

**Notice of material fact/Insired information disclosure, Information on Resolutions Adopted by the Board of Directors of IDGC of the South, PJSC**

1. General information	
1.1. Full legal name of the Issuer:	<b>Public Joint-Stock Company Interregional Distribution Grid Company of the South</b>
1.2. Abbreviated legal name of the issuer:	<b>IDGC of the South, PJSC</b>
1.3. Location of the Issuer:	<b>Rostov-on-Don, Russian Federation</b>
1.4. OGRN (Primary State Registration Number) of the Issuer	<b>1076164009096</b>
1.5. INN (Taxpayer Identification Number) of the Issuer:	<b>6164266561</b>
1.6. Unique issuer code assigned by the registering authority	<b>34956-E</b>
1.7. (address of the web page used by the issuer to disclose information)	<b><u><a href="http://www.mrsk-yuga.ru">http://www.mrsk-yuga.ru</a></u> <u><a href="http://www.e-disclosure.ru/portal/company.aspx?id=11999">http://www.e-disclosure.ru/portal/company.aspx?id=11999</a></u></b>
2. Message content	
2.1. Quorum of the meeting of the Issuer’s Board of Directors and voting results on decision-making issues: 11 out of 11 members of the Board of Directors took part in the meeting, the quorum is available.	
<p>Voting results:</p> <p><b>on agenda item 1:</b>            “In favor”, 8 votes            “Against”, 0 votes            “Abstained”, 3 votes</p> <p><b>on agenda item 2:</b>            “In favor”, 11 votes            “Against”, 0 votes            “Abstained”, 0 votes</p> <p><b>on agenda item 3:</b>            “In favor”, 11 votes            “Against”, 0 votes            “Abstained”, 0 votes</p> <p><b>on agenda item 4:</b>            “In favor”, 11 votes            “Against”, 0 votes            “Abstained”, 0 votes</p> <p><b>on agenda item 5:</b>            “In favor”, 9 votes            “Against”, 0 votes            “Abstained”, 2 votes</p> <p><b>on agenda item 6:</b>            “In favor”, 8 votes            “Against”, 0 votes            “Abstained”, 3 votes</p> <p><b>on agenda item 7:</b>            “In favor”, 10 votes            “Against”, 0 votes            “Abstained”, 1 votes</p> <p><b>on agenda item 8:</b>            “In favor”, 10 votes            “Against”, 0 votes</p>	

“Abstained”, 1 votes

**on agenda item 9:**

“In favor”, 9 votes

“Against”, 0 votes

“Abstained”, 2 votes

**Insider Information Disclosure on agenda item 1: Approval of IDGC of the South, PJSC Timed Action Plan to Minimize Past-Due Receivables for Electricity Transmission Services and Settlement of Differences Existing as of April 1, 2017**

2.2.1 Content of the resolution adopted by the issuer’s board of directors:

1. Approve IDGC of the South, PJSC Timed Action Plan to Minimize Past-Due Receivables for Electricity Transmission Services and Settlement of Differences Existing as of April 1, 2017, according to Appendix 1 to this resolution of the Company’s Board of Directors.

2. Take note of the Report on IDGC of the South, PJSC Timed Action Plan to Minimize Past-Due Receivables for Electricity Transmission Services and Settlement of Differences Existing as of January 1, 2017, which was earlier approved by the Company’s Board of Directors, according to Appendix 2 to this resolution of the Company’s Board of Directors.

3. Take note of IDGC of the South, PJSC activity report on the newly incurred past-due receivables for the electricity transmission services in 1Q 2017, according to Appendix 3 to this resolution of the Company’s Board of Directors.

4. Take note of IDGC of the South, PJSC Report on repayment of the past-due receivables incurred as of January 1, 2017, within 3 months of 2017, according to Appendix 4 to this Resolution of the Company’s Board of Directors.

**Insider Information Disclosure on agenda item 2: Establishment, Operation and Efficiency of the Risk Management System**

2.2.2 Content of the resolution adopted by the issuer’s board of directors:

1. Take note of the Director-General’s Report on establishment, operation and efficiency of IDGC of the South, PJSC risk management system for 2016, according to Appendix 5 to this resolution of the Company’s Board of Directors.

2. Take efforts to enhance the efficiency of the risk management system as concerns the improvement of the key operating risk realization planning and assessment.

3. Take efforts to establish the risk holders’ liability if the level of actual consequences of key operating risk realization deviates from the planned level. Notify the authorized Committee at the Company’s Board of Directors of efforts taken.

**Insider Information Disclosure on agenda item 3: Management of the Company’s Key Operating Risks for 2016**

2.2.3 Content of the resolution adopted by the issuer’s board of directors:

1. Take note of the Director-General’s Report on the Company’s key operating risk management for 2016, according to Appendix 6 to this resolution of the Company’s Board of Directors.

2. Take note of the risk realization in 2016 according to Appendix 7 to this resolution of the Company’s Board of Directors.

3. Authorize the Company’s General Manager:

3.1. Conduct the efficiency and sufficiency assessment of the risk management efforts in 2016, as concerns the realized key operating risks and the related business process risks. Notify the authorized Committee at the Company’s Board of Directors of assessment findings.

3.2. Make sure the Action Plan for Key Operating Risk Management for 2017 is fulfilled

3.3. Take efforts to prevent realization of risks with significant and critical materiality level in 2017.

**Insider Information Disclosure on agenda item 4: Review of the Report of IDGC of the South, PJSC Director-General on the Company’s Credit Policy in 1Q 2017.**

2.2.4 Content of the resolution adopted by the issuer’s board of directors:

1. Take note of the Report of IDGC of the South, PJSC Director-General on the Company’s credit policy in 1Q 2017, according to Appendix 8 to this resolution of the Company’s Board of Directors.

2. Authorize the Company's General Manager to make sure the Credit Policy Regulations approved by the Company's Board of Directors are fulfilled.

**Insider Information Disclosure on agenda item 5: Fulfillment of the Facilities Construction Plan under the 2018 World Football Championship Preparatory Program as approved by the Russian Government Resolution No. 518 dd June 20, 2013, for 1Q 2017**

2.2.5 Content of the resolution adopted by the issuer's board of directors:

Take note of the report of the sole executive body on fulfillment of the Facility Construction Schedule under the 2018 World Football Championship Program, as approved by the Russian Government Resolution No. 518 dated June 20, 2013, for 1Q 2017 according to Appendix 9 to this resolution of the Company's Board of Directors.

**Insider Information Disclosure on agenda item 6: Implementation of IDGC of the South, PJSC Innovation Development Program for 2016/2020 and up to 2025 for 2016**

2.2.6 Content of the resolution adopted by the issuer's board of directors:

Approve the Report of IDGC of the South, PJSC Director-General on implementation of the Innovative Development Program for 2016-2020 and up to 2025, for 2016, according to Appendix 10 to this resolution of the Company's Board of Directors.

**Insider Information Disclosure on agenda item 7: Company's standpoint on agenda items of BoD meetings of IDGC of the South, PJSC Subsidiaries: Recommendations as to dividends on the Company's shares for 2016, their payment procedure and proposals to the General Annual Shareholders' Meeting as to setting the date for drafting the list of persons entitled to receive dividends.**

2.2.7 Content of the resolution adopted by the issuer's board of directors:

1. Authorize IDGC of the South, PJSC representatives in Energy Worker Holiday Home, JSC Board of Directors to vote in favor of the agenda item of the meeting of Energy Worker Holiday Home, JSC Board of Directors: Recommendations as to the dividends on shares in the Company for 2016, procedure for their payment and proposals to the annual General Shareholders' Meeting as to determination of the date of drafting the list of persons entitled to receive dividends,

To recommend the following resolution to be taken by the Company's General Shareholders' Meeting: Not to pay dividends on ordinary shares in the Company based on 2016 performance."

2. Authorize IDGC of the South, PJSC representatives in Sokolovskoye PSKh, JSC Board of Directors to vote in favor of the agenda item of the meeting of Sokolovskoye PSKh, JSC Board of Directors: Recommendations as to the dividends on shares in the Company for 2016, procedure for their payment and proposals to the annual General Shareholders' Meeting as to determination of the date of drafting the list of persons entitled to receive dividends:

To recommend the following resolution to be taken by the Company's General Shareholders' Meeting: Not to pay dividends on ordinary shares in the Company based on 2016 performance."

3. Authorize IDGC of the South, PJSC representatives in Energoservice of the South, JSC Board of Directors to vote in favor of the agenda item of the meeting of Energoservice of the South, JSC Board of Directors: Recommendations as to the dividends on shares in the Company for 2016, procedure for their payment and proposals to the annual General Shareholders' Meeting as to determination of the date of drafting the list of persons entitled to receive dividends,

To recommend the following resolution to be taken by the Company's General Shareholders' Meeting: Not to pay dividends on ordinary shares in the Company based on 2016 performance."

**Insider Information Disclosure on agenda item 8: Company's standpoint on agenda items of Annual General Shareholders' Meetings of IDGS of the South, PJSC subsidiaries: Energy Worker Holiday Home, JSC, Sokolovskoye PSKh, JSC, and Energoservice of the South, JSC.**

2.2.8 Content of the resolution adopted by the issuer's board of directors:

1.1. Authorize representatives of IDGC of the South, PJSC to vote in favor of the following resolution at the annual General Shareholders' Meeting of Energy Worker Holiday Home, JSC on the agenda item: Election of Members of the Company's Board of Directors:

Elect the Company's Board of Directors consisting of:

No.	Full name	Position at the candidate nomination time
1	Yulianna Khasanovna Dzhabrailova	Deputy Director-General, Head of Administration, IDGC of the South, PJSC

2	Kirill Alexandrovich Iordanidi	Head, Economic Department, IDGC of the South, PJSC
3	Tatiana Anatolievna Kostryukova	Chief Expert, Property Management, IDGC of the South, PJSC
4	Maria Vladimirovna Petrova	Deputy Chief Accountant, RAS and IFRS Methodology and Automation, IDGC of the South, PJSC
5	Tatiana Sergeevna Kirichenko	Chief Specialist, Department for Corporate Governance and Cooperation with Shareholders, IDGC of the South, PJSC

1.2. Authorize representatives of IDGC of the South, PJSC to vote in favor of the following resolution at the annual General Shareholders' Meeting of Sokolovskoye PSKh, JSC on the agenda item: Election of Members of the Company's Board of Directors:

Elect the Company's Board of Directors consisting of:

No.	Full name	Position at the candidate nomination time
1	Kirill Alexandrovich Iordanidi	Head, Economic Department, IDGC of the South, PJSC
2	Ekaterina Georgievna Romek	Head, Property Management, IDGC of the South, PJSC
3	Roman Konstantinovich Kislenko	Head, Security Department, IDGC of the South, PJSC
4	Vladimir Vasilyevich Vasilyev	Director-General, Sokolovskoye PSKh, JSC
5	Natalia Vasilievna Kazak	Chief Specialist, Department for Corporate Governance and Cooperation with Shareholders, IDGC of the South, PJSC

1.3. Authorize representatives of IDGC of the South, PJSC to vote in favor of the following resolution at the annual General Shareholders' Meeting of Energoservice of the South, JSC on the agenda item: Election of Members of the Company's Board of Directors:

Elect the Company's Board of Directors consisting of:

No.	Full name	Position at the candidate nomination time
1	Pavel Viktorovich Goncharov	Deputy Director-General, Chief Engineer, IDGC of the South, PJSC
2	Roman Konstantinovich Kislenko	Head, Security Department, IDGC of the South, PJSC
3	Dmitry Olegovich Zhuravlev	Deputy Director-General, Development and Technological Connection, IDGC of the South, PJSC, Director-General, Energoservice of the South, JSC
4	Eduard Vitalievich Lednev	Deputy Director-General, Special Projects, IDGC of the South, PJSC
5	Elena Nikolaevna Pavlova	Head, Department for Corporate Governance and Cooperation with Shareholders, Corporate Secretary, IDGC of the South, PJSC
6	Denis Vladimirovich Sobolev	Head, Logistics and Procurement Department, IDGC of the South, PJSC
7	Andrey Aleksandrovich Zibrov	Head, Services Sale and Electricity Recording Department, IDGC of the South, PJSC

2.1. Authorize representatives of IDGC of the South, PJSC to vote in favor of the following resolution at the annual General Shareholders' Meeting of Energy Worker Holiday Home, JSC on the agenda item: Election of Members of the Company's Internal Audit Commission:

Elect the Company's Audit Commission consisting of:

Nos	Full name	Position
1	Aleksey Evgenievich Menshenin	Advisor to the Director-General, IDGC of the South, PJSC
2	Churkin	Leading specialist of the Department

2.2. Authorize representatives of IDGC of the South, PJSC to vote in favor of the following resolution at the annual General Shareholders' Meeting of Sokolovskoye PSKh, JSC on the agenda item: Election of Members of the Company's Internal Audit Commission:

Elect the Company's Audit Commission consisting of:

Nos	Full name	Position
1	Aleksey Evgenievich Menshenin	Advisor to the Director-General, IDGC of the South, PJSC
2	Mikhail Anatolyevich Maslennikov	Head, Anti-Corruption Compliance Division, IDGC of the

		South, PJSC
3	Maxim Albertovich Pivovarov	Category 1 specialist, Anti-Corruption Compliance Division, IDGC of the South, PJSC
	Vsevolod Igorevich	Internal Audit, IDGC of the South, PJSC
3	Olga Vyacheslavovna Zhitovkevich	Leading specialist, Anti-Corruption Compliance Division, IDGC of the South, PJSC

3.1. Authorize representatives of IDGC of the South, PJSC to vote in favor of the following resolution at the annual General Shareholders' Meeting of Energy Worker Holiday Home, JSC on the agenda item: Company's Profit and Loss Allocation (Including Dividend Payment) Based on 2016 Reporting Year Performance:

2.3. Authorize representatives of IDGC of the South, PJSC to vote in favor of the following resolution at the annual General Shareholders' Meeting of Energoservice of the South, JSC on the agenda item: Election of Members of the Company's Internal Audit Commission:

Elect the Company's Audit Commission consisting of:

Nos	Full name	Position
1	Aleksey Evgenievich Menshenin	Advisor to the Director-General, IDGC of the South, PJSC
2	Nikolay Vladimirovich Pechenkin	Director, Internal Audit, Internal Audit Department Head, IDGC of the South, PJSC
3	Tatiana Gennadievna Fesenko	Chief Specialist, Internal Audit Department, IDGC of the South PJSC

Approve the following distribution of profits (losses) of the Company for 2016 reporting year:

(‘000 RUB)

Net profits (losses) for the reporting period:	(1,864)
Distribute to: Surplus	-
Profit for development	-
Dividends	-
Clearing off losses of previous years	-

Not to pay dividends on ordinary shares in the Company based on 2016 performance.”

3.2. Authorize representatives of IDGC of the South, PJSC to vote in favor of the following resolution at the annual General Shareholders' Meeting of Sokolovskoye PSKh, JSC on the agenda item: Company's Profit and Loss Allocation (Including Dividend Payment) Based on 2016 Reporting Year Performance:

Approve the following distribution of profits (losses) of the Company for 2016 reporting year:

(‘000 RUB)

Net profits (losses) for the reporting period:	2,274
Distribute to: Surplus	114
Profit for development	2,160
Dividends{0}	-
Clearing off losses of previous years	-

Not to pay dividends on ordinary shares in the Company based on 2016 performance.”

3.3. Authorize representatives of IDGC of the South, PJSC to vote in favor of the following resolution at the annual General Shareholders' Meeting of Energoservice of the South, JSC on the agenda item: Company's Profit and Loss Allocation (Including Dividend Payment) Based on 2016 Reporting Year Performance:

Approve the following distribution of profits (losses) of the Company for 2016 reporting year:

(‘000 RUB)

Net profits (losses) for the reporting period:	(14,739)
Distribute to: Surplus	-
Profit for development	-
Dividends{0}	-
Clearing off losses of previous years	-

Not to pay dividends on ordinary shares in the Company based on 2016 performance.”

**Insider Information Disclosure on agenda item 9: Identification of the issue of the person authorized to conclude agreements for reimbursement for the residential premise hiring costs on the Company's behalf with respect to the Company's executive bodies.**

2.2.9 Content of the resolution adopted by the issuer's board of directors:

Authorize Mr. Sergey Aleksandrovich Arkhipov, Chairman of the IDGC of the South, PJSC Board of Directors, to sign the agreement for reimbursement for housing rent costs with Mr. Boris Borisovich Ebzeev on the Company's behalf

2.3. Date of the meeting of the Issuer's Board of Directors, at which the respective resolutions were adopted: **June 6, 2017**

2.4. Date of drafting and number of the minutes of the meeting of the Issuer's Board of Directors, at which the respective resolutions were adopted: June 08, 2017, minutes No. 235/2017.

3. Signature

3.1. Head of the Department of Corporate

Management and Cooperation with Shareholders

(acting under Power of Attorney No 215-16 dd. 30.12.2016)

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(Signature)

E. N. Pavlova

3.2. Date: June 08, 2017

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