

QUARTERLY REPORT

Interregional Distribution Grid Company of Urals (OAO)

Issuer Code: 32501-D

1 quarter 2017

Issuer Location: 140 Ulitsa Mamina Sibiryaka, Yekaterinburg, Russia, 620026

Information stated herein is subject to disclosure pursuant to the Russian legislation concerning securities

General Director
Date: 12 May 2017

_____ S.G. Dregval
signature

Chief Accountant
Date: 12 May 2017

_____ O. M. Abrosimova
signature

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Information stated herein is available at:

Interfax business wire www.e-disclosure.ru/portal/company.aspx?id=12105;

Official web-site: <http://www.mrsk-ural.ru/disclosure/issuer/quarterly-reports/>

Contents

Contents	2
INTRODUCTION	4
SECTION I. BANK ACCOUNTS, AUDITOR, APPRAISER, FINANCIAL ADVISOR AND SIGNERS OF THE REPORT	5
1.1. Bank accounts	5
1.2. Auditor	5
1.3. Appraisers	6
1.4. Advisors	7
1.5. Signers of the report	7
SECTION II. FINANCIAL AND ECONOMIC PERFORMANCE	7
2.1. Financial and Economic Performance	7
2.2. Market Value	7
2.3. Liabilities	7
2.3.1. Borrowings and Payables	8
2.3.2. Credit History	9
2.3.3. Collateral Liabilities	10
2.3.4. Other Liabilities	10
2.4. Risks Related to the Acquisition of Placed Securities	10
2.4.1. Industry risks	10
2.4.2. Federal and regional risks	12
2.4.3. Financial risks	12
2.4.4. Legal risks	13
2.4.5. Reputation risks	13
2.4.6. Strategic risks	14
2.4.7. Risks related to Company's operations	15
SECTION III. DETAILED INFORMATION ON THE ISSUER	15
3.1. Company's Historical and Evolution Milestones	15
3.1.1. Company's Trade Name	15
3.1.2. State Registration	16
3.1.3. Incorporation and Evolution	16
3.1.4. Contacts	17
3.1.5. Taxpayer Identification Number	17
3.1.6. Branches and Representative Offices of the Issuer	17
3.2. Core Lines of Business	17
3.2.1. Industry Classification	17
3.2.2. Core Lines of Business	18
3.2.3. Raw Materials and Suppliers	19
3.2.4. Sales Area	20
3.2.5. Licenses	20
3.2.6. Operations Performed by Particular Categories of Issuers	20
3.2.7. Additional Requirements to Mining Industry Issuers	20
3.2.8. Additional Requirements to Telecom Industry Issuers	20
3.3. Future Prospects	20
3.4. Participation in Industrial, Banking and Financial Groups and Holdings	20
3.5. Controlled Companies of Significant Importance	20
3.6. Fixed Assets (composition, structure, value, potential acquisition, replacement, retirement of fixed assets, encumbrance, etc.	22
SECTION IV. FINANCIAL AND BUSINESS PERFORMANCE	22
4.1. Financial and Business Performance	22
4.2. Liquidity, Capital Adequacy and Current Assets	23
4.3. Financial Investments	24
4.4. Non-tangible Assets	25
4.5. Policy and Expenses concerning Sci-tech Development, Licenses, Patents, R&D	25
4.6. Analysis of Trends	26
4.7. Analysis of Factors Affecting Operations	27
4.8. Peers	27
SECTION V. DETAILS ON MEMBERS OF MANAGEMENT AND CONTROL BODIES. BRIEF PERSONNEL OVERVIEW	27
5.1. Structure and Competence of the Bodies	27
5.2. Management Bodies	32
5.2.1. Board of Directors	32
5.2.2. Sole Executive Body	37

5.2.3. Collegiate Executive Body	38
5.3. Remuneration, Benefits and/or Reimbursement of Expenses (Management Bodies).....	40
5.4. Structure and Competence of Financial Control Bodies and Risk Management and Internal Control System	41
5.5. Personnel of Financial Control Bodies.....	42
5.6. Remuneration and/or Expense Compensation (Financial Supervision Body)	44
5.7. Work Force: Structure and Changes	45
5.8. Liabilities to Employees on Potential Participation in the Charter (Share) Capital.....	46
SECTION VI. STOCKHOLDERS AND RELATED-PARTY TRANSACTIONS.....	46
6.1. Total Number of Shareholders.....	46
6.2. Large Stockholders (5% of the Charter Capital or common stock); Controlling Persons (if none, persons with 20% of the Charter Capital or common stock)	46
6.3. Government or Municipal Share in the Charter Capital (Golden Share).....	46
6.4. Charter Capital Restrictions	47
6.5. Changes in Structure and Share of Stockholders with 5% of its Charter Capital or Common Stock.....	47
6.6. Related-Party Transactions	48
6.7. Accounts Receivable	48
SECTION VII. FINANCIAL STATEMENTS AND OTHER RELEVANT FINANCIAL INFORMATION	50
7.1. Annual Accounting (Financial) Statements	50
7.2. Interim Accounting (Financial) Statements	50
7.3. Consolidated Financial Statements	50
7.4. Accounting Policy.....	50
7.5. Total Export and Export/Total Sales	50
7.6. Significant Property Changes since the end of the last completed reported period	50
7.7. Significant Lawsuits with Potential Effect on Operations	50
SECTION VIII. ADDITIONAL INFORMATION ON THE ISSUER AND ITS PLACED SECURITIES	50
8.1. Additional Information	51
8.1.1. The Charter Capital: Amount and Structure.....	51
8.1.2. Changes of the Charter Capital	51
8.1.3. Convention and Conduct of a meeting of the supreme management body.....	51
8.1.4. Commercial Organizations with Company's 5% stake in the Charter capital or common stock.....	52
8.1.5. Major/Large-Scale Transactions	53
8.1.6. Credit Ratings	53
8.2. Classes (Types) of the Issuer's shares.....	54
8.3. Other Issues of Securities (Excluding Shares)	54
8.3.1. Redeemed Securities.....	54
8.3.2. Outstanding Securities.....	55
8.4. Person (persons) who Secured Bond Issues and Suretyship.....	57
8.4.1. Mortgage Collateral Bonds	57
8.4.2. Monetary Collateral Bonds.....	57
8.5. Organizations Recording Securities Rights	57
8.6. Laws, Code and Other Enactments Concerning Capital Import and Export with Potential Effect on Non-residential Dividends, Yield and Other Payments	57
8.7. Announced (Accrued) and/or Paid Dividends or Bond Yield	58
8.7.1. Announced and Paid Dividends.....	58
8.7.2. Accrued and Paid Bond Yield	60
8.8. Other Information	62
8.9. Information on RDRs and RDR Issuer	62

INTRODUCTION

Factors to disclose a quarterly report:

The issuer has registered the listing prospectus.

The exchange-traded bonds of the issuer were listed on the stock exchange with exchange-traded bond prospectus filed to be listed.

The issuer is a public joint-stock company.

On 24 April 2008 the Federal Financial Markets Service of Russia has registered the Company's prospectus.

On 31 May 2013 exchange-traded Series BO-03-04 bonds (4B02-03-32501-D, 4B02-04-32501-D dd. 31.05.2013) were listed on MICEX, no bonds have been placed yet.

On 27 November 2015 exchange-traded series BO-02 bonds (#4B02-02-32501-D dd. 31.05.2013) were placed and are currently in circulation.

On 26 August 2016 exchange-traded series BO-05 bonds (#4B02-05-32501-D dd. 31.05.2013) were placed and are currently in circulation.

The report contains evaluations and forecasts of the management bodies with regard to future events and/or actions, energy sector perspectives and Company's results, including Company's plans, event and action probability. Investors should not fully rely upon such evaluations and forecasts, since real future results may vary from the forecasts due to a range of various factors. Acquisition of the securities may entail risks described herein.

SECTION I. BANK ACCOUNTS, AUDITOR, APPRAISER, FINANCIAL ADVISOR AND SIGNERS OF THE REPORT

1.1. Bank accounts

Information on banking institution

Full corporate name: *Yekaterinburg branch of Bank VTB (Public Joint-stock Company)*

Abbreviated corporate name: *Yekaterinburg branch of Bank VTB (PAO)*

Domicile: *5 Ulitsa Marshalla Zhukova, Yekaterinburg, Russia, 620014*

TIN: *7702070139*

RCBIC: *046577952*

A/C No.: *40702810228000002693*

C/A No.: *30101810400000000952*

Account type: *operating*

Information on banking institution

Full corporate name: *Chelyabinsk branch of SMP Bank (Joint-stock Company)*

Abbreviated corporate name: *ChF SMP Bank (AO)*

Domicile: *56 Ulitsa Pushkina, Chelyabinsk, Russia, 454091*

ИНН: *7750005482*

RCBIC: *047501988*

A/C No.: *40702810104050002290*

C/A No.: *30101810000000000988*

Account type: *operating*

Information on banking institution

Full corporate name: *Perm branch of Gazprombank (Joint-Stock Company)*

Abbreviated corporate name: *Perm branch of GPB (AO)*

Domicile: *77a Ulitsa Maksima Gorkogo, Perm, Russia, 614007*

ИНН: *7744001497*

RCBIC: *045773808*

A/C No.: *40702810000320100934*

C/A No.: *30101810200000000808*

Account type: *operating*

1.2. Auditor

Auditor (audit firm) that conducted an independent audit of accounting statements and consolidated financial statements contained herein and auditor (audit firm) that was approved (elected) to conduct the audit of the annual accounting statements and annual consolidated statements of the issuer for the current and most recently completed reported period.

Full corporate name: *RSM RUS, Limited Liability Company*

Abbreviated corporate name: *RSM RUS (OOO)*

Domicile: *4 Ulitsa Pudovkina, Moscow, 119285*

TIN: *7722020834*

PSRN: *1027700257540*

Phone: *495.363.28.48*

Fax: *495.981.41.21*

E-mail: *mail@rsmrus.ru*

Membership in self-regulated auditor organizations

Full corporate name: *Non-profit Partnership SODRUZHESTVO Auditor Association*

Domicile: *21/4 Michurinsky Prospekt, Moscow, Russia, 119192*

Additional information: *Registration line in the register of the SRAO - 11306030308*

The past 5 fiscal years and current year during which the auditor conducted (will conduct) an independent audit of the annual accounting statements of the issuer

Accounting (financial) statements (RAS)	Consolidated financial statements (IFRS)
2015	2015
2016	2016

Factors that may affect the independence of the auditor (audit firm) from the issuer, including material interests binding the

auditor (persons serving on management and control bodies of the audit firm) with the issuer (persons serving on management and control bodies of the issuer): *none*

Selection:

Tender conditions:

A candidate for an auditor position is determined by a tender (open negotiations without preliminary qualified selection). Key requirements for audit organizations are:

- to be a member in a self-regulated auditor organization;*
- not to be under liquidation or bankruptcy proceedings;*
- not to be under suspension of operations as stated by the Russian Administrative Code on the tender date;*
- to have no debt on taxes, levies and other obligatory payments to various budgets or state non-budgetary funds for the previous calendar year (exceeding 25% of book asset value as stated in financial statements as of the most recently completed reported period);*
- not to be on the unfair-contractor register;*
- not to fall under conditions stated by the Federal Auditor's Law.*

Auditor nomination procedure:

The Charter states that an auditor nominee to be engaged for independent audit of the issuer's annual financial statements is recommended by the Board of Directors to the AGSM after an auditor tender (arranged by the issuer and/or Rosseti). The AGSM approves the auditor (auditor organization) of the Company. The meeting, conducted Jun.06, 2016 (AGSM Minutes No.9 dated as of 06.06.2016), has approved RSM RUS (OOO) as the Company's auditor for 2016. An auditor nominee to be engaged for audit of consolidated interim financial statements prepared under IFRS is not examined by the AGSM. The auditor had no special assignments.

Remunerations (determination procedure, amount, etc.):

The Charter states that the auditor remuneration is determined by the Board of Directors. The fee and manner of payment are stipulated by the contract concluded between the Company and auditor.

The auditor remuneration for audit of FY2015 financial statements prepared under RAS and IFRS was determined by the Board of Directors 18.09.2015 (Minutes No.176 dd. 21.09.2015) at RUB 2,611,251.52 plus 18% VAT.

The auditor remuneration for audit of FY2016 financial statements prepared under RAS and IFRS was determined by the Board of Directors 15.08.2016 (Minutes No.205 dd. 15.08.2016) at RUB 2,611,251.52 plus 18% VAT.

During the reported period the Company paid a RUB 2,089 thousand fee. There are no deferred and overdue payments for the auditor services.

Potential factors that may challenge the auditor's independency:

- the auditor's (or its officers') share in the charter capital of the issuer: no share;*
- money borrowed by the auditor (its officers) from the issuer: no borrowings;*
- close business contacts (co-promotion of the issuer's services or joint business, etc.) and kinship: no close contacts and kinship;*
- the issuer's officers serve simultaneously as the auditor's officers.*

The issuer and auditor comply with the law (in particular, with Federal Auditor's Law No.119-FZ dd. 07.08.2001).

Section 12 states that the audit cannot be performed by:

- 1) auditors who are founders (stockholders) of audited entities, directors, accountants and other persons liable for accounting and financials administration;*
- 2) auditors with a close kinship (parents, spouses, brothers, sisters, children as well as brothers, sisters, parents and children of the spouses) with the founders (stockholders) of audited entities, directors, accountants and other persons liable for accounting and financials administration;*
- 3) auditor companies, which directors and other officers are the founders (stockholders) of audited entities, officers, accountants and other persons liable for accounting and financials administration;*
- 4) auditor companies, which directors and other officers are in a close kinship (parents, spouses, brothers, sisters, children as well as brothers, sisters, parents and children of the spouses) with the founders (stockholders) of audited entities, officers, accountants and other persons liable for accounting and financials administration;*
- 5) auditor companies in relation to audited entities being their founders (stockholders); in relation to audited entities, with the auditor companies being their founders (stockholders); in relation to subsidiaries, branches and representative offices of audited entities as well as in relation to companies possessing the same founders (stockholders) as the auditor company;*
- 6) auditor companies and individual auditors, rendering services on accounting recovery and administration as well as financials administration for natural and legal entities (in relation to these persons) during three years prior to the audit.*

1.3. Appraisers

No appraisers were engaged within 12 months prior to the end of the reported period under requirements hereof

1.4. Advisors

No financial advisors were engaged within 12 months prior to the end of the reported period under requirements hereof

1.5. Signers of the report

Name: *Sergey Georgievich Dregval*

Year of birth: 1971

Company: *IDGC of Urals (OAO)*

Position: *General Director*

Name: *Olga Mikhailovna Abrosimova*

Year of birth: 1953

Company: *IDGC of Urals (OAO)*

Position: *Chief Accountant*

SECTION II. FINANCIAL AND ECONOMIC PERFORMANCE

2.1. Financial and Economic Performance

Retrospective performance (under Company's financials)

Accounting standards: *RAS*

Mea.unit for labor productivity: *RUB thous./person*.

Performance indicator	3M 2016	3M 2017
Labor productivity	1,001	1,160
Debt/Equity	0.76	0.73
Long-term debt/ Long-term debt and Equity	0.22	0.28
Income/ Debt	8.94	3.78
Overdue debt, %	5.38	1.41

Performance indicator	2015	2016
Labor productivity	3,661	3,997
Debt/Equity	0.87	0.75
Long-term debt/ Long-term debt and Equity	0.22	0.28
Income/ Debt	1.9	1.24
Overdue debt, %	4.89	1.59

Performance analysis:

Debt (long-term and short-term)/Equity demonstrates the balance of external and internal funds. 2016 and 1Q 2017 Debt/Equity declined 0.12 and 0.03 YoY respectively. Long-term debt/Long-term Debt and Equity demonstrates the level of long-term funding. 2016 and 1Q 2017 Long-term debt/Long-term Debt and Equity changed insignificantly YoY (+0.06 and +0.06 respectively). At the same time Income/Debt ratio, demonstrating the ability of the Company to discharge its short-term liability, is -0.66 and -5.16 YoY respectively. The ratio was primarily influenced by reduced short-term liabilities due to redemption of loans and borrowings.

2.2. Market Value

Market value is multiplication of the amount of shares of a certain class (type) and market price (provided by a trading institution)

Mea.unit: *RUB*

Indicator	As of 31.12.2016	As of 31.03.2017
Market value	14,294,884,413.75	13,551,725,285.21

Trading institution:

The securities are listed on MICEX (domiciled 13/1 Bolshoi Kislovsky Pereulok, Moscow, 125009; 4/7, building 1, Ulitsa Vozdvizhenka, Moscow, Russia, 125009; web-site: www.rts.micex.ru). The market value is calculated using the data provided by the trading institution. Market value, stated herein, corresponds with the MICEX data posted at <http://moex.com/s26>

2.3. Liabilities

2.3.1. Borrowings and Payables

31.12.2016

Borrowings:

Mea.unit: *RUB thousand*

Indicators	Value
Long-term borrowings	10,882,973
comprising:	
credits	4,282,973
loans, except bonds	0
bonds	6,600,000
Short-term borrowings	208,281
comprising:	
credits	26,339
loans, except bonds	0
bonds	181,942
Overall overdue debt	0
comprising:	
credits	0
loans, except bonds	0
bonds	0

Borrowings:

Mea.unit: *RUB thousand*

Indicators	Value
Overall payables	8,311,475
overdue	442,641
comprising	
Budget and state non-budget funds	1,402,405
overdue	0
Suppliers and contractors	4,793,276
overdue	244,183
Personnel	344,871
overdue	0
Advances received	1,539,407
overdue	186,842
Debt to founding participants	14,564
overdue	0
Other	216,952
overdue	11,616

Overdue payables: *The bulk of overdue payables is formed by payables to RGOs operating in the service area of PoLR and sales companies, since PoLR and sales companies have formed overdue debts for energy transmission owed to IDGC of Urals.*

Creditors with at least 10% of overall payables or overall borrowings (long-term and short-term):

Full corporate name: **Federal Grid Company of Unified Energy System**

Abbreviated corporate name: **FSK UES (PAO)**

Location: **5a Ulitsa Akademika Chalomeya, Moscow, 117630**

TIN: **4716016979**

PSRN: **1024701893336**

Payables: **RUB 1,511,545 thousand**

Amount and conditions of overdue payables (interest rate, fines, penalties):

Payables include advance payments for the services to be rendered. Overdue payables are RUB 122.816 thousand

Affiliation with the issuer: **Yes**

Issuer's share in the charter capital: **0.000049%**

Common shares owned by the issuer: **0.000049%**

Share of the entity in the issuer's charter capital: **0%**

Issuer's common stock owned by the entity: **0%**

31.03.2017

Borrowings:

Mea.unit: *RUB thousand*

Indicators	Value
Long-term borrowings	10,882,973
comprising:	
credits	4,282,973
loans, except bonds	
bonds	6,600,000
Short-term borrowings	146,547
comprising:	
credits	36,359
loans, except bonds	0
bonds	110,188
Overall overdue debt	0
comprising:	
credits	0
loans, except bonds	0
bonds	0

Borrowings:

Mea.unit: *RUB thousand*

Indicators	Value
Overall payables	8,048,118
overdue	391,235
comprising	
Budget and state non-budget funds	1,597,970
overdue	0
Suppliers and contractors	4,371,639
overdue	194,500
Personnel	335,021
overdue	0
Advances received	1,543,522
overdue	184,969
Debt to founding participants	14,564
overdue	0
Other	185,402
overdue	11,766

Overdue payables: *The bulk of overdue payables is formed by payables to RGOs operating in the service area of PoLR and sales companies, since PoLR and sales companies have formed overdue debts for energy transmission owed to IDGC of Urals.*

Creditors with at least 10% of overall payables or overall borrowings (long-term and short-term):

Full corporate name: *Federal Grid Company of Unified Energy System*

Abbreviated corporate name: *FSK UES (PAO)*

Location: *5a Ulitsa Akademika Chalomeya, Moscow, 117630*

TIN: *4716016979*

PSRN: *1024701893336*

Payables: *RUB 932,512 thousand*

Amount and conditions of overdue payables (interest rate, fines, penalties):

Payables include advance payments for the services to be rendered. No overdue payables as of 31.03.2017.

Affiliation with the issuer: *Yes*

Issuer's share in the charter capital: *0.000049%*

Common shares owned by the issuer: *0.000049%*

Share of the entity in the issuer's charter capital: *0%*

Issuer's common stock owned by the entity: *0%*

2.3.2. Credit History

Discharge of liabilities on credit contracts and/or borrowing contracts during past and current reported periods, including those concerning bond issue and sale, provided that principal debt totaled 5% and more of the asset book value as of the most recently completed reported period (3, 6, 9 and 12 months) that preceded the conclusion of such contract as well as other credit contract and/or borrowing contracts the issuer deems significant: *none*

As of the year-end the debt portfolio consists of long-term loans and borrowings. The Company has no credit contracts with principal debt over 5% of book asset value. Liabilities under each contract are discharged by the Company on time. Key creditors are largest state-controlled banks. As of 31.12.2016 the weighted average interest rate of the Company's debt portfolio totaled 9.92% p.a.

During the reported period the Company had RUB 1.6 billion BO-02 series and RUB 5.0 billion BO-05 series exchange-traded bonds in floatation. BO-02 series bonds were placed at MICEX stock exchange, 24 November 2015 being effective date. The issue maturity is 10 years, designated offer due 7 years after the effective date and redemption offer due 4 years upon holders' consent. 1-14 coupon rates were set at 11.58% per annum, equal to coupon yield for each coupon period at RUB 57.74 per one bond. BO-05 series bonds were placed at MICEX stock exchange, 26 August 2016 being effective date. The issue matures in 10 years, with two redemption offers due 3 and 5 years after effective date upon holders' consent. 1-20 coupon rates were set at 9.32% per annum, equal to coupon yield for each coupon period at RUB 46.47 per one bond.

Company's loans and borrowings as of 01.01.2017 totaled RUB 10,882.97 million. During 1Q 2017 the credit portfolio of the Company underwent no changes to total RUB 10,882.97 million as of 31.03.2017. The Company has 27 credit contracts in force by the end of 1Q 2017.

2.3.3. Collateral Liabilities

None

2.3.4. Other Liabilities

None

2.4. Risks Related to the Acquisition of Placed Securities

Risk Management Policy of the issuer:

With a view to secure sustainable faultless operations and evolution of the Company we have implemented the risk management system that identifies, evaluates and effectively manages risks threatening Company's reputation and operations, health of employees, environment and ownership interests of stockholders and investors. To develop the RMS the Company's Board of Directors has adopted the Risk Management Policy (Minutes No.191 dated as of 01.04.2016).

The following entities participate in the risk management:

- Board of Directors;
- Board of Directors' Strategy and Development Committee;
- Executive bodies (Executive Board, General Director);
- Owners of risks (Deputy General Directors, Heads of units with straight reporting line to the General Director);
- Internal control and risk management section;
- Performers of risk management measures.

RM-related goals of the Company are:

- Reduction of possibility and/or consequences of events with negative effect on Company's goals;
- Prioritization of Company's activities in the light of existing risks, incl. financial risks;
- Preservation of assets and efficient use of available resources;
- Achievement of operational targets;
- Ongoing improvement of overall efficiency by analyzing and evaluating existing risks;
- Securing of reliable performance of the Russian grid sector;
- Achievement of optimal efficiency for the RMS of the Company and its SACs;
- Timely and in-depth informational and analytical support of decision-taking and planning processes of the Company and its SACs.

RM-related decisions of the C-level executives comply with laws of Russia and ensure reasonable proportion of positive effect and incurred expenses. Executing RM-related decisions, the Company regularly analyzes their practical efficiency. The Company singles out the following RM methods:

1. Insurance of property, production units, vehicles and machinery, civil liability, health services and other types of insurance.
2. Waiver of unreliable contractors.
3. Diversification of purchases of raw materials, materials, equipment and services to reduce Company's dependence on certain contractors.

2.4.1. Industry risks

1) Tariff risks.

Energy transmission and connection to electric networks are regulated by the state. The state strives to cap transmission tariffs and connection fees (including privileged fees for separate categories of consumers); such policy may limit tariff resources for investment and operating activities of the Company. Tariff setting by regulators has a direct impact on Company's revenues, ending up with:

1. Risk related to setting of tariffs below economically feasible levels;
2. Risk related to revenues reduction impacted by changes of actual transmission voltage breakdown, compared to revenues approved when tariffs were set;
3. Risk related to revenues reduction impacted by slumped actual supply on the back of energy saving, if compared to revenues in tariff and balance decisions. Company's total supply is mostly comprised of energy transmission for industrial enterprises. If their production declines or they acquire or launch own generating facilities, it is immediately followed by significant revenues implosion;
4. Risk related to additional cross-subsidy expenses that impedes setting of economically feasible transmission tariffs;
5. Risks arising from evolving legislation regarding pricing of the electric sector;
6. Risks arising from impossibility to compensate shortfall in revenue of the previous periods in full, to record shortfall in revenue from privileged connection of separate categories of filers in full due to set transmission tariff ceiling.

Minimization of consequences:

1. Close cooperation with regional regulators regarding economic feasibility of Company's expenses.
2. Filing with the state tariff regulators of proposals regarding balance parameters for the next year to be approved in the consolidated regional forecast balance of electricity production and supply.
4. Execution of the cost control program.
5. Oversight of business plan execution.
6. Provision of well-balanced planning of operations in line with approved tariff decisions.

2) Risks related to technological connection

Decrease of demand for connection and transmission services against target demand, covered by tariff and balance decisions approved by the regional regulators.

Minimization of consequences:

1. Filing with the regional tariff regulators of information regarding inclusion of privileged connection expenses in full into transmission tariffs.
2. Arrangement of tariff campaign to secure approval of economically feasible connection fees for all operations set by the legislation.

3) Risk related to shortfalls in income driven by cross-subsidy

Large industrial enterprises cross-subsidy other consumers, incl. residents. Several large industrial enterprises, connected directly to UNES networks, pay transmission fees for the transmission services in cases when last-mile facilities are leased by the Company under last-mile contracts, concluded between IDGC of Urals (OAO) and FSK UES (PAO).

Minimization of consequences:

Collaboration with the regional tariff regulators regarding cross-subsidy (filing of substantiated documents and calculations).

4) Provider-of-last-resort risks

Since several enactments were adopted at the end of 2012 to simplify withdrawal of PoLR status from energy sales companies, the Company encountered risks related to compulsory acceptance of authorities and liabilities from PoLR energy sales companies, namely:

1. Risks of PoLR energy sales activities arising when insolvent and dishonest consumers or socially important and non-disconnectable consumers do not pay for the services and the Company cannot limit or cease energy supply to force them to pay;

Minimization of consequences:

Interaction with infrastructure companies of whole-sale energy market, law enforcements regarding settlement of PoLR debts.

5) Risks related to increase of overdue and bad debts

1. Overdue transmission receivables contribute most to the total receivables structure of the Company and have a great impact on its financial results. As a result, the Company requires crediting, driven by demanding schedule of payments (suppliers, wages, taxes, etc.), since it does not collect enough money from contractors. Risk of income deficiency due to bad payment discipline of energy sales companies or reduced consumption if compared to targets.

2. Imperfection of mechanisms of the retail energy market explodes into controversies between grid operators and sales firms over electricity consumption and tariffs. As a result, there appears contestable and overdue receivables for electricity transmission services rendered by the Company, triggering reduced liquidity of the Company and its solvency.

Minimization of consequences:

1. Interaction with contractors to secure timely discharge of contractual liabilities and cancellation of overdue debt.
2. Legal collection focusing on debt collection (delay fees) and creation of favorable court practices.

3. *Generation of proposals to be introduced to legislation in effect to strengthen payment discipline.*
4. *Implementation of direct-supplier-contract policy.*
5. *Elimination of conflict-originating reasons, reduction of disputed and overdue debt for the rendered services.*
6. *Collaboration with regional instrumentalities (commissions) that monitor payments for energy and its transmission to find a mutual debt-reducing solution.*
7. *Search for alternative solutions focusing on debt reduction caused by payment failures by providers of last resort (ESC).*

2.4.2. Federal and regional risks

1) *Risks related to political and economic situation.*

Federal and regional risks are influenced by macroeconomic factors of global, federal or regional scale. These are mainly EU sanctions against Russia, resulting in high Fx volatility, restrained supply of imported materials, equipment, etc. Regional risks for the Company are mainly limited to failures of regional regulators to include some of economically feasible expenses, incurred by the Company, into tariffs. Such disregard may have a strong effect on Company's investment program execution.

Minimization of consequences:

1. *We take measures to replace imported materials and equipment with domestic ones, expand access for small and medium businesses to procurements in line with the Federal Procurement Law.*
2. *If political and economic situation in Russia or any region is unstable and may impact Company's performance, the Company shall take antirecession measures to reduce this negative impact (cost-cutting and cost optimization, reduction of investment plans, reduction of loans and borrowings to fund operations, well-balanced financial policy).*
3. *Collaboration with state agencies and other stakeholders to diminish the influence of these risks.*

2) *Geographical risks, including additional exposure to natural disasters, possible suspension of transport connection.*

These risks include a danger of possible losses due bad weather conditions.

Minimization of consequences:

The Company prepares for autumn-winter operations, each branch being certified in a proper manner. All branches have a long-term experience of successful quick liquidation of consequences from natural disasters, badly influencing facilities and network infrastructure.

2.4.3. Financial risks

1) *Risks related to the policy of the Russian Central Bank*

The Bank of Russia enforces its monetary policy in an inflation-targeting mode, focusing on protection and stabilization of ruble by price support to end up with low inflation and its support. To meet the inflation target the Bank of Russia enforces a range of monetary instruments, the key rate influencing setting of banking loan rates being the core parameter.

Minimization of consequences:

Appreciating the necessity to raise funding in 2016, the gradually reduced key rate helped us conduct tenders and raise required funding at optimal rate to refinance expensive loans and reduce the possibility of interest rate risks.

2) *Fx risks*

Fx changes have also no impact on operations and financial profile of the Company since loans and payments to suppliers or contractors are nominated in domestic currency. However, since equipment range of the Company still has a small share of imported components, any hikes of Fx rates may cause increased prices of the procured equipment.

Minimization of consequences:

The Company realizes its import-substitution policy focusing on project solutions to minimize usage of imported equipment and materials. Optionally, it considers conclusion of long-term contracts with stable equipment prices for projects depending on imported equipment and materials.

3) *Interest rate risks*

The Company has loans to fund its operational and investment activities and is exposed to risks related to rate hikes. Sharp increase of interest rates on loans and borrowings may lead to increased debt servicing costs.

Minimization of consequences:

IDGC of Urals (OAO) takes the following steps:

1. *Improvement of debt structure;*
2. *Oversight of reciprocal discharge of liabilities on credit contracts in force;*
3. *Monitoring of the debt market during debt-attraction arrangements.*
4. *Auctions and contracts with largest Russian banks, able to credit large sums at moderate rates.*

4) Inflation-based risks

Inflation has a negative influence on Company's profile. The key risks are:

- 1. Risk related to the loss of real value of receivables if such receivables are delayed or overdue;*
- 2. Risk related to grown costs of contractors' services, resulting in increased Company's expenses.*

Minimization of consequences:

Operating under inflation conditions the Company has developed the Enhanced Efficiency and Cost-Cutting Program. Risk related to value loss of receivables is reduced by controlling due consumers' payments and acceleration of overdue payments.

2.4.4. Legal risks

- 1. Legal risks are related to ambiguous interpretation of legislation to end up with wrong tax charges and payments.*
- 2. Risks of losses due to evolving legislation and mistakes in documents and poor legal services.*
- 3. Risks of changes in Fx legislation.*
- 4. Risks of changes in tax legislation.*
- 5. Risks of changes in customs regulations and tollages.*
- 6. Risks related to changes in licensing of the Company or licensing of rights for usage of limited circulation facilities.*
- 7. Risks of changes in legislation on the energy sector.*
- 8. Risks related to changes in court practices with regard to Company's operations (incl. licensing) that may have a negative impact on its performance and lawsuits.*
- 9. Risks related to the churn of consumers contributing 10% to total revenues of the Company.*

Minimization of consequences:

- 1. Our register is administered by a professional registrar (STATUS, AO) with a good background. The Company promotes a range of measures focusing on strong cooperation with its stockholders and respect of their rights and interests: disclosure of information, compliant with relevant legislation, regular meetings with stockholders to discuss vital issues of the Company's operations, compliance with corporate procedures and bylaws.*
- 2. The Company plans its further operations with due regard to changes in legislation and judicial practices.*
- 3. Ongoing improvement of tax calculation methodology and oversight of its compliance with legislation in force.*
- 4. All operations undergo compulsory legal pre-examination.*
- 5. Transactions undergo compulsory legal pre-examination to consider whether they fall under corporate procedures stated by laws and/or charter of the Company. If such approval is required, competent bodies of the Company examine such transactions.*

2.4.5. Reputation risks

Reputation risk is a risk arising from poor relations with mass media, wrong positioning of the Company, public disclosure without relevant approval of the unit, liable for information policy. This may result in deterioration of Company's reputation and profile, reduction of market value, C-level personnel removal solutions. Risk factors are:

1. Inefficient information policy:

- Disclosure of information is fragmentary, doubtful, hard-to-reach, irregular and ill-timed;*
- Failure to find a reasonable balance between transparency and protection of commercial secrets;*
- Wrong disclosure vectors;*
- Unstable interaction with mass media;*
- Mistakes in Company's releases;*
- Waiver to comment on potentially negative topics;*
- Disclosure of information and comments from employees with no proper skills, knowledge and approval of PR department;*
- High proportion of negative releases;*
- Biased and incompetent treatment of sector problems by mass media.*

2. Overdue and fragmentary disclosure of information as an issuer and natural monopoly.

3. No protection of commercial or state secrets or other information protected in line with laws of Russia.

4. Failure to comply with the rules for disclosure and use of insider information, set by Company's bylaws.

5. Labor disputes (controversies among employees, falling into public domain, may lead to reduced productivity and strikes, credibility gaps between authorities and Company);

6. Failure to discharge liabilities (credibility gap between business circles and Company, increased public negativity and attention of regulators);

7. Poor corporate information system (inefficient protection against data leakages, fraud, breaches, viruses and sabotage).

Minimization of consequences:

- 1. Prioritization of reputation aspects, in-depth analysis of risk management priorities.*
- 2. Strict compliance with Company's information policy setting forth PR rules.*
- 3. Proper reaction to Company's process upsets or other technological disturbances.*

4. Consistent positive messaging about Company's operations.
5. Disclosure of at least 600 releases on Company's operations, at least 8.0 thous. positive media mentions, achievement of KPI "Quality of messaging" at a minimum of 5% (negative mentions/total mentions).
6. Single Regulations for PR Response to Accidents will be prepared by Rosseti (PAO), Company's PR response plan will be updated to comply with it.
7. Timely disclosure of information as an issuer and natural monopoly.
8. Participation in large Russian exhibitions, supported by regional authorities, to arrange efficient dialogue with business partners and form a positive image of the Company.
9. Regular control of compliance and financial monitoring for reputation management.
10. Timely congratulations of authorities, partners and other stakeholders to form a positive image of the Company.

2.4.6. Strategic risks

A strategic risk is a risk of losses incurred by the Company due to mistakes (weaknesses) during decision-taking on the strategy and evolution of the Company (strategic management). At present the industry is administrated by the Energy Strategy of Russia for a period till 2030 approved by the Government Act No.1715-r dated as of 13 November 2009. The strategy is aimed at the most efficient use of natural energy resources and industry potential to maintain a sustainable growth of the economy, improve quality of life for the population and facilitate the strengthening of Russia's global positions. Strategic goals of the sector evolution are:

- provision of energy security on the federal and regional scale;
- satisfaction of economy and residential demands for energy at affordable competitive prices providing return of investments into the sector;
- assurance of reliability and safety of the Russian energy system in normal and abnormal circumstances;
- industry upgrade via investments and innovations focused on the assurance of high energy, economic and ecological efficiency of electric energy production, transportation, distribution and use.

Besides objectives stipulated by the Energy Strategy of Russia for a period till 2030 and Russian Grids Evolution Strategy (Government Act No.511-r dated as of 03.04.2013), the industry faces the following strategic priorities for a long-term period:

- Assurance of reliable energy supply to consumers;
- QoS maintenance;
- Evolution of grids to maintain a sustainable growth of the Russia's economy;
- Competitive energy tariffs to trigger production sector;
- Improvement of scientific and innovative potential of the industry, including facilitation of allied sector evolution;
- investor-attractive return on capital.

At the same time the following targets for the industry have been determined:

- increased reliability and quality of energy supply;
- improved safety of energy supply as well as reduction of overall casualties, including unrecorded ones;
- reduced free power transfer zones from 27 down to 18 by 2017;
- increased efficiency of the grid sector;
- reduced quantity of RGCs by 50% by 2017 on 2012 and by 50% by 2030 on 2017.

The key risk factors are:

1. Insufficient conformity of strategies, programs and plans of regional social and economic development with strategic federal documents (general schemes, industry strategies, federal target programs) and investment programs of energy enterprises;
2. Bottlenecks in interregional and regional energy systems;
3. Poor and insufficient evolution of small-scale generation and small share of local power sources of regional and local importance in the overall balances of energy;
4. Lack of regional energy and energy-saving programs, urban heating evolution programs in most of the regions.

Strategic risks are analyzed from corporate evolution viewpoint and are determined by the probability of losses in the long run. In compliance with the Russian Grids Evolution Strategy approved by Government Act No.511-r dated as of 03.04.2013, Rosseti is a united entity administering the grid sector, i.e. the key goal is administration of companies comprising Rosseti, controlling over 70% of distributive and over 90% of backbone networks in Russia. Meanwhile, the majority of provisions of the strategy referred to Rosseti, OAO are relevant for other grid companies. Based on this, strategic risks are used for decision-taking by the Rosseti's HQ and Board of Directors. Rosseti, a majority shareholder of IDGC of Urals, prepare the Long-term Russian Grids Evolution Strategy.

Key consequences of the risks: wrong or insufficient reasoning of determined development perspectives, lack or partial provision of required resources (financial, material and technical, labor) and administration measures (managing decisions) that should ensure the achievement of the Company's strategic goals. Strategic risk management is totality of actions aimed at the implementation of measures and minimization of risks related to the implementation of the grid evolution strategy taking into account regional evolution strategies. Since strategic risks influence the achievement of goals stipulated by the Russian Grids Evolution Strategy and Rosseti long-term development program, including IDGC of Urals development program, one of the elements dealing with the administration of strategic risks is management of key operating risks and business process operating risks under our previously approved Risk Management Policy.

2.4.7. Risks related to Company's operations

1) Operating and technological risks

Operating and technological risks affecting reliable supply are primarily related to a severe depreciation of grid assets, problems of exploitation and operations of grid assets as well as incomplete repair program.

Factors of exploitation and technological risks are:

- accidents of natural or technogenic character;
- decrease of efficiency of Company's asset management system (shift in priorities regarding reliable exploitation of networks, wrong ranging of facilities to be repaired);
- shifts to forced accident-tolerant power exchanges;
- factors related to equipment exploitation, including violations of technical norms, errors made by personnel, breaches of dispatcher schedules and discipline.

Risk may end up with significant economic and reputation losses. Besides, these factors influence network losses and increase Company's loss compensation expenses.

Minimization of consequences:

The Company takes the following steps:

1. Clearing and widening of 0.4-220-kV power line corridors, refurbishment of grid facilities.
 2. Enhancement of reserve power supplies, machinery and special-purpose vehicles for emergency recovery works.
 3. Program of grid facility upgrade (revamp).
 4. Upgrade of communications and telematics.
 5. Improvement of systems, liable for collection and transmission of information, analysis of technological failures, forecast of consequences, incl. implementation of automated recovery resource management system (ARRMS).
 6. Improvement of the system managing emergency inventories during emergency recovery works.
 7. Increase of quality of mobile emergency recovery teams.
- Training, supervision and examining of operating personnel.*

2) Investment risks

The Company invests mainly in reconstruction and upgrade of existing facilities, in measures securing reliability of operations. Investing in upgrade the Company encounters the risk of reduced reconstruction investments, caused mainly by considerable portion of expenses, incurred by the Company, to connect consumers (including privileged ones). Reduced revenues from lowered electricity consumption in the regions also may influence investment cuts.

The following factors may trigger the investment risks:

- Reduced electricity consumption in the regions;
- Tariff decisions;
- High level of receivables (including overdue) and, as a result, risks of investment funding failures;
- Persisting connection volumes (including privileged connection);
- Risks when regulators do not include shortfall in revenues from privileged connection into the tariff;
- Lack of federal legislative innovations regarding setting of privileged connection fair value and initiatives strengthening liability of consumers;

Reduction of efficiency and devaluation of capex in the course of investment and R&D programs.

Minimization of consequences:

1. When the Company includes investment projects into its investment program, it aligns the projects with regional development plans. The Company files investment amounts and funding with the Ministry of Energy for approval.
2. The Company cuts per-unit investment expenditures by optimizing program structure, performing in-house works, generating typical technical solutions, annual monitoring of per-unit costs of investment projects as well as by reducing project value during planning (use of consolidated indices of construction costs, analysis of project solutions at incomplete facilities).
3. The Company enhances quality of projects and investment efficiency by reducing per-unit construction costs, high loading of commissioned facilities, generating and implementing systems for comparative analysis of per-unit CIW costs and for investment management.

SECTION III. DETAILED INFORMATION ON THE ISSUER

3.1. Company's Historical and Evolution Milestones

3.1.1. Company's Trade Name

Full company's trade name: *Open Joint-Stock Company Interregional Distribution Grid Company of Urals*

Date when the present trade name was introduced: *14.08.2007*

Abbreviated company's trade name: *IDGC of Urals (OAO)*

Date when the present abbreviated trade name was introduced: *14.08.2007*

The full or abbreviated company's trade name is similar to names of other legal entities

Names of such legal entities:

Open Joint-Stock Company Interregional Distribution Grid Company of Siberia (IDGC of Siberia);

Open Joint-Stock Company Interregional Distribution Grid Company of Volga (IDGC of Volga);

Open Joint-Stock Company Interregional Distribution Grid Company of Center (IDGC of Center);

Open Joint-Stock Company Interregional Distribution Grid Company of Center and Volga (IDGC of Center and Volga);

Open Joint-Stock Company Interregional Distribution Grid Company of South (IDGC of South);

Open Joint-Stock Company Interregional Distribution Grid Company of North Caucasus (IDGC of North Caucasus);

Open Joint-Stock Company Interregional Distribution Grid Company of North West (IDGC of North West).

Additional information required to prevent the confusion of the names:

To prevent confusion one should pay attention to the parts of full and abbreviated company's trade names of the companies that depict the service areas of these companies - Siberia, Center, Volga, South, North Caucasus, Center and Volga, North West regions.

The Company's trade name is registered as a trademark or service mark

Information on the registration of the trademarks:

In compliance with trademark (service mark) certificate No.394392 dated as of 23.11.2009 (application No.2008706634, priority since 6.03.2008, registration maturity expires on 06.03.2018) a combined trademark containing the wording of IDGC of Urals and logo was registered.

All preceding names:

Full company's trade name: *Open Joint-Stock Company Interregional Distribution Grid Company of Urals and Volga*

Abbreviated company's trade name: *IDGC of Urals and Volga*

Date when the name was introduced: *28.02.2005*

The grounds for naming: *RAO UES EB Chairperson Act #28r dd. 24.02.2005 on the establishment of IDGC of Urals and Volga (state registration certificate No.002017106 series 66 dated as of 28.02.2005).*

3.1.2. State Registration

PSRN: *1056604000970*

Date: *28.02.2005*

Authority: *Lenin District branch of the Federal Tax Service (Yekaterinburg)*

3.1.3. Incorporation and Evolution

The Issuer is created for the time being.

Historical Milestones:

Interregional Distribution Grid Company of Urals (shortly named as IDGC of Urals) was incorporated Feb. 28, 2005 in Yekaterinburg (the Urals Federal District) during energy reforms in Russia. The incorporation followed the differentiation of firms dealing with the production, transfer, distribution and sale of electric and heat energy as well as dispatcher management into separate business units. In Dec. 2007 the Federal Antimonopoly Service of Russia approved the restructuring of the Company in the form of the merger of Sverdlovenergo, Chelyabenergo, Permenergo and Kurganenergo. In Jan. 2008 the EGMs of Sverdlovenergo, Chelyabenergo, Permenergo voted for the restructuring in the form of the merger and also approved the merger agreement. The reform ended Apr. 30, 2008 when information on the discontinuation of activities of Sverdlovenergo, Chelyabenergo, Permenergo as a result of the merger into IDGC of Urals (OAO) was introduced to the United State Legal Entities Register. These merged companies became branches of IDGC of Urals (OAO).

Mission of IDGC of Urals (OAO): Provision of reliable electricity supply and hassle-free technological connection of consumers to the electric networks in the Sverdlovsk, Perm and Chelyabinsk regions with due consideration of energy efficiency, health, safety and environment priorities. The Company's goals for 2016 are set after evaluation of their accomplishment potentiality, key operating risks and risks of primary and minor business operations, to comply with Strategic priorities, disclosed in Chapter 4 (Para. 1-4) of the Strategy for Development of the Russian Electric Grid Complex (adopted by the Government Decree dated as of 03.04.13 No.511-r, numbers of the Company's business plan and C-Level KPI system of the Company:

1) Provision of long-term reliable high-quality electricity supply:

- Connection of new consumers in a manner, required by the law;

- Maintenance of grid infrastructure in good working order;

- Alignment of revamping and greenfield construction plans with development plans of the regions serviced by the Company;

- Implementation of revamping and greenfield construction provisions of the Rosseti's Technical Policy;

- Use of advanced machinery and equipment, breakthrough technologies and materials in maintenance and repair programs;

- Generation of the Company's perspective development plans in consort with the Strategy

2) Provision of reliable and safe performance of the grid complex:

- Enforcement of equipment's compliance with regulatory technical documentation and bylaws of the Company;

- Use of modern monitoring systems and testing devices to keep track of network equipment;
 - Use of advanced engineering systems, able to localize fault places and switch power supply to alternative lines;
 - Implementation of long-term enhancing equipment performance target programs as a part of the production and investment programs;
 - Achievement of the reliability level set by the regional energy commissions;
 - Bulk power supply failure plateauing.
- 3) Deployment of the most efficient grid infrastructure, compliant with global standards:
- Adaptation of innovative equipment and materials;
 - Minimization of commercial network losses as smart metering systems are rolled out;
 - Minimization of technical network losses due to optimized network configuration and deployment of energy efficient equipment and materials;
 - Enforcement of global ISO 9001, ISO 14 001, OHSAS 18 001, ISO 50 0001 standards on quality, safety and environment.
- 4) Energy tariffs, affordable for the Russian economy and fostering investment prospects.

3.1.4. Contacts

Domicile: *140 Ulitsa Mamina Sibiryaka, Yekaterinburg, Russia, 620026*

Address as stated in United Register: *140 Ulitsa Mamina Sibiryaka, Yekaterinburg, Russia, 620026*

Tel: *343.215.26.00, 343.215.26.85*

Fax: *343.215.25.84*

E-mail: *mrsk@mrsk-ural.ru*

Web-sites: *www.e-disclosure.ru/portal/company.aspx?id=12105; ttp://www.mrsk-ural.ru/disclosure/issuer/*

Department liable for shareholder and investor relations: *Corporate Governance and Shareholder Relations Department*

Location: *Room 617, 140 Ulitsa Mamina Sibiryaka, Yekaterinburg, Russia, 620026*

Tel: *343.215.26.85, 343.215.26.65, 343.215.26.58*

Fax: *343.215.25.84*

E-mail: *ir@mrsk-ural.ru*

Web-site: *www.mrsk-ural.ru/ir/*

3.1.5. Taxpayer Identification Number

6671163413

3.1.6. Branches and Representative Offices of the Issuer

Name: *Sverdlovenergo branch of IDGC of Urals (OAO)*

Location: *17a Prospekt Kosmonavtov, Yekaterinburg, 620217*

Opened: *30.04.2008*

Head of the branch (representative office)

Name: *Oleg Borisovich Moshinskyi*

Proxy expires on: *31.12.2017*

Name: *Permenergo branch of IDGC of Urals (OAO)*

Location: *48 Komsomolskyi Prospekt, Perm, 614990*

Opened: *30.04.2008*

Head of the branch (representative office)

Name: *Oleg Mikhailovich Zhdanov*

Proxy expires on: *31.12.2017*

Name: *Chelyabenergo branch of IDGC of Urals (OAO)*

Location: *5 Ploschad Revolutsii, Chelyabinsk, 454000.*

Opened: *30.04.2008*

Head of the branch (representative office)

Name: *Sergey Mikhailovich Zolotarev*

Proxy expires on: *31.12.2017*

3.2. Core Lines of Business

3.2.1. Industry Classification

Key business lines according to ARCEA

ARCEA codes
40.10.2

40.10.3
40.10.5

ARCEA codes
45.1
45.2
45.21
45.21.2
45.21.3
45.21.4
45.21.5
74.20
74.14
74.15.2
33.20.9
63.12.21
64.20.11
60.24.1

3.2.2. Core Lines of Business

Lines of business activities contributing no less than 10% of overall revenues of the Issuer as of the reported period

Mea.units: **RUB thousand**

Lines of business activities: **energy transmission**

Indicator	2015	2016
Revenues from this line of business activity, RUB thousand	58,227,060	63,703,133
Share in total revenues of the Issuer, %	96.19	97.33

Indicator	3M 2016	3M 2017
Revenues from this line of business activity, RUB thousand	16,348,167	18,495,694
Share in total revenues of the Issuer, %	98.48	99

Significant y-o-y changes in revenues (10% and more) and causal factors: **none**.

Line of business activities: **Technological connection**

Indicator	2015	2016
Revenues from this line of business activity, RUB thousand	1,861,581	1,335,822
Share in total revenues of the Issuer, %	3.08	2.04

Indicator	3M 2016	3M 2017
Revenues from this line of business activity, RUB thousand	152,165	103,589
Share in total revenues of the Issuer, %	0.92	0.55

Significant y-o-y changes in revenues (10% and more) and causal factors: **none**.

Overall expense structure

Indicator	2015	2016
Raw materials and supplies, %	1.68	1.62
Purchased component parts, semi-finished inventory, %	0.45	0.3
Production works and services rendered by external companies, %	0.93	0.91
Fuel, %	0.65	0.6
Energy, %	0.47	0.48
Wages, %	12.98	12.72
Interest payable, %	0	0
Rental payments, %	1.05	1.16
Social benefits, %	3.75	3.7
Fixed assets depreciation, %	7.92	7.85
Taxes included into product costs, %	0.84	0.94
Other expenses	69.23	69.72
Depreciation of intangible assets, %	0	0
Remuneration for innovation proposals, %	0	0
Obligatory insurance payments, %	0.02	0.02
Travelling and hospitality costs, %	0	0

FSK payments	22.78	25
Payments to grid companies	26.27	26
Total: expenses on production and sale of goods (works, services), %	100	100
For information: Revenue from services	109.84	110.3

Indicator	3M 2016	3M 2017
Raw materials and supplies, %	3.98	0.78
Purchased component parts, semi-finished inventory, %	0.21	0.17
Production works and services rendered by external companies, %	0.34	0.3
Fuel, %	0.52	0.52
Energy, %	0.81	0.81
Wages, %	12.33	11.4
Interest payable, %	0	0
Rental payments, %	1.09	0.95
Social benefits, %	3.82	3.53
Fixed assets depreciation, %	7.43	7.33
Taxes included into product costs, %	0.91	0.98
Other expenses	68.54	73.23
Depreciation of intangible assets, %	0	0
Remuneration for innovation proposals, %	0	0
Obligatory insurance payments, %	0.1	0.02
Travelling and hospitality costs, %	0	0
FSK payments	25.5	23.45
Payments to grid companies	26	26.05
Total: expenses on production and sale of goods (works, services), %	100	100
For information: Revenue from services	106.31	112.52

New produce (works, services) of significant importance and progress in development of such produce (works, services):
None

Financial Reporting standards that we use: *Financial statements are prepared under rules stated by Federal Accounting Law No.129-FZ dd. 21.11.1996, Russian Accounting Regulations approved by Ministry of Finance Decree No.34n dd. 29.07.1998 as well as other regulatory enactments comprising the Russian system of accounting and reporting.*

3.2.3. Raw Materials and Suppliers

FY2016

Suppliers (no less than 10% of all supplies):

Full company's trade name: *Gazpromneft – Corporate Sales (OOO)*

Domicile: *St. Petersburg, Russia*

TIN: *5259033080*

PSRN: *1025202831532*

Share in overall supplies, %: *16*

Full company's trade name: *Basic Technologies (ZAO)*

Domicile: *Moscow, Russia*

TIN: *7718560523*

PSRN: *1057748296341*

Share in overall supplies, %: *13*

Price fluctuations y-o-y (10% and more) during the reported period: **none**

Share of import in supplies: ***There are no import deliveries***

3M 2017

Suppliers (no less than 10% of all supplies):

Full company's trade name: *Production Union Garantiya (OOO)*

Domicile: *39 Ulitsa Gorkogo, Yekaterinburg, Russia*

TIN: *6674335237*

PSRN: *1096674014051*

Share in overall supplies, %: *17.25*

Price fluctuations y-o-y (10% and more) during the reported period: **none**

Share of import in supplies: ***There are no import deliveries.***

3.2.4. Sales Area

Key sales areas:

IDGC of Urals (OAO) transmits energy to consumers of wholesale and retail energy markets and connects natural and legal entities to networks in the Sverdlovsk, Chelyabinsk and Perm regions. The Company is a natural monopolist with state-regulated transmission and connection tariffs that occupies a dominant position on local market.

Factors with a potential negative influence on sales and measures to diminish such influence:

The legislation does not regulate last-mile interaction between local grid operators (LGO) and FSK UES; non-metered and non-contractual consumption may drive actual productive supply and consumption away from targets and connection may also decrease; payment default risks and, as a consequence, increased transmission receivables; large LGOs, affiliated with federal and local authorities with administrative power to consolidate grid assets, are our key competitors; large share of municipal grids with unregistered rights for property and land; regional, municipal and other state budgets have no resources to be spent on registration in the near future (2013-2017); some owners of grid assets cancel the deals breaking previous agreements or change their initial property usage plans.

Our possible solutions: regular analysis of factors and relevant decision-taking in abovementioned situations to diminish the influence of the factors, including but not limited to interaction with state and regional authorities to fight over the factors hindering our evolution.

3.2.5. Licenses

The issuer has no licenses to be disclosed in the quarterly report

3.2.6. Operations Performed by Particular Categories of Issuers

The issuer is neither an investment fund, nor insurance/credit/mortgage company/agent.

3.2.7. Additional Requirements to Mining Industry Issuers

The Issuer does not operate in mining industries

3.2.8. Additional Requirements to Telecom Industry Issuers

The Issuer does not operate in telecom industries

3.3. Future Prospects

Mission: utmost reliability and accessibility of distributive grid infrastructure for consumers. The Company's strategy comes in line with long-term goals stipulated by the Strategy of the Russian Grids Progress (approved by the Government Act No.511-r dated as of 03.04.2013).

Our strategic priorities are:

- 1. Increased reliability and quality of energy supply to meet the demand of our consumers.*
- 2. Increased supply safety (reduction of overall accidents ended up in injuries, etc.).*
- 3. Increased efficiency of grid operations.*
- 4. 50% reduction of regional grid companies by 2017 (on 2012) and another 50% reduction by 2030 (on 2017).*

Our strategic goals are:

- 1. Improved quality and reliability of services to end-users..*
- 2. Increased energy efficiency (energy-saving and loss reduction).*
- 3. Upgraded Company's grids (innovations).*

3.4. Participation in Industrial, Banking and Financial Groups and Holdings

Group/Holding Name: *The Issuer is a part of Rosseti (PAO) Group*

Participation: *since 2008*

Functions:

As a subsidiary company of Rosseti (former names: Russian Grids, MRSK Holding) the Issuer plays an important role in the Russian energy industry (Urals Federal District and Perm region) and is focused on the functions stated below:

- 1. Implementation of single energy policy conducted by the Russian government and Rosseti (OAO) in regions*
- 2. Provision of performance reliability*
- 3. Implementation of long-term investment programs in energy industry*
- 4. Accident prevention*
- 5. Creation of favorable conditions for consumers and shareholders.*

3.5. Controlled Companies of Significant Importance

Full name: *Joint-Stock Company Yekaterinburg Electric Grid Company*

Abbreviated name: **EESK (AO)**

Domicile: **1 Ulitsa B. Yeltsyna, Yekaterinburg, Russia, 620014**

TIN: **6658139683**

PSRN: **1026602312770**

Features of control: **a right to administer over 50% of votes in the supreme management body of the company under the Issuer's control**

Type of control: **direct control**

Share of the charter capital of the controlled company owned by the Issuer, %: **91.04**

Share of common stock owned by the Issuer, %: **91.04**

Share of the Issuer's charter capital owned by the controlled company, %: **0**

Share of the Issuer's common stock owned by the controlled company, %: **0**

Main business line: **Energy transmission via 0.4-110 kW power lines, network evolution in Yekaterinburg and connection to networks**

The Board of Directors

Name	Share in the Charter Capital owned by the person, %	Share of ordinary shares owned by the person, %
Sergey Georgievich Dregval	0	0
Yuri Vyacheslavovich Lebedev (chair)	0	0
Yuri Petrovich Shevelev	0	0
Alla Aleksandrovna Petrova	0	0
Aleksey Petrovich Kozhemyako	0	0
Irina Sergeevna Gurenkova	0	0
Dmitry Vladimirovich Vyalkov	0	0
Nikolai Borisovich Piotrovich	0	0
Tatyana Aleksandrovna Seliverstova	0	0

Sole executive body

The powers of the sole executive body were devolved to an administration company

Information on the administration company

Full name: **Open Joint-Stock Company Interregional Distributive Grid Company of Urals**

Abbreviated name: **IDGC of Urals (OAO)**

Domicile: **140 Ulitsa Mamina Sibiryaka, Yekaterinburg, Russia**

TIN: **6671163413**

PSRN: **1056604000970**

Share of the charter capital of the administration company owned by the Issuer, %: **0**

Share of common stock of the administration company owned by the Issuer, %: **0**

Share of the Issuer's charter capital owned by the administration company, %: **0**

Share of the Issuer's common stock owned by the administration company, %: **0**

Collegiate executive body: **N/A**

On Jun.24, 2016 the Annual General Meeting of Stockholders of EESK (AO) has decided to devolve power of the sole executive body (director) of the firm to an administration company (IDGC of Urals). The devolvement of the SEB powers contract was concluded on 01.07.2016

Full name: **Joint-Stock Company Yekaterinburgenergosbyt**

Abbreviated name: **EES (AO)**

Domicile: **48 Surikova Ulitsa, Yekaterinburg, Russia, 620144**

TIN: **6671250899**

PSRN: **1086658002617**

Features of control: **a right to administer over 50% of votes in the supreme management body of the company under the Issuer's control**

Type of control: **direct control**

Share of the charter capital of the controlled company owned by the Issuer, %: **91.04**

Share of common stock owned by the Issuer, %: **91.04**

Share of the Issuer's charter capital owned by the controlled company, %: **0**

Share of the Issuer's common stock owned by the controlled company, %: **0**

Main business line: **Purchase of energy on wholesale and retail markets, energy sales on the wholesale and retail energy markets to consumers (including individuals)**

The Board of Directors

Name	Share in the Charter Capital owned by the person, %	Share of ordinary shares owned by the person, %
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Sergey Georgievich Dregval	0	0
Aleksei Petrovich Kozhemyako	0	0
Valentina Mikhailovna Shcherbakova	0	0
Sergey Evgenyevich Popov	0	0
Alla Aleksandrovna Petrova (chair)	0	0
Andrey Borisovich Spirin	0	0
Sayan Balzhinimaevich Tsyrendashiev	0	0
Irina Yuryevna Mishina	0	0
Dmitry Vladimirovich Vyalkov	0	0

Director

Name	Share in the Charter Capital owned by the person, %	Share of ordinary shares owned by the person, %
Irina Yuryevna Mishina	0	0

Collegiate body: *N/A*

3.6. Fixed Assets (composition, structure, value, potential acquisition, replacement, retirement of fixed assets, encumbrance, etc.

31.12.2016

Mea.unit: *RUB thousand*

Fixed assets	Initial (replacement) value	Depreciation
Land plots	79,920	0
Buildings	8,476,668	-3,881,042
Facilities, except power lines	2,828,463	-1,140,171
Lines and Equipment	53,481,864	-28,051,906
Power vehicles and equipment producing energy, equipment transforming energy	53,754,718	-37,653,367
Furniture and production equipment	164,142	-153,042
Other fixed assets	1,955,878	-1,169,909
TOTAL	120,741,653	-72,049,437

Depreciation Methodology: *According to the accounting policy depreciation is linear and based on the useful life of the objects*

Reported period: *31.12.2016*

31.03.2017

Mea.unit: *RUB thousand*

Fixed assets	Initial (replacement) value	Depreciation
Land plots	79,927	0
Buildings	8,489,632	-3,930,705
Facilities, except power lines	2,830,725	-1,169,372
Lines and Equipment	53,741,588	-28,568,606
Power vehicles and equipment producing energy, equipment transforming energy	53,928,433	-38,216,140
Furniture and production equipment	163,766	-153,232
Other fixed assets	1,952,958	-1,218,054
TOTAL	121,187,029	-73,256,109

Depreciation Methodology: *According to the accounting policy depreciation is linear and based on the useful life of the objects*

Reported period: *31.03.2017*

Previous revaluations of fixed assets and long lease fixed assets: *there was no revaluation during the reported period*

Future Plans for fixed assets: *During 2017 the issuer has no plans to acquire, replace or retire fixed assets worth 10% or more of fixed asset value. No fixed asset encumbrance.*

SECTION IV. FINANCIAL AND BUSINESS PERFORMANCE

4.1. Financial and Business Performance

Dynamics of financial and economic indicators

Reporting Standards: **RAS**

Mea. unit for uncovered loss: **RUB thous.**

Indicator	2015	2016
Net margin, %	4.1	5.1
Asset turnover rate, times	0.9229	1.01
Return on assets, %	3.8	5.1
Return on equity, %	7.2	9.2
Uncovered loss as of the reported date	0	0
Uncovered loss as of the reported date/ balance value, %	0	0

Indicator	2016, 3 mec.	2017, 3 mec.
Net margin, %	4.4	5
Asset turnover rate, times	0.2636	0.28
Return on assets, %	1.2	1.4
Return on equity, %	2.1	2.5
Uncovered loss as of the reported date	0	0
Uncovered loss as of the reported date/ balance value, %	0	0

All indicators are calculated using recommended methodology

Analysis and Profit/Loss-producing Factors:

Net margin demonstrates performance yield of the Company. This ratio totaled 5.0% in 1Q 2017, 5.1% in 2016 and 4.1% in 2015. Asset turnover rate characterizes the efficiency of resource use despite of its origin and demonstrates how many times full production and life cycle, generating profit for the Company, reiterates or how many units were generated by each asset. In 1Q 2017 the ratio is 0.28, 1.01 and 0.92 in 2016 and in 2015 respectively. Return on assets characterizes the efficiency of asset use to obtain profit. Besides, this indicator shows average yield for all capital resources. 1Q 2017 indicator is 1.4%, 5.1% and 3.8% in 2016 and in 2015 respectively. Return on equity demonstrates the level of profitability of the equity capital. Positive ROE shows Company's performance yield. 1Q 2017 ratio is 2.5%, 9.2% and 7.2% in 2016 and in 2015 respectively.

Opinions of the management bodies with regard to reasons and their financial influence coincide. Members from the Board of Directors or Executive Board have no special opinion with regard to reasons and/or their financial influence recorded in a protocol and do not insist on the exposure of the opinion in the quarterly report.

4.2. Liquidity, Capital Adequacy and Current Assets

Dynamics of liquidity indicators:

Reporting Standards: **RAS**

Mea. unit for net working capital: **RUB thous.**

Indicator	2015	2016
Net working capital	-	-
Current liquidity ratio	0.63	0.82
Quick ratio	0.6	0.76
Leverage ratio	0.87	0.75
Equity-Assets ratio	0.54	0.57

Indicator	3M 2016	3M 2017
Net working capital	-	-
Current liquidity ratio	0.61	0.93
Quick ratio	0.55	0.85
Leverage ratio	0.76	0.73
Equity-Assets ratio	0.57	0.58

Dynamics of liquidity indicators under consolidated financial statements (At issuer's discretion): **none**

All indicators are calculated under recommended methodology

Analysis:

Liquidity ratios demonstrate how a firm can use current assets to discharge its short-term liabilities. Improved performance has driven up indicator positivity. Industry specificity allows a situation when the issuer has no net working capital. The Company operates in a capital intensive sector, therefore, liabilities structure is characterized by large borrowings and its asset structure has a predominant share of non-current assets. Liabilities structure has a significant share of borrowings in terms of connection advances, the liabilities must not be covered by current assets, since they are resources for non-current assets and are redeemed during connection as a part of investment program. The issuer deems no expediency in calculating net working capital. Instead it uses leverage ratio and

Equity-Assets ratio. Leverage ratio is an instrument for financial analysis and is calculated as Total Debt/Equity. The ratio is one of the most important indicators of the company's financial soundness. The ratio is calculated in consistency with the financial statements (line 1400 Form No.1 + line 1500 Form No.1)/line 1300 Form 1). Equity-Asset ratio demonstrates a share of equity, forming firm's property, and level of dependency of a firm on external funding. The ratio is calculated as Equity/Assets, in consistency with the financial statements (line 1300 Form No.1-line 1320 Form No.1 + line 1530 Form No.1)/(line 1100 Form No.1 + line 1200 Form No.1). Generally accepted ratio in Russia is 0.5. In executives' opinion, the Company is able to fulfill its liabilities without losing its financial stability. 2016 and 1Q 2017 current liquidity ratios beat 2015 and 1Q 2016 numbers (+0.19 and +0.32 respectively). 2016 and 1Q 2017 quick ratios beat 2015 and 1Q 2016 numbers (+0.16 and +0.3 respectively). Indicator positivity was driven by lowered short-term liabilities as a result of redemption of bonds and credits. 2016 leverage ratio sank 0.12 YoY, 1Q 2017 leverage ratio falling 0.14 YoY. 2016 and 1Q 2017 Equity-Assets ratio changed immaterially YoY (+0.03 and 0.01 respectively).

Opinions of the management bodies with regard to reasons and their financial influence coincide. Members from the Board of Directors or Executive Board have no special opinion with regard to reasons and/or their financial influence recorded in a protocol and do not insist on the exposure of the opinion in the quarterly report.

4.3. Financial Investments

31.12.2016

Financial investments (5% and more) at the end of the reported period

Issued securities

Type of securities: **shares**

Full name of the Company that issued the securities: **Public Joint-Stock Company Lenenergo**

Abbreviated name: **Lenenergo (PAO)**

Domicile: **1 Ploschad Revolutsii, St. Petersburg, 196247**

TIN: **7803002209**

PSRN: **102780917030**

State registration date	Registration number	Authority
27.06.2003	1-01-00073-A	FSC of Russia
27.06.2003	1-01-00073-A	FSC of Russia

Number of securities owned by the issuer: **103,869,368**

Nominal value of securities owned by the issuer: **103 869 368 RUR x 1**

Overall book value of securities by the issuer: **1 475 194**

Mea.unit: **RUB thousand**

According to Article 7 of the Lenenergo (OAO) Charter, total dividends paid on preferred shares is 10% of net profit as of the last financial year distributed on a pro-rata basis among A-class preferred shares. On Jun. 22, 2015 the Annual General Meeting decided to pay no FY2014 dividends on common and preferred shares.

Additional information:

Lenenergo shares were acquired after the Board meeting, conducted Oct.11, 2012 (Minutes No.114 dd. 15.10.2012), that decided to withdraw from Kurganenergo and acquire Lenenergo shares. The issuer owns 81,119,240 common registered shares and 22,750,128 preferred shares of A-class.

Private securities

None. The issuer created a reserve on depreciation of investments in securities

Reserve amount:

The reserve totaled:

- as of 31.12.2016 - RUB 225 thousand.

Other financial investments: **none**

Potential losses from bankruptcy of the companies in which the Issuer invested:

The amount of potential losses related to bankruptcy of the companies in which the issuer invested is limited to the amount of invested resources.

Reporting Standards: **Financial investments are recorded according to PBU 19/02 (Decree of the Ministry of Finance No.126n dd. 10.12.2002). All financial investments are recorded under initial value.**

31.03.2017

Financial investments (5% and more) at the end of the reported period

Issued securities

Type of securities: **shares**

Full name of the Company that issued the securities: **Public Joint-Stock Company Lenenergo**

Abbreviated name: **Lenenergo (PAO)**

Domicile: *1 Ploschad Revolutsii, St. Petersburg, 196247*

TIN: *7803002209*

PSRN: *102780917030*

State registration date	Registration number	Authority
27.06.2003	1-01-00073-A	FSC of Russia
27.06.2003	1-01-00073-A	FSC of Russia

Number of securities owned by the issuer: *103,869,368*

Nominal value of securities owned by the issuer: *103 869 368 RUR x 1*

Overall book value of securities by the issuer: *1 478 582*

Mea.unit: *RUB. thous.*

According to Article 7 of the Lenenergo (OAO) Charter, total dividends paid on preferred shares is 10% of net profit as of the last financial year distributed on a pro-rata basis among A-class preferred shares. On Jun. 07, 2016 the Annual General Meeting decided to pay no FY2015 dividends on common and preferred shares.

Additional information:

Lenenergo shares were acquired after the Board meeting, conducted Oct.11, 2012 (Minutes No.114 dd. 15.10.2012), that decided to withdraw from Kurganenergo and acquire Lenenergo shares. The issuer owns 81,119,240 common registered shares and 22,750,128 preferred shares of A-class

Private securities

None. The issuer created a reserve on depreciation of investments in securities

Reserve amount:

The reserve totaled:

- as of 31.12.2016 - RUB 225 thousand.

- as of 31.03.2017 - RUB 225 thousand.

Other financial investments: *none*

Potential losses from bankruptcy of the companies in which the Issuer invested:

The amount of potential losses related to bankruptcy of the companies in which the issuer invested is limited to the amount of invested resources.

Reporting Standards: *Financial investments are recorded according to PBU 19/02 (Decree of the Ministry of Finance No.126n dd. 10.12.2002). All financial investments are recorded under initial value.*

4.4. Non-tangible Assets

31.12.2016

Mea.unit: *RUB thousand*

Intangible assets	Initial (replacement) value	Depreciation
Patent, Trademarks	72	-61
Corporate Web-site (recognized in financial statements since 04.09.2014)	408	-92
TOTAL	480	-153

Reporting Standards: *Intangible assets are recorded according to PBU 14/2007 (Decree of the Ministry of Finance No.153n dd. 27.12.2007). Depreciation is linear and based on the useful life of intangible assets.*

Reported period: *31.12.2016*

31.03.2017

Mea.unit: *RUB thousand*

Intangible assets	Initial (replacement) value	Depreciation
Patent, Trademarks	92	-64
Corporate Web-site (recognized in financial statements since 04.09.2014)	408	-102
TOTAL	500	-166

Reporting Standards: *Intangible assets are recorded according to PBU 14/2007 (Decree of the Ministry of Finance No.153n dd. 27.12.2007). Depreciation is linear and based on the useful life of intangible assets.*

Reported period: *31.03.2017*

4.5. Policy and Expenses concerning Sci-tech Development, Licenses, Patents, R&D

The Company's Innovative Development Program was developed in pursuance of the Rosseti's Policy of Innovative Development, Energy-saving and Efficacy Enhancement, adopted by the Rosseti's Board of Directors (Minutes dated as of 23.04.2014 No.150). During 2016 we have revised the Company's Innovative Development Program for

2016-2020, covering mid-term implementation blueprint, and set innovation-related KPIs.

The goal of the Company's Innovative Development Program for the mid-term and long-term (till 2025) periods is to shift to the new-generation innovative network with game-changing properties related to reliability, efficiency, availability, controllability and customer-centricity. The key aspects of the Company's innovative development are:

- Transition to 35-110(220) kV digital substations;
- Transition to digital smart grids;
- Transition to end-to-end performance of business processes and automation of control systems;
- Application of the latest technologies and materials;
- HR development and partnerships with educational institutions.

Target economic, technical and social effects:

- Enhanced labor productivity;
- Reduced prime cost, per-unit costs, enhanced efficiency of production processes;
- Improved quality of services;
- Enhanced energy efficiency and ecological production properties;
- Efficiency of investments in innovations;
- Waiver to use obsolete and non-efficient technologies, implementation of breakthrough production technologies and governance practices, transition to principles of best available technologies.

4.6. Analysis of Trends

Key trends determining the directions for Russian grids development (according to the strategy of Russian grid sector reviewed by the Russian government on February 25, 2013) are:

A healthy increase of demand for energy (up to 2% per year) is one of the key trends of sector development defining the development of the Russian grids. Such pace is determined by gradual increase of energy efficiency: according to forecasts, energy consumption of the Russian economy (GDP-based) shall decrease by over 30% by 2030. Within 10-15 years Russia will implement technologies used by grids in developed countries. In particular, technologies of smart grids increasing capacity and stability of networks, decreasing losses and expenses on technical and commercial metering.

Demand differs considerably in regions and settlements. Alongside with decreased consumption in rural areas there is an increase in cities; in cities consumption decreases in industrial zones and increases in districts with office centers and commercial real estate or housing. Changes in demand geography cultivate 3 problems: 1) need to maintain unloaded networks; 2) need for new investments at new sites; 3) increased tariff due to a need for new investments while overall demand is low.

However, a demand shift has a potential for decreasing general costs on both local and interregional levels. Local level includes infrastructure de-bottlenecking in a region or a city with currently maintained high-cost generation (looping of backbone networks around cities, new supply centers). Interregional level includes infrastructure combining zones with various time period and price demand, net power flow being economically sound (for example, Siberia – Urals aerial power lines).

Scarce investments during the last 20 years resulted in a considerable physical and technological obsolescence of networks. Share of grids with depreciable life totaled 50%. 7% of grids has worked for 2 standard periods. Overall depreciation of grids totaled 70%. Depreciation of backbone grids (FSK UES) is almost the same – around 50%. On the whole, equipment status in Russia is far worse than in other large countries with depreciation equaling 27-44%. Besides, Russian grids still do not widely use modern equipment providing high reliability and decreased operating costs.

Changes in regulatory documents during the sector reforms:

1. Access to WEM since 1.01.2006 for generating companies of RAO UES incorporated as a result of reforms and FSK UES. This caused review of the system for information exchange between market participants and toughening of requirements to metering in grids.

2. Approval and enactment since 1.09.2006 of the rules of wholesale and retail energy markets of the transition period (Government Decrees #529 and 530 dd. 31.08.2006). Except for changes of the current WEM and accurate regulation of all participants the regulatory documents led to changes in procedures related to payment to grids and customer relations.

3. Changes of FSK price regulation since 1.07.2006. The introduction of new principles of UNES price regulation (transition to payments for customer contract demand) enabled the grids to plan more accurately the volume and price of FSK for 2006 and years to come.

4. Changes in procedure related to the regulation of transmission prices for grids since 01.01.2008, payments for 2-rate transmission tariffs: network maintenance rate (contract demand) and loss compensation rate (actual volume of transmitted energy);

5. Continuing activities dealing with united transmission tariffs in regions, stipulated by FTS and Government documents demanded retention of existing and creation of new network boilers in 2007. The scheme, besides united transmission tariff in a region demands contracts on energy transmission to end-users concluded with all grid companies in the region.

In 2014 in our service area there were 4 network "pies".

The following factors have a significant impact on the industry: velocity of reforms, namely readiness of regulatory documents; purchasing power from consumers; technical status of production capital funds.

4.7. Analysis of Factors Affecting Operations

Energy reform and large part of state registration in the industry (including in terms of tariff regulation) are the key factors that have a significant influence on energy sector on the whole, the issuer and other participants of the market.

The factors and conditions capable to influence the Issuer's activities are stated below:

- Overvaluation of contract demand volume planned at calculation of energy transmission services from the volume in forecasted balance of the Federal Tariff Service,*
- Consumer refusal to pay for the services according to contract demand due to energy consumption decrease;*
- Decrease of real energy consumption in comparison to the planned levels which were used for calculation of energy transmission tariffs;*
- The FTS's approval of ultimate transmission tariffs that do not include required financial expenses for ensuring reliable and non-stop current activities of the Company as well as its further development;*
- Incident increase due to depreciation of the Company's assets. Physical depreciation and technological aging of the fixed assets, toughening of requirements for reliability and fail-safety, increase of possible severe accidents as a result of energy object destruction - all this demands a special attention to the issues of reliability and security of asset.*
- conclusion of direct contracts with consumers connected to UNES networks via last-mile facilities, there are current proceedings between consumers and FSK on coercion to execute the contract on transmission concluded earlier (SUAL-UAZ in the Sverdlovsk region). There are proceeding on the coercion of FSK to conclude a transmission contract with ChTsZ since 01.05.2013. In accordance with Federal Law #308-FZ dd. 06.11.2013 a right of a UNES grid company to lease UNES facilities to regional grids since 01.01.2014 was prolonged only in the Chelyabinsk region, since 01.01.2014 last-mile scheme (without approval of consumers) was ceased in the Sverdlovsk and Perm regions.*

These factors are constituent parts of overall development tendency of the energy market. In Issuer's opinion, they are capable to have a short-term impact on the Issuer's business in a mid-term perspective.

The Issuer currently actively implements investment policy both to update old equipment, to develop grids as well as to launch of new objects.

In the Issuer's opinion, the following measures will be effective at present as well as future:

- Creation of conditions and prerequisites for investments into energy sector;*
- Joint activities on adjustment of regional development plans for more accurate and precise energy sector development;*
- Increase of regional energy sector efficiency;*
- Creation of united grid area using integration of regional networks into the Company's networks to increase reliability of energy supply.*
- achievement of optimal economically feasible tariffs for energy keeping the balance between interests of grid companies and consumers.*

4.8. Peers

IDGC of Urals (OAO) renders services to customers across the Perm, Sverdlovsk and Chelyabinsk regions. The Company is a natural monopoly with state-regulated electricity transmission and connection tariffs. The service area is also abundant in small municipal and private grid operators that transmit electricity mainly through low-voltage networks. Due to the specificity of each region - consumer structure, individual aspects of economic growth, etc. - the GRR-based market share of our branches differs. In the Perm region the GRR-based market share of Permenergo totaled 86%, the rest being spread among regional grid operators (or RGO). The market share remains quite stable in the last two years. In the Sverdlovsk region Sverdlovenergo branch retained its 67% GRR-based market share. Our affiliate - Yekaterinburg Electric Grid Company (EESK, for short) - contributed additional 10%, driving our total market share to 77%. In the Chelyabinsk region Chelyabenergo branch retained its GRR-based market share at 80%.

SECTION V. DETAILS ON MEMBERS OF MANAGEMENT AND CONTROL BODIES. BRIEF PERSONNEL OVERVIEW

5.1. Structure and Competence of the Bodies

Structure and competence in accordance with the Charter:

In compliance with item 9.1., article 9 of the Charter managing bodies of the Issuer are:

- 1. General Shareholder Meeting, a supreme managing body*
- 2. Board of Directors, body executing general management of the Issuer's activities*

3. Management Board, a collegiate executive body
4. General Director, sole executive body

The competence of general shareholder meeting is stated in article 10 of the Charter:

"The following issues shall pertain to the GSM reference:

- 1) Introduction of amendments and supplements to the Charter or approval of a new version of the Charter;
- 2) The Company's re-organization;
- 3) The Company's liquidation, appointment of a liquidation commission and approval of interim and final liquidation balance-sheets;
- 4) Definition of quantity, nominal value, category (type) of authorized shares and the rights provided by the shares;
- 5) Increase of the Charter capital by enlarging the nominal value or placing additional shares;
- 6) Decrease of the Charter capital by reducing the nominal value, purchasing shares to reduce their total amount as well as by redeeming shares acquired or paid-up by the Company;
- 7) Splitting and consolidation of the Company shares;
- 8) Decision-taking on the placement of bonds convertible into shares and other emissive securities convertible into shares;
- 9) Determination of the BoD membership, election of its members and early termination of their powers;
- 10) Election of the Audit Commission and early termination of their powers;
- 11) Approval of the Company's auditor;
- 12) Decision-taking on transferring the powers of the sole executive body of the Company to a managing company (a managing director) and early termination of its powers;
- 13) Approval of annual reports and financials including profit and loss statements (profit and loss accounts) of the Company, as well as profit distribution (including dividend pay-out (declaration), except for the profit distributed as 3M, 6M and 9M dividends and losses as of the financial year;
- 14) Dividend pay-out (declaration) as of 3M, 6M and 9M results;
- 15) Determination of the procedure for arranging a GSM;
- 16) Decision-taking on approving transactions in cases envisaged by Article 83 of the Federal Law "On Joint-Stock Companies";
- 17) Decision-taking on approving major transactions in cases envisaged by Article 79 of the Federal Law "On Joint-Stock Companies";
- 18) Decision-taking on participation in financial and industrial groups, associations and other unions of commercial companies;
- 19) Approval of internal documents regulating the activities of the Company's bodies;
- 20) Decision-taking on remuneration and/or compensations paid to the Audit Commission;
- 21) Decision-taking remuneration and/or compensations paid to the Board of Directors;
- 22) Decision-taking on other issues stipulated by the Federal Law "On Joint-Stock Companies".

Issues referred to the GSM competence shall not be passed over for resolution to the Board of Directors, Management Board and CEO. A GSM shall not be entitled to review or take decisions on the issues that are not referred to its competence by the Federal Law "On Joint-Stock Companies".

The competence of the Issuer's BoD is stated in article 15 of the Charter:

"The Board of Directors shall manage the Company, except for issues referred to the GSM competence by the Federal Law "On Joint-Stock Companies" and the present Charter.

The following issues shall pertain to the BoD reference:

- 1) 1) Definition of the Company's priorities and development strategy;
- 2) AGM and EGM convention, except for the cases specified in item 14.8., Article 14 hereof as well as announcement of the date for a new GSM instead of the abortive one, not held due to the lack of quorum;
- 3) Approval of the GSM agenda;
- 4) Election of a GSM secretary;
- 5) Determination of the date when the list of persons entitled to participate in the General Meeting is to be drawn up; approval of estimated expenses for GSM arrangement and other issues connected with its preparation and arrangement;
- 6) Proposal of issues, envisaged by subitems 2, 5, 7, 8, 12-20, item 10.2, Article 10 herein, for GSM's resolution as well as the issue on the Charter Capital reduction by reducing nominal value;
- 7) Placement of bonds and other securities, except for the cases outlined by the Russian legislation and present Charter;
- 8) Approval of Security Issue Resolution, the Prospectus and Issue Results Reports, Acquisition Results Reports, Redemption Results Reports, Buy-out Results Reports;
- 9) Evaluation (monetary value) of property, offering and buy-out price in cases envisaged by the Federal Law "On Joint-Stock Companies", as well as solving issues stipulated by subitems 11, 22, 38, item 15.1., Article 15 hereof;
- 10) Acquisition of the outstanding shares, bonds and other securities in cases stipulated by the Federal Law "On Joint-Stock Companies";
- 11) Alienation (sale) of the shares possessed by the Company as a result of purchase or buy-out as well as in other

cases stipulated by the Federal Law "On Joint-Stock Companies";

- 12) Election of the CEO and early termination of the powers including decision-taking on the early termination of the labor contract;*
- 13) Determination of the Management Board membership, election of MB members, determination of remuneration and compensations paid to them, early termination of their powers;*
- 14) Recommendations to the GSM on remuneration and compensations paid to the Audit Commission members and Auditor's fee;*
- 15) Recommendations on the dividend amount and payment procedure;*
- 16) Approval of the Company's internal documents stipulating the procedure for Company's fund generation and usage;*
- 17) Decision-taking on fund usage; approval of special-purpose fund cost estimates and review of cost estimate completion results;*
- 18) Approval of the Company's internal documents, except for the documents which approval pertains to the GSM competence as well as other internal documents which approval pertains to the competence of executive bodies;*
- 19) Approval of a business plan (updated business plan), including investment program and a quarterly report on their completion as well as the approval (adjustment) of the control indicators of the Company's cash flows;*
- 20) Review of investment program, including amendments to it;*
- 21) Establishment of branches and representative offices, their liquidation as well as introduction of amendments to the Charter concerning the establishment of branches and representative offices (including change of their names and location) and their liquidation;*
- 22) Decision-taking on the participation in other companies (joining an existing organization or forming a new one including approval of founding documents) and the purchase, sale and encumbrance of the charter capital in companies in which the Company participates, change of the share to the charter capital of a corresponding company, withdrawal from other companies;*
- 23) Definition of the Company's credit policy regarding granting of loans, conclusion of credit and loan agreements, provision of guarantees, acceptance of bill obligations (promissory notes and bills of exchange), property hypothecation and decision-taking on making the above-mentioned transactions in cases when decision tree is not outlined by the Company's credit policy, as well as decision-taking on adjustment of the Company's debt position to the limits, set forth by the Company's credit policy;*
- 24) Approval of major transactions in cases set forth by Article X of the Federal Law "On Joint-Stock Companies";*
- 25) Approval of transactions set forth by Article XI of the Federal Law "On Joint-Stock Companies";*
- 26) Approval of the Company's Registrar, details of the contract and contract termination;*
- 27) Election of the BoD Chairperson and early termination of the powers;*
- 28) Election of the BoD Deputy Chairperson and early termination of the powers;*
- 29) Election of the Corporate Secretary and early termination of the powers;*
- 30) Preliminary approval of decisions regarding the Company's transactions connected with gratuitous transfer of the Company property or title (demands) to itself or a third party; transactions involving discharge of property liability to itself or a third party; transactions connected with gratuitous rendering by the Company of the services to third parties in cases (amounts) determined by separate BoD resolutions and adoption of resolutions on transaction conclusion in cases where the above-stated cases (amounts) are left undetermined;*
- 31) Decision-taking on the suspension of the powers possessed by a managing company (a managing director);*
- 32) Decision-taking on the appointment of the Acting CEO, in cases determined by separate BoD resolutions, as well as bringing her/him to disciplinary liability;*
- 33) Bringing the CEO and MB members to disciplinary liability or reward in accordance with the Russian labor legislation;*
- 34) Review of CEO's reports on operations (including those relating to her/his performance), on implementation of GSM and BoD resolutions;*
- 35) Approval of the interaction procedure between the Company and companies in which the Company has a stake;*
- 36) Determination of the Company's (its representatives') position, including the instruction to vote or refrain from voting on agenda issues, to vote "FOR", "AGAINST", "ABSTAIN" on the following agenda issues of the SAC's GSM (except for the cases when SAC GSM functions are performed by the BoD) and BoD sessions (except for the issue on GSM agenda approval when functions of SAC GSM are performed by the BoD):*
 - a) Determination of SAC GSM agenda;*
 - b) Affiliate restructuring or liquidation;*
 - c) Determination of the membership in management and control bodies of SACs, nomination, election of the members and pre-term termination of their powers, nomination and election of the sole executive bodies of SACs and pre-term termination of powers;*
 - d) Definition of the membership of SAC management and control bodies, nomination, election of the members and pre-term termination of the powers, nomination, election and pre-term termination of the powers of the sole executive body;*
 - e) Determination of amount, par value, category (type) of SAC's authorized shares and the rights vested by those shares;*
 - f) Increase of the SAC's charter capital by increasing the nominal value or by placing additional shares;*

- g) Placement of SAC's securities convertible into common shares;
 - h) Splitting and consolidation of SAC's shares;
 - i) Approval of major transactions concluded by SACs;
 - j) SAC's participation in other companies (joining an existing company or establishment of a new company) as well as acquisition, alienation and encumbrance of shares and interests in the charter capital of companies where a SAC has a stake; change in participatory interest of relevant company;
 - k) Conclusion of transactions by a SAC (including multiple interrelated transactions) involving acquisition, alienation or eventual alienation of the property comprising the main assets, intangible assets, incomplete construction sites for the purpose of electricity/thermal energy generation, transmission, dispatching, and distribution in cases (amounts), determined by the interaction procedure between companies in which the Company participates, approved by the BoD;
 - l) Introduction of amendments and supplements to SAC's founding documents;
 - m) Determination of the procedure for SAC's BoD and AC members remuneration pay-out;
 - n) Approval of target key performance indicators (adjusted target key performance indicators);
 - o) Approval of a report on the completion of planned annual and quarter key performance indicators;
 - p) Approval of a business plan (an updated business plan), including investment program and a quarterly report on its execution;
 - q) Approval of a report on business plan completion;
 - r) Approval of profit and loss distribution based on the fiscal year-end results;
 - s) Recommendations for dividend amount and payout procedure;
 - t) Dividends payment (declaration) as of 1Q, 1H, 9M as well as fiscal year results;
 - u) Review of an investment program, including amendments to it;
 - v) Approval (review) of a report on investment program completion.
- 37) Determination of the Company's (its representatives') position on the following SAC BoD agenda issues (including the instruction to vote or refrain from voting on agenda issues or to vote "FOR", "AGAINST" or "ABSTAIN" on draft resolutions):
- a) Determination of SAC representatives' positions on agenda issues of GSM and BoD of their SACs regarding conclusion (approval) of transactions (including multiple interrelated transactions) to involve acquisition, alienation or potential alienation of the property comprising the capital assets, intangible assets, incomplete construction projects for the purpose of electricity/thermal energy generation, transmission, distribution in cases (amount) determined by the interaction procedure between companies in which the Company participates, approved by the BoD;
 - b) Determination of SAC representatives' positions on agenda issues of GSM and BoD of their SACs that are involved in generation, transmission, dispatching, distribution and sale of electrical and thermal energy, regarding reorganization, liquidation, increase of the charter capital by increasing the nominal share value or by placing additional shares as well as offering securities convertible into common shares;
- 38) Preliminary approval of the Company's decisions on:
- a) Transactions involving the Company's non-current assets exceeding 10% of the book value of the assets according to the data reflected in the financials as of the last reported date;
 - b) Transactions (including multiple interrelated transactions) involving acquisition, alienation or potential alienation of property comprising the main assets, intangible assets, uncompleted construction objects for the purpose of electrical/thermal energy generation, transmission, dispatching, distribution in cases (amount) determined by special BoD resolutions;
 - c) Transactions (including multiple interrelated transactions) involving acquisition, alienation or potential alienation of property comprising the main assets, intangible assets, uncompleted construction objects for the purposes other than electrical/thermal energy generation, transmission, dispatching, distribution in cases (amount) determined by special BoD resolutions.
- 39) Nomination of candidates for election to the sole executive body, other management and control bodies, as well as auditor candidates at legal entities in which the Company participates and which are involved into electrical/thermal energy generation, transmission, dispatching, distribution and sales as well as maintenance and other service activity types;
- 40) Determination of directions for insurance coverage of the Company, including approval of a Company's underwriter;
- 41) Approval of the organization structure of the Company's Executive Office and introduction of amendments to it;
- 42) Approval of the Regulations on the CEO's financial stimulation, Regulations on financial stimulation of the Company's management; approval of the management list.
- 43) Approval of candidates nominated for several positions of the Company's Executive Office determined by the BoD;
- 44) Preliminary approval of the collective agreement, agreements concluded by the Company within the framework of regulating social and labor relations as well as approval of documents on state pension provision for the employees;
- 45) Creation of BoD committees, election of BoD committee members and pre-term termination of the powers possessed by the BoD Committee Chairpersons;
- 46) Approval of independent appraiser (-s) candidates for appraisal of shares, property and other Company assets in cases stipulated by the Federal Law "On Joint-Stock Companies", the present Charter and special BoD

resolutions;

47) Approval of a financial advisor candidate, hired in accordance with the Federal Law "On Securities Market", as well as candidates for issue manager and advisors on transactions directly related to raising funds in the form of public borrowings;

48) Preliminary approval of transactions capable of entailing foreign cash commitments (or commitments with the values being attached to foreign cash) in cases and amount determined by special BoD resolutions as well as when the BoD has not determined the above-mentioned cases (amounts);

49) Approval of the Company's purchase policy, including the approval of the Regulations on the regulated purchase procedures, approval of the head of the central purchase body and its members, as well as approval of annual purchase program and decision-taking pursuant to the documents regulating purchase policy of the Company;

50) Decision-taking on the CEO nomination to government awards;

51) Approval of target (adjusted) key performance indicators (KPIs) and KPI completion reports;

52) Shaping the Company's policy aimed at enhancing the reliability of distribution grids and other network facilities, including approval of the Company's strategic programs to improve grids reliability, development and safety;

53) Shaping the Company's housing policy with regard to granting corporate support to employees to improve their living conditions by subsidies, expense compensations, interest-free loans and to taking decisions on the above-mentioned support in cases when support policy has not stipulated the support procedure;

54) Other issues referred to the BoD competence by the Federal Law, "On Joint-Stock Companies" and the present Charter.

Issues, referred to the BoD competence, shall not be passed over for consideration by the Company's CEO and Management Board.

The Management Board's competence is stated in Article 22 of the Charter:

"The MB competence shall include:

1) Elaboration and submission of the Company's development strategy for the BoD's review;

2) Preparation of the annual (quarter) business plan, including the investment program and a completion report, approval (adjustment) of cash flows (budget) of the Company;

3) Preparation of the Company's annual report on financial and economic operations as well as on the execution of GSM- and BoD-approved decisions by the MB;

4) Review of reports, prepared by the CEO's deputies, heads of separate subdivisions, on the results of approved plans, programs, instructions as well as review of reports, documents and other information about operation of the Company and its SACs;

5) Decision-taking on the issues referred to the competence of the supreme authorities of the companies where the Company possesses 100 (One hundred) percent of the charter capital (taking into account subitem 36, 37 item 15.1., Article 15 hereof);

6) Preparation and submission of financial and economic reports of the companies where the Company possesses 100 (One hundred) percent of the charter capital for a BoD review;

7) Decision-taking on conclusion of major transactions (property, work and services which cost amounts to 1 up to 25 percent of the Company's assets book value, determined as of the date of taking a decision to conclude such a transaction (except for the cases specified in subitem 38, item 15.1 hereof);

Decision-taking on other issues according to decisions adopted by the GSM, BoD as well as issues submitted by the CEO for MB's review.

The CEO's competence is stated in article 23 of the Charter:

"The CEO's competence shall include all matters of day-to-day management of the Company, except for issues referred to the GSM, BoD and MB competence. The CEO shall act without the power of attorney, on behalf of the Company, including the restrictions stipulated by the Russian legislation, the present Charter and BoD resolutions: Ensuring fulfillment of the Company's plans required for reaching its objectives;

- Arranging accounting and reporting operations;

- Administering the Company's property, concluding transactions on behalf of the Company, issuing powers of attorney, opening the clearing and other accounts at banks, other credit institutions (and also in cases stipulated by the legislation - at organizations being professional participants of securities market);

- Issuing decrees, approving (adopting) instructions, internal regulations and other internal documents of the Company regarding her/his competence; giving instructions obligatory for execution by all Company employees;

- Approving the Regulations on the branches and representative offices;

- Approving staff schedule and official salaries according to the organization structure of the Company's executive office;

- Exercising rights and liabilities of the employer regarding the Company's employees as stipulated by the labor legislation;

- Performing the functions of the MB Chairperson;

- Distributing responsibility between the CEO deputies;

- Submitting reports on financial and business operations of the subsidiary and associated companies, whose shares are owned by the Company as well as information on other companies where Company has a stake for a BoD's review, except for the cases described in item 6, clause 22.2 Article 22 hereof;
- Within 45 (Forty five) days prior to the AGM date, submitting annual report and financial statements, profit and loss statement as well as distribution of profits and losses for a BoD's review;
- Considering other issues of the Company's activity, except for the issues related to the GSM, BoD or MB competence.

The Issuer approved Corporate Behavior Code or other similar document.

Information on Corporate Governance Code or other similar document:

BoD resolution dated as of 15.03.2013 (BoD Minutes No.112 dated as of 25.03.2013) approved the Amended and Restated Corporate Governance Code.

During the last reported period we revised our founding documents or bylaws regulating performance of the Company's governing bodies.

Information on revisions of founding documents or bylaws regulating performance of the Company's governing bodies:

The Annual General Meeting of Stockholders, conducted Jun.06, 2017, has adopted the Amended and Restated Regulations on the Board of Directors. All bylaws regulating governing bodies of the issuer are disclosed at the official web-site (<http://www.mrsk-ural.ru/company/documents/>).

5.2. Management Bodies

5.2.1. Board of Directors

Name: *Aleksandr Nikolayevich Fadeev*

Year of birth: 1949

Educational background: *Graduate degree, Moscow Institute of Geodesy, Aerial Survey and Mapping Engineers.*

Positions for the past 5 years:

Period		Company	Position
From	From		
2014	Present day	Rosseti (PAO)	Deputy General Director for Security
2013	2014	FSK UES (OAO)	Deputy EB Chair
2009	2011	FSK UES (OAO)	Head of Economic Security Department
2015	Present day	IDGC of Urals (OAO)	Board member
2011	2012	Tyumenenergo (OAO)	Board member
2011	2012	TsYUS (OAO)	Board member
2012	2013	Elektrosetservis (OAO)	Board member
2013	2014	IDGC of Urals (OAO)	Board member
2015	Present day	IDGC of Center (PAO)	Board member
2015	Present day	IDGC of Siberia (PAO)	Board member
2015	Present day	IDGC of South (PAO)	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees

Committee	Chairpersonship
Personnel and Remunerations Committee	No

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: *Pavel Nikolayevich Snikkars*

Year of birth: 1978

Educational background: *Graduate degree, Siberia State Service Academy (State and Municipal Management), Siberia Consumer Cooperation University (Jurisprudence), Candidate of Economic Sciences.*

Positions for the past 5 years:

Period		Company	Position
From	From		
2013	Present day	Russian Ministry of Energy	Director of Power Sector Evolution

			Department
2015	Present day	IDGC of Urals (OAO)	Board member
2015	Present day	Tomsk Distributive Company (PAO)	Board member
2015	Present day	Inter RAO (PAO)	Board member
2014	Present day	Lenenergo (PAO)	Board member
2015	Present day	ENERGOSETPROEKT Institute (AO)	Board member
2014	2015	Non-profit Partnership of Territorial Grid Operators	Supervisory Board member
2015	Present day	TsFR (PAO)	Board member
2014	2015	Non-profit Partnership of Providers of Last Resort and Energy Sales Companies	Supervisory Board member
2014	2015	IDGC of Center (PAO)	Board member
2014	2015	Technical Inspection of UES (ZAO)	Board member
2012	2013	Non-profit Partnership Market Council	EB member
2010	2012	OESK (OAO)	Deputy General Director for Development
2010	2010	Sibirenergo (OAO)	Commercial Director
2008	2010	UK Sibirenergo (OAO)	Wholesale Market Director, Commercial Director

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: ***Yakov Savelyevich Tesis***

Year of birth: **1974**

Educational background: ***Graduate degree, Moscow State University (Jurisprudence)***

Positions for the past 5 years

Period		Company	Position
From	To		
2016	Present day	Renova Aktiv (OOO)	M&A and Project Director
2013	Present day	IDGC of Urals (OAO)	Board member
2012	2016	GK RENOVA (ZAO)	Project Director
2010	2012	KES, ZAO	Deputy General Director for Corporate Governance

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: ***Roman Avgustovich Dmitrik (independent director)***

Year of birth: **1971**

Educational background: ***Graduate degree, Perm State Technical University: faculty of energy equipment and automation of technological complexes (2000); faculty of management (2002). Perm State University: faculty of financial management (2005)***

Positions for the past 5 years

Period		Company	Position
From	To		
2016	Present day	IDGC of Urals (OAO)	Board member
2013	Present day	Regional Distributive Grid Company (OOO)	General Director
2011	2013	Energosetinvestholding (OOO)	General Director
2010	2011	Teploenergосervice (OOO)	General Director
2007	2009	Lukoil-Energoseti (OOO)	Deputy General Director for

		Commerce
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Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees

Committee	Chairpersonship
Audit Committee	No
Reliability Committee	No
Strategy and Development Committee	No

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Natalya Aleksandrovna Ozhe**

Year of birth: **1974**

Educational background: **Graduate degree, Moscow State University (jurisprudence).**

Positions for the past 5 years

Period		Company	Position
From	To		
2015	Present day	Gazeks (AO)	Deputy General Director for Legal and Corporate Affairs
2015	Present day	Urals Gas Networks (AO)	Deputy General Director for Legal and Corporate Affairs
2015	Present day	Yekaterinburggaz (PAO)	Deputy General Director for Legal and Corporate Affairs
2012	2015	GK RENOVA (ZAO)	Project Director
2010	2012	KES, ZAO	Director for Corporate Affairs
2013	Present day	IDGC of Urals (OAO)	Board member
2012	2013	TGK #6 (OAO)	Board member
2012	2013	Orenburg TGK (OAO)	Board member
2012	2013	Slantsy Plant (OAO)	Board member
2012	2016	Yekaterinburggaz (PAO)	Board member
2012	2016	Gazeks Management (OOO)	Board member
2012	2016	GAZEKS (ZAO)	Board member
2013	2014	Urals Gas Networks (OAO)	Board member
2013	2014	SG-Invest (OAO)	Board member
2013	2016	Pervouralskgaz (OAO)	Board member
2013	2016	Gazmontazh (ZAO)	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees

Committee	Chairpersonship
Personnel and Remunerations Committee	No
Connection Committee	Yes
Strategy and Development Committee	No

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Aleksandr Nikolayevich Shevchuk (independent director)**

Year of birth: **1983**

Educational background: **Graduate degree, Finance Academy under the Government of the Russian Federation (2005)**

Positions for the past 5 years

Period		Company	Position
From	To		
2016	Present day	IDGC of Urals (OAO)	Board member
2013	Present day	Association of Professional Investors	Executive Director

2015	Present day	OGK-2 (PAO)	Board member
2015	Present day	IDGC of Center (PAO)	Board member
2011	2014	IDGC of Center (PAO)	Board member
2014	Present day	IDGC of Center and Volga (PAO)	Board member
2013	2014	UAZ (OAO)	Board member
2012	2016	Mostotrest (PAO)	Board member
2011	Present day	IDGC of South (PAO)	Board member
2011	2012	IDGC of North Caucasus (OAO)	Board member
2011	2012	Volgogradgorgaz (OAO)	Board member
2011	2012	Urengoitruboprovodstroy (OAO)	Board member
2013	Present day	Rosnano (AO)	Chair of the Board of Internal Auditors
2013	Present day	Rostelekom (PAO)	Chair of the Board of Internal Auditors
2016	Present day	IDGC of North West (PAO)	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees

Committee	Chairpersonship
Audit Committee	Yes
Personnel and Remunerations Committee	No
Strategy and Development Committee	No

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Yuri Vladimirovich Goncharov**

Year of birth: **1977**

Educational background: **Graduate degree, Moscow State Mining University (Management)**

Positions for the past 5 years

Period		Company	Position
From	To		
2013	Present day	Rosseti (PAO)	Deputy General Director for Corporate Governance
2009	2013	FSK UES (PAO)	Head of Corporate Governance Department
2008	2009	FSK UES (PAO)	Deputy Head of Corporate Governance Department
2014	Present day	IDGC of Urals (OAO)	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees

Committee	Chairpersonship
Personnel and Remunerations Committee	Yes

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Sergey Aleksandrovich Semerikov (Chair)**

Year of birth: **1979**

Educational background: **Graduate degree, Urals State Technical University – UPI (Management)**

Positions for the past 5 years

Period		Company	Position
From	To		
2015	Present day	Rosseti (PAO)	Advisor General Director
2015	2016	Rosseti (PAO)	Deputy General Director for

			Development and Sales
2015	2015	Rosseti (PAO)	Advisor General Director
2014	2015	EESK (AO)	Director
2009	2014	IDGC of Urals (OAO)	Deputy General Director for Capital Construction
2016	Present day	IDGC of Urals (OAO)	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Vladimir Vladimirovich Sofyin**

Year of birth: **1969**

Educational background: **Graduate degree, Urals State Technical University – UPI (power engineer)**

Positions for the past 5 years

Period		Company	Position
From	To		
2013	Present day	Rosseti (PAO)	Director of Technological Development and Innovations Department
2012	2013	FSK UES (PAO)	Director for Innovation Development
2010	2012	Government of the Murmansk region	First Deputy Minister for Power Sector and Public Utilities
2015	Present day	IDGC of Urals (OAO)	Board member
2015	2016	NITs UES (PAO)	Board member
2015	Present day	FITs (PAO)	Board member
2015	Present day	ENIN (PAO)	Board member
2015	Present day	VNIPlenergoprom (PAO)	Board member
2015	2016	Lenenergo (PAO)	Board member
2015	Present day	Upravlenie VOLS-VL (PAO)	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees

Committee	Chairpersonship
Strategy and Development Committee	Yes
Audit Committee	No

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Sergey Georgievich Dregval**

Year of birth: **1971**

Educational background: **Graduate degree, Kiev International Civil Aviation University, Tyumen State Oil and Gas University.**

Positions for the past 5 years

Period		Company	Position
From	To		
2014	Present day	IDGC of Urals (OAO)	General Director, Executive Board Chair
2015	Present day	IDGC of Urals (OAO)	Board member
2015	Present day	EESK (AO)	Board member
2016	Present day	EES (AO)	Board member
2013	2014	Oboronenergosbyt (OAO)	General Director

2011	2013	Altaienergoby (OAO)	First Deputy Managing Director, Managing Director
2007	2011	Tomsk Energy Sales Company (OAO)	Deputy General Director for Energy Purchase and Sales, Commercial Director

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Yulia Vitalyevna Yascheritsyna**

Year of birth: **1978**

Educational background: **Graduate degree, Moscow State Economics and Statistics Institute**

Positions for the past 5 years

Period		Company	Position
From	To		
2013	Present day	Rosseti (PAO)	Director of Economic Planning and Budgeting Department
2003	2013	FSK UES (OAO)	Leading expert, Deputy Department Head, Head of Economic Planning and Budgeting Department
2014	Present day	IDGC of Ural (OAO)	Board member
2013	Present day	IDGC of North Caucasus (PAO)	Board member
2013	Present day	IDGC of Center and Volga (PAO)	Board member
2013	Present day	Lenenergo (PAO)	Board member
2013	Present day	TRK (PAO)	Board member
2013	Present day	Dagenergoset (PAO)	Board member
2013	Present day	Sevkavkazenergo (PAO)	Board member
2013	Present day	Tyumenenergo (PAO)	Board member
2013	Present day	Yantarenergo (PAO)	Board member
2015	Present day	MOESK (PAO)	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees

Committee	Chairpersonship
Audit Committee	No
Personnel and Remunerations Committee	No

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

The Board of Directors was elected by the Annual General Meeting of Stockholders on 06.06.2016 (Minutes No.9 d. 06.06.2016).

5.2.2. Sole Executive Body

Name: **Sergey Georgievich Dregval**

Year of birth: **1971**

Educational background: **Graduate degree, Kiev International Civil Aviation University, Tyumen State Oil and Gas University.**

Positions for the past 5 years

Period		Company	Position
From	To		
2014	Present day	IDGC of Urals (OAO)	General Director, Executive Board

			Chair
2015	Present day	IDGC of Urals (OAO)	Board member
2015	Present day	EESK (AO)	Board member
2016	Present day	EES (AO)	Board member
2013	2014	Oboronenergosbyt (OAO)	General Director
2011	2013	Altaienergosbyt (OAO)	First Deputy Managing Director, Managing Director
2007	2011	Tomsk Energy Sales Company (OAO)	Deputy General Director for Energy Purchase and Sales, Commercial Director

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

5.2.3. Collegiate Executive Body

Name: **Sergey Georgievich Dregval (Chair)**

Year of birth: **1971**

Educational background: **Graduate degree, Kiev International Civil Aviation University, Tyumen State Oil and Gas University.**

Positions for the past 5 years

Period		Company	Position
From	To		
2014	Present day	IDGC of Urals (OAO)	General Director, Executive Board Chair
2015	Present day	IDGC of Urals (OAO)	Board member
2015	Present day	EESK (AO)	Board member
2016	Present day	EES (AO)	Board member
2013	2014	Oboronenergosbyt (OAO)	General Director
2011	2013	Altaienergosbyt (OAO)	First Deputy Managing Director, Managing Director
2007	2011	Tomsk Energy Sales Company (OAO)	Deputy General Director for Energy Purchase and Sales, Commercial Director

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Yuri Vyacheslavovich Lebedev**

Year of birth: **1963**

Educational background: **Graduate degree, Ivanovo Energy Institute**

Positions for the past 5 years

Period		Company	Position
from	to		
2016	Present day	IDGC of Urals (OAO)	Advisor General Director
2014	2016	IDGC of Urals (OAO)	First Deputy General Director – Chief Operating Officer
2014	2014	IDGC of Urals (OAO)	Acting General Director
2008	2014	IDGC of Urals (OAO)	Deputy General Director for Technical Issues – Chief Operating Officer

2009	Present day	IDGC of Urals (OAO)	EB member
2015	Present day	IDGC of Urals (OAO)	Reliability Committee member
2014	Present day	EESK (AO)	Board member
2013	Present day	Educational Center of IDGC of Urals (NChOU)	EB member

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Aleksandr Mikhailovich Krivyakov**

Year of birth: **1952**

Educational background: **Graduate degree, Urals Polytechnic Institute.**

Positions for the past 5 years

Period		Company	Position
from	to		
2016	Present day	IDGC of Urals (OAO)	Deputy General Director
2014	2016	IDGC of Urals (OAO)	Deputy General Director for Security
2015	Present day	Educational Center of IDGC of Urals (NChOU)	EB member
2015	Present day	IDGC of Urals (OAO)	EB member
2015	Present day	Uralenergotrans (OOO)	Board member

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Olga Mikhailovna Abrosimova**

Year of birth: **1953**

Education: **Graduate degree, Urals State Technical University**

Positions for the past 5 years

Period		Company	Position
from	to		
2009	Present day	IDGC of Urals (OAO)	Chief Accountant
2008	2009	Sverdlovenego branch of IDGC of Urals (OAO)	Chief Accountant
1992	2008	Sverdlovenego (OAO)	Chief Accountant
2009	Present day	IDGC of Urals (OAO)	EB member

Share in the Charter Capital/ common stock: **0.000947**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Valentina Mikhailovna Scherbakova**

Year of birth: **1966**

Educational background: **Graduate degree, Novosibirsk State University.**

Positions for the past 5 years

Period		Company	Position
from	to		
2015	Present day	IDGC of Urals (OAO)	Deputy General Director for Economics and Finance
2008	2015	Altaienergo branch of IDGC of Siberia (OAO)	Head of Economics and Finance Directorate, Deputy Director for Economics and Finance

2015	Present day	IDGC of Urals (OAO)	EB member
2015	Present day	IDGC of Urals (OAO)	Strategy and Development Committee member
2016	Present day	IDGC of Urals (OAO)	Reliability Committee member
2015	Present day	Ekaterinburgenergosbyt (AO)	Board member

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Alla Aleksandrovna Petrova**

Year of birth: **1976**

Educational background: **Graduate degree, Altai State University.**

Positions for the past 5 years

Period		Company	Position
from	to		
2015	Present day	IDGC of Urals (OAO)	Deputy General Director for Corporate Governance
2014	2014	IDGC of Urals (OAO)	Adviser to General Director
2007	2014	Altaienergosbyt	Deputy Head of Section, Head of Section, Head of Department, Deputy Managing Director for Legal and Corporate Affairs
2015	Present day	IDGC of Urals (OAO)	EB member
2015	Present day	EESK (AO)	Board member
2015	Present day	EES (AO)	Board member
2015	Present day	Uralenergotrans (OOO)	Board member
2015	2016	Energy Service Company of the Urals (OAO)	Board member

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

On 18.09.2015 the Board of Directors (Minutes No.176 dd. 21.09.2015) set out the Executive Board to be comprised of 6 (Six) members.

5.3. Remuneration, Benefits and/or Reimbursement of Expenses (Management Bodies)

Remunerations of each management body (remunerations of the individual performing CEB functions are not disclosed) include all kinds of remunerations – salary, bonuses, commission fees, privileges and/or reimbursement of expenses, etc.:

Remunerations

The Board of Directors

Mea.unit: **RUB thousand**

Indicator	2016	3M 2017
Remuneration	11,316.086	0
Salary	0	0
Bonuses	0	0
Commission fees	0	0
Other remunerations	0	0
TOTAL	11,316.086	0

Agreements in force during the reported period:

There were no agreements concluded with Board members with regard to remunerations and/or compensations. In June of 2015 we adopted Amended and Restated Regulations on Remunerations and Compensations due to the Board of Directors eliminating per-meeting remuneration. Since the information on the wage of the sole executive

body is confidential and the only person being a Board member during the reported period was the sole executive body, the following earnings of the sole executive body are not disclosed in the figure above: salary, bonuses, privileges, compensations and other remunerations.

Collegiate executive body

Mea.unit: **RUB thousand**

Indicator	2016	3M 2017
Remuneration	0	0
Salary	54,566.05	9,401
Bonuses	40,203.522	4,552
Commission fees	0	0
Other remunerations	0	0
TOTAL	94,769.572	13,953

Agreements in force during the reported period:

There were no agreements concluded with EB members in regard to remunerations and/or compensations.

Compensations

Mea.unit: **RUB thousand**

Indicator	2016	3M 2017
Board of Directors	0	0
Collegiate executive body	0	0

Additional information:

As stated by the Regulations on Remunerations and Compensations due to the Board of Directors, meeting-related expenses of a Board member shall be reimbursed in compliance with Company's trip reimbursement rates existing at the moment when the meeting is conducted. Compensations will be paid within three business days since the filing of documents certifying incurred costs.

Additional information:

Remunerations and compensations are paid to the Board members according to the Regulations on Remunerations and Compensations due to the Board of Directors of IDGC of Urals (OAO) (approved by the General Meeting of Shareholders conducted 17.06.2015, Minutes No.8 dd. 18.06.2015). Members of the collegiate executive body receive no membership-related remunerations.

5.4. Structure and Competence of Financial Control Bodies and Risk Management and Internal Control System

Detailed description:

To provide control over the financial and business activities of the Company the GSM shall elect the Board of Internal Auditors. The BoIA membership shall include 5 (Five) persons. The competence shall include the following:

- 1) Validation of data presented in the Company's annual report, annual financial statements, P&L statements;*
- 2) Analysis of Company's financial position, detection of reserves to improve Company's financial position and preparation of recommendations to Company's management bodies;*
- 3) Arrangement and conduct of the audit, namely;*
- 4) Audit of financial, accounting, payment and other documents with regard to Company's financial and economic operations to evaluate compliance with laws of Russia, Company's charter, bylaws and other documents;*
- 5) Oversight whether property, plant and equipment are protected and used in a proper manner;*
- 6) Oversight whether bad debt writing-offs comply with the established procedure;*
- 7) Oversight whether Company's monetary resources are spent in a manner compliant with the approved business plan and budget of the Company;*
- 8) Oversight how Company's reserve fund and other funds are generated and used;*
- 9) Oversight whether dividends, bond interest, yield on other securities are calculated and paid in a proper manner;*
- 10) Oversight whether orders, issued earlier to eliminate exposed violations and problems, are executed;*
- 11) Other audit-related activities.*

The company has formed the Audit Committee

Key functions of the Audit Committee:

According to the Regulations on the Audit Committee, the aim of the Committee is facilitation of efficient participation of the BoD in control over financial and economic operations of the Company. The key objective of the Committee shall be drawing-up of recommendations to the BoD in control over:

- A process and procedures of financial (accounting) statement generation, including the review of financial (accounting) statements;*
- The efficiency of internal control and risk management systems;*
- The selection of an independent external auditor and his evaluation;*
- Activities of a department responsible for internal control/audit;*
- The observation of the Russian legislation, industry standards, internal regulatory documents of the Company.*

For objective and independent informing of the BoD members the Committee shall perform the following functions according to allotted tasks:

1. The review of the Company's financial (accounting) statements:

- The review of soundness and reasonableness of present accounting methods and reporting generation principles;
- A preliminary review and analysis of annual financial (accounting) statements under RAS and IAS, prior to their submission to the BoD, and interim reports under RAS and IAS, prior to their disclosure, to determine objectivity and authenticity of the Company's indicators and evaluate whether the information about the Company is full;
- The evaluation of present information systems for accounting and reporting generation.

The membership of the Audit Committee

Name	Chairpersonship
Yulia Vitalyevna Yascheritsyna	No
Roman Avgustovich Dmitrik	No
Aleksandr Viktorovich Shevchuk	Yes
Vladimir Vladimirovich Sofyin	No

Structural unit liable for risk management and internal control, its goals, objectives and functions: *Internal Control functions are performed by Internal Control and Risk Management Section, being a part of the Company in line with the Board of Directors' resolution (Minutes No.210 dated as of 02.12.2016). The unit is created for an indefinite term and is an independent structural unit of the Company. The unit is responsible to the Deputy General Director and Audit Committee. Its organization structure, staff schedule and budget are approved by the General Director in a duly manner. For more details on its functions, please, refer to the Russian version of the report.*

Anti-corruption procedures are supervised by the anti-corruption compliance unit, being a part of the Company in line with the Board of Directors' resolution (Minutes No.210 dated as of 02.12.2016). The group is created for an indefinite term. It is an independent structural unit of the Company. It is responsible directly to the General Director. Its organizational structure, staff schedule and budget are approved by the General Director. The group adheres to the current legislations, international and domestic standards, other regulatory documents, internal rules and decrees of the management of the Company:

For more details on its functions, please, refer to the Russian version of the report.

Unit liable for internal audit, its objectives and functions:

Internal Audit functions are performed by Internal Audit Department, being a part of the Company in line with the Board of Directors' resolution (Minutes No.210 dated as of 02.12.2016). The department is created for an indefinite term. The Department includes the following sections:

- Internal control and audit directorate
- Investment audit section
- Section for systematic analysis and audit support

The Department is an independent structural unit of the Company. The Department is responsible straight to the General Director and Audit Committee. Its organization structure, staff schedule and budget are approved in a duly manner by the General Director following a preliminary conclusion from the Audit Committee. For more details on its functions, please, refer to the Russian version of the report.

Risk management and internal control policy of the issuer is depicted in item 2.4. hereof.

The issuer has approved a bylaw stipulating rules to prevent illegal use of confidential and insider information.

Document stipulating prevention of insider information usage:

To comply with Federal Law No.224-FZ dd. 27.07.2010 on combating illegal use of insider information and market manipulation on 16.02.2016 the Company's Board of Directors (Minutes No.185 dd. 19.02.2016) has adopted the Amended and Restated Regulations on Insider Information Processing that set out notions "insider" and "insider information", prescribe how to access insider information, stipulate confidentiality policy and oversee whether the Federal Law and relevant subordinate enactments are complied with.

Additional information:

5.5. Personnel of Financial Control Bodies

Name of the financial control body: *Board of Internal Auditors*

Name: *Marina Alekseevna Lelekova*

Year of birth: *1961*

Educational background: *Far East Institute of Soviet Commerce.*

Positions for the past 5 years

Period		Company	Position
from	to		
2013	Present day	Rosseti (PAO)	Head of Control Activities Department
2015	Present day	IDGC of Urals (OAO)	BolA member

2009	2013	FSK UES (PAO)	Head of Control and Audit Department
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Share in the Charter Capital/ common stock: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Artyom Nikolayevich Kirillov**

Year of birth: **1984**

Educational background: **Moscow Energy Institute.**

Positions for the past 5 years

Period		Company	Position
from	to		
2015	Present day	Rosseti (PAO)	Deputy Head of Audit Directorate
2015	Present day	IDGC of Urals (OAO)	BolA member
2009	2013	FSK UES (PAO)	Leading specialist, leading expert of Control and Audits Department
2013	2015	Rosseti (PAO)	Head of Investment Audit Section

Share in the Charter Capital/ common stock: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Elena Aleksandrovna Kabizkina (Chair)**

Year of birth: **1964**

Educational background: **Far East Technical University of Fish Industry.**

Positions for the past 5 years

Period		Company	Position
from	to		
2014	Present day	Rosseti (PAO)	Deputy Head of Audit Directorate of Control and Audits Department
2016	Present day	IDGC of Urals (OAO)	BolA member
2013	2014	MOESK (PAO)	Head of Methodological Support Directorate of Internal Audit Department
2005	2013	FSK UES (PAO)	Head of Internal Control and Risk Management Department

Share in the Charter Capital/ common stock: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Aleksandra Vladimirovna Charondina**

Year of birth: **1969**

Educational background: **State Financial Academy (Financial University under the Government of the Russian Federation).**

Positions for the past 5 years

Period		Company	Position
from	to		
2015	Present day	Rosseti (PAO)	Deputy Head of Internal Audit Directorate
2016	Present day	IDGC of Urals (OAO)	BolA member

2011	2012	Audit Chamber of the Russian Federation	Deputy Head of Inspection
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Share in the Charter Capital/ common stock: *none*

Share in the SAC's Charter Capital: *None*

Family relations with other persons who are members of the Issuer's management and/or control bodies: *none*

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: *none*

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: *none*

Name: *Svetlana Anatolyevna Kim*

Year of birth: *1981*

Educational background: *Moscow State Railway University.*

Positions for the past 5 years

Period		Company	Position
from	to		
2013	Present day	Rosseti (PAO)	Head of Inspections and Internal Audit Directorate
2008	2013	FSK UES (PAO)	Head of Investment Control Section of Control and Inspections Department
2014	Present day	IDGC of Urals (OAO)	BolA member

Share in the Charter Capital/ common stock: *none*

Share in the SAC's Charter Capital: *None*

Family relations with other persons who are members of the Issuer's management and/or control bodies: *none*

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: *none*

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: *none*

Name of the body liable for the oversight of financial and economic operations of the issuer: *Other*

Internal Audit Department

Information on the head of such body

Title of the position: *Head of Internal Audit and Control Department*

Name: *Aleksandr Alekseevich Ulyanov*

Year of birth: *1985*

Educational background: *Urals State Technical University*

Positions for the past 5 years

Period		Company	Position
from	to		
2008	Present day	IDGC of Urals (OAO)	Deputy Head of the Department, Head of Internal Audit and Control Department
2013	Present day	EESK (AO)	BolA member
2013	Present day	EES (AO)	BolA member
2013	Present day	Energy Service Company of the Urals (OAO)	BolA member
2013	Present day	Uralenergotrans (OOO)	Auditor

Share in the Charter Capital/ common stock: *none*

Share in the SAC's Charter Capital: *None*

Family relations with other persons who are members of the Issuer's management and/or control bodies: *none*

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: *none*

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: *none*

5.6. Remuneration and/or Expense Compensation (Financial Supervision Body)

Remunerations

Measurement unit: **RUB**

Name of financial control body: **Board of Internal Auditors**

Remuneration for the tenure

Mea.unit: **RUB thous.**

Indicator	2016	3M 2017

Remuneration	866.6	0
Salary	0	0
Bonuses	0	0
Commission fees	0	0
Other remunerations	0	0
TOTAL	866.6	0

Agreements in force during the year:

There are no agreements regarding remunerations and compensations with members of the Board of Internal Auditors. BoIA members, who are not the Company's staff, do not earn salary paid by the Company. The payment procedure and the amount of remunerations paid to the BoIA members are regulated by the Company's bylaw – The Regulations on Compensations and Remunerations due to the BoIA members. According to item 3.1 of the Regulations, a BoIA member earns one-off remuneration, equal to 25 minimal tariff rates of 1-class worker determined by the industry tariff agreement, for participation in audit and inspection procedures during the audit.

Name of a body that oversees financial and economic operations of the issuer: **Audit Committee**

Remuneration for participation in the sessions

Mea.unit: **RUB thous.**

Indicator	2016	3M 2017
Remuneration	48.4	0
Salary	0	0
Bonuses	0	0
Commission fees	0	0
Other remunerations	0	0
TOTAL	48.4	0

Agreements in force during the year:

There were no agreements concluded with AC members on remunerations and/or compensations. AC members who are not the Company's staff, do not earn salary paid by the Company.

Name of a body that oversees financial and economic operations of the issuer: **Internal Audit Department**

Remuneration for participation in the sessions

Mea.unit: **RUB thous.**

Indicator	2016	3M 2017
Remuneration	0	0
Salary	7,022.573	735
Bonuses	3,312.8	434
Commission fees	0	0
Other remunerations	0	0
TOTAL	10,335.373	1,169

Agreements in force during the year:

There were no agreements on remunerations and/or compensations concluded with the Department employees.

Compensations

Mea.unit: **RUB thous.**

Oversight bodies	2016	3M 2017
Board of Internal Auditors	0	0
Audit Committee	0	0
Internal Audit Department	0	0

5.7. Work Force: Structure and Changes

Mea.unit: **RUB thous.**

Indicator	2016	3M 2017
Staff on the payroll, persons	16,245.5	16,110.3
Money for salaries as of the reported period	1,976,469.6	1,950,109.6
Money for social benefit as of the reported period	28,660.2	13,719.6

Personnel impacting the issuer's operations (key personnel): General Director and Chief Accountant.

The issuer's staff established the following trade unions:

- 1. Sverdlovsk Regional Committee of All-Russian Energy Sector Trade Union: office 505, 10 Ulitsa Pushkina, Yekaterinburg, 620075.*
- 2. Chelyabinsk Regional Organization of All-Russian Energy Sector Trade Union: office 806, 46 Ulitsa Tsvillinga, Chelyabinsk, 454091.*

3. Perm Regional Committee of Energy Sector Trade Union: 41a Ulitsa Poliny Osipenko, Perm, 614039.

5.8. Liabilities to Employees on Potential Participation in the Charter (Share) Capital

None.

SECTION VI. STOCKHOLDERS AND RELATED-PARTY TRANSACTIONS

6.1. Total Number of Shareholders

Total number of persons on the corporation's books on the final date of the reported quarter: **16,604**

Total number of nominal holders: **8**

Total number of persons included into the list of persons entitled to participate in a GSM (including those disclosed by nominal holders): **17,901**

Date when the list of persons entitled to participate in a GSM (including those disclosed by nominal holders) was prepared: **18.04.2016**

Owners of the common stock included into the list: **17,901**

Own stock on the balance sheet as of the quarter end: **none**

Stock owned by controlled companies: **none**

6.2. Large Stockholders (5% of the Charter Capital or common stock); Controlling Persons (if none, persons with 20% of the Charter Capital or common stock)

Shareholders with 5% of its charter capital or common stock

1.

Full corporate name: **Public Joint-Stock Company Rossiiskie seti**

Abbreviated corporate name: **Rosseti (PAO)**

Domicile: **4 Ulitsa Belovzhskaya, Moscow, Russia, 107996**

TIN: **7728662669**

PSRN: **108776000019**

Share in the Issuer's Charter Capital, %: **51.51699**

Share of common stock owned by the entity, %: **51.51699**

Entities controlling such holders:

1.1.

Full corporate name: **Russian Federation in the name of the Federal State Property Management Agency**

Abbreviated corporate name: **Russian Federation in the name of the Federal State Property Management Agency**

Domicile: **9 Nikolsky Pereulok, Moscow, 109012**

TIN: **7710723134**

PSRN: **1087746829994**

Factors for control (participation in a legal entity being a holder (shareholder) of the issuer, conclusion of a partnership agreement, trust agreement, shareholder agreement or other agreement covering the execution of rights attached to shares of a legal entity being a holder (shareholder) of the issuer): **An entity, controlling a holder due to domination in its charter capital and having potential impact on resolutions.**

Feature of control: **a right to control over 50% votes in the supreme body of the company controlled by the issuer**

Type of control: **direct control**

Share in the Charter capital, %: **87.9**

Share of common stock owned by the person, %: **88.75**

Other information (upon discretion of the issuer):

2.

Full corporate name: **Public Joint-Stock Company METKOMBANK**

Abbreviated corporate name: **METKOMBANK (PAO)**

Domicile: **36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406**

TIN: **6612010782**

PSRN: **1026600000195**

Share in the Charter capital: **17.48%**

Share of common stock owned by the person: **17.48%**

Persons controlling the issuer's shareholder: **Information on such persons was not presented to the issuer**

Participants (stockholder) of the person with 20% of the charter capital or common stock: **Information on such persons was not presented to the issuer**

6.3. Government or Municipal Share in the Charter Capital (Golden Share)

Information on managers of state and municipal shares: **none**

Persons that, on behalf of Russia, Russian constituent entity or municipal institution, perform functions of a holder

(shareholder) of the issuer

Federal property

Name: **Federal State Property Management Agency**

Domicile: **9 Nikolsky Pereulok, Moscow**

Amount of charter capital owned: **3.7123**

Golden share, its validity: **none**

6.4. Charter Capital Restrictions

None.

6.5. Changes in Structure and Share of Stockholders with 5% of its Charter Capital or Common Stock

The list of shareholders (stockholders) with 5% of the charter capital or common stock on the register date for the completed financial year preceding the end of the reported period and for the period between the turn of the year and end of the reported period

Register date: **08.05.2015**

The list of stockholders

Full corporate name: **Public Joint-stock Company Russian Grids**

Abbreviated corporate name: **Rosseti (PAO)**

Domicile: **4 Ulitsa Belovezhskaya, Moscow, 107996**

TIN: **7728662669**

PSRN: **1087760000019**

Share in the Charter Capital, %: **51.51699**

Share of the common stock owned, %: **51.51699**

Full corporate name: **Public Joint-Stock Company METKOMBANK**

Abbreviated corporate name: **METKOMBANK, PAO**

Domicile: **36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406**

TIN: **6612010782**

PSRN: **1026600000195**

Share in the Charter capital: **19.55**

Share of common stock owned, %: **19.55**

Full corporate name: **ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED**

Abbreviated corporate name: **ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED**

Domicile: **Lochagou Kapota, 23 ARMONIA COMPLEX BLOCK A, 4th floor, Flat/Office 401 P.C. 3020, Limassol, Cyprus**

It is not a resident of Russia

Share in the Charter Capital, %: **6.694897**

Share of the common share owned, %: **6.694897**

Full corporate name: **I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED**

Abbreviated corporate name: **I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED**

Domicile: **Naousis, 1, KARAPATAKIS BUILDING, P.C. 6018, Larnaca, Cyprus**

It is not a resident of Russia

Share in the Charter capital, %: **5.4459**

Share of common stock owned, %: **5.4459**

Register date: **18.04.2016**

The list of stockholders

Full corporate name: **Public Joint-stock Company Russian Grids**

Abbreviated corporate name: **Rosseti (PAO)**

Domicile: **4 Ulitsa Belovezhskaya, Moscow, 107996**

TIN: **7728662669**

PSRN: **1087760000019**

Share in the Charter Capital, %: **51.51699**

Share of the common stock owned, %: **51.51699**

Full corporate name: **Public Joint-Stock Company METKOMBANK**

Abbreviated corporate name: **METKOMBANK, PAO**

Domicile: **36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406**

TIN: **6612010782**

PSRN: **1026600000195**

Share in the Charter capital: **19.55**

Share of common stock owned, %: **19.55**

Full corporate name: **ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED**

Abbreviated corporate name: **ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED**

Domicile: **Lochagou Kapota, 23 ARMONIA COMPLEX BLOCK A, 4th floor, Flat/Office 401 P.C. 3020, Limassol, Cyprus**
It is not a resident of Russia

Share in the Charter Capital, %: **6.694897**

Share of the common share owned, %: **6.694897**

Full corporate name: **I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED**

Abbreviated corporate name: **I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED**

Domicile: **Naousis, 1, KARAPATAKIS BUILDING, P.C. 6018, Larnaca, Cyprus**

It is not a resident of Russia

Share in the Charter capital, %: **5.4459**

Share of common stock owned, %: **5.4459**

6.6. Related-Party Transactions

None.

6.7. Accounts Receivable

As of 31.12.2016

Mea. unit: **RUB thous.**

Indicator	Value
Accounts receivable from buyers and customers	9,778,902
Including overdue	4,090,798
Including bad debt reserve	1,320,826
Dividend receivables from SACs	0
Including overdue	0
Accounts receivable (founders' share to the charter capital)	18,549
Including overdue	754
Advances given	77
Including overdue	371,982
Including bad debt reserve	33,288
Other accounts receivable	15,641
Including overdue	10,169,433
Including bad debt reserve	4,124,840
TOTAL	1,336,544

Debtors with 10% of the total receivables for the reported period

Full corporate name: **Sverdlovsk branch of Public Joint-Stock Company EnergosbytPlus**

Abbreviated corporate name: **Sverdlovsk branch of EnergosbytPlus (PAO)**

Domicile: **92 Ulitsa Kuznechnaya, Yekaterinburg, the Sverdlovsk region**

TIN: **5612042824**

PSRN: **1055612021981**

Receivables: **1,023,819**

Mea. unit: **RUB thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **overdue receivables total RUB 157 thousand.**

Affiliation with the issuer: **None**

Debtors with 10% of the total receivables for the reported period

Full corporate name: **Public Joint-Stock Company Chelyabenergosbyt**

Abbreviated corporate name: **Chelyabenergosbyt (PAO)**

Domicile: **260 Ulitsa Rossiiskaya, Chelyabinsk**

TIN: **7451213318**

PSRN: **1057423505732**

Receivables: **2,769,477**

Mea. unit: **RUB thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **overdue receivables total RUB 1,808,890 thousand. As of the reported date the amount of the bad debt reserve is RUB 251,844 thousand.**

Affiliation with the issuer: **None**

Full corporate name: **Public Joint-Stock Company Perm Energosbytovaya Kompaniya**

Abbreviated corporate name: **Permenergosbyt (PAO)**

Domicile: **48 Komsomolskiy Prospekt, Perm, 115035**

TIN: **5904123809**

PSRN: **1055902200353**

Receivables: **1,478,408**

Mea. unit: **RUB thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **Overdue receivables total RUB 148,753 thousand. As of the reported date the amount of the bad debt reserve is RUB 209,371 thousand.**

Affiliation with the issuer: **None**

RUB 8,832,889 thousand receivables (net of the bad debt reserve) are shown in line 1230 of the Balance Sheet as of 31 December 2016.

As of 31.03.2017

Mea. unit: **RUB thous.**

Indicator	Value
Accounts receivable from buyers and customers	10,367,523
Including overdue	4,845,903
Including bad debt reserve	1,504,303
Dividend receivables from SACs	0
Including overdue	0
Accounts receivable (founders' share to the charter capital)	0
Including overdue	0
Advances given	18,024
Including overdue	702
Including bad debt reserve	78
Other accounts receivable	430,186
Including overdue	33,534
Including bad debt reserve	20,045
TOTAL	10,815,733
Including overdue	4,880,139
Including bad debt reserve	1,524,426

Debtors with 10% of the total receivables for the reported period

Full corporate name: **Public Joint-Stock Company Chelyabenergosbyt**

Abbreviated corporate name: **Chelyabenergosbyt (PAO)**

Domicile: **260 Ulitsa Rossiiskaya, Chelyabinsk**

TIN: **7451213318**

PSRN: **1057423505732**

Receivables: **2,634,703**

Mea. unit: **RUB thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **overdue receivables total RUB 1,799,230 thousand. As of the reported date the amount of the bad debt reserve is RUB 236,872 thousand.**

Affiliation with the issuer: **None**

Full corporate name: **Public Joint-Stock Company Perm Energosbytovaya Kompaniya**

Abbreviated corporate name: **Permenergosbyt (PAO)**

Domicile: **48 Komsomolskiy Prospekt, Perm, 115035**

TIN: **5904123809**

PSRN: **1055902200353**

Receivables: **1,582,273**

Mea. unit: **RUB thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **Overdue receivables total RUB 249,871 thousand. As of the reported date the amount of the bad debt reserve is RUB 245,185 thousand.**

Affiliation with the issuer: **None**

Full corporate name: **Sverdlovsk branch of Public Joint-Stock Company EnergosbytPlus**

Abbreviated corporate name: **Sverdlovsk branch of EnergosbytPlus (PAO)**

Domicile: **92 Ulitsa Kuznechnaya, Yekaterinburg, the Sverdlovsk region**

TIN: **5612042824**

PSRN: **1055612021981**

Receivables: **1,373,820**

Mea. unit: **RUB thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): *overdue receivables total RUB 196,003 thousand.*

Affiliation with the issuer: *None*

RUB 9,291,307 thousand receivables (net of the bad debt reserve) are shown in line 1230 of the Balance Sheet as of 31 March 2017.

SECTION VII. FINANCIAL STATEMENTS AND OTHER RELEVANT FINANCIAL INFORMATION

7.1. Annual Accounting (Financial) Statements

2016

Information is disclosed in Appendix No.1 hereof (for detailed information, please, refer to the Russian version of the document

Contents of the annual accounting (financial) statements disclosed hereof:

The Company's FY2016 annual accounting (financial) statements consists of:

- 1. Auditor report.*
- 2. Balance sheet as of 31 December 2016.*
- 3. Statement of financial results as of 12M 2016.*
- 4. Statement of changes in equity as of 2016.*
- 5. Cash flow statement as of 2016.*
- 6. Explanations to the FY2016 accounting statements.*

7.2. Interim Accounting (Financial) Statements

Information is disclosed in Appendix No.1 hereof (for detailed information, please, refer to the Russian version of the document

Contents of the annual accounting (financial) statements disclosed hereof:

The Company's 3M2017 annual accounting (financial) statements consists of:

- 1. Balance sheet as of 31 March 2017.*
- 2. Statement of financial results as of 3M 2017.*

7.3. Consolidated Financial Statements

The Company's annual consolidated financial statements for the last completed financial year are prepared prior to the end of 1Q and are to be included into 1Q report.

2016 - IFRS/GAAP

Report period

Year: *2016*

Quarter:

Consolidated financial statements and auditor report for the year ended 31 December 2016 are disclosed in Appendix No.3 hereof.

7.4. Accounting Policy

Accounting policy of the issuer for 2017 is approved by Decree No. 513 dated as of 30.12.2016.

The accounting policy for 2017 is disclosed by Appendix No.4 hereof.

7.5. Total Export and Export/Total Sales

The Issuer does not export produce (goods, services).

7.6. Significant Property Changes since the end of the last completed reported period

Significant property changes within 12 months prior to the end of the reported period: *none*

7.7. Significant Lawsuits with Potential Effect on Operations

The Issuer has/had no lawsuits with potential significant effect on its operations for the period between the beginning of the last completed financial year and end of the reported period.

SECTION VIII. ADDITIONAL INFORMATION ON THE ISSUER AND ITS PLACED SECURITIES

8.1. Additional Information

8.1.1. The Charter Capital: Amount and Structure

Amount of the Charter Capital at the end of the reported period, RUB: **8,743,048,571.1**

Shares of the common stock

Total nominal value: **8,743,048,571.1**

Share in the Charter Capital, %: **100**

Shares of the preferred stock

Total nominal value: **0**

Share in the Charter Capital, %: **0**

Compliance of the charter capital stipulated hereof with the one from the founding documents of the issuer: **yes**.

8.1.2. Changes of the Charter Capital

The charter capital has undergone no changes during the reported period

8.1.3. Convention and Conduct of a meeting of the supreme management body

Title of the supreme management body: *According to clause 10.1 article 10 of the Charter GSM is the Company's supreme management body*

Notice procedure:

According to subclause 11.5 of the Charter, a GSM notice shall be published by the Company in the Rossiyskaya Gazeta as well as be disclosed at the corporate website within 30 (thirty) days prior to its date. According to subclause 12.4 of the Charter, a notice on GSM, held by means of absentee ballot, shall be published by the Company in the Rossiyskaya Gazeta as well as on the corporate website within 30 (thirty) days prior to the Company's receipt deadline. In case the EGM agenda contains an issue with regard to Board election, an EGM convention shall be announced not later than 70 (Seventy) days prior to its date (subclause 14.9.4 clause 14.9 article 14 of the Charter). According to clause 2 article 52 of the Federal Joint-Stock Companies' Law, an AGSM notice contains:

- *full company name and its location;*
- *GSM form (compresence or absentee voting);*
- *GSM date, location, time and in case, according to clause 3 article 60 of the Federal Joint-Stock Companies' Law, filled-in ballots may be forwarded to the Company, receipt postal address, or in case of an absentee-voting GSM – receipt deadline and postal address;*
- *register date;*
- *GSM agenda;*
- *familiarization with materials (information) subject to dissemination during GSM and locations where shareholders can review the materials.*

Persons (bodies), entitled to convene (call) extraordinary meeting of the Issuer's management body as well as the procedure of forwarding such calls:

According to clause 14.2, 14.3 article 14 of the Charter, an EGM shall be arranged upon a Board decision, based upon its own initiative, a request from the Board of Internal Auditors and the Auditor as well as a shareholder (shareholders) possessing at least 10 (ten) percent of voting stock of the Company as of the request date. An EGM, held according to a request from the Board of Internal Auditors and the Auditor as well as a shareholder (shareholders) possessing at least 10 (Ten) percent of voting stock, shall be arranged by the Board of Directors.

This request shall contain issues to be included onto the agenda. A person (persons), requesting an EGM convention, shall be entitled to submit a draft EGM resolution as well as a proposal on an EGM form. In case this EGM convention request contains a nominee promotion proposal, this proposal shall be regulated by the corresponding statements of Article 13 hereof. The Board of Directors shall not be entitled to change the wording of EGM agenda issues, issue resolutions and proposed form for an EGM convened upon the request from the Board of Internal Auditors, the Auditor as well as a shareholder (shareholders) possessing at least 10 (Ten) percent of voting stock (clause 14.4 of the Charter). In case an EGM convention is requested by a shareholder (shareholders), such request shall contain the name of a shareholder (shareholders) who demand the meeting as well as the quantity and category (type) of the Company shares possessed by them. An EGM convention request shall be signed by a person (persons) requesting the EGM convention (clause 14.5 of the Charter).

Calling a meeting:

According to clause 11.1 article 11 of the Charter, an AGM shall be held not earlier than two months and not later than six months following the end of the financial year. According to clause 1 article 54 of the Federal Joint-Stock Companies' Law, during the arrangement of a GSM the BoD determines GSM date, location and time.

EGSM convened by the Board of Internal Auditors, auditor or shareholder (shareholders) owning at least 10% of the voting stock should be arranged within 40 (Forty) days since the submission of an EGSM request, except for the case stipulated in clause 14.9 of the Charter.

According to clause 14.9 of the Charter, in case the EGM agenda contains an issue on Board election, such GSM

shall be held within 90 (Ninety) days since the request to convene an EGM.

Persons that are entitled to introduce proposals into agenda of the supreme governing body as well as the procedure for introducing such proposals:

According to article 13 of the Charter, shareholders (shareholder) owning no less than 2% of voting stock within 60 (Sixty) days since the end of financial year are entitled to introduce issues onto the agenda of AGM and nominate candidates for the Board of Directors and Board of Internal Auditors. The number of the nominees cannot exceed the membership of the corresponding body. Proposals to include issues onto an AGM agenda and to nominate candidates shall be forwarded in writing and shall contain the name of a shareholder (shareholders), quantity and class of shares they possess as well as their signatures. A proposal to include issues into an AGM agenda shall contain the wording for each issue and a proposal to nominate candidates shall contain the names and document details proving identity of candidates (series or number of such document, issuing date, place and authority), name of the body to be elected to.

Besides issues, proposed for the GSM agenda by shareholders as well as in case of no such proposals, absence or deficit of candidates for a certain corporate body, the Board of Directors shall be entitled to include issues and candidates into the GSM agenda at its discretion (clause 13.7 of the Charter).

According to clause 14.4 of the Charter, this GSM request shall contain issues to be included onto the agenda. A person (persons), requesting an EGM convention, shall be entitled to submit a draft EGM resolution as well as a proposal on an EGM form. In case this EGM convention request contains a nominee promotion proposal, this proposal shall be regulated by the corresponding statements of Article 13 hereof. The Board of Directors shall not be entitled to change the wording of EGM agenda issues, issue resolutions and proposed form for an EGM convened upon the request from the Board of Internal Auditors, the Auditor as well as a shareholder (shareholders) possessing at least 10 (Ten) percent of voting stock. Shareholders (shareholder) possessing at least 10 (Ten) percent of voting stock shall be entitled to propose Board nominees, total number not exceeding the BoD membership. Such proposals shall be submitted to the Company no less than 30 (Thirty) days prior to the EGM date.

Persons that are entitled to get acquainted with the information (materials) submitted for arranging a meeting of the supreme governing body of the Issuer as well as the procedure of getting acquainted with the information (materials):

The list of persons entitled to participate in a GSM is prepared according to the corporation's book. The register date cannot be earlier than a resolution on GSM arrangement and over 50 days prior to the GSM date, in case stipulated by clause 2 article 53 of the Federal Joint-Stock Companies' Law – over 85 days prior to the AGSM date. The list of persons entitled to participate in a GSM contains name of a person, his/her ID information, information on the number and category (type) of shares with voting rights provided, postal address for GSM notices, ballots in case voting process requires forwarding of the ballots and voting result report.

Information (materials) subject to dissemination among persons entitled to participate in a GSM during the arrangement of the GSM comprises financial statements, including auditor report, report from the Board of Internal Auditors on the audit of the annual financial statements, information on a candidate (candidates) to the executive bodies, BoD, Board of Internal Auditors, counting commission, drafts of amendments and supplements introduced to the charter or draft of the charter in a new version, drafts of internal documents, drafts of GSM resolutions as well as information (materials) stipulated by the charter. The list of additional information (materials) obligatory for dissemination among persons entitled to participate in a GSM during the arrangement of GSM may be set forth by the federal executive body regulating securities market.

Information (materials) shall be accessible for persons entitled to participate in a GSM at the location of the executive body or other locations indicated in GSM message within 20 days or 30 days in case of GSM with agenda on the company's restructuring. The information (materials) should be accessible for persons participating in a GSM during the GSM. The Company is obliged to provide a person entitled to participate in a GSM with copies of the documents. Fees charged by the company for the copies should not exceed copying expenses.

Announcement of resolutions taken by the supreme governing body as well as voting results:

According to subclause 11.13 of the Charter, voting results and resolutions adopted by a GSM may be announced during the GSM. In case when voting results and resolutions adopted by the Company's GSM were not announced on the GSM, within 10 (Ten) days since compilation of the protocol on the voting results resolutions taken by the Company's GSM as well as voting results in a form of a report on voting results are to be brought to the notice of persons entitled to participate in a GSM in a procedure stipulated by clause 11.5 of the Charter, namely – to be posted in the "Rossyiskaya Gazeta" as well as on the corporate web-site.

8.1.4. Commercial Organizations with Company's 5% stake in the Charter capital or common stock

The list of commercial organizations with Company's 5% stake in the Charter capital or common stock on the last reported quarter

1. Full corporate name: *Joint-Stock Company Yekaterinburg Electric Grid Company*

Abbreviated corporate name: *EESK (AO)*

Domicile: *1 Ulitsa Borisa Yeltsyna, Yekaterinburg, Russia, 620014*

TIN: *6658139683*

PSRN: *1026602312770*

The Issuer's share in the Charter capital, %: *91.04*

The share of ordinary stock owned by the Issuer, %: **91.04**
 Share of the company in the Issuer's Charter capital, %: **0**
 Share of the Issuer's ordinary stock owned by the company, %: **0**

2. Full corporate name: **Joint-Stock Company Yekaterinburgenergosbyt**

Abbreviated corporate name: **EES (AO)**

Domicile: **48 Surikova Ulitsa, Yekaterinburg, Russia, 620144**

TIN: **6671250899**

PSRN: **1086658002617**

The Issuer's share in the Charter capital, %: **91.04**

The share of ordinary stock owned by the Issuer, %: **91.04**

Share of the company in the Issuer's Charter capital, %: **0**

Share of the Issuer's ordinary stock owned by the company, %: **0**

3. Full corporate name: **Limited Liability Company Uralenergotrans**

Abbreviated corporate name: **Uralenergotrans (OOO)**

Domicile: **140 Ulitsa Mamina Sibiryaka, Yekaterinburg, Russia, 620026**

TIN: **6672319085**

PSRN: **1105903003580**

The Issuer's share in the Charter capital, %: **100**

Share of the company in the Issuer's Charter capital, %: **0**

Share of the Issuer's ordinary stock owned by the company, %: **0**

8.1.5. Major/Large-Scale Transactions

There were no such transactions during the reported period.

8.1.6. Credit Ratings

The subject: *issuer*

Company that assigned a credit rating

Full corporate name: **Moody's Investors Service Ltd. (Russian branch)**

Abbreviated corporate name: **Moody's Investors Service Ltd. (Russian branch) (TIN 9909342495)**

Domicile: **21 Ulitsa 1st Tverskaya Yamskaya, Moscow, Russia, 625047**

Methodology description:

On 27 April 2016 Moody's, represented by Moody's Investors Service Ltd. (Russian branch), has affirmed long-term global scale credit rating at Ba2 (Outlook Stable) of IDGC of Urals (OAO). Rating methodology may be found at www.moody.com

Credit rating at the end of the reported period: **Ba2**

Credit rating history

Assigned on	Rating value
12.10.2012	Ba2 long-term global scale credit rating (Outlook Stable)
25.10.2013	Ba2 long-term global scale credit rating (Outlook Stable)
07.02.2014	Ba2 long-term global scale credit rating (Outlook Stable)
03.04.2014	Ba2 long-term global scale credit rating (Outlook Stable)
07.08.2014	Ba2 long-term global scale credit rating (Outlook Stable)
25.03.2015	Ba2 long-term global scale credit rating (Outlook Negative)
13.08.2015	Ba2 long-term global scale credit rating (Outlook Negative)
07.12.2015	Ba2 long-term global scale credit rating (Outlook Stable)
27.04.2016	Ba2 long-term global scale credit rating (Outlook Stable)

Confirmation of the rating demonstrate strong probability of state support through its parent company in the event of financial distress and Moody's opinion that IDGC of Urals (OAO) will retain adequate financial and liquidity metrics within the next 12-18 months, having its expenses cut on the back of reduced demand.

The subject: *issuer*

Company that assigned a credit rating

Full corporate name: **Rating agency Moody's Interfax, ZAO**

Abbreviated corporate name: **Rating agency Moody's Interfax, ZAO (TIN 7710270371)**

Domicile: **21 Ulitsa 1st Tverskaya Yamskaya, Moscow, Russia, 625047**

Methodology description:

On 18 March 2016 Moody's, in the name of Rating Agency Moody's Interfax (ZAO), has revoked the domestic credit

rating upon its initiative. This rating action is due to suspension of domestic ratings. This action will not affect global rating assignment.

Credit rating at the end of the reported period: *revoked*

Credit rating history:

Assigned on	Rating value
12.10.2012	Aa2.ru long-term domestic scale credit rating, outlook Stable
25.10.2013	Aa2.ru long-term domestic scale credit rating, outlook Stable
10.02.2014	Aa2.ru long-term domestic scale credit rating, outlook Stable
03.04.2014	Aa2.ru long-term domestic scale credit rating, outlook Stable
07.08.2014	Aa2.ru long-term domestic scale credit rating, outlook Stable
13.08.2015	Aa2.ru long-term domestic scale credit rating, outlook Negative
07.12.2015	Aa2.ru long-term domestic scale credit rating, outlook Stable
18.03.2016	Revoked

8.2. Classes (Types) of the Issuer's shares

Category of shares: *ordinary*

Par value of each share (RUB): *0.1*

Number of shares outstanding: *87,430,485,711*

Number of additional shares being placed at the moment (number of additional shares with unfinished state registration): *0*

Number of authorized shares: *2,475,713,367*

Number of shares on the Issuer's balance sheet: *0*

Number of additional shares that can be placed as a result of conversion of outstanding securities converted into shares or as a result of execution of liabilities on the Issuer's options: *0*

Share issues of the category (type):

Date of state registration	Registration number
03.05.2005	1-01-32501-D

Rights granted to the holders:

Every common registered share shall give equal amount of rights to a shareholder who owns it. Shareholders owning ordinary registered shares shall be entitled:

- *To participate either in person or through their representatives in a GSM with the voting right for all issues pertaining to their competence;*
- *To propose issues into a GSM agenda in a manner stated by the Russian legislation and the Charter;*
- *To obtain information about the Company's activities and get familiar with the Company documents pursuant to Article 91 of the Federal Joint Stock Companies' Law, other legal regulatory acts and the present Charter;*
- *To receive dividends declared by the Company;*
- *To get pre-emptive right to purchase additional shares and emissive securities convertible into shares placed via subscription in the amount proportionate to their own common shares in the instances envisaged by the Russian legislation;*
- *To get a portion of the Company's property in case of its liquidation;*
- *To appeal decisions of the Company's governance bodies resulting in civil law consequences in cases and manner, stated by the laws of Russia;*
- *To demand reimbursement of losses incurred by the Company;*
- *To dispute Company's transactions on grounds stated by laws of Russia and demand unwinding of the transactions;*
- *To conclude a contract on execution of corporate rights (corporate contract) between stockholders, creditors and other third parties;*
- *To fulfill other rights envisioned by the Russian legislation and the present Charter.*

8.3. Other Issues of Securities (Excluding Shares)

8.3.1. Redeemed Securities

Type of security: *bonds*

Form of security: *documentary bearer*

Series: *01*

Documentary interest-bearing non-convertible with obligatory centralized custody

State registration number: *4-01-32501-D*

State registration date: *27.03.2008*

Registration authority: *FSFM of Russia*

Additional issues: *none*

Number of securities in the issue: *1,000,000*

According to the Russian legislation nominal value of the securities is not stipulated: *none*
Nominal value of each security, RUB: *1,000*
Nominal price volume, RUB: *1,000,000,000*
Redemption date: *22.05.2012*
Reasons for redemption of the securities: *discharge of liabilities*

Type of security: *bonds*
Form of security: *documentary bearer*
Series: *02*
Documentary interest-bearing non-convertible with obligatory centralized custody
State registration number: *4-02-32501-D*
State registration date: *27.03.2008*
Registration authority: *FSFM of Russia*
Additional issues: *none*
Number of securities in the issue: *600,000*
Nominal value of each security, RUB: *1,000*
Nominal price volume, RUB: *600,000,000*
Redemption date: *13.05.2010*
Reasons for redemption of the securities: *discharge of liabilities*

Type: *exchange-traded bonds*
Form: *documentary, bearer*
Series: *BO-01*
Other identifying features: *interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion*
The bond issue is not subject to state registration: *yes*
ID #: *4B02-01-32501-D*
ID assignment date: *11.07.2012*
Assigning authority: *Stock Exchange MICEX (ZAO), Directorate of SE MICEX (ZAO) (Minutes No.89 dated as of 11.07.2012)*
Additional issues: *none*
Number of securities in the issue: *3,000,000*
Nominal value of each security, RUB: *1,000*
Nominal price volume, RUB: *3,000,000,000*
Redemption date: *28.01.2016*
Reasons for redemption of the securities: *discharge of liabilities*

8.3.2. Outstanding Securities

Type: *exchange-traded bonds*
Form: *documentary, bearer*
Series: *BO-02*
Other identifying features: *interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion*
The bond issue is not subject to state registration: *yes*
ID No.: *4B02-02-32501-D*
ID assignment date: *31.05.2013*
Assigning authority: *Stock Exchange MICEX (ZAO), Directorate of SE MICEX (ZAO) (Minutes No.62 dd. 31.05.2013)*
Volume, bonds: *1,600,000*
Nominal volume, RUB: *1,600,000,000*
Nominal value, RUB: *1,000*
According to the Russian legislation there is no nominal value presence
Status: *in circulation*
State registration of Issue Results is not carried out: *yes*
The number of interest (coupon) periods: *20*
Maturity period: *3,640th day since the placement date. If a maturity date is a holiday or a weekend - be it a state holiday or holiday for settlement operations - transfer of the first working day following the holiday or weekend.*
Specific instructions: *none*
Web-page containing the Issue Resolution and Prospectus: *www.mrsk-ural.ru/ir/bonds/; http://www.e-disclosure.ru/portal/company.aspx?id=12105*
Additional security issues: *none*
There are no overdue liabilities

Type: *exchange-traded bonds*

Form: *documentary, bearer*
Series: *BO-03*
Other identifying features: *interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion*
The bond issue is not subject to state registration: *yes*
ID #: *4B02-03-32501-D*
ID assignment date: *31.05.2013*
Assigning authority: *Stock Exchange MICEX (ZAO), Directorate of SE MICEX (ZAO) (Minutes No.62 dd. 31.05.2013)*
Volume, bonds: *3,000,000*
Nominal volume, RUB: *3,000,000,000*
Nominal value, RUB: *1,000*
According to the Russian legislation there is no nominal value presence
Status: *the placement has not yet started*
State registration of Issue Results is not carried out: *yes*
The number of interest (coupon) periods: *20*
Maturity period: *3,640th day since the placement date. If a maturity date is a holiday or a weekend - be it a state holiday or holiday for settlement operations - transfer of the first working day following the holiday or weekend.*
Specific instructions: *none*
Web-page containing the Issue Resolution and Prospectus: *www.mrsk-ural.ru/ir/bonds/; http://www.e-disclosure.ru/portal/company.aspx?id=12105*
Additional security issues: *none*
There are no overdue liabilities

Type: *exchange-traded bonds*
Form: *documentary, bearer*
Series: *BO-04*
Other identifying features: *interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion*
The bond issue is not subject to state registration: *yes*
ID #: *4B02-04-32501-D*
ID assignment date: *31.05.2013*
Assigning authority: *Stock Exchange MICEX (ZAO), Directorate of SE MICEX (ZAO) (Minutes No. 62 dd. 31.05.2013)*
Volume, bonds: *4,000,000*
Nominal volume, RUB: *4,000,000,000*
Nominal value, RUB: *1,000*
According to the Russian legislation there is no nominal value presence
Status: *the placement has not yet started*
State registration of Issue Results is not carried out: *yes*
The number of interest (coupon) periods: *20*
Maturity period: *3,640th day since the placement date. If a maturity date is a holiday or a weekend - be it a state holiday or holiday for settlement operations - transfer of the first working day following the holiday or weekend.*
Specific instructions: *none*
Web-page containing the Issue Resolution and Prospectus: *www.mrsk-ural.ru/ir/bonds/; http://www.e-disclosure.ru/portal/company.aspx?id=12105*
Additional security issues: *none*
There are no overdue liabilities

Type: *exchange-traded bonds*
Form: *documentary, bearer*
Series: *BO-05*
Other identifying features: *interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion*
The bond issue is not subject to state registration: *yes*
ID #: *4B02-05-32501-D*
ID assignment date: *31.05.2013*
Assigning authority: *Stock Exchange MICEX (ZAO), Directorate of SE MICEX (ZAO) (Minutes No.62 dd. 31.05.2013)*
Volume, bonds: *5,000,000*
Nominal volume, RUB: *5,000,000,000*
Nominal value, RUB: *1,000*
According to the Russian legislation there is no nominal value presence
Status: *in circulation*
State registration of Issue Results is not carried out: *yes*
The number of interest (coupon) periods: *20*

Maturity period: *3,640th day since the placement date. If a maturity date is a holiday or a weekend - be it a state holiday or holiday for settlement operations - transfer of the first working day following the holiday or weekend.*

Specific instructions: *none*

Web-page containing the Issue Resolution and Prospectus: *www.mrsk-ural.ru/ir/bonds/; http://www.e-disclosure.ru/portal/company.aspx?id=12105*

Additional security issues: *none*

There are no overdue liabilities

8.4. Person (persons) who Secured Bond Issues and Suretyship

The issuer has not registered the prospectus of secured bonds; no secured exchange-traded bonds were listed

8.4.1. Mortgage Collateral Bonds

The issuer has not placed mortgage collateral bonds with non-discharged liabilities

8.4.2. Monetary Collateral Bonds

The issuer has not placed monetary collateral bonds with non-discharged liabilities

8.5. Organizations Recording Securities Rights

Registrar

Full corporate name: *Joint-Stock Company Registrar Company STATUS*

Abbreviated corporate name: *STATUS, AO*

Domicile: *32/1 Ulitsa Novorogozhskaya, Moscow, 109544*

TIN: *7707179242*

PSRN: *1027700003924*

Registrar License

Number: *10-000-1-00304*

Issued: *12.03.2004*

Expires: *termless*

License authority: *FCS (FSFM) of Russia*

Date when the registrar started to register the Issuer's security holders: *20.12.2010*

Documentary bearer securities with centralized custody are in circulation.

Depositories

Full corporate name: *Non-banking Credit organization Closed Joint-Stock Company National Settlement Depository*

Abbreviated corporate name: *NKO ZAO NSD*

Domicile: *1/13 building 8, Srednyi Kislovskiy Pereulok, Moscow, Russia*

TIN: *7702165310*

PSRN: *1027739132563*

Depository License:

Number: *177-03431-000100*

Issued: *19.02.2009*

Expires: *termless*

Issuing authority: *FSC (FSFM) of Russia*

8.6. Laws, Code and Other Enactments Concerning Capital Import and Export with Potential Effect on Non-residential Dividends, Yield and Other Payments

1. Russian Tax Code, Part 1, dated as of 31.07.1998 No.146-FZ (amended and revised by No.392-FZ dated as of 03.12.2011).

2. Russian Tax Code, Part 2, dated as of 05.08.2000 No.117-FZ (amended and revised by No.405-FZ dated as of 06.12.2011 and No.417-FZ dated as of 07.12.2011).

3. Federal Securities Market Law No.39-FZ dated as of 22.04.1996 (amended and revised by No.362-FZ dated as of 30.11.2011).

4. Federal Joint-Stock Companies' Law No.208-FZ dd. 26.12.1995 (amended and revised by No.346-FZ dated as of 30.11.2011).

5. Federal Currency Regulations and Control Law No.173-FZ dated as of 10.12.2003 (amended and revised by No.409-FZ dated as of 06.12.2011).

6. Federal Law concerning the Counteraction of the Legitimization {Laundering} of Proceeds of Crime and the Financing of Terrorism No.115-FZ dated as of 07.08.2001 (amended and revised by No.308-FZ dated as of 08.11.2011).

7. Federal Law concerning the Protection of the Rights and Legitimate Interests of Investors on the Securities

Market No.46-FZ dated as of 05.03.1999 (amended and revised by No.264-FZ dated as of 04.10.2010 and No.327-FZ dated as of 21.11.2011).

8. Federal Law concerning Investment Activities in the form of Foreign Capital Expenditures in the Russian Federation No.39-FZ dated as of 25.02.1999 (amended and revised by No.427-FZ dated as of 12.12.2011).

9. Intergovernmental agreements concerning avoidance of double taxation (with regard to income and property taxes and against avoidance of income and property taxes).

10. President Decree No.1924 dated as of 17.11.1993 concerning activities of foreign banks and joint non-residential banks in Russia.

11. Central Bank instruction No.117-I dated as of 15.06.2004 concerning filing of documents and information during currency-related operations by residents and non-residents; concerning recording of currency operations and preparation of transaction certificates by authorized banks.

8.7. Announced (Accrued) and/or Paid Dividends or Bond Yield

8.7.1. Announced and Paid Dividends

5 previous completed years or, if issuer's life is less than 5 years, every completed year as well as period starting with turn of the year and ending with the last reported quarter

Indicator	Value 12M 2010
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 16.06.2011, Minutes No.3 dd. 17.06.2011
Announced dividends per 1 stock, RUB	0.0028
Total announced dividends per all stock of the type, RUB	244,805,370
Register date	11.05.2011
Reported period (Y/Q)	12M 2010
Dividend Payment Deadline	Within 60 days since the resolution concerning dividend payment
Form of payment (monetary resources, other property)	monetary resources
Payment sources (net profit of the reported period, non-distributed profit of the past periods, ad hoc fund)	net profit of the reported period
Dividends/Net profit of the reported period, %	14.5
Total amount of paid dividends of the category (class), RUB	244,355,835
Paid Dividends/Total Announced Dividends of the category (class), %	99.816
If dividends were not paid or paid in part – reasons of failure	Dividends were paid to all shareholders, except for those who failed to submit accurate data and bank details required for dividend payment
Other information on announced and/or paid dividends (at the discretion of the issuer)	Due to expiry of periods of limitations concerning claims for announced and uncollected dividends, the payment was stopped upon the relevant decree (LYu/04/3448 dd. 03.09.2014)

Indicator	Value 12M 2011
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 14.06.2012, Minutes No.4 dd. 15.06.2012
Announced dividends per 1 stock, RUB	0.0028
Total announced dividends per all stock of the type, RUB	244,805,370.71
Register date	04.05.2012
Reported period (Y/Q)	12M 2011
Dividend Payment Deadline	Within 60 days since the resolution concerning dividend payment
Form of payment (monetary resources, other property)	monetary resources
Payment sources (net profit of the reported period, non-distributed profit of the past periods, ad hoc fund)	net profit of the reported period
Dividends/Net profit of the reported period, %	9.6
Total amount of paid dividends of the category (class), RUB	242,782,903.46
Paid Dividends/Total Announced Dividends of the category (class), %	99.173

If dividends were not paid or paid in part – reasons of failure	Dividends were paid to all shareholders, except for those who failed to submit accurate data and bank details required for dividend payment
Other information on announced and/or paid dividends (at the discretion of the issuer)	FY 2011 dividend payout ended in line with Art. 42 of the Federal Joint-Stock Companies' Law dd. 26.12.1995 No.208-FZ

Indicator	Value 12M 2012
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 13.06.2013, Minutes No.6 dd. 14.06.2013
Announced dividends per 1 stock, RUB	0.00179
Total announced dividends per all stock of the type, RUB	156,500,558.22
Register date	30.04.2013
Reported period (Y/Q)	12M 2012
Dividend Payment Deadline	Within 60 days since the resolution concerning dividend payment
Form of payment (monetary resources, other property)	monetary resources
Payment sources (net profit of the reported period, non-distributed profit of the past periods, ad hoc fund)	net profit of the reported period
Dividends/Net profit of the reported period, %	25.007
Total amount of paid dividends of the category (class), RUB	155,131,140.15
Paid Dividends/Total Announced Dividends of the category (class), %	99.124
If dividends were not paid or paid in part – reasons of failure	Dividends were paid to all shareholders, except for those who failed to submit accurate data and bank details required for dividend payment
Other information on announced and/or paid dividends (at the discretion of the issuer)	

Indicator	Value 12M 2013
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 27.06.2014, Minutes No.7 dd. 27.06.2014
Announced dividends per 1 stock, RUB	0.00102
Total announced dividends per all stock of the type, RUB	89,179,000
Register date	16.07.2014
Reported period (Y/Q)	12M 2013
Dividend Payment Deadline	30.07.2014 and 20.08.2014
Form of payment (monetary resources, other property)	monetary resources
Payment sources (net profit of the reported period, non-distributed profit of the past periods, ad hoc fund)	net profit of the reported period
Dividends/Net profit of the reported period, %	25.15
Total amount of paid dividends of the category (class), RUB	88,228,612.45
Paid Dividends/Total Announced Dividends of the category (class), %	98.93
If dividends were not paid or paid in part – reasons of failure	Persons, included into the list of persons entitled to collect dividends, did not collected dividends since they had not submitted accurate information concerning dividend collection form.
Other information on announced and/or paid dividends (at the discretion of the issuer)	

Indicator	Value 12M 2014
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 17.06.2015, protocol #8 dd. 18.06.2015
Announced dividends per 1 stock, RUB	0.0058
Total announced dividends per all stock of the type, RUB	507,096,817.123

Register date	29.06.2015 r.
Reported period (Y/Q)	12M 2014
Dividend Payment Deadline	13.07.2015 and 03.08.2015
Form of payment (monetary resources, other property)	monetary resources
Payment sources (net profit of the reported period, non-distributed profit of the past periods, ad hoc fund)	net profit of the reported period
Dividends/Net profit of the reported period, %	25.27
Total amount of paid dividends of the category (class), RUB	502,266,148.12
Paid Dividends/Total Announced Dividends of the category (class), %	99,047
If dividends were not paid or paid in part – reasons of failure	Persons, included into the list of persons entitled to collect dividends, did not collected dividends since they had not submitted accurate information
Other information on announced and/or paid dividends (at the discretion of the issuer)	

Indicator	Value 12M 2015
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 06.06.2016, Minutes No.9 dd. 06.06.2016
Announced dividends per 1 stock, RUB	0.0142
Total announced dividends per all stock of the type, RUB	1,241,513,000
Register date	24.06.2016
Reported period (Y/Q)	12M 2015
Dividend Payment Deadline	08.07.2016 and 29.07.2016
Form of payment (monetary resources, other property)	monetary resources
Payment sources (net profit of the reported period, non-distributed profit of the past periods, ad hoc fund)	net profit of the reported period
Dividends/Net profit of the reported period, %	50,34
Total amount of paid dividends of the category (class), RUB	1,230,151,099
Paid Dividends/Total Announced Dividends of the category (class), %	99,01
If dividends were not paid or paid in part – reasons of failure	Persons, included into the list of persons entitled to collect dividends, did not collected dividends since they had not submitted accurate information
Other information on announced and/or paid dividends (at the discretion of the issuer)	

8.7.2. Accrued and Paid Bond Yield

Type: *exchange-traded bonds*

Form: *documentary, bearer*

Series: *BO-01*

interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion

ID No.: *4D02-01-32501-D*

ID assignment date: *11.07.2012*

Volume, bonds: *3,000,000*

Face value, RUB: *1,000*

Nominal volume, RUB: *3,000,000,000*

Key information on bond yield:

Type of yield: 1st coupon yield (coupon period: 31.01.2013-01.08.2013);

Yield due per 1 bond: RUB 41.88;

Total yield due on the bond issue: 8.4% p.a. or RUB 125,640,000;

Date due: 01.08.2013

Bond yield payment form: monetary resources;

Total yield paid: RUB 125,640,000.

Yield paid/Total yield due: 100%

Type of yield: 2nd coupon yield (coupon period: 01.08.2013-30.01.2014);

*Yield due per 1 bond: RUB 41.88;
Total yield due on the bond issue: 8.4% p.a. or RUB 125,640,000;
Date due: 30.01.2014
Bond yield payment form: monetary resources;
Total yield paid: RUB 125,640,000.
Yield paid/Total yield due: 100%*

*Type of yield: 3rd coupon yield (coupon period: 31.01.2014 - 31.07.2014);
Yield due per 1 bond: RUB 41.88;
Total yield due on the bond issue: 8.4% p.a. or RUB 125,640,000;
Date due: 31.07.2014
Bond yield payment form: monetary resources;
Total yield paid: RUB 125,640,000.
Yield paid/Total yield due: 100%*

*Type of yield: 4th coupon yield (coupon period: 31.07.2014 - 29.01.2015);
Yield due per 1 bond: RUB 41.88;
Total yield due on the bond issue: 8.4% p.a. or RUB 125,640,000;
Date due: 29.01.2015
Bond yield payment form: monetary resources;
Total yield paid: RUB 125,640,000.
Yield paid/Total yield due: 100%*

*Type of yield: 5th coupon yield (coupon period: 29.01.2015 - 30.07.2015);
Yield due per 1 bond: RUB 41.88;
Total yield due on the bond issue: 8.4% p.a. or RUB 125,640,000;
Date due: 30.07.2015
Bond yield payment form: monetary resources;
Total yield paid: RUB 125,640,000.
Yield paid/Total yield due: 100%*

*Type of yield: 6th coupon yield (coupon period: 30.07.2015 - 28.01.2016);
Yield due per 1 bond: RUB 41.88;
Total yield due on the bond issue: 8.4% p.a. or RUB 125,640,000;
Date due: 28.01.2016
Bond yield payment form: monetary resources;
Total yield paid: RUB 125,640,000.
Yield paid/Total yield due: 100%*

Type of yield: face value

Date due: 28.01.2016

Bonds redeemed: 3,000,000.

Yield paid: RUB 3,000,000,000.

In line with clause 9.2 of the Issuance Decision the maturity is 28.01.2016. The exchange-traded bonds are redeemed at the face value on the 1,092nd since the effective date. Dates of redemption start and end are the same. Last coupon yield is paid at redemption.

Type: *exchange-traded bonds*

Form: *documentary, bearer*

Series: *BO-02*

interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion

ID No.: *4B02-02-32501-D*

ID assignment date: *31.05.2013*

Volume, bonds: *1,600,000*

Par value, RUB: *1,000*

Nominal volume, RUB: *1,600,000,000*

Key information on bond yield:

Type of yield: 1st coupon yield (coupon period: 24.11.2015 - 24.05.2016)

Yield due per 1 bond: RUB 57.74;

Total yield due on the bond issue: 11.58% p.a. or RUB 92,384,000;

Date due: 24.05.2016

*Bond yield payment form: monetary resources;
Total yield paid: RUB 92,384,000.
Yield paid/Total yield due: 100%*

*Type of yield: 2nd coupon yield (coupon period: 24.05.2016 - 22.11.2016)
Yield due per 1 bond: RUB 57.74;
Total yield due on the bond issue: 11.58% p.a. or RUB 92,384,000;
Date due: 22.11.2016*

*Bond yield payment form: monetary resources;
Total yield paid: RUB 92,384,000.
Yield paid/Total yield due: 100%*

Type: *exchange-traded bonds*

Form: *documentary, bearer*

Series: *BO-05*

interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion

ID No.: *4B02-05-32501-D*

ID assignment date: *31.05.2013*

Volume, bonds: *5,000,000*

Par value, RUB: *1,000*

Nominal volume, RUB: *5,000,000,000*

Key information on bond yield:

Type of yield: 1st coupon yield (coupon period: 26.08.2016-24.02.2017)

Yield due per 1 bond: RUB 46.47;

Total yield due on the bond issue: 9.32% p.a. or RUB 232,350,000;

Date due: 24.02.2017.

Bond yield payment form: monetary resources;

Total yield paid: RUB 232,350,000.

Yield paid/Total yield due: 100%.

8.8. Other Information

8.9. Information on RDRs and RDR Issuer

The Issuer has not issued such securities