

MISSION AND STRATEGIC GOALS

The Company's goals for 2018 were formulated with consideration of unattainable goal risks, key operating risks and risks of primary and minor business operations, to comply with:

- I. Strategic priorities, stipulated by the Strategy¹:
 1. Provision of long-term reliable high-quality electricity supply;
 2. Provision of reliable and safe performance of the grid complex;
 3. Deployment of the most efficient grid infrastructure, compliant with global standards;
 4. Energy tariffs, affordable for the Russian economy and fostering investment prospects.
- II. Figures of the Company's revised business plan for 2018 and business plan for 2018-2022.
- III. C-Level KPI system of the Company.
- IV. Integrated Management System Guidelines².

Goals for 2018:

1. Prevention of industrial injuries, minimization of injuries suffered by outsiders.
2. Enforcement of reliability and quality of service indicators, set by the regional regulators.
3. Connection of consumers, ready to be connected to the Company's networks, in a timely manner.
4. 100% automation of maintenance and repair scheduling process (for all equipment categories).
5. Non-admittance of rescheduling of activities, envisaged by the annual maintenance and repair program, due to the lack of materials.
6. 3% YoY cuts of operating expenses (in comparable conditions), adjusted for equipment quantity.
7. Improvement of the Company's YoY performance.
8. At least 95% accomplishment of the investment-program-facility launch index.
9. Enforcement of energy efficiency by: a) securing in-process energy consumption at a maximum of 7.97% of total supply; b) cutting consumption for economic needs by 3% against FY2017 base numbers; c) reducing consumption of engine fuel by motor transport and special-purpose vehicles by at least 2% (250 thousand liters) against FY2017 real numbers.
10. Active staff turnover should not exceed 6.5%.
11. Completion of the average ratio "Filed/Accepted proposals for technical improvement and efficiency proposals in branches and production departments".
12. Lowering of negative environmental impact through 100% execution of the environmental strategy.

Our end-of-the-year progress in goal achievement is as follows:

- Reliability and quality of service targets achieved;
- Share of late connection contracts (through gridco's fault) reduced by 0.29%;
- In-process energy consumption is 7.32% ($\leq 7.97\%$) of total supply.

To achieve the strategic goals, set for 2019 and beyond, we intend to:

- Prevent industrial injuries, enforce minimization of injuries suffered by outsiders;
- Enforce reliability and quality of service indicators;
- Cut operating costs 2%YoY (in comparable conditions), adjusted for equipment quantity;
- Improve the Company's YoY performance;
- Accomplish the investment-program-facility launch index by at least 95%;
- Promote energy efficiency by securing in-process energy consumption and cutting consumption for economic needs.

The Company's priority is building-up of a unified network area in the areas of the Company's presence.

OAo IDGC of Urals' mission: provision of reliable electricity supply and hassle-free technological connection of consumers to the electric networks in the Sverdlovsk, Perm and Chelyabinsk regions through the lens of energy efficiency, environmental, industrial and professional safety priorities.

The Company's priority implementation benchmarks are build-up of a unified network area in the areas of the Company's presence through consolidation of municipal grids, extensive renovation of networks, achievement of a greater energy saving, application of energy-efficient technologies, set up of the smart electricity distribution system, establishment of efficient asset management and optimal environment for reliable and safe energy supply.