

Corporate Action Statement/Disclosure of insider information
“Information on decisions adopted by 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, the 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” – 11 votes “AGAINST” – 0 votes “ABSTAINED” – 0 votes On item 2: “FOR” – 7 votes “AGAINST” – 1 vote “ABSTAINED” – 3 votes On item 3: “FOR” – 7 votes “AGAINST” – 2 votes “ABSTAINED” – 1 vote	

Member of the Board of Directors Ebzeev B.B. being a person implementing functions of sole executive by (Director General) is considered as dependent directors and does not participate in vote on this agenda item

On item 4:

“FOR” – 7 votes

“AGAINST” – 2 votes

“ABSTAINED” – 0 vote

Member of the Board of Directors Bogashov A.Ye. being member of the Board of Directors of Kubanenergo PJSC is considered as dependent directors and does not participate in vote on this agenda item

Member of the Board of Directors Ebzeev B.B. being a person implementing functions of sole executive by (Director General) is considered as dependent directors and does not participate in vote on this agenda item

On item 5:

“FOR” – 7 votes

“AGAINST” – 2 votes

“ABSTAINED” – 0 votes

Member of the Board of Directors Bogashov A.Ye. being member of the Board of Directors of Kubanenergo PJSC is considered as dependent directors and does not participate in vote on this agenda item

Member of the Board of Directors Ebzeev B.B. being a person implementing functions of sole executive by (Director General) is considered as dependent directors and does not participate in vote on this agenda item

On item 6:

“FOR” – 7 votes

“AGAINST” – 2 votes

“ABSTAINED” – 0 votes

Member of the Board of Directors Bogashov A.Ye. being member of the Board of Directors of Kubanenergo PJSC is considered as dependent directors and does not participate in vote on this agenda item

Member of the Board of Directors Ebzeev B.B. being a person implementing functions of sole executive by (Director General) is considered as dependent directors and does not participate in vote on this agenda item

On item 7:

“FOR” – 7 votes

“AGAINST” – 2 votes

“ABSTAINED” – 0 votes

Member of the Board of Directors Bogashov A.Ye. being member of the Board of Directors of Kubanenergo PJSC is considered as dependent directors and does not participate in vote on this agenda item

Member of the Board of Directors Ebzeev B.B. being a person implementing functions of sole executive by (Director General) is considered as dependent directors and does not participate in vote on this agenda item

On item 8 On item 7:

“FOR” – 7 votes

“AGAINST” – 2 votes

“ABSTAINED” – 0 votes

Member of the Board of Directors Bogashov A.Ye. being member of the Board of Directors of Kubanenergo PJSC is considered as dependent directors and does not participate in vote on this agenda item

Member of the Board of Directors Ebzeev B.B. being a person implementing functions of sole executive by (Director General) is considered as dependent directors and does not participate in vote on this agenda item

“FOR” – 8 votes

“AGAINST” – 2 votes

“ABSTAINED” – 0 votes

Member of the Board of Directors Bogashov A.Ye. being member of the Board of Directors of Kubanenergo PJSC is considered as dependent directors and does not participate in vote on this agenda item

Member of the Board of Directors Ebzeev B.B. being a person implementing functions of sole executive by (Director General) is considered as dependent directors and does not participate in vote on this agenda item

On item 8:

“FOR” – 7 votes

“AGAINST” – 2 votes

“ABSTAINED” – 0 votes

Member of the Board of Directors Bogashov A.Ye. being member of the Board of Directors of Kubanenergo PJSC is considered as dependent directors and does not participate in vote on this agenda item

Member of the Board of Directors Ebzeev B.B. being a person implementing functions of sole executive by (Director General) is considered as dependent directors and does not participate in vote on this agenda item

On item 9:

“FOR” – 7 votes

“AGAINST” – 2 votes

“ABSTAINED” – 0 votes

Member of the Board of Directors Bogashov A.Ye. being member of the Board of Directors of Kubanenergo PJSC is considered as dependent directors and does not participate in vote on this agenda item

Member of the Board of Directors Ebzeev B.B. being a person implementing functions of sole executive by (Director General) is considered as dependent directors and does not participate in vote on this agenda item

On item 10:

“FOR” – 7 votes

“AGAINST” – 2 votes

“ABSTAINED” – 0 votes

Member of the Board of Directors Bogashov A.Ye. being member of the Board of Directors of Kubanenergo PJSC is considered as dependent directors and does not participate in vote on this agenda item

Member of the Board of Directors Ebzeev B.B. being a person implementing functions of sole executive by (Director General) is considered as dependent directors and does not participate in vote on this agenda item

On approval of issuer's internal documents /Disclosure of insider information on item 1: "On approval of changes in the Regulations for the Audit Committee under the Board of Directors of "IDGC of the South" PJSC"

2.2.1 Content of decision:

To approve changes in the Regulations for the Audit Committee under the Board of Directors of "IDGC of the South" PJSC, in accordance with Appendix 1 to this decision of Company's BoD.

On approval of issuer's internal documents/Disclosure of insider information on item 2: "On approval of Procedure for arrangement of sales of non-core assets of "IDGC of the South" PJSC"

2.2.1 Content of decision:

1. To approve the Procedure for arrangement of sales of non-core assets of "IDGC of the South" PJSC, in accordance with Appendix 2 to the present decision of the Board of Directors.

2. To announce as invalid the Regulations on organization of the sale of non-core assets of "IDGC of the South" JSC, approved by decision of the BoD of "IDGC of the South" JSC on 28.11.2008 (Minutes of meeting No.20/2008 dated 01.12.2008).

3. To announce as invalid paragraph 2 of item 5 of the decision of the BoD of "IDGC of the South" JSC taken on 10.17.2014 (Minutes of meeting No.145/2014 dated 20.10.2014).

4. To establish that the transactions related to the disposition of fixed assets, regarded in accordance with the law as real estate, construction in progress, the purpose of which is not production, transmission, distribution of electricity and thermal energy shall be carried out in accordance with the Procedure for arrangement of sales of non-core assets of "IDGC of the South" PJSC in the new version, in accordance with Appendix 2 to the present decision of the Board of Directors.

On approval of transactions recognized in accordance with the legislation of the Russian Federation as major transactions and (or) transactions of interest/Disclosure of insider information on item 3: “On approval of contract on provision of educational services concluded between “IDGC of the South” PJSC and Autonomous Nonprofit Organization for Advanced Professional Education “Industry center for competence in construction and power industry (“TsKSEnergo)””

2.2.3. Content of decision:

1. To determine that the price of the contract on rendering of educational services between “IDGC of the South” PJSC and “TsKSEnergo”, being a transaction of interest, shall amount 59 000 (fifty nine thousand) rubles 00 kopecks, VAT free in accordance with Articles 346.12 and 346.13 of Chapter 26.2 of the RF Tax Code.

2. To approve the contract on rendering of educational services between “IDGC of the South” PJSC and “TsKSEnergo” (hereinafter – the “Contract”, Appendix 3 to the present decision of the Board of Directors), as a transaction of interest, on the following essential terms:

Contract parties:

Customer – “IDGC of the South” PJSC

Contractor – “TsKSEnergo”

Subject of the Contract: The Contractor undertakes, in accordance with the Customer’s task, to provide educational services under professional retraining programme “Industrial and civil construction. Construction Organization Management”; “Industrial and civil construction. Organization of building production” and the Customer undertakes to accept and pay for the services rendered, in the manner and amount established by this Contract. List of students is specified and approved by the Parties in Appendix No.1 to the Contract.

Price of the Contract: Cost of the services rendered to the Customer under the contract (contract price) is 59 000 (fifty nine thousand) rubles 00 kopecks, VAT free in accordance with Articles 346.12 and 346.13 of Chapter 26.2 of the RF Tax Code.

Term of service:

Training time: 10.10.2016 – 30.12.2016

Contract time: The Contract shall enter into force upon the signature and is valid until the Parties fulfill their obligations.

On approval of transactions recognized in accordance with the legislation of the Russian Federation as major transactions and (or) transactions of interest/Disclosure of insider information on item 4: “On approval of the debt restructuring agreement under the agency agreement from 09.01.2008 No.407/30-596 between the “Kubanenergo” PJSC and “IDGC of the South” PJSC as transactions of interest”

2.2.4. Content of decision:

1. To determine that the price of debt restructuring agreement under the agency agreement from 09.01.2008 No.407/30-596 between “Kubanenergo” PJSC and “IDGC of the South” PJSC as a transaction of interest, cannot exceed 2 percent of the net value of assets of “Kubanenergo” PJSC, according to its financial statements as of the last reporting date and consists of the principal amount of debt: 11 442 392 (eleven million four hundred forty two thousand three hundred ninety two) rubles 86 kopecks, including 18% VAT – 1 745 449 (one million seven hundred forty five thousand four hundred forty nine) rubles 76 kopecks and interest for the use of funds in the amount of the Bank's rate in Russia, calculated on the amount of restructured debt for the period from 01.09.2016 to 31.08.2017.

2. To approve the debt restructuring agreement under the agency agreement from 09.01.2008 No.407/30-596 between “Kubanenergo” PJSC and “IDGC of the South” PJSC (hereinafter – the Agreement) as a transaction of interest on the following essential conditions:

Parties to the Agreement:

“Kubanenergo” PJSC (Debtor); “IDGC of the South” PJSC (Lender).

Subject of the Agreement: Determination of procedure for payment of the debt of the Debtor to the Creditor under the agency agreement from 09.01.2008 No.407/30-596 in the amount of 11 442 392 (eleven million four hundred forty two thousand three hundred ninety two) rubles 86 kopecks, including 18% VAT – 1 745 449 (one million seven

hundred forty five thousand four hundred forty nine) rubles 76 kopecks, accrued as of 30.06.2016 (act of verification of mutual settlements as of 30.06.2016).

Procedure of debt payment: The Parties recognize the obligation of the Debtor on the debt payment under the contract from 09.01.2008 No.407/30-596 in the amount of 11 442 392 (eleven million four hundred forty two thousand three hundred ninety two) rubles 86 kopecks, including 18% VAT – 1 745 449 (one million seven hundred forty five thousand four hundred forty nine) rubles 76 kopecks (hereinafter – the principal debt).

The Debtor is obliged to pay the principal amount in equal installments according to the payment schedule (Appendix 1 to the Agreement).

Interest shall be paid from the sum of the outstanding part of the principal debt for the period from 01.09.2016 on 31.08.2017 for the use of funds in the amount of the Bank of Russia rate.

Accrual of interest on the remaining debt from the principal debt is carried out on a monthly basis at on the basis that the calendar months has 30 days. Interest for the use of funds shall be paid by the Debtor in favour of the lender by the last payment by 31.08.2017. In case of change of a rate of the Bank of Russia for the period of the Agreement, the accrual of interest is automatically performed at the modified rate from the date of its adoption.

Term of the Agreement: The Agreement comes into force upon the signature and is valid until the Debtor fulfills all its obligations under the Agreement, but not before the review and approval of this issue by the Board of Directors of both companies.

On approval of transactions recognized in accordance with the legislation of the Russian Federation as major transactions and (or) transactions of interest/Disclosure of insider information on item 5: “On approval of the debt restructuring agreement under the lease contract from 05.04.2011 No.244/407/30-513 between “Kubanenergo” PJSC and “IDGC of the South” PJSC as transactions of interest”

2.2.5. Content of decision:

1. To determine that the price agreement on the restructuring the debt under the lease contract from 05.04.2011 No.244/407/30-513 between “Kubanenergo” PJSC and “IDGC

of the South” PJSC as a transaction of interest, cannot exceed 2 percent of the net value of assets of “Kubanenergo” PJSC, according to its financial statements as of the last reporting date and consists of the amounts owed under the Agreement: 4 214 665 (four million two hundred fourteen thousand six hundred sixty five) rubles 88 kopecks, including 18% VAT – 633 562 (six hundred thirty three thousand five hundred sixty two) rubles 17 kopecks and interest for the use of funds in the amount of the key rate of the Central Bank of the Russian Federation, calculated for the period from 01.09.2016 on 31.08.2017.

2. To approve the Agreement on the restructuring the debt under contract of lease from 05.04.2011 No.244/407/30-513 between “Kubanenergo” PJSC and “IDGC of the South” PJSC (hereinafter – the Agreement) as a transaction of interest, on the following terms and conditions:

Parties to the Agreement:

“Kubanenergo” PJSC (Debtor); “IDGC of the South” PJSC (Lender).

Subject of the Agreement: Determination of procedure for payment of the debt of the Debtor to the Creditor under the lease contract from 05.04.2011 No.244/407/30-513 in the amount of 4 214 665 (four million two hundred fourteen thousand six hundred sixty five) rubles 88 kopecks, including 18% VAT – 633 562 (six hundred thirty three thousand five hundred sixty two) rubles 17 kopecks, that accrued as of 30.06.2016 (act of verification of mutual settlements as of 30.06.2016), as well as the interest for the use of funds.

Repayment of debt: The Parties recognize the obligation of the debtor to pay the debt under the contract of lease of immovable property from 05.04.2011 No.244/407/30-513 with regard of the decision of the Arbitration Court of Krasnodar region from 20.03.2013 on case No.A32-35671/2012 of 4 214 665 (four million two hundred fourteen thousand six hundred sixty five) rubles 88 kopecks, including 18% VAT – 633 562 (six hundred thirty three thousand five hundred sixty two) rubles 17 kopecks, consisting of:

- the amounts owed under the Agreement: 4 153 352 rubles 00 kopecks, including debt i of 964 171 rubles 00 kopecks, claimed in accordance with the decision of the Arbitration

Court of the Krasnodar region on 20.03.2013 on case No.A32-35671/2012 for the period from 16.06.2011 to 30.06.2012;

- interest on the borrowed funds in the amount of 38 765 rubles 05 kopecks, claimed in accordance with the decision of the Arbitration Court of the Krasnodar region from 20.03.2013 on case No.A32-35671/2012;

- expenses on payment of the state fee in the amount of 22 548 rubles 83 kopecks, claimed in accordance with the decision of the Arbitration Court of the Krasnodar region from 20.03.2013 on case No.A32-35671/2012;

The debt in the amount of 1 025 484 rubles 88 kopecks collected in accordance with the decision of the Arbitration Court of the Krasnodar region from 20.03.2013 on case No.A32-35671/2012, is paid by the Debtor in a lump sum within 14 (fourteen) working days from the date of signing the Agreement.

The debtor is obliged to pay the debt in the amount of 3 189 181 (three million one hundred eighty nine thousand one hundred eighty one) rubles 00 kopecks, including 18% VAT – 486 485 (four hundred eighty six thousand four hundred eighty five) rubles 24 kopecks (hereinafter – the principal debt) in equal installments according to the payment schedule (Appendix 1 to the Agreement).

Accrual of interest on the remaining debt from the principal debt is carried out on a monthly basis at on the basis that the calendar months has 30 days. Interest for the use of funds shall be paid by the Debtor in favour of the lender by the last payment by 31.08.2017. In case of change of a rate of the Bank of Russia for the period of the Agreement, the accrual of interest shall be automatically performed at the modified rate from the date of its adoption. Current monthly payments under the rent contract from 05.04.2011 No.244/407/30-513 shall be paid by the Debtor in the manner and time stipulated in the Contract.

Term of the Agreement: The Agreement comes into force from the date of its signing and is valid until the Debtor completes its obligations under the Agreement, but not before the review and approval of this issue by the Board of Directors of both companies.

On approval of transactions recognized in accordance with the legislation of the Russian Federation as major transactions and (or) transactions of is

interest/Disclosure of insider information on item 6 “On approval of the debt restructuring agreement under the rent contract from 01.06.2010 No.272/407/30-624 between “Kubanenergo” PJSC and “IDGC of the South” PJSC as transactions of interest”

2.2.6. Content of decision:

1. To determine that the price of debt restructuring agreement under the rent contract agreement from 01.06.2010 No.272/407/30-624 between “Kubanenergo” PJSC and “IDGC of the South” PJSC, as a transaction of interest, cannot exceed 2 percent of the net value of assets of “Kubanenergo” PJSC according to its financial statements as of the last reporting date and consists of the principal amount of debt: 1 980 932 (one million nine hundred eighty thousand nine hundred thirty two) rubles 84 kopecks, including VAT 18% - 302 176 (three hundred two thousand one hundred seventy six) rubles 20 kopecks and interest for the use of funds in the amount of the Bank's rate in Russia, calculated on the amount of restructured debt for the period from 01.09.2016 to 31.08.2017.

2. To approve the debt restructuring agreement under the rent contract from 01.06.2010 No.272/407/30-624 between “Kubanenergo” PJSC and “IDGC of the South” PJSC, as a transaction of interest on the following essential conditions:

Parties to the Agreement:

“Kubanenergo” PJSC (Debtor); “IDGC of the South” PJSC (Lender).

Subject of the Agreement: Determination of procedure for payment of the debt of the Debtor to the Creditor under the rent contract from 01.06.2010 No.272/407/30-624 in amount of 1 980 932 (one million nine hundred eighty thousand nine hundred thirty two) rubles 84 kopecks, including VAT 18% - 302 176 (three hundred two thousand one hundred seventy six) rubles 20 kopecks, that accrued as of 30.06.2016 (act of verification of mutual settlements as of 30.06.2016).

Repayment of debt: The Parties recognize the obligation of the debtor to pay the debt under the contract of rent from 01.06.2010 No.272/407/30-624 in amount of 1 980 932 (one million nine hundred eighty thousand nine hundred thirty two) rubles 84 kopecks, including VAT 18% - 302 176 (three hundred two thousand one hundred seventy six) rubles 20 kopecks (hereinafter – the principal debt).

The Debtor is obliged to pay the principal amount in equal installments according to the payment schedule (Appendix 1 to the Agreement).

Interest shall be paid from the sum of the outstanding part of the principal debt for the period from 01.09.2016 on 31.08.2017 for the use of funds in the amount of the Bank of Russia rate.

Accrual of interest on the remaining debt from the principal debt is carried out on a monthly basis at on the basis that the calendar months has 30 days. Interest for the use of funds shall be paid by the Debtor in favour of the lender by the last payment by 31.08.2017. In case of change of a rate of the Bank of Russia for the period of the Agreement, the accrual of interest is automatically performed at the modified rate from the date of its adoption. Current monthly payments under the rent contract from 01.08.2011 No.640/407/30-990 shall be paid in the manner prescribed by the contract.

Term of the Agreement: The Agreement comes into force upon the signature and is valid until the Debtor fulfills all its obligations under the Agreement, but not before the review and approval of this issue by the Board of Directors of both companies.

On approval of transactions recognized in accordance with the legislation of the Russian Federation as major transactions and (or) transactions of interest/Disclosure of insider information on item 7 “On approval of the debt restructuring agreement the rent contract from 01.08.2011 No.640/407/30-990 between “Kubanenergo” PJSC and “IDGC of the South” PJSC as transactions of interest”

2.2.7. Content of decision:

1. To determine that the price of debt restructuring agreement under the rent contract from 01.08.2011 No.640/407/30-990 between “Kubanenergo” PJSC and “IDGC of the South” PJSC, as a transaction of interest, cannot exceed 2 percent of the net value of assets of “Kubanenergo” PJSC according to its financial statements as of the last reporting date and consists of the principal amount of debt: 42 671 421 (forty two million six hundred seventy one thousand four hundred twenty one) rubles 00 kopecks, including 18% VAT - 6 509 199 (six million five hundred nine thousand one hundred ninety nine) rubles 81 kopecks and interest for the use of funds in the amount of the Bank's rate in

Russia, calculated on the amount of restructured debt for the period from 01.09.2016 to 31.08.2017.

2. To approve the debt restructuring agreement under the rent contract from 01.08.2011 No.640/407/30-990 between “Kubanenergo” PJSC and “IDGC of the South” PJSC (hereinafter – the Agreement) as a transaction of interest on the following essential conditions:

Parties to the Agreement:

“Kubanenergo” PJSC (Debtor); “IDGC of the South” PJSC (Lender).

Subject of the Agreement: Determination of procedure for payment of the debt of the Debtor to the Creditor under the rent contract from 01.08.2011 No.640/407/30-990 in amount of 42 671 421 (forty two million six hundred seventy one thousand four hundred twenty one) rubles 00 kopecks, including 18% VAT - 6 509 199 (six million five hundred nine thousand one hundred ninety nine) rubles 81 kopecks, that accrued as of 30.06.2016 (act of verification of mutual settlements as of 30.06.2016), excluding legally enforced settlement of debt in the amount of 16 430 026 rubles 73 kopecks, payable prior to the conclusion of this Agreement (decision of the Arbitration Court of Krasnodar region that entered into force on 19.03.2013 on case No.A32-26690/2012 case (a writ of execution from 19.03.2013 was issued).

Repayment of debt: The Parties recognize the obligation of the debtor to pay the debt under the contract of lease of immovable property from 01.08.2011 No. 640/407/30-990 in amount of 42 671 421 (forty two million six hundred seventy one thousand four hundred twenty one) rubles 00 kopecks, including 18% VAT - 6 509199 (six million five hundred nine thousand one hundred ninety nine) rubles 81 kopecks (hereinafter – the principal debt).

The Debtor is obliged to pay the principal amount in equal installments according to the payment schedule (Appendix 1 to the Agreement).

Interest shall be paid from the sum of the outstanding part of the principal debt for the period from 01.09.2016 on 31.08.2017 for the use of funds in the amount of the Bank of Russia rate.

Accrual of interest on the remaining debt from the principal debt is carried out on a monthly basis at on the basis that the calendar months has 30 days. Interest for the use of funds shall be paid by the Debtor in favour of the lender by the last payment by 31.08.2017. In case of change of a rate of the Bank of Russia for the period of the Agreement, the accrual of interest is automatically performed at the modified rate from the date of its adoption.

Current monthly payments under the rent contract from 01.08.2011 No.640/407/30-990 shall be paid in the manner prescribed by the contract.

Term of the Agreement: The Agreement comes into force upon the signature and is valid until the Debtor fulfills all its obligations under the Agreement, but not before the review and approval of this issue by the Board of Directors of both companies.

On approval of transactions recognized in accordance with the legislation of the Russian Federation as major transactions and (or) transactions of interest/Disclosure of insider information on item 8 “On approval of the debt restructuring agreement under the contract of transfer of powers of the sole executive body of “Kubanenergo” JSC from 14.09.2007 No.407/30-1143/26 between “Kubanenergo” PJSC and “IDGC of the South” PJSC as transactions of interest”

2.2.8. Content of decision:

1. To determine that the price of debt restructuring agreement under the contract of transfer of powers of the sole executive body of “Kubanenergo” JSC from 14.09.2007 No.407/30-1143/26 between “Kubanenergo” PJSC and “IDGC of the South” PJSC as a transaction of interest, cannot exceed 2 percent of the net value of assets of “Kubanenergo” PJSC, according to its financial statements as of the last reporting date and consists of the principal amount of debt: 50 957 186 (fifty million nine hundred fifty seven thousand one hundred eighty six) rubles 94 kopecks, including 18% VAT – 7 773 130 (seven million seven hundred seventy three thousand one hundred thirty) rubles 21 kopecks and interest for the use of funds in the amount of the Bank's rate in Russia, calculated on the amount of restructured debt for the period from 01.09.2016 to 31.08.2017.

2. To approve the debt restructuring agreement under the contract on the transfer of powers of the sole executive body of “Kubanenergo” JSC from 14.09.2007 No.407/30-1143/26 between “Kubanenergo” PJSC and “IDGC of the South” JSC (hereinafter – the Agreement) as a transaction of interest on the following essential conditions:

Parties to the Agreement:

“Kubanenergo” PJSC (Debtor); “IDGC of the South” PJSC (Lender).

Subject of the Agreement: Determination of procedure for payment of the debt of the Debtor to the Creditor under the contract from 14.09.2007 No.407/30-1143/26 on the transfer of powers of the sole executive body of “Kubanenergo” in the amount of 50 957 186 (fifty million nine hundred fifty seven thousand one hundred eighty six) rubles 94 kopecks, including 18% VAT – 7 773 130 (seven million seven hundred seventy three thousand one hundred thirty) rubles 21 kopecks, accrued as of 30.06.2016 (act of verification of mutual settlements as of 30.06.2016).

Procedure of debt payment: The Parties recognize the obligation of the Debtor on the debt payment under the contract from 14.09.2007 No.407/30-1143/26 on the transfer of powers of the sole executive body of “Kubanenergo” in the amount of 50 957 186 (fifty million nine hundred fifty seven thousand one hundred eighty six) rubles 94 kopecks, including 18% VAT – 7 773 130 (seven million seven hundred seventy three thousand one hundred thirty) rubles 21 kopecks (hereinafter – the principal debt).

The Debtor is obliged to pay the principal amount in equal installments according to the payment schedule (Appendix 1 to the Agreement).

Interest shall be paid from the sum of the outstanding part of the principal debt for the period from 01.09.2016 on 31.08.2017 for the use of funds in the amount of the Bank of Russia rate.

Accrual of interest on the remaining debt from the principal debt is carried out on a monthly basis at on the basis that the calendar months has 30 days. Interest for the use of funds shall be paid by the Debtor in favour of the lender by the last payment by 31.08.2017. In case of change of a rate of the Bank of Russia for the period of the Agreement, the accrual of interest is automatically performed at the modified rate from the date of its adoption.

Term of the Agreement: The Agreement comes into force upon the signature and is valid until the Debtor fulfills all its obligations under the Agreement, but not before the review and approval of this issue by the Board of Directors of both companies.

On approval of transactions recognized in accordance with the legislation of the Russian Federation as major transactions and (or) transactions of interest/Disclosure of insider information on item 9 “On approval of the debt restructuring agreement under the contract from 30.03.2015 No.407/30-270/10001501000042 between “Kubanenergo” PJSC and “IDGC of the South” PJSC as transactions of interest”

2.2.9. Content of decision:

1. To determine that the price of debt restructuring agreement under the contract from 30.03.2015 No.407/30-270/10001501000042 between “Kubanenergo” PJSC and “IDGC of the South” PJSC, as a transaction of interest, cannot exceed 2 percent of the net value of assets of “Kubanenergo” PJSC according to its financial statements as of the last reporting date and consists of the principal amount of debt: 14 265 171 (fourteen million two hundred sixty five thousand one hundred seventy one) rubles 70 kopecks, including 18% VAT - 2 176 043 (two million one hundred seventy six thousand forty three) rubles 14 kopecks and interest for the use of funds in the amount of the Bank's rate in Russia, calculated on the amount of restructured debt for the period from 01.09.2016 to 31.08.2017.

2. To approve the debt restructuring agreement under the contract from 30.03.2015 No.407/30-270/10001501000042 between “Kubanenergo” PJSC and “IDGC of the South” PJSC, as a transaction of interest on the following essential conditions:

Parties to the Agreement:

“Kubanenergo” PJSC (Debtor); “IDGC of the South” PJSC (Lender).

Subject of the Agreement: Determination of procedure for payment of the debt of the Debtor to the Creditor under the contract from 30.03.2015 No.407/30-270/10001501000042 in amount of 15 539 398 (fifteen million five hundred thirty nine thousand three hundred ninety eight) rubles 98 kopecks, including 18% VAT - 2 370 416 (two million three hundred seventy thousand four hundred and sixteen) rubles 79

kopecks, that accrued as of 30.06.2016 (act of verification of mutual settlements as of 30.06.2016), taking into account the of mutual settlements according to the letter dated 20.07.2016 No.MR5 / 3000/708 in the amount of 1 274 227 (one million two hundred and seventy four thousand two hundred twenty seven) rubles 28 kopeks for the contract from 10.05.2016 No.407/30-384.

Repayment of debt: The Parties recognize the obligation of the debtor to pay the debt under the contract from 30.03.2015No.407/30-270/10001501000042 in the amount of 14 265 171 (fourteen million two hundred sixty five thousand one hundred seventy one) rubles 70 kopecks, including 18% VAT - 2 176 043 (two million one hundred seventy six thousand forty three) rubles 14 kopecks (hereinafter – the principal debt).

The Debtor is obliged to pay the principal amount in equal installments according to the payment schedule (Appendix 1 to the Agreement).

Interest shall be paid from the sum of the outstanding part of the principal debt for the period from 01.09.2016 on 31.08.2017 for the use of funds in the amount of the Bank of Russia rate.

Accrual of interest on the remaining debt from the principal debt is carried out on a monthly basis at on the basis that the calendar months has 30 days. Interest for the use of funds shall be paid by the Debtor in favour of the lender by the last payment by 31.08.2017.

In case of change of a rate of the Bank of Russia for the period of the Agreement, the accrual of interest is automatically performed at the modified rate from the date of its adoption.

Term of the Agreement: The Agreement comes into force upon the signature and is valid until the Debtor fulfills all its obligations under the Agreement, but not before the review and approval of this issue by the Board of Directors of both companies.

On approval of transactions recognized in accordance with the legislation of the Russian Federation as major transactions and (or) transactions of interest/Disclosure of insider information on item 10 “On approval of the debt restructuring agreement under the contract from 17.01.2014 No.407/30-

699/10001401000047 between “Kubanenergo” PJSC and “IDGC of the South” PJSC as transactions of interest”

2.2.10. Content of decision:

1. To determine that the price of debt restructuring agreement under the contract from 17.01.2014 No.407/30-699/10001401000047 between “Kubanenergo” PJSC and “IDGC of the South” PJSC , as a transaction of interest, cannot exceed 2 percent of the net value of assets of “Kubanenergo” PJSC according to its financial statements as of the last reporting date and consists of the principal amount of debt: 26 373 548 (twenty six million three hundred seventy three thousand five hundred forty eight) rubles 25 kopecks, including 18% VAT - 4 023 083 (four million twenty three thousand eighty three) rubles 63 kopecks and interest for the use of funds in the amount of a key rate of the Bank of Russia, calculated for the amount of restructured debt for the period from 01.07.2016 until the day of actual payment of the principal debt.

2. To approve the debt restructuring agreement under the contract from 17.01.2014 No.407/30-699/10001401000047 between “Kubanenergo” PJSC and “IDGC of the South” PJSC, as a transaction of interest on the following essential conditions:

Parties to the Agreement:

“Kubanenergo” PJSC (Debtor); “IDGC of the South” PJSC (Lender).

Subject of the Agreement: Determination of procedure for payment of the debt of the Debtor to the Creditor under the contract from 17.01.2014 No.407/30-699/10001401000047 in amount of 26 373 548 (twenty six million three hundred seventy three thousand five hundred forty eight) rubles 25 kopecks, including 18% VAT - 4 023 083 (four million twenty three thousand eighty three) rubles 63 kopecks, hat accrued as of 30.06.2016 (act of verification of mutual settlements as of 30.06.2016).

Repayment of debt: The Parties recognize the obligation of the debtor to pay the debt under the contract from 17.01.2014 No.407/30-699/10001401000047 in amount of 26 373 548 (twenty six million three hundred seventy three thousand five hundred forty eight) rubles 25 kopecks, including 18% VAT - 4 023 083 (four million twenty three thousand eighty three) rubles 63 kopecks (hereinafter – the principal debt).

The Debtor is obliged to pay the debt in amount of 26 373 548 (twenty six million three hundred seventy three thousand five hundred forty eight) rubles 25 kopecks, including 18% VAT - 4 023 083 (four million twenty three thousand eighty three) rubles 63 kopecks in accordance with the Agreement as well as interest for use of funds, using the following procedure:

- the Debtor undertakes the obligation to repay the entire the principal amount indicated in paragraph 2.1 of the Agreement, within 5 working days after receipt of funds from the additional issue of shares to the account of “Kubanenergo” PJSC;
- interest for use of the funds shall be paid on the outstanding amount of the principal debt for the period from 07.01.2016 until the day of actual payment of the principal amount in accordance with the key rate of the Bank of Russia.

Accrual of interest on the remaining debt from the principal debt is carried out on a monthly basis at on the basis that the calendar months has 30 days. Interest for the use of funds shall be paid by the Debtor in favour of the Lender within 5 business days after Kubanenergo receives funds from the additional issue of shares.

In case of change of a rate of the Bank of Russia for the period of the Agreement, the accrual of interest is automatically performed at the modified rate from the date of its adoption.

Term of the Agreement: The Agreement comes into force upon the signature and is valid until the Debtor fulfills all its obligations under the Agreement, but not before the review and approval of this issue by the Board of Directors of both companies.

2.3. Date of holding the meeting of Board of Directors: **2 November 2016.**

2.4. Date of drawing up and number of the minutes of meeting: **No. 206/2016 dated 7 November 2016**

3. Signature

3.1 Head of Department – Corporate Secretary (attorney _____ Pavlova Ye.N.
dd 11.02.2016 No.45-16) (signature)

3.2. Date 7 November 2016