**Corporate action notice/Insider information disclosure "Information on resolutons 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.asзx?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) | **September 3, 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: ***10 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 10 votes;  "CON" is 0 votes; "ABSTAIN" is 0 votes; on issue No. 2 **of the agenda:**  "PRO" is 10 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 0 votes; on issue No. 4 **of the agenda:**  "PRO" is 9 votes;  "CON" is 0 votes; "ABSTAIN" is 1 votes; on issue No. 5 **of the agenda:**  "PRO" is 9 votes;  "CON" is 0 votes; "ABSTAIN" is 1 votes; on issue No. 6 **of the agenda:**  "PRO" is 10 votes;  "CON" is 0 votes; "ABSTAIN" is 0 votes; |  | |
| **on issue No. 7 of the** agenda:  "PRO" is 9 votes;  "CON" is 1 vote;  "ABSTAIN" is 0 votes; on issue No. 8 **of the agenda:**  "PRO" is 8 votes;  "CON" is 0 votes;  "ABSTAIN" is 2 votes.  2.2. Resolutions content adopted by the Issuer's Board of Directors: | |
| **Insider information disclosure on issue No. 1: "On review of the report on execution of the business plan of IDGC of the South Group of Companies consolidated on the principles of RAS and IFRS for the Q1 2018".** | |
| 2.2.1. Resolution content adopted by the Issuer's Board of Directors:  Take into consideration the report on execution of the business plan of IDGC of the South Group of Companies consolidated on the principles of RAS and IFRS for the Q1 2018 in accordance with Annex No. 1 to this resolution of the Company's Board of Directors. | |
| **Insider information disclosure on issue No. 2: "On consideration of the General Director of IDGC of the South, PJSC report on the credit policy of the Company in**  **Q1 2018."** | |
| 2.2.2. 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 Q2 2018 according to Annex No. 2 to this resolution of the Company's Board of Directors. 2. Mark that the debt coverage target limit is exceeded. 3. 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. | |
| **Insider information disclosure on issue No. 3: "On the implementation of the Company's investment projects included in the list of priority** **facilities".** | |
| 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 Q2 2018 as per Annex No. 3 to this resolution of the Company's Board of Directors. | |
| **Insider information disclosure on issue No. 4: "On termination of participation of IDGC of the South, PJSC in "PSKh Sokolovskoe", JSC by the alienation of shares".** | |
| 2.2.4. 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 shares as of December 31, 2017, is 93,315,656 (ninety-three million three hundred and fifteen thousand six hundred and fifty-six) rubles 36 kopecks; * method of alienation - sale on an open auction with the involvement of an independent agent for the sale; | |

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| - initial auction price is equal to the market value determined by the independent  appraiser LLC ALFA Consult (Report on determination of the market value No. 16-1/16-O) in the amount of 95,000,000 (ninety-five million) RUB;  - procedure (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. 5: "On termination**  **of participation of IDGC of the South, PJSC in Recreation Center "Energetik", JSC by the alienation of shares".** | | |
| 2.2.5. Resolution content adopted by the Issuer's Board of Directors:  Approve the termination of participation of IDGC of the South, PJSC in Recreation Center "Energetik", JSC on the  following essential conditions:  - category, type, nominal value of the share - ordinary nominal  non-documentary share, 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 Recreation Center "Energetik", JSC;  - carrying value of shares as of December 31, 2017 is 34,589,976  (thirty-four million five hundred eighty-nine thousand nine hundred seventy six) roubles and 28 kopecks;  - method of alienation - sale on an open auction with the  involvement of an independent agent for the sale;  - initial auction price is equal to the market value determined by the independent  appraiser ALFA Consult LLC (Report on the determination of the market value No. 16/16-O) in the amount of 148,000,000 (one hundred and forty-eight million) rubles;  - 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;  - procedure (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;  - 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. 6: "On approval of the Plan-**  **schedule of measures of IDGC of the South, PJSC on reduction of overdue accounts receivable for electric power transmission services and settlement of disagreements, formed as of July 1, 2018".** | | |
| 2.2.6. Resolution content adopted by the Issuer's Board of Directors:  1. Approve the 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 July 1, 2018 in accordance with Annex 4 to this resolution of the Company's Board of Directors.  2. Take into consideration the Report on the performance of the Plan-schedule of measures of IDGC of the South, PJSC | | |
| earlier approved by the Company's Board of Directors of the on the reduction of overdue accounts receivable for electric power transmission services and settlement of disagreements, formed as of April 1, 2018, according to Annex No. 5 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 Q2 2018, in accordance with Annex 6 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 6 months of 2018 of overdue accounts receivable, established as of January 1, 2018, in accordance with Annex 7 to this resolution of the Company's Board of Directors. | | |
| **On approval of the issuer's internal documents/Insider information disclosure on issue No. 7: "On approval of the Regulations for Passing the Payments of IDGC of the South, PJSC".** | | |
| 2.2.7. Resolution content adopted by the Issuer's Board of Directors:  1. Approve a new version of the Regulations on Payment Passage of IDGC of the South, PJSC as per Annex 8 to this resolution of the Company's Board of Directors.  2. IDGC of the South, PJSC Regulation on Payment Passage approved by the resolution of the Company's Board of Directors dated June 25, 2015 (Minutes No. 162/2015 dated June 26, 2015) shall be deemed invalid. | | |
| **On approval of the issuer's internal documents/Insider information disclosure on issue No. 8: "On approval of the Regulation on the Placement of Temporary Free Monetary Funds of IDGC of the South, PJSC".** | | |
| 2.2.8. Resolution content adopted by the Issuer's Board of Directors:  1. Approve the Regulation on the Placement of Temporary Free Monetary Funds of IDGC of the South, PJSC in a new edition according to Annex No. 9 to this resolution of the Company's Board of Directors.  2. Approve the list of credit institutions and established limits of placement of temporarily free funds for IDGC of the South, PJSC according to Annex No. 10 to this resolution of the Company's Board of Directors.  3. Consider invalid the Regulations of placement of temporarily free funds of IDGC of the South, PJSC, approved by the resolution of the Company's Board of Directors dated June 24, 2014 (Minutes No. 137/2014 dated June 27, 2014). | | |
| 2.3. If the agenda of the meeting of the Issuer's Board of Directors (Supervisory Board) contains issues related to the exercise of rights on certain securities of the Issuer, the identification features of such securities shall be indicated: the agenda of the meeting of the Board of Directors of the Issuer held on **August 31, 2018**, does not contain issues related to the exercise of rights on the Issuer's securities.  2.4. Date of the meeting of the Issuer's Board of Directors at which the relevant resolutions were adopted: ***August 31, 2018.***  2.5. Date and number of the minutes of the meeting of the Issuer's Board of Directors at which the relevant resolutions were adopted: ***September 3, 2018, Minutes No. 285/2018.*** | | |
| 3. Signature | | |
| 3.1. Head of Department –  Corporate Secretary  (under power of attorney No. 103-18 on behalf of January 10, 2018)  3.2. Date September "03", 2018 |  | Pavlova E.N. |
| (signature) |  |
| L.S. |