

**Extract from Minutes No.176/2016 of meeting of the Board of Directors of
Public Joint Stock Company “Interregional Distribution Grid Company of
the South” (IDGC of the South PJSC)**

Date of holding the meeting:	29.01.2016
Form of the meeting:	Absentee (voting by questionnaires)
Place of summing up the results of voting:	147, 2-ya Krasnodarskaya street, Rostov-on-Don
Time of summing up the results of voting:	29.01.2016; 5 p.m.
Date of drawing up minutes of meeting:	01.02.2016
Amount of the BoD members	11 members

Members of the BoD that have submitted the questionnaires: Arkhipov Sergey Alexandrovich, Branis Alexandr Markovich, Dudchenko Vladimir Vladimirovich, Pankstianov Yuriy Nikolaevich, Piotrovich Nikolay Borisovich, Fadeev Alexandr Nikolaevich, Filkin Roman Alexeevich, Kharin Andrey Nikolaevich, Shevchuk Alexandr Viktorovich, SHmakov Igor Vladimirovich, Ebzeev Boris Borisovich.

Members of the BoD that have not submitted the questionnaires: none

In accordance with paragraph 7.3 of article 7 of the Regulations for the Board of Directors of IDGC of the South PJSC, approved by the resolution of the AGM of IDGC of the South shareholders on 19.06.2016 (minutes of meeting No.13 dated 22.06.2015), the quorum for holding the meeting of the Board of Directors shall constitute at least half of the elected members of the Company’s Board of Directors. The quorum is present.

Agenda of the BoD meeting:

1. On approval of restated for the system of internal technical supervision at IDGC of the South PJSC.
2. On approval of the Central purchasing committee of the Company – the Central Tender Commission of IDGC of the South PJSC.
3. On approval of contract for provision of education services between IDGC of the South PJSC and “Omega” LLC as an interested party transaction.

4. On introduction of changes to resolution of the BoD of IDGC of the South PJSC on 20.08.2015 (minutes of meeting NO. 164/2015 dated 21.08.2015) on agenda item 8: “On approval of contract on provision access to grid facilities for construction and operation of fiber-optic communication lines between IDGC of the South PJSC and “FOCL-Power Lines Directorate” JSC as an interested party transaction.”
5. On approval of annual and quarterly KPI of the Company’s Director General for 2016.
6. On approval of the Company’s Insurer.
7. On approval of amended Schedule of elimination of hazardous equipment, places and mechanisms, elimination of accidents for 2014-2016.
8. On approval of consolidated on the principles of RAS quarterly report on implementation of business-plan of the Group IDGC of the South PJSC for 9 months of 2015.
9. On expressing the Company’s opinion on agenda items of the meetings of the affiliated companies’ BoDs: “On approval of business-plans (costs estimates) of affiliated company of IDGC of the South PJSC for 2016 and estimates for 2017-20120.”
10. On expressing the Company’s opinion on agenda item of extraordinary general meeting of shareholders of Energoservis Yuga JSC, an affiliate of IDGC of the South PJSC,: “On approval of Additional agreement No.2 to Contract No.00867-П-Д/2014 dated 25.04.2014 concluded between Energoservis Yuga JSC and “PATRIOT-Development” JSC as a major transaction”
11. On introduction of changes to the Regulations for payment of remunerations and compensations to members of the committees under the Board of Directors.

Item 11: On introduction of changes to the Regulations for payment of remunerations and compensations to members of the committees under the Board of Directors

Resolution:

To introduce the following changes to the Regulations for payment of remunerations and compensations to members of the committees under the Board of Directors (hereinafter – the Regulations):

To add to paragraph 2 the passage:

“In case the Chairperson and/or members of the Committee under the Board of Directors are simultaneously members of the Board of Directors, their remuneration shall be paid in accordance with procedure and in amount stipulated by the Company’s internal document regulating the payment of remunerations and compensations to members of the BoD, approved by the General Meeting of the Company’s Shareholders.”

Voting results:

Arkhipov S.A.	- FOR	Fadeev A.N.	- FOR
Branis A.M.	- FOR	Filkin R.A.	- FOR
Dudchenko V.V.	- FOR	Kharin A.N.	- FOR
Pankstianov Yu.N.	- FOR	Shevchuk A.V.	- ABSTAINED
Piotrovich N.B.	- FOR	Shmakovv I.V.	- FOR
Ebzeev B.B.	- FOR		

Thus, the majority of the BoD members adopted the resolution on the eleventh item.

Chairperson of the BoD Arkhipov S.A.

Corporate Secretary Pavlova Ye.N.

The extract from the Minutes of meeting is correct Pavlova Ye.N.

02.02.2016