

Corporate action statement/Disclosure of insider information

“Information on decisions adopted by the Board of Directors of “IDGC of the South” PJSC

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

On item 4:

“FOR” – 11 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

On item 5:

“FOR” – 9 votes

“AGAINST” – 0 votes

“ABSTAINED” – 2 votes

On item 6:

“FOR” – 11 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

On item 7:

“FOR” – 7 votes

“AGAINST” – 0 votes

“ABSTAINED” – 4 votes

On item 8:

“FOR” – 8 votes

“AGAINST” – 3 votes

“ABSTAINED” – 0 votes

Disclosure of insider information on item 1: “On the Company’s sole executive body implementing the decisions of the Board of Directors in the 4th quarter of 2016”

2.2.1 Content of decision:

1. To take into consideration the Report of the Sole Executive Body of IDGC of the South PJSC on implementation of resolutions adopted at meetings of the Board of Directors of the Company in the 4th quarter of 2016, in accordance with Annex 1 to the present resolution of the Company’s Board of Directors.

2. To draw the attention of the Sole Executive Body of the Company to non-fulfillment of the following orders of the Company’s Board of Directors:

- paragraph 3.3 item No.1 (Minutes of the Board of Directors meeting No. 195/2016 of 25.07.2016);

- paragraph 3.2 item No.1 (Minutes of the Board of Directors meeting No. 210/2016 of December 26, 2016);

- paragraph 3.5 item No.1 (Minutes of the Board of Directors meeting No. 210/2016 of December 26, 2016);

3. Instruct the Sole Executive Body of the Company:

3.1. to ensure the completion and submission for consideration of the Board of Directors of the Company the report “On implementation in 2016 of the Plan of development of the production assets management system of IDGC of the South PJSC for 2016-2018” within 15 business days from the date of adoption of this decision.

3.2. to amend the Plan of development of the production assets management system of IDGC of the South PJSC for 2016-2018. The amended Plan shall be submitted for consideration to the Board of Directors of the Company within 15 business days from the date of adoption of this decision.

3.3. to take measures to unconditionally execute the previously issued orders of the Board of Directors of the Company.

Disclosure of insider information on item 2: “On approval of budgets for the committees under the Board of Directors of IDGC of the South PJSC for the 1st half of 2017”

2.2.2 Content of decision:

1. To approve budget for the Audit Committee under the Board of Directors of IDGC of the South PJSC for the 1st half of 2017, in accordance with Annex 2 to the present resolution of the Company’s Board of Directors.

2. To approve budget for the Personnel and Remuneration Committee under the Board of Directors of IDGC of the South PJSC for the 1st half of 2017, in accordance with Annex 3 to the present resolution of the Company’s Board of Directors.

3. To approve budget for the Committee for Strategy, Development, Investments and Reform under the Board of Directors of IDGC of the South PJSC for the 1st half of 2017,

in accordance with Annex 4 to the present resolution of the Company's Board of Directors.

4. To approve budget for the Technological Connection Committee under the Board of Directors of IDGC of the South PJSC for the 1st half of 2017, in accordance with Annex 5 to the present resolution of the Company's Board of Directors.

5. To approve budget for the Reliability Committee under the Board of Directors of IDGC of the South PJSC for the 1st half of 2017, in accordance with Annex 6 to the present resolution of the Company's Board of Directors.

Disclosure of insider information on item 3: "On discussion of the report presented by the Company's internal audit unit on the efficiency of the internal control system and the system of risks management in 2016"

2.2.3. Content of decision:

1. To approve the report on the efficiency of the internal control system and the system of risks management of IDGC of the South PJSC in 2016, in accordance with Annex 7 to the present resolution of the Company's Board of Directors.

2. To pay attention of the Sole Executive Body of IDGC of the South PJSC on the necessity to provide additional measures to develop the following components of internal control and risk management systems: "Risk Assessment", "Control Measures" and "Internal Environment".

3. To entrust the Sole Executive Body of IDGC of the South PJSC:

3.1. to develop by 30.04.2017 and implement a set of measures to improve internal control and risk management systems in 2017, ensuring the increase of maturity level of internal control and risk management systems.

3.2. to submit to the Board of Directors of the Company a Report on implementation of the measures specified in clause 3.1 of this decision, together with the report on the arrangement and functioning of the internal control system and the report of internal audit on the effectiveness of internal control and risk management systems in 2017.

Term: by 01.04.2018.

Disclosure of insider information on item 4: "On management of the Company's main operational risks in 2016"

2.2.4. Content of decision:

The Director General of the Company shall ensure that the Report is adjusted in accordance with the comments provided in Appendix 8 to the decision and submit the adjusted Report to the Board of Directors within 14 business days from the date of the meeting.

Disclosure of insider information on item 5: “On approval of the conditions of the contract with a specialist (expert) invited by the Audit Commission of IDGC of the South PJSC”

2.2.5. Content of decision:

To approve the terms of the contract with Malyshev Sergey – an expert (expert) invited by the Audit Commission of the Company to conduct an audit of the Company's financial and economic activities in 2016, in accordance with Annex 9 to the present resolution of the Company's Board of Directors.

Disclosure of insider information on item 6 “On the level of reliability and quality of the rendered services of all Company branches that are subject to tariff regulation on the basis of long-term parameters of activity regulations in 2016”

2.2.6. Content of decision:

1. To take into consideration the information submitted by the Director General on the level of reliability and quality of the rendered services of all Company branches that are subject to tariff regulation on the basis of long-term parameters of activity regulations in 2016, in accordance with Annex 10 to the present resolution of the Company's Board of Directors.

2. 2. To entrust the Director General of the Company to ensure the submission to the executive authorities of the constituent entities of the Russian Federation in the field of state regulation of tariffs, the information specified in paragraph 1 of this resolution of the Board of Directors of the Company.

Disclosure of insider information on item 7 “On implementing in the 4th quarter of 2016 the Schedule of construction of facilities under the Programme of preparation to the 2018 FIFA World Cup, approved by the RF Government on 20.06.2013, order No.518”

2.2.7. Content of decision:

1. Note:

1.1. non-fulfillment of schedules approved by construction contracts, as well as an action plan for elimination of underruns approved by Order No.888 of IDGC of the South on 28 December 2016, for all priority projects of the Programme for construction and reconstruction of power supply infrastructure for the World Cup 2018 (hereinafter – the Programme);

1.2. risks of failure to meet the deadlines for the milestones of the schedule for the implementation of the Programme approved by the RF Ministry of Transport;

1.3. presence as of 21.03.2017 of a significant outstanding payable to contractors performing work at facilities:

110/10 kV substation “Sportivnaya” – 310.2 million rubles;

110/10 substation “AS10” – 92.9 million rubles;

110/35/6 kV substation “TDN” – 63.4 million rubles;

2. The sole executive body of IDGC of the South PJSC shall:

2.1. ensure the elimination of underruns, the unconditional completion of construction and installation works and commissioning into operation the objects of the Programme for the construction and reconstruction of power supply infrastructure for hosting the World Cup 2018 in the Russian Federation within the schedule approved by the RF Ministry of Sport (Annex 10 to the present resolution of the Company’s Board of Directors).

2.2. take measures to pay off accounts payable as part of payment for construction and installation works.

Deadline: 10 days from the date of adoption of this decision.

Disclosure of insider information on item 8 “On approval of the Methods of calculation and evaluation of the key performance indicators of the Director General of IDGC of the South PJSC for their application in 2017”

2.2.8. Content of decision:

To approve the Methods of calculation and evaluation of the key performance indicators of the Director General of IDGC of the South PJSC, in accordance with Annex 12 to the

present resolution of the Company's Board of Directors for their application in the motivation system from 01.01.2017.

2.3. Date of holding the meeting of Board of Directors: **6 April 2017.**

2.4. Date of drawing up and number of the minutes of meeting: **No. 226/2017 dated 10 April 2017**

3. Signature

3.1 Head of Department – Corporate Secretary _____ Pavlova Ye.N.
(attorney dd 30.12.2016 No.215-16) (signature)

3.2. Date 10 April 2017