Members of the Board of Directors of PJSC "IDGC of the South"

Members of the management Board of PJSC "IDGC of the South"

**NOTIFICATION
OF THE TRANSACTION, IN WHICH THERE IS AN INTEREST**

We notify that PJSC "IDGC of the South" (hereinafter referred to as Company) intends to settle the Contract of compensated rendering of services for the implementation of technical supervision (hereinafter referred to as Contract) on the following terms:

**Parties of the Contract:**

Open Joint Stock Company “Interregional Distribution Grid Company of the South” (“IDGC of the South”, JSC) - "Customer".

Public Joint Stock Company "Rosseti" (PJSC "ROSSETI") - "Contractor".

**Subject of the Contract:**

The Customer assigns and the Contractor agrees to the obligation for the implementation of technical supervision of electric grid facilities of the Customer, including new construction, reconstruction and technical retooling, and the Customer undertakes to accept and pay for these services.

The Customer, in order to create the necessary conditions for the activities of the Contractor's personnel who directly provide services at the Customer's Facilities, provides the Contractor on a reimbursable basis throughout the entire term of the Contract the workplaces (rooms) provided with furniture, computer and organizational equipment, office equipment, communications tools, fixed-line and Internet services, office supplies.

**Contract price:**

The cost of the Contractor's services under the Contract for the calendar year is 28 536 996 (twenty-eight million five hundred and thirty-six thousand nine hundred and ninety-six) RUB and 00 kopecks, moreover VAT 18%, calculated in accordance with the legislation of the Russian Federation, in the amount of 5 136 659 (five million one hundred and thirty-six thousand six hundred and fifty-nine) RUB and 28 kopecks.

The amount of Customer services under the Contract for the calendar year is 1 640 601 (one million six hundred and forty thousand six hundred and one) RUB and 60 kopecks, moreover VAT 18%, calculated in accordance with the legislation of the Russian Federation, in the amount of 295 308 (two hundred and ninety-five thousand three hundred and eight) RUB and 29 kopecks.

The cost of the services of PJSC "Rosseti" under the Contract can not be 10 or more percent of the book value of the assets of PJSC "IDGC of the South" according to its financial statements as of the last reporting date.

**Other essential terms of the Contract/procedure for their determination:**

**Term of rendering services under the Contract**

General term of rendering services under the Contract: from 01.01.2018 to 31.12.2020

**Term of the Contract:**

The Contract comes into force from the moment of its signing by both parties and valid until termination by proper performance by the Parties of the obligations based on the Contract.

In the event that within 30 (thirty) calendar days before the end date specified in clause 1.4 of the term for rendering services under the Agreement, neither Party has notified the other party about the termination of the Agreement, the term for rendering services under the Contract is extended for one (1) calendar year, without limiting the number of such prolongations.

**Party (parties) having an interest in the transaction and grounds of it:**

|  |  |
| --- | --- |
| **Interested party** | **Grounds of the party's interes in the transaction** |
| *PJSC “ROSSETI”* | is the controller of PJSC "IDGC of the South" and at the same time is a party of the trasaction |