

# QUARTERLY REPORT

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

**1<sup>st</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: 13 May 2016

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

Chief Accountant of "IDGC of the South" PJSC

Date: 13 May 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:

<http://www.mrsk-yuga.ru>;

<http://www.e-disclosure.ru/portal/company.aspx?id=11999>

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## **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.

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**

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 041203602

Number of the bank account: 40702810105000003326

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 041203602

Number of the bank account: 40702810205000003514

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 041203602

Number of the bank account: 40702810805000003516

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 041203602

Number of the bank account: 40702810605000003965

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 041203602

Number of the bank account: 40702810205000003019

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 041203602

Number of the bank account: 40702810605000003020

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 041203602

Number of the bank account: 40702810905000003021

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 041203602

Number of the bank account: 40702810505000003515

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

CBIC: 041203602

Number of the bank account: 40702810105000003517

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 041203602

Number of the bank account: 40702810405000003518

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 041806647

Number of the bank account: 40702810711100100886

Correspondent account number: 30101810100000000647

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 040702615

Number of the bank account: 40702810060300102033

Correspondent account number: 30101810907020000615

Type of the bank account: settlement account

Data on credit company Full company name:

Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997



TIN: 7707083893

RCBIC: 040702615

Number of the bank account: 40702810360300102034

Correspondent account number: 30101810907020000615

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 046015602

Number of the bank account: 40702810252000000007

Correspondent account number: 30101810600000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 046015602

Number of the bank account: 40702810552000000011

Correspondent account number: 30101810600000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893 RCBIC: 046015602

Number of the bank account: 40702810952000000006

Correspondent account number: 30101810600000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 046015602

Number of the bank account: 40702810552000000008

Correspondent account number: 30101810600000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Joint Stock Company Gazprombank

Abbreviated company name: GPB JSC

Location: 16/1 Nametkina street, Moscow 117420

TIN: 7744001497

RCBIC: 041806779

Number of the bank account: 40702810000210001483

Correspondent account number: 30101810700000000968

Type of the bank account: settlement account

Data on credit company

Full company name: Joint Stock Company Gazprombank

Abbreviated company name: GPB JSC

Location: 16/1 Nametkina street, Moscow 117420

TIN: 7744001497

RCBIC: 041806779

Number of the bank account: 40702810500100301311

Correspondent account number: 30101810900000000779

Type of the bank account: settlement account

Data on credit company

Full company name: Joint Stock Company SMP Bank

Abbreviated company name: SMP Bank JSC

Location: 71/11, Sadovnicheskaya Str., Moscow, Russian Federation 115035

TIN: 7750005482

RCBIC: 040349838

Number of the bank account: 40702810108300000131

Correspondent account number: 30101810000000000838

Type of the bank account: settlement account

Data on credit company

Full company name: Joint Stock Company "Bank Russia"

Abbreviated company name: Bank Russia JSC

Location: 2A Rastrelli str., Sain-Petersburg 191124

TIN: 7831000122

RCBIC: 044030861

Number of the bank account: 40702810200000005510

Correspondent account number: 30101810800000000861

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 046015602

Number of the bank account: 40702810405000001138

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 046015602

Number of the bank account: 40702810705000001139

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on credit company

Full company name: Public Joint Stock Company Sberbank of Russia

Abbreviated company name: Sberbank of Russia PJSC

Location: 19 Vavilova street, Moscow 117997

TIN: 7707083893

RCBIC: 046015602

Number of the bank account: 40702810105000001140

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

This information is disclosed in respect of settlement and other accounts of the issuer, and if their number is more than 3 – in respect of not less than 3 settlement and other accounts of the issuer, which the issuer considers to be the main.

## **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, 48, 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 08.09.2015 (minutes of meeting No.166/2015 dated 10.09.2015) 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 December 2015 (the audited period from 1 January 2015 to 31 December 2015): 2 177 796.76 rubles (two million one hundred and seventy seven thousand seven hundred ninety six rubles 76 kopecks), including VAT (18%) – 332 206.29 rubles.**

**For the audit of interim financial statements of the Company for 9 months of 2015 and the annual financial statements for 2015 prepared in accordance with Russian Accounting Standards, the auditor “RSM RUS” LL was paid,**



respectively, payments for services rendered under the contract No.15a094 dated 29.09.2015 for the services of audit of the report of “IDGC of the South” PJSC for 2015 in 2015 in the amount of 435 559.36 rubles, in the 1<sup>st</sup> quarter of 2016 in the amount of 653 339.03 rubles.

There aren't any deferred or overdue payments for the services rendered by the auditor.

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

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

### **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	3 months of 2015	3 months of 2016
Workforce productivity	187.79	194.07
Debt-to-equity ratio	7.26	7.43
Long-term debt to total sum of debt and equity ratio	0.79	0.67
Current ratio	10.4	19.22
Overdue debt, %	18.98	17.3

Indicator	2015	2016
Workforce productivity	178.77	186.39
Debt-to-equity ratio	7.1	7.16
Long-term debt to total sum of debt and equity ratio	0.8	0.72
Current ratio	2.24	3.2
Overdue debt, %	13.82	14.52

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

The indicator of labor productivity, for comparability of the data is given per 1 month. During 2015 in average one person had 186.39 thousand rubles of revenue. For 3 months of 2016, in average one person had 194.07 thousand rubles of revenue. The labor productivity was affected by changes in the structure of supply of electricity and a higher average tariff for transfer of electricity across the networks. 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 2014 this figure increased to 7.16 in 2015, due to the growth in loans in the reporting period and to 7.43 in the 1<sup>st</sup> quarter of 2016 due to increased borrowings and 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 amounted 0.72 in 2015, for 3 months of 2016 figure is 0.67, which is lower than the same period of the previous year. This fact is explained by decrease in long-term debt in 2015 by 0.69 times compared to 2014 and by 0.53 times in the 1<sup>st</sup> quarter of 2016 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. The level of overdue debt is the proportion of time the outstanding accounts receivable in total obligations of the enterprise and as of 31.12.2015 it was 14.52%, as of 31.03.2016 – 17.3%.

## **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	2 236 518 213.27

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**

#### **31.12.2015**

Structure of the Issuer's borrowed funds

Unit of measurement: thousand rubles

Indicator	
Long-term loans	13 403 378
including:	
credits	8 403 378
loans, except bonded loans	0

bonded loan	5 000 000
Short-term loans	11 630 194
including:	
credits	11 598 753
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	9 570 329
overdue	5 480 35
including	
to budget and state non-budgetary funds	687 60
overdue	0
to suppliers and contractors	7 207 769
overdue	5 065 41
to staff	248 132
overdue	0
other	351 747
overdue	22 580

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.

The overdue debt of IDGC of the South JSC as of 31.12.2015 is 57.26% from the total accounts payable. The main consequences of failure of the Issuer to repay accounts payable might become creditor's juridical debt reclaim performed in accordance with the norms of RF Civil Code. However, the Company fulfills its obligations to the lending agencies in due terms. To minimize risks of debts

reclaimed the Company is suing out pretrial litigation settlement and legal restructuring of liabilities existing.

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: **4 698 571 thousand rubles**

Amount and terms of overdue accounts payable (interest rate, fines and penalty fees): **Overdue accounts payable to “UES FGC” JSC as of 31.12.2015 amount to 4 136 478 thousand rubles.**

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: **20 002 131 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

**31.03.2016**

Structure of the Issuer's borrowed funds

Unit of measurement: thousand rubles

Indicator	
Long-term loans	10 053 37
including:	
credits	5 053 378
loans, except bonded loans	0
bonded loan	5 000 000
Short-term loans	14 980 194
including:	
credits	14 948 753
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	10 064 920
overdue	6 632 306
including	
to budget and state non-budgetary funds	890 921
overdue	0

to suppliers and contractors	7 504 838
overdue	5 977 291
to staff	239 651
overdue	0
other	322 040
overdue	245 646

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.

The overdue debt of IDGC of the South JSC as of 31.03.2016 is 65.9% from the total accounts payable. The main consequences of failure of the Issuer to repay accounts payable might become creditor's juridical debt reclaim performed in accordance with the norms of RF Civil Code. However, the Company fulfills its obligations to the lending agencies in due terms. To minimize risks of debts reclaimed the Company is suing out pretrial litigation settlement and legal restructuring of liabilities existing.

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: **5 109 891 thousand rubles**

Amount and terms of overdue accounts payable (interest rate, fines and penalty fees): **Overdue accounts payable to “UES FGC” JSC as of 31.03.2015 amount to 4 669 230 thousand rubles.**

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: **20 002 131 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
1. Bonded loan
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.

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.

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

##### **Risks Connected with Political and Economic Situation in the Country and the Region where the Issuer is Registered as a Taxpayer and/ or Carries out Its Ordinary Activity**

The Company is registered in Rostov-on-Don and carries out Its operating activity on the territory of Astrakhan, Volgograd and Rostov region regions as well as in the Republic of Kalmyka.

Specified regions are politically stable and risk of military conflicts and emergency situation is practically absent there. Nevertheless, there is a risk of terrorist attack and the Company makes security measures supporting industrial safety.

Social environment in the regions mentioned can be characterized as quiet, without pronounced ethnic conflicts, religious extremism. It enables to fulfill economic operations at minimum social and political risks.

Expected actions of the Issuer in case of negative impact of the changed situation in the country (countries) and region on the Company's operation could be specified as follows:

In case political or economic situation in Russia or in a certain region destabilizes, the Company will take a number of measures of anticrisis management with the purpose of maximum decrease of the negative impact of the situation on "IDGC of the South" PJSC including cutting costs and other expenditures, reducing investment plans.

##### **Risks Connected with Possible Military Conflicts Imposing Emergency Rule and Strikes in the Country and the Region where the Issuer is Registered as a Taxpayer and/ or Carries out Its Primary Activity**

Military conflicts and emergency rule imposing in the Issuer's operating country and regions is highly improbable. If military conflicts occur, the Issuer bears the risks of the fixed assets disabling.



**Risks connected with geographic peculiarities of the country and the region including the heightened danger of natural disasters, possible discontinuance of transportation** Risk of losses subsequent to adverse weather conditions may be referred to risks resulted from geographical features of the region the Issuer carries out its activity in. The Issuer's actions on reducing the influence of these factors consist in designing electric power transmission lines with regard to regional climate peculiarities, as well as in insurance against corresponding risks.

The Issuer's operating regions have well developed transport infrastructure and are not exposed to risks connected with transportation discontinuance because of remoteness and/ or inaccessibility.

### **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. But the Issuer, on account of constant analysis of the own financial condition, floating interest rate behavior, considers the risk to be insignificant.

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" JSC, 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's 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 a 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 the Company's operation legal support. 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.**

Operational 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 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 because of the reduction in the number of customers, the Company takes steps to enhance regional access points for the receipt of applications for technological connection, the project “Customers Day” allows to solve the problematic issues of the applicants for technological connection, campaigns to promote the on-line resources for receiving applications for technological connection.

#### **2.4.6. Strategy risks**

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. 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, 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.

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Thus, risks connected with re-issuance of licenses are estimated 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 10 percent of the total proceeds from the sale of goods (works, services):**

Due to the lack of alternative third-party network equipment and qualified staff (for maintenance and repairs), this risk 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 name is similar to those of other legal bodies – interregional distribution grid companies established in the reforming process of the electric power complex of Russia, including:

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 Urals” (“IDGC of Urals”, 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 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**

The Issuer was established without restriction to a time-limit

Brief establishment and development history of the Issuer. Goals of establishment mission (if any), and other information on the Issuer's activity which is important for taking decision on the Issuer's securities acquisition:

Main events and dates of reforming the power industry are described in details in the article on the Company's webpage in section "Reforming".

On June 28, 2007 "IDGC of the South", JSC was registered on the basis of decision of sole founder -RAO "UES of Russia", JSC (Executive order of RAO "UES of Russia", JSC No.192p dd 22.06.2007).

In compliance with the decision specified, Chief Executive Officer of "IDGC of the South", JSC was assigned responsibility of operation of the following DGCs: JSC "Astrakhanenergo", JSC "Volgogradenergo", JSC "Kubanenergo", JSC "Rostovenergo", JSC "Kalmenergo".

On March 31, 2008, reorganization of "IDGC of the South", JSC in the form of affiliation of JSC "Volgogradenergo", JSC "Kalmenergo", JSC "Rostovenergo", JSC "Astrakhanenergo" was completed; records were made in the Unified State Register of Legal Entities on termination of activities of affiliated Companies. Since March 31, 2008, "IDGC of the South", JSC began to conduct the business as a united operating company. The Board of Directors of "IDGC of the South", JSC considered as appropriate termination of the contract on transfer of the authority of the sole executive body of "Kubanenergo" to management organization - "IDGC of the South", JSC from 01.12.2010

On December 1, 2010 regions of the Company's presence are: Astrakhan, Volgograd, Rostov regions and the Republic of Kalmykia. The Company is responsible for the transport of electricity through grids of 110 kV and lower in four of the abovementioned territorial subjects of the Russian Federation.

On 19 June 2015 the Annual General Meeting of Shareholders adopted a resolution to rename the Company into Public joint stock company "Interregional Distribution Grid Company of the South".

"IDGC of the South" PJSC serves a total area of more than 330.000 square kilometers with a population of about 9 million people. The length of overhead power lines served by the Society, about 160,000 kilometers. The number of employees is about 15.000 people.

At present "IDGC of the South" PJSC is occupying a dominant position in the market for electricity transmission services in the Southern Federal District, is a part of "Rosseti" PJSC (till 04.04.2013 – "IDGC Holding"), one of the largest infrastructure companies in Russia that controls about eighty percent of the distribution grid complex. "IDGC of the South" PJSC aims at gaining leading positions in the industry, and for this purpose, the company has determined Its Mission, Values and Strategic Goals.

The Mission of "IDGC of the South" PJSC

We are a team, professionals, making a base for stable development of economy in regions of the South of Russia and basing ourselves upon consolidation of energetic assets and improvement of efficiency of power supply as well as upon successful experience of every employee of the Company and of our partners.

We are taking care of faster growth of the grids and providing availability of electric power for the consumers while trying to make it possible for them to use electricity where, when and in the volume the consumers need.

We endeavor to create favourable conditions for activity of each of ours employees doing for opportunity to unlock their potential and maintain their health.

Vision of "IDGC of the South" PJSC

“IDGC of the South” PJSC is a modern distribution grid company representing a team of professionals, sharing a common goal, managing unified high-tech grids with low depreciation percentage.

“IDGC of the South” PJSC is an attractive employer at high level of social responsibility. Efficient structure provides for optimal balance in sharing functions of structural subdivisions between the Company’s management levels.

Quality of our services makes it possible for us to take leading positions among distribution grid companies of Eastern Europe and expand our regular customers’ base.

The financial status provides for accumulation of assets for the further stable development of not only our company but Southern Federal District of Russia as well.

Values of “IDGC of the South” PJSC

Reliability (reducing time of shortfalls);

Responsibility (such subjective attitude of the Company’s employees to their work, when they realize importance of the task and are responsible for their performance).

Customer-centric approach (reflects the place of clients’ interests in priority system of the Company as efforts of the Company’s executives to meet the customers’ requirements);

Professionalism (an ability to achieve the best results in the professional field for the good of the Company at a minimum input).

Social responsibility (level managers realize their responsibility to society, consumers, personnel, shareholders and future generations, recognizing their influence and endeavoring to minimize negative impact on the matters specified).

Steadiness (ability of the Company to work for a long period without sharp negative changes within its internal environment developing and introducing up-to-date technologies at the same time).

#### **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**

Branches and regional offices of the Issuer according to Its Charter (constitutive documents):

Full branch name: **"Volgogradenergo" branch of IDGC of the South JSC**

Location: 15 Lenin prospect, Volgograd, 400066

Opening date: 31.03.2008

Branch (office) manager

Full name: Kushnerov Anatoly Valerievich

Term of warrant: 31.12.2016

Full branch name: **"Astrakhanenergo" branch of IDGC of the South PJSC**

Location: 32 Krasnaya Naberezhnaya st., Astrakhan, 414000

Opening date: 31.03.2008

Branch (office) manager

Full name: Alayev Timur Ulumdzhevich

Term of warrant: 31.12.2016

Full branch name: **“Kalmenergo” branch of IDGC of the South PJSC**

Location: Northern industrial area, Elista, Republic of Kalmykia, 358007

Opening date: 31.03.2008

Branch (office) manager

Full name: Chernyavskikh Viktor Fyodorovich

Term of warrant: 31.12.2016

Full branch name: **“Rostovenergo” branch of IDGC of the South PJSC**

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

Opening date: 31.03.2008

Branch (office) manager

Full name: Chekmaryov Sergey Alexeyevich

Term of warrant: 31.12.2016

Full branch name: **“Kubanenergo” branch of IDGC of the South PJSC**

Location: 2 Stavropolskaya st., Krasnodar, 350033

Pestov Dmitry Vladimirovich

Opening date: 14.04.2008

Branch (office) manager

Full name: Kiyok Oleg Petrovich

Term of warrant: 31.12.2016

### **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	2014	2015
Volume of proceeds (income) of the type of business activity	28 009 171	29 675 051
Share of proceeds volume in the type of activity related to the total volume of the proceeds (income) of the Issuer, %	96.9	97.7

Indicator	3 months of 2015	3 months of 2016
Volume of proceeds (income) of the type of business activity	7 516 353	7 888 8
Share of proceeds volume in the type of activity related to the total volume of the proceeds (income) of the Issuer, %	99.1	99.2

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	%
1 <sup>st</sup> quarter of 2016				
“Astrakhanenergo”	994.1	709.4	284.7	28.64
“Volgogradenergo”	2 824.9	2 524.2	300.7	10.65
“Kalmenergo”	145.4	115.3	30.1	20.71



“Rostovenergo”	3 886.4	3 451.6	434.8	11.19
Total: IDGC of the South PJSC	<b>7 850.8</b>	<b>6 800.4</b>	<b>1050.4</b>	<b>13.38</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 IDGC of the South activity in the 1<sup>st</sup> quarter of 2016 the grid output was 7 850.8 million kW\*h, while the productive supply was 6 800.4 million kW\*h. Actual losses in the 1<sup>st</sup> quarter of 20156 were 1050.4 million kW\*h or 13.38%.

#### Services rendered

Indicator	units of measurement	planned	actual	Difference, %
1 <sup>st</sup> quarter of 2016				
Services performed, including:	mln kWh	<b>6 933.4</b>	<b>6 687.1</b>	<b>-3.55%</b>
“Astrakhanenergo”	mln kWh	773.0	699.5	-9.51%
“Volgogradenergo”	mln kWh	2 670.1	2 491.2	-6.70%
“Kalmenergo”	mln kWh	111.7	115.3	3.22%
“Rostovenergo”	mln kWh	3 378.6	3 381.1	0.07%
Revenue, including:	mln rbs	<b>8 066.1</b>	<b>7 888.9</b>	<b>-2.20%</b>
“Astrakhanenergo”	mln rbs	1 263.5	1 150.1	-8.98%
“Volgogradenergo”	mln rbs	2 504.5	2 534.0	1.18%
“Kalmenergo”	mln rbs	217.6	228.7	5.13%
“Rostovenergo”	mln rbs	4 080.5	3 976.0	-2.56%

Actual volume of the rendered services on transmission of electric energy amounted to 6 687.1 million kW\*h in the 1<sup>st</sup> quarter of 2016, which is 246.3 million kW\*h or 3.55% lower than the planned indicator.

The revenue from the rendered services was 7 888.9 million rubles, VAT excluded. Decrease in revenue in the 1<sup>st</sup> quarter of 2016 amounted 117 million rubles or by 2.20% in comparison with planned indicator.

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

Indicator	2014	2015
Raw and other materials,%	2.59	2.25
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, %	32.38	32.29
Fuel, %	0.93	0.92
Energy, %	22.59	24.44
Labour costs, %	18.1	18.69
Interest on credits, %	0	0
Rental payments, %	0.4	0.4
Fringe benefit expenses,%	5.39	5.59
Depreciation of fixed assets,%	11.66	10.57
Taxes included to production costs,%	1.05	1.15
Miscellaneous expenses (explain)	4.91	3.7
intangible assets depreciation, %	0.036	0.036
remuneration for innovation proposals, %	0	0
compulsory insurance payments, %	0.42	0.36
hospitality expenditures, %	0.004	0.005
other, %	4.45	3.3
Total: costs of production and selling (of works, services) (prime cost), %	100	100
For reference only: product (works, service) proceeding, %	119.09	119.29

Indicator	3 months	3 months
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	of 2015	of 2016
Raw and other materials,%	0.92	0.94
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, %	28.99	29.91
Fuel, %	0.72	0.68
Energy, %	33.42	32.97
Labour costs, %	16.44	16.81
Interest on credits, %	0	0
Rental payments, %	0.34	0.38
Fringe benefit expenses,%	4.97	5.1
Depreciation of fixed assets,%	10.58	9.24
Taxes included to production costs,%	1.09	1.2
Miscellaneous expenses (explain)	2.53	2.77
intangible assets depreciation, %	0.03	0.03
remuneration for innovation proposals, %	0	0
compulsory insurance payments, %	0.34	0.33
hospitality expenditures, %	0.002	0.003
other, %	2.15	2.41
Total: costs of production and selling (of works, services) (prime cost), %	100	100
For reference only: product (works, service) proceeding, %	115.77	112.49

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.

- 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;
- 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;
- The order of the Russian Ministry of Finance No. 10n, Federal Securities Commission of Russia from 28.08.2014 84H "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**

#### **2015**

Suppliers of the Issuer sharing not less than 10% of all the materials and goods (raw materials) supplied:

Full company name: **“Innovations and business in power industry” CJSC**

Location: **1 Zavodskaya street, Yuzhnouralsk, Chelyabinsk region, RF, 457040**

TIN: **7424022191**

PSRN: **1057436009531**

Part in the total volume of supplies, %: **9.56**

Full company name: **“Energokontrakt FPG” CJSC**

Location: **3 Profsoyuznaya street, Moscow, RF 117036**

TIN: **7703268269**

PSRN: **1027739479404**

Part in the total volume of supplies, %: **8.29**

Full company name: **“TransEnergo” LLC**

Location: **2A Lavochkina street, Khimki, Moscow region, RF 141400**

TIN: **5047086958**

PSRN: **1075047011852**

Part in the total volume of supplies, %: **8.28**

Data on Change 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.	automatic circuit-breaker BA57-35-100A	134,44	increase
2.	Insulators 0.4kV ИПУ-10/630-7,5 УХЛ2	90,51	increase
3.	Insulators 0.4kV – 100kV ШФ-20Г	59,20	increase
4.	35-220kV input, high-voltage bush КВП III-90- 40,5/1000, ВУЕ.686351.230	42,02	increase
5.	35-220kV input, high-voltage bush ГКВШ-60-126/2000 (ИВУЕ.686352.132)	37,76	increase
6.	power transformers 6-20kV, ТМГСУ-400/10/0,4 У/УН-0 У1	-5,95	decrease
7.	Wire А50	108,42	increase
8.	Wire А35	108,33	increase
9.	Wire АS 35/6.2	93,80	increase
10.	cable coupling sleeve ТРАЖ 42/1x120-240-1HL	55,47	increase
11.	power cable АСБл 3x120 - 10	78,12	increase
12.	Accumulator 3 СТ 215	66,75	increase
13.	Accumulator 6 СТ 55	66,75	increase
14.	Accumulator 6 СТ 62	29,16	increase
15.	Accumulator 6 СТ 132	29,16	increase

Share of import in materials and goods supply, import sources availability forecast and potential alternative sources: There is no import supply.

### **3 months of 2016**

Suppliers of the Issuer sharing not less than 10% of all the materials and goods

Full company name: **“Energokontrakt FPG” CJSC**

Location: **3 Profsoyuznaya street, Moscow, RF 117036**

TIN: **7703268269**

PSRN: **1027739479404**

Part in the total volume of supplies, %: **22.2**

Full company name: “**Ultraform Projekt**” LLC

Location: **8/1 Presnenskaya Naberezhnaya, Moscow, RF 123317**

TIN: **7713312020**

PSRN: **1027739448660**

Part in the total volume of supplies, %: **12.89**

Data on Change 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 3x120+1x70	15,60	increase
3.	self-supporting insulated wire-2 3x70+1x54,6	10,53	increase
4.	self-supporting insulated wire 2*16	10,14	increase
5.	wire holder ИПУ-10/630-7,5 УХЛ2	-1,16	decrease
6.	porcelain insulator ТФ-20	56,25	decrease
7.	porcelain insulator ШФ-20Г	51,26	increase
8.	surge arrester ОПН-П-0,4 УХЛ1	5,77	increase
9.	surge arrester ОПН-П-35/40,5	5,32	increase
10.	accumulator 6 СТ 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 1<sup>st</sup> quarter of 2016, seven guarantee suppliers, 41 independent power supply companies, 957 “direct” consumers and 60 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 1<sup>st</sup> quarter of 2016

Branch of “IDGC of the South” PJSC	Market share, %
“Astrakhanenergo”	90.21%
“Volgogradenergo”	43.22%
“Kalmenergo”	53.66%
“Rostovenergo”	31.71%
“IDGC of the South” PJSC, total	42.81%

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: **БЖГ 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: **БЖГ 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, Ilovlipskiy 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: **БЛГ 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: **БЛГ 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: **РСТ 02227 БЭ**

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 02921 BЭ**

Types of activity (activities) for conducting of which the company obtained a license (permission) or admission: Underground water abstraction at land plot

Tatsinsky No.8 for supply of service water at grid facilities

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 (ГТ№ 0073358)**

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 (ГТ 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-JI3 (IT 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 (IT 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.

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)**

<b>branch of IDGC of the South</b>	<b>Investments, mln rbs</b>					
	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, 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> quarter of 2016				Actual in the 1 <sup>st</sup> quarter of 2016							
	Assimilation	Introduction into service			Assimilation of CAPEX		Introduction into service					
		mln rbs	mln rbs	MVA	km	mln rbs	%	mln rbs	%	MVA	%	km
IDGC of the South	38	21	0.000	1.688	133	351	65	314	3.103	>100	28.723	1702
Astrakhanenergo	8	4	0.000	1.688	29	343	18	413	0.968	>100	9.890	586
Volgogradenergo	16	0	0.000	0.000	34	215	3	>100	0.26	>100	1.694	>100
Kalmenergo	2	0	0.000	0.000	4	181	0	>100	0.000	>100	0.590	>100
Rostovenergo	11	16	0.000	0.000	66	585	43	269	1.875	>100	16549	>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.

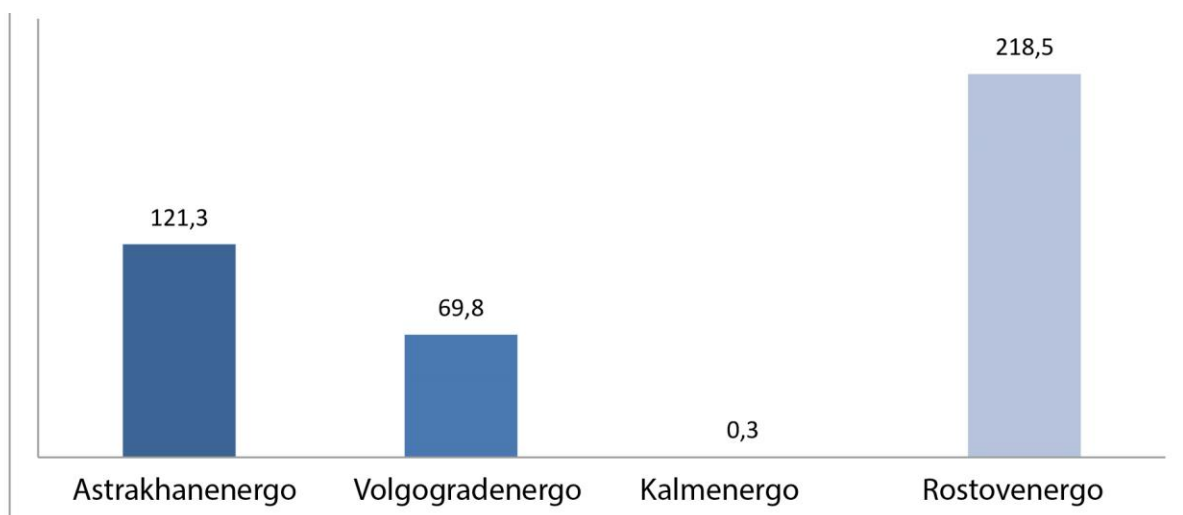
In order to improve the efficiency of enforcement of technological connection contracts the Company has established a procedure for the turnkey contracts (up to

10 million rubles) and framework contracts for the supply of materials and work performance.

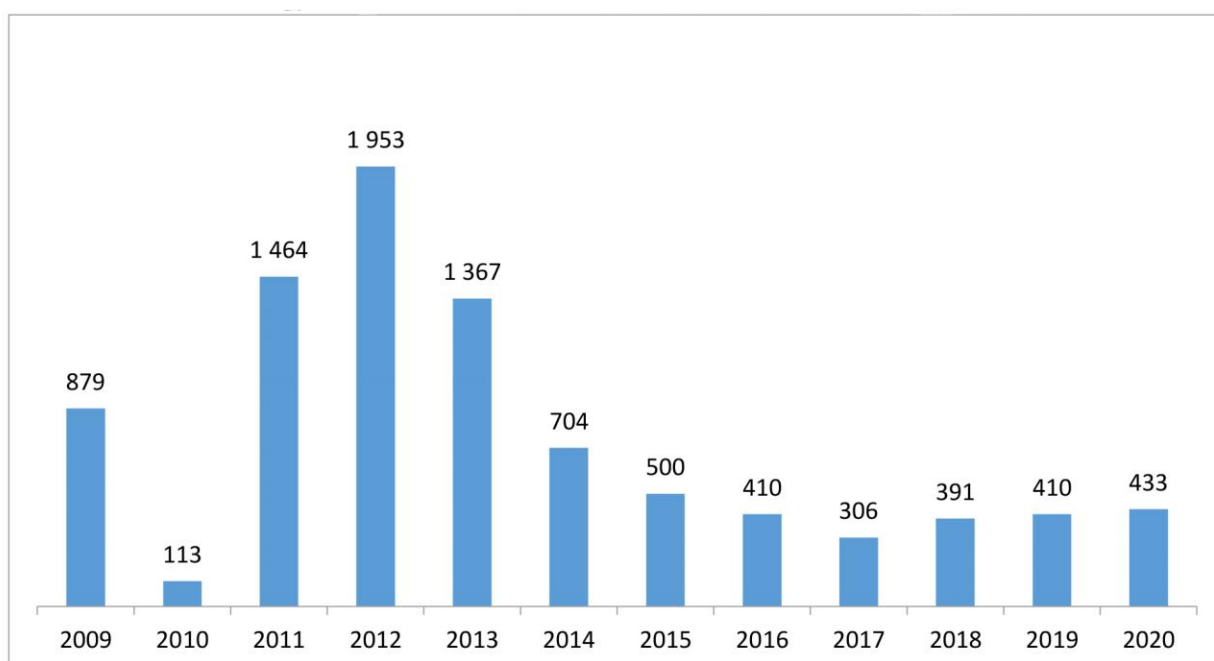
Target indicator of fulfillment of the obligations under the technological connection for the category applicants to 15kW at 2016: 8004 contracts. The volume of the planned connection of capacity is 73 MW.

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**

Name of a group, holding company or an association: **Association “Non-profit Partnership “Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market” (NP “Market Council”)**

Term of the issuer: not limited in time

Role (place) and functions of the Issuer in the organization:

Since January 27, 2016 “IDGC of the South” PJSC has been a member of the Association “Non-profit Partnership “Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market” (NP “Market Council”). The purpose of the participation of “IDGC of the South” PJSC in the Association “NP Market Council” is the adoption by the Company of functions of a guaranteeing supplier in the regions of its presence.

### **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**

**31.12.2015**

Unit of measurement: thousand rubles

Fixed assets	Initial (replacement) cost	Depreciation
Land plots	22 373	0
Buildings	4 206 316	909 796
Constructions, except power lines	1 354 356	554 720
Transmission lines and devices	21 302 343	8 211 207
Machinery and equipment	17 393 680	8 390 625
Transportation equipment	811 310	592 428
Other fixed assets	97 208	83 024
Total	45 187 586	18 741 800

Information on 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: 31.12.2015

**31.03.2016**

Unit of measurement: thousand rubles

Fixed assets	Initial (replacement) cost	Depreciation
Land plots	22 373	0
Buildings	4 215 130	942 796
Constructions, except power lines	1 354 065	569 990
Transmission lines and devices	21 388 095	8 507 134
Machinery and equipment	17 362 624	8 686 127
Transportation equipment	810 696	608 420
Other fixed assets	97 177	84 025
<b>Total</b>	<b>45 250 160</b>	<b>19 398 492</b>

Information on 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: 31.03.2016

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 31.12.2015</b>				
Fixed Assets Leased				
#	Short characteristics of property	Encumbrance grounds (number	Lessee	Starting and termination date of encumbrance

	Name, address	Area, square m.	and date of lease agreement)		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. 080-14-15 dd 30.12.14	SMARTS CJSC	30.12.14 - 29.12.15	no
2.	Non-residential Premises(building A, 1 Energetikov street, industrial hub, Privolzhsky district, Astrakhan region)	6,1	No. 080-14-14 dd 30.12.14	SMARTS CJSC	30.12.14 - 29.12.15	no
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. 080-14-13 dd 30.12.14	SMARTS CJSC	30.12.14 - 29.12.15	no
4.	Part of land plot located at: 204 Kramatorskaya street, Astrakhan	7,0	No. 080-14-12 dd 31.12.2014	AstrakhanOBM CJSC	30.12.14-29.12.15	no
5.	Non-residential premises(Ikryannisky distribution zone, substation “Zhitnaya”, village Zhitnoye)	6,0	No. 080-14-26 dd 30.12.14	Megafon JSC	30.12.14-28.12.15	no
6.	Non-residential premises (substation “Ikryanoye”, Ikryannisky distribution zone, Ikryanoye village, Chapayeva street)	6,0	No. 080-14-22 dd 30.12.14	Megafon JSC	30.12.14 - 28.12.15	no
7.	Non-residential Premises (building A, RPB-2 1 Energetikov street, Privolzhsky district,)	6,5	No. 080-14-28 dd 30.12.14	Megafon JSC	30.12.14 - 28.12.15	no
8.	Place for placement of a container with equipment, substation “Sovetskaya”	140,0	No. 080-14-43 dd 31.12.2014	Megafon JSC	31.12.2014 - 09.12.2015	no
9.	Place for placement of a	10,81	No. 080-	Megafon JSC	30.12.14 - 29.12.15	no

	container and place at metal light post for installation of antenna-feeder devices (39 Michurina street, Volodarsky village, Volodarsky district, Astrakhan region)		14-27 dd 30.12.14			
10	Non-residential Premises (substation "Solodniki", Chernoyarsky distribution zone, Chernoyarsky district, Astrakhan region)	7,6	No. 080-14-24 dd 30.12.14	Megafon JSC	30.12.14 - 29.12.15	no
11	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	2,3x 3,5	No. 080-14-25 dd 30.12.14	Megafon JSC	30.12.14 - 29.12.15	no
12	Non-residential premises: substation control house, building C, substation Tsarevskaya, 1 Khmelnitkogo street, Astrakhan	15,8 5	No. 080-14-23 dd 30.12.14	Megafon JSC	30.12.14 - 28.12.15	no
13	Place for placement of a container with equipment (substation "Pervomaiskaya")	10,4	080-14-34 dd 30.12.2014	Megafon JSC	30.12.2014 - 28.12.2015	no
14	Land (part of the land plot) for installation and operation of equipment of NMT cellular base stations (110/69kV substation "Sudostroitel'naya", 89 Kotelnaya street, Sovetsky district, Astrakhan)	40,5	080-14-33 dd 31.12.2014	Megafon JSC	01.01.2015 - 30.12.2015	no
15	Non-residential premises 33 Sadovaya street, Zamiyany village, Yenotayevsky distribution zone	3,2	No. 065-14-08 dd 28.12.13	JSC Vympelkom	28.12.13 - 26.12.14	no
16	Non-residential premises (18 I. Franko street, Akhtubinsk, Akhtubinsky distribution zone)	26,1	No. 080-14-09 dd 27.12.14	JSC Vympelkom	27.12.14 - 25.12.15	no
17	Place for placement of a container and place at metal light post for installation of antenna-feeder devices (46	7,0	No. 080-14-32 dd 27.12.14	JSC Vympelkom	27.12.14 - 25.12.15	no

	Chapayeva street, Ikryanoye village, Ikryanisky distribution zone)					
18	Place for installation of antenna-feeder devices (substation "Oktyabrskaya", 3 Gorniy pereulok, Trusovsky district, Astrakhan)	6,0	No. 080-14-02 dd 27.12.14	JSC Vypelkom	27.12.14 - 29.12.15	no
19	Non-residential premises, part of the room 48 (1 Energetikov street, RPB-2 ,Astrakhan )	6,0	No. 080-14-16 dd 27.12.14	JSC Vypelkom	27.12.14 - 25.12.15	no
20	Place for installation of equipment and place at antenna mast structure (substation "Neftebaza")	15,0	No. 080-14-31 dd 28.12.13	JSC Vypelkom	27.12.14 - 25.12.15	no
21	Land (part of the land plot) for installation of equipment located at: substation "Sovetskaya", Astrakhan region, Akhtubinsky district	20,0	No. 080-14-35 dd 27.12.2014	JSC Vypelkom	27.12.2014 - 25.12.2015	no
22	Land (part of the land plot) for installation of equipment located at: 89 Kotelnaya street, Astrakhan	15,0	No. 080-14-01 dd 30.12.2014	JSC Vypelkom	01.01.2015 - 29.12.2015	no
23	Part of land plot located at: 204 Kramatorskaya street, Astrakhan	9,2	No. 080-14-08 dd 27.12.2014	JSC Vypelkom	27.12.2014 - 25.12.2015	no
24	Non-residential Premises (room 8, administrative building, 18 I. Franko street, Akhtubinsk, Akhtubinsky distribution zone)	10,1	No. 080-14-17 dd 30.12.2014	Mobile TeleSystems JSC	30.12.14 - 30.12.15	no
25	Non-residential premises: 71 room, RPB-2, 1 Energetikov street, Astrakhan	6,0	No. 080-14-11 dd 30.12.2014	Mobile TeleSystems JSC	30.12.14 - 29.12.15	no
26	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. 080-14-10 dd 30.12.2014	Mobile TeleSystems JSC	01.01.2015 - 30.12.2015	no
27	Part of land plot located at: 204 Kramatorskaya street, Astrakhan	15,2	No. 080-14-21 dd 30.12.2014	Mobile TeleSystems JSC	30.12.2014 - 29.12.2015	no



28	Place for installation of equipment and place at antenna mast structure (89 Kotelnaya street, Astrakhan)	4,5	No. 080-14-06 dd 30.12.2014	Mobile TeleSystems JSC	01.01.2015 - 29.12.2015	no
29	Place for installation of equipment and place at antenna mast structure (189 Starovera street, Astrakhan)	4,5	No. 080-14-07 dd 30.12.2014	Osnova Telecom JSC	01.01.2014 - 29.12.2015	no
30	Place for installation of equipment and place at antenna mast structure (1B.Khmelnitskogo street, Astrakhan)	3,0	No. 080-14-04 dd 30.12.2014	Osnova Telecom JSC	30.12.2014 - 29.12.2015	no
31	Part of non-residential premises No. 44,0 sq.m., Located at: Kulakovsky village, Privolzhsky district, Astrakhan region	1,0	080-14-18 dd 30.12.2014	Osnova Telecom JSC	01.01.2015 - 29.12.2015	no
32	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	080-14-05 dd 30.12.2014	Osnova Telecom JSC	01.01.2015 - 29.12.2015	no
33	Non-residential premises (75/69 Sun-Yat-Sen/Kulikov str., Astrakhan)	11,9	080-14-19 dd 31.12.14	"Real Medical Service" LLC	31.12.14 - 30.12.15	no
34	Non-residential premises 1 Energetikov Stre., Astrakhan, Astrakhanenergo	189,1	080-14-20 dd 31.12.14	Mikhailova Alexandra Vladimirovna, individual entrepreneur	31.12.14 - 30.12.15	no
<b>"Volgogradenergo" Branch of "IDGC of the South" PJSC</b>						
35	Administrative building (canteen), Volgograd, Lenina prospekt, 15	135,2	Contract No.347011 2310 dd 30.12.2011	Richetta LLC	from 16.01.2012	yes
36	Administrative building (office), Volgograd, Lenina prospekt, 15	6,4	Contract No.340000 00014871 dd	Agency of Air Service "Airport-Service" LLC	from 01.01.2015 for 11 months	yes

			23.03.2015			
37	Administrative building (office No.201), Volgograd, Lenina prospekt, 15	25,8	Contract No.340015 01002256 dd 03.03.2015	Private security firm "Kobalt-C" LLC	from 01.01.2015 for 11 months	yes
38	Administrative building (attic), Volgograd, Lenina prospekt, 15	5,2	Contract No. 877 dd 16.10.2006	"T2 Mobile" LLC	from 01.10.2006	yes
39	Radio mast, 139 Lenina prospekt, Uryupinsk, Volgograd region	11,0	Contract No. 877 dd 16.10.2006	"T2 Mobile" LLC	from 01.10.2006	yes
40	Radio mast, substation "Archedinskaya", Mikhailovka village, Volgograd region	18,5	Contract No. 877 dd 16.10.2006	"T2 Mobile" LLC	from 01.10.2006	yes
41	Radio mast, substation "Kotluban", village Ssamofalovka, Volgograd region	18,5	Contract No. 877 dd 16.10.2006	"T2 Mobile" LLC	from 01.10.2006	yes
42	Radio mast, substation "Zolotari", Pallasovsky district, Volgograd region	18,0	Contract No. 877 dd 16.10.2006	"T2 Mobile" LLC	from 01.10.2006	yes
43	Radio mast, substation "Maxim Gorky", village Gorkovsky, Volgograd	18,0	Contract No. 877 dd 16.10.2006	"T2 Mobile" LLC	from 01.10.2006	yes
44	Two-storey building of manufacturing building (A), 1A Granovitaya street, Volgograd	647,7	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
45	One and two-storey garage (buildings Б,И,Г1,Г2,Г3,Г9), 1A Granovitaya street, Volgograd	762,7	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
46	Part of two-storey building (buildings Б,3), 1A Granovitaya street, Volgograd	449,9	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
47	service room (building Г), 1A Granovitaya street, Volgograd	17,3	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
48	Warehouse (building Г4), 1A Granovitaya street, Volgograd	5,7	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
49	Warehouse (building Г5), 1A Granovitaya street, Volgograd	10	Contract No. 1 dd	FGC UES, JSC	from 01.09.2014	yes

			29.04.2010			
50	Warehouse (building Г6), 1A Granovitaya street, Volgograd	12	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
51	One-storey reinforced concrete building of a warehouse (building Д), 1A Granovitaya street, Volgograd	134,5	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
52	One-storey wooden building of dispatchers station ( building Ж), 1A Granovitaya street, Volgograd	17,9	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
53	One-storey brick building of warehouse (building E),	265,7	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
54	Pavement (building V), 1A Granovitaya street, Volgograd	1257,0	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
55	Part of non-residential premises at administrative building (building A), 52 Gvardeiskaya street, Nikolayevsk, Volgograd region	74,1	Contract No.340015 01003972 dd 01.04.2015	Gazprom MezhregionGaz LLC	from 01.04.2015	yes
56	Place for installation of container at antenna mast structure, 8 building, 220 Podstantsiy street, Petrov Val, Volgograd region	11	Contract No. 130 dd 11.07.2007	"T2 Mobile" LLC	FROM 01.09.2014	yes
57	Canteen (205B Lenina str., Mikhailovka, Volgograd region)	224,7	Contract No. 34001501009 40 dd 24.09.2015	Sekachyov A.N. individual entrepreneur	From 24.09.2015	yes

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

58.	<b>Non-residential Premises</b> Type (group)of Capital Asset: buildings: 1)Ketchenerovsk Elecric Grid District; 2)Iki-burulsk Elecric Grid District; 3)Yashkulsk Elecric Grid District;	72,26 88,6 57,3 66,5 79,9 56,0 76,0 157,4 172,0	Renting relationship aer still in force. The contract is being prepared for signing	Kalmenergosbyt JSC	from 01.11.2008 to 30.10.2009 Additional agreement dated 01.2015 No. 08001501001 432	yes
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	<p>4)Preyutnensk Electric Grid District;</p> <p>5)Gorodovikovsk Electric Grids;</p> <p>6)Kaspiysk Electric Grids;</p> <p>7)Chernosemelsk Electric Grids;</p> <p>8)Sarpin Tidal Electric Station;</p> <p>9)Elista (car park boxes, Garages);</p> <p><b>Movable Assets:</b></p> <p>1)Type (group)of Capital Asset: machinery and equipment: refrigerator, fax machine, switchboard etc. (18 items in all)</p> <p>2) Type (group)of Capital Asset: industrial and household equipment: safe, storage wall, etc. (13 items in all)</p>					
<b>“Rostovenergo” Branch of “IDGC of the South” PJSC</b>						
59.	Land plot, 18D Volkov str., Rostov-on-Don	2124	6120150100003 7 dated 30.12.2014	“Vavilon” LLSC	30.12.2014- 30.12.2016	Renewal is not provided for
60.	Non-residential premises, located on the territory of production unit of Rostovenergo. The list of premises is specified in Appendix 1 to the Contract.	773,16	194/01/12 /15550 5/25/12 01.03.2012	Energosbyt Rostovenergo JSC	01.03.2012 01.02.2013	yes
61.	Parts of non-residential premises No.19, No.21-22-23-24-25, No.10-13-14, No.10, No.45, located at the 1 <sup>st</sup> , 2 <sup>nd</sup> floors and in the basement level of Culture Centre Energetik	238, 6	136732/25/ 11 12.10.2011	Radchenko V.M.	12.10.2011 12.09.2012	yes

	located at: 48 Semashko pereulok, Rostov-on-Don. The parts of the premises are used as dance studio					
62.	Non-residential premises No.1013-14, located at the 2 <sup>nd</sup> floor Culture Centre Energetik located at: 48 Semashko pereulok, Rostov-on-Don. The premises are used as dance studio	54,3	61200130 000588 26.06.2013	Bardian S.V.	26.06.2013 26.05.2014	yes
63.	Non-residential premises No.43Г, 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 01.07.2012	Uspekh Plus LLC	01.07.2012 01.06.2013	yes
64.	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 01.11.2011	Self-employed entrepreneur Krivosheina M.S.	01.11.2011 01.10.2012	yes
65.	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	111260/11 03.02.2011	Ankudinova N.V.	01.01.2011 30.11.2011	Renewal is not provided for
66.	Partd of non-residential premises 1,5 sq.m. each, at administrative buildings of production department for installation of cash machines	1,5 x 9	138557/25/ 11 25.08.2011	KhFK Bank JSC «	25.08.2011 25.07.2012	yes
67.	Non-residential premises , located at: 49 B. Sadovaya	12,1 2	68895/08 12.12.2008.	Center-Invest Bank JSC	01.01.2009 30.11.2009	yes

	street, Rostov-on-Don, at the 1 <sup>st</sup> floor, for installation of cash machines					
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 "A", located at: 147b, 2-ya Krasnodarskaya street, Rostov-on-Don	544,1	61201401000512 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 05.01.2004 298 dd 05.01.2004.	Lapt eva A.V., Nich aye v A.A.	not specified not specified	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 Leiko A.A.; the agreement is in process of registration at Federal Service for State Registration, Cadaster and Cartography for
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	from 05.01.2004. from 05.01.2004.	Starch enko N.Yu. Leiko A.A.	not specified not specified	

						Rostov region.
<b>Central Power Plant</b>						
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-12-H/97	Rostov mobile communications CJS	28.10.1997	For unspecified period, in the absence of refuse of the parties
<b>Northeast Electric Grids</b>						
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 27.09.2011	self-employed entrepreneur Galaktionov G. K.	27.09.2011 - 27.07.2012	yes
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 Bezrodn y 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, Kasahtanovsky village, oblilvsky district, Rostov region	105,3		Family of Tkachenko N.V. (4 people) lives there since 1990	In accordance with the registry of non-core assets, approved at the meeting of the BoD on 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	54,1	64163/12/08 28.11.2003	Peshkov A.I. employee of "YuES Rostovenergo"	till 28.11.2008	actual use, new is being prepared
78.	Residential house: 24a Kooperativnaya street, Azov	54,5	64164/12/08 03.10.2003	Anferov A.V., employee of "YuES Rostovenergo"	till 03.10.2008	actual use, new is being prepared

### Eastern Electric Grids

79.	Non-residential Premises No.9, of total area 11,4 sq.m., located at the 5 <sup>th</sup> floor of maintenance building, located at: 22 Grishina street, Tsimlyansk	11,4	111109/11/11 01.04.2011	"Technical inspection UES" CJSC	01.04.2011 29.02.2012	Contract is prolonged till 23.10.2014
80.	Non-residential premises No.1 - of total area 2,3 sq.m.;	68,7	389/08/64660/08 01.01.2008	"Southern telecomm	01.01.2008 30.11.2008	yes



	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,			unication company” JSC		
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	01.12.2010 31.10.2011	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.	01.04.2006 30.04.2007	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.	01.04.2006 30.04.2007	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.	01.04.2006 30.04.2007	yes
85.	Premises, of total square 30,5 sq.m., located at: 10 room, 22 Grishina street, Tsimlyansk	30,5	0-3/73611 01.04.2006.	Bezverkhova M.A.	01.04.2006 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 01.04.2006.	Kalmykov S.I.	01.04.2006 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 05.05.2006.	Ladygin S.V.	05.05.2006 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 01.04.2006.	Veresova Ye.G.	01.04.2006 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.,	33,9	61201401000945 2 01.07.2014	Ylianov N.S.	01.07.2014 31.05.2015	yes

	located at the 2 <sup>nd</sup> floor of maintenance building located at: 22 Grishina street, Tsimlyansk					
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	6120140100945 8 01.07.2014	Kustovsky S.A.	01.07.2014 31.05.2015	yes
<b>Northern Electric Grids</b>						
91.	Room with total area of 11,8 sq.m., located at: 34 Artilleriyskaya street, Millerovo village, Rostov region, Russia	11,8	6120150100563 4 04.06.2015	Insurance company "Soglasie" LLC	01.05.2015 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	61201501006574 19.06.2015	self-employed entrepreneur Scherbakova L.N.	08.06.2015 07.05.2016	Prolongation is not provided for
93.	Room with total area of 11,8 sq.m., located at: 34 Artilleriyskaya street, Millerovo village, Rostov region, Russia	11,8	6120150101645 dated 02.11.2015	Energogorant JSC	15.10.2015 - 14.09.2016	Prolongation is not provided for
<b>Southwest Electric Grids</b>						
94.	Canteen building. Address: 144, Dzerzhiskiy street, Taganrog.	179.6	142617 09.12.2011	"Salen" LLC	09.12.2011 09.11.2012	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 01.07.2011	"Centre-Invest" Commercial Bank, JSC	01.07.2011 01.06.2012	yes
96.	Checkpoint Building, 144	24.8	142874	"Centre-	01.07.2011 01.06.2012	yes

	Dzerzhinskiy st. Taganrog		01.07.2011	Invest” Commerci al Bank, JSC		
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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, Rostov Region	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 restrictio ns
2	Building, Letter A, location: 147/2 2-aya Krasnodarskaya st., Sovetskiy dc, Rostov on Don, Rostov Region	4789.1	Basis: Extract of Board of Directors of “Rostovenergo” JSC dated 26.04.2004, Minutes No. 22 (as to the agenda item No. 14 “Regarding Property Settled on “Training Centre	Since 26.08.2008 – without time

			“Energetik”, Non-state Non-commercial Educational Institution on the basis of operational management) (Certificate of State Registration of Rights 61 АГ No. 981623 dated 26.08.2008)	restrictions
3	Movable Assets to the number of 9 203 ea amounting to 2 046 570,69 rub	-	Basis: Ruling of Board of Directors of “Rostovenergo” JSC dated 26.04.2004, Minutes No. 22 (as to the agenda item No. 14 “Regarding Property Settled on “Training Centre “Energetik”, Non-state Non-commercial Educational Institution on the basis of operational management)	Since 01.07.2004 – without time restrictions
4	Production Base Building of Training Centre totaling to 12052190.08 rub, Letter of Building No. 65, location: Industrial hub at Thermoelectric Plant-2, Privolzhskiy dc, Astrakhan Region	1158.5	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. 01-25-24/37 dated 05.01.2004, Additional Agreement No. 1 dated 24.03.2008 to treaty No. 01-25-24/37 dated 05.01.2004,	Since 12.05.2004 - without time restrictions

			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	Since 29.06.2004 - without time restrictions

			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. 01-11/03-Д117-1P dated 29.06.2004.	
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 Agreement No. 4 dated 24.03.2008 to treaty No. 01-11/03-Д117-1P dated 13.08.2004.	Since 13.08.2004 - without time restrictions

**Data on Encumber Assets of “IDGC of the South” PJSC as of 31.03.2016**

**Fixed Assets Leased**

#	Short characteristics of property		Encumbrance grounds (number and date of lease)	Lessee	Starting and termination date of encumbrance	
	Name, address	Area,			Original	Renewal

1	2	3	4	5	6	7
<b>“Astrakhanenergo” branch of “IDGC of the South”PJSC</b>						
97	Non-residential Premises (19 Sovetskoy Militsii street, 32 Naberezhnaya street Astrakhan)	3,0	No. 080-14-15 dd 30.12.14	SMARTS CJSC	30.12.15 - 24.12.2016	yes
98	Non-residential Premises(building A, 1 Energetikov street, industrial hub, Privolzhsky district, Astrakhan region)	6,1	No. 080-14-14 dd 30.12.14	SMARTS CJSC	30.12.15 - 24.12.2016	yes
99	Place for installation of a container and place at lighting mast for installation of aerials (substation “Tsarevskaya”, building C, 1 B.Khmelnitskogo street, Astrakhan)	15,8 5	No. 080-14-13 dd 30.12.14	SMARTS CJSC	30.12.15 - 24.12.2016	yes
100	Part of land plot located at: 204 Kramatorskaya street, Astrakhan	7,0	No. 080-14-12 dd 31.12.2014	AstrakhanOBM CJSC	30.12.14- 29.12.15 30.12.15 - 24.12.201 6	yes
101	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- 24.12.201 6	yes
102	Non-residential premises (substation “Ikryanoye”, Ikryannisky distribution zone, Ikryanoye village, Chapayeva street)	6,0	No. 080-14-22 dd 30.12.14	Megafon JSC	29.12.201- 24.12.201 6	yes
103	Non-residential Premises (building A, RPB-2 1 Energetikov street, Provilzhsky district,)	6,5	No. 080-14-28 dd 30.12.14	Megafon JSC	29.12.201- 24.12.201 6	yes
104	Place for placement of a container with equipment, substation “Sovetskaya”	140,0	No. 080-14-43 dd 31.12.2014	Megafon JSC	30.12.2015 -without limitaion	yes

10	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. 080-14-27 dd 30.12.14	Megafon JSC	29.12.201- 24.12.2016	yes
10	Non-residential Premises (substation "Solodniki", Chernoyarsky distribution zone, Chernoyarsky district, Astrakhan region)	7,6	No. 080-14-24 dd 30.12.14	Megafon JSC	29.12.201- 24.12.2016	yes
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	2,3x 3,5	No. 080-14-25 dd 30.12.14	Megafon JSC	29.12.201- 24.12.2016	yes
10	Non-residential premises: substation control house, building C, substation Tsarevskaya, 1 Khmelnitkogo street, Astrakhan	15,8 5	No. 080-14-23 dd 30.12.14	Megafon JSC	29.12.201- 24.12.2016	yes
10	Place for placement of a container with equipment (substation "Pervomaiskaya")	10,4	080-14-34 dd 30.12.2014	Megafon JSC	29.12.201- 24.12.2016	yes
11	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)	40,5	080-14-33 dd 31.12.2014	Megafon JSC	31.12.201- 24.12.2016	yes
11	Non-residential premises 33 Sadovaya street, Zamiyany village, Yenotayevsky distribution zone	3,2	No. 065-14-08 dd 28.12.13	JSC Vypelkom	26.12.2015 - 24.12.2016	yes
11	Non-residential premises (18 I. Franko street, Akhtubinsk, Akhtubinsky distribution zone)	26,1	No. 080-14-09 dd 27.12.14	JSC Vypelkom	26.12.2015 - 24.12.2016	yes
11	Place for placement of a container and place at metal	7,0	No. 080-14-32 dd	JSC Vypelkom	26.12.2015 -	yes



	light post for installation of antenna-feeder devices (46 Chapayeva street, Ikryanoye village, Ikryannisky distribution zone)		27.12.14		24.12.2016	
114	Place for installation of antenna-feeder devices (substation "Oktyabrskaya", 3 Gorniy pereulok, Trusovsky district, Astrakhan)	6,0	No. 080-14-02 dd 27.12.14	JSC Vympelkom	26.12.2015 - 24.12.2016	yes
115	Non-residential premises, part of the room 48 (1 Energetikov street, RPB-2, Astrakhan)	6,0	No. 080-14-16 dd 27.12.14	JSC Vympelkom	26.12.2015 - 24.12.2016	yes
116	Place for installation of equipment and place at antenna mast structure (substation "Neftebaza")	15,0	No. 080-14-31 dd 28.12.13	JSC Vympelkom	26.12.2015 - 24.12.2016	yes
117	Land (part of the land plot) for installation of equipment located at: substation "Sovetskaya", Astrakhan region, Akhtubinsky district	20,0	No. 080-14-35 dd 27.12.2014	JSC Vympelkom	26.12.2015 - 24.12.2016	yes
118	Land (part of the land plot) for installation of equipment located at: 89 Kotelnaya street, Astrakhan	15,0	No. 080-14-01 dd 30.12.2014	JSC Vympelkom	30.12.2015 - 24.12.2016	yes
119	Part of land plot located at: 204 Kramatorskaya street, Astrakhan	9,2	No. 080-14-08 dd 27.12.2014	JSC Vympelkom	30.12.2015 - 24.12.2016	yes
120	Non-residential Premises (room 8, administrative building, 18 I. Franko street, Akhtubinsk, Akhtubinsky distribution zone)	10,1	No. 080-14-17 dd 30.12.2014	Mobile TeleSystems JSC	31.12.14 - 30.12.15	yes
121	Non-residential premises: 71 room, RPB-2, 1 Energetikov street, Astrakhan	6,0	No. 080-14-11 dd 30.12.2014	Mobile TeleSystems JSC	30.12.2015 - 24.12.2016	yes
122	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. 080-14-10 dd 30.12.2014	Mobile TeleSystems JSC	31.12.2015 - 24.12.2016	yes

12	Part of land plot located at: 204 Kramatorskaya street, Astrakhan	15,2	No. 080-14-21 dd 30.12.2014	Mobile TeleSystems JSC	30.12.2015 - 24.12.2016	yes
12	Place for installation of equipment and place at antenna mast structure (89 Kotelnaya street, Astrakhan)	4,5	No. 080-14-06 dd 30.12.2014	Mobile TeleSystems JSC	30.12.2015 - 24.12.2016	yes
12	Place for installation of equipment and place at antenna mast structure (189 Starovera street, Astrakhan)	4,5	No. 080-14-07 dd 30.12.2014	Osnova Telecom JSC	30.12.2015 - 24.12.2016	yes
12	Place for installation of equipment and place at antenna mast structure (1B.Khmelnitskogo street, Astrakhan)	3,0	No. 080-14-04 dd 30.12.2014	Osnova Telecom JSC	28.12.2015 - 24.12.2016	yes
12	Part of non-residential premises No. 44,0 sq.m., Located at: Kulakovsky village, Privolzhsky district, Astrakhan region	1,0	080-14-18 dd 30.12.2014	Osnova Telecom JSC	30.12.2015 - 24.12.2016	yes
12	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	080-14-05 dd 30.12.2014	Osnova Telecom JSC	30.12.2015 - 24.12.2016	yes
12	Non-residential premises (75/69 Sun-Yat-Sen/Kulikov str., Astrakhan)	11.9	080-14-19 dd 31.12.14	“Real Medical Service” LLC	31.12.2015 - 24.12.2016	yes
13	Non-residential premises 1 Energetikov Stre., Astrakhan, Astrakhanenergo	189.1	080-14-20 dd 31.12.14	Mikhailova Alexandra Vladimirovna, individual entrepreneur	31.12.2015 - 24.12.2016	yes
<b>“Volgogradenergo” Branch of “IDGC of the South” PJSC</b>						
13	Administrative building (canteen), Volgograd, Lenina prospekt, 15	135,2	Contract No.347011 2310 dd 30.12.2011	Richetta LLC	from 16.01.2012	yes

13	Administrative building (office), Volgograd, Lenina prospekt, 15	6,4	Contract No.340000 00014871 dd 23.03.2015	Agency of Air Service "Airport-Service" LLC	from 01.01.2015 for 11 months	yes
13	Administrative building (office No.201), Volgograd, Lenina prospekt, 15	25,8	Contract No.340015 01002256 dd 03.03.2015	Private security firm "Kobalt-C" LLC	from 01.01.2015 for 11 months	yes
13	Administrative building (attic), Volgograd, Lenina prospekt, 15	5,2	Contract No. 877 dd 16.10.2006	"T2 Mobile" LLC	from 01.10.2006	yes
13	Radio mast, 139 Lenina prospekt, Uryupinsk, Volgograd region	11,0	Contract No. 877 dd 16.10.2006	"T2 Mobile" LLC	from 01.10.2006	yes
13	Radio mast, substation "Archedinskaya", Mikhailovka village, Volgograd region	18,5	Contract No. 877 dd 16.10.2006	"T2 Mobile" LLC	from 01.10.2006	yes
13	Radio mast, substation "Kotluban", village Ssamofalovka, Volgograd region	18,5	Contract No. 877 dd 16.10.2006	"T2 Mobile" LLC	from 01.10.2006	yes
13	Radio mast, substation "Zolotari", Pallasovsky district, Volgograd region	18,0	Contract No. 877 dd 16.10.2006	"T2 Mobile" LLC	from 01.10.2006	yes
13	Radio mast, substation "Maxim Gorky", village Gorkovsky, Volgograd	18,0	Contract No. 877 dd 16.10.2006	"T2 Mobile" LLC	from 01.10.2006	yes
14	Two-storey building of manufacturing building (A), 1A Granovitaya street, Volgograd	647,7	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
14	One and two-storey garage (buildings Б,И,Г1,Г2,Г3,Г9), 1A Granovitaya street, Volgograd	762,7	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
14	Part of two-storey building (buildings B,3), 1A Granovitaya street, Volgograd	449,9	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
14	service room (building Г), 1A Granovitaya street, Volgograd	17,3	Contract No. 1 dd	FGC UES, JSC	from 01.09.2014	yes

			29.04.2010			
14	Warehouse (building Г4), 1A Granovitaya street, Volgograd	5,7	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
14	Warehouse (building Г5), 1A Granovitaya street, Volgograd	10	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
14	Warehouse (building Г6), 1A Granovitaya street, Volgograd	12	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
14	One-storey reinforced concrete building of a warehouse (building Д), 1A Granovitaya street, Volgograd	134,5	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
14	One-storey wooden building of dispatchers station ( building Ж), 1A Granovitaya street, Volgograd	17,9	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
14	One-storey brick building of warehouse (building E),	265,7	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
15	Pavement (building V), 1A Granovitaya street, Volgograd	1257,0	Contract No. 1 dd 29.04.2010	FGC UES, JSC	from 01.09.2014	yes
15	Part of non-residential premises at administrative building (building A), 52 Gvardeiskaya street, Nikolayevsk, Volgograd region	74,1	Contract No.340015 01003972 dd 01.04.2015	Gazprom MezhrefionGaz LLC	from 01.04.2015	yes
15	Place for installation of container at antenna mast structure, 8 building, 220 Podstantsiy street, Petrov Val, Volgograd region	11	Contract No. 130 dd 11.07.2007	"T2 Mobile" LLC	FROM 01.09.2014	yes
15	Canteen (205B Lenina str., Mikhailovka, Volgograd region)	224,7	Contract No. 34001501009 40 dd 24.09.2015	Sekachyov A.N. individual entrepreneur	From 24.09.2015	yes

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

154.	<b>Non-residential Premises</b> Type (group)of Capital	72,26 57,3 66,5	Renting relationship	Kalmenergosbyt JSC	from 01.11.2008 to	yes
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	<p>Asset: buildings:</p> <p>1)Ketchenerovsk Electric Grid District;</p> <p>2)Yashkulsk Electric Grid District;</p> <p>3)Preyutnensk Electric Grid District;</p> <p>4)Gorodovikovsk Electric Grids;</p> <p>5)Sarpin Tidal Electric Station;</p> <p>6)Elista (car park boxes, Garages);</p> <p><b>Movable Assets:</b></p> <p>1)Type (group)of Capital Asset: machinery and equipment: refrigerator, fax machine, switchboard etc. (18 items in all)</p> <p>2) Type (group)of Capital Asset: industrial and household equipment: safe, storage wall, etc. (13 items in all)</p>	79,9 172.0	aer still in force. The contract is being prepared for signing		30.10.2009 Additional agreement dated 01.2015 No. 08001501001432	
<b>“Rostovenergo” Branch of “IDGC of the South” PJSC</b>						
155.	Land plot, 18D Volkov str., Rostov-on-Don	2124	61201501000037 dated 30.12.2014	“Vavilon” LLSC	30.12.2014-30.12.2016	Renewal is not provided for
156.	Non-residential premises, located on the territory of production unit of Rostovenergo. The list of premises is specified in Appendix 1 to the Contract.	773,16	194/01/12/15550 5/25/12 01.03.2012	Energosbyt Rostovenergo JSC	01.03.2012 01.02.2013	yes
157.	Parts of non-residential premises No.19, No.21-22-23-24-25, No.10-13-14, No.10, No.45, located at the 1 <sup>st</sup> , 2 <sup>nd</sup> floors and in the basement level of Culture Centre Energetik located at: 48 Semashko pereulok, Rostov-on-Don.	238,6	136732/25/11 12.10.2011	Radchenko V.M.	12.10.2011 12.09.2012	yes

	The parts of the premises are used as dance studio					
158.	Non-residential premises No.1013-14, located at the 2 <sup>nd</sup> floor Culture Centre Energetik located at: 48 Semashko pereulok, Rostov-on-Don. The premises are used as dance studio	54,3	61200130 000588 26.06.2013	Bardian S.V.	26.06.2013 26.05.2014	yes
159.	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 01.07.2012	Uspekhn Plus LLC	01.07.2012 01.06.2013	yes
160.	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 01.11.2011	Self-employed entrepreneur Krivosheina M.S.	01.11.2011 01.10.2012	yes
161.	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	111260/11 03.02.2011	Ankudinova N.V.	01.01.2011 30.11.2011	Renewal is not provided for
162.	Partd of non-residential premises 1,5 sq.m. each, at administrative buildings of production department for installation of cash machines	1,5 x 9	138557/25/ 11 25.08.2011	KhFK Bank JSC «	25.08.2011 25.07.2012	yes
163.	Non-residential premises , located at: 49 B. Sadovaya street, Rostov-on-Don, at the 1 <sup>st</sup> floor, for installation of	12,1 2	68895/08 12.12.2008.	Center-Invest Bank JSC	01.01.2009 30.11.2009	yes

	cash machines					
164.	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	544, 1	612014010 00512 31.01.2014.	Don-Restraunt- Service LLC		15 years from the date of the contract conclusion  Renewal is not provided for
165.	Apartment. Area: total 83 sq.m. Floor: 3. Building: А. Apartment No.: 2, 35 Krepostnoy per., Kirovsky district, Rostov-on-Don,	83,0	295 dd 05.01.2004 298 dd 05.01.2004.	Lapt eva А. V., Nich ayev А. А.	not specifi ed not specifi ed	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 Leiko А. А.; the agreement is in process of registration at Federal Service for State Registration, Cadaster and Cartography for Rostov region.
166.	Apartment. Area: total 68,5 sq.m. Floor: 3. Building: А. Apartment No.: 2, 35 Krepostnoy per., Kirovsky district, Rostov-on-Don, Russia,	68,5	from 05.01.2004. from 05.01.2004.	Starch enko N. Yu. Leiko А. А.	not specifi ed not specifi ed	

## Central Power Plant

167.	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-12-H/97	Rostov mobile communications CJS	28.10.1997 - 31.12.2012	For unspecified period, in the absence of refuse of the parties
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## Northeast Electric Grids

168.	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 27.09.2011	self-employed entrepreneur Galaktionov G. K.	27.09.2111 - 27.07.2112	yes
169.	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	
170.	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 Bezrodn y 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	
171.	Serviceman room. Area: total	105,3		Family	In accordance with	



	105,3 sq.m. Inventory number: 5102. Building: A,a,a1. Number of floors: 1. 13 Vostochnayua street, Kasahtanovsky village, oblilvsky district, Rostov region			of Tkachenko N.V. (4 people) lives there since 1990	the registry of non-core assets , approved at the meeting of the BoD on 29.10.2010, the premises are planned for selling
172.	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

173.	Canteen, 5 Liteiniy proezd, Azov, Rostov region	38.5	146256/12/12 24.01.2012	Abanokova N.S. individual entrepreneur	24.01.2012 - 24.12.2012	yes
174.	Residential house: 24a Kooperativnaya street, Azov	54,5	171763/12/12 dd 13.12.2012	Peshkov A.I. employee of "YuES Rostovenergo"	till 13.12.2017	actual use, renewal is stipulated
175.	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 25.07.2018	actual use, renewal is stipulated

### Eastern Electric Grids

176.	Non-residential Premises, of total area 3 sq.m., 22 Grishina street, Tsimlyansk	3	2-11/55079/07 29.12.2006	Centr-Invest Bank JSC	29.12.20006 -31.10.2007	Without limitation
177.	Non-residential Premises	11,4	111109/11/11	"Technic	01.04.2011 29.02.2012	Contract

	No.9, of total area 11,4 sq.m., located at the 5 <sup>th</sup> floor of maintenance building, located at: 22 Grishina street, Tsimlyansk		01.04.2011	al inspection UES” CJSC		t is prolonged till 23.10.2014
178.	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	01.01.2008 30.11.2008	yes
179.	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	01.12.2010 31.10.2011	yes
180.	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.	01.04.2006 30.04.2007	yes
181.	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.	01.04.2006 30.04.2007	yes
182.	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.	01.04.2006 30.04.2007	yes
183.	Premises, of total square 30,5 sq.m., located at: 10 room, 22 Grishina street, Tsimlyansk	30,5	0-3/73611 01.04.2006.	Bezverkova M.A.	01.04.2006 30.04.2007	yes
184.	Premises, of total square 31,5 sq.m., located at: 8 room, 22 Grishina street, Tsimlyansk	31,5	0-2/73610 01.04.2006.	Kalmykov S.I.	01.04.2006 30.04.2007	yes
185.	Premises, of total square 37,0 sq.m., located at: 17 room, 22 Grishina street, Tsimlyansk	37,0	0-9/73616 05.05.2006.	Ladygin S.V.	05.05.2006 31.05.2007	yes
186.	Premises, of total square 23,0 sq.m., located at: 7 room, 22	23,0	0-1/73576 01.04.2006.	Veresova Ye.G.	01.04.2006 30.04.2007	yes

	Grishina street, Tsimlyansk					
187.	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 2 01.07.2014	Ylianov N.S.	01.07.2014 31.05.2015	yes
188.	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	6120140100945 8 01.07.2014	Kustovs ky S.A. .	01.07.2014 31.05.2015	yes

#### Northern Electric Grids

189.	Room with total area of 11,8 sq.m., located at: 34 Artilleriyskaya street, Millerovo village, Rostov region, Russia	11,8	6120150100563 4 04.06.2015	Insurance company "Soglasie" LLC	01.05.2015 31.04.2016	Prolonga tion is not provided for
190.	Room with total area of 49,67 sq.m., located at: : 34 Artilleriyskaya street, Millerovo village, Rostov region, Russia	49,6 7	61201501006574 19.06.2015	self- employed entreprene ur Scherbako va L.N.	08.06.2015 07.05.2016	Prolonga tion is not provided for

#### Southwest Electric Grids

191.	Canteen building. Address: 144, Dzerzhiskiy street, Taganrog.	179. 6	142617 09.12.2011	"Salen" LLC	09.12.2011 09.11.2012	yes
192.	Administrative Building of Repair and Production Base-3, type of Southwest Electric Grids Production Association, Letter A, ATM, 144	8	142874 01.07.2011	"Centre- Invest" Commerci al Bank, JSC	01.07.2011 01.06.2012	yes

	Dzerzhinskiy st. Taganrog					
193.	Checkpoint Building, 144 Dzerzhinskiy st. Taganrog	24.8	142874 01.07.2011	“Centre- Invest” Commerci al Bank, JSC	01.07.2011 01.06.2012	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 squireare 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, Rostov Region	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 restrictio ns
2	Building, Letter A, location: 147/2 2-aya Krasnodarskaya st., Sovetskiy dc, Rostov on Don,	4789.1	Basis: Extract of Board of Directors of “Rostovenergo” JSC dated 26.04.2004, Minutes No. 22 (as to the	Since 26.08.2008 – without

	Rostov Region		agenda item No. 14 “Regarding Property Settled on “Training Centre “Energetik”, Non-state Non-commercial Educational Institution on the basis of operational management) (Certificate of State Registration of Rights 61 АГ No. 981623 dated 26.08.2008)	time restrictions
3	Movable Assets to the number of 9 203 ea amounting to 2 046 570,69 rub	-	Basis: Ruling of Board of Directors of “Rostovenergo” JSC dated 26.04.2004, Minutes No. 22 (as to the agenda item No. 14 “Regarding Property Settled on “Training Centre “Energetik”, Non-state Non-commercial Educational Institution on the basis of operational management)	Since 01.07.2004 – without time restrictions
4	Production Base Building of Training Centre totaling to 12052190.08 rub, Letter of Building No. 65, location: Industrial hub at Thermoelectric Plant-2, Privolzhskiy dc, Astrakhan Region	1158.5	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. 01-25-24/37 dated 05.01.2004, Additional Agreement	Since 12.05.2004 - without time restrictions

			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”	Since 29.06.2004 - without time restrictions

			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. 01-11/03-Д117-1P dated 29.06.2004.	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 Agreement No. 4 dated 24.03.2008 to treaty No. 01-11/03-Д117-1P dated 13.08.2004.	Since 13.08.2004 - without time restrictions

#### 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	2014	2015
Net profit, %	-23.9	0.5
Return on equity, %	0.7	0.71
Return on assets, %	-16.62	0.35
Ratio of net profit, %	-61.6	-6.8
Uncovered loss amount as of the reported date	14 719 067	14 550 384
Ratio of uncovered loss rate as of the reported date to balance sheet	35.48	33.83

Indicator	3 months of 2015	3 months of 20160
Net profit, %	1.5	-1.4
Return on equity, %	0.18	0.18
Return on assets, %	0.27	-0.26
Ratio of net profit, %	-6.69	-2.64
Uncovered loss amount as of the reported date	14 596 851	14 651 370
Ratio of uncovered loss rate as of the reported date to balance sheet	33.71	33.69

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 share of net profits, remaining at the disposal of the Company, percentage of total sales revenue. In comparison with 2014 the net profit has increased from –23.9% to 0.5% due to increase of the net profit. In comparison with the 1st quarter of 2015 the net profit ratio in the 1st quarter of 2016 has decreased from 1.5% to -1.4% due to decrease of the net profit.

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 in 2015 comparing to 2014 has remained almost unchanged due to increase of revenue by 5.1% and increase of balance assets cost by 3.7%. In the 1<sup>st</sup> quarter of 2016 assets turnover ratio remained almost unchanged comparing to the 1<sup>st</sup> quarter of 2015.

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 increased and equals to 0.35% due to significant increase in of net profit. By the results of the 1<sup>st</sup> quarter of 2016 this indicator has decreased in comparison to the 1<sup>st</sup> quarter of 2015 due to decrease of net profit and amounted 0.26%.

Return on equity is the coefficient of net profit to equity and characterizes the efficiency of invested in organization of own funds. Compared to the previous year index value has increased from -61.6% to -6.8%. By the results of the 1<sup>st</sup> quarter of 2016 this indicator has increased from -6.69% to -2.64% in comparison to the 1<sup>st</sup> quarter of 2015.

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

indicator	3 months of 2015	3 months of 2016
Revenues (net) from sales of products (services), total, rub	7 587 576	7 955 202
Cost of products (services), total, rub	6 554 040	7 072 184
Gross profit, total, rub	1 033 536	883 018
Net profit (loss)	116 457	-113 254
ROE (Return on equity, cumulative), %	-6,69	-2,64
ROS, return on sales	11,9	9,3
Ratio of capital turnover	0,2	0,2

indicator	2014	2015
Revenues (net) from sales of products (services), total, rub	28 891 511	30 365 033
Cost of products (services), total, rub	24 260 032	25 454 356
Gross profit, total, rub	4 631 479	4 910 677
Net profit (loss)	-6 893 677	149 575
ROE (Return on equity, cumulative), %	-61,6	-6,8
ROS, return on sales	14,1	14,1
Ratio of capital turnover	0,7	0,7

Revenues for 2015 amounted to 30 365 033 thousand rubles, which is 5.1% more in comparison with the indicator for 2014. Revenues for the 1<sup>st</sup> quarter of 2016 amounted to 7 955 202 thousand rubles, which is 4.9% more in comparison with the same period in the previous year. The main reason for the increase in revenue is changes in the structure of the supply of electric power and growth of rates.

The prime cost in 2015 was 25 454 356 thousand rubles, which is 4.92% more in comparison with the indicator in 2014. The prime cost as of 3 months of 2016 amounted to 7 072 184 thousand rubles, which is 7.91% more in comparison with the same period in the previous year. The main reason for the increase in prime cost is inflation.

Gross profit in the reporting increased in 2015 compared to the same period of the last year up to the value of 4 910 677 thousand rubles.

Gross profit in the 1<sup>st</sup> quarter of 2016 decreased compared to the same period of the last year up to the value of 883 018 thousand rubles.

Net profit for 2015 amounted to 149 575 thousand rubles, which is higher than in the same period of the previous year.

Net income for the 3 months of 2016 amounted to -113 254 thousand rubles, which is lower than in the same period of the previous year.

Return on sales ratio characterizes the efficiency of industrial and commercial activity, estimates the proportion of the cost of sales and shows the share of operating profit in the total amount of the Issuer's sales. This is the main and the most frequently mentioned measure of profitability. In other words, this ratio

shows how much profit remains within the company after covering the cost of production. For 2015 it was 14.1%, which corresponds to the figure for the same period of the previous year. In the 1<sup>st</sup> quarter of 2016 it was 9.3% which is less than the corresponding figure of the same period of 2015 in connection with the decrease of the sales profit by 18.17%.

The capital turnover ratio reflects the rate of turnover of the issuer's capital and for 2015 it is 0.7, as of the reporting date of the 1<sup>st</sup> quarter 2016 it is 0.2.

The structure of the Issuer's revenue in 2015 was as follows:

- revenue from the transfer and transit of electricity – 29 675 051 rubles or 97.7%;
- revenue from technological connection of consumers – 499 600 rubles or 1.7%;
- revenue from other activities – 190 383 thousand rubles or 0.6%.

In the 1<sup>st</sup> quarter of 2016:

- revenue from the transfer and transit of electricity – 7 888 898 rubles or 99.1%;
- revenue from technological connection of consumers – 28 619 rubles or 0.4%;
- revenue from other activities – 37 685 thousand rubles or 0.5%.

In comparison with the same period the revenue from transmission services has decreased, revenue from grid connection services has decreased and revenue from other types of activities has increased.

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	2014	2015
Net fixed assets	-5 447 471	-10 383 008
Current ratio	0.66	0.56
Quick ratio	0.62	0.53

Indicator	23 months of 2015	3 months of 2016
Net fixed assets	-4 933 496	-13 320 748
Current ratio	0.73	0.52
Quick ratio	0.68	0.49

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 31.12.2015 was minus 10383008 thousand rubles.

The decrease in net working capital in comparison to 2014 is explained by the

increase in short-term liabilities.

The value of the net working capital of the issuer as of 31.03.2016 was minus 13320748 thousand rubles. The decrease in net working capital in comparison to the 1<sup>st</sup> quarter of 2015 is due to 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 31.12.2015 this ratio was 0.56; on 31.03.2016 – 0.52. The recommended value of the current 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 31.12.2015 the ratio was 0.53. As of 31.03.2016 it amounted to 0.49. The recommended value of the quick liquidity ratio shall be not less than 0.5. The figures for 2014, 2015, 3 months of 2015 and 3 months 2016 are provided with regard of the branches of IDGC of the South PJSC.

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**

31.12.2015

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

Additional information: no

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

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: no

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.**

**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**

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 01.01.2014 a provision for impairment of investments amounted 173 716 653.79 rubles, including contributions to the charter capital of subsidiary companies - 125 453 421.10 rubles;

As of 31.12.2014 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:

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

– investments in 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: Commercial 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;

31.03.2016

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.

Additional information: no

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

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: no

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	number	Registration authority
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registration of the issue (issues)		
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.**

**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**

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 in joint activity - 48 263 232.69 rubles.

As of 31.03.2016 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 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: Commercial 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**

##### **31.12.2015**

Unit of measurement: thousand rubles

Trademark	Undepreciated (replacement) value	Amortization charge
Total	24	18
Trademark	24	18

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. 153н 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: **31.12.2015**

##### **31.03.2016**

Unit of measurement: thousand rubles

Trademark	Undepreciated (replacement) value	Amortization charge
Total	24	19
Trademark	24	19

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. 153Н 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: **31.03.2016**

#### **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 31 March 2016 between the “IDGC of the South” PJSC and contractors were signed 11 contracts, worth 127.92 million rubles, 10 contracts of which are accomplished and 1 contract is 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, with the same planned value (the actual performance of 100%).

The actual payment by the “IDGC of the South” PJSC for the stages of R&D works performed by contractors within the 1<sup>st</sup> quarter of 2016 is 4.289 million rubles.

At the same time “IDGC of the South” PJSC does not have accounts payable to the counterparties.

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 31 March 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 31 March 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 31 March 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 fir 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 31 March 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 31 March 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 31 March 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 31 March 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 31 March 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-И/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 31 March 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 Krasnodarskaya 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).

As of 31 March 2016 the 1<sup>st</sup> stage of research and development works was in progress.

The actual payment by “IDGC of the South” PJSC to its counterparty for the

performance of the stages of research and development works, have not been carried out.

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**

At the present time there are three operating levels of grid companies in electric power industry of Russia, generated by technological and administrative-territorial grounds:

Level 1. Federal Grid Company (“FGC UES” PJSC) is the organization managing Unified National (Russian) Electric Grid (UNEG), owning 220 kV and above Grids operating on the territory of Russian Federation (having branches in all regions of Russia).

Level 2. Interregional Distribution Grid Companies (IDGC), formed in the result of

AO- energees reorganization as distinguished on the basis of their activity types and subsequent association of Regional Grid Companies.

IDGC own 110-0.4 kV grids, provide services for the transmission and distribution of electric energy on the territory of Russian Federation Subdivisions the Regional Grid Companies of which are their constituents.

Level 3. Local Grid Companies formed as municipal enterprises (serving customers of one and the same municipal entity) owning mostly 10-0.4 kV grids.

The process of reorganization resulted in association of enterprises of this level: local Grid Companies serve consumers of several municipal districts and some of the Companies serve consumers of the entire Russian Federation subdivision territory.

Presently, “IDGC of the South” PJSC is an Interregional Distribution Grid Company of the second Level, technologically connected to UNEG and dominating in transmission service market of Southern Federal District of the Russian Federation.

Meanwhile any other grid company located on the territory of “IDGC of the South” service is considered subordinate and in order to operate shall conclude a service contract for the transfer of electricity with “IDGC of the South” PJSC (this concerns organizations of the third level, having technological connection to electric grids of “IDGC of the South” PJSC).

The consumers of the Company’s service are mostly power supply companies, consumers are participants in the wholesale- and retail electricity markets as well as local grid organizations.

Considerable part of electricity, supplied to the consumers on the service territory of “IDGC of the South” PJSC, is transmitted by electric grids of the Company.

The main trends in the development of power grid company IDGC of the South PJSC are associated with the following main strategic objectives for the long term:

- Ensuring the reliability of power supply and customer service quality.
- Further development of the electric grid complex in order to maintain economic

growth in the regions of operation, energy efficiency, including through the introduction of “smart” electrical grids that improve network transmission capacity and stability of energy supply, reduce losses and costs of technical and commercial accounting of the customer, implementation of a unified technical policies and other tasks.

- Within the framework of a unified technical policy of company, IDGC of the South PJSC will overcome the aging trend of fixed assets by their modernization and application of innovative technologies in the reconstruction, modernization and construction of electrical networks, the introduction of advanced operating technologies using modern diagnostic tools, monitoring and technical and information-measuring systems.

- Increased operating and investment efficiency of IDGC of the South PJSC in the sphere of reducing the specific investment and operating costs, improvement of financial stability.

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

“IDGC of the South” PJSC is a large power company of the Southern Federal District.

Development of infrastructure in regions of the Company’s service area and construction of various facilities are followed by electricity consumption growth.

Situation arises when substantial risks of consumers reliability supply emerge; safe and stable operation of the power system is endangered by transmission lines and transformers overload in normal and post emergency conditions. Power equipment deterioration makes the situation more complicated as well.

Over the last few years, IDGC of the South PJSC has been carrying out financial and economic activity in difficult conditions due to the following key factors:

- Limiting the growth of tariffs for services on electric power transmission, reduced electricity consumption.
- Significant debt of energy supply companies for the services of electricity transmission, in particular: “Volgogradenergosbyt”, MUPP “VMES”,

“Kalmenergokom” JSC being in a state of bankruptcy, and large consumers, working with the Company under direct contracts (in particular “Khimprom” JSC). Accounts receivable at the end of 2015 in total for IDGC of the South PJSC was 16.6883 billion rubles.

- Significant amounts of borrowed funds due to the impact of influence of the previously mentioned factors, the result of which are significant costs on loans.
- The lack of a steady trend of growth of electricity consumption in the regions of company’s operation, including the absence of growth of capacity of the connected volume.
- As part of the regulated business, the main factor influencing the activity of the issuer is the state regulation of tariffs.

**Forecast Concerning the Mentioned Factors and Conditions’ Duration:**

In response to of the Issuer’s monopolistic business activity (rendering the services in electric power transmission), in the nearest future no changes are expected as concerns to authority for electric power transmission tariff regulation. Regarding the index of limit levels of power transmission tariff, the Issuer does not predict acute fluctuations of this index to either side in the next while.

**Significant events/ factors which can improve the results of the Issuers’ performance:**

- Electric energy consumption increase in the Company’s service areas;
- Implementation in the Company the programme of financial recovery;
- Introduction of energy saving technologies.

**Significant events/ factors which can have the utmost negative effect on the Issuer’s future possibility to show similar or better results compared to the last accounting period can be described as follows :**

- Decrease in electric power consumption because of production recession and, correspondingly, incurrence of Issuer’s income deficiency;
- Power equipment deterioration;
- Increase of inflation rate (when actual growth exceeds the predicted level);

- Change of tariffs for rendering the services in electric power transmission;
- Rival power grid companies emerging, disaggregating electric grid utility (emerging of a great number of small grid companies instead of several large ones);
- Risk of cancelling of “FGC UES” PJSC equipment sublease agreements (“last mile” agreements);
- Risk of subjective tariff-rating decisions taken by Ministry of Energy, Federal Tariff Service of Russia, Regional Tariffs Service of Russia, including decisions on electric power losses norm;
- Rise in price of credit resources in case of the global “second wave” financial crisis.

Methods used by the Issuer and methods the Issuer plans to use in the future in order to reduce the negative impact of factors and conditions influencing the Issuer’s activity can be specified as follows:

- Optimization of the structure of operational expenditures;
- Reconstruction the existing power grids and construction of new grids;
- Technical re-equipment of fixed assets;
- Elaboration and implementation of medium-term investment program;
- Implementation of medium-term leasing programs;
- Elaboration and implementation of medium-term programs to decrease technological loss in the Company’s grid
- Adoption of new management methods based on IT technologies’ development
- Saving the method of tariff regulation based on the determination of return on invested capital (RAB-regulation).
- Consolidation of power grid facilities of the territorial network organizations of the 3<sup>rd</sup> level in the regions of IDGC of the South PJSC presence in the framework of the implementation of Development Strategy of electric grid complex of the Russian Federation, approved by the resolution of the RF Government No. 511r issued on 04.03.2013.

Taking all the aforesaid into consideration, we can add that we need a timely implementation of investment programmes, which have a positive impact on the prospects for the development of electricity networks infrastructure that is included in the zone of the issuer's activity. This development of electric grids will improve the reliability of power supply to the existing customers and in the long term will make it possible to carry out the connection of a number of new socially important applicants, and in the future to obtain additional sources of revenue for the branches from the sale of electric power transmission services.

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

The Company performs its principal activity in the natural monopoly regulated by the State in terms of setting of transmission tariffs and taxes on technological connection, consumers of electric energy do not have the possibility to choose the organization for connecting the equipment

### **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**

Description of the issuer's management bodies and their competence in accordance with the charter (constituent documents) of the issuer:

In accordance with the paragraph 9.1 article 9 of the Company's Charter, the management bodies of the Company are:

- General Shareholders Meeting;
- Board of Directors;
- Management Board;
- Director General.

**The Company supreme management body is the general shareholders meeting. In accordance with the paragraph 10.2 article 10 of the Company's Charter the items falling within the competence of the general shareholders**

**meeting are the following:**

- 1) introduction of alternations and amendments in the Charter and approval of new version;
- 2) restructuring of the Company;
- 3) liquidation of the Company; appointment of the liquidation committee and the approval of the interim and final liquidation balances;
- 4) determination of the amount, nominal value, category (type) of declared shares and attached rights to shares;
- 5) increase of the authorized capital by reducing the nominal value of shares or by placing additional shares;
- 6) reduction of the Company's authorized capital by decreasing the nominal value of the shares, through the acquisition by the Company the part of shares with the view of reducing their total amount or with the view of repaying of the acquired or paid out shares;
- 7) reverse stock split;
- 8) making the decision on placing bonds convertible to shares and other securities;
- 9) determination of the quantitative structure of the Board of Directors, election of members and the early termination of the authorities;
- 10) election of the members of the Auditing Committee of the Company and the early termination of the authorities;
- 11) appointment of the Company's Auditor;
- 12) making the decision on the transfer of the sole executive body authority to the managing organization (managing director) and on the early termination of the authority;
- 13) approval of annual reports, annual accounting statements, including profit and loss statements (profit and loss accounts) of the Company, and distribution of profit including payment (declaration) of dividends, except for the profit distributed in the form of dividends by the results of the first quarter, half-year, nine months of fiscal year, and losses of the Company by the results of fiscal year;



- 14) payment (announcement) of dividends by the results of the first quarter, half a year, nine months of the financial year;
- 15) determination of the procedure for holding the general meeting of Company's shareholders;
- 16) adopting decision on the approval of deals in cases stipulated by Article 83 of the Federal Law "On Joint Stock Companies";
- 17) making decision on the approval of large deals in cases stipulated by Article 79 of the Federal Law "On Joint Stock Companies";
- 18) making decision on the participation in holding companies, financial and industrial groups, associations and other unions of for-profit organizations;
- 19) approval of the internal documents regulating the activity of the Company's bodies;
- 20) making decision on paying to members of the Auditing Committee remunerations and/or compensations;
- 21) making decision on paying to members of the Company's Board of Directors remunerations and/or compensations;
- 22) decisions on filing an application on delisting Company's shares and (or) issuance securities convertible to shares;
- 23) solution of other issues stipulated by the Federal Law "On Joint Stock Companies".

Issues that are in the competence of the general shareholders meeting sphere should not be transferred for decision-making to the Board of Directors and the Director General of the Company.

The general shareholders meeting shall not be entitled to take decisions which are not referred to its competence by the Federal Law "On joint-stock companies".

**The Company's Board of Directors is collegiate management body that controls activity of the Sole executive body of the Company and performs functions determined in accordance with the law or the Company's Charter. The Company's Board of Directors performs general management of the**

**Company's activity, except for the decision on the questions referred to the exceptional competence of the general shareholders meeting by the Federal Law "On Joint Stock Companies" and the Charter.**

**In accordance with the paragraph 15.1 of article 15 of the Company's Charter the issues concerning the competence of the Board of Directors are as follows:**

1. setting the business priorities of the Company's activity and Company's development strategies;
2. convocation of the annual and extraordinary general meetings, except for the cases stipulated by item 14.8 of Article 14 of the Charter and declaration of the new General Meeting date to be held instead of a failed one due to absence of quorum;
3. approval of the agenda for general shareholders meeting;
4. election of the Secretary for general shareholders meeting;
5. fixing the date of drawing up the list of persons entitled to participate in the general shareholders meeting, and estimate of costs for preparation and carrying out the Company general shareholders meeting and making decisions on other issues related to preparation and holding of the General Meeting of the Company's Shareholders;
6. introduction for the decision of the general meeting of the shareholders of the Company issues stipulated by subparagraphs 2, 5, 7, 8, 12-20 of Item 10.2 of Article 10 of the Charter, as well as on the reduction of the authorized capital of the Company by reducing the net value of the shares, as well as fixing the date of making the list of persons entitled to receive dividends;
7. placement of additional shares, into which preferred shares placed by the Company of a certain type are converted, convertible into common shares or preferred shares of other types, if such a placement is not associated with an increase in the authorized capital of the Company, as well as placement of bonds or other equity securities other than shares; Eurobond issue and determining policy in the sphere of the issue of securities (except for shares) and Eurobonds;

8. approval of the decision on securities issue, prospect of securities, the report on the results of the issue of securities, approval of the reports on the results of the acquisition of the shares of the Company from its shareholders, reports on the redemption of shares, reports on the results of the demands by the shareholders of the Company on the redemption of the shares owned by them;
9. determining the price (monetary value) of the property, the price of the placement and acquisition of emission securities in cases envisaged by the Federal Law “On Joint Stock Companies” as well as while solving issues stipulated in subitems 11, 22, 38 of Item 15.1 of Article 15 of the Charter;
10. acquisition of the shares, bonds and other securities placed by the Company in cases stipulated by the Federal Law “On Joint Stock Companies”;
11. carve-out (selling) shares received by the Company for the disposal as a result of the acquisition or redemption from the Company’s shareholders, as well as in other cases stipulated by the Federal Law “On Joint Stock Companies”;
12. election of the Director General of the Company and early termination of the powers including the decision making on early termination of the labour contract with Director General;
13. determining the quantitative structure of the Company’s Management Board, election of members of the Company Board, establishment of compensations and remunerations paid to them, preschedule termination of their powers, including early termination of labour contracts with them;
14. recommendations to the general meeting of the Company’s shareholders on the amount of remunerations and compensations paid to the members of the Auditing Committee and determination of the remuneration of the Auditor’s services;
15. recommendations on the amount of the dividend per shares and the procedure for payment;
16. approval of the Company’s internal documents determining the procedure for the formation and use of the Company’s funds;

17. making the decision on the use of the funds, approval of the cost estimates for the use of special purpose funds and consideration of the implementation results of cost estimates for the use of special purpose funds;
18. approval of the internal documents of the Company except for internal documents, the approval of which is referred to the competence of the general meeting of the shareholders of the Company and other internal documents of the Company, the approval of which is referred to the competence of the executive bodies of the Company;
19. approval of the business plan (revised business plan) including the investment program and report on results of its execution, as well as approval of key indicators of cash flows of the Company;
20. examination of investment programme, including amendments;
21. foundation of branches and offices of the Company, liquidation, as well as amending the Company's Charter in connection with establishing branches, offices of the Company (including change of the data on names and locations of branches and offices of the Company).
22. decision-making on Company's share in other organizations (on incorporation with the operating organization or establishing new organization, including coordination of the foundation documents), as well as on purchase, carve-out and charging of shares and stakes in the authorized capitals of the organizations, in which the Company participates, change of the stake of participation in the authorized capital of the corresponding organization, and termination of Company's participation in other organizations;
23. determination of the Company's credit policy as to provision by the Company of loans, making credit contracts and loan contracts, issuing of guarantees, acquisition of liabilities on bills (issuing of ordinary and transfer bill), transfer of property in pledge and making the decision on the above mentioned deals of the Company in cases when the procedure for the decision-making of them is not determined by the credit policy of the Company as well as decision making

- in the order stipulated by the Company's credit policy on bringing the debt situation of the Company to limits determined by the Company's credit policy;
24. approval of the large deals in cases stipulated by Chapter X of the Federal Law "On Joint Stock Companies";
  25. approval of deals in cases stipulated by Chapter XI of the Federal Law "On Joint Stock Companies";
  26. approval of the Company's registrar, terms of contract with the registrar, as well as termination of the agreement with him;
  27. election of the Company Board of Directors Chairperson and the early termination of chairman's authorities;
  28. election of the Company Board of Directors Deputy Chairperson and the early termination of deputy's authorities;
  29. election of the Company's Corporate Secretary and the early termination of secretary's authorities;
  30. preliminary approval of decisions on deals of the Company connected with the gratuitous transfer of Company's property or property rights (requirement) to company or the third party, deals connected with the liberation from property liabilities to company or the third party, deals connected with the gratuitous rendering of services by the Company (carrying out of works) to the third party, in cases (amount) determined by the special decision of the Company's Board of Directors, decision-making on the given deals by the Company in cases when the above-mentioned cases (Amount) are not determined;
  31. decision-making on suspension of managing organization (managing director) authorities;
  32. decision-making on the appointing the acting Director General of the Company and his calling to an account;
  33. calling to disciplinary liability of Company's Director General and Management Board members and remuneration of Director General in accordance with the labour legislation of Russian Federation;

34. consideration of the reports of the Director General on the Company's activity (including the report on carrying out of functions) on the implementation of the general meeting decisions and Board of Directors;
35. approval of the procedure for the interaction of the Company with the organizations, in which the Company participates;
36. definition of Company's position (representatives of the Company), including the assignment to participate or not in voting on the agenda items, to vote "for", "against" or "abstained", on the following items of the agenda of general shareholders (participants) meetings of affiliated and dependent companies (hereinafter referred to as ADC) (except for cases when functions of the ADC general shareholders meetings are carried out by the Company's Board of Directors), and meetings of the ADC boards of directors (except for an item on approval the agenda of the general meetings of shareholders ADC when functions of the ADC general shareholders meeting are carried out by the Company's Board of Directors):
  - a) on the determining the agenda of the general shareholders meeting (participants) of ADC (except those where the Company owns 100% of authorized capital);
  - b) on the reorganization and liquidation of ADC;
  - c) on the determination of the quantitative composition of the Board of Directors of ADC, nomination and election of its members and the early termination of their powers, nomination, election of AAC sole executive body and early termination of its powers;
  - d) on the determination of the number, nominal value, category (type) of the authorized shares of ADC and the rights attached to shares;
  - e) on the multiplying the ADC authorized capital by means of increasing of the nominal value of shares or placing additional shares;
  - f) on placement of ADC securities convertible to ordinary shares;
  - g) on the fractioning of ADC shares and reserve split;
  - h) on the approval of large deals, made by the ADC;

- i) on the participation of ADC in other organizations (on entering the existing organization or on the foundation of the new one), as well as on the acquisition, alienation, encumbrance of shares and parts in the authorized capitals of the organizations, in which ADC participates, changes in the part of the participation in the authorized capital of the respective organization;
- j) on the deals made by ADC (including several associated deals) connected with the alienation or the possibility of alienation of property, representing fixed assets, non-material assets, objects of unfinished construction, the purpose of the use of which is the production, transmission, dispatching, distribution of electric and heating power in cases (amount) by the procedure of interrelations of the Company with organizations in which the Company participates, approved by the Company's Board of Directors;
- k) on the introduction of alternations and amendments in the constituent documents of ADC;
- l) on the determination of the procedure of remuneration payments to the members of the Board of Directors and Auditing Committee of ADC;
- m) on the approval of target meanings of key performance indicators (corrected target meanings of key performance indicators);
- n) on the approval of the report on the implementation planned features of annual and quarter key performance indicators;
- o) on business plan approval (revised business plan), including investment programme and quarterly report on results of its implementation;
- p) on the approval (consideration) of the report on business plan implementation;
- q) on the approval of the distribution of profits and losses on the results of the financial year;
- r) on the recommendations on the amount of dividend on shares and the procedure of its payment;

s) on payment (declaration) of dividends following the results of the first quarter, half of a year, nine months of a financial year as well as following the results of a financial year;

t) on the approval (revision) of the investment program;

u) on the approval (consideration) of the report on the investment program implementation;

v) on reduction of the authorized capital of subsidiaries and affiliates by reducing the nominal value of shares through the acquisition of subsidiaries and affiliates' shares in order to reduce their total number, as well as by redemption of repurchased shares of subsidiaries and affiliates;

w) determination of the credit policy of the ADC in respect of provision of loans, making credit contracts and loan agreements, issue of guarantees, commitments on bills (issuing of ordinary and transfer bill), property mortgage and making decisions about the subsidiaries and affiliates of such transactions when the procedure for making decisions on them is not determined by the credit policy of subsidiaries and affiliates, as well as the adoption in the manner prescribed by the credit policy of ADC on bringing the debt position of ADC in line with the limits established by the credit policy of the ADC report on the review of the credit policy of ADC, the approval of the loan plan of ADC on the approval of the plan of development of ADC, the adjusted plan of development of ADC, on the consideration of the report on the implementation of the plan of development of ADC;

37. determination of the opinion of the Company (representatives of the Company) on the following items of the agenda of the ADC Board of Directors meetings (including the order to participate or not to participate in the vote on the items of the agenda, to vote "for", "against", or "abstained"):

a) on determination of the ADC representatives position on the items of general shareholders meetings agenda (participants) and the meetings of the Board of Directors of the affiliated and dependent entities in respect of ADC, concerning



the approval of deals, including several associated deals, connected with alienation or the possibility of alienation of the property representing fixed assets, immaterial assets, objects of unfinished construction, the purpose of the use of which is the production, transmission, dispatching, distribution of electric and heating power in cases (amount) determined by the procedure of interrelations of the Company with organizations in which the Company participates, approved by Company's Board of Directors;

b) on determination of the ADC representatives position on the items of the agenda of the general shareholders (participants) meetings and meetings of the Board of Directors of the affiliated and dependent companies in respect of ADC, participating in the production, transmission, dispatching, distribution of electric and heating power, reorganization and liquidation, increase of the authorized capital of the given companies by increasing the nominal value of shares or by placing additional shares, securities convertible into ordinary shares;

38. preliminary approval of decisions on Company's accomplishment of:

a) transaction dealing with non-current assets of the Company in the amount exceeding 10 percent of the balance sheet value of the assets as of the last reporting day;

b) transactions (including several associated transactions) connected with acquisition or disposal of the real estate forming the fixed assets, intangible assets, objects of construction-in-progress with aim of usage for production, transmission, dispatching, distribution of electric and heat energy in cases (amounts) determined by special decisions of Company's Board of Directors, or if such cases are not determined;

c) transactions (including several associated transactions) connected with acquisition or disposal of the real estate forming the fixed assets, intangible assets, objects of construction-in-progress which aim of usage is not production, transmission, dispatching, distribution of electric and heat energy in cases (amounts) determined by special decisions of Company's Board of Directors or if

such cases are not determined;

d) preliminary approval of transactions of Company's real estate, including lands, objects of construction-in-process in cases determined by special decision of Company's Board of Directors (for instance, by fixing the amount and/or listing) as well as any other above-mentioned transactions with real estate, including lands, objects of constructions-in-progress if such cases (amounts, list) are not determined;

e) transactions for receiving or transferring of fixed assets for temporary possession and use or for temporary use for a period of more than 5 years, in cases (amounts) determined by separate decisions of the Board of Directors, or if such cases (amounts) are not determined by Company's Board of Directors;

39. nomination by the Company candidates for elections to the position of the sole executive body, to other bodies of management, bodies of control, and nominations for the Auditor of the organizations, in which the Company participates, carrying out production, transmission, dispatching, distribution and sales of electric and heating power, as well as the repairs and maintenance types of activities;

40. finding out ways of insurance protection of the Company including the approval of the Insurer of the Company;

41. approval of the structure of the Company's executive body and its amending;

42. approval of nominees for particular positions at Company's executive body defined by the Company's Board of Directors;

43. approval of regulation on remuneration of Director General, regulations on remunerations to supreme Company's management, compiling the registry of top managers;

44. preliminary approval of labour contracts, agreements concluded by the Company to legitimate labour relations, and approval of documents on non-state pension provision of Company's workers;

45. establishment of committees attached to Company's Board of Directors, election of Committee members and early termination of the authorities of members, election and early termination of committees chairmen's authorities;
46. election of independent appraiser (appraisers) for setting value of shares, property and other Company's assets in cases stipulated by Federal Law "Joint Stock Companies", the Charter as well as other decisions of Company's Board of Directors;
47. election of financial adviser as per the Federal Law "Securities market" as well as candidates for book runners and consultant of transactions directly related to attraction of financial borrowings in the form of public borrowings;
48. preliminary approval of transactions, that could result in liabilities, expressed in foreign currency (or liabilities which volume is counted in foreign currency) in cases and amounts determined by separate decisions of the Company's Board of Directors and if the cases (amounts) are not determined by the Company's Board of Directors; specifying company's policy in the area of transactions with financial instruments;
49. determination of the purchasing policy of the Company, including the approval of the Regulations on the procedure for carrying out the specified purchases of goods, works and services, approval of the head of the Central purchasing unit of the Company and its members, and approval of the annual comprehensive program of purchases and decision making on other items in accordance with the documents approved by the Company regulating the purchasing activity of the Company;
50. decision making on the nomination of the Director General of the Company for state orders award;
51. approval of the target values (revised values) of the key performance indicators (KPI) of the Company and the reports on the implementation;
52. determination of the policy of the Company directed at the improving the stability of the power grids distribution complex and other objects of the power

energy complex, including the approval of the Company strategic programs to stabilize the power grid complex, its development and its safety;

53. housing policy regulations for providing to Company's employee better living conditions by compensating expenses, grants, interest-free loans and adoption of resolution to provide the support in cases where the order of provision of such support is not described in company's housing policy;

54. filing an application for listing of Company's shares and (or) securities of the Company convertible into shares;

55. decision on joining the Company to industry and inter-industry standards, regulations and other documents in the electricity sector in various areas of the Company's activities, including the technical regulation;

56. determination of the principles and approaches to risk management and internal control in the Company;

57. assessment of key operational risks (both financial and non-financial risks), as well as the establishment of an acceptable amount of risk for the Company;

58. organization of at least once a year of analysis and evaluation of the system of risk management and internal control;

59. the annual review of questions of arrangement, functioning and effectiveness of the risk management and internal control in the Company;

60. the control and organization of the internal audit unit, including the approval of a plan of internal audit activities, report on the implementation plan of the internal audit and the internal audit unit of the budget, approval of resolutions on the appointment, removal from office and the definition of remuneration of the head of the internal audit;

61. monitoring the compliance of the company's executive bodies approved by the Company's strategy; hearing of reports of General Director and members of Company's Management Board on the implementation of the approved the Company of strategy;

62. recommendations to the executive bodies of the Company on any matters of the Company;
63. preliminary approval of one or more interconnected transactions of the Company related to the acquisition or possible acquisition of options, notes, investment shares of mutual funds and/or bonds worth more than 1 000 000 000 (one billion) rubles;
64. preliminary approval of one or more interconnected transactions of the Company relating to the transfer or possibility of the transfer of property by the Company in trust management worth more than 1 000 000 000 (one billion) rubles;
65. preliminary approval of one or more interconnected transactions of the Company relating to the receipt or possibility of the receipt of bank guarantees by the Company, under which the Company is a principal, in the amount of more than 1 000 000 000 (one billion) rubles;
66. approval of the list of credit institutions in which the Company may place funds;
67. other issues that are in Board of Directors' sphere in accordance with the Federal Law "On Joint Stock Companies" and the Charter.

The issues referred to the competence of the Company's Board of Directors cannot be transferred for the decision to the Director General of the Company and Management Board of the Company.

The management of the Company's current activity is performed by the sole executive body – the General Director and the collegial executive body – the Management Board. CEO and Management Board are accountable to the General Meeting of Shareholders and Board of Directors.

**In accordance with the paragraph 22.2 of the article 22 of the Company's Charter the following issues are in Company's Management sphere:**

- 1) working-out of the Company development strategy and submission for consideration to the Board of Directors;
- 2) preparation of the annual (quarter) business plan, including the investment

program and the report on results of the performance, and also approval (revising) of cash (budget) flow of the Company;

3) preparation of the annual report on financial and economic activity of the Company, on performance by the Board of Company's general shareholders meeting and Board of Directors' decisions;

4) consideration of deputies General Director and heads of the isolated structural divisions reports on results of performance of the approved plans, programmes, instructions, consideration of reports, documents and other information about activity of the Company and affiliated and dependent companies;

5) decision-making concerning the items referred to the competence of the supreme bodies of management of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company (in view of subitems 36, 37 of item 15.1. of Article 15 of the Charter);

6) preparation of the reports on financial and economic activity of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company, and their submission for consideration to the Board of Directors;

7) decision-making on conclusion of transactions, the subject of which is the property, works and services, the cost of which equals from 1 to 25 percent of the balance sheet value of the Company assets determined on the date of decision-making on the conclusion of the transaction (except for the cases stipulated by subitem 38 of item 15.1 of the Charter);

8) effective risk management within the framework of the current activities of the Company; approval of the budget for the risk management activities within the limits agreed by the Board of Directors of the Company; the resolution of cross-functional (performed by several structural divisions) objectives for risk management

9) dealing with other issues of the Company current activity management according to the decisions of the general shareholders meeting, the Company's Board of Directors, and also the issues which were submitted to consideration to

Management by the Company General Director.

Director General performs the management of the Company's current activity in accordance with the decisions of the general shareholders meetings, Board of Directors and Management of the Company founded in accordance with their functions.

The competence of the Director General includes all the issues of the current activity management of the Company, except for the issues referred to the exceptional competence of the general meeting of shareholders or the Board of Directors.

**In accordance with paragraph 23.3 article 23 of the Company's Charter, Director General acts without power of attorney on behalf of the Company, including limitations specified by the current legislation, current Charter and resolutions of the Board of Directors. Director General shall:**

1. ensure the fulfillment of the activity plans of the Company necessary for the solution of its tasks;
2. organize bookkeeping and accounting in the Company;
3. make use of the property of the Company and accomplish deals on behalf of the Company, issue Powers of Attorney, open with the banks and other credit institutions (as well as in cases envisaged by the law in the organizations and professional agents of the securities market) settlement and other accounts of the Company;
4. issue orders, approve (accept) instructions, local regulation reports and other internal documents of the Company on the issues of his/her competence, give instructions necessary for the execution by all employees of the Company;
5. approve Provisions on affiliations and offices of the Company;
6. in accordance with organizational structure of Company's executive body, approves personnel arrangements and official salaries and wages of the Company's employees;

7. exercise in respect of the Company's employees the rights and obligations of the employer, envisaged by the labor law;
8. performs the functions of the Chairperson of the Management Board of the Company;
9. distribute obligations among the Deputies of the Director General;
10. submit for the consideration of the Board of Directors reports on financial and business activity of affiliated and dependent companies, the shares (parts) of which are possessed by the Company, as well as information on other organizations in which the Company participates, except for the cases stipulated by subitem 6) of item 22.2 of Article 22 of the Charter;
11. not later than 45 (forty five) days prior to the holding of the annual general meeting of the shareholders of the Company submit for the consideration of the Company's Board of Directors Annual report, accounting balance sheet, the report on the profits and losses of the Company and distribution of profits and losses of the Company;
12. deal with other issues of the current activity of the Company, except for the issues referred to the competence of the general meeting of shareholders and the Company's Board of Directors.

**The issuer approved (adopted) the Corporate Governance Code or other similar document**

Information on the Corporate Governance Code or similar document:

Code of Corporate Governance of Joint Stock Company "Interregional Distribution Grid Company of the South" (as amended) approved by the Board of Directors of "IDGC of the South" JSC 06.03.2013 (Minutes № 105/2013 from 11.03.2013).

Address of the Internet page on which free access to the full text: [www.mrsk-yuga.ru/rus/management/documents/index.shtml](http://www.mrsk-yuga.ru/rus/management/documents/index.shtml).

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

**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	until		
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	Present day	Rosseti JSC / Rosseti PJSC	Chief Advisor
2014	Present day	IDGC of North-Caucasus JSC/ IDGC of North-Caucasus PJSC	Chairperson of the Board of Directors
2015	Present day	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**

**Branis Aleksandr Markovich, independent member of the BoD**

Year of birth: 1977

Education: Higher

Positions held in issuing company and other entities in chronological order within the last 5 years and now:

Period		Company	Position
from	until		
2005	present day	Prosperity Capital Management Ltd (RF)	Director
2005	2014	“Territorial generating company 6” JSC	Board of Directors Member
2007	2011	“Bashkirenergo” JSC	Board of Directors Member
2008	present day	IDGC of Centre JSC/ IDGC of Centre PJSC	Board of Directors Member
2009	2011	Prosperity Capital Management Ltd	Chairperson of liquidation committee
2008	2013	“Territorial generating company 6” JSC	Chairpeson of the BoD
2009	present day	Representative Offices of Prosperity	Investments director

		Capital Management Ltd (RF)	
2010	present day	IDGC of Centre and Volga region JSC/ IDGC of Centre and Volga region PJSC	Board of Directors Member
2012	present day	“Territorial generating company 2”JSC	Board of Directors Member
2011	present day	IDGC of the South JSC / IDGC of the South PJSC	Board of Directors Member
2004	present day	Investor Protection Association / Association of Institutional Investors	Board of Directors Member
2006	present day	Investor Protection Association / Association of Institutional Investors	Chairperson 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

### Piotrovich Nikolai Borisovich

Year of birth: 1975

Education: Higher. Degree: Ph.D. in Economics.

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	until		
2007	2013	Federal Grid Company of Unified Energy System JSC	Head of Corporate Governance Department, Deputy Head of Corporate Governance Department
2014	Present day	Rosseti JSC/ Rosseti PJSC	Deputy Head of Directorate for Arrangement of Management Bodies' Activity
2009	2011	Major computer center of power industry, JSC	Board of Directors member
2009	2012	Managing energy company of Ural, JSC	Board of Directors member
2009	2014	DESP, JSC	Board of Directors member
2009	2014	Research and Development Centre FGC UES, JSC	Board of Directors member
2011	2014	Mobile gas turbine power plant, JSC	Board of Directors member
2012	2014	Engineering and Construction Management Centre of UES, JSC (CIUS UES)	Board of Directors member
2012	Present day	Nurenergo, JSC	Board of Directors member
2014	Present day	IDGC of the South JSC / IDGC of the South PJSC	Board of Directors member
2014	Present day	IDGC of the South JSC / IDGC of the South PJSC	Audit Committee member
2014	Present day	Scientific and Research Centre of Ural, JSC	Board of Directors member
2014	Present day	Tarskoselskaya Energy Company, CJSC	Board of Directors member
2014	Present day	Energoservis Yuga JSC	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
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****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	until		
2015	Present	SoftBiKom JSC	Financial Director

	day		
2007	Present day	Fotographer.Ru LLC	Director General
2008	Present day	Non-profit company Documentary photography support fund	Director, founder
2010	2011	Uralsvyazinform JSC	Board of Director Member, Member of Committees
2010	2014	NCH Advisors Inc, Moscow representative office	Director
2011	Present day	Gallery Greenberg LLC	Director General
2015	Present day	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
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	until		
2008	2013	Holding IDGC JSC	Head of Tariff Formation Department
2013	Present day	Rosseti JSC/ Rosseti PJSC	Head of Tariff Policy Department
2015	Present day	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	untill		
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	Present day	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	Present day	Dalenergomontazh” JSC	Board of Directors Member
2012	Present day	Smolensk company for repair in the sphere of power industry” JSC	Board of Directors Member
2012	2014	Kurganmashzavod JSC	Board of Directors Member
2011	Present day	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	Present day	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	Present day	Representative office of Prosperity Capital Management (RF) LTD	Director, power industry, engineering
2012	2014	Prokatmontazh JSC	Board of Directors Member
2013	Present day	Territorial generating company -2 ” JSC	Board of Directors Member
2012	2014	Noyabrelektrosetstroy JSC	Board of Directors Member
2014	Present day	IDGC of North-West” JSC/ IDGC of North-West” PJSC	Board of Directors Member
2008	2011	Sevzapelektrosetstroy” JSC	Board of Directors Member
2012	2015	Urengoytruboprovodstroy” JSC	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 fir Strategy, Invetments, Reform and Deveelopement 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**

**Kharin Andrei Nikolaevich**

**Year of birth:** 1979

**Education:** Higher. Candidate of legal sciences

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:

<b>Period</b>		Company	Position
<b>from</b>	<b>until</b>		
2009	2012	“Interregional Distribution Grid Company of the North-Caucasus”, JSC	Director in charge of corporate management, deputy director general in charge of corporate management
2013	2014	“Far-eastern managing energy company”, JSC	Adviser to Director General
2014	2016	RF Ministry of Energy	Deputy head of Department for corporate management, pricing environment and auditing in fuel and energy complex of Ministry of Energy of the Russian Federation
2014	2015	IDGC of Centre and Volga region JSC/ IDGC of Centre and Volga region PJSC	Board of Directors Member
2014	2015	Scientific and Research Centre of UES JSC	Board of Directors Member
2014	Present day	VNIMI JSC	Board of Directors Member
2014	Present day	TsGE JSC	Board of Directors Member

2014	Present day	Kubanenergo JSC/Kubanenergo PJSC	Board of Directors Member
2014	Present day	IDGC of the South JSC / IDGC of the South PJSC	Board of Directors Member
2014		Arktikshelfneftegaz JSC	Board of Directors Member
2015	Present day	IDGC of Volga JSC / IDGC of Volga PJSC	Board of Directors Member
2015	Present day	IDGC of Volga JSC / IDGC of Centre 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:** 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**

**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	until		
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	Present day	IDGC of the South JSC/ IDGC of the South PJSC	
2012	Present day	MOSTOTREST JSC	Board of Directors Member
2014	Present day	Association for protection of investors rights/Association of Professional Investors	Executive director
2014	Present day	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**

**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	until		
2012	2014	United Energy Company, JSC	Advisor to Director General
2014	2014	IDGC of the South, JSC	First Deputy Director

			General
2014	Present day	IDGC of the South JSC / IDGC of the South PJSC	Chairperson of Management Board, Director General
2015	Present day	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**

**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	until		
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	Present day	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	Present day	IDGC of Centre and Volga region	Board of Directors member
2015	Present day	IDGC of Ural JSC	Board of Directors member
2015	Present day	IDGC of Siberia PJSC	Board of Directors member
2015	Present day	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	no
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**

#### **Shmakov Igor Vladimirovich**

Year of birth: 1974

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		Coampny	Position
from	until		
2008	2012	IDGC of the South JSC	Head of Department for Internal Audit and risks management
2012	2013	Federal Grid Company of Unified Energy System JSC	Head of Directorate for Internal Control
2013	Present day	Rosseti JSC/ Rosseti PJSC	Head of Directorate for Internal Audit
2015	Present day	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	yes

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**

**5.2.2. 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	until		
2012	2014	United Energy Company, JSC	Advisor to Director General
2014	2014	IDGC of the South, JSC	First Deputy Director General
2014	Present day	IDGC of the South JSC / IDGC of the South PJSC	Chairperson of Management Board, Director General
02015	Present day	IDGC of the South JSC / IDGC of the South PJSC	Member of IDGC of the South, JSC Board of

			Directors,
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**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
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from	until		
2012	2014	United Energy Company, JSC	Advisor to Director General
2014	2014	IDGC of the South, JSC	First Deputy Director General
2014	Present day	IDGC of the South JSC / IDGC of the South PJSC	Chairperson of Management Board, Director General
02015	Present day	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	up to		
2008	2013	IDGC of the South JSC	Deputy Director General — Director of Kalmenergo Branch
2011	Present day	IDGC of the South JSC / IDGC of the South PJSC	Member of the Management Board
2013	April 2016	IDGC of the South JSC / IDGC of the South PJSC	Deputy Director General — Director of Astrakhanenergo Branch
April 2016	Present day	IDGC of the South JSC / IDGC of the South PJSC	Deputy Director General — 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	up to		
2010	2013	IDGC of the South JSC	Deputy Director General — Director of the Branch Astrakhanenergo
2010	Present day	IDGC of the South JSC	Member of Management Board
2011	Present day	Astrakhanelektrosetremont, OJSC	Member of Board of Directors
2013	Present day	IDGC of the South JSC / IDGC of the South PJSC	Deputy Director General, Technical Issues — Chief Engineer
2013	Present day	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	up 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	Present day	IDGC of the South JSC	Deputy Director General — Chief of Staff
2013	Present day	“Energetik” Recreation Center, JSC	Chairperson of the Board of Directors
2013	Present day	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**

**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	up 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	Present day	IDGC of the South JSC/ IDGC of the South PJSC	Deputy Director General, Economics and Finances
2013	Present day	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	up to		
2008	2011	IDGC of the South JSC	Member of the Management Board
2008	Present day	IDGC of the South JSC	Chief Accountant — Head of Accounting and Tax Reporting Department
2013	Present day	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	up 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	Present date	IDGC of the South JSC/ IDGC of the South PJSC	Deputy Director General, Safety
2013	Present day	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:

Period		Entity	Position
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	Present day	IDGC of the South JSC	Deputy Director General — Director of Rostovenergo Branch
2013	Present day	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	20150	3 months of 2016
Remuneration,	7 146	0
Wages	0	0
Bonuses	0	0
Reimbursement for expenses	0	0
Other property advancements	0	0
<b>TOTAL</b>	<b>7 146</b>	<b>0</b>

Payment of remunerations and compensations to the members of the Board of Directors is carried out in compliance with the Regulations “On Remuneration and Compensation Payment to Members of the Board of Directors of the Open Joint Stock Company “Interregional Distribution Grid Company of the South” (new revision) approved by the decision of “IDGC of the South”, JSC Annual General Shareholders Meeting (Minutes No. 1 dated June 04.2008).

According to p. 4.1 of these regulations, for participation in an absentee meeting (by way of filling in a questionnaire), a member of the Board of Directors is paid an equivalent of eight minimum monthly wages of a 1st category worker fixed in the sectoral tariff agreement of the electric power industry of the RF (hereinafter referred to as Agreement) as of the date of the Executive board meeting, indexed in conformity with the Agreement, during one month from the date of the Board of Directors meeting.

For participating in the Board of Directors meeting in the form of collective presence, a member of the Company's Board of Directors is paid remuneration equivalent to ten minimum monthly wages of a 1st category worker fixed in the sectoral tariff agreement of the electric power industry of the RF (hereinafter referred to as Agreement) as of the date of the Board of Directors meeting, indexed in conformity with the Agreement, during one month from the date of the Board of Directors meeting.

Amount of remuneration paid in accordance with p. 4.1. of the Regulations to the Chairman (Deputy Chairman) for each meeting where he fulfilled functions of Chairman of the Board of Directors is increased by 50%.

According to p. 4.2 of the Regulations, members of the Board of Directors of JSC "IDGC of the South" are paid extra remunerations for net profit indicator of the Company on the annual balance sheet approved by the Company's General shareholders meeting.

On 19.06.2015 the Annual General Meeting of Shareholders of "IDGC of the South" (Minutes of meeting No.13 dated 22 June 2015) adopted a decision on approval of the restated Regulation 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) on approval of the restated Charter, abbreviated corporate name of the Company was changed from OAO «MPCK IOpa» to ПАО «MPCK IOpa»).

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 06.19.2015 to 31.12.2015, as well as for the 1st quarter of 2016, the year was not performed.

**Collegiate executive body:**

Unit of measurement: thousand rubles

Indicator	2015	3 months of 2016
Remuneration for participation in activity of the management body	1 787	482
Wages	36 062	7 312
Bonuses	34 089	400
Commission fee	0	0
Incentives	0	0
Other types of remunerations	0	0
<b>TOTAL</b>	<b>71 938</b>	<b>8 194</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	2015	3 months of 2016
Board of Directors	38	0
Collegiate executive body	3 768	942

Additional Information:

Payment of compensation to members of the Board of Directors in the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2015 was carried out in accordance with the Regulations for the



payment of remuneration and compensation to members of the Board of Directors of IDGC of the South PJSC, approved by resolution of the Annual General Meeting of Shareholders of IDGC of the South PJSC (Minutes of meeting No.1 dated 04.06.2008).

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).

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.

Compensation to the members of the Board of Directors for the period from 19.06.2015 to 31.12.2015 was carried out on the basis of the Regulations as amended in 2015 and in the 1<sup>st</sup> quarter of 2016 such payments were not made due to the absence of travel expenses.

#### **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.11 dated 25.06.2014).

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	Chaiperson
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

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:

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.

Pursuant to paragraph 2 of the Article 11 of the Federal Law-224, paragraph 5.3, 5.4 of the Regulations, the functions for monitoring the Company's compliance with legal requirements and regulatory legal acts of the Russian Federation in the field of monitoring the treatment of insider information as defined in Appendix 4 to the Regulations, and developed and approved on the basis of their internal documents, were assigned to the department of anti-corruption compliance procedures (hereinafter - the department) of "IDGC of the South" PJSC (the Company), which is subordinate to the Director General of the Company.

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" JSC.

Address of the Internet page on which the full text of the Regulation are disclosed:  
[http://www.mrsk-Yuga.ru/pages/show/companv\\_insiders](http://www.mrsk-Yuga.ru/pages/show/companv_insiders)

#### **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: **Kim Svetlana Anatolievna**

Year of birth: **1981**

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			
2008	2013	FGC UES JSC	Leading expert at Directorate for financial control and internal audit; chief expert at Department for control and inspections; chief expert at Department for control and inspections, head of sector for control over investments
2013	now	Rosseti JSC (Rosseti PJSC)	Head of Directorate for auditing activity and internal audit at Department for internal audit and control; 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: **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			
2009	2013	IDGC of the South JSC	Chief specialist of Department for internal audit and risks management
2013	now	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			
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	now	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: **Lukovkina Irina Pavlovna**

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		
2008	2012	Fund "Gazpromipoteka"	Chief economist of sector for financial

			planning and liquidity management
2012	2013	Moscow Telecommunications Center of Energy Systems JSC	Leading specialist of planning and financial sector at Department for Finance and Economics
2013	2015	Rosseti JSC (Rosseti PJSC)	Chief expert of sector for supervision and risks at Department for internal audit and supervision

**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	now	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**

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	Head of sector for internal control at Department of internal control and risks management
2012	2013	IDGC of the South JSC	Deputy head of Department of internal control and risks management
2013	now	IDGC of the South JSC/ IDGC of the South PSC	Head of Department of internal control and risks management

**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	2015	3 months of 2016
Remuneration for participation in activity of a body controlling economic activity of the issuer	143	0
Wages	0	0
Bonuses	0	0
Reimbursement for expenses	0	0
Other type of remunerations	0	0
<b>TOTAL</b>	<b>143</b>	<b>0</b>

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

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	2015	3 months of 2016
Remuneration for participation in activity of a body controlling economic activity of the issuer	0	0
Wages	3 904	901
Bonuses	2 361	525
Reimbursement for expenses	0	0
Other type of remunerations	0	0
<b>TOTAL</b>	<b>6 265</b>	<b>1 426</b>

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

## Compensations

Unit of measurement: thousand rubles

Control body (structural subdivision)	2015	3 months of 2016
Auditing Committee	104	0
Internal audit and control department	0	0

### **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	2015	3 months of 2016
Average number of employees	13 576	13 664
Volume of money transferred for remuneration of labour	5 435 632.6	1 359 870.7
Volume of money transferred for social benefits	26 546.6	3 218.4

The labour unit was established at executive office of the Company (registration certificate No.1610307 dated 05.080.2015).

#### **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.

**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 Academic Chalomey 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: **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 Akademic Chalomey 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: **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, %: **6.85**

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: **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: **19.05.201412.01.2015**

**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: **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: **18.05.2015**

**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: **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: **25.11.2015**

### **List of shareholders (participants)**

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

Short company name: **“Rosseti” PJSC**

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.**

**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	6	9 648 588

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	6	10 912
Interested parties transactions for the accounting period which required approval yet were not approved by the authorized management body of the Issuer	0	9 648 588

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.

## 6.7. Data on the Amount of Accounts Receivable

31.12.2015

Unit of measurement: thousand rubles

Type of accounts receivable	
Accounts receivable from buyers and customers	9 366 324
including overdue	6 468 314
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	1 250 387
including overdue	315 330
Total	10 687 246
including overdue	6 801 332

Debtors 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: **1 985 251**

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 1 730 603 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: **2 225 099**

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 1 842 662 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 Zhurabkyov str., Rostov-on-Don 344022**

TIN: 6168002922

PSRN: 1056164000023

Sum of accounts receivable: **1 337 717**

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 398 584 thousand rubles. Claim-related work on collection the debt is being carried out.**

Debtor is issuer's affiliated person: **no**

31.03.2016

Unit of measurement: thousand rubles

Type of accounts receivable	
Accounts receivable from buyers and customers	10 996 598
including overdue	8 320 893
Accounts receivable from bills	0
including overdue	0
Accounts receivable from participants (founders) on payments to share capital	0
including overdue	
Other accounts receivable	0
including overdue	790 462
Total	533 792
including overdue	11 825 058

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: **2 512 845**

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 2 314 785 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 comapny**” **Public joint stock company**

Short name: “**Astrakhan energy selling comapny**” **PJSC**

Location: **3 John Reed str., Astrakhan 414000**

TIN: 3017041554

PSRN: 1053000000041

Sum of accounts receivable: **2 573 550**

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 2 163 459 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 Zhurabkyov str., Rostov-on-Don 344022**



TIN: 6168002922

PSRN: 1056164000023

Sum of accounts receivable: **1 337463 532**

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 608 284 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**

### **7.1. Annual Accounting Report of the Issuer**

#### **Balance sheet as of 31.12.2015**

Form as per Russian National Documentation (OKUD)	Classification of Management	Code
		0710001
	Date	31.12.2015
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	616426656 1
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 31.12.2015	As of 31.12.2014	As of 31.12.2013
1	2	3	4	5	6
	Non-current assets	1110	6	9	38
	Results of researches and projects, Intangible exploration assets	1120	18 190	26 438	80 545
	Fixed exploration assets	1130	0	0	0
	Fixed assets	1140	0	0	0
	Income-bearing investments in tangible assets	1150	28 897 473	29 986 795	31 889 611
	Financial investments	1160	0	0	0
	Deferred tax assets	1170	144 929	155 011	219 876
	Other non-current assets	1180	369 907	356 989	280 749
	Total for section I	1190	125 059	165 062	491 864
	<b>II. Current assets</b>	1100	29 555 564	30 690 304	32 962 683
	Stock	1210	720 902	649 191	956 524
	Value added tax on acquired assets	1220	13 20	62 366	63 882
	Accounts receivable	1230	10 687 246	9 330 109	11 482 427
	Financial investments (except money equivalent)	1240	403 000	0	0
	Cash and cash equivalents	1250	1 581 079	716 955	1 177 472
	Other current assets	1260	50 919	32 148	16 172
	Total for section II	1200	13 456 353	10 790 769	13 696 477
	Balance (assets)	1600	43 011 917	41 481 073	46 659 160

notes	Liabilities	line	31.12.2015	31.12.2014	31.12.2013
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	14 691 709	14 710 817	14 727 032
	Capital surplus (without reappraisal)	1350	0	0	0
	Reserve funds	1360	150 095	150 095	148 736
	Undistributed profit (uncovered loss)	1370	-14 550 384	-14 719 067	-7 833 272
	Total for section III	1300	5 272 530	5 122 955	12 023 606
	<b>IV. Long-term liabilities</b>				

	Borrowed funds	1410	13 403 378	19 744 299	13 241 321
	Deferred tax liability	1420	362 562	318 893	309 109
	Estimated liability	1430	0	0	0
	Other liabilities	1450	118 463	80 889	70 906
	Total for section IV	1400	13 884 403	20 144 081	13 621 336
	V. Short-term liabilities				
	Borrowed funds	1510	11 630 194	5 123 128	8 748 032
	Accounts payable	1520	9 451 866	8 554 588	10 897 949
	Income of future periods	1530	59 123	78 296	54 316
	Estimated liability	1540	2 713 801	2 458 025	1 313 921
	Other liabilities	1550	0	0	0
	Total for section V	1500	23 854 984	16 214 037	21 014 218
	Balance (liabilities)	1700	43 011 917	41 481 073	46 659 160

**Profit and Loss Statement  
January –December 2015**

Form as per Russian National Classification of Management Documentation (OKUD)		Code
		0710002
	Date	31.12.2015
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	

Notes	Indicator	Line	12 months of 2015	12 months of 2014
1	2	3	4	5
	Profit	2110	30 365 033	28 891 511
	Cost of sales	2120	-25 454 356	-24 260 032
	Gross profit (loss)	2100	4 910 677	4 631 479
	Business expenses	2210	0	0
	Management expenses	2220	-644 233	-565 768
	Profit (loss) from sales	2200	4 266 444	4 065 711
	Participation capital	2310	12 497	10 878
	Interest receivable	2320	62 232	43 446
	Interest payable	2330	-2 558 783	-2 236 080
	Other revenues	2340	3 451 821	2 889 650
	Other expenses	2350	-4 743 217	-11 351 356
	Profit (loss) before the taxation	2300	490 994	-6 577 751
	Current income tax	2410	-362 407	-399 830
	Changes in deferred tax liabilities	2430	-43 970	-10 674
	Changes in tax asset	2450	26 709	92 566
	Other	2460	38 249	2 012
	Net profit (loss)	2400	149 575	-6 893 677
	For reference:			
	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	149 575	-6 893 677
	Basic profit (loss) per share	2900	0.003	-0.1384
	Diluted profit (loss) per share	2910	0.003	-0.0384

**Capital Statements  
January – December 2015**

		Code
Form as per Russian National Classification of Management Documentation (RNCMD)		0710003
Date		31.12.2015
Organization: "Interregional Distribution Grid Company of the South" Open Joint Stock Company	as per <a href="#">Russian</a> National Classifier of Business Organizations (RNCBO)	80380011
Taxpayer Identification Number	TIN	6164266561

Type of activity: electric energy transmission	as per Russian National Classifier of Economic Activities (RNCEA)	40.10.2
Legal form of organization / form of ownership: open joint stock company	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	47 / 16
Unit of measurement: ths.rub./mln.rub (delete as applicable)	as per Russian National Classifier of Measurement Units (RNCMU)	384
Location (address)	49 Bolshaya Sadovaya St., Rostov-on-Don, Russia 344002	

1. Capital flow							
Indicator	Line	Authoriz ed capital	Treasury stock	Incremen tal capital	Reserve Funds	Undistrib uted Profit (Uncover ed Loss)	Total
1	2	3	4	5	6	7	8
Capital as of December 31 of year before last	3100	4 981 110	0	14 727 032	148 736	-7 833 272	12 023 606
In reporting period of the previous year:							
Growth of capital - total:	3210	0	0	0	0	-6 893 677	-6 893 677
including:							
Net profit	3211					-6 893 677	-6 893 677
Revaluation of fixed assets	3212			0	0	0	0
Incomes directly related to increase of capital	3213			0	0	0	0
Additional share issue	3214	0	0	0			0
Increase of nominal cost of shares	3215	0				0	
Re-organization of a legal entity	3216	0	0	0	0	0	0
Reduce in capital - total:	3220	0	0	0	0	-6 974	-6 974
including:							
loss	3221					0	0
revaluation of fixed assets	3222				0	0	0
expenses directly related to decrease of capital	3223				0	0	0
decrease of share nominal cost	3224	0	0			0	0
reduction of number of shares	3225	0	0			0	0
re-organization of a legal entity	3226	0	0	0	0	0	0
interest	3227					-6 974	-6 974
changes in incremental capital	3230			-16 215		-16 215	
changes in reserve funds	3240				1 359	-1 359	
Capital as of December 31	3200	4 981 110	0	14 710 817	150 095	-14 719	5 122 955

of previous year						067	
In reporting period of the previous year:							
Growth of capital - total:	3310	0	0	0	0	149 57	149 57
including:				0		0	0
Net profit	3311			0		0	0
Revaluation of fixed assets	3312	0	0	0			0
Incomes directly related to increase of capital	3313					0	
Additional share issue	3314	0	0	0	0	0	0
Increase of nominal cost of shares	3315					0	
Re-organization of a legal entity	3316	0	0	0	0	0	0
Reduce in capital - total:	3320	0	0	0	0	0	0
including:							
loss	3321					0	0
revaluation of fixed assets	3322			0		0	0
expenses directly related to decrease of capital	3323			0		0	0
decrease of share nominal cost	3324	0				0	0
reduction of number of shares	3325	0	0			0	0
re-organization of a legal entity	3326	0	0	0	0	0	0
interest	3327					0	0
changes in incremental capital	3330			-19 108		19 180	
changes in reserve funds	3340				0	0	
Capital as of December 31 of reporting year	3300	4 981 110	0	14 691 709	150 095	-14 550 384	5 272 530

2. Amendments caused by changes in accounting policy and faults correction					
Indicator	Line	31.12.2013	changes in capital 2014		31.12.2014
			Due to net profit	Due to other factors	
1	2	3	4	5	6
Capital - total					
for amendments	3400	12 023 606	-6 893 677	-6 974	5 122 955
amendments caused by:					
changes in accounting policy	3410	0	0	0	0
faults correction	3420	0	0	0	0
after amendments	3500	12 023 606	-6 893 677	-6 974	5 122 955
including:					
undistributed profit (uncovered loss)					
before amendments	3401	-7 833 272	-6 893 677	7 882	-14 719 067
amendments caused by:					

changes in accounting policy	3411	0	0	0	0
faults correction	3421	0	0	0	0
after amendments	3501	-7 833 272	-6 893 677	7 882	-14 719 067
other lines to which the amendments were made:					
(lines)					
before amendments	3402	19 856 878	0	-14 856	19 842 022
amendments caused by:					
changes in accounting policy	3412	0	0	0	0
faults correction	3422	0	0	0	0
after amendments	3502	19 856 878	0	-14 856	19 842 022

references				
indicator	line	31.12.2015	31.12.2014	31.12.2013
1	2	3	4	5
Net assets	3600	5 331 653	5 201 251	12 077 922

Indicator	Line	12 months of 2015	12 months of 2014
1	2	3	4
Cash flow from current operations			
receipts - total	4110	24 981 393	23 488 475
including:			
from sales of products, works, services and goods	4111	24 405 345	22 968 479
from rental payments, license payments, royalty, commissions and other similar payments	4112	25 766	36 935
from resale of financial investments	4113	0	0
other receipts	4119	550 282	482 961
Payments - total	4120	-22 644 110	-23 993 399
including:			
to contractors and suppliers for raw materials, materials, works, services	4121	-11 290 745	-13 463 813
salary to staff	4122	-7 000 588	-6 345 939
debenture interest	4123	-2 574 941	-2 419 394
VAT	4124	-816 040	-849 364
other payments	4125	-961 796	-914 889
Net cash flow from financing activities	4100	2 337 283	-504 924
Cash flow from investments activity			
Receipts - total	4210	24 379	97 265
including:			
from sales of non-current assets (except financial investments)	4211	11 881	93 229
from sale of other organizations' shares (equity share)	4212	0	0
from repayment of granted loans, from sale of debt securities (right of demanding monetary	4213	0	4 000

assets to third parties)			
Dividends, interests on debt financial investments and similar receipts from participation in other organizations	4214	1 769	36
Other receipts	4219	10 729	0
Payments - total	4220	-1 639 118	-1 512 832
including:			
related to acquisition, foundation, modernization and preparation to usage of non-current assets	4221	-1 530 058	-1 479 071
related to purchases of other organizations' shares (equity share)	4222	0	0
related to purchase of granted loans, from sale of debt securities (right of demanding monetary assets to third parties)	4223	0	-4 000
debenture interest included in the cost of the investments	4224	-109 060	-29 761
other payments	4229	0	0
Net of cash flows from financial operations	4200	-1 614 739	-1 415 567
cash flows from financial operations			
Receipts - total	4310	8 231 860	11 343 502
including:			
credits and loans	4311	8 229 885	11 307 678
founders' (participants') investments	4312	0	0
from issue of shares, increase of participation share	4313	0	0
from issue of bonds, bills and other securities	4314	0	0
other receipts	4319	1 975	35 824
Payments - total	4320	-8 090 280	-9 883 528
including:			
to founders (participants) in relation to purchases of their shares (participation share) or termination of participation	4321	0	0
for payment of interest and other payments on distribution of profit in favour of founders (participants)	4322	0	0
for redemption of bills and other securities, repayment of credits and loans	4323	-8 090 278	-9 883 420
other payments	4329	-2	-108
Net cash flow from financial operations	4300	141 580	1 459 974
Cash balance at end of accounting period	4400	864 124	-460 517
Balance of monetary assets and equivalents as of the beginning of the reporting period	4450	716 955	1 177 472
Balance of monetary assets and equivalents as of the end of the reporting period	4500	1 581 079	716 955
Effect of changes in exchange rate between foreign currency and ruble	4490		

## Explanatory notes to accounting statements

Information is attached to the quarterly report



## Auditors report

Information is attached to the quarterly report

### 7.2. Quarterly accounting (financial) report of the Issuer

#### Balance sheet as of 31.03.2016

Form as per Russian National Classification of Management Documentation (OKUD)		Code	0710001
	Date		31.03.2016
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 31.03.2016	As of 31.12.2015	As of 31.12.2014
1	2	3	4	5	6
	Non-current assets	1110	5	6	9
	Results of researches and projects,	1120	15 922	18 190	26 438
	Intangible exploration assets	1130	0	0	0
	Fixed exploration assets	1140	0	0	0
	Fixed assets	1150	28 434 752	28 897 473	29 986 795
	Income-bearing investments in tangible assets	1160	0	0	0
	Financial investments	1170	145 793	144 929	155 011
	Deferred tax assets	1180	363 631	369 907	356 989
	Other non-current assets	1190	121 458	125 059	165 062
	Total for section I	1100	29 081 561	29 555 564	30 690 304
	<b>II. Current assets</b>				
	Stock	1210	804 414	720 902	649 191
	Value added tax on acquired assets	1220	2 297	13 20	62 366
	Accounts receivable	1230	11 825 058	10 687 246	9 330 109
	Financial investments (except money equivalent)	1240	582 000	403 000	0

	Cash and cash equivalents	1250	980 589	1 581 079	716 955
	Other current assets	1260	213 907	50 919	32 148
	Total for section II	1200	14 408 265	13 456 353	10 790 769
	Balance (assets)	1600	43 489 826	43 011 917	41 481 073

notes	Liabilities	line	31.03.2016	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	14 679 442	14 691 709	14 710 817
	Capital surplus (without reappraisal)	1350	0	0	0
	Reserve funds	1360	150 095	150 095	150 095
	Undistributed profit (uncovered loss)	1370	-14 651 370	-14 550 384	-14 719 067
	Total for section III	1300	5 159 277	5 272 530	5 122 955
	<b>IV. Long-term liabilities</b>				
	Borrowed funds	1410	10 053 378	13 403 378	19 744 299
	Deferred tax liability	1420	370 771	362 562	318 893
	Estimated liability	1430	0	0	0
	Other liabilities	1450	138 210	118 463	80 889
	Total for section IV	1400	10 562 359	13 884 403	20 144 081
	<b>V. Short-term liabilities</b>				
	Borrowed funds	1510	14 980 194	11 630 194	5 123 128
	Accounts payable	1520	9 926 710	9 451 866	8 554 588
	Income of future periods	1530	57 774	59 123	78 296
	Estimated liability	1540	2 795 213	2 713 801	2 458 025
	Other liabilities	1550	8 299	8 223	8 255
	Total for section V	1500	27 768 190	23 854 533	16 213 677
	Balance (liabilities)	1700	43 489 826	43 011 917	41 481 074

**Profit and Loss Statement  
January – March 2016**

Form as per Russian National Classification of Management Documentation

Code

0710002

(OKUD)

		Date	31.03.2016
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/private 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		

Notes	Indicator	Line	3 months of 2016	3 months of 2015
1	2	3	4	5
	Profit	2110	7 955 202	7 587 576
	Cost of sales	2120	-7 072 184	-6 554 040
	Gross profit (loss)	2100	883 018	1 033 536
	Business expenses	2210	0	0
	Management expenses	2220	-144 948	-131 609
	Profit (loss) from sales	2200	738 070	901 927
	Participation capital	2310	0	10 729
	Interest receivable	2320	26 450	20 597
	Interest payable	2330	-658 114	-643 679
	Other revenues	2340	951 543	1 725 425
	Other expenses	2350	-701 694	-1 451 593
	Profit (loss) before the taxation	2300	356 255	563 406
	Current income tax	2410	-453 459	-509 422
	Changes in deferred tax liabilities	2430	395 696	403 495
	Changes in tax asset	2450	-8 238	-5 977
	Other	2460	-5 250	-777
	Net profit (loss)	2400	-2 562	69 227
	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	-113 254	116 457
	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**

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 will be included in the report for the 2<sup>nd</sup> quarter of 2016.

### **7.4. Information about Issuer’s accounting policy.**

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 will be included in the report for the 2<sup>nd</sup> quarter of 2016.

### **7.5. Data on total export amount and on export share in total amount of sales**

Is not included in the current accounting period

### **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 on 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.

- 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.

- 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.
- 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.
- 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. An appeal was submitted.
- 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.
- 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.
- 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 12.04.2016.

- 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 preliminary court session is scheduled for 26.04.2016.

- 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.

- 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 of 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.

- 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. An appeal was submitted, determination date 20.04.2016.
- 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. The court session is scheduled for 02.02.2016. The proceedings were suspended, additional expertise was assigned.
- 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 court session is scheduled for 27.04.2016.
- 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 September2015. The court session is scheduled for 14.04.2016.

- 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 definition of the Twelfth Appellate Court dated 16.03.2016, the proceedings resumed at the request of the expert organization to extend the period

of examination. The court session is scheduled for 21.04.2016.

- 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.

- 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). On 16.03.2016 the Twelfth Appellate Court resumed the proceedings at the request of the expert organization to extend the period of examination. The court session is scheduled for 21.04.2016.

- 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 03.17.2016 the installment was left unchanged.

- 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. 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.

- 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.

- 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).

- 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 expertise 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.

- 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 expertise 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 02.16.2016. By the resolution of the 12<sup>th</sup> Court of Appeal from 03.03.2016, the claim of Volgogradenergosbyt PJSC was rejected.

- 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).

- 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.

- 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.

- 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.

- 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.

- 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 28.03.2016the Commercial Court of the Volgograd Region

suspended the proceedings. Examination was assigned.

- 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.

- 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 05.18.2016.

## **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**

Supreme management body: General meeting of shareholders

Notification of shareholders (participants) on the meeting (session) of the supreme management body of the issuer:

In accordance with paragraph 11.5 of article 11 of “IDGC of the South” PJSC Charter the announcement on general shareholders meeting is placed on the Company’s Internet web-site [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru) not later than 30 (thirty) days prior to the date of its carrying out.

In accordance with paragraph 11.6 of article 11 of “IDGC of the South” PJSC Charter bulletins for voting on the agenda should be sent by the registered letter to the address specified in the list of the persons entitled to participate in the general shareholders meeting, or should be handed over for signature to each person specified in the list of persons entitled to participation in the general shareholders meeting not later than 20 (twenty) days prior to the date of carrying out the general shareholders meeting.

Each person included in the list is provided with one copy of the bulletin for voting on all items or one copy of two and more bulletins for voting on different items.

Persons (bodies) entitled to convene (request) an extraordinary meeting (session) of the Issuer's management body and the procedure for submitting (making) such requests:

In accordance with paragraphs 14.2, 14.3, 14.4, 14.5 of article 14 of “IDGC of the South” PJSC Charter, extraordinary general shareholders meeting should be held by the decision of the Company’s Board of Directors on the basis of its own initiative, the requirement of the Audit Committee of the Company, the Auditor of the Company, and also the shareholder (shareholders) possessing at least 10 (ten)

percent of the Company's voting shares as of the date of presenting the requirement. Convocation of the extraordinary general shareholders meeting by demand of the Company's Audit Committee , the Company's Auditor or the shareholders (shareholder) possessing at least 10 (ten) percent of Company's voting shares should be carried out by the Company's Board of Directors.

Such general shareholders meeting should be held within 50 (fifty) days from the moment of representation of the requirement about carrying out the extraordinary general meeting of Company's shareholders, except for the case stipulated by the item 14.9 of the Charter.

The requirement on carrying out the extraordinary general meeting of Company's shareholders should contain items subjected to inclusion in the agenda of the meeting.

The persons (person) demanding convocation of the extraordinary general meeting of Company's shareholders are entitled to present the draft decision of the extraordinary general meeting of Company's shareholders, the proposal on the form of carrying out of general shareholders meeting. If the requirement on convocation of the extraordinary general shareholders meeting contains the proposal of candidates, the corresponding provisions of Article 13 of the Charter are to be applied to such proposal. The Company's Board of Directors are not entitled to change the wording of the items of the agenda, wording of decisions on such items and to change the proposed form of carrying out the extraordinary general meeting of shareholders convoked on demand of the Audit Committee of the Company, the Auditor of the Company or the shareholders (shareholder) who are (is) owner(s) of at least 10 (ten) percent of the Company voting shares .

If the requirement on convocation of extraordinary general meeting of Company's shareholders is received from the shareholder (shareholders), it should contain name of the shareholder (shareholders) demanding convocation of the meeting, with indication of quantity, category (type) of the Company shares possessed by shareholder.

The requirement on convocation of the extraordinary general meeting of Company's shareholders should be signed by the person (persons) demanding convocation of the extraordinary general shareholders meeting.

The procedure for determining the date of the meeting (session) of the supreme management body of the issuer:

In accordance with paragraphs 11 and 14 of "IDGC of the South" PJSC Charter annual general meeting of Company's shareholders is held not earlier than two months prior to and not later than six months after termination of the financial year.

In accordance with paragraph 14.3 of "IDGC of the South" PJSC Charter convocation of the extraordinary general shareholders meeting by demand of the Company's Audit Committee, the Company's Auditor or the shareholders (shareholder) possessing at least 10 (ten) percent of Company's voting shares should be carried out by the Company's Board of Directors.

Such general shareholders meeting should be held within 50 (fifty) days from the moment of representation of the requirement about carrying out the extraordinary general meeting of Company's shareholders, except for the case stipulated by the item 14.9 of the Charter.

In accordance with paragraphs 14.9 and 14.9.1 of "IDGC of the South" PJSC Charter in case the proposed agenda of the extraordinary general shareholders meeting contains an item on election of members of the Company's Board of Directors, the general shareholders meeting should be held within 95 (ninety five) days from the moment of representing the requirement on carrying out the extraordinary general meeting of Company's shareholders.

Persons entitled to submit proposals to the agenda of the meeting (session) of the Issuer's management body and the procedure for making such proposals:

In accordance with paragraph 13 of "IDGC of the South" PJSC Charter shareholders (shareholder) of the Company possessing in total at least 2 (two) percent of Company's voting shares in the term not later than 60 (sixty) days after



termination of the financial year are entitled to propose items for the agenda of the annual general shareholders meeting and to nominate candidates for the Board of Directors and the Audit Committee of the Company, which number does not exceed the quantitative structure of the corresponding body.

The proposal on inclusion of items in the agenda of the general shareholders meeting and the proposal on nomination of candidates shall be brought in writing with indication of the name of the shareholders (shareholder) who presented them, quantity and category (type) of shares belonging to them and shall be signed by the shareholders (shareholder).

The proposal on moving items in the agenda of the general shareholders meeting should contain the wording of each proposed item, and the proposal on nomination of candidates - name and data of the document proving the identity (series and (or) number of the document, date and place of its issuing, the body which issued the document) of each proposed candidate, the name of body he/she is proposed to.

The Company's Board of Directors are obliged to consider the received proposals and to make the decision to include or not the items in the agenda of the general meeting of Company's shareholders not later than 5 (five) days after termination of the term specified in the item 13.1 of the Article.

The Company's Board of Directors is entitled to refuse the inclusion of the items proposed by the shareholder (shareholders) in the agenda of the general shareholders meeting and also to refuse entering of candidates in the list of nominees for voting at election to the corresponding body of the Company on the bases stipulated by the Federal Law "On Joint Stock Companies" and other legal acts of the Russian Federation.

A well-founded decision of the Company's Board of Directors on refusal to include an item in the agenda of the general meeting of Company's shareholders or the candidate in the list of nominees for voting at election to the corresponding body of the Company should be sent to the shareholder (shareholders) who

proposed an item or made a proposal on nomination, no later than 3 (three) days from the moment of its taking.

The Company's Board of Directors cannot change the wording of the items proposed for inclusion in the agenda of the general shareholders meeting, and (if available) in the wording of decisions on such items.

Besides the items proposed for inclusion in the agenda of the general shareholders meeting by shareholders, and also in case of absence of such proposals, absence or insufficient quantity of the candidates proposed by shareholders for forming the respective body, the Company's Board of Directors shall be entitled to include items or candidates for the list of nominees in the agenda of the general shareholders meeting at their own discretion

Persons who have access to the information (materials) provided for the preparation and holding of the meeting (session) of the supreme management body and the procedure for reviewing such information (materials): In accordance with paragraph 11.7 of article 11 of "IDGC of the South" PJSC Charter the information (materials) about the General Meeting agenda issues – within 20 (twenty) days, and in case of the General Meeting with the agenda including the issue concerning the Company reorganization within 30 (thirty) days prior to the General Meeting date – shall be available to the persons entitled to attend the General Meeting of Shareholders in order to familiarize therewith in the office of the executive body of the Company and other places the addresses whereof are specified in the notice of the General Meeting of Shareholders. The stated information (materials) shall be available to persons participating in the General Meeting of Shareholders in the course of the meeting. Along with it, the Company aims to ensure the availability of materials for the General Meeting of Shareholders not less than 30 days prior to the meeting.

The order of announcement of (bringing to the attention of shareholders (participants) of the issuer) decisions taken by the supreme governing body of the issuer as well as voting results:

In accordance with paragraph 11.13 of article 11 Company's Charter, decisions adopted by the General Shareholders Meeting and the voting results are announced at the general meeting of shareholders, and should be provided to the persons included in the list of persons entitled to attend the general meeting of shareholders, in the form of Report on voting in the manner prescribed for notifying on the General Meeting of Shareholders no later than four working days after the closing date of the General Meeting of Shareholders.

If as of the date of making the list of persons entitled to attend the General Meeting of Shareholders a person registered in the registry of shareholders of the Company was a nominee shareholder, then the report on the results of voting shall be sent in electronic form (in the form of an electronic document signed by electronic signature) to a nominal holder of shares. A nominee shareholder shall inform their participants on the report on the voting results obtained in accordance with this clause of the Charter, in the manner and within the time established by regulations of the Russian Federation or the contract the depositor.

#### **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**

The Issuer is not informed about credit ratings assigned

## **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)**

Type of securities: bonds

Form of securities: registered non-documentary

Series: 02

non-convertible interest-bearing certificated bonds with mandatory centralized

custody

State registration number: **4-02-34956-E**

Date of state registration of the issue: **16.12.2008**

Authority of state registration of the issue: FFMS of Russia

Additional issues of securities: **No**

Amount of securities of the issue: **6 000 000**

The nominal value of each bond of the issue, rubles: **1000**

Volume of the issue at par value: **6 000 000 000**

Term (date) of the issue securities repayment: **26.08.2015**

Basis for redemption of issued securities: **maturity on the bonds of 02 series.**

### **8.3.2. Data on issues securities on which are in circulation**

Type of securities: bonds

Form of securities: registered non-documentary Series: BO-01

Other identification features of securities: documentary interest non-convertible exchange-traded bearer bonds of series BO-01 with obligatory central storage with possibility of early redemption at the holders' request and at the discretion of "IDGC of the South" placed by open subscription.

The issue of securities is not subject to state registration: Yes

Identification number of the issue: 4B02-01-34956-E

Date of ID assignment: 04.09.2014

The body that assigned identification number to the issue: Closed Joint Stock Company "MICEX Stock Exchange".

Number of securities of the issue, pcs .: 6 000 000

The amount of securities issue at par value, rubles: 6 000 000 000

Par value, rubles: 1000

In accordance with the legislation of the Russian Federation the par value of the type of securities is not provided: no

Status of securities of the issue: placement completed

State registration of the issue report was not performed: Yes

The amount of interest (coupon) period for which payments are made for income



(coupons, interest) on securities of the issue: 20

Term (date) of the securities repayment: The maturity date is 1813-th (one thousand eight hundred and thirteenth) day from the date of commencement of the placement of exchange-traded bonds.

Exact date specified: No

Address of the Internet page on which the text of the decision on the securities issue and the securities prospectus was published: [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru)

Additional issues of securities: No

Open commitments for securities of the issue: no

Type of securities: bonds

Form of securities: registered non-documentary Series: BO-02

Other identification features of securities: non-convertible interest-bearing certificated exchange-traded bonds in bearer form series BO-02 series with obligatory central storage with possibility of early redemption at the holders' request and at the discretion of "IDGC of the South" JSC placed by open subscription.

The issue of securities was not subject to state registration: Yes

Identification number of the issue: 4B02-02-34956-E

Date of ID assignment: 04.09.2014

The body that assigned identification number to the issue: Closed Joint Stock Company "MICEX Stock Exchange".

Number of securities of the issue, pcs.: 6 000 000

The amount of securities issue at par value, rubles: 6 000 000 000

Par value, rubles: 1000

In accordance with the legislation of the Russian Federation the par value of the type of securities is not provided: no

Status of securities of the issue: placement completed

State registration of the issue report was not performed: Yes

The amount of interest (coupon) period for which payments are made for income

(coupons, interest) on securities of the issue: 20

Term (date) of the securities repayment: The maturity date is 1813-th (one thousand eight hundred and thirteenth) day from the date of commencement of the placement of exchange-traded bonds.

Exact date specified: No

Address of the Internet page on which the text of the decision on the securities issue and the securities prospectus was published: [www.mrsk-yuga.ru](http://www.mrsk-yuga.ru)

Additional issues of securities: No

#### **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.**

Person keeping the register of the Issuer's bearer securities holders: **Registrar**

Information on the Registrar

Full company name: **Open Joint Stock Company "Registrar R.O.S.T."**

Short company name: "Registrar R.O.S.T.", JSC

Location: 18/13 Stromynka St., Moscow, 107996

TIN: 7726030449

PSRN: 1027739216757

Data on the license for keeping the register of securities holders

Number: 10-000-1-00264

Issuing date: 13.12.2002

License validity term:

Without limitation of the period of validity

License issuing authority: FCSM (FFMS) of Russia

Date of commencement of keeping the register of the Issuer's bearer securities holders by the Registrar: 18.12.2010

The Issuer's certificated securities subject to compulsory centralized storage are in circulation:

### **Depositaries**

Full company name:

in Russian language - Закрытое акционерное общество "Национальный расчетный депозитарий",

in English language - The National Settlement Depository (Closed Joint Stock Company)

Sort company name: in Russian language - ЗАО НРД, in English language – NSD,

Location: Building 4, 1/13 Sredniy Kislovskiy per., Moscow, Russia 125009

TIN: 7702165310

PSRN: 1027739132563

Data on the license to carry out the depository activity in the securities market

Number: 177-10042-000100

Issuing date: 19.02.2009

License validity term:

Without limitation of the validity term

Name of the license issuing authority: FCSM (FFMS) of Russia

Information on the separate divisions of the Registrar rendering services to the Company's shareholders:

Full company name: Krasnodar branch of "Registrar R.O.S.T."

Location of the branch: 4<sup>th</sup> floor, 176 Krasnaya street, Krasnodar 350020

Other information on keeping the register of holders of the issuer's registered

securities, disclosed at the Issuer's discretion

Head: Chernyi Valery Pavlovich, phone (861) 255-21-01,

e-mail: pan\_krasnodar@mail.ru.

#### **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**

- Civil Code of the Russian Federation (part one) No.51-FZ dated 30.11.1994 No.51-FZ;
- Tax Code of the Russian Federation (part one) No.146-FZ (articles 11, 45) dated 31.07.1998;
- Tax Code of the Russian Federation (part two) No.117-FZ (articles 207,208, 215, 224, 284, 310, 312) dated 05.08.2000;
- Federal Law “On Joint Stock Companies” No.208-FZ (articles 42, 43) dated 25.12.1995;
- Federal Law “On the Securities Market” No.39-FZ dated 22.04.1996;
- Federal Law “On Protection of Rights and Lawful Interests of Investors at the Securities Market” No.46-FZ dated 05.03.1999;
- Federal Law “On the Legal Status of Foreign Citizens in the Russian Federation” No.115-FZ dated 25.07.2002;
- Federal Law “On Insolvency (Bankruptcy)” No.127-FZ dated 26.10.2002;
- Federal Law “On Currency Regulation and Currency Control” No.173-FZ dated 10.12.2003;
- Federal Law dated 07.08.2007 “On counteraction to legalization (laundering) of proceeds of crime and terrorist financing”;
- Resolution of the Federal Securities Commission of Russia No.27 dated 02.10.1997 “On approval of the register of registered securities”;

#### **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 who have (had) the right to receive dividends	14.07.2014
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	98.66

announced dividends on shares of this category (type),%	
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.
During this period, the issuer did not make decisions on the payment of dividends	
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
During this period, the issuer did not make decisions on the payment of dividends	

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. The decision on payment of dividends for 2015 will be adopted at the annual general meeting of shareholders by the results of 2015.

### **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 / 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 / 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	

### **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 depository receipts**

The Issuer is not an Issuer of the securities, the ownership of which is certified by Russian depository receipts