

INVESTOR AND SHAREHOLDER RELATIONS

SHAREHOLDER CAPITAL STRUCTURE

Shares	Quantity	Face value, RUB
Outstanding ordinary shares	87,430,485,711	0.1
Authorized ordinary shares	2,475,713,367	0.1

As of 31.12.2018, the charter capital of the Company totaled RUB 8,743,048,571.1 (or 87,430,485,711 common shares with par value of RUB 0.1 each). There were no changes of the Company's charter capital during 2018. OAO IDGC of Urals has no preferred shares.

As of 31.12.2018, the register comprises 16,409 registered accounts, presented by 8 nominal holders, 1 custodians, 105 legal entities and 16,151 individuals.

The largest stockholder of OAO IDGC of Urals is PAO Rosseti: it owns a controlling block of voting stock amounting to 51.52% of the charter capital. A large block of the Company's voting stock (17.48%) is owned by PAO Metkombank. Small blocks of the Company's voting stock are distributed among AO RENOVA Group of Companies (7.52%), Energyo Solutions Russia (Cyprus) Ltd. (6.69%), Federal Property Fund (3.71%) and OOO UK ESE Custodian of NPF Professional's pension reserves (3.04%). Other stockholders own cumulatively 10.04% of the voting stock. OAO IDGC of Urals has no information on other blocks of stock over 5% except for these already disclosed above. Shares owned by the Company and its controlled entities: none. Information on certain stockholders' potential or actual control, stretching out beyond their stakes in the charter capital (incl. shareholder agreements): none. Ordinary and preferred shares of unequal par value: none.

During the reported period ordinary shares of the Company were listed in Level 2 Quotation List of PAO Moscow Exchange, they were also included into the MOEXEU.

State registration number 1-01-32501-D
dated as of 03.05.2005,
ticker MRKU, ISIN RU000A0JPPT1

SHAREHOLDER RIGHTS

The Russian legislation guarantees that any common share gives equal rights to any shareholder.

Therefore, our shareholders are entitled to:

1. Participate in a General Meeting of Stockholders (in person or by proxy) with voting power on all respective matters.
2. Introduce own proposals to the agenda of a General Meeting of Stockholders in a manner set forth by the Russian legislation and Company's Charter.
3. Obtain information on the Company and get familiarized with Company's documents in line with Article 91 of the Federal Joint-Stock Companies' Law, other regulatory enactments and Charter.
4. Collect dividends announced by the Company.
5. Preemptive acquisition of additional shares and convertible securities, placed by subscription, pro rata to the ownership in cases stipulated by the Russian legislation.
6. Obtain property of the Company in case of its liquidation.
7. Enjoy other rights guaranteed by the Russian legislation and Charter.

A stockholder or a group of stockholders with at least 2% of the voting stock are entitled to introduce issues to the agenda of a General Meeting of Stockholders and promote nominees for election to the Board of Directors and Board of Internal Auditors of the Company. A stockholder or a group of stockholders with at least 10% of the voting stock are entitled to initiate an extraordinary General Meeting of Stockholders of the Company.

The rights of IDGC of Urals' stockholders are guaranteed by the following:

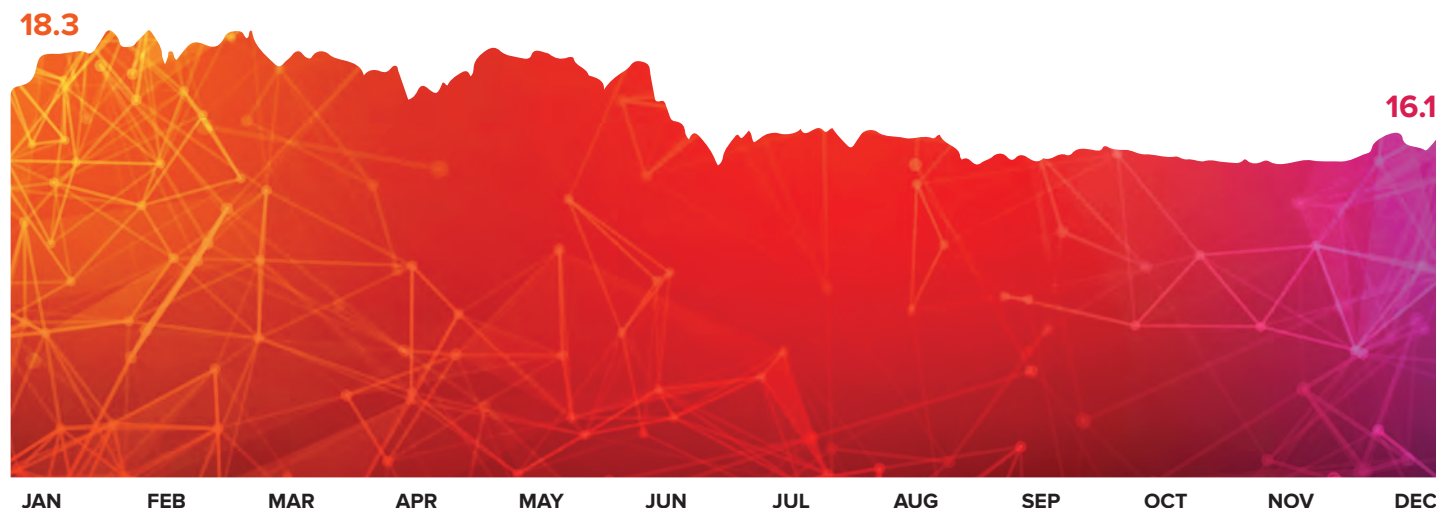
1. The Company publicly discloses:
 - the General Meeting of Stockholders notice and materials on agenda items within 30 days prior to the General Meeting;
 - recommendations provided by the Board of Directors regarding items of the General Meeting agenda by press releases, corporate actions/events and minutes of the Board of Directors' meetings;
 - date when entities, entitled to participate in the General Meeting of Stockholders, are defined within 7 days prior to the record date;
 - minutes of the meetings of stockholders on the corporate website.
2. The Company's stockholders may submit proposals to be included into the agenda of the annual general meeting of stockholders within 60 days after the end of the calendar year.
3. Registration of entities, entitled to participate in the general meeting of stockholders, is disclosed in details in the Regulations on the General Meeting of Stockholders.
4. The Company's registrar performs the functions of the Counting Commission during the general meeting of stockholders. Since December 2010 the Company's registrar is AO STATUS (official web-site: www.rostatus.ru).
5. Voting results at the general meeting of stockholders are announced prior to the conclusion of the meeting to be disclosed in line with legal requirements.
6. The Company has the Dividend Policy stipulating primary principles of dividend payments, mechanics of dividend decision-taking, procedure, deadlines and form of dividend payments. The relevant Policy is disclosed on the official web-site of the Company.

The decision to pay dividend allows stockholders to receive full details regarding dividend amount, payment procedure and deadlines.

THE COMPANY AND STOCK MARKET

The Company's market value as of the last trading day (29.12.2018) totaled RUB 16.1 billion.

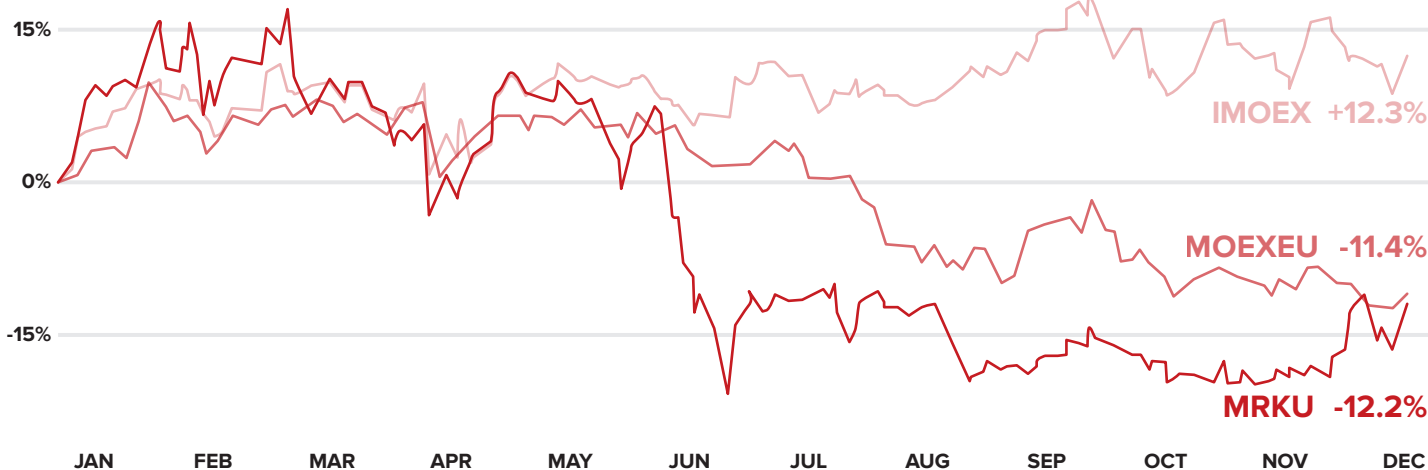
Fluctuations of OAO IDGC of Urals market capitalization in 2018, RUB billion



Source: Moscow Stock Exchange (www.moex.com)

The price for the Company's common shares lost 12.2% during 2017, starting from RUB 0.2095 (average weighted price of the last trading day of 2017) and ending RUB 0.184 (average weighted price of the last trading day of 2018).

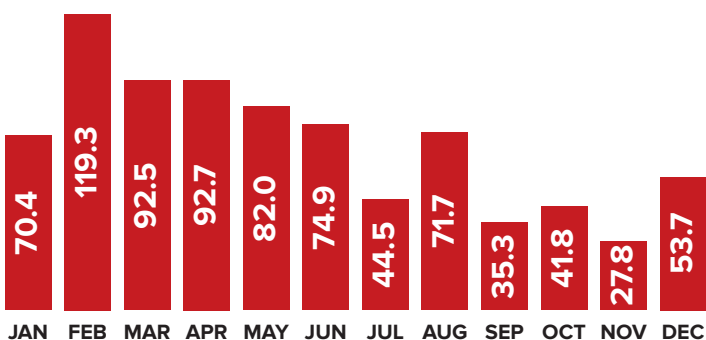
Fluctuations of OAO IDGC of Urals shares, indices of the Moscow Stock Exchange (IMOEX and MOEXEU) in 2018, %



Source: Moscow Stock Exchange (www.moex.com)

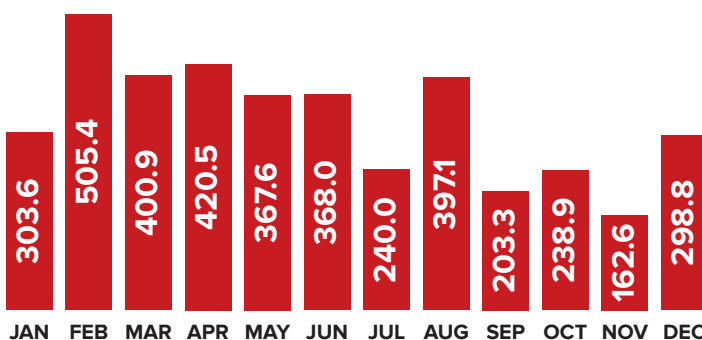
In 2018 negative events and turmoil, such as several bundles of Russia sanctions, Fx fluctuations, volatility in oil prices, erupted in the Russian stock market. Slowdown in global economic growth, trade conflicts and pressure on emerging markets also had a considerable impact on the Russian stock market. Nevertheless, IMOEX gained 12.3% at year-end. MOEXEU showed lower results, losing 11.4% YoY.

IDGC of Urals' trading volume in RUB million in 2018 (main market)



Source: Moscow Stock Exchange (www.moex.com)

IDGC of Urals' trading volume in million shares in 2018 (main market)



Source: Moscow Stock Exchange (www.moex.com)

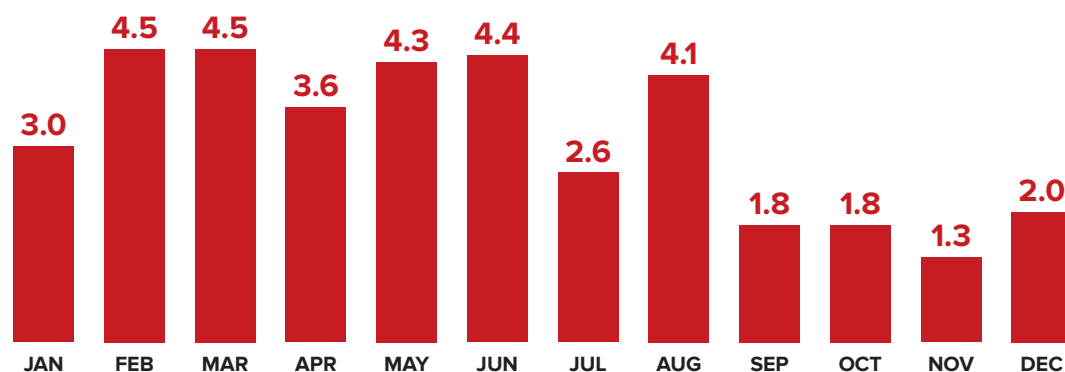
During the 1Q2018 the Company's shares traded positively, inspired by overall optimism of the investment community and Company's solid FY2017 RAS results, disclosed in late February. However, in April US sanctions have brought the Russian market down, also putting pressure on Company's stock prices. During the dividend season stock prices recovered previous losses, but in June prices dived again. In 2Q 2018 the prices of the Company's shares were impacted by:

The prices of the Company's shares were impacted by **extraordinary assignment** of the status of the provider of last resort.

1. Extraordinary assignment of the status of the provider of last resort in the Sverdlovsk and Chelyabinsk regions after the Russian Ministry of Energy had divested AO Roskommunenergo, PAO Chelyabenergosbyt and OOO NUESK of the PoLR status for numerous law violations;
2. Accounts receivable due from the companies, deprived of the PoLR status, and consequent decline of financial result due to the provision for doubtful accounts receivable and PoLR expenses.

Nevertheless, during 2018 the investment community stayed engaged in the Company's shares. Thus, the annual trading volume in monetary and quantitative terms totaled RUB 806.7 million and 3.9 billion shares, respectively. The annual number of transactions amounted to 37.8 thousand.

Number of transactions with OAO IDGC of Urals shares in 2018, thousand (main market)



Source: Moscow Stock Exchange (www.moex.com)

COMMUNICATIONS WITH STOCKHOLDERS, INVESTORS AND OTHER STOCK MARKET PARTICIPANTS

OAO IDGC of Urals aims to promptly and regularly convey information about its operations to all those interested in receiving it to the extent necessary for them to make an informed decision about participation in the Company or other actions that are capable of affecting the Company's financial and business operations.

The Company maintains a special web-page (www.mrsk-ural.ru/en/ir/), with answers to frequently asked questions from stockholders and investors, a regularly updated calendar of corporate events, dividend history, key performance indicators as well as other information that investors and stockholder may find useful.

The Company also uses its official web-page at Interfax newswire system (www.e-disclosure.ru/portal/company.aspx?id=12105) to disclose corporate events or actions, annual and quarterly reports, accounting (financial) statements, etc.

USEFUL LINKS

FINANCIAL REPORTING

under Russian Accounting Standards www.mrsk-ural.ru/en/ir/financial-information/ras/

under International Financial Reporting Standards www.mrsk-ural.ru/en/ir/financial-information/ifrs/

IR CALENDAR www.mrsk-ural.ru/en/ir/analyst-center/ir-calendar/

QUICK ANALYZER www.mrsk-ural.ru/en/ir/analyst-center/quick-analyzer/

INFORMATION DISCLOSURE

Corporate actions and events www.mrsk-ural.ru/en/disclosure/issuer/corporate-actions/

Lists of affiliated entities www.mrsk-ural.ru/en/disclosure/issuer/affiliate/

Quarterly reports www.mrsk-ural.ru/en/disclosure/issuer/quarterly-reports/

Annual reports www.mrsk-ural.ru/en/disclosure/issuer/annual-reports/

GOVERNING AND CONTROL BODIES www.mrsk-ural.ru/en/company/controls/

HIGHLIGHTS www.mrsk-ural.ru/en/company/highlights/finance/



FREQUENTLY ASKED QUESTIONS AND ANSWERS

How can I know the exact amount of the Company's shares owned by me?

To see the exact amount of the Company's shares owned by you, you need to contact our registrar AO STATUS at its HQ (located at: 23/1 Ulitsa Novokhokhlovskaya, Moscow, Russia, 109052) or its regional branches (explore the official registrar's web-site at www.rostatus.ru to find the nearest office near you). Please, be aware that you should have your ID with you to pick up the account statement containing the exact amount of the Company's shares owned by you.

I have problems with collecting dividends through my bank account, though general meetings of stockholders regularly vote for dividend allocation. What should I do to finally collect the dividends?

The problem seemingly lies in incorrect or fragmentary data regarding your bank account or taxpayer ID number. You should contact our registrar (AO STATUS) to clear this up.

I do not receive the voting papers from your company to be able to vote at general meetings of stockholders. What should I do to start receiving the voting papers?

The register seemingly contains incorrect address details. To alter it, you should contact any registrar's office, nearest to you. The registrar alters the register only using relevant data of a questionnaire completed by the stockholder. This questionnaire can be downloaded from the official registrar's web-site (www.rostatus.ru) for completion. Alteration services are to be paid for in line with the current fees disclosed by the registrar. Please, explore the official registrar's web-site to find more details on alteration procedure.

ALLOCATION OF PROFIT

Company's dividend policy focuses on enhancement of Company's investment prospects and market value, balancing between interests of the Company and its stockholders. The Company's dividend policy is stipulated by the Regulations on the Dividend Policy⁹⁰.

Fundamentals of the Company's Dividend Policy:

- Compliance of the Company's dividend accrual and payout practices with laws of Russia and corporate governance standards⁹¹;
- Optimum compromise between the interests of the Company and its stockholders;
- Specification of a dividend size at a minimum of 50% of net income, presented in financial statements (incl. consolidated statements, prepared under IFRS), calculated as stated by the Regulations;
- Provision of possibility to pay quarterly dividends, provided that corresponding criteria are complied with;
- Enforcement of utmost transparency (comprehensibility) of a tool for dividend size calculation and payout;
- Enforcement of dividend upward trend, provided that Company's net income keeps growing;
- Availability of information on the Company's dividend policy for stockholders and stakeholders;
- Maintenance of required financial and technical condition of the Company (execution of investment program), enforcement of Company's development prospects.

Total accrued dividend for FY2017 amounted to 1 888 RUB billion

FY2015-2018 allocation of profit

Allocation of profit	FY2015 (GM held in 2016) ⁹²	FY2016 (GM held in 2017) ⁹³	FY2017 (GM held in 2018) ⁹⁴
Non-distributed profit (loss) of the reported period, incl.:	2,466,036	3,305,554	4,569,516
Reserve fund	0	0	0
Enterprise development	1,224,523	2,579,881	2,681,018
Dividends	1,241,513	725,673	1,888,498
Recovery of losses of previous periods	0	0	0

Pursuant to the Company's charter, allocation of FY2018 profit will be decided upon by the Annual General Meeting of Stockholders.

Dividend report

	Total accrued dividend, RUB	DPS, RUB	Dividends paid, RUB	Paid/Accrued, %
FY2017 ⁹⁴	1,888,498,481	0.0216	1,866,639,999.35	99.1
FY2016 ⁹³	725,673,037.27	0.0083	717,606,822.32	98.86
FY2015 ⁹²	1,241,512,895.69	0.0142	1,227,580,101.61	98.85

Unfortunately, persons, included into the list of persons entitled to collect dividends, collected no dividends since they had not provided the registrar with relevant information on details required for dividend transfers.