

**ISSUER'S REPORT  
(QUARTERLY REPORT)**

***Open Joint-Stock Company "Interregional Distribution Grid Company of  
Urals"***

***Issuer Code: 32501-D***

**1 quarter 2020**

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

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

General Director  
Date: 13 May 2020

\_\_\_\_\_ S. G. Dregval  
signature

Chief Accountant  
Date: 13 May 2020

\_\_\_\_\_ N. V. Raskina  
signature

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Interfax business wire: [www.e-disclosure.ru/portal/company.aspx?id=12105](http://www.e-disclosure.ru/portal/company.aspx?id=12105);

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

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## INTRODUCTION

Reasons for a duty to disclose a quarterly report (issuer's 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 Series BO-03-04 exchange-traded bonds (No.4B02-03-32501-D, No.4B02-04-32501-D dd. 31.05.2013) were listed on MICEX and are currently in circulation.***

***On 27 November 2015 Series BO-02 exchange-traded bonds (No.4B02-02-32501-D dd. 31.05.2013) were placed and are currently in circulation.***

***On 26 August 2016 Series BO-05 exchange-traded bonds (No.4B02-05-32501-D dd. 31.05.2013) were placed and are currently in circulation.***

The report contains management's evaluations and forecasts with regard to future events and/or actions, energy sector perspectives and Company's performance, including Company's plans, event and action probability. Investors should not fully rely upon such evaluations and forecasts, as real future performance 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

#### 1. Information on banking institution

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

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

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

TIN: **7702070139**

RCBIC: **046577952**

A/C No.: **40702810228000002693**

C/A No.: **30101810400000000952**

Account type: **operating**

#### 2. Information on banking institution

Full corporate name: **Public Joint-Stock Company Sberbank, Chelyabinsk unit No.8597**

Abbreviated corporate name: **Chelyabinsk unit No.8597 of PAO Sberbank**

Domicile: **14 Ulitsa Kalinina, Chelyabinsk, 454084**

TIN: **7707083893**

RCBIC: **047501602**

A/C No.: **40702810272190122493**

C/A No.: **30101810700000000602**

Account type: **operating**

#### 3. Information on banking institution

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

Abbreviated corporate name: **Western Urals branch of AO GPB**

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

VHH: **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: **Ernst & Young, Limited Liability Company**

Abbreviated corporate name: **OOO Ernst & Young**

Domicile: **77/1 Sadovnicheskaya Naberezhnaya, Moscow, 115035**

TIN: **7709383532**

PSRN: **1027739707203**

Phone: **495.755.97.00**

Fax: **495.755.97.00**

E-mail: **www.ey.com**

Membership in self-regulated auditor organizations

Full corporate name: **SRO Russian Union of Auditors (Association)**

Domicile: **8/2 Petrovsky Pereulok, Moscow, 107031.**

Additional information:

**OOO Ernst & Young is a member of SRO Russian Union of Auditors (Association) (abbreviated corporate name –**

**SRO RSA, registration No.2137799142314, the USRLE entry dd. 03.08.2016).  
OOO Ernst & Young's register position No. 11603050648 (dd. 20 October 2016).**

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)
2018	2018
2019	2019

Factors that may affect the independence of the auditor (audit firm) from the issuer, including material interests binding the auditor (persons serving on audit firm's management and control bodies) with the issuer (persons serving on issuer's management and control bodies): **none**

Interest of the auditor (persons serving on the governing and/or oversight bodies of the auditor) in the issuer's charter capital: **none**

Loans given by the issuer to the auditor (persons serving on the governing and/or oversight bodies of the auditor): **none**

Close business (engagement in promotion of the issuer's produce, joint venture, etc.) or kin relations: **none**

Persons, serving on the issuer's governing and/or oversight bodies, with simultaneous service on the auditor's governing and/or oversight bodies: **none**

Other factors with potential influence on the auditor's independence: **none**

Selection:

Tender conditions:

**The audit of FY2018-2020 financial statements tender (open negotiations without preliminary qualified selection) was conducted on the PAO Rosseti's electronic trading platform. The tender board received bids from OOO Ernst & Young, OOO RSM RUS, AO BDO Yunikon, AO PricewaterhouseCoopers Audit and OOO Nexia Pacioli. The tender's winner was OOO Ernst & Young (Tender Board Minutes dd. 16.04.2018 No.13/595r).**

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 a tender (arranged by the issuer and/or Rosseti). The AGSM approves the auditor (audit firm) of the Company. The May 23, 2019 meeting (Minutes No.13 dated as of 24.05.2019) has approved OOO Ernst & Young as the Company's auditor for 2019. A nominee to be engaged for the audit of consolidated interim financial statements prepared under IFRS is not considered by the AGSM. The auditor had no special assignments.**

Remunerations (determination procedure, amount, etc.):

**The Charter states that the Board of Directors decides on auditor fee amount, with fee and manner of payment stipulated by a contract concluded between the Company and auditor. The auditor fee for the audit of FY2019 financial statements prepared under RAS and IFRS was determined by the Board of Directors on 31.07.2019 (Minutes No.316 dated as of 01.08.19) and totaled RUB 4,462,147.72. In 4Q 2019 the auditor received RUB 1,793,783.37 (payment under the contract on the audit of FY2019 financial statements). In 1Q 2020 the auditor received RUB 481,911.96 (payment under the contract on the audit of FY2019 financial statements). 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 dated as of 07.08.2001). Section 12 states that the audit cannot be performed by:**

- 1) auditors, being 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, with directors and other officers being founders (stockholders) of audited entities, officers,**

*accountants and other persons liable for accounting and financials administration;*

*4) auditor companies, with directors and other officers being 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

*During 12 months prior to the end of the reported quarter the issuer has not engaged appraisers to determine the market value of:*

*securities to be placed and placed securities in circulation with outstanding commitments;*

*property, used to take up securities to be placed or placed securities in circulation with outstanding commitments;*

*property, used as a pledge for collateral bonds to be placed or placed collateral bonds with outstanding commitments;*

*property, used in large-scale transactions and related-party transactions;*

### 1.4. Advisors

*No financial advisors were engaged within 12 months prior to the end of the reported period under the requirements stated in clause 1.4 of Appendix 3 to Bank of Russia's Disclosures by Issuers Regulations dd. 30 December 2014 No. 454-P.*

### 1.5. Signers of the report

Name: **Sergey Georgievich Dregval**

Year of birth: **1971**

Company: **OAo IDGC of Urals**

Position: **General Director**

Name: **Natalya Viktorovna Raskina**

Year of birth: **1974**

Company: **OAo IDGC of Urals**

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 2019	3M 2020
Labor productivity	1,660	1,232
Debt/Equity	0.8	0.89
Long-term debt/ Long-term debt and Equity	0.22	0.34
Income/ Debt	4.97	4.37
Overdue debt, %	0.98	0.85

Performance indicator	2018	2019
Labor productivity	5,302	5,476
Debt/Equity	0.8	0.86
Long-term debt/ Long-term debt and Equity	0.22	0.33



Income/ Debt	1.5	1.16
Overdue debt, %	0.72	0.41

Performance analysis:

**Debt (long-term and short-term)/Equity demonstrates the balance of external and internal funds. 2019 and 1Q 2020 Debt/Equity gained 0.06 and 0.09 YoY respectively. Long-term debt/Long-term Debt and Equity demonstrates the level of long-term funding. 2019 and 1Q 2020 Long-term debt/Long-term Debt and Equity changed insignificantly YoY (0.11 and 0.12 respectively). At the same time Income/Debt ratio, demonstrating the ability of the Company to discharge its short-term liability, is -0.35 and -0.6 YoY respectively. The 2019 and 1Q 2020 ratio was primarily influenced by decreased short-term liabilities.**

## 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 31.12.2019	As of 31.03.2020
Market value	14,356,085,753.75	11,313,504,851.00

Trading institution:

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

## 2.3. Liabilities

### 2.3.1. Borrowings and Payables

31.12.2019

Borrowings:

Mea.unit: **RUB thousand**

Indicators	Value
Long-term borrowings	14,290,724
comprising:	
credits	7,290,724
loans, except bonds	0
bonds	7,000,000
Short-term borrowings	1,610,336
comprising:	
credits	1,527,106
loans, except bonds	0
bonds	83,230
Overall overdue debt	0
comprising:	
credits	0
loans, except bonds	0
bonds	0

Borrowings:

Mea.unit: **RUB thousand**

Indicators	Value
Overall payables	12,299,189
overdue	146,109
comprising	
Budget and state non-budget funds	872,966
Overdue	0

Suppliers and contractors	8,432,056
overdue	5,122
Personnel	503,022
overdue	0
Advances received	1,931,252
overdue	129,282
Debt to founding participants	302,562
overdue	0
Other	257,331
overdue	11,705

Overdue payables.

**Overdue payables as of 31.12.2019 totaled RUB 146,109 thousand. The bulk of overdue payables is formed by advances received amounting to RUB 129,282 thousand, incl. under connection contracts (RUB 119,432 thousand), mainly stemming from filers' disinclination to fulfil liabilities under contracts. Overdue payables decreased RUB 85,276 thousand YTD. Overdue payables contribute 1.2% to the total payables as of 31.12.2019.**

Creditors with at least 10% of overall payables or overall borrowings (long-term and short-term): **none**

31.03.2020

Borrowings:

Mea.unit: **RUB thousand**

Indicators	Value
Long-term borrowings	14,044,628
comprising:	
credits	7,044,628
loans, except bonds	0
bonds	7,000,000
Short-term borrowings	1,822,879
comprising:	
credits	1,617,499
loans, except bonds	0
bonds	205,380
Overall overdue debt	0
comprising:	
credits	0
loans, except bonds	0
bonds	0

Borrowings:

Mea.unit: **RUB thousand**

Indicators	Value
Overall payables	13,105,469
overdue	315,223
comprising	
Budget and state non-budget funds	1,510,271
overdue	0
Suppliers and contractors	8,948,691
overdue	39,355
Personnel	402,811
overdue	0

Advances received	1,965,268
overdue	264,001
Debt to founding participants	23,510
overdue	0
Other	254,918
overdue	11,867

Overdue payables.

**Overdue payables as of 31.03.2020 totaled RUB 315,223 thousand. The bulk of overdue payables is formed by advances received amounting to RUB 264,001 thousand, incl.:**

**- under connection contracts (RUB 146,786 thousand), due to filers' disinclination to fulfil liabilities under contracts;  
- under contracts on relocation of power lines (RUB 115,632 thousand), due to a long period of approval by PAO Uralkalyi and AO Verkhnekamskaya Kaliynaya Kompaniya of additional agreements to prolong performance time under the contracts.**

**Overdue payables contribute 2.4% to the total payables as of 31.03.2020.**

Creditors with at least 10% of overall payables or overall borrowings (long-term and short-term): **none**

### 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**

**Debt on loans and borrowings as of 01.01.2019 totaled RUB 13,894.42 million. In 2019 the debt portfolio of the Company increased to total RUB 15,790.72 million as of 31.12.2019. During 1Q 2020 the Company acquired loans worth RUB 8,047.70 million and repaid loans worth RUB 8,226.63 million, as of 31.03.2020 the debt portfolio totaled RUB 15,611.79 million. As of 31.03.2020 the Company has 43 credit contracts in force. 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. Debt service quality is high. As of 31.03.2020 Series BO-03 and BO-04 ETB were in circulation.**

### 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);
- Performers of risk management measures;
- Internal control and risk management section;
- Internal Audit unit.

**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.**

**Primary activities to improve the RMS in 2020:**

- 1. Upgrade of the Risk Management Policy based on the principles of the COSO concept "Risk Management in Organization. Integration with the strategy and performance efficiency" and ISO31000-2018 "Risk Management. Guidelines".**
- 2. Preparation of the training course on the functioning of the RMS.**
- 3. Development and usage of feedback format for participants of the risk management process to obtain proposals on improvement of the system for risk management and exposure of risks, previously non-identified.**
- 4. Implementation of the guidelines on risk appetite determination, aligned with the development strategy.**
- 5. Identification of the key risk indicators.**
- 6. Update of the risk register, aligned with the Company's development strategy and business goals implementing the strategy.**
- 7. Creation of the expert group to determine the list of current risks.**
- 8. Adaptation of the regulations on the self-evaluation of the RMS efficiency.**
- 9. Improvement of the requirements to the contents of management reports on functioning and maturity of the RMS and management of vital risks.**
- 10. Implementation of the "Risk Management" module into the commercial operation.**

#### **2.4.1. Industry risks**

##### **1) Tariff risks.**

**State policy in tariffs lies in inflation control and stipulates revisions of regulated tariffs for 2017-2019 below actual inflation on the back of advanced wholesale price hikes. This creates a risk of regulators' setting tariffs below economically feasible levels. 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 explosion;**
- 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 Federal Antimonopoly Service of proposals regarding balance parameters for the next year to be approved in the consolidated regional forecast balance of electricity production and supply.**
- 3. Preparation and filing with the Federal Antimonopoly Service of initiatives related to improvement of Russian laws on pricing in the energy sector.**
- 4. Challenging of tariffs set in contravention of the law and infringing Company's rights and legitimate interests in administrative and judicial proceedings.**
- 5. Execution of the cost control program, providing well-balanced planning of operations in line with approved tariff decisions.**
- 6. Cooperation with local authorities on preparation of long-term territorial development programs and approval of funding volumes and resources for Company's investment programs.**
- 7. Discharge of liabilities pursuant to investment and energy efficiency programs.**
- 8. Cooperation with regional tariff regulators on preparation of supporting documents related to required ultimate**

*electricity transmission tariffs.*

#### **2) Reduced supply risk**

*The risk appears as a result of reduced consumption and optimization of external power supply by large consumers.*

*Minimization of consequences:*

- 1. Monitoring of electricity consumption by large consumers that plan to construct and/or acquire generating and alternative facilities, generation of a 12M net supply forecast, adjusted for current electricity consumption.*
- 2. Discussion and approval by consumers of target consumption volumes to be included into next year's contracts and filed with the tariff regulators (with a view to prevent approval of volumes ignoring current consumption dynamics).*

#### **3) Risks related to connection**

*The risks derive from possible deficit of resources to fund activities related to execution of connection contracts; filers' failure to discharge their liabilities related to connection contracts; reduction of maximum capacity in connection requests by filers. These factors may have an adverse impact on connection revenues.*

*Minimization of consequences:*

- 1. Monitoring of requests to be used in generation of next year's forecast demand for connection.*
- 2. The Company polishes its business processes related to processing of connection requests and execution of connection contracts. Thus, we deployed the automated connection control system designed to optimize connection-related procedures for employees.*
- 3. We prepared measures focusing on enhancement of connection efficiency, included into the corporate connection-related roadmap.*
- 4. We prepared control matrices for "Connection" process, stipulating causes of trouble, factors, preventive actions, control procedures and designated persons liable for each connection process stage.*
- 5. We also provide methodological support, incl. arrangement of videoconference calls with branches to discuss issues related to organizational management in units engaged in connection process due to statutory revisions and revealed connection-related faults, opinion of courts and other watchdogs.*
- 6. The Company cooperates with regional tariff regulators providing grounds for inclusion of privileged connection expenses into transmission tariff, as stated by the law.*
- 7. The Company also participates in legislative initiatives promoted by PAO Rosseti and NP TSO Association to cater to the needs of grid companies, to promptly introduce required amendments to eliminate or reduce risks from regulated operations.*
- 8. The Company conducts a tariff campaign focusing on enforcing approval of economically justified connection fees for all kinds of works, subject to statutory regulation.*

#### **4) Risk related to arrears in payments for electricity transmission services (disputed or undisputed overdue receivables) by consumers**

*The risk derives from still evolving mechanisms for stimulation of consumers to pay on time for electricity transmission services and adverse effect of macroeconomic factors (lowered paying capacity of consumers).*

*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, including delay fees.*
- 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).*
- 8. The Company implements Board-approved programs related to perspective development of metering systems on retail energy market in grids.*
- 9. Filing of statements with federal executive bodies, supervisors and watchdogs.*
- 10. Cooperation with Rosfinmonitoring units, court bailiffs service.*
- 11. Filing of reports on persistent non-payers with law enforcements to decide on prosecution methods.*

#### **2.4.2. Federal and regional risks**

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

*The risks derive from lowered economic activity of the regions of operation, increased cost of borrowings, impacted, in its turn, by unstable global environment, international sanctions, downgrade of credit ratings and inflation hikes. These factors may have an adverse impact on Company's revenues and market value.*

**Minimization of consequences:**

**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) Risks related to potential conflicts, announcement of the state of emergency and strikes in the regions**

**The risks may arise from possible illegal interference into Company's performance, incl. terrorist attacks (transnational and national terrorism). These attacks may have an adverse effect on the Company's operations.**

**Minimization of consequences:**

**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). The Company actively collaborates with state agencies and other stakeholders to diminish the influence of these risks. Possibility of a military conflict and announcement of the state of emergency in the country or regions is low. In case of a military conflict the Company may encounter risks when its property, plant and equipment are destroyed. These risks are covered by insurance.**

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

**These risks derive from emergencies as a result of natural disasters (hurricanes, tropical downpours, floods, snow storms, icing, fires, explosions, etc.), disrupting electricity supply and transport connection in the region.**

**Regions of the Company's service area have a developed transport infrastructure and are not exposed to the risks related to transport connection stoppage due to their remoteness and/or inaccessibility.**

**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) Fx risks.**

**An adverse impact on the Company's performance due to changes of Fx rates.**

**Minimization of consequences:**

**Borrowings and payments with customers and suppliers are nominated in Russian currency.**

**But still, in light of possible imported components in goods or equipment purchased by OAO IDGC of Urals, 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.**

**2) Interest rate risks**

**Influence on possible increase of Company's costs related to capital raising to fund its investment programs.**

**Minimization of consequences:**

**Improvement of debt structure depending on current credit conditions; oversight of reciprocal discharge of liabilities on credit contracts in force; monitoring of the debt market during debt-attraction arrangements; auctions and contracts with largest Russian banks, able to credit large sums at moderate rates, diversification of credit ceiling portfolio.**

**3) Inflation-based risks**

**Influence of CPI growth on interest payable, costs, profitability and, as a consequences, financial profile and obligations fulfillment of the Company.**

**Minimization of consequences:**

**1. Operating under inflation conditions the Company has developed the Enhanced Efficiency and Cost-Cutting Program.**

**2. The Company concludes long-term contracts (3-5 years) with fixed prices.**

**2.4.4. Legal risks**

**1) Legal risks**

**Risks related to changes in legislation, court practices on Company's operations and balance of interests of other energy sector players.**

**Minimization of consequences:**

**1. Ongoing improvement of tax calculation methodology and oversight of its compliance with legislation in force.**

**2. All operations undergo compulsory legal pre-examination.**

3. *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.*
4. *Our register is administered by a professional registrar (AO STATUS).*
5. *The Company enforces its strategy related to consolidation of grid facilities on its service area that may increase electricity transmission volumes in the long run.*

#### **2) Compliance risk**

*Risks related to regulator's sanctions as a result of possible non-compliance of Company's operations with legislation, local regulatory documents and other enactments, subject to mandatory compliance.*

*Minimization of consequences:*

1. *The Company monitors legislation and all introduced revisions.*
2. *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.*
3. *Challenging of tariffs set in contravention of the law and infringing Company's rights and legitimate interests in administrative and judicial proceedings.*
4. *The Company regularly conducts compliance control and financial monitoring to manage its reputation.*
5. *The Company has adopted a set of bylaws regulating anti-corruption norms, their evaluation and implementation, settlement of competing interests, whistleblowing statement processing, Corporate Ethics and On-Duty Conduct Code.*
6. *The Company has established a unit liable for anti-corruption monitoring.*
7. *An anticorruption clause is included in all contracts concluded by the Company.*
8. *Expert (anti-corruption) evaluation of procurement participants.*
9. *Corruption whistleblowing hotline.*
10. *Oversight of timely disclosure of the Company's insider information. Inclusion of a section on keeping insider information confidential in contracts under which insider information is to be processed.*

#### **2.4.5. Reputation risks**

##### **Reputation risk**

*The risk may arise from possible failures to discharge liabilities before customers and contractors. The risk may derive from possible loss of effective communications with various target audiences, incl. as a consequence of failures to execute key production plans and discharge liabilities before customers and contractors in full.*

*Minimization of consequences:*

1. *Development of Company's stakeholder-related priorities to define priorities related to reputation management and in-depth analysis of risk management priorities.*
2. *Strict compliance with the Company's Regulations on the Uniform Communications Policy stipulating PR rules.*
3. *Timely response to situations related to technological disturbances in the Company's service area and other production-related upsets.*
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. *Timely disclosure of information as an issuer and natural monopoly.*
7. *Participation in large Russian exhibitions, supported by regional authorities, to arrange efficient dialogue with business partners and form a positive image of the Company.*
8. *Regular oversight of compliance and financial monitoring for reputation management.*
9. *Timely congratulations of authorities, partners and other stakeholders to form a positive image of the Company.*
10. *Arrangement of activities in social media and blogosphere, regular update of Company's accounts on popular web-sites. Special attention is paid to communications with general public and mass media through social media and blogosphere during restoration of power supply after natural disasters. SNS accounts are also used to keep the target audience aware of prevention of injuries from electric equipment, non-contracted and unmetered electricity consumption, connection and power engineer job prestige.*

#### **2.4.6. Strategic risks**

##### **Strategic risk**

*Risk of failure to achieve strategic goals and objectives of the Company due to potential changes in internal and external environment of the Company.*

*Minimization of consequences:*

*Management of strategic risks is interpreted as a totality of actions aimed at implementation of activities and*

*minimization of risks related to the implementation of the energy sector development strategy in light of regional development strategies. As strategic risks impacts the achievement of goals set by the energy sector development strategy and PAO Rosseti's long-term development program, covering also Company's development-related activities, management of the key operating risks and risks of Company's business processes is one of the elements managing strategic risks under the adopted Risk Management Policy.*

#### 2.4.7. Risks related to Company's operations

##### **1) Operating and technological risk**

*Deteriorated reliability of energy supply caused by accidents of natural or technogenic character resulting in equipment faults; high level of equipment with excessive service life; failure to comply with requirements in terms of excess of set values of technological exploitation parameters.*

*Minimization of consequences:*

*The Company takes the following steps:*

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

##### **2) Investment risk**

*Reduction of sources to fund Company's investment programs if its financial profile is deteriorated and, as a result, reduction of revenues from tariffs on the back of non-execution of investment programs. Violation of deadlines for commissioning of facilities from investment programs due to failures to discharge or discharge on time liabilities by contractors and suppliers.*

*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 and funding volumes 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.*
- 4. The Company continues its efforts to align investment plans and territorial development plans. Maximum integration of strategic documents, territorial development schemes, information exchange help optimize terms and price of connection.*

#### 2.4.8. Bank risks

The issuer is not a banking institution.

## 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: **ОАО IDGC of Urals**

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:



**Public Joint-Stock Company Interregional Distribution Grid Company of Siberia (PAO IDGC of Siberia);**  
**Public Joint-Stock Company Interregional Distribution Grid Company of Volga (PAO IDGC of Volga);**  
**Public Joint-Stock Company Interregional Distribution Grid Company of Center (PAO IDGC of Center);**  
**Public Joint-Stock Company Interregional Distribution Grid Company of Center and Volga (PAO IDGC of Center and Volga);**  
**Public Joint-Stock Company Interregional Distribution Grid Company of South (PAO IDGC of South);**  
**Public Joint-Stock Company Interregional Distribution Grid Company of North Caucasus (PAO IDGC of North Caucasus);**  
**Public Joint-Stock Company Interregional Distribution Grid Company of North West (PAO IDGC of North West).**

Additional information required to prevent confusion of the names:

**To prevent confusion attention should be paid to the parts of full and abbreviated corporate names being used to describe the service areas of these companies - Siberia, Center, Volga, South, North Caucasus, Center and Volga, North West regions.**

**The Company's corporate 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) 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 No. 28r dated as of 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: **Leninsky 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 OAO IDGC of Urals was introduced to the United State Legal Entities Register. These merged companies became branches of OAO IDGC of Urals.**

**Mission of OAO IDGC of Urals: 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 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.

**Goals for 2020:**

1. Prevention of industrial injuries, minimization of injuries suffered by outsiders.
2. Enforcement of reliability and quality of service indicators set by the regional regulators.
3. Connection of consumers, ready to be connected to the Company’s networks, in a timely manner.
4. Implementation of the roadmap related to realization of the Digital Transformation 2030 Concept.
5. Prevention of rescheduling of activities, envisaged by the annual maintenance and repair program, due to the lack of materials.
6. 2% YoY cuts of operating expenses (in comparable conditions), adjusted for equipment quantity.
7. Increase of own gross revenue requirement against actual 2018 GRR.
8. At least 95% accomplishment of the investment-program-facility launch index.
9. Enforcement of energy efficiency by:
  - securing in-process energy consumption at a maximum of 7 % of total supply;
  - cutting consumption for economic needs by 3% against FY2018 base numbers;
  - reducing consumption of engine fuel by motor transport and special-purpose vehicles by at least 2% against FY2018 real numbers (in comparable conditions), adjusted for the number of motor transport and special-purpose vehicles and volumes of transportation.
10. 100% accomplishment of the purchase program during the given period (factoring in adjustments of the Company’s production programs).
11. Keeping staffing levels for production personnel at 97%.
12. Completion of the “Filed/Accepted proposals for technical improvement and efficiency proposals” ratio.
13. Lowering of negative environmental impact through 100% execution of the environmental strategy.

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

- Reliability and quality of service targets achieved;
- Share of late connection contracts (incl. those with gridco’s fault) reduced by 1%;
- In-process energy consumption is 6.58% ( $\leq 7\%$ ) of total supply;
- 2% cuts of opex against the 2018 numbers.

To achieve the strategic goals, set for 2020 and beyond, we intend to:

- Prevent injuries suffered by the personnel and outsiders through the Company’s fault and mistakes and wrongful actions of the personnel;
- Enforce fulfilment of reliability and quality of service indicators;
- Implement the 2020-2030 Digital Transformation Program;
- Cut operating expenses by 2% YoY (in comparable conditions), adjusted for equipment quantity;
- Increase the FY2020 revenues against the FY2019 figures, incl. by increasing revenues from additional (non-tariff) services by 2% on FY2019;

Promote efficient consumption of energy resources by securing in-process energy consumption, reducing consumption for economic needs and reducing consumption of engine fuel by motor transport and special-purpose vehicles.

As for the achievement of strategic priorities, the Company has defined targets for FY2020 revenue growth, incl. grown revenues from additional (non-tariff) services, as well as prepared and adopted:

- The 2020-2030 Digital Transformation Program;
- The 2016-2020 Innovation Development Program to be potentially extended till 2025 and mid-term implementation roadmap for 2019-2021;
- The 2020-2024 Integrated Development Program;
- The 2018-2022 Investment Development Program;

- **The 2020-2024 Enhanced Operating Efficiency and Cost-Cutting Program.**

**The Company's priority implementation benchmarks are the build-up of a unified network area in the areas of the Company's presence through consolidation of municipal grids, extensive renovation of networks, more significant energy saving, application of energy-efficient technologies, set up of the smart electricity distribution system, establishment of efficient asset management and optimal environment for reliable and safe energy supply, transition to the networks of new technological patterns with completely new characteristics of reliability, efficiency, accessibility, controllability and customer-friendliness.**

**The long-term Digital Transformation Program stipulates changes in the process logic and transition to risk-oriented management based on digital technologies and big data analysis. A direct impact on the completion of the Company's strategic goals shall be regarded as the key objectives of digital transformation:**

- 1. Company's adaptability to new objectives and challenges.**
- 2. Improvement of reliability of supply (4% reduction of Saidi and 2% reduction of Saifi).**
- 3. Enhancement of Company's efficiency (0.5% increase of economic efficiency by employee headcount optimization and improved labor productivity).**
- 4. Improvement of accessibility of grid infrastructure.**
- 5. Development of human resources and new expertise.**
- 6. Business diversification through realization of additional services.**

#### 3.1.4. Contacts

Postal address: **140 Ulitsa Mamina Sibiryaka, Yekaterinburg, Russia, 620026**

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

Tel: **343.293.26.00, 343.293.26.85**

Fax: **343.293.25.84**

E-mail: **delo@rosseti-ural.ru**

Web-sites:

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

Official web-site: **http://www.mrsk-ural.ru/disclosure/issuer/**

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

Department's location: **Room 617, 140 Ulitsa Mamina Sibiryaka, Yekaterinburg, Russia, 620026**

Tel: **343.293.26.85, 343.293.26.65, 343.293.26.58**

Fax: **343.293.25.84**

E-mail: **ir@rosseti-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 OAO IDGC of Urals**

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

Opened: **30.04.2008**

Head of the branch (representative office)

Name: **Andrey Rudolfovich Melnikov**

Proxy expires on: **31.12.2020**

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

Location: **48 Komsomolskiy Prospekt, Perm, 614990**

Opened: **30.04.2008**

Head of the branch (representative office)

Name: **Vadim Anatolyevich Loktin**

Proxy expires on: **31.12.2020**

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

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

Opened: **30.04.2008**

Head of the branch (representative office)

Name: **Sergey Mikhailovich Zolotarev**

Proxy expires on: **31.12.2020**

## 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	2018	2019
Revenues from this line of business activity, RUB thousand	67,896,856	70,083,635
Share in total revenues of the Issuer, %	75.76	74.53

Indicator	3M 2019	3M 2020
Revenues from this line of business activity, RUB thousand	16,814,498	20,511,430
Share in total revenues of the Issuer, %	57.62	99.05

Significant y-o-y changes in revenues (10% and more) and causal factors

**3M2020 revenues from electricity transmission totaled RUB 20,511.4 million, contributing 99.1% to the total revenues (+22% YoY). Absolute increase is RUB 3,696.9 million. Revenue growth was affected by the specificities of accounting in joint operations dealing with electricity transmission and PoLR functions in 2019, namely: recognition of electricity transmission net component (RUB 4,361.3 million) in revenues from electricity sales. In comparable conditions, our revenues from electricity transmission lost RUB 664.4 million due to a 777.8 million kWh decrease of net supply in 1Q2020.**

Line of business activities: **Technological connection**

Indicator	2018	2019
Revenues from this line of business activity, RUB thousand	743,616	782,852
Share in total revenues of the Issuer, %	0.83	0.83

Indicator	3M 2019	3M 2020
Revenues from this line of business activity, RUB thousand	95,212	80,178
Share in total revenues of the Issuer, %	0.33	0.39

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

Line of business activities: **Electricity sales**

Indicator	2018	2019
Revenues from this line of business activity, RUB thousand	20,537,639	22,805,566
Share in total revenues of the Issuer, %	22.91	24.25

Indicator	3M 2019	3M 2020
Revenues from this line of business activity, RUB thousand	12,212,758	0
Share in total revenues of the Issuer, %	41.85	0

Significant y-o-y changes in revenues (10% and more) and causal factors

**OAO IDGC of Urals has ceased its electricity sales activities in 2020 in compliance with the Russian Ministry of Energy Decrees. On 01.07.2019 the PoLR status was assigned to OOO Uralenergosbyt, as stated in Ministry of Energy Decree dd. 03.06.2019 No.557. On 01.10.2019 the PoLR status was assigned to AO Nizhny Tagil Energy Sales Company, as stated in Ministry of Energy Decree dd. 09.09.2019 No.952. On 01.10.2019 the PoLR status was assigned to AO United Thermal Energy Company, as stated in Ministry of Energy Decree dd. 19.09.2019 No.1001.**

**The FY2019 revenues totaled RUB 94,042 million (+RUB 4,417 million or 4.9% YoY). Revenues from electricity transmission totaled RUB 70,084 million (+RUB 2,187 million or 3.2% YoY), the increase impacted by the change in the Chelyabenergo's "pie" scheme from 01.07.2018 due to the cancellation of OOO AES Invest's individual tariffs as well as by the grown 2019 average tariff. Revenues from electricity sales totaled RUB 22,805 million (+RUB 2,268 million or +11% YoY), the hike resulting from the grown WEM average weighted non-regulated price and increased electricity sales.**

**The Ministry of Energy Decrees (dd. 23.03.2018 No.180, dd. 25.06.2018 No.497, dd. 25.07.2018 No. 595 on assignment of the PoLR status to a RGO) have assigned OAO IDGC of Urals the PoLR status on the former service areas of AO Roskommunenergo in the Sverdlovsk region (01.04.2018 - 01.10.2019), of PAO Chelyabenergosbyt in the Chelyabinsk region (01.07.2018 - 01.07.2019) and OOO Novouralsk Energy Sales Company (01.08.2018 - 01.10.2019). The FY2019 expenses, incl. administrative and commercial costs, totaled RUB 88,000 million (+RUB 5,835 million or 7.1% YoY), the rise mainly affected by increased non-influenceable costs, namely payments to gridcos due to the change in the "pie" scheme in the Chelyabinsk region, as well as expenses on purchased electricity for sales due to grown WEM volumes of purchased energy.**

**The FY2019 net income totaled RUB 2,155 million (+RUB 1,357 million YoY), the increase impacted by the grown 2019 balance of miscellaneous income and expenses, compared to 2018, due the bad debt reserve created in 2018 to cover the debt of AO Roskommunenergo, PAO Chelyabenergosbyt and OOO NUESK, as they ceased to be providers of the last resort. By the YE2019, the bad debt reserve was lowered.**

#### **Operating efficiency and cost cutting**

**The Company's Enhanced Operating Efficiency and Cost Cutting Program for 2019-2023 has been adopted by the Board of Directors (Minutes dd. 22.03.2019 No.297). The target value of opex reduction is at least 2% on the previous year. The primary goal of the program is arrangement of non-stop enhancement of reliability of supply and quality of services with simultaneous reduction of opex and improvement of end-to-end performance. Cost-cutting activities affect influenceable and non-influenceable costs, primarily, compensation of electricity losses.**

**The program's key opex-reducing directions:**

- 1. Increase of efficiency of the process liable for control over maintenance and repair of equipment, buildings and facilities. Implementation of breakthrough technologies and innovations.**
- 2. Improvement of efficiency of working capital management:**
  - optimization of overdue receivables;
  - optimization of inventories;

- *optimization of current liabilities.*
  - 3. *Improvement of efficiency of fixed assets management.*
  - 4. *Increase of efficiency of control over purchases and supply chains:*
    - *reduction of purchase prices for all types of procurements;*
    - *minimization of the share of imported equipment and materials;*
    - *optimization of supply costs with regard to operating and investing activities.*
  - 5. *Improvement of organizational and functional structure, optimization of headcount, personnel incentive and remuneration systems.*
  - 6. *Enhancement of energy efficiency:*
    - *reduction of electricity losses.*
  - 7. *Investment activities:*
    - *Reconstruction performed under the investment program to optimize transformer load.*
- By the year-end, the Company has achieved the target value of annual reduction of actual per-unit operating expenses.**

Overall expense structure

Indicator	2018	2019
Raw materials and supplies, %	1.43	1.57
Purchased component parts, semi-finished inventory, %	0.22	0.15
Production works and services rendered by external companies, %	0.68	1.03
Fuel, %	0.53	0.54
Energy, %	0.36	0.35
Wages, %	10.32	10.03
Interest payable, %	0	0
Rental payments, %	0.71	0.72
Social benefits, %	3.05	2.97
Fixed assets depreciation, %	6.61	6.53
Taxes included into product costs, %	1.09	1.09
Other expenses	75	75.02
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	25.78	25.78
Payments to grid companies	26.27	26.27
Total: expenses on production and sale of goods (works, services), %	100	100
For information: Revenue from services	112.03	109.99

Indicator	3M 2019	3M 2020
Raw materials and supplies, %	0.67	0.97
Purchased component parts, semi-finished inventory, %	0.12	0.2
Production works and services rendered by external companies, %	0.45	0.56
Fuel, %	0.41	0.58
Energy, %	0.46	0.75
Wages, %	7.22	11
Interest payable, %	0	0
Rental payments, %	0.53	1.16
Social benefits, %	2.24	3.41
Fixed assets depreciation, %	5.35	7.92
Taxes included into product costs, %	0.9	1.28
Other expenses	81.65	72.17

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	16.37	21.7
Payments to grid companies	23.18	30.71
Total: expenses on production and sale of goods (works, services), %		17.88
For information: Revenue from services	100	100
Raw materials and supplies, %	115.01	110.31

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

2019

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

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

Domicile: **Yekaterinburg, Russia**

TIN: **6674335237**

PSRN: **1096674014051**

Share in overall supplies, %: **9**

Full company's trade name: **OOO AB-ENERGO**

Domicile: **Omsk, Russia**

TIN: **5501230170**

PSRN: **1105543039018**

Share in overall supplies, %: **18**

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

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

3M 2020

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

Full company's trade name: **OOO AB-ENERGO**

Domicile: **Omsk, Russia**

TIN: **5501230170**

PSRN: **1105543039018**

Share in overall supplies, %: **13**

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

Domicile: **Yekaterinburg, Russia**

TIN: **6674335237**

PSRN: **1096674014051**

Share in overall supplies, %: **11**

Full company's trade name: **OOO NEVA-ENERGO**

Domicile: **Omsk, Russia**

TIN: **5507257387**

PSRN: **1175543031696**

Share in overall supplies, %: **13**

Full company's trade name: **AO FPG Energokontrakt**

Domicile: **Moscow, Russia**

TIN: **7703268269**

PSRN: **1027739479404**

Share in overall supplies, %: **10**

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:

**The issuer operates in Russia: in the Sverdlovsk and Chelyabinsk regions (the Urals Federal District) and Perm region (the Volga Federal District). The Company is a natural monopolist with state-regulated transmission and connection tariffs that occupies a dominant position on local market.**

**In 2019, the Company's GRR-based share of the electricity transmission market totaled 80.9%, RGO's share being 19.1%. The Company increased its GRR-based share partly owing to implementation of the strategy regarding grid asset consolidation in the Company's area of service.**

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; 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 (issuer's 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. The issuer has no controlled entities operating in mining industries.**

### 3.2.8. Additional Requirements to Telecom Industry Issuers

**Telecom services are not the core lines of operations of the issuer.**

## 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 for Development of the Russian Electric Grid Complex (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 2030 (compared to 2017 figures).**

**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 the PAO Rosseti Group***

Participation: ***termless***

Functions:

***As a subsidiary company of the PAO Rosseti Group (former names: Russian Grids, MRSK Holding) the Issuer plays an important role in the Russian energy industry (in the 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 PAO Rosseti 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.***

Group/Holding Name: ***All-Russia Industrial Association of the Energy Sector Employers (RAEL Association)***

Participation: ***termless***

Role and Functions: ***a member of the organization***

Group/Holding Name: ***Nonprofit Partnership of Regional Grid Operators (Association NP TSO)***

Participation: ***termless***

Role and Functions: ***a member of the organization***

Group/Holding Name: ***Nonprofit Partnership Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market (Association NP Market Council)***

Participation: ***termless***

Role and Functions: ***a member of the organization***

Group/Holding Name: ***Self-regulatory Organization Urals Association of Developers***

Participation: ***termless***

Role and Functions: ***a member of the organization***

Group/Holding Name: ***Self-regulatory Organization Urals Association of Surveyors***

Participation: ***termless***

Role and Functions: ***a member of the organization***

Group/Holding Name: ***Chelyabinsk Regional Employers' Association Union of Industrialists and Entrepreneurs***

Participation: ***termless***

Role and Functions: ***a member of the organization***

### 3.5. Controlled Companies of Significant Importance

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

Abbreviated name: ***AO EESK***

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 (chair)	0.034313	0.034313
Vladimir Anatolyevich Bolotin	0	0
Aleksandr Anatolyevich Kovalchik	0	0
Alla Aleksandrovna Petrova	0	0
Maksim Mikhailovich Saukh	0	0
Sergey Viktorovich Chistov	0	0
Dmitry Vladimirovich Vyalkov	0	0
Natalya Aleksandrovna Ozhe	0	0
Tatyana Aleksandrovna Ivanova	0	0

Sole executive body

Name	Share in the Charter Capital owned by the person, %	Share of ordinary shares owned by the person, %
Andrey Rudolfovich Melnikov	0	0

Collegiate executive body: *N/A*

**The Company's Board of Directors was elected by the Annual General Meeting of Stockholders on 18.06.2019 (Minutes No.33 dated as of 19.06.19). The CEB contract between the Company and AO EESK ceased to be effective on 30.06.2019 due to its expiration. From 01.07.2019 AO EESK is headed by Andrey Rudolfovich Melnikov.**

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

Abbreviated name: **AO EES**

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, %
Sergey Georgievich Dregval	0.034313	0.034313
Yuri Petrovich Shevelev	0	0
Valentina Mikhailovna Shcherbakova	0	0
Natalya Aleksandrovna Ozhe	0	0
Alla Aleksandrovna Petrova	0	0
Aleksandr Anatolyevich Kovalchik	0	0
Dmitry Vladimirovich Sokolov	0	0
Irina Yuryevna Mishina	0	0

Aleksandr Mikhailovich Pyatigor (chair)	0	0
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Sole executive body:

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*

**The Company's Board of Directors was elected by the Annual General Meeting of Stockholders on 18.06.2019 (Minutes No.18 dated as of 19.06.19).**

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

31.12.2019

Mea.unit: **RUB thousand**

Fixed assets	Initial (replacement) value	Depreciation
Land plots	97,491	0
Buildings	9,339,958	-4,454,464
Facilities, except power lines	3,647,454	-1,479,630
Lines and Equipment	62,636,184	-34,684,370
Power vehicles and equipment producing energy, equipment transforming energy	65,093,917	-44,408,995
Furniture and production equipment	187,449	-157,982
Other fixed assets	2,935,518	-1,907,568
<b>TOTAL</b>	<b>143,937,971</b>	<b>-87,093,009</b>

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

Reported period: **31.12.2019**

31.03.2020

Mea.unit: **RUB thousand**

Fixed assets	Initial (replacement) value	Depreciation
Land plots	97,491	0
Buildings	9,346,916	-4,510,893
Facilities, except power lines	3,645,717	-1,515,769
Lines and Equipment	62,939,045	-35,314,872
Power vehicles and equipment producing energy, equipment transforming energy	66,080,054	-45,093,145
Furniture and production equipment	188,181	-159,518
Other fixed assets	2,971,129	-1,977,679
<b>TOTAL</b>	<b>145,268,533</b>	<b>-88,571,876</b>

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

Reported period: **31.03.2020**

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

Future Plans for fixed assets: **The issuer has no plans to acquire, replace or retire fixed assets worth 10% or more of fixed asset value during 2020. 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	2018	2019
Net margin, %	0.9	2.3
Asset turnover rate, times	1.25	1.22
Return on assets, %	1.1	2.8
Return on equity, %	2	5.3
Uncovered loss as of the reported date	0	0
Uncovered loss as of the reported date/ balance value, %	0	0

Indicator	3M 2019	3M 2020
Net margin, %	3.8	2.5
Asset turnover rate, times	0.39	0.26
Return on assets, %	1.5	0.7
Return on equity, %	2.7	1.3
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 2.5% in 1Q 2020 and 2.3% in 2019. 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. 1Q 2020 and 2019 ratios are 0.26 and 1.22 times respectively. Return on assets characterizes the efficiency of asset use to obtain profit. Besides, this indicator shows average yield for all capital resources. 1Q 2020 and 2019 ratios are 0.7% and 2.8% respectively. Return on equity demonstrates the level of profitability of the equity capital. Positive ROE shows Company's performance yield. 1Q 2020 and 2019 ratios are 1.3% and 5.3% 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	2018	2019
Net working capital		
Current liquidity ratio	0.59	0.65
Quick ratio	0.54	0.61
Leverage ratio	0.8	0.86
Equity-Assets ratio	3.31	0.54

Indicator	3M 2019	3M 2020
Net working capital		
Current liquidity ratio	0.67	0.68
Quick ratio	0.61	0.61
Leverage ratio	0.8	0.89
Equity-Assets ratio	2.91	0.53

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. 2019 and 1Q 2020 current liquidity ratio outperformed 2018 and 1Q 2019 figures (0.07 and 0.02 respectively). 2019 quick ratio outperformed 2018 figures (0.07) and equals 1Q 2019 figures (0.0). Indicator positivity was driven by decreased short-term liabilities. Leverage ratio is an instrument for financial analysis and is calculated as a Debt/Equity ratio. The ratio is one of the most important indicators of the company's financial soundness. The ratio is calculated with the usage of accounting (financial) statements (line 1400 F1 + line 1500 F1)/ line 1300 F1.**

**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. The ratio is calculated with the usage of accounting (financial) statements (line 1300 F1 – line 1320 F1 + line 1530 F1)/(line 1100 F1 + line 1200 F1). 2019 and 1Q2020 leverage ratio outperformed 2018 and 1Q2019 figures (+0.06 and +0.09, respectively). ). 2019 and 1Q2020 Equity/Assets ratio underperformed 2018 and 1Q 2019 figures (-0.02 and -0.02, respectively). Management deems that the Company is fully capable to discharge its liabilities without losing its financial stability.**

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

31.12.2019

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: **PAO Lenenergo**

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: **3,363,005**

Mea.unit: **RUB thousand**

**Pursuant to Art. 7 of the OAO Lenenergo 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. 08, 2018 the Annual General Meeting decided to pay RUB 0.1366 and RUB 13.4682 as FY2017 dividends on common and preferred shares respectively. Payment deadlines: i) maximum 10 business days after the record date for nominal holders and trustees, being professional participants of securities market; ii) maximum 25 business days after the record date for other registered stockholders.**

Additional information:

Private securities

**None.**

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.**

31.03.2020

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: **PAO Lenenergo**

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: **3,188,013**

Mea.unit: **RUB thousand**

**Pursuant to Art. 7 of the OAO Lenenergo 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. 18, 2019, the Annual General Meeting (Minutes No.1/2019 dd. 21.06.2019) decided to pay RUB 0.0352 and RUB 11.1364 as FY2018 dividends on common and preferred shares respectively. Payment deadlines: i) maximum 10 business days after the record date for nominal holders and trustees, being professional participants of securities market; ii) maximum 25 business days after the record date for other registered stockholders.**

Additional information:

Private securities

**None.**

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

31.12.2019

Mea.unit: **RUB thousand.**

Intangible assets	Initial (replacement) value	Depreciation
Patent, Trademarks	93	-79
Corporate Web-site (recognized in financial statements since 04.09.2014)	408	-214
Software for evaluation of compliance of technical solutions in RPA and ACS on Connection	11,999	-2,400
Smart Consumer School interface	155	-85
TOTAL	12,655	-2,778

Reporting Standards: **Intangible assets are recorded in line with PBU 14/2007 (Decree of the Ministry of Finance No.153n dd. 27.12.2007). R&D works are recorded in line with PBU 17/02 (Decree of the Ministry of Finance No. 115n dated as of 19.11.2002). Depreciation is linear and based on the useful life of intangible assets.**

Reported period: **31.12.2019**

31.03.2020

Mea.unit: **RUB thousand.**

Intangible assets	Initial (replacement) value	Depreciation
Patent, Trademarks	93	-79
Corporate Web-site (recognized in financial statements since 04.09.2014)	408	-224
Software for evaluation of compliance of technical solutions in RPA and ACS on Connection	11,999	-3,000
Smart Consumer School interface	155	-93
TOTAL	12,655	-3,396

Reporting Standards: **Intangible assets are recorded in line with PBU 14/2007 (Decree of the Ministry of Finance No.153n dd. 27.12.2007). R&D works are recorded in line with PBU 17/02 (Decree of the Ministry of Finance No. 115n dated as of 19.11.2002). Depreciation is linear and based on the useful life of intangible assets.**

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

*Basic principles of strategic development include securing of network reliability, improvement of performance efficiency and enforcement of network safety (environment, cybersecurity and staff safety).*

*As a part of the strategic development priorities, the Company enforces strict compliance with statutory and other requirements, accessibility of information and provides resources required to fulfil the following obligations:*

- *To serve consumers' interests;*
- *To create safe working conditions;*
- *To protect environment;*
- *To make rational use of energy resources.*

*The new strategy of the Rosseti Group defining goals and directions of development towards 2030 was adopted in December 2019. Transition to the business model of modern innovative infrastructure is the key change in operations of the Rosseti Group. Fostering further enhancement of performance efficiency stimulating the industry growth as well as provision of reliability, quality and accessibility of the infrastructure in digital environment are among the key strategic priorities. Balancing the interests of all parties (state, consumers, shareholders, investors) and development of new business directions receive utmost attention. The goals and objectives are expected to be achieved through key directions of the implemented strategy:*

- *Technological and innovative development;*
- *Digital transformation;*
- *Diversification of business;*
- *Enhancement of operating and investment efficiency;*
- *Promotion of legal initiatives;*
- *Development of international activity, human resources, etc.*

*As the minutes of the meeting (No.1 dd. 17.02.2020) state, the meeting decided to revise the Policy and adopt it by the Executive Board in 1Q2020. The Policy is expected to be changed in terms of commitments to holistic modification and improvement of the business through implementation of digital technologies and expansion of service areas as well as in terms of commitments to creation of safe and comfortable working conditions for employees.*

*The Company's goals for 2019 were formulated with consideration of unattainable goal risks, key operating risks and risks of primary and minor business operations, to comply with:*

*1. Strategic priorities, stipulated by the Strategy for Development of the Russian Electric Grid Complex (Section 1, subsection 1-4), approved by the Russian Government Decree dd. 03.04.2013 No. 511-r.*

*1) Long-term provision of reliable, high-quality and accessible electricity supply:*

- *Connection of new consumers in a statutory manner;*
- *Maintenance of the grid infrastructure and creation of the equipment health evaluation system;*
- *Renovation and greenfield construction of grid facilities in compliance with the regional development plans on the Company's service area.*

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

- *Oversight of equipment compliance with existing regulatory and technical documentation and Company's bylaws;*
- *Use of cutting-edge monitoring and diagnostics systems to check the technical condition of equipment;*
- *Deployment of modern technical and technological systems facilitating fault location and non-fault area recovery;*
- *Implementation of long-term target programs to improve performance of the Company's equipment as a part of the production and investment programs;*

*3) Deployment of the most efficient grid infrastructure, compliant with global standards:*

- *Use of innovative equipment and materials;*
- *Reduction of commercial electricity losses in the networks by installing modern smart meters;*
- *Reduction of in-process electricity losses in the networks by optimizing network configuration and using energy-efficient equipment and materials;*
- *Enforcement of international standards on quality, industrial safety, environment protection and energy-efficiency ISO 9001, ISO 14001, ISO 45001, ISO 50001.*

*4) Energy tariffs, affordable for the Russian economy and fostering investment prospects.*

- *Reduction of RGO fragmentation and strengthening of control over them;*
- *Gradual decrease of cross subsidization;*
- *Orientation to prioritized reduction of opex, losses, and enhanced efficiency of all stages of investment process.*

*2. Figures of the Company's revised business plan for 2019 and business plan for 2019-2023.*

*3. C-Level KPI system of the Company.*

*4. RK ISM-MRSK-01-2018 "OAO IDGC of Urals' Integrated Management System Guidelines", namely:*

- *Focused on meeting consumers' requirements and must improve overall performance;*
- *Measurable during given periods;*
- *Compliant with the Policy of the Company and set in line with the Policy's priorities;*
- *Compliant with the principle of continual improvement;*

- Set with the possibility of achievement in mind;
- With established timelines, incl. for goal achieving activities;
- Confirmed by all relevant stakeholders.

To implement single technical and technological requirements, enforcing reliability and efficiency of grid complex exploitation as well as designed to solve tasks under the 2030 Digital Transformation Concept, the single technical regulations on network exploitation (PAO Rosseti's Regulations on the single technical policy in the grids or STP) were adopted:

- by the PAO Rosseti's Board of Directors (Minutes dd. 08.11.2019 No.378);
- by the OAO IDGC of Urals' Board of Directors (Minutes dd. 30.12.2019 No.335) as a Company's bylaw.

To roll-out the system overseeing compliance with the STP, the Company:

- took the Regulations on the STP as the guide, assigned instructions to meet STP requirements, arrange STP compliance control and bring in compliance with the STP its conceptual, regulatory, strategic bylaws and plans;
- revised and adopted the Amended and Restated Arrangement of Project Activity Regulations (RG MRSK-DTRiEnEf-06-2018, adopted by Decree dd. 28.12.2018 No.638 with due consideration of revisions introduced by Decrees dd. 12.11.2019 No.500, dd. 23.12.2019 No.568);
- issues annual exploitation decrees, under which technical teams review repair programs and approve equipment and materials to be acquired through centralized purchases.

In 2019, greenfield construction and reconstruction under the Company's investment development program was implemented in compliance with the STP.

#### 4.6. Analysis of Trends

Key trends determining the directions for Russian grids development (according to the Strategy for Development of the Russian Electric Grid Complex 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%, with 7% of grids working 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.

The Company develops and upgrades its grids in compliance with the OAO IDGC of Urals' 2016-2020 Innovation Development Program to be potentially extended till 2025, adopted by the Company's Board of Directors (Minutes No.224 dd. 28.04.2017). The IDP defines and structures the Company's innovation activities, designing activities related to scientific, technical, technological and innovation development. Innovation projects and mid-term activities are presented in the mid-term IDP implementation plan. Key innovations directions of the IDP are:

- transition to 35-110 (220) kV digital substations;
- transition to digital smart grids with distributed intelligent automation and control system;
- transition to end-to-end performance of business processes and automation of control systems;
- application of the latest technologies and materials;
- R&D;
- HR development and educational partnerships.

#### 4.7. Analysis of Factors Affecting Operations

The electricity sector of the areas of the Company's presence evolves in line with the relevant regional schemes for development of the energy complex (RSDEC), generated in compliance with the Government Decree dd. 17.10.2009 No.823 on schemes and programs of perspective development of the energy complex, with due consideration of development plans of all market participants and load increase forecasts.



*The RSDEC of the Perm region is developed by the interagency council liable for the development of the energy sector of the Perm region, arranged by the Ministry of Construction and Utilities of the Perm region under Decree of the Chair of the Perm Government dd. 24.06.2016 No.93-pp. The council's membership includes representatives from our Permenergo branch. The RSDEC of the Sverdlovsk region is developed by the expert group under the Ministry of Energy and Utilities of the Sverdlovsk region in line with Decree of the Ministry of Energy and Utilities of the Sverdlovsk region dd. 28.03.2016 No.57. The group's membership includes representatives from our Sverdlovenergo branch and HQ. The RSDEC of the Chelyabinsk region is developed by the Ministry of Tariff Regulation and Energy of the Chelyabinsk region. A RSDEC draft, once generated, is approved by the coordination council. The council's membership includes representatives from our Chelyabenergo branch (Decree of the Chelyabinsk Government dd. 18.04.2016 No.181-rp).*

*In 2019, the authorities of the Perm, Sverdlovsk and Chelyabinsk regions have prepared and approved the schemes and blueprints for development of the energy sector for 2020-2024 (Decree of the Perm Governor dd. 29.04.2019 No.54; Decree of the Sverdlovsk Governor dd. 26.04.2019 No.214-UG; Decree of the Chelyabinsk Governor dd. 30.04.2019 No.561-r).*

*Besides, in an effort to optimize plans on development of the grid sector, in 2019 OAO IDGC of Urals contracted Vega Group's Engineering & Marketing Center and OOO MEI Engineering Center to revise the Integrated 35+kV Network Development Program for 2019-2023, adjusted for 2020-2024. The Program's materials, incl. baseline data on existing capacity utilization and proposals on its increase, as well as proposals on Company's nominees to be included into working groups, dealing with crafting of the schemes and blueprints for development of the energy sector for the next period, have been filed with the regional authorities to be used in the production of the schemes and programs for development of the energy complex for the next period (letters dd. 20.12.2019 No. PE/01/21/7395, dd. 25.12.2019 No. SE/01/21/9984, dd. 19.12.2019 No. SE/01/21/9757, dd. 10.12.2019 No. ChE/01/7815, dd. 27.12.2019 No. ChE/01/21/8208).*

#### 4.8. Peers

*The Company is a natural monopoly with state-regulated electricity transmission and connection tariffs and a dominant position on the service area. Consumption increase and connection of new consumers triggers the market expansion. 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.*

*OAO IDGC of Urals consolidates grid assets to shape a united grid area on the territory of the Company's operations helping create a single point of responsibility for reliable and high-quality electricity supply and providing additional possibility to connect new consumers to the consolidated networks. Primary means of grid asset consolidation are:*

- For non-commercial organizations and individuals: donation agreements. Conditions of grid asset transfer are very simple for a filer, transfer applications may be accepted in electronic form through the corporate web-site. Volume of donated grid assets in 2019 totaled 340 c.u.;*
- For commercial organizations (developers, industrial enterprises, etc.): acquisition of grid assets on account of debt repayment on contracts regarding on-line maintenance and other services (206 c.u.);*
- Acceptance of no-man's grid assets under court decisions (240 c.u.).*

## 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 clause 9.1., Art. 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. Executive Board, a collegiate executive body*
- 4. General Director, sole executive body*

*The competence of general shareholder meeting is stated in Art. 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 Art. 83 of the Federal Joint-Stock Companies' Law;
  - 17) Decision-taking on approving major transactions in cases envisaged by Art. 79 of the Federal Joint-Stock Companies' Law;
  - 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 Joint-Stock Companies' Law.
- 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 Joint-Stock Companies' Law.

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

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

The following issues shall pertain to the BoD reference:

- 1) Definition of the Company's priorities and development strategy;
- 2) AGM and EGM convention, except for the cases specified in clause 14.8., Art. 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 items 2, 5, 7, 8, 12-20, clause 10.2, Art. 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 Joint-Stock Companies' Law, as well as solving issues stipulated by items 11, 22, 38, clause 15.1., Art. 15 hereof;
- 10) Acquisition of the outstanding shares, bonds and other securities in cases stipulated by the Federal Joint-Stock Companies' Law;
- 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 Joint-Stock Companies' Law;
- 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 Joint-Stock Companies' Law;
- 25) Approval of transactions set forth by Article XI of the Federal Joint-Stock Companies' Law;
- 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 Joint-Stock Companies' Law, the present Charter and special BoD resolutions;
- 47) Approval of a financial advisor candidate, hired in accordance with the Federal Securities Market Law, 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 Joint-Stock Companies' Law and 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 Art. 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 item 36, 37 clause 15.1., Art. 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 item 38, clause 15.1 hereof);*
- 8) *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.122 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 May 23, 2019 Annual General Meeting of Stockholders has adopted the Amended and Restated Regulations on the General Meeting of Stockholders, Board of Directors and Executive Board. All bylaws regulating governing bodies of the issuer are disclosed on the corporate web-site at <http://www.mrsk-ural.ru/company/documents/>.**

## 5.2. Management Bodies

### 5.2.1. Board of Directors

Name: **Yuri Vladimirovich Goncharov (chair)**

Year of birth: **1977**

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

Positions for the past 5 years:

Period		Company	Position
from	through		
2018	Present day	PAO Rosseti	Chief Advisor
2013	2018	PAO Rosseti	Deputy General Director for Corporate Governance
2014	Present day	OAO IDGC of Urals	Board of Directors member
2019	Present day	AO Tyumenenergo	Board of Directors member
2017	2019	PAO IDGC of Siberia	Board of Directors member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Membership of the Board Committees:

Committee	Chairpersonship
Personnel and Remunerations Committee	Yes
Audit Committee	No

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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: **Dmitry Alekseevich Bobkov**

Year of birth: **1982**

Educational background: **Graduate degree, Moscow State University named after M.V. Lomonosov, Institute of Socio-Political Researches of Russian Academy of Sciences (candidate of economic sciences).**

Positions for the past 5 years:

Period		Company	Position
from	through		
2013	Present day	PAO Rosseti	PR Department Director
2019	Present day	OAO IDGC of Urals	Board of Directors member
2019	Present day	PAO IDGC of North Caucasus	Board of Directors member
2019	Present day	PAO IDGC of Center and Volga	Board of Directors member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Membership of the Board Committees:

Committee	Chairpersonship
Personnel and Remunerations Committee	Yes

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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	through		
2016	Present day	OAo IDGC of Urals	Board of Directors member
2013	2018	OOO Regional Distributive Grid Company	General Director
2017	2018	OOO Interspetsinvest-M	General Director
2018	Present day	OOO Energosetinvestholding	General Director

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Membership of the Board Committees:

Committee	Chairpersonship
Audit Committee	No
Strategy Committee	No
Reliability Committee	No

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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 (1996), Tyumen State Oil and Gas University (2005).**

Positions for the past 5 years:

Period		Company	Position
From	Through		
2014	Present day	OAo IDGC of Urals	General Director, Executive Board Chair
2015	Present day	OAo IDGC of Urals	Board of Directors member
2015	Present day	AO EESK	Board of Directors member
2016	Present day	AO EES	Board of Directors member

Share in the Charter Capital/ common stock, %: **0.034313**

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Membership of the Board Committees: **none**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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: **Yury Kazbekovich Zafesov**

Year of birth: **1975**

Educational background: **Graduate degree, Russian State Service Academy (2006), Moscow State University (1999).**

Positions for the past 5 years:

Period		Company	Position
from	through		
2013	Present day	PAO Rosseti	Procurement Department Director
2009	Present day	AO Energostroysnabkomplekt UES	General Director (part-time)
2010	Present day	AO Energostroysnabkomplekt UES	Board of Directors member
2017	Present day	AO Tyumenenergo	Board of Directors member
2017	2018	PAO IDGC of Volga	Strategy and Development Committee member
2018	Present day	PAO IDGC of Center and Volga	Board of Directors member
2014	2016	PAO Lenenergo	Board of Directors member
2018	Present day	PAO Lenenergo	Board of Directors member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Membership of the Board Committees:

Committee	Chairpersonship
Audit Committee	No

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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: **Tatyana Aleksandrovna Ivanova**

Year of birth: **1964**

Educational background: **Graduate degree, Moscow Institute of Steel and Alloys**

Positions for the past 5 years:

Period		Company	Position
from	through		
2018	Present day	PAO Rosseti	Deputy Director of Tariff Department
2019	Present day	OAO IDGC of Urals	Board of Directors member
2018	Present day	PAO IDGC of Siberia	Board of Directors member
2013	2018	OAO IDGC of Urals	Strategy Committee member
2013	2015	PAO IDGC of North Caucasus	Strategy Committee member
2016	2018	PAO IDGC of Center and Volga	Board of Directors member
2016	2018	PAO IDGC of North Caucasus	Board of Directors member
2015	2016	AO Tyumenenergo	Board of Directors member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Membership of the Board Committees:

Committee	Chairpersonship
Audit Committee	No

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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	through		
2015	Present day	AO Gazeks	Deputy General Director for Legal and Corporate Affairs
2015	Present day	AO Urals Gas Networks	Deputy General Director for Legal and Corporate Affairs
2015	Present day	PAO Yekaterinburggaz	Deputy General Director for Legal and Corporate Affairs
2013	Present day	OAO IDGC of Urals	Board of Directors member
2017	Present day	AO EESK	Board of Directors member
2012	2016	PAO Yekaterinburggaz	Board of Directors member
2012	2016	OOO Gazeks Management	Board of Directors member
2012	2016	ZAO GAZEKS	Board of Directors member
2013	2016	OAO Pervouralskgaz	Board of Directors member
2013	2016	ZAO Gazmontazh	Board of Directors member
2014	2016	AO Irkutskoblgaz	Board of Directors member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Membership of the Board Committees:

Personnel and Remunerations Committee	No
Strategy and Development Committee	No
Technological Connection Committee	No

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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: **Dmitry Aleksandrovich Meneilyuk**

Year of birth: **1978**

Educational background: **Graduate degree, Military University of Russian Ministry of Defense.**

Positions for the past 5 years:

Period		Company	Position
from	through		
2018	Present day	PAO Rosseti	Property Management Department Director
2019	Present day	OAO IDGC of Urals	Board of Directors member
2018	Present day	PAO Federal Testing Center	Board of Directors member
2019	Present day	PAO IDGC of Siberia	Board of Directors member
2011	2016	PAO IDGC of Center and Volga	Head of Property Management and Grid Asset Consolidation Department

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's

options: **no options issued**

Membership of the Board Committees: **none**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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 Vasilyevich Podlutsky**

Year of birth: **1980**

Educational background: **Graduate degree, State University of Management**

Positions for the past 5 years:

Period		Company	Position
from	through		
2018	Present day	PAO Rosseti	Investment Department Director
2019	Present day	OAO IDGC of Urals	Board of Directors member
2019	Present day	PAO IDGC of Siberia	Board of Directors member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Membership of the Board Committees: **none**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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: **Vitaly Vladimirovich Anikin**

Year of birth: **1976**

Educational background: **Graduate degree, Kuzbass State Technical University (Economics, 1997)**

Positions for the past 5 years:

Period		Company	Position
from	through		
2019	Present day	PAO T Plus	Deputy General Director for Strategy and Investments
2019	Present day	PAO T Plus	Executive Board member
2019	Present day	OAO IDGC of Urals	Board of Directors member
2017	Present day	AO Solnechnyi Veter	General Director
2013	2019	PAO T Plus	Director for Development
2019	Present day	AO GAZEKS	Board of Directors member
2019	Present day	AO Yekaterinburggaz	Board of Directors member
2019	Present day	OOO GAZEKS-Management	Board of Directors member
2019	Present day	AO Gazmontazh	Board of Directors member
2019	Present day	AO Pervouralskgaz	Board of Directors member
2019	Present day	AO SG-Invest	Board of Directors member
2019	Present day	AO ETK	Board of Directors member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Membership of the Board Committees: **none**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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 Viktorovich 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	through		
2016	Present day	OAo IDGC of Urals	Board of Directors member
2013	Present day	Association of Professional Investors	Executive Director
2018	Present day	PAO Detskyi Mir	Board of Directors member
2015	Present day	PAO OGK-2	Board of Directors member
2017	2017	PAO TGK-1	Board of Directors member
2015	Present day	PAO IDGC of Center	Board of Directors member
2014	Present day	PAO IDGC of Center and Volga	Board of Directors member
2012	2016	PAO Mostotrest	Board of Directors member
2011	2017	PAO IDGC of South	Board of Directors member
2016	Present day	PAO IDGC of North West	Board of Directors member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Membership of the Board Committees:

Committee	Chairpersonship
Audit Committee	Yes
Strategy Committee	No

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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 Extraordinary Annual General Meeting of Stockholders on 04.12.2019 (Minutes No.14 dd. 04.12.2019).**

## 5.2.2. Sole Executive Body

Name: **Sergey Georgievich Dregval**

Year of birth: **1971**

Educational background: **Graduate degree, Kiev International Civil Aviation University (1996), Tyumen State Oil and Gas University (2005).**

Positions for the past 5 years:

Period		Company	Position
From	Through		
2014	Present day	OAo IDGC of Urals	General Director, Executive Board Chair
2015	Present day	OAo IDGC of Urals	Board of Directors member
2015	Present day	AO EESK	Board of Directors member
2016	Present day	AO EES	Board of Directors member

Share in the Charter Capital/ common stock, %: **0.034313**

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Membership of the Board Committees: none

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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**

Year of birth: **1971**

Educational background: **Graduate degree, Kiev International Civil Aviation University (1996), Tyumen State Oil and Gas University (2005).**

Positions for the past 5 years:

Period		Company	Position
From	Through		
2014	Present day	OAO IDGC of Urals	General Director, Executive Board Chair
2015	Present day	OAO IDGC of Urals	Board of Directors member
2015	Present day	AO EESK	Board of Directors member
2016	Present day	AO EES	Board of Directors member

Share in the Charter Capital/ common stock, %: **0.034313**

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Membership of the Board Committees: none

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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 Anatolyevich Bolotin**

Year of birth: **1975**

Educational background: **Graduate degree, Chelyabinsk State Technical University (1997).**

Positions for the past 5 years:

Period		Company	Position
From	Through		
2018	Present day	OAO IDGC of Urals	First Deputy General Director – Chief Operating Officer
2015	2017	OAO Chelyabenergo branch of IDGC of Urals	Deputy Director of the Branch
2018	Present day	NChOU Educational Center of IDGC of Urals	Executive Board member
2017	Present day	OAO IDGC of Urals	Executive Board member
2018	Present day	AO EESK	Board of Directors member
2018	Present day	OAO IDGC of Urals	Reliability Committee member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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	Through		
2016	Present day	OAO IDGC of Urals	Deputy General Director
2014	2016	OAO IDGC of Urals	Deputy General Director for Security
2015	Present day	NChOU Educational Center of IDGC of Urals	Executive Board member
2015	Present day	OAO IDGC of Urals	Executive Board member
2015	2018	OOO Uralenergotrans	Board of Directors member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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 (1995)**

Positions for the past 5 years:

Period		Company	Position
From	Through		
2009	2019	OAO IDGC of Urals	Chief Accountant
2009	Present day	OAO IDGC of Urals	Executive Board member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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 Shcherbakova**

Year of birth: **1966**

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

Positions for the past 5 years:

Period		Company	Position
From	Through		
2015	Present day	OAO IDGC of Urals	Deputy General Director for Economics and Finance
2015	Present day	OAO IDGC of Urals	Executive Board member
2015	Present day	OAO IDGC of Urals	Strategy Committee member
2016	2019	OAO IDGC of Urals	Reliability Committee member
2015	Present day	AO Yekaterinburgenergosbyt	Board of Directors member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's

options: **no options issued**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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 (1998).**

Positions for the past 5 years:

Period		Company	Position
From	Through		
2015	Present day	OAO IDGC of Urals	Deputy General Director for Corporate Governance
2015	Present day	OAO IDGC of Urals	Executive Board member
2015	Present day	AO EESK	Board of Directors member
2015	Present day	AO EES	Board of Directors member
2015	2018	OOO Uralenergotrans	Board of Directors member
2015	2016	OAO Energy Service Company of the Urals	Board of Directors member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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: **Dmitry Vladimirovich Vyalkov**

Year of birth: **1981**

Educational background: **Graduate degree, Urals State Forest Engineering University (Enterprise Economics and Management), Urals Federal University named after B.N. Yeltsyn (Management).**

Positions for the past 5 years:

Period		Company	Position
From	Through		
2019	Present day	OAO IDGC of Urals	Executive Board member
2016	Present day	OAO IDGC of Urals	Deputy General Director for Development and Sales
2019	Present day	AO EESK	Board of Directors member
2014	2016	OAO IDGC of Urals	Head of Technological Connection Department
2020	Present day	OAO IDGC of Urals	Technological Connection Committee member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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**

### 5.3. 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**

Type of remunerations	2019	3M 2020
Service remunerations	16,653	5,504
Salary	0	0
Bonuses	0	0
Commission fees	0	0
Other remunerations	0	0
<b>TOTAL</b>	<b>16,653</b>	<b>5,504</b>

Agreements in force during the reported period:

**No remunerations and/or compensations agreements were concluded with the Board of Directors. Since sole executive body's wage is subject to confidentiality agreement and the SEB was the only person to serve on the Board of Directors during the reported period, SEB's salary, bonuses, privileges, compensations and other remunerations are not disclosed in the figure above.**

Collegiate executive body

Mea.unit: **RUB thousand**

Type of remunerations	2019	3M 2020
Service remunerations	0	0
Salary	197,694	33,843
Bonuses	1,359	8,630
Commission fees	0	0
Other remunerations	840	227
<b>TOTAL</b>	<b>199,893</b>	<b>42,700</b>

Agreements in force during the reported period:

**Conclusion of Executive Board service agreements with the members of the Executive Board is not provided for by the Company's regulatory documents. No agreements were concluded with the Executive Board.**

Compensations

Mea.unit: **RUB thousand.**

Governing body	2019	3M 2020
Board of Directors	0	0
Collegiate executive body	0	0

**As stated by the Regulations on Remunerations and Compensations due to the Board of Directors, meeting-related expenses of a Board of Directors 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.**

**Remunerations and compensations are paid to the Board of Directors under the Regulations on Remunerations and Compensations due to the Board of Directors of OAO IDGC of Urals (approved by the General Meeting of Shareholders conducted 23.05.2019, Minutes No.13 dd. 24.05.2019). 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 Board of Directors 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;**
- **Company's compliance with Russian laws, industry standards and bylaws of the Company.**

The membership of the Audit Committee

Name	Chairpersonship
Yuri Kazbekovich Zafesov	No
Roman Avgustovich Dmitrik	No
Aleksandr Viktorovich Shevchuk	Yes
Yuri Vladimirovich Goncharov	No
Tatyana Aleksandrovna Ivanova	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:

**Corporate Governance and Stockholder Relations Department's duties are:**

1. Enforcement of proper and timely notification of persons included into the list of insiders;
2. Maintenance of the list of insiders;
3. Enforcement of timely submission of the list of insiders to the Russian Central Bank and trading institutions;
4. Collaboration with the Russian Central Bank in issues related to compliance with the insider information legislation;
5. Enforcement of timely notification of the Russian Central Bank on infringements of the insider information legislation;
6. Generation of reports related to oversight of compliance with the insider information legislation; filing of reports with PAO Rosseti.

#### 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: **Graduate degree, Far East Institute of Soviet Commerce (1982).**

Positions for the past 5 years:

Period		Company	Position
From	Through		
2013	Present day	PAO Rosseti	Head of Control Activities Department
2015	Present day	OAO IDGC of Urals	BolA member
2015	Present day	PAO IDGC of Center and Volga	BolA member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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: **Artem Nikolayevich Kirillov**

Year of birth: **1984**

Educational background: **Graduate degree, Moscow Energy Institute (2008)**

Positions for the past 5 years:

Period		Company	Position
From	Through		
2013	Present day	PAO Rosseti	Deputy Head of Oversight Directorate of Oversight and Audit Department
2019	Present day	OAO IDGC of Urals	BolA member
2014	2019	PAO TRK	BolA member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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**

Year of birth: **1964**

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

Positions for the past 5 years:

Period		Company	Position
From	Through		
2014	Present day	PAO Rosseti	Deputy Head of Audit Directorate of Oversight and Audit Department
2016	Present day	OAO IDGC of Urals	BolA member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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 Stanislavovna Erandina**

Year of birth: **1972**

Educational background: **Graduate degree, Moscow State University of Environmental Engineering (1994, Economics and Management in agricultural companies), State University of Management (2006, Banking and Finance).**

Positions for the past 5 years:

Period		Company	Position
From	Through		
2016	Present day	PAO Rosseti	Chief expert of Oversight Expert Directorate of Oversight Department
2019	Present day	OAO IDGC of Urals	BolA member
2019	Present day	PAO MOESK	BolA member
2019	Present day	PAO IDGC of North Caucasus	BolA member
2017	Present day	PAO TRK	BolA member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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 (2004).**

Positions for the past 5 years:

Period		Company	Position
From	Through		
2013	Present day	PAO Rosseti	Head of Inspections and Internal Audit Directorate
2014	Present day	OAO IDGC of Urals	BolA member

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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 Department**

Name: **Polina Vladimirovna Krivonogova**

Year of birth: **1976**

Educational background: **Graduate degree, Urals State University of Economics (2003), Auditor Qualification Program (2011, UrSUE), Internal Control and Audit (2010, Ernst&Young), Auditor Training Courses: Financial Analysis, Risk Management of Business Processes (2009, UrSUE)**

Positions for the past 5 years:

Period		Company	Position
From	Through		
2017	Present day	OAo IDGC of Urals	Head of Internal Audit Department
2017	Present day	AO Yekaterinburg Electric Grid Company	BolA member
2017	Present day	AO Yekaterinburgenergosbyt	BolA member
2017	2018	OOO Uralenergotrans	Auditor
2016	2017	FGUP Russian Post (Sverdlovsk branch)	Head of Internal Control Department

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **no options issued**

Share in the SAC's Charter Capital: **none, no options vested with a right to acquire shares of a subsidiary or associate**

Family relations with other persons serving on 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 thous.

Name of financial control body: Board of Internal Auditors

Remuneration for the tenure

Mea.unit: RUB thous.

Наименование показателя	2019	3M 2020
Remuneration	647	0
Salary	0	0
Bonuses	0	0
Commission fees	0	0
Other remunerations	0	0
TOTAL	647	0

Agreements in force during the year:

**There are no agreements regarding remunerations and compensations with the Board of Internal Auditors. BolA members, who are not employed by the Company, do not earn salary paid by the Company. The payment procedure and the amount of remunerations due to the BolA are regulated by the Company's bylaw – The Regulations on Compensations and Remunerations due to the BolA. In line with clause 3.1 of the Regulations, a BolA 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 the tenure:

Mea.unit: **RUB thous.**

Indicator	2019	3M 2020
Remuneration	0	0
Salary	0	0
Bonuses	0	0
Commission fees	0	0
Other remunerations	0	0
TOTAL	0	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 employed by the Company, do not earn salary paid by the Company.**

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

Tenure remuneration:

Mea.unit: **RUB thous.**

Indicator	2019	3M 2020
Remuneration		
Salary	7,436	1,898
Bonuses	2,034	294
Commission fees		
Other remunerations	795	6
TOTAL	10,265	2,198

Agreements in force during the year:

Compensations

Mea.unit: **RUB thous.**

Oversight bodies	2019	3M 2020
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	2019	3M 2020
Staff on the payroll, persons	16,848.8	16,813
Money for salaries as of the reported period	10,593,823.7	2,405,420.71
Money for social benefit as of the reported period	98,194.44	12,019.28

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

**The issuer's staff established the following trade unions: Sverdlovsk Regional Committee of All-Russian Energy Sector Trade Union: office 505, 10 Ulitsa Pushkina, Yekaterinburg, 620075. Chelyabinsk Regional Organization of All-Russian Energy Sector Trade Union: office 806, 46 Ulitsa Tsvillinga, Chelyabinsk, 454091. 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: **16 292**

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): **18 184**

Date when the list of persons entitled to participate in a GSM (including those disclosed by nominal holders) was prepared: **06.12.2019**

Owners of the common stock included into the list: **18 184**

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: **PAO Rosseti**

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

TIN: **7728662669**

PSRN: **1087760000019**

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: **Federal State Property Management Agency (Russian Property Fund)**

Abbreviated corporate name: **FSPMA (Russian Property Fund)**

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 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 entity, %: **88.75**

Share in the Issuer's Charter Capital, %: **3.7123**

Share of common stock owned by the entity, %: **3.7123%**

Other information (upon discretion of the issuer):

**2.**

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

Abbreviated corporate name: **PAO METKOMBANK**

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 entity: **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**

Other information (upon discretion of the issuer):

**3.**

Full corporate name: **AO Group of Companies RENOVA**

Abbreviated corporate name: **AO GK RENOVA**

Domicile: **40 Malaya Ordynka, Moscow, Russia, 115184**

TIN: **7727526670**

PSRN: **1047796880548**

Share in the Charter capital: **7.5242%**

Share of common stock owned by the entity: **7.5242%**

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**

Other information (upon discretion of the issuer):

**4.**

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**

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.**

Other information (upon discretion of the issuer):

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

The stake owned by the state (federal or regional authorities) or municipality: **3.7123**

Information on managers administering state or municipal blocks of 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 (Russian Property Fund)**

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

Record date: **21.07.2017**

The list of stockholders

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

Abbreviated corporate name: **PAO Rosseti**

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: **PAO METKOMBANK**

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

TIN: **6612010782**

PSRN: **1026600000195**

Share in the Charter capital: **17.48**

Share of common stock owned, %: **17.48**

Full corporate name: **AO Group of Companies RENOVA**

Abbreviated corporate name: **AO GK RENOVA**

Domicile: **40 Malaya Ordynka, Moscow, Russia, 115184**

TIN: **7727526670**

PSRN: **1047796880548**

Share in the Charter capital: **7.5242%**  
Share of common stock owned by the entity: **7.5242%**

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**

Record date: **07.05.2018**

The list of stockholders  
Full corporate name: **Public Joint-stock Company Russian Grids**  
Abbreviated corporate name: **PAO Rosseti**  
Domicile: **4 Ulitsa Belovezhskaya, Moscow, 107996**  
TIN: **7728662669**  
PSRN: **108776000019**  
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: **PAO METKOMBANK**  
Domicile: **36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406**  
TIN: **6612010782**  
PSRN: **1026600000195**  
Share in the Charter capital: **17.48**  
Share of common stock owned, %: **17.48**

Full corporate name: **AO Group of Companies RENOVA**  
Abbreviated corporate name: **AO GK RENOVA**  
Domicile: **40 Malaya Ordynka, Moscow, Russia, 115184**  
TIN: **7727526670**  
PSRN: **1047796880548**  
Share in the Charter capital: **7.5242%**  
Share of common stock owned by the entity: **7.5242%**

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.**

Record date: **28.04.2019**

The list of stockholders  
Full corporate name: **Public Joint-stock Company Russian Grids**  
Abbreviated corporate name: **PAO Rosseti**  
Domicile: **4 Ulitsa Belovezhskaya, Moscow, 107996**  
TIN: **7728662669**  
PSRN: **108776000019**  
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: **PAO METKOMBANK**  
Domicile: **36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406**  
TIN: **6612010782**  
PSRN: **1026600000195**  
Share in the Charter capital: **17.48**

Share of common stock owned, %: **17.48**

Full corporate name: **AO Group of Companies RENOVA**  
Abbreviated corporate name: **AO GK RENOVA**  
Domicile: **40 Malaya Ordynka, Moscow, Russia, 115184**  
TIN: **7727526670**  
PSRN: **1047796880548**  
Share in the Charter capital: **7.5242%**  
Share of common stock owned by the entity: **7.5242%**

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**.

Record date: **10.10.2019**

The list of stockholders  
Full corporate name: **Public Joint-stock Company Russian Grids**  
Abbreviated corporate name: **PAO Rosseti**  
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: **PAO METKOMBANK**  
Domicile: **36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406**  
TIN: **6612010782**  
PSRN: **1026600000195**  
Share in the Charter capital: **17.48**  
Share of common stock owned, %: **17.48**

Full corporate name: **AO Group of Companies RENOVA**  
Abbreviated corporate name: **AO GK RENOVA**  
Domicile: **40 Malaya Ordynka, Moscow, Russia, 115184**  
TIN: **7727526670**  
PSRN: **1047796880548**  
Share in the Charter capital: **7.5242%**  
Share of common stock owned by the entity: **7.5242%**

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**.

Record date: **06.12.2019**

The list of stockholders  
Full corporate name: **Public Joint-stock Company Russian Grids**  
Abbreviated corporate name: **PAO Rosseti**  
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: **PAO METKOMBANK**  
 Domicile: **36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406**  
 TIN: **6612010782**  
 PSRN: **102660000195**  
 Share in the Charter capital: **17.48**  
 Share of common stock owned, %: **17.48**

Full corporate name: **AO Group of Companies RENOVA**  
 Abbreviated corporate name: **AO GK RENOVA**  
 Domicile: **40 Malaya Ordynka, Moscow, Russia, 115184**  
 TIN: **7727526670**  
 PSRN: **1047796880548**  
 Share in the Charter capital: **7.5242%**  
 Share of common stock owned by the entity: **7.5242%**

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**.

## 6.6. Related-Party Transactions

**None**

## 6.7. Accounts Receivable

31.12.2019

Mea. unit: **RUB thous.**

Indicator	Value
Accounts receivable from buyers and customers	15,779,732
Including overdue	11,120,099
Including bad debt reserve	9,176,536
Notes receivable	0
Shareholder fees receivables	0
Advances given	60,339
Including overdue	466
Including bad debt reserve	412
Other receivables	1,014,410
Including overdue	367,225
Including bad debt reserve	432,351
Total accounts receivables	16,854,481
Including total overdue receivables	11,487,790
Including bad debt reserve	9,609,299

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

Full corporate name: **Public Joint-Stock Company Chelyabenergosbyt**  
 Abbreviated corporate name: **PAO Chelyabenergosbyt**  
 Domicile: **260 Ulitsa Rossiiskaya, Chelyabinsk**  
 TIN: **7451213318**  
 PSRN: **1057423505732**  
 Receivables: **3,403,510**  
 Mea. unit: **RUB thous.**

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

**3,340,286 thousand. As of 31.12.2019, the amount of the bad debt reserve is RUB 3,403,510 thousand.**

Affiliation with the issuer: **None**

**RUB 7,245,182 thousand receivables (net of the bad debt reserve) are shown in line 1230 of the Balance Sheet as of 31 December 2019.**

31.03.2020

Mea. unit: **RUB thous.**

Indicator	Value
Accounts receivable from buyers and customers	15,769,765
Including overdue	11,053,317
Including bad debt reserve	9,388,527
Dividend receivables from SACs	0
Including overdue	0
Shareholder fees receivables	0
Including overdue	0
Advances given	102,761
Including overdue	546
Including bad debt reserve	412
Other receivables	1,145,436
Including overdue	426,352
Including bad debt reserve	453,417
Total accounts receivables	17,017,962
Including total overdue receivables	11,480,215
Including bad debt reserve	9,842,356

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

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

Abbreviated corporate name: **PAO Chelyabenergosbyt**

Domicile: **260 Ulitsa Rossiiskaya, Chelyabinsk**

TIN: **7451213318**

PSRN: **1057423505732**

Receivables: **3,403,510**

Mea. unit: **RUB thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **overdue receivables total RUB 3,379,062 thousand. As of the reported date the amount of the bad debt reserve is RUB 3,403,510 thousand.**

Affiliation with the issuer: **None**

**RUB 7,175,606 thousand receivables (net of the bad debt reserve) are shown in line 1230 of the Balance Sheet as of 31 March 2020.**

## SECTION VII. FINANCIAL STATEMENTS AND OTHER RELEVANT FINANCIAL INFORMATION

### 7.1. Annual Accounting (Financial) Statements

2019

**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 FY2019 annual accounting (financial) statements consists of:**

- 1. Auditor report.**
- 2. Balance sheet as of 31 December 2019.**
- 3. Statement of financial results as of 12M 2019.**
- 4. Statement of changes in equity as of 2019.**

5. *Cash flow statement as of 2019.*  
6. *Explanations to the FY2019 accounting statements.*

#### 7.2. Interim Accounting (Financial) Statements

*Information is disclosed in Appendix No.2 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 3M2020 annual accounting (financial) statements consists of:*

1. *Balance sheet as of 31 March 2020.*
2. *Statement of financial results as of 3M 2020.*

#### 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.*

Standards: IFRS

Report period

Year: **2019**

Period: full year

*Consolidated financial statements are disclosed in Appendix No.3 hereof.*

*(for detailed information, please, refer to the Russian version of the document)*

#### 7.4. Accounting Policy

*Accounting policy of the issuer for 2020 is approved by Decree No. 607 dated as of 31.12.2019.*

*Find more details in the Russian version of the document.*

#### 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**

Additional information:

#### 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 last completed financial year preceding the end of the reported quarter and during the period between the beginning of the year and end of the reported quarter.*

### 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).**

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.**

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 entities entitled to attend the general meeting is prepared according to the corporation's book. The record date cannot be set earlier than 10 days after the date when the resolution on the convention was adopted and over 25 days, in case stipulated by clause 2 article 53 of the Federal Joint-Stock Companies' Law – over 50 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 bylaws, 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:

**For more details, please, refer to the Russian version of the report.**

#### 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**

#### 8.1.5. Major/Large-Scale Transactions

**During the reported period the issuer had no transactions, compliant with clause 8.1.5. of Appendix 3 to the Bank of Russia's Disclosures by Issuers Regulations dd. 30 December 2014 No.454-P.**

#### 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 1<sup>st</sup> Tverskaya Yamskaya, Moscow, Russia, 625047**

Methodology description:

**On 07 December 2017 Moody's, represented by Moody's Investors Service Ltd. (Russian branch), has upgraded OAO IDGC of Urals' corporate family rating (CFR) and probability of default rating (PDR) from Ba2 to Ba1 and from Ba2-PD to Ba1-PD, respectively (Outlook Stable). Rating methodology may be found at [www.moody.com](http://www.moody.com)**

Credit rating at the end of the reported period: **Ba1**

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)
07.12.2017	Ba1 long-term global scale credit rating (Outlook Stable)

**Upgrade of the rating demonstrate strong probability of state support through its parent company in the event of financial distress and Moody's opinion that OAO IDGC of Urals 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: **ZAO Rating agency Moody's Interfax**

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

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

Methodology description:

**On 18 March 2016 Moody's, in the name of ZAO Rating Agency Moody's Interfax, 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

The subject: **issuer**

Company that assigned a credit rating

Full corporate name: **Rating Agency RAEX**

Abbreviated corporate name: **Rating Agency RAEX (Expert RA)**

Domicile: **13/2 Ulitsa Nikoloyamskaya, Moscow**

Methodology description:

**On 16 April 2018 Rating Agency RAEX (Expert RA) has assigned national-scale ruAA credit rating for nonfinancial corporates for the first time. Visit the agency's web-site for methodology disclosures at <https://raexpert.ru/>. On 25 March 2020 Rating Agency RAEX has confirmed national-scale ruAA credit rating (Stable outlook).**

Credit rating at the end of the reported period: **ruAA**.

Credit rating history:

Assigned on	Rating value
16.04.2018	National-scale ruAA credit rating for nonfinancial corporates

27.03.2019	National-scale ruAA credit rating for nonfinancial corporates
25.03.2020	National-scale ruAA credit rating for nonfinancial corporates

## 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: **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: **3,640<sup>th</sup> 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: **3,640<sup>th</sup> 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: **3,640<sup>th</sup> 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.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: **3,640<sup>th</sup> 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.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

**As of the end of the reported period the issuer had no secured bond issues with outstanding liabilities in circulation which were registered and/or listed**

##### 8.4.1. Mortgage Collateral Bonds

**The issuer has not placed mortgage collateral bonds with outstanding liabilities**

##### 8.4.2. Monetary Collateral Bonds

**The issuer has not placed monetary collateral bonds with outstanding liabilities**

#### 8.5. Organizations Recording Securities Rights

Registrar

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

Abbreviated corporate name: **STATUS, AO**

Domicile: **23/1 Ulitsa Novokhokhlovskaya, Moscow, 109052**

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 Joint-Stock Company National Settlement Depository**  
 Abbreviated corporate name: **NKO AO NSD**  
 Domicile: **12 Ulitsa Spartakovskaya, Moscow, 105066**  
 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 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).**
8. **Intergovernmental agreements concerning avoidance of double taxation (with regard to income and property taxes and against avoidance of income and property taxes).**
9. **President Decree No.1924 dated as of 17.11.1993 concerning activities of foreign banks and joint non-residential banks in Russia.**
10. **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	FY 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
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	499,006,708
Paid Dividends/Total Announced Dividends of the category (class), %	98.40
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)	FY 2014 dividend payout ended in line with Art. 42 of the Federal Joint-Stock Companies' Law

Indicator	FY 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	1,227,866,471.74
Paid Dividends/Total Announced Dividends of the category (class), %	98.88
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	FY 2016
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 05.06.2017, Minutes No.10 dd. 08.06.2017
Announced dividends per 1 stock, RUB	0.0083
Total announced dividends per all stock of the type, RUB	725,673,037.27
Register date	20.06.2017
Reported period (Y/Q)	12M 2016
Dividend Payment Deadline	04.07.2017 and 25.07.2017
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, %	21.95
Total amount of paid dividends of the category (class), RUB	717,863,755.95
Paid Dividends/Total Announced Dividends of the category (class), %	98.89
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	FY 2017
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 31.05.2018, Minutes No.12 dated as of 31.05.2018
Announced dividends per 1 stock, RUB	0.0216
Total announced dividends per all stock of the type, RUB	1,888,498,481
Register date	13.06.2018
Reported period (Y/Q)	12 M 2017

Dividend Payment Deadline	27.06.2018 and 18.07.2018
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, %	41.3
Total amount of paid dividends of the category (class), RUB	1,867,566,182.38
Paid Dividends/Total Announced Dividends of the category (class), %	98.84
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 collect dividends since they had not submitted accurate information
Other information on announced and/or paid dividends (at the discretion of the issuer)	

Indicator	FY 2018
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 23.05.2019, Minutes No.13 dd. 24.05.2019
Announced dividends per 1 stock, RUB	0.0030
Total announced dividends per all stock of the type, RUB	262,291,461.68
Register date	03.06.2019
Reported period (Y/Q)	12 M 2018
Dividend Payment Deadline	18.06.2019 and 09.07.2019
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, %	32.8
Total amount of paid dividends of the category (class), RUB	259,940,907.29
Paid Dividends/Total Announced Dividends of the category (class), %	99.11
If dividends were not paid or paid in part – reasons of failure	Dividends were not paid in full, as the issuer and registrar have no accurate information (banking details, etc.), required for the pay-out
Other information on announced and/or paid dividends (at the discretion of the issuer)	

Indicator	9M 2019
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 31.12.2019, Minutes No.15 dd. 31.12.2019
Announced dividends per 1 stock, RUB	0.0032
Total announced dividends per all stock of the type, RUB	279,777,554
Register date	14.01.2020
Reported period (Y/Q)	9M 2019
Dividend Payment Deadline	28.01.2020 and 18.02.2020
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, %	13.13
Total amount of paid dividends of the category (class), RUB	279,023,609.13
Paid Dividends/Total Announced Dividends of the category (class), %	99.7305
If dividends were not paid or paid in part – reasons of failure	Dividends were not paid in full, as the issuer and registrar have no accurate information (banking details, etc.), required for the pay-out

Other information on announced and/or paid dividends (at the discretion of the issuer)	
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### 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: 1<sup>st</sup> 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: 2<sup>nd</sup> 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: 3<sup>rd</sup> 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: 4<sup>th</sup> 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: 5<sup>th</sup> 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: 6<sup>th</sup> 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 1,092<sup>nd</sup> since the effective date. Dates of redemption start and end are the same. Last coupon yield is paid at redemption.**

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: 1<sup>st</sup> 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: 2<sup>nd</sup> 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 of yield: 3<sup>rd</sup> coupon yield (coupon period: 22.11.2016 - 23.05.2017)**

**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: 23.05.2017**

**Bond yield payment form: monetary resources;**

**Total yield paid: RUB 92,384,000.**

**Yield paid/Total yield due: 100%**

**Type of yield: 4<sup>th</sup> coupon yield (coupon period: 23.05.2017-21.11.2017)**

**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: 21.11.2017**

**Bond yield payment form: monetary resources;**

**Total yield paid: RUB 92,384,000.**

**Yield paid/Total yield due: 100%**

**Type of yield: 5<sup>th</sup> coupon yield (coupon period: 21.11.2017 – 22.05.2018)**

**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: 22.05.2018**

**Bond yield payment form: monetary resources;**

**Total yield paid: RUB 92,384,000.**

**Yield paid/Total yield due: 100%**

**Type of yield: 6<sup>th</sup> coupon yield (coupon period: 22.05.2018 – 20.11.2018)**

**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: 20.11.2018**  
**Bond yield payment form: monetary resources;**  
**Total yield paid: RUB 92,384,000.**  
**Yield paid/Total yield due: 100%**

**Type of yield: 7<sup>th</sup> coupon yield (coupon period: 20.11.2018-21.05.2019)**  
**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: 21.05.2019**  
**Bond yield payment form: monetary resources;**  
**Total yield paid: RUB 92,384,000.**  
**Yield paid/Total yield due: 100%**

**Type of yield: 8<sup>th</sup> coupon yield (coupon period: 21.05.2019-19.11.2019)**  
**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: 19.11.2019**  
**Bond yield payment form: monetary resources;**  
**Total yield paid: RUB 92,384,000.**  
**Yield paid/Total yield due: 100%**

**Type of yield: face value**  
**Date due: 19.11.2019**

**Bonds redeemed: 1,600,000.**  
**Yield paid: RUB 1,600,000,000.**

**The ETB were redeemed in line with clause 10.2 of the Issuance Decision and clause 9.1.2 of the Prospectus, adopted by the OAO IDGC of Urals' Board of Directors (Minutes dated as of 29.04.2013 No.125).**

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: 1<sup>st</sup> 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%.**

**Type of yield: 2<sup>nd</sup> coupon yield (coupon period: 24.02.2017-25.08.2017)**

**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: 25.08.2017.**

**Bond yield payment form: monetary resources;**

**Total yield paid: RUB 232,350,000.**

**Yield paid/Total yield due: 100%.**

**Type of yield: 3<sup>rd</sup> coupon yield (coupon period: 25.08.2017-23.02.2018)**

**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: 23.02.2018.**

**Bond yield payment form: monetary resources;**

**Total yield paid: RUB 232,350,000.**

*Yield paid/Total yield due: 100%.*

*Type of yield: 4<sup>th</sup> coupon yield (coupon period: 23.02.2018-24.08.2018)*

*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: 24.08.2018.*

*Bond yield payment form: monetary resources;*

*Total yield paid: RUB 232,350,000.*

*Yield paid/Total yield due: 100%.*

*Type of yield: 5<sup>th</sup> coupon yield (coupon period: 24.08.2018-22.02.2019)*

*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: 22.02.2019.*

*Bond yield payment form: monetary resources;*

*Total yield paid: RUB 232,350,000.*

*Yield paid/Total yield due: 100%.*

*Type of yield: 6<sup>th</sup> coupon yield (coupon period: 22.02.2019-23.08.2019)*

*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: 23.08.2019.*

*Bond yield payment form: monetary resources;*

*Total yield paid: RUB 232,350,000.*

*Yield paid/Total yield due: 100%.*

*Type of yield paid: face value*

*Due date: 23.08.2019*

*Bonds redeemed: 5,000,000.*

*Yield paid: RUB 5,000,000,000.*

*Dates for redemption start and end coincide. Last coupon yield is paid at redemption.*

*Type of yield: 7<sup>th</sup> coupon yield (coupon period: 23.08.2019-21.02.2020)*

*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: 21.02.2020.*

*Bond yield payment form: monetary resources;*

*Total yield paid: RUB 232,350,000.*

*Yield paid/Total yield due: 0. On 23.08.2019 the exchange-traded bonds were bought out and deposited on the issuer's treasury account in NKO AO NSD. Therefore, the coupon was not paid out.*

## 8.8. Other Information

### 8.9. Information on RDRs and RDR Issuer

*The Issuer has not issued such securities*

Appendix No.1: Annual accounting (financial) statements of the issuer.

Appendix No.2: Quarterly accounting (financial) statements of the issuer

Appendix No.3: FY2019 Consolidated financial statements of the issuer.

Appendix No.4: Accounting policy of the issuer for 2020.