

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

**Date of the meeting:** 29.01.2016  
**Form of the meeting:** In absentia (by poll)  
**Place of vote counting:** 147 2-ya Krasnodarskaya Str., Rostov-on-Don  
**Time of vote counting:** 29.01.2015, 17-00  
**Date of the Minutes:** 01.02.2016

**Members of the Board of Directors:** 11.

**Polling forms were submitted by the following members of the Board of Directors:** Sergey Aleksandrovich Arkhipov, Aleksander Markovich Branis, Vladimir Vladimirovich Dudchenko, Yuriy Nickolayevich Pankstyanov, Nikolay Borisovich Piotrovich, Aleksander Nikolayevich Fadeyev, Roman Alekseyevich Filkin, Andrey Nikolayevich Kharin, Aleksander Victorovich Shevchuk, Igor Vladimirovich Shmakov, Boris Borisovich Ebzeyev.

**Polling forms were not submitted by the following members of the Board of Directors:** none.

In accordance with clause 7.3, article 7 of the Regulation on the Board of Directors of the IDGC of the South, PJSC, approved by the resolution of the Annual General Meeting of shareholders of IDGC of the South, PJSC dated 19.06.2015 (Minutes dated 22.06.2015 under No. 13), the quorum for the board meeting shall not be less than half of the elected members of the Board of Directors. **Quorum is present.**

**Agenda of the meeting of the Board of Directors**

1. *On the approval of the Regulation on the system of internal technical control of IDGC of the South, PJSC as amended.*
2. *Approval of the members of the Company's Central Procurement Entity – the Central Tender Commission of IDGC of the South, PJSC*
3. *Approval of the contract for the provision of training services between IDGC of the South, PJSC and Omega, LLC as of the related party transaction.*
4. *Amendments to the resolution of the Board of Directors of IDGC of the South, PJSC dated 20.08.2015 (Minutes No. 164/2015 dated 21.08.2015) on item No. 8 "On approval of the contract for the provision of access to the grid facilities, for purposes of construction and operation of fibre-optic lines between IDGC of the South, PJSC and Administration VOLS-VL, JSC as of the related party transaction".*
5. *Approval of target values of annual and quarterly key performance indicators for the Director General of the Company for 2016.*
6. *Approval of the Company Insurer.*
7. *Approval of the adjusted scheduled plan for elimination of hazardous equipment, sites and mechanisms, and removal of hazards for the period of 2014-2016.*
8. *Approval of consolidated quarterly report based on RAS on implementation of the Business Plan of the Group of Companies IDGC of the South, PJSC {1 >< 1} for 9 months of 2015.*
9. *Company's standpoint on agenda items of BoD meetings of IDGC of the South, PJSC Subsidiaries: "Approval of business plans (cost estimates) of IDGC of the South, PJSC Subsidiaries for 2016 and the forecast for 2017-2020".*
10. *Company's standpoint on the agenda item of the extraordinary general meeting of shareholders of IDGC of the South, PJSC Subsidiaries: "Approval of Supplementary Agreement No. 2 to the Contracting Agreement Ля 00867-П-Д/2014 dated 25.04.2014, concluded between Energy Service of the South, OJSC and PATRIOT-Development, JSC" as a major transaction.*
11. *O Amendments to the Regulations on payment of remuneration and compensation to the members of the Committees of the Board of Directors of the Company.*

**ITEM No.11: Amendments to the Regulations on payment of remuneration and compensation to the members of the Committees of the Board of Directors of the Company.**

**RESOLUTION:**

Amend all Regulations on payment of remuneration and compensation to the members of the Committees of the Board of Directors of the Company (hereinafter – the Regulation) as follows:

A paragraph shall be appended to Clause 2 of the Regulation as follows:

"In the event that the Chairperson and/or members of the Committees of the Board of Directors of the Company are concurrent members of the Board of Directors of the Company, their remuneration shall be paid in accordance with the procedure and amount provided for in the internal document of the Company governing the remuneration and compensation paid to members of the Board of Directors of the Company, approved by the General Meeting of shareholders of the Company.

**Results of the voting:**

S.A. Arkhipov	- "FOR"	A.N. Fadeyev	- "FOR"
A.M. Branis	- "FOR"	R.A. Filkin	- "FOR"
V.V. Dudchenko	- "FOR"	A.N. Kharin	- "FOR"
Yu.N. Pankstyanov	- "FOR"	A.V. Shevchuk	- "ABSTAINED"
N.B. Piotrovich	- "FOR"	I.V. Shmakov	- "FOR"
B.B. Ebzeyev	- "FOR"		

Thus, on item eleven, the proposed **resolution was adopted by the majority vote** of the members of the Board of Directors.

**Chairman of the Board of Directors**

*Signature*

**S. A. Arkhipov**

**Corporate Secretary**

*Signature*

**E. N. Pavlova**

**TRUE EXTRACT**

**Corporate Secretary 02.02.2016**

**E. N. Pavlova**