Corporate action notice/Insider information disclosure

"Information on resolutions taken by the Board of Directors of IDGC of the South, PJSC"

|  |
| --- |
| 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-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): | **June 4, 2019** |
| 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 10 votes;"CON" is 0 votes;"ABSTAIN" is 1 vote.Voting results **on issue No. 2** of the agenda:"PRO" is 10 votes;"CON" is 0 votes;"ABSTAIN" is 1 vote.Voting results **on issue No. 3** of the agenda:"PRO" is 10 votes;"CON" is 0 votes;"ABSTAIN" is 1 vote.Voting results **on issue No. 4** of the agenda:"PRO" is 10 votes;"CON" is 0 votes;"ABSTAIN" is 1 vote.Voting results **on issue No. 5** of the agenda:"PRO" is 10 votes;"CON" is 0 votes;"ABSTAIN" is 1 vote.Voting results **on issue No. 6** of the agenda: |
| "PRO" is 10 votes;"CON" is 0 votes;"ABSTAIN" is 1 vote.Voting results **on issue No. 7** of the agenda:"PRO" is 11 votes;"CON" is 0 votes;"ABSTAIN" is 0 votes. |
| **Insider information disclosure on issue No. 1: On approval of Regulations on insider information of IDGC of the South, PJSC.** |
| 2.2.1. Resolution content adopted by the Issuer's Board of Directors:Approve a new version of the Regulations on Insider Information of IDGC of the South, PJSC in accordance with Annex No. 1 to this resolution of the Company's Board of Directors. |
| **Insider information disclosure on issue No. 2: On the report of the Audit Committee of the Board of Directors of the Company on the work performed.** |
| 2.2.2. Resolution content adopted by the Issuer's Board of Directors:Take into consideration the Report of the Audit Committee of the Board of Directors of IDGC of the South, PJSC on the work done in 2018-2019 corporate year according to Annex No. 2 to this resolution of the Company's Board of Directors. |
| **Insider information disclosure on issue No. 3: On consideration of the General Director report on credit policy of the Company for Q1 2019.** |
| 2.2.3. 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 Q1 2019 according to Annex No. 1 to this resolution of the Company's Board of Directors.
2. 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. 4: On approval of combining positions in management bodies of other organization by members of the Management Board of IDGC of the South, PJSC.** |
| 2.2.4. Resolution content adopted by the Issuer's Board of Directors:1. Approve combining by Dmitry Borisovich Akopyan, member of the Management Board of IDGC of the South, PJSC, the positions of a member of the Board of Directors of IDGC of the North Caucasus, PJSC, IDGC of the North-West, PJSC, IDGC of Siberia, PJSC, IDGC of the Urals, PJSC,

IDGC of Centre, PJSC, Director of YugStroyMontazh, LLC.1. Agree that Oleg Valerievich Musinov, a member of the Management Board of IDGC of the South, PJSC, will combine the position of a member of the Board of Directors of VMES, PJSC.
 |
| **Insider information disclosure on issue No. 5: On review of the results of the external independent evaluation of the effectiveness of the internal control system.** |
| 2.2.5. Resolution content adopted by the Issuer's Board of Directors:1. Take into consideration the report of RSM Rus LLC and the independent expert's recognition of the Company's internal control system as effective as per Annex No. 4 hereto.
2. Instruct the Single Executive Body of IDGC of the South, PJSC to ensure that the Company's Board of Directors develops and submits for approval measures to maintain and develop an effective internal control system:

- increase the efficiency of the Risk Assessment component and its full integration with the internal control system, |
| * development of a system of functional KPIs regarding business process objectives,
* full adaptation of standard risks of business processes in the regulatory documents on business processes,
* elimination of design flaws of separate control procedures, noted in the report on a number of business processes,
* synchronization of implementation of automated control procedures simultaneously with business process automation,
* full integration of anticorruption risk management into business processes.

Deadline: not later than July 31, 2019. |
| **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 April 1, 2019.** |
| 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 April 1, 2019, in accordance with Annex 5 to this resolution of the Company's Board of Directors.
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 January 1, 2019, according to Annex

No. 6 to this resolution of the Company's Board of Directors.1. 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 Q1 2019, in accordance with Annex 7 to this resolution of the Company's Board of Directors.
2. Take into consideration the Report of the General Director of IDGC of the South, PJSC on the execution of the order of the Company's Board of Directors (Minutes No. 306/2019 dated March 20, 2019) with respect to securing the repayment in the Q1 2019 of overdue accounts receivable as of January 1, 2019, in accordance with Annex No. 8 to this resolution of the Company's Board of Directors.
 |
| **Insider information disclosure on issue No. 7: On determination of the number of members of the Committee for Strategy, Development, Investment and Reform of the Board of Directors of IDGC of the South, PJSC and election of a new member of the Committee.** |
| 2.2.7. Resolution content adopted by the Issuer's Board of Directors:1. Determine the number of members of the Strategy, Development, Investment and Reform Committee of the Board of Directors of IDGC of the South, PJSC - 10 (ten) persons.
2. Elect Dmitry Mikhailovich Andropov, Deputy Director of the Treasury Department of Rosseti, PJSC, to the Committee for Strategy, Development, Investment and Reform of the Board of Directors of the Company.
 |
| * 1. Date of the meeting of the Issuer's Board of Directors at which the relevant resolutions were adopted: ***May 30, 2019.***
	2. Date and number of the minutes of the meeting of the Issuer's Board of Directors at which the relevant resolutions were adopted: ***June 4, 2019, Minutes No. 323/2019.***
 |
| 3. Signature |
| 3.1. Head of Corporate Governance and Shareholder Relations Department (power of attorney No. 86-19 dated January 1, 2019)Date June "04", 2019 |  | Pavlova E.N. |
| (signature)L.S. |  |