**Report on the material fact/Disclosure of Insider Information   
Information on Decisions Made by the Board of Directors of IDGC of the South, PJSC**

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| 1. General information | | | |
| 1.1. Full legal name of the Issuer: | **Public Joint-Stock Company Interregional Distribution Grid Company of the South** | | |
| 1.2. Short company name of the issuer | IDGC of the South, PJSC | | |
| 1.3. Location of the issuer | **Rostov-on-Don, Russian Federation** | | |
| 1.4. PRSN code of the issuer | **1076164009096** | | |
| 1.5. TIN code of the issuer | **6164266561** | | |
| 1.6. Unique issuer code assigned by the registering authority | **34956-Е** | | |
| 1.7. Internet pages used by the Issuer to disclose information | **http://www.mrsk-yuga.ru**  **http://www.e-disclosure.ru/portal/company.aspx?id=11999** | | |
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| 2. Message content | | | |
| 2.1. Quorum of the meeting of the Issuer’s Board of Directors and voting results on decision-making issues: 11 out of 11 members of the Board of Directors took part in the meeting, the quorum is available.  Voting results:  **on agenda item 1:**  “In favor”, 11 votes  “Against”, 0 votes  “Abstained”, 0 votes  **on agenda item 2:**  “In favor”, 11 votes  “Against”, 0 votes  “Abstained”, 0 votes  **on agenda item 3:**  “In favor”, 9 votes  “Against”, 0 votes  “Abstained”, 2 votes  **on agenda item 4:**  “In favor”, 9 votes  “Against”, 0 votes  “Abstained”, 2 votes  **on agenda item 5:**  “In favor”, 9 votes  “Against”, 0 votes  “Abstained”, 2 votes  **on agenda item 6:**  “In favor”, 11 votes  “Against”, 0 votes  “Abstained”, 0 votes  **on agenda item 7:**  “In favor”, 9 votes  “Against”, 0 votes  “Abstained”, 2 votes  **on agenda item 8:**  “In favor”, 11 votes  “Against”, 0 votes  “Abstained”, 0 votes | | | |
| Insider Information Disclosure on agenda item 1:On amendments to the Timed Action Plan on Implementation of the IDGC of the South, PJSC Business assets management system | | | |
| 2.2.1 Content of the resolution adopted by the issuer’s board of directors:  1. That the Timed Action Plan on Implementation of IDGC of the South, PJSC Business assets management system be amended and read in the version according to Appendix 1 to this resolution of the Company’s Board of Directors.  2. To authorize the Company’s Sole Executive Body to:   * - ensure timely implementation of the Timed Action Plan on Implementation of the IDGC of the South, PJSC Business assets management system; * elaborate and approve by drafting an internal company-wide order of the Company the resource plan of implementation of the Timed Action Plan on Implementation of IDGC of the South, PJSC Business assets management system, with the view to the possibility of including the Timed Action Plan efforts into the Company’s investment program, as part of the Company’s investment program, within the limits of the Company’s approved investment program, in cae of regular adjustment according to the Russian Government Resolution dd 01.12.2009 No. 977, provided that the positive economic effect is achieved;   Period: within 1 month from the date when this decision was made.   * annually, before the end of the 1st quarter of the year immediately following the reporting year, provide information to the Company’s Board of Directors on the review of the report to the Timed Action Plan on Implementation of IDGC of the South, PJSC Business assets management system. | | | |
| **Insider Information Disclosure on agenda item 2: On implementation of the Timed Action Plan on Implementation of the IDGC of the South, PJSC Business assets management system in 2016** | | | |
| 2.2.2 Content of the resolution adopted by the issuer’s board of directors:  1. Take note of the report of the Company’s General Manager on implementation of the Timed Action Plan on Implementation of IDGC of the South, PJSC Business assets management system in 2016, according to Appendix 2 to this Resolution of the Company’s Board of Directors.  2. Note fulfillment of the efforts from Clause 2.29, Certification of Production Warehouses and Emergency Reserve Storage Sites, motor vehicles and Clause 2.30. Certification of Production Buildings and Structures of the Timed Action Plan on Implementation of IDGC of the South, PJSC Business assets management system in 2016, to the extent insufficient to make orders for maintenance and repairs in the Company’s information system. | | | |
| Insider Information Disclosure on agenda item 3: **On review of the updated Register (plan of sales) of non-core assets of the Company and the progress report on sale of non-core assets of the Company for 2Q 2017** | | | |
| 2.2.3 Content of the resolution adopted by the issuer’s board of directors:  1. Approve the updated Register (plan of sales) of non-core assets of IDGC of the South, PJSC as of June 30, 2017, according to Appendix 3 to this resolution of the Board of Directors.  2. Take note the report of the General Manager on implementation of the Register (plan of sales) of non-core assets of IDGC of the South, PJSC according to Appendix 4 to this resolution of the Board of Directors.  3. Authorize the General Manager of IDGC of the South, PJSC to submit the issue On revision of the strategy with respect to all non-core assets, for which the “participation preservation” strategy is determined in the applicable Register (plan of sales) of non-core assets of IDGC of the South, PJSC, to the Board of Directors for review.  Deadline: by August 20, 2017 | | | |
| Insider Information Disclosure on agenda item 4: **Approval of IDGC of the South, PJSC Efficiency Enhancement and Cost Cutting Program for 2017/2021** | | | |
| 2.2.4 Content of the resolution adopted by the issuer’s board of directors:  1. Approve the Operating Efficiency Enhancement and Cost Cutting Program of IDGC of the South, PJSC for 2017/2021, according to Appendix 5 to this resolution of the Board of Directors of the Company.  2. To authorize the Sole Executive Body of IDGC of the South, PJSC to:  when drafting the business plan of IDGC of the South, PJSC for 2018/2022, make sure that the scenario conditions of drafting the maintenance and repairs plan, as approved by Order of Rosseti PJSC dd April 12, 2017, No. 193r, On Approval of the Regulation on Planning and Accounting for Maintenance and Repairs Costs in the Maintenance and Repairs Automated Control System Software, are met, so that not to reduce the unit costs of maintenance and repairs below 2017 level. | | | |
| Insider Information Disclosure on agenda item 5:On amendments to the decision of the IDGC of the South, PJSC Board of Directors of 29.12.2016 (minutes No. 213/2017 of 09.01.2017) on item No. 1 ‘On approval of IDGC of the South, PJSC business plan’ including the investment program and information about key operational risks for 2017 and targets for 2018-2019’ | | | |
| 2.2.5 Content of the resolution adopted by the issuer’s board of directors:  1. Clauses 2.5 and 2.6 of the resolution of the IDGC of the South, PJSC Board of Directors of 29.12.2016 (minutes No. 213/2017 of 09.01.2017) on item No. 1 ‘On approval of IDGC of the South, PJSC business plan’ including the investment program and information about key operational risks for 2017 and targets for 2018-2019’, shall read as follows:  “2.5. to ensure financial stability of IDGC of the South, PJSC, to elaborate, jointly with the Rostov Region Government and the Republic of Kalmykia Government, the possibility of establishing the single tariff space on the territory of the two constituent entities, with transfer of the powers in state regulation of electricity tariffs to the Rostov Region Government, and sign the respective statements of intent.  Deadline: 01.11.2017  2.6. If Clause 2.5 is not fulfilled, make sure the Company’s business plan for 2018/2022 for Kalmenergo Branch is drafted in the amount of funds envisaged in the parameters of tariff and balance resolutions for 2018.”  2. To regard as null and void the resolution of the Board of Directors of IDGC of the South, PJSC of May 12, 2017 (minutes No. 231/2017 dd May 15, 2017) on item 3, On amendments to the decision of the IDGC of the South, PJSC Board of Directors of 12.05.2017 (minutes No. 231/2017 of 15.05.2017) on item No. 3 ‘On approval of IDGC of the South, PJSC business plan’ including the investment program and information about key operational risks for 29.12.2016 and targets for 213-2019’ | | | |
| Insider Information Disclosure on agenda item 6:On determination of the position of the Company in relation to items on the agenda of the general meeting of shareholders of the Subsidiaries and Affiliates of the IDGC of the South, PJSC – JSC Recreational Camp Energetic | | | |
| 2.2.6 Content of the resolution adopted by the issuer’s board of directors:  1. Authorize representatives of IDGC of the South, PJSC to vote in favor of the following resolution at the extraordinary General Shareholders’ Meeting of Energy Worker Holiday Home, JSC on the agenda item: Early Termination of Powers of Members of the Company’s Board of Directors:  Early terminate the powers of members of the Company’s Board of Directors.  2. Authorize representatives of IDGC of the South, PJSC to vote in favor of the following resolution at the extraordinary General Shareholders’ Meeting of Energy Worker Holiday Home, JSC on the agenda item: Election of Members of the Company’s Board of Directors:  Elect the Company’s Board of Directors consisting of:   |  |  |  | | --- | --- | --- | | No. | Full name | Position at the candidate nomination time | | 1 | Dzhabrailova  Yulianna Khasanovna | Deputy Director-General, Head of Administration, IDGC of the South, PJSC | | 2 | Iordanidi  Kirill Alexandrovich | Head, Economic Department, IDGC of the South, PJSC | | 3 | Gassan  Roman Vladimirovich | Head, Division for Consolidation of Power Grid Assets, IDGC of the South, PJSC | | 4 | Petrova  Maria Vladimirovna | Deputy Chief Accountant, RAS and IFRS Methodology and Automation, IDGC of the South, PJSC | | 5 | Kirichenko  Tatiana Sergeevna | Deputy Head, Corporate Governance and Interaction Department | | | | |
| Insider Information Disclosure on agenda item 7:On approval of the restated Credit plan of the IDGC of the South, PJSC for 3Q2017. | | | |
| 2.2.7 Content of the resolution adopted by the issuer’s board of directors:  Approve IDGC of the South, PJSC Credit Plan for 3Q 2017 in a new version, according to Appendix 6 to this resolution of the Company’s Board of Directors. | | | |
| **On approval of the Issuer’s internal documents/ Insider Information Disclosure on agenda item 8:** About Committees of the Board of Directors of the Company | | | |
| 2.2.8 Content of the resolution adopted by the issuer’s board of directors:  1. Approve of the Regulation on the Reliability Committee of the Board of Directors of Inter-Regional Distribution Grid Company of the South, Public Joint-Stock Company in a new version, according to Appendix 7 to this resolution of the Company’s Board of Directors.  1.2. Recognized as null and void the Regulation on the Reliability Committee of the Board of Directors of Inter-Regional Distribution Grid Company of the South, Public Joint-Stock Company, as approved by Resolution of the Company’s Board of Directors on August 20, 2015 (minutes No. 164/2015 dd August 21, 2015).  1.3. Approve the quantitative composition of the Reliability Committee of the Board of Directors of IDGC of the South, PJSC - 5 persons  1.4. Approve the personal composition of the Reliability Committee of the Board of Directors of IDGC of the South, PJSC:   |  |  |  | | --- | --- | --- | | No. | Full name; | Position | | 1 | Pavel Viktorovich Goncharov | Deputy Director-General, Technical Issues, Chief Engineer, IDGC of the South, PJSC | | 2 | Ruslan Raisovich Magadeev | Deputy Chief Engineer, Rosseti PJSC | | 3 | Sergey Vladimirovich Shpilevoy | Deputy Head of Administration - Head of the Production Analysis Division, Situational and Analytical Center, Rosseti PJSC | | 4 | Mikhail Vladimirovich Smaga | Deputy Director, Rosseti PJSC Branch - Technical Supervision Center | | 5 | Rybin Aleksey Aleksandrovich | Deputy Director General for Economic and Financial Affairs, IDGC of the Company, PJSC |   1.5. That Mr. Ruslan Raisovich Magadeev be elected Chairman of the Reliability Committee of the Board of Directors of IDGC of the South, PJSC  2.1. That the Regulation on the Technological Connection to Power Grids of of the Board of Directors of IDGC of the South, PJSC, be approved in a new version, as per Appendix 8 to this Resolution of the Board of Directors.  2.2. Determine the quantitative composition of the Committee for Technological Connection to Power Grids of the Board of Directors of the Company - three (3) persons  2.3. Elect the following personal composition of the Committee for Technological Connection to Power Grids Company’s Board of Directors:   |  |  |  | | --- | --- | --- | | No. | Full name | Position | | 1 | Aleksandr Yurievich Korneev | Head, Division for TP Regulation, Department for Prospective Grid Development and Technological Connection, Rosseti PJSC | | 2 | Irina Borisovna Gubina | Chief Expert, Division for Prospective Grid Development, Department for Prospective Grid Development and Technological Connection, Rosseti PJSC | | 3 | Natalia Vladimirovna Denezhnaya | Main Expert, Division for TP Regulation, Department for Prospective Grid Development and Technological Connection, Rosseti PJSC |   2.4. Elect Mr. Aleksandr Yurievich Korneev as Chairman of the Committee for Technological Connection to Power Grids Company’s Board of Directors:  3.1. Determine the quantitative composition of the Strategy, Development, Investments and Reforming Committee of the Company’s Board of Directors: Ten (10) persons  3.2. Elect the following personal composition of the Strategy, Development, Investments and Reform Committee of the Board of Directors of the Company:   |  |  |  | | --- | --- | --- | | Nos | Full name; | Position | | 1. | Yulia Vitalievna Yascheritsyna | Director, Economic Planning and Budgeting Department, Rosseti PJSC | | 2. | Aleksey Viktorovich Rakov | Director, Department for Electricity Metering and Liaising with Electricity Market Participants, Rosseti PJSC | | 3. | Dmitry Mikhailovich Andropov | Head, Department for Credit and Structural Financing, Finance Department, Rosseti PJSC | | 4. | Elena Viktorovna Bogach | Head, Strategic Planning Department, Rosseti PJSC | | 5. | Valery Vasilievich Kataev | Chief Expert, Division for Consolidated Planning and Statements, Investment Business Department, Rosseti PJSC | | 6. | Aleksey Aleksandrovich Ozhereliev | Head of Division for the organization of activities of the Management Board, Board of Directors and shareholder and investor relations of Corporate Governance and Shareholder and Investor Relations Department of Rosseti PJSC | | 7. |  | Rybin Aleksey AleksandrovichDeputy Director General for Economic and Financial Affairs, IDGC of the Company, PJSC | | 8. | Filkin Roman Alekseevich | Co-Director, Power Industry and Engineering, Representative office of Prosperity Capital Management (RF) LTD | | 9. | Shevchuk Aleksandr Viktorovich | Executive Director, Professional Investors Association | | 10. | Irina Sergeevna Gurenkova | Head, Division for Tariff Formation Dispute Settlement, Tariff Policy Department, Rosseti PJSC |   3.3. Elect Ms. Yulia Vitalievna Yascheritsina the Chairman of the Strategy, Development, Investments and Reform Committee of the Board of Directors of the Company: | | | |
| 2.3. Date of the meeting of the Issuer’s Board of Directors, at which the respective resolutions were adopted: ***July 19, 2017***  2.4. Date of drafting and number of the minutes of the meeting of the Issuer’s Board of Directors, at which the respective resolutions were adopted: ***July 24, 2017, minutes No. 240/201***7. | | | |
| 3. Signature | | | |
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| 3.1. Head of Department  Corporate Secretary  (power of attorney of December 30, 2016 No. 215-16) | |  | E. N. Pavlova |
| (Signature) |  |
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| 3.2. Date: 24 July 2017 | | Seal |  |