

Shareholder Capital Structure

As of 31.12.2017 the charter capital of the Company totaled RUB 8,743,048,571.1 (or 87,430,485,711 common shares with par value of RUB 0.1 each). There were no changes of the Company's charter capital during 2017. OAO IDGC of Urals has no preferred shares.

Types of Shares

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

The largest stockholder of OAO IDGC of Urals is PAO Rosseti: it owns a controlling block of voting stock amounting to 51.52% of the charter capital. A large block of the Company's voting stock (17.48%) is owned by PAO Metkombank. Small blocks of the Company's voting stock are distributed among AO RENOVA Group of Companies (7.52%), Energyo Solutions Russia (Cyprus) Ltd. (6.69%), Federal Property Fund (3.71%) and OOO UK ESE Custodian of NPF Professional's pension reserves (2.55%). Other stockholders own cumulatively 10.53% of the voting stock. OAO IDGC of Urals has no information on other blocks of stock over 5% except for these already disclosed above. Shares owned by the Company and its controlled entities: none. Information on certain stockholders' potential or actual control, stretching out beyond their stakes in the charter capital (incl. shareholder agreements): none. Ordinary and preferred shares of unequal par value: none.

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

As of 31.12.2017 the register comprises 16,492 registered accounts, presented by 8 nominal holders, 2 custodians, 96 legal entities and 16,385 individuals.

INVESTOR AND STOCKHOLDER RELATIONS

Codes of Shares

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

Shareholder Rights

The Russian legislation guarantees that any common share gives equal rights to any shareholder. Therefore, our shareholders are entitled to:

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

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

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

- 1) The Company publicly discloses:
 - the General Meeting of Stockholders notice and materials on agenda items within 30 days prior to the General Meeting;
 - recommendations provided by the Board of Directors regarding items of the General Meeting agenda by press releases, corporate actions/events and minutes of the Board of Directors' meetings;
 - date when entities, entitled to participate in the General Meeting of Stockholders, are defined within 7 days prior to the record date;
 - minutes of the meetings of stockholders on the corporate web-site.

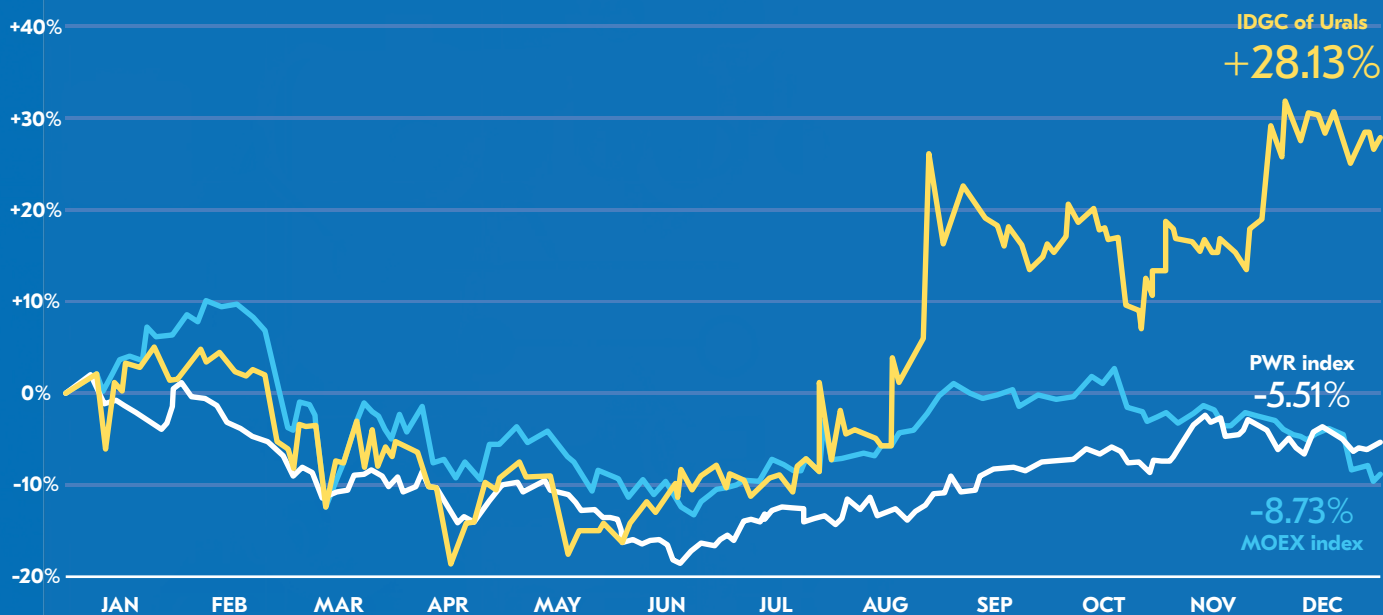
- 2) The Company's stockholders may submit proposals to be included into the agenda of the annual general meeting of stockholders within 60 days after the end of the calendar year.
- 3) Registration of entities, entitled to participate in the general meeting of stockholders, is disclosed in details in the Regulations on the General Meeting of Stockholders.
- 4) The Company's registrar performs the functions of the Counting Commission during the general meeting of stockholders. Since December 2010 the Company's registrar is AO STATUS (official web-site: www.rostatus.ru).
- 5) Voting results at the general meeting of stockholders are announced prior to the conclusion of the meeting to be disclosed in line with legal requirements.
- 6) The Company has the Dividend Policy stipulating primary principles of dividend payments, mechanics of dividend decision-taking, procedure, deadlines and form of dividend payments. The relevant Policy is disclosed on the official web-site of the Company — Incorporating Documents and Bylaws Section (Main/ About us / Incorporating Documents and Bylaws)
- 7) The decision to pay dividend allows stockholders to receive full details regarding dividend amount, payment procedure and deadlines.

The Company And Stock Market

The year 2017 was challenging for the Russian stock market. Multiple factors impacted share prices of many companies. MOEX index started to decline in February ending in a -20% drop by mid-June, since investors were disappointed with prospects for mending ties between Russia and USA as well as with failures to execute the Government directive to pay 50% of net income as dividends by some companies. The mid-June growth has replaced the setback but by the year-end the index was still unable to rebound to levels seen in the early days of 2017.



Dynamic s of IDGC of Urals's shares, MOEX and PWR indices in 2017



Source: www.moex.com