Corporate action notice/Insider information disclosure

"Information on resolutions taken by the Board of Directors of IDGC of the South, PJSC"

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| 1. General | | | | | | |
| 1.1. Full corporate name of the Issuer: | | | | **Public Joint Stock Company "Interregional Distribution Grid Company of the South”** | | |
| 1.2. Abbreviated corporate name of the Issuer: | | | | **IDGC of the South, PJSC** | | |
| 1.3. Location of the Issuer: | | | | **Rostov-on-Don, Russian Federation** | | |
| 1.4. OGRN of the Issuer: | | | | **1076164009096** | | |
| 1.5. TIN of the Issuer: | | | | **6164266561** | | |
| 1.6. Unique code of the Issuer, assigned by the registering authority: | | | | **34956-Е** | | |
| 1.7. The address of the Internet page used by the Issuer for information disclosures | | | | [**http://www.mrsk-yuga.ru**](http://www.mrsk-yuga.ru/)  [**http://www.e-disclosure.ru/portal/company.aspx?id=11999**](http://www.e-disclosure.ru/portal/company.aspx?id=11999) | | |
| 1.8. Event effective date (material fact) of which the message is composed (if applicable): | | | | **August 16, 2019** | | |
| 2. Notice content | | | | | | |
| 2.1. Quorum for a meeting of the Issuer's Board of Directors and the results of voting on decision-making issues: ***11 out of 11 members of the Board of Directors participated in the meeting, a quorum is present.***  Voting results **on issue No. 1** of the agenda:  "PRO" is 11 votes;  "CON" is 0 votes;  "ABSTAIN" is 0 vote.  Voting results **on issue No. 2** of the agenda:  "PRO" is 11 votes;  "CON" is 0 votes;  "ABSTAIN" is 0 votes.  Voting results **on issue No. 3** of the agenda:  "PRO" is 11 votes;  "CON" is 0 votes;  "ABSTAIN" is 0 votes.  Voting results **on issue No. 4** of the agenda:  "PRO" is 11 votes;  "CON" is 0 votes;  "ABSTAIN" is 0 votes.  Voting results **on issue No. 5** of the agenda:  "PRO" is 10 votes;  "CON" is 0 votes;  "ABSTAIN" is 1 vote.  Voting results **on issue No. 6** of the agenda:  "PRO" is 8 votes;  "CON" is 2 votes;  "ABSTAIN" is 1 vote.  Voting results **on issue No. 7** of the agenda:  "PRO" is 8 votes;  "CON" is 2 votes;  "ABSTAIN" is 1 vote.  Voting results **on issue No. 8** of the agenda:  "PRO" is 9 votes;  "CON" is 2 votes;  "ABSTAIN" is 0 votes.  *On the agenda issue No. 6, 7, 8 of the meeting of the Board of Directors of IDGC of the South, PJSC, a Special Opinion of Vitaly Yurievich Zarhin, Member of the Board of Directors of the Company was received (Annex No. 4 to the Minutes of the Company's Board of Directors).* | | | | | | |
| **Insider information disclosure on issue No. 1: On determining the amount of payment for the services of the auditor of IDGC of the South, PJSC.** | | | | | | |
| 2.2.1. Resolution content adopted by the Issuer's Board of Directors:  Determine the amount of payment for the services of the Company's auditor, Ernst and Young LLC, related to the audit of the accounting (financial) statements for 2019 prepared in accordance with RAS, the audit of the consolidated financial statements prepared in accordance with IFRS for the year ending December 31, 2019 in the amount of 2,325,118 (two million three hundred and twenty-five thousand one hundred and eighteen rubles) 64 kopecks, plus VAT (20%) 465,023 (four hundred and sixty-five thousand twenty-three rubles) 73 kopecks. | | | | | | |
| **Insider information disclosure on issue No. 2: On amendments to the resolution of the Board of Directors of IDGC of the South, PJSC of March 19, 2019 (Minutes No. 305/2019 dated March 22, 2019)**  **on issue No. 1 "On the Concept "Digital transformation 2030".** | | | | | | |
| 2.2.2. Resolution content adopted by the Issuer's Board of Directors:  State paragraph 2 of the resolution of the Board of Directors of IDGC of the South, PJSC dated March 19, 2019 (Minutes No. 305/2019 dated March 22, 2019) on issue No. 1 "On the Concept "Digital transformation 2030" in the following wording:  "2. General Director of IDGC of the South, PJSC to ensure the development and submit for consideration of the Board of Directors of IDGC of the South, PJSC the Program of Digital Transformation of IDGC of the South, PJSC to develop the Concept of Russian Networks, PJSC - Digital Transformation 2030".  Deadline: Q3 2019". | | | | | | |
| **Insider information disclosure on issue No. 3: Progress in implementing the Company's investment projects included in the list of priority objects for Q1 2019.** | | | | | | |
| 2.2.3. Resolution content adopted by the Issuer's Board of Directors:  Take into consideration the report of the Single Executive Body on the implementation progress of investment projects of IDGC of the South, PJSC, included in the list of priority objects, for Q3 2019 as per Annex No. 1 to this resolution of the Company's Board of Directors. | | | | | | |
| **Insider information disclosure on issue No. 4: Expenditure on the preparation and holding of the Annual General Meeting of Shareholders of the Company.** | | | | | | |
| 2.2.4. Resolution content adopted by the Issuer's Board of Directors:  Take into consideration the report on expenditure of funds for preparation and holding the Annual General Meeting of Shareholders of IDGC of the South, PJSC in accordance with Annex No. 2 to this resolution of the Company's Board of Directors. | | | | | | |
| **Insider information disclosure on issue No. 5: On determining the Company's position on the agenda of the extraordinary general meetings of shareholders of subsidiaries and affiliates of IDGC of the South - Joint Stock Company Recreation Center "Energetik", PSKh Sokolovskoe", JSC and "Energoservice of the South", JSC.** | | | | | | |
| 2.2.5. Resolution content adopted by the Issuer's Board of Directors:   1. Instruct the representatives of IDGC of the South, PJSC to vote "PRO" at the Extraordinary General Meeting of Shareholders of the Recreation Center "Energetik", JSC on the agenda item "On Approval of the new version of the Company's Charter":   Approve the new version of the Company's Charter.   1. Instruct the representatives of IDGC of the South, PJSC to vote "PRO" at the Extraordinary General Meeting of Shareholders of the PSKh Sokolovskoe, JSC on the agenda item "On Approval of the new version of the Company's Charter":   Approve the new version of the Company's Charter.   1. Instruct the representatives of IDGC of the South, PJSC to vote "PRO" at the Extraordinary General Meeting of Shareholders of the "Energoservice of the South", JSC on the agenda item "On Approval of the new version of the Company's Charter":   Approve the new version of the Company's Charter. | | | | | | |
| **Insider information disclosure on issue No. 6: On termination of participation of IDGC of the South, PJSC in "PSKh Sokolovskoe", JSC by the alienation of shares.** | | | | | | |
| 2.2.6. Resolution content adopted by the Issuer's Board of Directors:  Approve the termination of participation of IDGC of the South, PJSC in "PSKh Sokolovskoe", JSC on the following material terms:   * category, type, nominal value of the share - the share ordinary nominal non-documentary, nominal value 0,56 RUB; * state registration number of the share issue: 1-03-33839-Е; * number of alienated shares, their share in the authorized capital - 161,713,447 (one hundred sixty one million seven hundred thirteen thousand four hundred and forty-seven) units, which is 100% of the authorized capital of "PSKh Sokolovskoe", JSC; * carrying value of the shares as at March 31, 2019 is 93,228,219 (ninety-three million two hundred and twenty-eight thousand two hundred and nineteen) roubles 22 kopecks; * disposal method: sale by means of public offer with the involvement of an agent for the sale of property; * initial offer price - the value equal to the initial price of the failed auction in the amount of 95,000,000 (ninety-five million) RUB; * minimum bid price: value equal to 50 (fifty) percent of the initial offer price of 47,500,000 (forty seven million five hundred thousand) RUB (below the carrying value); * manner (term) of payment for shares - in cash before the transfer of ownership of shares, but not later than 14 (fourteen) working days from the date of signing the purchase agreement. | | | | | | |
| **Insider information disclosure on issue No. 7: On termination of participation of IDGC of the South, PJSC in Recreation Center "Energetik", JSC by the alienation of shares.** | | | | | | |
| 2.2.7. Resolution content adopted by the Issuer's Board of Directors:  Approve the resolution on the Company's execution of the transaction on the following material terms and conditions:   * category, type, nominal value of the share - the share ordinary nominal non-documentary, nominal value 0,4 RUB; * state registration number of the share issue:   1-04-33856-Е;   * number of alienated shares, their share in the authorized capital - 111,279,355 (one hundred and eleven million two hundred and seventy-nine thousand three hundred and fifty-five), which is 100% of the authorized capital of JSC Recreation Center "Energetik"; * Carrying value of shares as of March 31, 2019 is 30,945,515 (thirty million nine hundred and forty-five thousand five hundred and fifteen rubles) 34 kopecks;   + disposal method: sale by means of public offer with the involvement of an agent for the sale of property; * initial offer price: the value, equal to the initial price of the failed auction, in the amount of 148,000,000 (one hundred forty-eight million) rubles; * minimum bid price: value equal to 50 (fifty) per cent of the initial offer price of 74,000,000 (seventy-four million) roubles; * obligatory condition of sale - obligation of the Buyer within 5 (five) working days from the date of signing the contract of purchase and sale of securities to conclude with IDGC of the South, PJSC the contract of assignment of the right to claim the debt (cession) at a rate of 108,807,742 (one hundred and eight million eight hundred and seven thousand seven hundred and forty two) RUB, arising from contracts of debt transfer No. 74713/09, No. 74714/09, No. 74715/09 of August 13, 2009, concluded between IDGC of the South, PJSC and Recreation Center "Energetik", JSC;   + manner (term) of payment for shares - in cash before the transfer of ownership of shares, but not later than 14 (fourteen) working days from the date of signing the purchase agreement;   + the procedure of transfer of the right of ownership of shares (execution of the transfer order) - after full payment of securities under the contract of sale and purchase and 50% of the payment amount, namely 54,403,871 (fifty-four million four hundred and three thousand eight hundred and seventy-one) RUB, under the contract of assignment of the right of claim of debt (cession) by transfer of funds to the current account of IDGC of the South, PJSC. | | | | | | |
| **Insider information disclosure on issue No. 8: On payment of a lump sum bonus for the performance of a particularly important task to the Director General of IDGC of the South, PJSC.** | | | | | | |
| 2.2.8. Resolution content adopted by the Issuer's Board of Directors:  In accordance with p. 4.3.3 of the Regulations on Material Incentives of the Director General of IDGC of the South, PJSC, to pay a lump-sum prize to B.B. Ezseev, Director General of IDGC of the South, PJSC, for performance of a particularly important task - organization of measures for consolidation of power grid assets of MPP "VMES" according to Annex 3 to this resolution of the Company's Board of Directors.  *On the agenda issue No. 6, 7, 8 of the meeting of the Board of Directors of IDGC of the South, PJSC, a Special Opinion of Vitaly Yurievich Zarhin, Member of the Board of Directors of the Company was received (Annex No. 4 to this Minutes of the Company's Board of Directors).* | | | | | | |
| * 1. Date of the meeting of the Issuer's Board of Directors at which the relevant resolutions were adopted: ***August 14, 2019.***   2. Date and number of the minutes of the meeting of the Issuer's Board of Directors at which the relevant resolutions were adopted: ***August 14, 2019, Minutes No. 329/2019.*** | | | | | | |
| 3. Signature | | | | | | |
| 3.1. Head of Corporate Governance and Shareholder Relations Department (by proxy No. 86-19 dated January 1, 2019) | | | | |  | Pavlova E.N. |
| (signature) L.S. |  |
| 3.2. Date | August | "16", | 2019 | | | |