**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-**](http://www.e-disclosure.ru/portal/company.aspx?id=11999)  [**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): | **December 17, 2018** |
| 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 votes;  **on issue No. 2 of the** agenda:  "PRO" is 11 votes;  "CON" is 0 votes;  "ABSTAIN" is 0 votes;  **on issue No. 3 of the** agenda:  "PRO" is 10 votes;  "CON" is 0 votes;  "ABSTAIN" is 1 vote;  **on issue No. 4 of the** agenda:  "PRO" is 11 votes;  "CON" is 0 votes;  "ABSTAIN" is 0 votes;  **on issue No. 5 of the** agenda:  "PRO" is 9 votes;  "CON" is 1 vote;  "ABSTAIN" is 1 vote;  **on issue No. 6 of the** agenda:  "PRO" is 9 votes;  "CON" is 0 votes;  "ABSTAIN" is 2 votes. | |
| **Insider information disclosure on issue No. 1: "On consideration of the report of the General Director of the Company on readiness of IDGC of the South, PJSC to pass the**  **autumn-winter period of 2018-2019".** | |
| 2.2.1. Resolution content adopted by the Issuer's Board of Directors:  Take into consideration the report of the General Director of the Company on readiness of | |

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| IDGC of the South, PJSC to pass the autumn-winter period 2018-2019 according to Annex No. 1 to this resolution of the Company's Board of Directors. |
| **Insider information disclosure on issue No. 2: "On consideration of the internal audit report on the audit results of the identification and sale of the Company's**  **non-core assets in 2017".** |
| 2.2.2. Resolution content adopted by the Issuer's Board of Directors:   1. Take into consideration Audit Act No. 1040-07/2018/1 of February 15, 2018 "Audit of Identification and Sale of Non-core Assets of IDGC of the South, PJSC" as per Annex No. 2 to this Board of Director's resolution. 2. Recommend to the Company's management:    1. To ensure implementation of internal audit recommendations based on the results of the audit.    2. To ensure increase efficiency (conformity) of the process of identification and sale of non-core assets. |
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| **Insider information disclosure on issue No. 3: "On implementation of paragraph 3.2 of the resolution of the Company's Board of Directors on issue No. 2 (Minutes No. 281/2018 dated August 3, 2018) "On approval of the report on the results of the**  **Company's investment program for Q1 2018"."** |
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| 2.2.3. Resolution content adopted by the Issuer's Board of Directors:   1. Take note of the report of the Company's General Director on measures taken to prevent deviations from the planned amount of funding for the implementation of the Company's investment program in 2018 and measures of a disciplinary nature taken with respect to persons responsible for exceeding the approved planned amount of funding for the Company's investment program in Q1 2018 in accordance with Annex No. 3 hereto. 2. Consider the instruction of the Company's Board of Directors in the part of paragraph 3.2 on issue No. 2 (Minutes No. 281/2018 dated August 3, 2018). |
| **Insider information disclosure on issue No. 4: "On consideration of the General Director report on credit policy of the Company for Q3 2018".** |
| 2.2.4. Resolution content adopted by the Issuer's Board of Directors:   1. Take into consideration the report of the General Director of IDGC of the South, PJSC on the credit policy of the Company in Q3 2018 according to Annex No. 4 to this resolution of the Company's Board of Directors. 2. Note the excess of the debt coverage target, maximum allowable limit on financial leverage and maximum allowable limit on debt servicing. 3. Note the excess of debt on credits and loans, established by the credit plan of the Company for Q3 2018 (Minutes No. 279/2018 dated July 2, 2018) as of September 30, 2018. 4. Instruct the General Director of the Company to ensure compliance with the requirements of the Regulations on Credit Policy approved by the Company's Board of Directors. |
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| **Insider information disclosure on issue No. 5: "On cancellation of the Regulation on Management of Cash Accounts of IDGC of the South, PJSC".** |
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| 2.2.5. Resolution content adopted by the Issuer's Board of Directors:  Consider invalid the Regulations on Management of Cash Accounts of IDGC of the South, PJSC, approved by the resolution of the Board of Directors dated December 30, 2016 (Minutes No. 214/2017 dated January 9, 2017). |
| **Insider information disclosure on issue No. 6: "On approval of the Timed action plan of IDGC of the South, PJSC on the reduction of overdue accounts receivable for services in electric power transmission and settlement of disagreements, formed as of October 1, 2018".** |
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| 2.2.6. Resolution content adopted by the Issuer's Board of Directors:  1. Approve the Timed Action Plan of IDGC of the South, PJSC for reduction of overdue accounts receivable for electric power transmission services and settlement of disagreements as of October 1, 2018, in accordance with Annex 5 to this resolution of the Company's Board of Directors. |
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| 2. Take into consideration the Report on performance of the Timed Action Plan of measures of IDGC of the South, PJSC earlier approved by the Company's Board of Directors on reduction of overdue accounts receivable for electric power transmission services and settlement of disagreements, formed as of July 1, 2018, according to Annex No. 6 to this resolution of the Company's Board of Directors.  3. Take into consideration the Report on the work performed by IDGC of the South, PJSC in respect of newly formed overdue receivables for electric power transmission services in Q3 2018, in accordance with Annex 7 to this resolution of the Company's Board of Directors.  4. Take into consideration the Report of IDGC of the South, PJSC on repayment within 9 months of 2018 of overdue accounts receivable, established as of January 1, 2018, in accordance with Annex 8 to this resolution of the Company's Board of Directors. | | |
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| 2.3. Date of the meeting of the Issuer's Board of Directors at which the relevant resolutions were adopted: ***December 13, 2018.***  2.4. Date and number of the minutes of the meeting of the Issuer's Board of Directors at which the relevant resolutions were adopted: ***December 17, 2018, Minutes No. 292/2018.*** | | |
| 3. Signature | | |
| 3.1. Head of Department –  Corporate Secretary  (under power of attorney No. 103-18 on behalf of January 10, 2018) |  | Pavlova E.N. |
| (signature) |
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|  | L.S. |  |
| 3.2. Date December "17", 2018 |  |  |