

Corporate action statement/Disclosure of insider information

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

1. General information	
1.1. Full company name of the issuer	Public Joint Stock Company “Interregional Distribution Grid Company of the South”
1.2. Short company name of the issuer	“IDGC of the South” PJSC
1.3 Location of the issuer	Rostov-on-Don, Russian Federation
1.4 PSRN of the issuer	1076164009096
1.5 TIN of the issuer	6164266561
1.6 Unique issuer’s code assigned by the registration authority	34956-E
1.7 Internet website address used by the issuer for information disclosure	http://www.mrsk-yuga.ru; http://www.e-disclosure.ru/portal/company.aspx?id=11999
2. Statement content	
2.1. Quorum of meeting of issuer’s BoD and results of voting on the adopted decisions: 11 out 11 members of BoD participated in the meeting; quorum is present.	
On item 1: “FOR” – 9 votes “AGAINST” – 0 votes “ABSTAINED” – 2 votes	
On item 2: “FOR” – 9 votes “AGAINST” – 0 votes “ABSTAINED” – 2 votes	
On item 3: “FOR” – 9 votes “AGAINST” – 0 votes “ABSTAINED” – 2 votes	

On item 4:

“FOR” – 8 votes

“AGAINST” – 0 votes

“ABSTAINED” – 3 votes

On item 5:

“FOR” – 11 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

On item 6:

“FOR” – 11 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

On item 7:

“FOR” – 11 votes

“AGAINST” – 0 votes

“ABSTAINED” – 0 votes

On item 8:

“FOR” – 8 votes

“AGAINST” – 0 votes

“ABSTAINED” – 3 votes

Disclosure of insider information on item 1: “On introduction of changes to the Schedule of the BoD of IDGC of the South PJSC for the 2nd half of 2016 – the 1st half of 2017”

2.2.1 Content of decision:

To introduce changes to the Schedule of the BoD of IDGC of the South PJSC for the 2nd half of 2016 – the 1st half of 2017 that was approved by the BoD on 05.08.2016 (minutes of meeting No.197/2016 dd 08.08.2016), in accordance with Annex 1 to the present resolution of the Company’s Board of Directors.

Disclosure of insider information on item 2: “On provision of insurance for the Company in the 4th quarter of 2016.”

2.2.1 Content of decision:

1. To take into consideration the report of the Company's Director General on provision of insurance for the Company in the 4th quarter of 2016, in accordance with Annex 2 to the present resolution of the Company's Board of Directors..

2. To note that the item was submitted for discussion of the BoD behind the schedule.

Disclosure of insider information on item 3: "On implementation of the Programme for enhancement of business activity and improvement of financial condition of IDGC of the South PJSC"

2.2.3. Content of decision:

To take into consideration the report on implementation of the Programme for enhancement of business activity and improvement of financial condition of IDGC of the South PJSC, in accordance with Annex 3 to the present resolution of the Company's Board of Directors.

Disclosure of insider information on item 4: "On approval of corporate structure of the executive office of IDGC of the South PJSC"

2.2.4. Content of decision:

1. To approve the corporate structure of the executive office of IDGC of the South PJSC, in accordance with Annex 4 to the present resolution of the Company's Board of Directors. Introduce it with regard of deadlines stipulated by the legislation of the Russian Federation for the cases of changing and terminating the labour contracts with employees.

2. Starting from the date of introduction of the new corporate structure of the executive office, the previous corporate structure that was approved by the BoD on 08.07.2015 (Minutes No.193/2016 dd 11.07.2016) shall be considered as invalid.

Disclosure of insider information on item 5: "On approval of the Plan of activities aimed at reduction of overdue payables electricity transmission services and settlement of disputes that existed as of 01.01.2017"

2.2.5. Content of decision:

1. To approve the Plan of activities aimed at reduction of overdue receivables electricity transmission services and settlement of disputes that existed as of 01.01.2017, in accordance with Annex 5 to the present resolution of the Company's Board of Directors.
2. To take into consideration the report on implementation of the previous Plan of activities aimed at reduction of overdue receivables electricity transmission services and settlement of disputes that existed as of 01.01.2016, in accordance with Annex 6 to the present resolution of the Company's Board of Directors.
3. To take into consideration the Report on work carried out by IDGC of the South in the 4th quarter of 2016 regarding the newly formed overdue receivables for electric power transmission services, in accordance with Annex 7 to the present resolution of the Company's Board of Directors.
4. To take into consideration the Report of IDGC of the South on the repayment in 2016 of overdue receivables established as of 01.01.2016, in accordance with Annex 8 to the present resolution of the Company's Board of Directors.
5. To instruct the sole executive body of the Company to:
 - 5.1. ensure in 2017 the payment 8 270 million rubles of overdoes receivables that accrued as of 01.07.2017, including 3 690 million rubles in the first quarter of 2017, 1 071 million rubles in the 2nd quarter of 2017, 1 095 million rubles in the 3rd quarter of 2017, 2 381 million rubles in the 4th quarter of 2017.
 - 5.2. submit quarterly reports on the progress of the execution of the instruction specified in clause 5.1 of the present decision.

Approval of the issuer's internal documents/Disclosure of insider information on item 6 "On introduction of changes to the Internal audit Policy"

2.2.6. Content of decision:

To approve changes to the Internal Audit Policy of IDGC of the South PJSC, in accordance with Annex 9 to the present resolution of the Company's Board of Directors.

Disclosure of insider information on item 7 "On discussion of report of the internal audit department on implementation of its schedule in 2016 and the results achieved by the internal audit department"

2.2.7. Content of decision:

1. To approve the reports on implementation of schedule of activities of the internal audit department in 2016, to take into consideration the result of self-evaluation of the quality of internal audit in 2016, in accordance with Annex 10 to the present resolution of the Company's Board of Directors.

2. Instruct the internal audit department of IDGC of the South PJSC to adjust the plan of activities that are aimed at development and sophistication of activity of the internal audit department with regard of recommendations listed in Annex 11 to the present resolution of the Company's Board of Directors.

Disclosure of insider information on item 8 "On expressing the Company's opinion on agenda of the BoD meeting of "PSKh Sokolovskoye" JSC: "On reelection of Director General of "PSKh Sokolovskoye" JSC"

2.2.8. Content of decision:

1. To reelect Vasiliev Vladimir Vasilievich for the position of Director General of "PSKh Sokolovskoye" JSC for the period until 20 March 2018 inclusive.

2. To authorize Ebseev Boris Borisovich, director general of IDGC of the South PJSC, to exercise the rights and obligations of the employer in relation to Vasiliev Vladimir Vasilievich, Director General of "PSKh Sokolovskoye" JSC, and to determine the terms of the employment contract with the General Director of "PSKh Sokolovskoye" JSC and to sign the employment contract, supplementary agreements to it and agreements related to the termination of the employment contract.

2.3. Date of holding the meeting of Board of Directors: **20 March 2017.**

2.4. Date of drawing up and number of the minutes of meeting: **No. 223/2017 dated 23 March 2017**

3. Signature

3.1 Head of Department – Corporate Secretary

_____ Pavlova Ye.N.

(attorney dd 30.12.2016 No.215-16)

(signature)

3.2. Date 23 March 2017