademark Service” (FIPS) application dated 10<sup>th</sup> September 2013 No.2013141283/07 in 2015, IDGC of the South PJSC received a patent for the invention No.2565060 “Method of centralized selective protection against earth faults in electrical distribution networks”, which was published and registered on September 15, 2015 in the State register of inventions of the Russian Federation (expires September 10, 2033).

Patent claim: “A method for centralized selective protection against earth faults in electrical distribution networks, using which we measure zero-phase-sequence current of all outgoing connections, chose current connections that excess the minimum prescribed level, form a basic signal, the measured zero sequence currents of all outgoing connections are compared to the baseline signal if the current direction of attachment is close to the direction of the base signal, then the



signal of the damage of the exhaust connection is formed, characterized in that if the current direction of all feeders is close to the direction of the base signal, the signal of the damage to the tire or in the winding of the supply transformer is formed.”

**4.6. Analysis of Development Trends Related to the Issuer’s Ordinary Activity**

No changes

**4.7. Analysis of Factors and Conditions Influencing the Issuer’s Activity**

No changes

**4.8. Business Competitors of the Issuer.**

No changes

**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**

**5.2. Data on Members of the Issuer's Management Authorities**

During the reporting quarter the information disclosed in this chapter did not change.

**5.2.1. Structure of the Board of Directors (Supervisory Body) of the Issuer 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   | up to |                       |                  |
| 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 | currently | Rosseti JSC / Rosseti PJSC                              | Chief Advisor  |
| 2014 | currently | IDGC of North-Caucasus JSC/ IDGC of North-Caucasus PJSC | Chairperson of the Board of Directors  |
| 2015 | currently | IDGC of the South JSC / IDGC of the South PJSC          | Chairperson of the Board of Directors  |

**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**

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 person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.**

Information on participation in the committees' activities: no

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

**The person does not hold such stake.**

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

**There are no such family relations.**

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

**The person has not been brought to responsibility as specified.**

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy

(insolvency) legislation initiated against such organizations: **The person did not hold such offices**

**Gvozde 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 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**

**Dudchenko Vladimir Vladimirovich**

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        |   |   |
| 2015   | currently | SoftBiKom JSC   | Financial Director                                |
| 2007   | currently | Fotographer.Ru LLC  | Director General                                  |
| 2008   | currently | Non-profit company<br>Documentary photography<br>support fund | Director, founder                                 |
| 2010   | 2011      | Uralsvyazinform JSC   | Board of Director Member,<br>Member of Committees |
| 2010   | 2014      | NCH Advisors Inc, Moscow<br>representative office             | Director  |
| 2011   | currently | Gallery Greenberg LLC   | Director General                                  |
| 2015   | currently | IDGC of the South JSC / IDGC<br>of the South PJSC             | Board of Directors Member                         |

**The person has no participation shares/ordinary shares in authorized capital**

## of the Issuer

### Information on participation in the Committees of the BoD:

| Committee   | Chairperson |
|---|-------------|
| Audit Committee under the BoD of “IDGC of the South” PJSC   | no          |
| Personnel and Remuneration Committee under the BoD of “IDGC of the South” PJSC                        | no          |
| Committee for Strategy, Investments, Reform and Development under the BoD of “IDGC of the South” PJSC | no          |

### 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

#### **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                            |
|--------|-----------|--|-------------------------------------|
| 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 person has no participation shares/ordinary shares in authorized capital of the Issuer**

**Information on participation in the Committees of the BoD:**

| Committee   | Chairperson |
|---|-------------|
| Audit Committee under the BoD of “IDGC of the South” PJSC | no          |

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**



**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   | Board of Directors  |

|      |      |                              |                              |
|------|------|------------------------------|------------------------------|
|      |      | North-West” PJSC             | Member                       |
| 2008 | 2011 | Sevzapelektrosetstroy” JSC   | Board of Directors<br>Member |
| 2012 | 2015 | Urengoytruboprovodstroy” JSC | Board of Directors<br>Member |

**The person has no participation shares/ordinary shares in authorized capital of the Issuer**

**Information on participation in the Committees of the BoD:**

| Committee   | Chairperson |
|---|-------------|
| Audit Committee under the BoD of “IDGC of the South” PJSC   | no          |
| Personnel and Remuneration Committee under the BoD of “IDGC of the South” PJSC                        | no          |
| Committee for Strategy, Investments, Reform and Development under the BoD of “IDGC of the South” PJSC | no          |

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**

## Kolyada Andrey Sergeevich

**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:

| Period |           | Company   | Position  |
|--------|-----------|---|---|
| from   | to        |   |   |
| 2008   | 2013      | Federal Agency for the Administration of State Property | Leading specialist-expert, Chief Expert, Deputy Head, Head of the Fuel and Energy and Mines Office of infrastructure sectors and organizations of the military-industrial complex, head 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 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**

#### **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 | currently | Kamensk-Uralsky non-ferrous processing plant (KUZOCM Inc.) | Board of Directors Member     |
| 2016 | currently | IDGC of the South PJSC                                     | Board of Directors Member     |

**The person has no participation shares/ordinary shares in authorized capital of the Issuer**

**Information on participation in the Committees of the BoD: does not participate**

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 is member of Smolensk repair company JSC, in relation to which the bankruptcy proceeding have been started. The person was member of Urengoytrouboprovodstroy JSC, in relation to which the bankruptcy**

**proceeding was carried out.**

**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      | HSS JSC  | Board of Directors Member |
| 2010   | 2011      | Tsentrtelekom, 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   | currently | IDGC of the South JSC/<br>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 |
| 2010   | 2011      | YuTK JSC   | Board of Directors Member |
| 2011   | 2012      | IDGC of North-West JSC / IDGC of North-West PJSC                                     | Board of Directors Member |

**The person has no participation shares/ordinary shares in authorized capital of the Issuer**

**Information on participation in the Committees of the BoD:**

| Committee  | Chairperson |
|--|-------------|
| Audit Committee under the BoD of “IDGC of the South” PJSC  | no          |
| Personnel and Remuneration Committee under the BoD of “IDGC of the South” PJSC                         | no          |
| Committee for Strategy, Development, Investments and Reforms under the BoD of “IDGC of the South” PJSC | no          |

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**

**The person did not hold the specified positions**

**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   | currently | IDGC of Centre and Volga region                                       | Board of Directors member                     |
| 2015   | currently | IDGC of Ural JSC  | Board of Directors member                     |
| 2015   | currently | IDGC of Siberia PJSC  | Board of Directors member                     |
| 2015   | currently | IDGC of the South PJSC  | Board of Directors member                     |

#### **Information on participation in the Committees of the BoD:**

| Committee  | Chairperson |
|--|-------------|
| Audit Committee under the BoD of “IDGC of the South” PJSC                      | yes         |
| Personnel and Remuneration Committee under the BoD of “IDGC of the South” PJSC | no          |

**The person has no participation shares/ordinary shares in authorized capital of the Issuer**

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**

**Ebzeyev Boris Borisovich**

Year of birth: 1975

Education: Higher, Candidate of Sciences, Law

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 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):

## **5.2.2. Information on Sole Executive Body of the Issuer**

### **Ebzeyev Boris Borisovich**

Year of birth: 1975

Education: Higher, Candidate of Sciences, Law

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    |
| 02015  | currently | IDGC of the South JSC / IDGC of the South PJSC | Member of IDGC of the South, JSC Board of Directors, |

**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**

## **5.2.3. Structure of Collegiate Executive Body of the Issuer**

### **Ebzeyev Boris Borisovich**

Year of birth: 1975

Education: Higher, Candidate of Sciences, Law

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 Board of Directors,                     |

**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**

**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 —<br>Director of Kalmenergo Branch         |
| 2011          | currently     | IDGC of the South JSC<br>/ IDGC of the South<br>PJSC | Member of the Management<br>Board                                  |
| 2013          | April<br>2016 | IDGC of the South JSC<br>/ IDGC of the South<br>PJSC | Deputy Director General —<br>Director of Astrakhanenergo<br>Branch |
| April<br>2016 | currently     | IDGC of the South JSC<br>/ IDGC of the South<br>PJSC | Deputy Director General —<br>Director of Kalmenergo Branch         |

**The person has no participation shares/ordinary shares in authorized capital of the Issuer**

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**

**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:

| Period |           | Entity  | Position   |
|--------|-----------|---|--|
| from   | to        |   |  |
| 2010   | 2013      | IDGC of the South JSC                             | Deputy Director General —<br>Director of the Branch<br>Astrakhanenergo |
| 2010   | currently | IDGC of the South JSC                             | Member of Management<br>Board  |
| 2011   | currently | Astrakhanelektrosetremont,<br>OJSC                | Member of Board of<br>Directors  |
| 2013   | currently | IDGC of the South JSC / IDGC<br>of the South PJSC | Deputy Director General,<br>Technical Issues — Chief<br>Engineer       |
| 2013   | currently | Energoservis Yuga JSC                             | Chairperson of the BoD   |

**The person has no participation shares/ordinary shares in authorized capital of the Issuer**

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**

**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        |   |  |
| 2010   | 2011      | IDGC of the South JSC                         | Head of Department of Economic Security and Regime |
| 2011   | 2013      | IDGC of the South JSC                         | Head of Security Department                        |
| 2013   | 2013      | IDGC of the South JSC                         | Deputy Chief of Staff                              |
| 2013   | currently | 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 | Memembr of the Management Board                    |

**The person has no participation shares/ordinary shares in authorized capital of the Issuer**

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**

**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          | Deputy Director General, Economics and Finances  |

|      |           |   |                                |
|------|-----------|---|--------------------------------|
|      |           | South PJSC                                    |                                |
| 2013 | currently | IDGC of the South JSC/ IDGC of the South PJSC | Member of the Management Board |

**The person has no participation shares/ordinary shares in authorized capital of the Issuer**

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**

**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 person has no participation shares/ordinary shares in authorized capital of the Issuer**

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**

**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:

| Period |           | Entity  | Position                          |
|--------|-----------|---|-----------------------------------|
| from   | to        |   |                                   |
| 2004   | 2013      | Troop unit #2400 of Piatigorsk city           | Deputy Head of Division           |
| 2013   | 2013      | IDGC of the South, OJSC                       | Head of Security Department       |
| 2013   | currently | 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 |

**The person has no participation shares/ordinary shares in authorized capital of the Issuer**

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**

## **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:

| <b>Period</b> |           | <b>Entity</b>                                  | <b>Position</b>   |
|---------------|-----------|--|---|
| 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 person has no participation shares/ordinary shares in authorized capital of the Issuer**

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**

**5.3. Data on Amount of Remuneration and/ or Reimbursement of Expenses of Each Management Authority of the Issuer**

Data on the amount of remuneration to each management authority of the Issuer (except for the physical person functioning as sole executive authority of the Issuer): All kinds of remuneration are specified, including wages, bonuses, awards, benefits and (or) reimbursement of expenses and other property advancements discharged by the Issuer for the last completed financial year:

Unit of measurement: thousand rubles

**Board of Directors**

| indicator                   | 6 months of 2016 |
|-----------------------------|------------------|
| Remuneration,               | 8 238            |
| Wages                       | 0                |
| Bonuses                     | 0                |
| Reimbursement for expenses  | 0                |
| Other property advancements | 0                |
| <b>TOTAL</b>                | <b>8 238</b>     |

Payment of remunerations and compensations to the members of the Board of Directors is carried out in compliance with the Regulations on the payment to members of the Board of Directors of “IDGC of the South” JSC, remuneration and compensation (due to the decision of the Annual general meeting of Shareholders of “IDGC of the South” JSC held on 06.19.2015 (Minutes of meeting No.13 dated 22 June 2015).

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 2015-2016 (19.06.2015 – 06.06.2016) for carried out in the 2<sup>nd</sup> quarter of 2016. Due to the same reasons the BoD elected by the AGM on 06.06.2016 (minutes of meeting No.15 dated 09.06.2016) was not paid remuneration.

**Collegiate executive body:**

Unit of measurement: thousand rubles

| Indicator   | 6 months of 2016 |
|---|------------------|
| Remuneration for participation in activity of the management body | 898              |
| Wages   | 18 124           |
| Bonuses   | 23 066           |
| Commission fee  | 0                |
| Incentives  | 0                |
| Other types of remunerations                                      | 0                |
| <b>TOTAL</b>  | <b>42 088</b>    |

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.

Compensations:

Unit of measurement: thousand rubles

|                           |                  |
|---------------------------|------------------|
| Management body           | 6 months of 2016 |
| Board of Directors        | 46               |
| Collegiate executive body | 1 825            |

Additional Information:

From 19.06.2015 to calculate the amount of compensation payable to the members



of the Board of Directors, the Company has Regulations for payment of remunerations and compensations to members of the Board of Directors of the Company in the new edition (approved by the Annual General Meeting of Shareholders held on 06.19.2015 (Minutes of meeting No.13 dated June 22, 2015), (hereinafter – the Regulations).

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 paragraph 5.1 of the Regulations, the Member of the Board of Directors is reimbursed for expenses related to the participation in the meeting of the Board of Directors, according to the regulations for reimbursement of travel expenses that are valid as of the date of the meeting.

In accordance with paragraph 5.2 of the Regulations, the Company pays the compensation within three working days after submission of documents confirming the expenses incurred.

#### **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:

For auditing financial and economic activity of the Company, Auditing Committee of the Company is elected by General Shareholders Meeting of “IDGC of the South” PJSC for the period until the following Annual General Shareholders Meeting.

Should Auditing 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 Auditing Committee of the Company includes 5 (five) persons.

By decision of General Shareholders Meeting, powers of all or several members of Auditing Committee of the Company can be subject to early termination.

According to p.24.3 of clause 24 of the Company's Charter, Auditing Committee's competence includes 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 Commission 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.

Order of the Auditing Committee proceedings is determined by Regulations on the Audit Committee of Open Joint Stock Company “Interregional Distribution Grid Company of the South” approved by decision of General Shareholders Meeting of “IDGC of the South” JSC (Minutes of meeting No.13 dated 22.06.2015).

Auditing Committee according to the decision on check (audit) has a right to involve specialists of the corresponding branches of legislation, economy, finance, accounting, management, economic security and others, including specialized entities.

Check (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 Auditing Committee. Unscheduled check of the Company’s financial and economic activity may be performed at any time following the initiative of Auditing 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.

Text of the Regulations on Auditing Committee of “IDGC of the South” JSC is available on website at: <http://mrsk-yuga.ru/pages/show/dokumenty-reglamentiruyuschie-deyatel-nost-organov-upravleniya-i-kontrolya-obschestva>

On the basis of check results of the Company's financial and economic activity, Auditing Committee is making a report that shall include:

- confirmation of reliability of the information contained in reports and other financial documents of the Company;
- information on facts of the Company's violation of accounting order and financial reporting, and also performing the Company's financial and economic activity.

Conclusions by the results of the audit of financial and economic activity of the Company shall be completed not later than 10 working days from the date of the inspection and shall be signed by all members of the Audit Committee of the Company.

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.

**Coordination of Internal Audit and external Auditor of the Issuer: not stipulated by the Issuer's internal documents.**

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;

- interaction with the Audit Committee of the main shareholder of the Company;
- interaction with the executive bodies and structural divisions of the subsidiary and dependent companies ,
- interaction with the Director General and officials of the Company;
- interaction with the Company's auditor;
- interaction with the Auditing Commission of the Company
- interaction with the Department responsible for the internal control / audit of the Company.

Annually the Chairperson of the Committee submits to the Board of Directors a report on the results of the Committee's activity. The Chairperson of the Committee has the right to submit to the Board of Directors separate reports on the results of a study on matters within the competence of the Committee.

The Board of Directors shall have the right at any time to demand from the Committee a report on the current activities of the Committee. The timing and preparation of such report shall be determined by the Board of Directors of the Company.

The members of the Audit Committee of the Board of Directors

| Name                             | Chairperson |
|----------------------------------|-------------|
| Shmakov Igor Vladimirovich       | yes         |
| Dudchenko Vladimir Vladimirovich | no          |
| Pankstianov Yuriy Nikolaevich    | no          |
| Piotrovich Nikolay Borisovich    | no          |
| Shevchyuk Alexander Viktorovich  | no          |
| Fadeyev Alexander Nikolaeyvich   | no          |
| Filkin Roman Alexeyevich         | no          |

After the end date of the reporting period (after 30.06.2016), the Company elected the new composition of the Audit Committee under the Board of Directors, acting as of date of disclosure of the issuer's quarterly report for the 2<sup>nd</sup> quarter 2016. The Board of Directors on 07.08.2016 took the decision on election of new members of the Committee, minutes of meeting No.193/2016 dated 11.07.2016.

The members of the Audit Committee of the Board of Directors, acting as of the date of disclosure of quarterly report:

| Name                             | Chaiperson |
|----------------------------------|------------|
| Fadeyev Alexander Nikolaeyvich   | yes        |
| Dudchenko Vladimir Vladimirovich | no         |
| Pankstianov Yuriy Nikolaevich    | no         |
| Kolyada Andrey Sergeyeovich      | no         |
| Shevchyuk Alexander Viktorovich  | no         |
| Filkin Roman Alexeyevich         | no         |

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 Commissions 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 field of risk management and internal control of the issuer is described in clause 2.4 of the quarterly report.

The Issuer has ratified (approved) an internal document of the issuer that establishes rules for prevention of the misuse of confidential and insider information.

Information on presence of the issuer's internal document establishing rules aimed at preventing the misuse of confidential and insider information:

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 disclosed 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:



### **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 – Auditing Commission

Name: **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                         |

**The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.**

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies: **The person does not hold such stake.**

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

**There are no such family relations.**

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

**The person has not been brought to responsibility as specified.**

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **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 |

**The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.**

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies: **The person does not hold such stake.**

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's

financial and business activity:

**There are no such family relations.**

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

**The person has not been brought to responsibility as specified.**

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **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 |

**The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.**

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies: **The person does not hold such stake.**

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

**There are no such family relations.**

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

**The person has not been brought to responsibility as specified.**

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **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 |
|------|-----------|--------------|--|

**The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.**

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies: **The person does not hold such stake.**

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

**There are no such family relations.**

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

**The person has not been brought to responsibility as specified.**

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Kabizskina Yelena Alexandrovna**

Year of birth: **1964**

Education:

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                              |

**The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.**

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies: **The person does not hold such stake.**

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

**There are no such family relations.**

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

**The person has not been brought to responsibility as specified.**

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

## 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**

Name: **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 |  |
| 2012   | 2013 | IDGC of the South JSC |  |
| 2013   | now  | IDGC of the South PSC |  |

**The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.**

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies: **The person does not hold such stake.**

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

**There are no such family relations.**

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal

responsibility (existence of criminal record) for economic crimes or crimes against the State:

**The person has not been brought to responsibility as specified.**

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

#### **5.6. Data on Amount of Remuneration, Benefits and/ or Reimbursement of Expenses of Authority Undertaking Control over the Issuer's Financial and Economic Activities**

For each body of control over financial and economic activities of the issuer (except a natural person holding the position (exercising functions) of an auditor of the issuer) shall be described with the indication of the size of all types of remuneration, including salaries of members of bodies supervising the financial and economic activities of the issuer that are its employees, including those working part-time, bonuses, commissions, fees, separately paid for participation in the relevant body of control over financial and economic activities of the issuer, other types of remuneration that were paid by the issuer during the reporting period, and as described, indicating the size of the costs associated with the execution of the functions of members of bodies supervising financial and economic activities of the issuer, the issuer compensated for the corresponding reporting period.

Unit of measurement: thousand rubles

Name of the authority undertaking control over the Issuer's financial and economic activity: **Auditing Committee**

Remuneration for participation in work of supervisory body

Unit of measurement: thousand rubles

|           |                  |
|-----------|------------------|
| Indicator | 6 months of 2016 |
|-----------|------------------|



|  |            |
|--|------------|
| Remuneration for participation in activity of a body controlling economic activity of the issuer | 782        |
| Wages  | 0          |
| Bonuses  | 0          |
| Reimbursement for expenses   | 0          |
| Other type of remunerations  | 0          |
| <b>TOTAL</b>   | <b>782</b> |

Data on current agreements about such payments in the financial year:

Information on current agreements concerning such payments in this financial year:

**Payment of remuneration to members of the Audit Committee is carried out in accordance with the Regulations for payment of remuneration and compensation to members of the Audit Committee of Open Joint Stock Company “Interregional Distribution Grid Company of the South” (hereinafter – the Regulations), approved by the resolution of the AGM of the Company on 19.06.2015, minutes of meeting No.13 dated 22.06.2015.**

**According to paragraph 1.3., the Regulations apply to members of the Audit Committee of the Company, which are not persons in respect of which federal laws provided a restriction or a ban on receipt of any payments from commercial organizations. Remunerations and compensations will not be paid to members of the Audit Committee who are civil servants (p. 3.3 Art. 12.1 of the Federal Law No.279-FZ “On Combating Corruption” dated December 25, 2008).**

**In accordance with paragraph 2.1 of the Regulations, the remuneration shall be paid to the members of the Audit Committee on the results of the Company for the corporate year and depends on the degree of his participation in the work of the Audit Committee. For the purposes of this Regulation in order to determine the amount of remuneration payable to the members of the Audit Committee, under the corporate year we understand the period since the election of the personal composition of the Audit Committee at the General**

**Meeting of Shareholders and until the date of the subsequent General Meeting of Shareholders with the agenda item “On election of members of the Audit Committee of the Company.”**

Name of the authority undertaking control over the Issuer’s financial and economic activity: **Internal audit and control department**

Remuneration for participation in work of supervisory body

Unit of measurement: thousand rubles

| Indicator  | 6 months of 2016 |
|--|------------------|
| Remuneration for participation in activity of a body controlling economic activity of the issuer | 0                |
| Wages  | 1 805            |
| Bonuses  | 1 371            |
| Reimbursement for expenses   | 0                |
| Other type of remunerations  | 0                |
| <b>TOTAL</b>   | <b>3 176</b>     |

Data on current agreements about such payments in the financial year:

Payments were made in accordance with the labour contracts concluded with members of the Department of Internal Audit and Control

**Compensations**

Unit of measurement: thousand rubles

| Control body (structural subdivision) | 6 months of 2016 |
|---------------------------------------|------------------|
| Auditing Committee                    | 0                |
| Internal audit and control department | 0                |

Additional Information:

Calculation of compensation payable to the members of the Audit Committee in accordance with the Regulations on payment of remunerations and compensations to the members of the Audit Committee of Open Joint Stock Company “Interregional Distribution Grid Company of the South” (hereinafter – the Regulations), approved by the resolution of the AGM of the Company

on 19.06.2015, minutes of meeting No.13 dated 22.06.2015.

According to paragraph 3.1 of the Regulations, the Audit Committee members, who are not subject to the restrictions listed in paragraph 1.3 of these Regulation, in the case of visits of the Company's facilities, participation in the meetings of the Audit Committee held on the actual location of the Company, as well as other tasks of the Audit Committee of the Company, the Company compensates for documented expenses associated with the participation in the activities of the Audit Committee of the Company.

In accordance with paragraph 3.2 of the Regulations, the amount of compensation for the expenses related to participation in the meetings of the Audit Committee and the conduct of inspections shall be determined in the amount of actual expenses confirmed by the relevant documents, but not exceeding the rules set forth in section 3.4 hereof.

#### **5.7. Data on Headcount and Generalized Data on Education and Structure of the Issuer's Employees (Staff Members), and also on Headcount Change of the Issuer**

Unit of measurement: thousand rubles.

| Indicator  | 6 months of 2016 |
|--|------------------|
| Average number of employees                            | 13 657           |
| Volume of money transferred for remuneration of labour | 2 999 013.7      |
| Volume of money transferred for social benefits        | 9 053            |

The labour unit was established at executive office of the Company (registration certificate No.1610307 dated 05.08.2015).

#### **Description of the organizational structure of the issuer and the main, functional relations between key operating units**

On 02.06.2015 organizational structure of "IDGC of the South" JSC was introduced and approved by the Board of Directors of "IDGC of the South" JSC (Minutes of meeting No.160/2015 dated 29.05.2015).

The organizational structure meets the requirements of the main shareholder to the

organizational structure of the operating company. The main activities of the Company are distributed by functional units, managed by Deputies General Director of the Company:

- Economy and finance, accounting and tax accounting and reporting;
- Sale of services;
- Development and technological connection;
- Investment activity, capital construction, logistics and inventory and logistics management;
- Technical block;
- Corporate management, property management and legal support;
- Human resource management, organizational design, the organization of regulation and remuneration, administration, management of public relations;
- Special Projects;
- Security, protection of state secrets, mobilization, preparation and civil defense.

Some activities were established as independent business units, directly subordinate to the General Director of the Company:

- Department of internal audit and risk management;
- Department of Corporate and process automated control systems;
- Department anti-corruption compliance procedures

The organizational structure includes the Deputy Director General - Director of the branches of “Astrakhanenergo”, “Volgogradenergo”, “Kalmenergo”, “Rostovenergo” and the director of the branch of “Kubanenergo”, which on the basis of powers of attorney issued by the General Director of the Company, manage ongoing activities established in accordance with the resolution of the Board of Directors (Minutes No.6/2008 dated 11.01.2008) of the following subsidiaries of the Company:

- Branch of “IDGC of South” JSC – “Astrakhanenergo” (414000, 32 Krasnaya Naberezhnaya, Astrakhan);
- Branch of “IDGC of South” JSC – “Volgogradenergo” (400066, 15 Lenina

Prospect, Volgograd);

- Branch of “IDGC of South” JSC – “Kalmenergo” (358007, Northern Industrial Area, Elista, the Republic of Kalmykia);
- Branch of “IDGC of South” JSC – “Kubanenergo” (350033, 2 Stavropolskaya street, Krasnodar);
- Branch of “IDGC of South” JSC – “Rostovenergo” (344002, 19 Bolshaya Sadovaya street, Rostov-on-Don)

The organizational structure of “IDGC of South” JSC is available on the corporate web site in the Internet at: [http://www.mrsk-Yuga.ru/companv/organizational structure](http://www.mrsk-Yuga.ru/companv/organizational_structure).

#### **5.8. Data on any Obligations of the Issuer to Employees (Staff Members) Concerning Possibility of their Participation in the Authorized (Share) Capital (Share Fund) of the Issuer**

The Issuer has no obligations to employees (staff members) concerning possibility of their participation in the authorized (share) capital (share fund) of 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**

Total number of persons indicated in the register of shareholders of the Issuer as of the expiration date of the last accounting quarter: **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 included in the latest list of those who had (have) the right to participate in the general meeting of shareholders of the issuer (another list of persons recorded for the implementation (realization) of rights on the

issuer's shares and compiled on the basis of submitted data of nominee shareholders' on the persons for whose benefit they owned (own) shares of the issuer): **25.11.2015**

Holders of ordinary shares of the issue that are subject to inclusion in such list:  
**11 318**

Information on the number of own shares possessed by the issuer as at the reporting quarter

Own shares possessed by the issuer: no

Information on the number of shares belonging to the organizations controlled by the issuer

There are no shares belonging to organizations under its control

**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

**Nominee holder** Information on nominee holder:

Full company name: **Non-profit Partnership "National Depository Centre"**

Short company name: **"NDC", CJSC**

Location

Building 8, 1/13 Sredniy Kislovskiy lane, Moscow, Russia, 125009

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: **22 495 039 106**

Number of preferred shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: **0**

**2.**

**Nominee holder** Information on nominee holder:

Full company name: **Limited Liability Company "Depository and corporate technologies"**

Short company name: **"DKT" LLC**

Location

1 Building, 4 Stromynka, Moscow, Russia, 107014

TIN: **7729520219**

PSRN: **1057746181272**

Telephone: **(495) 641-3031**

Fax: **(495) 641-3031**

**E-mail address:** [dkt@depotech.ru](mailto:dkt@depotech.ru)

Data on license of professional participant of the securities market

Number: **177-11151-000100**

Date of issue: **03.04.2008**

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

Other information specified by the issuer at its own discretion: no

### **6.3. Data on State or Municipal Unit Stake in Authorized (Share) Capital (Share Fund) of the Issuer, Availability of Special Right (“golden share”)**

Information about the controllers of state, municipal shares.

#### **Federal property**

##### **Federal property**

Name: **Federal Agency of State Property Management**

Address: **9, Nikolskiy lane, Moscow, 109012**

The size of the authorized (share) capital (share fund) of the Issuer of municipal property, located in the state (federal, subjects of Russian Federation): **0.139**

#### **Federal property**

Name: **State Taxation Inspection of Taganrog**

Address: **22-24, A.Glushko lane, Taganrog 347900**

The size of the authorized (share) capital (share fund) of the Issuer of municipal property, located in the state (federal, subjects of Russian Federation): **0.003**

Persons who, on behalf of the Russian Federation, subject of Russian Federation or municipal entity shall perform the functions participant (shareholder) of the Issuer.

#### **There are no such persons**

Special right for participation of the Russian Federation, subjects of the Russian Federation, municipal units in management of the Issuer (Joint Stock Company) (“golden share”): Specified right is not stipulated

### **6.4. Data on restriction on participation in authorized (share) capital (share fund) of the Issuer**

Restrictions on participation in the authorized (share) capital of the issuer – no.

### **6.5. Data on Changes in Composition and Amount of Participation of Shareholders (Participants) of the Issuer Holding at least 5 percent of Authorized (Share) Capital (Share Fund) or at least 5 percent of Ordinary Shares**



Structure of the Issuer's shareholders (participants) who held at least 5 percent of the Issuer's authorized (share) 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 termination date of the accounting period, or for each completed financial year preceding the termination date of the accounting period in case the Issuer has been functioning less than 5 years; and for the last quarter according to the list of the persons who had a right to participate in each of such meetings.

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **05.10.2007**

**List of shareholders (participants)**

Full company name: **Russian Joint Stock Company of power and electrification "UES of Russia"**

Short company name: **RAO "UES of Russia", JSC**

Address: **Building 3, 101 prospect Vernadskiy, Moscow**

TIN: **7705018828**

PSRN: **1027700043293**

Stake of the person in the Issuer's authorized capital, %: 100

Stake of the Issuer's ordinary shares held by the person, %: 100

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **25.12.2007**

**List of shareholders (participants)**

Full company name: **Russian Joint Stock Company of power and electrification "UES of Russia"**

Short company name: **RAO "UES of Russia", JSC**

Address: **Building 3, 101 prospect Vernadskiy, Moscow**

TIN: **7705018828**

PSRN: **1027700043293**

Stake of the person in the Issuer's authorized capital, %: 100

Stake of the Issuer's ordinary shares held by the person, %: 100

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **28.02.2008**

**List of shareholders (participants)**

Full company name: **Russian Joint Stock Company of power and electrification "UES of Russia"**

Short company name: **RAO "UES of Russia", JSC**

Address: **Building 3, 101 prospect Vernadskiy, Moscow**

TIN: **7705018828**

PSRN: **1027700043293**

Stake of the person in the Issuer's authorized capital, %: 100

Stake of the Issuer's ordinary shares held by the person, %: 100

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **18.04.2008**

**List of shareholders (participants)**

Full company name: **Russian Joint Stock Company of power and electrification "UES of Russia"**

Short company name: **RAO "UES of Russia", JSC**

Address: **Building 3, 101 prospect Vernadskiy, Moscow**

TIN: **7705018828**

PSRN: **1027700043293**

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

Full company name: **Closed Joint Stock Company "Promregion Holding"**

Short company name: **"Promregion Holding", CJSC**

Address: **Building 2, 29 Shabolovka str., Moscow 115162**

TIN: **7706307082**

PSRN: **1037706044408**

Stake of the person in the Issuer's authorized capital, %: 16.21

Stake of the Issuer's ordinary shares held by the person, %: 16.21

Full company name: **Renaissance Securities (Cyprus) Limited**

Short company name: the Issuer does not have information

Address: **1065 Nicosia, Arch. Makariou III, 2-4, Capital Center, 9th Floor**

**Is not resident of RF**

Stake of the person in the Issuer's authorized capital, %: 5.22

Stake of the Issuer's ordinary shares held by the person, %: 5.22

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **08.05.2009**

**List of shareholders (participants)**

Full company name: **Open Joint Stock Company "Holding of Interregional Distribution Grid Companies"**

Short company name: **"IDGC Holding", JSC**

Location: 5a Akademicheskaya str., Moscow 117630

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

Full company name: **Oflamenta Trading Limited**

Short company name: the Issuer does not have information

Location: **Gr. Xenopoulou, 17, P.C. 3106, Limassol, Cyprus**

**is not RF resident**

Stake of the person in the Issuer's authorized capital, %: 21.15

Stake of the Issuer's ordinary shares held by the person, %: 21.15

Full company name: **Renaissance Securities (Cyprus) Limited**

Short company name: the Issuer does not have information

Location: **1065 Nicosia, Arch. Makariou III, 2-4, Capital Center, 9th Floor**

**is not RF resident**

Stake of the person in the Issuer's authorized capital, %: 5.05

Stake of the Issuer's ordinary shares held by the person, %: 5.05

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **03.07.2009**

**List of shareholders (participants)**

Full company name: **Open Joint Stock Company "Holding of Interregional Distribution Grid Companies"**

Short company name: **"IDGC Holding", JSC**

Location: **5a Akademicheskaya str., Moscow 117630**

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

Full company name: **Limited liability company "Management - Consulting" ("Trust Management") (performing trust management of mutual investment fund "Closed Mutual Investment Fund of Shares "Resource")**

Short company name: **"Management - Consulting", LLC**

Location: **building 1, 7 Meschanskaya str., Moscow 129090**

TIN: **7702203678**

PSRN: **1027700050168**

Stake of the person in the Issuer's authorized capital, %: 21.15

Stake of the Issuer's ordinary shares held by the person, %: 21.15

Full company name: **Limited Liability Company "Managing Company "AGANA" Trust management. Closed blend share fund "Strategic assets" managed by LLC "Managing Company "AGANA"**

Short company name: **"Managing Company "AGANA", LLC**

Location: **building 1, 9 Staromonetny lane, Moscow 119017**

TIN: **7706219982**

PSRN: **1027700076513**

Stake of the person in the Issuer's authorized capital, %: 5.15

Stake of the Issuer's ordinary shares held by the person, %: 5.12

Full company name: **Renaissance Securities (Cyprus) Limited**

Short company name: the Issuer does not have information

Location: **1065 Nicosia, Arch. Makariou III, 2-4, Capital Center, 9th Floor  
is not RF resident**

Stake of the person in the Issuer's authorized capital, %: 5.08

Stake of the Issuer's ordinary shares held by the person, %: 5.08

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **07.05.2010**

**List of shareholders (participants)**

Full company name: **Open Joint Stock Company "Holding of Interregional Distribution Grid Companies"**

Short company name: **"IDGC Holding", JSC**

Location: 5a Akademicheskaya str., Moscow 117630

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

Full company name: **Limited liability company "Management - Consulting" ("Trust Management") (performing trust management of mutual investment fund "Closed Mutual Investment Fund of Shares "Resource")**

Short company name: **"Management - Consulting", LLC**

Место нахождения: **129090 г. Москва, ул. Мещанская, д. 7, стр. 1**

ИНН: **7702203678**

ОГРН: **1027700050168**

Stake of the person in the Issuer's authorized capital, %: 21.36

Stake of the Issuer's ordinary shares held by the person, %: 21.36

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **20.04.2011**

**List of shareholders (participants)**

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

Full company name: **Lancrenan Investment limited**

Short company name: **no information**

**Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus is not RF resident**

Stake of the person in the Issuer's authorized capital, %: 9.18

Stake of the Issuer's ordinary shares held by the person, %: 9.18

Full company name: Protsvetanie Holding Limited Company

Short company name: **no information**

**Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus is not resident of RF**

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

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **06.05.2011**

**List of shareholders (participants)**

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

Full company name: **Lancrenan Investment limited**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus is not resident of RF**

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

Full company name: Protsvetanie Holding Limited Company

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus is not resident of RF**

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

Date of drawing up the list of persons who are entitled to participate in the Issuer’s Shareholders (participants) Meeting: **08.05.2012**

**List of shareholders (participants)**

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

Full company name: **Lancrenan Investment limited**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  
is not resident of RF**

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

Full company name: Protsvetanie Holding Limited Company

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  
is not resident of RF**

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

Date of drawing up the list of persons who are entitled to participate in the  
Issuer's Shareholders (participants) Meeting: **05.07.2012**

**List of shareholders (participants)**

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

Full company name: **Lancrenan Investment Limited**



Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  
is not resident of RF**

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

Full company name: Protsvetanie Holding Limited Company

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  
is not resident of RF**

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

Date of drawing up the list of persons who are entitled to participate in the Issuer's  
Shareholders (participants) Meeting: **17.05.2013**

**List of shareholders (participants)**

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**

Full company name: **Lancrenan Investment Limited**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus  
is not resident of RF**

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**

Full company name: Protsvetanie Holding Limited Company

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus**  
**is not resident of RF**

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**

Date of drawing up the list of persons who are entitled to participate in the Issuer's  
Shareholders (participants) Meeting: **23.12.2013**

**List of shareholders (participants)**

Full company name: **Open Joint Stock Company "Russian Grids"**

Short company name: **"Rosseti", JSC**

Location: **26 Ulanskiy lane, Moscow 107996**

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**

Full company name: **Lancrenan Investment Limited**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus.**

**The Company is not resident of RF**

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**

Full company name: **Protsvetanie Holding Limited Company**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus.**

**The Company is not resident of RF**

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**

Date of drawing up the list of persons who are entitled to participate in the Issuer's

Shareholders (participants) Meeting: **19.05.2014**

**List of shareholders (participants)**

Full company name: **Open Joint Stock Company “Russian Grids”**

Short company name: **“Rosseti”, JSC**

Location: **26 Ulanskiy lane, Moscow 107996**

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**

Full company name: **Lancrenan Investment Limited**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus.**

**The Company is not resident of RF**

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**

Full company name: **Protsvetanie Holding Limited Company**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus.**

**The Company is not resident of RF**

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**

Date of drawing up the list of persons who are entitled to participate in the Issuer’s

Shareholders (participants) Meeting: **12.01.2015**

**List of shareholders (participants)**

Full company name: **Open Joint Stock Company “Russian Grids”**

Short company name: **“Rosseti”, JSC**

Location: **26 Ulanskiy lane, Moscow 107996**

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**

Full company name: **Lancrenan Investment Limited**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus.**

**The Company is not resident of RF**

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**

Full company name: **Protsvetanie Holding Limited Company**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus.**

**The Company is not resident of RF**

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**

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **18.05.2015**

**List of shareholders (participants)**

Full company name: **Open Joint Stock Company "Russian Grids"**

Short company name: **"Rosseti", JSC**

Location: **26 Ulanskiy lane, Moscow 107996**

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**

Full company name: **Lancrenan Investment Limited**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus.**

**The Company is not resident of RF**

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**

Full company name: **Protsvetanie Holding Limited Company**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus.**

**The Company is not resident of RF**

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**

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **25.11.2015**

**List of shareholders (participants)**

Full company name: **Public Joint Stock Company "Russian Grids"**

Short company name: **"Rosseti" PJSC**

Location: **4 Belovezhskaya street., Moscow 121353**

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**

Full company name: **Lancrenan Investment Limited**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus.**

**The Company is not resident of RF**

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**

Full company name: **Protsvetanie Holding Limited Company**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus.**

**The Company is not resident of RF**

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**

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **18.04.2016**

**List of shareholders (participants)**

Full company name: **Public Joint Stock Company "Russian Grids"**

Short company name: **"Rosseti" PJSC**

Location: **4 Belovezhskaya str., Moscow 121353**

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**

Full company name: **Lancrenan Investment Limited**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus.**

**The Company is not resident of RF**

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**

Full company name: **Protsvetanie Holding Limited Company**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus.**

**The Company is not resident of RF**

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.

Unit of measurement: thousand rubles

| Item  | Total number | Total volume in monetary terms |
|---|--------------|--------------------------------|
| Interested parties transactions which required approval by the authorized management body of the Issuer   | 10           | 14 297 521                     |
| Interested parties transactions concluded in the accounting period and approved by General Meeting of participants (shareholders)                       | 0            | 0                              |
| Interested parties transactions concluded for the accounting period and approved by Board of Directors (supervisory board) of the Issuer                | 10           | 14 297 521                     |
| Interested parties transactions for the accounting period which required approval yet were not approved by the authorized management body of the Issuer | 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 accounting date before the transaction: **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.**

Additional information: **none**

#### **6.7. Data on the Amount of Accounts Receivable**

30.06.2016

Unit of measurement: thousand rubles

| Type of accounts receivable                   |            |
|---|------------|
| Accounts receivable from buyers and customers | 10 134 254 |

|   |            |
|---|------------|
| including overdue   | 7 608 002  |
| 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   | 2 186 751  |
| including overdue   | 880 369    |
| Total   | 12 497 970 |
| including overdue   | 8 495 669  |

Debitors which share is at least 10% from total sum of accounts receivable as of the reporting period

Full company name: Municipal Unitary Production Enterprise “**Inter-district electric grids of Volgograd**”

Short name: **MUPP VMES of Volgograd**

Location: **11 Ushakova str., Volgograd 400017**

TIN: **3441010181**

PSRN: **1023402460620**

Sum of accounts receivable: **2 071 577**

Unit of measurement: **thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

**Contractor’s overdue payable to IDGC of the South is 1 855 859 thousand rubles. Claim-related work on collection the debt is being carried out.**

Debtor is issuer’s affiliated person: **no**

Full company name: Municipal Unitary Production Enterprise “**Astrakhan energy selling company**” **Public joint stock company**

Short name: “**Astrakhan energy selling company**” **PJSC**

Location: **3 John Reed str., Astrakhan 414000**

TIN: 3017041554



PSRN: 1053000000041

Sum of accounts receivable: **2 2497 729**

Unit of measurement: **thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

**Contractor's overdue payable to IDGC of the South is 2 112 550 thousand rubles. Claim-related work on collection the debt is being carried out.**

Debtor is issuer's affiliated person: **no**

Full company name: Municipal Unitary Production Enterprise "**TNS-energo Rostov-on-Don**" **Public joint stock company**

Short name: "**Energosbyt Rostovenergo**" **PJSC**

Location: **47 Zhuravlyova str., Rostov-on-Don 344022**

TIN: 6168002922

PSRN: 1056164000023

Sum of accounts receivable: **1 597 391**

Unit of measurement: **thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

**Contractor's overdue payable to IDGC of the South is 660 512 thousand rubles. Claim-related work on collection the debt is being carried out.**

Debtor is issuer's affiliated person: **no**

Full company name: **Public joint stock company "Volgogradenergosbyt"**

Short name: "**Volgogradenergosbyt**" **PJSC**

Location: **14 Kozlovskaya street, 40001 Volgograd, Russian Federation**

TIN: **3445071523**

PSRN: **1053444090028**

Sum of accounts receivable: **1 476 608**

Unit of measurement: **thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

**Contractor's overdue payable to IDGC of the South is 1 152 381 thousand rubles. Claim-related work on collection the debt is being carried out.**

Debtor is issuer's affiliated person: **no**

## VII. Accounting (Financial) Report of the Issuer and Other Financial Information

### 1.1. Annual Accounting Report of the Issuer

Annual accounting report is not disclosed for this quarter

### 7.2. Quarterly accounting (financial) report of the Issuer

#### Balance sheet as of 30.06.2016

|   |  |            |
|---|--|------------|
| Form as per Russian National Classification of Management Documentation (OKUD)                  |  | Code       |
|   |  | 0710001    |
|   |  | Date       |
|   |  | 30.06.2016 |
| Organization: "Interregional Distribution Grid Company of the South" Public Joint Stock Company | as per Russian National Classifier of Business Organizations (OKPO)  | 80380011   |
| Taxpayer Identification Number  | TIN  | 6164266561 |
| Type of activity: electric energy transmission  | as per Russian National Classifier of Economic Activities (OKVED)  | 40.10.2    |
| Legal form of organization / form of ownership: public joint stock company/provate property     | as per Russian National Classifier of Forms of Incorporation (OKOPF)/ Russian National Classifier of Forms of Ownership (OKFS) | 47 / 16    |
| Unit of measurement: ths.rub.   | as per Russian National Classifier of Measurement Units (OKEI)   | 384        |
| Location (address)  | 49 Bolshaya Sadovaya St., Rostov-on-Don, Russia, 344002  |            |

| Explanations | Assets  | Line | As of 30.06.2016 | As of 31.12.2015 | As of 31.12.2014 |
|--------------|---|------|------------------|------------------|------------------|
| 1            | 2   | 3    | 4                | 5                | 6                |
|              | <b>Non-current assets</b>                     | 1110 | 1 832            | 6                | 9                |
|              | Results of researches and projects,           | 1120 | 20 681           | 18 190           | 26 438           |
|              | Intangible exploration assets                 | 1130 | 0                | 0                | 0                |
|              | Fixed exploration assets                      | 1140 | 0                | 0                | 0                |
|              | <b>Fixed assets</b>                           | 1150 | 27 982 165       | 28 897 473       | 29 986 795       |
|              | Income-bearing investments in tangible assets | 1160 | 0                | 0                | 0                |
|              | Financial investments                         | 1170 | 147 387          | 144 929          | 155 011          |
|              | Deferred tax assets                           | 1180 | 295 326          | 369 907          | 356 989          |
|              | Other non-current assets                      | 1190 | 128 480          | 125 059          | 165 062          |
|              | <b>Total for section I</b>                    | 1100 | 28 575 871       | 29 555 564       | 30 690 304       |
|              | <b>II. Current assets</b>                     |      |                  |                  |                  |

|  |   |      |            |            |            |
|--|---|------|------------|------------|------------|
|  | Stock   | 1210 | 866 651    | 720 902    | 649 191    |
|  | Value added tax on acquired assets              | 1220 | 660        | 13 20      | 62 366     |
|  | Accounts receivable                             | 1230 | 12 497 970 | 10 687 246 | 9 330 109  |
|  | Financial investments (except money equivalent) | 1240 | 779 257    | 403 000    | 0          |
|  | Cash and cash equivalents                       | 1250 | 191 226    | 1 581 079  | 716 955    |
|  | Other current assets                            | 1260 | 204 033    | 50 919     | 32 148     |
|  | Total for section II                            | 1200 | 14 539 797 | 13 456 353 | 10 790 769 |
|  | Balance (assets)                                | 1600 | 43 115 668 | 43 011 917 | 41 481 073 |

| notes | Liabilities  | line | 30.06.2016  | 31.12.2015  | 31.12.2014  |
|-------|--|------|-------------|-------------|-------------|
| 1     | 2  | 3    | 4           | 5           | 6           |
|       | <b>III. Shareholders' funds</b>  |      |             |             |             |
|       | Authorized capital (share capital, authorized fund, partners' investments) | 1310 | 4 981 110   | 4 981 110   | 4 981 110   |
|       | Reacquired stock   | 1320 | 0           | 0           | 0           |
|       | Reappraisal of fixed assets  | 1340 | 14 677 528  | 14 691 709  | 14 710 817  |
|       | Capital surplus (without reappraisal)                                      | 1350 | 0           | 0           | 0           |
|       | Reserve funds  | 1360 | 157 574     | 150 095     | 150 095     |
|       | Undistributed profit (uncovered loss)                                      | 1370 | -15 437 109 | -14 550 384 | -14 719 067 |
|       | Total for section III  | 1300 | 4 379 103   | 5 272 530   | 5 122 955   |
|       | <b>IV. Long-term liabilities</b>   |      |             |             |             |
|       | Borrowed funds   | 1410 | 13 904 700  | 13 403 378  | 19 744 299  |
|       | Deferred tax liability   | 1420 | 387 186     | 362 562     | 318 893     |
|       | Estimated liability  | 1430 | 0           | 0           | 0           |
|       | Other liabilities  | 1450 | 149 522     | 118 463     | 80 889      |
|       | Total for section IV   | 1400 | 14 441 408  | 13 884 403  | 20 144 081  |
|       | <b>V. Short-term liabilities</b>   |      |             |             |             |
|       | Borrowed funds   | 1510 | 10 902 282  | 11 630 194  | 5 123 128   |
|       | Accounts payable   | 1520 | 10 976 968  | 9 451 866   | 8 554 588   |
|       | Income of future periods   | 1530 | 56 445      | 59 123      | 78 296      |
|       | Estimated liability  | 1540 | 2 350 942   | 2 713 801   | 2 458 025   |
|       | Other liabilities  | 1550 | 8 520       | 8 223       | 8 255       |
|       | Total for section V  | 1500 | 24 295 157  | 23 854 533  | 16 213 677  |
|       | Balance (liabilities)  | 1700 | 43 115 668  | 43 011 917  | 41 481 074  |

## Profit and Loss Statement January – June 2016

Form as per Russian National Classification of Management Documentation (OKUD)

Date 30.06.2016

Organization: “Interregional Distribution Grid Company of the South” Public Joint Stock Company

as per Russian National Classifier of Business Organizations (OKPO)

Taxpayer Identification Number

TIN

Type of activity: electric energy transmission

as per Russian National Classifier of Economic Activities (OKVED)

Legal form of organization / form of ownership:  
public joint stock company/provate property

as per Russian National Classifier of Forms of Incorporation (OKOPF)/  
Russian National Classifier of Forms of Ownership (OKFS)

Unit of measurement: ths.rub.

as per Russian National Classifier of Measurement Units (OKEI)

Location (address)

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

|            |
|------------|
| Code       |
| 0710002    |
| 30.06.2016 |
| 80380011   |
| 6164266561 |
| 40.10.2    |
| 47 / 16    |
| 384        |

| Notes | Indicator                           | Line | 6 months of<br>2016 | 6 months<br>of 2015 |
|-------|-------------------------------------|------|---------------------|---------------------|
| 1     | 2                                   | 3    | 4                   | 5                   |
|       | Profit                              | 2110 | 15 021 030          | 14 362 159          |
|       | Cost of sales                       | 2120 | -12 960 012         | -12 318 249         |
|       | Gross profit (loss)                 | 2100 | 2 061 018           | 2 043 910           |
|       | Business expenses                   | 2210 | 0                   | 0                   |
|       | Management expenses                 | 2220 | -300 842            | -269 826            |
|       | Profit (loss) from sales            | 2200 | 1 760 176           | 1 774 084           |
|       | Participation capital               | 2310 | 3 172               | 12 497              |
|       | Interest receivable                 | 2320 | 49 169              | 31 102              |
|       | Interest payable                    | 2330 | -1 341 540          | -1 299 939          |
|       | Other revenues                      | 2340 | 2 455 108           | 2 253 828           |
|       | Other expenses                      | 2350 | -3 662 788          | -2 107 743          |
|       | Profit (loss) before the taxation   | 2300 | -736 703            | 663 829             |
|       | Current income tax                  | 2410 | -266 907            | -355 659            |
|       | including permanent tax liabilities | 2421 | 508 275             | 298 315             |
|       | Changes in deferred tax liabilities | 2430 | -24 719             | -14 208             |
|       | Changes in tax asset                | 2450 | -69 308             | -61 214             |
|       | Other                               | 2460 | 346 306             | 53 974              |

|  |   |      |          |         |
|--|---|------|----------|---------|
|  | Net profit (loss)   | 2400 | -751 331 | 286 722 |
|  | For reference:  |      | -113 254 | 116 457 |
|  | Balance from revaluation of non-current assets, that is not included in net profit (loss) of the period | 2510 |          |         |
|  | Balance from other activities that is not included in net profit (loss) of the period                   | 2520 |          |         |
|  | Total financial result of the period  | 2500 | -751 331 | 286 722 |
|  | Basic profit (loss) per share   | 2900 |          |         |
|  | Diluted profit (loss) per share   | 2910 |          |         |

### **7.3. Consolidated accounting reports of Issuer for the last completed fiscal year**

2015 – IFRS / GAAP

Reporting period:

Year: 2015

Quarter:

Standards (rubles) in accordance with which the consolidated accounting report has been prepared: IFRS

Information about the consolidated financial statements for the quarter is not specified. The issuer's duty to disclose consolidated financial statements in the prospectus of securities is described in the paragraph 2 of Article 22 of the Federal Law No.39-FZ “On the Securities Market” dated 22.04.1996.

Annual consolidated financial statements of the issuer for the last completed fiscal 2015 are prepared after 31.03.2016, and are included in the report for the 2<sup>nd</sup> quarter of 2016.

### **7.4. Information about Issuer’s accounting policy.**

The Order of “IDGC of the South” PJSC No.322 dated 30.05.2016 introduced amendments to the accounting policy of the Company for 2016. Some items of the Application1 “Regulations on accounting policy for accounting purposes IDGC of the South PJSC for 2016” have been brought in compliance with the local regulations of the Company.

The information is contained in the annex to this quarterly report

#### **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 cost of real estate of the Issuer and essential changes which occurred in structure of property of the Issuer following the end date of the last completed financial year**

Information of significant changes in the property of the issuer that happened during the last 12 months before the end of the reporting quarter: such changes did not occur

#### **7.7. Data on the Issuer's Participation in Litigations if such Participation Can Have a Significant Impact on the Issuer's Financial and Economic Activities**

- Energia JSC filed a suit against IDGC of the South PJSC on collection of 220 million rubles of unjustified enrichment in the amount of unpaid sum the services of electric energy transmission for May - June 2014. By the resolution of the Commercial court of Rostov region of 24.02.2015 the claims of the plaintiff were partially satisfied, the Company was charged 77.7 million rubles out of 220 million, rest of the claim was denied. Energia JSC appealed the decision at appeals instance. The Court of Appeal reversed the decision, satisfied the claim in full. The Company filed cassation appeal. Proceedings have been scheduled for 15.03.2016. On 17.03.2016 court of cassation changed decision regarding collection of the principal debt. IDGC of the South PJSC was charged the debt in the amount of 217 080 53.42 rubles, 3000 rubles of state fee for appeal and 197 280 rubles of state fee for the claim.

- 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), consideration of the case is scheduled on 15.02.2016. On 15.02.2016 claim of Energia JSC was

satisfied in full. An appeal was submitted. On 15.02.2016 claim of Energia JSC was satisfied in full. Consideration of the appeal is scheduled for 14.07.2016.

- 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). Claims for the amount of 4 557 170.85 rubles became separate inquiries (No.A53-17149/2015). On the case No.A53-6178/15 Energia JSC refused from appeal petition. On the case No.A53-17149/15 the claim was satisfied in full. Consideration of the Company's appeal petition is scheduled for 06.04.2016. On 07.04.2016 the decision of the arbitration court of appeal upheld the decision of the Arbitration Court of the Rostov region dated 4 February 2016, the appeal was dismissed. Consideration of the appeal hearing is scheduled for 05.07.2016.

- 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 have been fully satisfied (No.A53-12457/2015), claims in the amount of 98 134 251.60 rubles became separate inquiries (No.A53-19855/15). The case was deferred till 24.02.2016. Consideration of the Company's appeal petition is scheduled for 12.05.2016. On 23.05.2016 decision of the arbitration court of appeal upheld the decision of the Arbitration Court of the Rostov region dated 03.02.2016, the appeal was left without satisfaction. An appeal was submitted to the Arbitration Court of the North Caucasus region.

- 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). Claims for the undisputed portion of the amount have been fully satisfied (2 862 389.53 rubles), claims for 47 294 216.6 rubles became separate inquiries (A53-16164/15). The claim was satisfied in full. The decision has not yet come into force. Consideration of the Company's appeal petition is scheduled for 08.04.2016. On 14.04.2016 the decision of the arbitration court of

appeal upheld the decision of the Arbitration Court of the Rostov region dated February 5, 2016, the appeal was dismissed. Consideration of the appeal hearing is scheduled for 07.07.2016.

- 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 court session is scheduled for 24.02.2016. The claims were satisfied in full. An appeal was filed. Consideration of the appeal is scheduled for 15.07.2016

- 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- 2015 (case No.A53-25047/15). The court session was scheduled for 17.02.2016. The claims were satisfied in full. An appeal was submitted. Consideration of the Company's appeal petition is scheduled for 12.05.2016. On 13.05.2016 the decision of the arbitration court of appeal upheld the decision of the Arbitration Court of the Rostov region dated 18.02.2016 the appeal was dismissed.

- 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 court session is scheduled for 15.02.2016. The claims were satisfied in full. Consideration of the Company's appeal petition is scheduled for 12.05.2016. On 23.05.2016 the decision of the arbitration court of appeal upheld the decision of the Arbitration Court of the Rostov region dated 19.02.2016 the appeal was dismissed.

- Energia JSC filed a statement of claim for the recovery from the Company of unjustified enrichment in the amount of 129 197 071.46 rubles for October-December 2015 (case No.A53-2903/2016). The court session is scheduled for 22.04.2016. The claims were satisfied in full. An appeal was filed. Consideration of the appeal is scheduled for a 27.07.2016.

- Energia JSC filed a statement of claim to Energia JSC on recovery from the Company of unjustified enrichment in the amount of 65 627 195.84 rubles for



January – February 2016 (case No.A53-6947/2016). The court session is scheduled for 20.06.2016. The claims were satisfied in full.

- Energia JSC filed a statement of claim to Energia JSC on recovery of unjustified enrichment in the amount of 65 909 454.88 rubles for March - April 2016 (case No.A53-12943/16). Court session is scheduled for 19.07.2016.

- Energia JSC filed a statement of claim to Energia JSC on recovery of unjustified enrichment in the amount of 65 909 454.88 rubles for July - August 2014 (case No.A53-10819/16). Court session is scheduled for 06.07.2016.

- Energia JSC filed a statement of claim to Energia JSC on recovery of interest from the Company in amount of 774 741.34 rubles that accrued on the debt for May 2014 – December 2015 (Case No. A53-2890/2016). Court session is scheduled for 10.05.2016. The claims were satisfied in full. Consideration of the appeal is scheduled for 06.07.2016.

- Energia JSC filed a statement of claim to Energia JSC on recovery of interest from the Company in amount of 820 372.97 rubles that accrued on the debt for May 2014 – December 2015 (case No.A53-2890/2016). The court session is scheduled for 19.04.2016.

- Energia JSC filed a statement of claim to Energia JSC on recovery of interest from the Company in amount of 62 700 776.26 rubles that accrued on the debt for May – June 2014 (Case No. A53-8528/2016). Court session is scheduled for 19.07.2016.

- Energia JSC filed a statement of claim to Energia JSC on recovery of interest from the Company in amount of 61 357 753.97 rubles that accrued on the debt for January – April 2015 and July – September 2015 (Case No. A53-14445/2016). Court session is scheduled for 05.07.2016.

- 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. The claim was satisfied in full. The appeal petition

will be considered by the court on 22.01.2016. The resolution of Commercial court of Rostov region dated 3 July 2015 on the case No.A53-9942/2015 was cancelled, amicable agreement was proposed. The Company recognized the necessity of paying for the services of electric energy transmission in the amount of 8 144 029 rubles 35 kopecks.

- 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. The Company recognizes the necessity of paying for the services of electric energy transmission in the amount of 2 714 676.45 rubles

- 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. The Company recognizes the necessity of paying for the services of electric energy transmission in the amount of 2 714 676.45 rubles

- 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. The Company recognizes the necessity of paying for the services of electric energy transmission in the amount of 19 002 735.15 rubles

- TNSenergo Rostov-on-Don PSJC filed a suit against IDGC of the South PJSC on collection of 176 654 362.06 rubles of debt in order to compensate for power

losses in the networks for the period January-November 2013. By the resolution of the Commercial court of Rostov region from 26.05.2014 on the case No.A53-2756/2014 the claim was satisfied in full. An appeal was submitted. Consideration is scheduled for 04.05.2016. Decision of the 15<sup>th</sup> Arbitration Court of Appeal dated 14.06.2016 partially satisfied the refusal of the Claimer from 52 992 077.77 rubles. The Company was charged 123 662 284.29 rubles.

- 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. The decision has not yet come into force.

- 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.

- 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 63 192 872.63 rubles for July 2011. By the resolution dated 15.03.2016 the claims were satisfied in full.

- 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. The proceedings were suspended. By the resolution dated 11.01.2016 the claim was satisfied in the amount of 27 908 348.92 rubles. The judgement became effective in law.

- 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 20.05.2016 plaintiff's claims were satisfied in

amount of 22 502 247.24 rubles. The judgement has not become effective in law, the case is being processed at court of appeal.

- 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. The judgement has not become effective in law, the case is being processed at court of appeal.

- 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. 30.07.2014 the proceedings were suspended before the entry into force of the judicial act on the case No.A06-10152/2013.

- 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.

- 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 за период декабрь 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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 46542188/31rubles for February 2015. The proceedings were suspended before the entry into force of the judicial act on the case No.A06-5026/2015.

- 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.
- 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 28 825 937.04 rubles for August 2015. The proceedings were suspended before the entry into force of the judicial act on the case A06-11868/2015.
- 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. Consideration of the case is scheduled for 15.08.2016. Case No. A06-12105/2015.
- Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of electric energy losses in the amount of 2 152 899.74 rubles for October 2015. Consideration of the case is not scheduled.
- Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of electric energy losses in the amount of 22 425 477.66 rubles for November 2015. Consideration of the case is not scheduled.
- Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of electric energy losses in the amount of 51 149 416.73 rubles for December 2015. Consideration of the case is not scheduled.
- Astrakhan energy selling company PJSC filed a suit against IDGC of the South PJSC on collection of cost of electric energy losses in the amount of 6 228 643.34 rubles for January 2016. Consideration of the case is not scheduled.
- 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.

- 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 10.15.2015 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). By the Decree of the 12<sup>th</sup> Arbitration Court of Appeal dated 06.21.2016, the decision of the Court of First Instance has been changed. Requirements IDGC of the South PJSC were dismissed. Counterclaim of Volgogradenergosbyt PJSC was partially satisfied, IDGC of the South PJSC was charged 78 716 889.94 rubles of the cost of electric power losses in January – April 2012.

- 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. On 07.19.2016 the Decision of the Court of Appeal of Volga region left the judicial acts on the case unchanged, the cassation appeal of IDGC of the South PJSC was left without satisfaction

- 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. По результатам зачета в пользу IDGC of the South PJSC взыскано 376 764 767,10 rubles Volgogradenergosbyt JSC. 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). Decree of the 12<sup>th</sup> Arbitration Court of Appeal dated 15.06.2016 cancelled the decision of the Court of First Instance, a new judicial act was adopted. Requirements of IDGC of the South PJSC were partially satisfied, Volgogradenergosbyt PJSC was obliged to pay debts for the services of electric power transmission for the period of October, November, December of 2012 in the amount of 350 210 532.05 rubles. Counterclaim of Volgogradenergosbyt PJSC was partially satisfied, 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 rubles for services on electric power transmission for the period of October, November, December of 2012 were recovered. On 05.08.2016 IDGC of the South PJSC filed a cassational appeal to Court of Appeal of Volga district.

- 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. On 20.01.2016 the Commercial Court of the Volgograd region provided the installment of implementation of the judicial act on the case for 36 months. By the decree of the 12<sup>th</sup> Court of appeal dated 17.03.2016 the installment was left unchanged. On 15.08.2016 the Decision of the Court of Appeal of Volga region left the judicial acts on installment payment unchanged. Appeal to the Supreme Court of the Russian Federation was filed.

- 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. "IDGC of the South" PJSC filed an appeal to the Court of Appeal of the Volga 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. Appeal to the Supreme Court of the Russian Federation was filed. On 18.02.2016 the Commercial Court of the Volgograd Region provide the installment of implementation of the judicial act on the case for 36 months. Consideration of the appeal of IDGC of the South PJSC to set the installment is scheduled for 25.04.2016. On 21.07.2016 Decision of the Court of Appeal of Volga region unchanged all the judicial acts on the case, the cassation appeal of "IDGC of the South" PJSC was not satisfied.

- 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 2013-March 2014 in the amount of 115 545 544 rubles. Volgogradenergosbyt JSC filed a statement of counter claim to IDGC of the South PJSC on collection of the cost of electric energy losses for the same period in the amount of 153 806 067 rubles The legal proceedings were suspended by the court of the first instance until the accomplishment of an expertize by 27.02.2015. The legal proceedings were resumed, the hearing was appointed on 25.03.2015, suspended till 06.04.2015. By the resolution of the court of appeal of Volgograd region on 23.04.2015, the initial claim was satisfied, 12 544 141.95 rubles were charged. The counter-claim was partially satisfied for the amount of 1 802 775, 33 rubles. By the results of the offsetting 110 741 366.62 rubles were charged in favour of IDGC of the South PJSC. Appeal of Volgogradenergosbyt JSC was appointed on 04.08.2015. By the definition of the Twelfth Appellate Court dated 15.10.2015 examination was assigned for a period 30 calendar days upon the

receipt by an expert of the case files (case No.A12-1542 / 2013). Examination of the case is completed, hearing is scheduled for 05.05.2016. On 06.06.2016 by Decree of the 12th Arbitration Appeal Court, the decision of the first instance court was left unchanged; the appeal of Volgogradenergosbyt PJSC was left without satisfaction. Volgogradenergosbyt PJSC filed application for extension of the deadline of court order for a period of 12 months. On 21.06.2016 the proceedings on the application for extension of the deadline of court order were terminated in connection with the rejection of Volgogradenergosbyt PJSC from this application. Volgogradenergosbyt PJSC appealed to Appeal Court of the Volga district.

- 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). Decision of the Appeal Court of Volga region dated 06.08.2016 left unchanged the judicial acts on the case, for which was provided extension of the deadline; the cassation appeal of IDGC of the South PJSC was not satisfied. IDGC of the South PJSC filed a cassation appeal to the Supreme Court of the Russian Federation

- 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. Examination of the case is completed, hearing is scheduled for 21.04.2016. The definition 12<sup>th</sup> Arbitration Court of Appeal from 06.10.2016 appointed in Innovative Design Center LLC (18 office, 20 Metallurgov str., 400007, Volgograd) for case re-examination, litigation proceedings were suspended

- 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.

- 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). Consideration is scheduled for 16.02.2016. By the resolution of the 12<sup>th</sup> Court of Appeal from 03.03.2016, the claim of Volgogradenergosbyt PJSC was rejected. Decision of the Court of Appeal of Volga region from 14.07.2016, upheld the judicial acts on the case, the cassation

appeal of Volgogradenergosbyt PJSC was left without satisfaction

- 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. On 21.03.2016 the Commercial Court of the Volgograd Region provided extension of deadline for implementation of the court's resolution for 24 months (case A12-6090 / 2015). Decision of the Court of Appeal of Volga region from 08.02.2016 upheld the judicial acts on the case, the cassation appeal of Volgogradenergosbyt PJSC was left without satisfaction. On 01.07.2016 12<sup>th</sup> Arbitration Court of Appeal left without changes the decision on extension of the deadline.

- 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 03.02.2016, 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. Volgogradenergosbyt PJSC submitted an appeal the 12<sup>th</sup> Court of appeal. Decision of the 12<sup>th</sup> Arbitration Court of Appeal from 07.19.2016 appointed Research Institute of Expertise LLC (59 Moskovskaya Str., 410003, Saratov) for case re-examination

- 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. Decision of the 12<sup>th</sup> Arbitration Court of Appeal from 06.07.2016 appointed Regional Centre of Expertise LLC (28a Kommunisticheskaya str., Volgograd, 400131) for case re-examination.

- 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. The Commercial Court of the Volgograd Region on 25.03.2016, extended the period of examination till 16.05.2016, at the request of the expert organization. The proceedings were suspended due to the appointment of additional examination at "REC" LLC.

- 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. The decision has not yet come into force. Consideration of the appeal of Volgogradenergosbyt PJSC is scheduled for 20.04.2016. Resolution of the Twelfth Appellate Court dated 26.07.2016 left without satisfaction the appeal of IDGC of the South PJSC for extension of deadlines for implementation of court decision. Volgogradenergosbyt PJSC appealed to the Arbitration Court of the Volga district, consideration of which is scheduled for 15.09.2016.

- IDGC of the South PJSC to Volgogradenergosbyt PJSC filed a statement of claim to recover the debt for electricity transmission services for September - November 2015 in the amount of 50 000 rubles, then the plaintiff adjusted the sum and increased it up to of 501 048 718 rubles (case No.A12-890/2016). Volgogradenergosbyt PJSC filed a counter-claim to the IDGC of the South PJSC for the recovery of the cost of the loss in the amount of 45 464 957 rubles for the same period. On 28.03.2016 the Commercial Court of the Volgograd Region suspended the proceedings. Examination was assigned. The proceedings were resumed, the next hearing is scheduled for 11.08.2016

- IDGC of the South PJSC filed a statement of claim to Volgogradenergosbyt PJSC to recover the debt for electricity transmission services for December 2015, January 2016 in the amount of 563 447 621.80 rubles (case No.A12-14084 / 2016). On 03.28.2016 the court refused the IDGC of the South PJSC in taking interim

measures in the form of seizure of funds on accounts and other property. Preliminary hearing on the case is scheduled for 18.04.2016. The definition of the Arbitration Court of Volgograd Region dated 30.05.2016 assigned examination on the case at “Fikon” LLC. The definition of the Arbitration Court of Volgograd region dated 05.07.2016, extended the examination deadline until 01.08.2016. The proceedings were resumed, the court session was scheduled for 18.08.2016

- FGC UES PJSC filed a statement of claim to IDGC of the South PJSC for recovery of the cost of load losses of electric energy for the period from May 2011 to March 2013 in the amount of 172 494 384.65 rubles and also declared interest for the use of borrowed funds in the amount of 20 008 486.15 rubles (case A52-8438/2016). Preliminary hearing on the case is scheduled for 18.05.2016. The court session was scheduled for 23.08.2016.

- IDGC of the South PJSC filed a statement of claim to Volgogradenergosbyt PJSC for the recovery of debts for electricity transmission services for the period of February, March of 2016. The amount of the debt balance is 114 291 700 rubles. Volgogradenergosbyt PJSC declared counter-claims for the recovery of losses in the amount of 36 046 080 rubles. The court session is scheduled for 16.08.2016 (Case A12-23649/2016)

## **VIII. Additional Data on the Issuer and Equity Securities Placed by the Issuer**

### **8.1. Additional Data on the Issuer**

#### **8.1.1. Data on Amount and Structure of the Issuer’s Authorized (Share) Capital (Share Fund)**

Amount of the Issuer’s authorized (share) capital (share fund) as of termination date of the last accounting quarter, rub: **4 981 109 606.4**

Ordinary shares

Total nominal value: **4 981 109 606.4**

Stake in authorized capital, %: **100**

Preferred

Total nominal value: **0**

Stake in authorized capital, %: **0**

**Information on correspondence of the amount of authorized capital to the amount specified in the paragraph should be specified:**

The amount of authorized capital specified in the paragraph corresponds to constituting documents of the Company

**8.1.2. Data on Adjustment of the Amount of the Issuer's Authorized (Share) Capital (Share Fund)**

Changes in authorized capital did not occur.

**8.1.3. Data on Order of Convening and Holding the Meeting of the Supreme Management Body of the Issuer**

No changes

**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**

List of 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: **Open Joint Stock Company “Grechko A.A. Agriculture Enterprise”**

Short company name: **“Grechko A.A. PSKh”, JSC**

Location: **21 Teatralnaya st, village Kuibyshevo, Kuibyshevskiy district, Rostov Area, Russia**

TIN: **6117010611**

PSRN: **1036117000798**

Issuer's stake in the authorized capital: **100.00%**

Issuer's stake of the ordinary shares: **100.00%**

Stake of the commercial entity in the Issuer's authorized capital: **0%**

Stake of the Issuer's ordinary shares held by the commercial entity: **0%**

2. Full company name: **Open Joint Stock Company “Sokolovskoye Agriculture Enterprise”**

Short company name: **“Sokolovskoye PSKh”**; JSC

Location: **32 Kurskaya Str., settlement Sokolovo-Kurduchenskiy, Novoshakhtinsk, Russia**;

TIN: **6151011887**

PSRN: **1036151002667**

Issuer’s stake in the authorized capital: **100.00%**

Issuer’s stake of ordinary shares: **100.00%**

Stake of the commercial entity in the Issuer’s authorized capital: **0%**

Stake of the Issuer’s ordinary shares held by the commercial entity: **0%**

3. Full company name: **Open Joint Stock Company “Recreation Centre “Energetik”**;

Short company name: **“Recreation Centre “Energetik”**; JSC

Location: **3 Shkolnaya Str., village Shepsi, Tuapsinskiy district, Krasnodar Region, Russia**

TIN: **2355016847**

PSRN: **1032330762463**

Issuer’s stake in the authorized capital: **100.00%**

Issuer’s stake of ordinary shares: **100.00%**

Stake of the commercial entity in the Issuer’s authorized capital: **0%**

Stake of the Issuer’s ordinary shares held by the commercial entity: **0%**

4. Full company name: in Russian: **Открытое акционерное общество “Энергосервис Юга”** in English: **Open Joint Stock Company “Energoservis Yuga”**;

Short company name: **“Energoservis Yuga”**; JSC

Location: **3 Shkolnaya Str., village Shepsi, Tuapsinskiy district, Krasnodar Region, Russia**

TIN: **2355016847**

PSRN: **1032330762463**

Issuer’s stake in the authorized capital: **100.00%**

Issuer's stake of ordinary shares: **100.00%**

Stake of the commercial entity in the Issuer's authorized capital: **0%**

Stake of the Issuer's ordinary shares held by the commercial entity: **0%**

#### **8.1.5. Data on important transactions closed by the Issuer**

In the accounting period the Issuer did not make such transactions

#### **8.1.6. Data on credit ratings of the Issuer**

No changes

#### **8.2. Data on each category (type) of the Issuer's shares**

Category of shares: ordinary

The nominal value of each share (rubles): **0.1**

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**

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

| Date of state registration | State registration number of the issue |
|----------------------------|--|
| 20.09.2007                 | No.1-01-34956-E                        |
| 20.03.2008                 | No.1-01-34956-E-001Б                   |
| 20.03.2008                 | No.1-01-34956-E-002Б                   |
| 20.03.2008                 | No.1-01-34956-E-003Б                   |
| 20.03.2008                 | No.1-01-34956-E-004Б                   |

|            |                      |
|------------|----------------------|
| 20.03.2008 | No.1-01-34956-E-005Б |
| 20.03.2008 | No.1-01-34956-E-006Б |

Rights provided by shares to their owners:

**According to article 6 of the Charter of “IDGC of the South” PJSC, a shareholder of the Company is a person possessing the Company’s shares on the grounds stipulated by the legislation of the Russian Federation and the Charter. 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;
- 2) put forward proposals for the agenda of the General Meeting of the Company’s Shareholders in compliance with the procedure stipulated by the law of the Russian Federation and this Charter;
- 3) obtain information on the Company’s activity and get familiarized with the documents of the Company pursuant to Article 91 of the Federal Law “On Joint Stock Companies”, other regulatory legal acts and this Charter;
- 4) receive dividends, declared by the Company;
- 5) priority in acquiring the placed through open subscription additional shares and issued securities convertible into shares in the number proportional to the number of ordinary registered shares owned by him;
- 6) receive part of the property in case of the Company’s liquidation;
- 7) appeal against the decisions of the Company's management bodies, entailing civil law consequences in the cases and in the manner provided for by the legislation of the Russian Federation;
- 8) demand compensation for damages caused to the Company;
- 9) contest the transactions of the Company on the grounds provided by the legislation of the Russian Federation and require the application of the consequences of their invalidity, as well as the application of consequences of

invalidity of void transactions of the Company;

10) conclude among themselves, as well as with the Company's creditors and other third parties agreement on the implementation of corporate rights (Enterprise Agreement);

11) Exercise other rights, stipulated by the law of the Russian Federation and this Charter.

Shareholders of the Company may carry out other duties provided by the legislation of the Russian Federation and the present Charter.

The Company does not have preferred shares.

The presence of shares of the issuer in cross-ownership of its subsidiaries and (or) affiliated companies: subsidiaries and associated companies do not own its shares.

Other information about shares specified at the Issuer's discretion:

In accordance with the notification of the FSFM of Russia on 12.08.2008 No.08-EC -03/17099 cancellation of individual numbers (codes) was performed:

001D with state registration number 1-01-34956-E-00SH dated 20.03.2008, 002D with state registration number 1-01-34956-B-002D dated 20.03.2008, 003D with state registration number 1-01-34956-B-003D dated 20.03.2008, 004D with state registration number 1-01-34956-B-004D dated 20.03.2008, 005D with state registration number 1-01-34956-B-005D dated 20.03.2008, 006D with state registration number 1-01-34956- B-006D dated 20.03.2008.

### **8.3. Data on previous issues of securities of the Issuer except for shares**

#### **8.3.1. Data on issues all securities of which were repaid (cancelled)**

No changes

#### **8.3.2. Data on issues securities on which are in circulation**

No changes

### **8.4. Information about the Person (Persons) that Provided Security for the Issued Bonds**

The Issuer has not registered the prospectus of secured bonds, admission to an organized trading exchange secured bonds did not occur

#### **8.4.1. Conditions of fulfillment of obligations on mortgage-backed bonds**

Issuer did not place mortgage-backed bonds liabilities on which were not executed

#### **8.4.2 Additional information on the collateral by cash claim on the issuer's bonds with collateral by cash claim**

The Issuer did not place bonds secured by a pledge of cash requirements, obligations under which have not been fulfilled

#### **8.5. Information on entities recording the rights to the issued securities of the Issuer.**

No changes

#### **8.6. Data on the acts regulating issues of import and export of capital that can influence distribution of dividends, interest and other payments to nonresidents**

No changes

#### **8.7. Description of taxation scheme for the revenue on the Issuer's securities that were placed and are in the process of placement**

##### **8.7.1. Information on declared and paid dividends on shares of the issuer**

|  |   |
|--|---|
| Indicator  | The index value for the reporting period - 2011, full-year                            |
| During this period, the issuer did not make decisions on the payment of dividends  |   |
| Indicator  | The index value for the reporting period - 2012, full-year                            |
| During this period, the issuer did not make decisions on the payment of dividends  |   |
| Indicator  | The index value for the reporting period - 2013, full-year                            |
| Category of shares, for preferred stock - type   | Ordinary  |
| Issuer's management body that made the decision to declare dividends, the date of making such decision, the date and number of the minutes of the meeting (session) of the Issuer's management body on which the decision was made | AGM of "IDGC of the South" JSC, 25.06.2014, minutes of meeting No.11 dated 25.06.2014 |
| Dividends declared per share, rubles   | 0.00014   |
| Dividends declared on all shares of this category (type), rubles.  | 6 973 553.81  |
| Date as of which are determined (defined) persons  | 14.07.2014  |



|  |  |
|--|--|
| who have (had) the right to receive dividends  |  |
| Reporting period (year, quarter) for which (according to the results of which) the declared dividends are paid   | 2013, full year  |
| Term (date) of payment of dividends declared   |  |
| The deadline for payment of dividends and the nominal holder and trustee, which is a professional participant of the securities market, is not more than 10 business days, to other registered shareholders - 25 business days from the date of compiling the list of persons entitled to receive dividends. |  |
| Announced dividends (cash, other property)   | cash   |
| Source of payment of declared dividends (net profit of the reporting year, the undistributed net profit of the previous years, a special fund)   | net profit of the reporting year   |
| 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  | The payment of dividends by the results of 2013 was made in the 3rd quarter of 2014.                       |
| Indicator  | The index value for the reporting period - 2014, full-year   |
| During this period, the issuer did not make decisions on the payment of dividends  |  |
| Indicator  | The index value for the reporting period - 2015, full-year   |
| Category of shares, for preferred stock - type   | Ordinary   |
| Issuer's management body that made the decision to declare dividends, the date of making such decision, the date and number of the minutes of the meeting (session) of the Issuer's management body on which the decision was made   | AGM of "IDGC of the South" JSC, 06.06.2016, minutes of meeting No.15 dated 09.06.2016                      |

|  |  |
|--|--|
| Dividends declared per share, rubles   | 0,002852693  |
| Dividends declared on all shares of this category (type), rubles.  | 142 095 765,43   |
| Date as of which are determined (defined) persons who have (had) the right to receive dividends  | Is not applicable; all shares of the issuer are registered on one shareholder  |
| Reporting period (year, quarter) for which (according to the results of which) the declared dividends are paid                                 | 2015, full year  |
| Term (date) of payment of dividends declared   | The deadline for payment of dividends and the nominal holder and trustee, which is a professional participant of the securities market, is not more than 10 business days, to other registered shareholders - 25 business days from the date of compiling the list of persons entitled to receive dividends. |
| Announced dividends (cash, other property)   | cash   |
| Source of payment of declared dividends (net profit of the reporting year, the undistributed net profit of the previous years, a special fund) | Net profit of the reporting year   |
| 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   | 0.00   |
| The share of paid dividends in the total amount of announced dividends on shares of this category (type),%                                     | 0  |
| If declared dividends were not paid or underpaid - the reasons for non-payment of declared dividends   | Term of dividend payment has not occurred yet  |
| Other details of declared and (or) paid dividends, disclosed at the Issuer's discretion  | Date of making the list of persons/entities entitled to receive dividends: 24 June 2016  |

The payment of dividends by the results of 2013 was made in the 3<sup>rd</sup> quarter of 2014. The reason for non-payment of the remained declared dividends is the absence of details for the transfer of funds. Changing the amount of dividends paid in comparison with the report for the 4<sup>th</sup> quarter of 2015 is due to transfer of dividends to shareholders after verification details for the transfer of funds.

#### **8.7.2 Data on the declared (accrued) and paid dividends under the Issuer's**

**shares and also on revenue under the Issuer's bonds**

Contains information on each bond issue, which for the last 5 completed financial years, if the issuer carries out its activity for less than 5 years - for each completed fiscal year, and for the period from the date of the beginning of the year to the end of the reporting quarter, the income was paid:

Kind of securities: **Bonds**

Form of securities: **Documentary pay-to bearer**

Series: **02**

**nonconvertible interest-bearing securities with mandatory centralized storage**

State registration number of the issue: **4-02-34956-E**

Date of state registration of the issue: **16.12.2008**

Body having carried out issue state registration: **Federal Financial Markets Service of Russia**

Issue results report: State registration of the issue report was not performed.

Due to the fact that the issuer has exercised the right to submit to the registry a notice of the issue of securities, with the presence of the following conditions: a) the provision of broker services on placement of securities on the basis of the contract concluded with the issuer; b) placement of securities through a public offering; c) listing of the securities placed; notification on the results of the issuance of the Bonds nonconvertible interest-bearing documentary bearer bonds with mandatory centralized custody, series 02 in the amount of 6 000 000 (six million) pieces with nominal value of 1 000 (one thousand) rubles each, maturing in 1820 (one thousand eight hundred and twentieth ) day from the placement date, placed through open subscription, registration number 4-02-34956-E dated 16.12.2008 submitted to the FFMS of Russia on 08.09.2009.

Quantity of bonds in the issue: **6 000 000**

Nominal value of each bond in the issue, rubles: **1 000**

Volume of issue at nominal value: **6 000 000 000**

|  |   |
|--|---|
| Basic information about the income on bonds of the issue   | Reporting period  |
| 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 /<br>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 /<br>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 |  |
|---|--|

Type of securities: exchange-traded/commercial bonds

Form of securities: documentary bearer

Series: BO-01

documentary interest-bearing non-convertible exchange-traded bonds of BO-01 series with obligatory central storage with possibility of early redemption at the holders' request and at the discretion of IDGC of the South PJSC, placed through public subscription.

Identification number of the issue: 4B02-01-34956-E

Date of ID assignment: 04.09.2014

The body that assigned the identification number issue: Closed Joint Stock Company "MICEX Stock Exchange".

The amount of the bond issue, pieces: 5 000 000

The nominal value of each bond of the issue, rubles: 1000

Volume of the issue at par value: 5 000 000 000

| Basic information about the income on bonds of the issue                                       | Reporting period   |
|--|--|
| Kind of securities (bonds), series, form and other identification characteristics of the bonds | documentary interest-bearing non-convertible exchange-traded bearer bonds of BO-01 series with mandatory centralized custody with the possibility of early redemption at the holders' request and at the discretion of "IDGC of the South" PJSC distributed by public subscription |

|   |   |
|---|---|
| State registration number of the bond issue and the date of its state registration<br>(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 dated September 2014  |
| Type of yield paid on bonds of the issue (face value, interest (coupon), other)   | fourth coupon   |
| The size of income to be paid under the bond issue, in monetary terms, based on one bond of the issue, rub./foreign currency  | 33.66 rubles / 0.52 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 / 2 600 926.94 US dollars  |
| The deadline (date) of payment of the bond yield  | 13.06.2016  |
| 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   | 660 250 000.00 rubles / 10 318 043.21 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   | The amount of the bonds of the issue: 6 000 000 bonds; the number of actually placed securities: 5 000 000 pieces. The fourth coupon payment is listed in US dollars at |

|  |   |
|--|---|
|  | the exchange rate of US dollar to Russian ruble established by the Central Bank as of 13.06.2016. |
|--|---|

The coupon period for bonds of series 02 is 182 days.

The interest rate on the coupon yield for the 1<sup>st</sup> to the 4<sup>th</sup> coupons is 17.5% per annum, 5<sup>th</sup> – 10<sup>th</sup> coupons – 8.1% per annum.

In August 2011, was approved the coupon rate for the fifth coupon period in amount of 8.1 (eight point one) percent per annum on the bonds of the Issuer's series 02 (non-convertible interest-bearing documentary bearer bonds with mandatory centralized custody). Rates of the sixth, seventh, eighth, ninth and tenth coupons are set at the rate of the fifth coupon period.

On the day of the offer, on September 1, 2011, at MICEX Stock Exchange during delivery of the targeted applications for sale of Bonds, 2 112 589 Bonds for the amount of 2 112 589 000 rubles were charged and redeemed at the holders. Among 2 112 589 repurchased Bonds on 2 September 670 267 bonds were sold in the secondary market.

In 2014, the coupon yield was paid in the amount of 368 169 228 rubles 84 kopecks.

Indicators further disclosed in accordance with the Regulation on information policy of IDGC of the South JSC.

The issuer's bonds are admitted to trading on the securities market by trade organizers on 01.09.2009 and included in the quotation list “B” of the Stock Exchange CJSC “MICEX Stock Exchange”.

Bonded loan was paid on August 26, 2014.

Information about the organizers of trade and quotation list, which includes the Company's securities:

1. Full name: Closed Joint Stock Company “MICEX Stock Exchange”

Abbreviated name: CJSC “MICEX Stock Exchange”

Location: 13 Bolshoy Kislovskiy Pereulok 125009, Moscow

Website: [www.micex.ru](http://www.micex.ru).

Stock Exchange License number: No.077-10489-000001

Date of issue of the license of the stock exchange: August 23, 2007

Validity of the license of the stock exchange: Without limitation the period of validity

Body issuing stock exchange license: Federal Service for Financial Markets of Russia

### **8.3. Other information**

Absent.

### **8.4. Information on the underlying securities and the issuer of the underlying securities, the ownership of which is certified by the Russian depositary receipts**

The Issuer is not an Issuer of the securities, the ownership of which is certified by Russian depositary receipts