

**Notice of material fact/Insider Information Disclosure, On Dispute Related to Creation/ Management of or Participation in the Issuer**  
**(on receipt of the notice of the intention to apply to the arbitration court with the petition (statement of claim) for initiation by the arbitration court of the proceedings under the case and for acceptance of the petition (statement of claim) for proceedings**

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. OGRN (Primary State Registration 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)	<a href="http://www.mrsk-yuga.ru">http://www.mrsk-yuga.ru</a> <a href="http://www.e-disclosure.ru/portal/company.aspx?id=11999">http://www.e-disclosure.ru/portal/company.aspx?id=11999</a>
2. Notice content	
2.1.corporate dispute subject: <b>on appealing against the resolutions taken by the General Shareholder' Meeting, on appealing against resolutions of the Board of Directors, on recognition of additional issues of the Company's securities as invalid.</b>	
2.2. arbitration case number, as part of which the corporate dispute is/was reviewed: <b>A53-15746/17;</b>	
2.3.number of the judgment under the corporate dispute: w/o number	
2.4. summary of the judgment on the corporate dispute: <b>on acceptance of the statement of claim for proceedings, preparation of the case for court proceedings and appointment of the preliminary court hearing;</b>	
2.5.date of adoption of the judgment under the corporate dispute: <b>09.06.2017</b>	
2.6. full corporate name (for non-for-profit company, name), location, tax ID (if applicable), PSRN (if applicable), the legal entity or surname (if applicable) of the individual who intended to apply and applied to the arbitration court (statement of claim):	
1) <b>LANCRENAN INVESTMENTS LIMITED</b> Registered address: 9, Giannou Kranidioti Str., 2nd Floor, Office 210, Nicosia 1065, Cyprus INN (Taxpayer Identification Number): not applicable OGRN (Primary State Registration Number): not applicable	
2) <b>THE PROSPERITY CUB FUND</b> Registered address: P.O. Box 897, Windward 1, Regatta Office Park, West Bay Road, Grand Cayman, KY1-1103, Cayman Islands INN (Taxpayer Identification Number): not applicable OGRN (Primary State Registration Number): not applicable	
3) <b>PROSPERITY RUSSIA DOMESTIC FUND LIMITED</b> Registered address: P.O. Box 897, Windward 1, Regatta Office Park, West Bay Road, Grand Cayman, KY1-1103, Cayman Islands INN (Taxpayer Identification Number): not applicable OGRN (Primary State Registration Number): not applicable	
4) <b>PROTSVETANIYE HOLDINGS LIMITED</b> Registered address: 9, Giannou Kranidioti Str., 2nd Floor, Office 210, Nicosia 1065, Cyprus INN (Taxpayer Identification Number): not applicable OGRN (Primary State Registration Number): not applicable	
5) <b>PROSPERITY CAPITAL MANAGEMENT SICAV</b> Registered address: 15, Avenue J.F. Kennedy, L-1855, Luxembourg INN (Taxpayer Identification Number): not applicable OGRN (Primary State Registration Number): not applicable	
2.7. status of the person who intended to apply and applied to the arbitration court with the petition (statement of	

claim) (participant (shareholder), member of the issuer's Board of Directors (Supervisory Board), being the business entity, other person): shareholders;

2.8. claims of the person indicated in the notice of the intention to apply to the arbitration court with the application (statement of claim) and a brief description of the circumstances, on which they are based:

**1) recognize the resolution of the Annual General Shareholders' Meeting of Grid Company of the South, PJSC, held on \_\_\_\_ executed by Minutes No. 15 dated June 9, 2016, on the ninth agenda item, as invalid 06.06.2016**

**2) recognize the resolution of the Board of Directors of Grid Company of the South, PJSC, held on July 18, 2016, executed by Minutes No. 194/2016 dated July 21, 2016, on the first and second agenda item, as invalid**

**3) recognize the additional issue of 11,615,110,154 shares in Grid Company of the South, PJSC, No. 1-01-34959-E, with par value of 10 kopeks, as invalid**

**07.04.2017 recognize the resolution of the Extraordinary General Shareholders' Meeting of Grid Company of the South, PJSC, held on \_\_\_\_ executed by Minutes No. 16 dated April 12, 2017, on the only agenda item, as invalid**

**4) recognize the resolution of the Board of Directors of Grid Company of the South, PJSC, held on April 27, 2017, executed by Minutes No. 229/2017 dated May 2, 2017, on the first and second agenda item, as invalid**

**5) recognize the additional issue of 13,015,185,446 shares in Grid Company of the South, PJSC, No. 1-01-34959-E, with par value of 10 kopeks, as invalid**

Summary of circumstances: the shareholders believe that the disputed resolutions are invalid, because they were adopted in violation of paragraph 4, Article 39, Federal Joint Stock Companies Law No. 208-FZ dated December 26, 1995, additional share issues are unrelated.

2.9. name of the arbitration court, to which the person submitted the petition (statement of claim): Arbitration Court of Rostov Region;

2.10. date of the Issuer's receipt of the conformation of acceptance by the arbitration court of the petition (statement of claim) for proceedings: June 10, 2017 (date when the Arbitration Court of the Rostov Region published the Award on acceptance of the statement of claim for proceedings, preparation of the case for court hearing and appointment of a preliminary court hearing);

2.11 Address of the web page on the Internet that published the texts of the notice received by the issuer on the intention to apply to the arbitration court with the petition (statement of claim) and all accompanying documents containing information pertaining to the case and also the date when the texts of these documents were published (if applicable): <http://www.mrsk-yuga.ru>. <http://www.e-disclosure.ru/portal/companv.asDx?id=11999>

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)

\_\_\_\_\_  
(Signature)

E. N. Pavlova

3.2. Date: June 13, 2017

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