

**Extract from the minutes of meeting of
the Board of Directors of IDGC of the South PJSC**

Rostov-on-Don

28.02.2017

#221/2017

Form of holding the meeting: absentee voting (by questionnaires)

Members of the BoD that participated in the absentee voting: Arkhipov S.A., Gvozdev D.B., Dudchenko V.V., Kolyada A.S., Pankstyanov Yu.N., Spirin D.A., Fadeev A.N., Filkin R.A., Shevchuk A.B., Ebzeev B.B., Bogashov A.E.

Members of the BoD that did not submit questionnaires and did not participated in the absentee voting: none.

The quorum is present.

Date of drawing up the minutes of meeting: 03.03.2017

Item 2: “On proposals for the Extraordinary General Meeting of Shareholders on the issue “Increase of the authorized capital of IDGC of the South PJSC by placement of additional shares”

Resolution:

To recommend to extraordinary General meeting of shareholders of IDGC of the South PJSC to adopt the following decision:

The authorized capital of the Company shall be increased by placing additional registered uncertified shares in the amount of 13 015 185 446 (thirteen billion fifteen million one hundred eighty five thousand four hundred forty six) shares with a par value of 10 (ten) kopecks each for total net value of 1 301 518 544 (one billion three hundred one million five hundred eighteen thousand five hundred forty four) rubles 60 kopecks, on the following conditions:

- method of placement: open subscription;
- price of placement of one additional ordinary registered uncertified share (including persons included in the list of persons having the preemptive right to acquire additional shares): 10 (ten) kopecks;

- form of payment: additional ordinary registered uncertified shares of the Company are paid for in rubles of the Russian Federation in non-cash form.

Voting results:

Arkhipov S.A.	-	FOR	Pankstyanov Yu.N.	-	FOR
Gvozdev D.B.	-	FOR	Spirin D.A.	-	AGAINST
Dudchenko V.V.	-	AGAINST	Fadeev A.N.	-	FOR
Kolyada A.S,	-	FOR	Filkin R.A.	-	AGAINST
Ebzeev B.B.	-	FOR	Shevchuk A.B	-	AGAINST
Bogashov A.E.	-	FOR		-	

The resolution was adopted by majority of votes.

Item 3: On fixing the price of placement of additional ordinary shares of IDGC of the South PJSC

Resolution:

To determine the price of placement of one additional ordinary registered uncertified share of the Company (including for those from the list of persons having the preemptive right to purchase additional shares) in accordance with Articles 36 and 77 of the Federal Law “On Joint Stock Companies”: 10 (ten) kopecks.

Voting results:

Arkhipov S.A.	-	FOR	Pankstyanov Yu.N.	-	FOR
Gvozdev D.B.	-	FOR	Spirin D.A.	-	AGAINST
Dudchenko V.V.	-	AGAINST	Fadeev A.N.	-	FOR
Kolyada A.S,	-	FOR	Filkin R.A.	-	AGAINST
Ebzeev B.B.	-	FOR	Shevchuk A.B	-	AGAINST
Bogashov A.E.	-	FOR		-	

The resolution was adopted by majority of votes.

This is a true extract form the Minutes.

Corporate Secretary

Pavlova Ye.N.