

Approved on February 20, 2017

Identification Number  
Assignment Date of the  
Program of Exchange-  
Traded Bonds

April 05, 2017

Identification Number

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**Board of Directors of Public Joint-Stock Company  
"Lenenergo"**

(issuer's body that approved the securities prospectus)

Minutes No. 23

of February 27, 2017

**Moscow Exchange**

(name of the exchange that assigned the identification number to the  
Program of Exchange-Traded Bonds)

(title and signature of the authorized person of the exchange)

that assigned the identification number to the Program of Exchange-  
Traded Bonds)

Seal

## SECURITIES PROSPECTUS

### **Public Joint-Stock Company "Lenenergo"**

(full corporate name of the issuer (in the case of a non-profit organization, name))

***exchange-traded inconvertible interest-bearing certificated bearer bonds subject to mandatory centralized custody to be placed under the program of series 001P exchange-traded bonds, with a total par value of up to thirty-five billion (35,000,000,000) Russian rubles for all issues of the exchange-traded bonds, with the redemption date falling on or prior to the ten thousand, nine hundred twentieth (10,920th) day after the start date of the placement of the issue of the exchange-traded bonds under the program of exchange-traded bonds to be placed through a public offering***

The information contained in this securities prospectus is subject to disclosure in accordance with the securities laws of the Russian Federation

THE STOCK EXCHANGE THAT DECIDED TO ASSIGN THE IDENTIFICATION NUMBER TO THE PROGRAM OF EXCHANGE-TRADED BONDS SHALL NOT BE HELD RESPONSIBLE FOR THE RELIABILITY OF ANY INFORMATION CONTAINED IN THIS SECURITIES PROSPECTUS, NOR SHALL THE IDENTIFICATION NUMBER ASSIGNMENT TO THE PROGRAM OF THE EXCHANGE-TRADED BONDS BE CONSTRUED AS EXPRESSING ITS ATTITUDE TOWARD THE PLACED SECURITIES

***Acting CEO, Public Joint-Stock Company "Lenenergo"***

(title of the issuer's chief executive)

(signature)

**R. N. Berdnikov**

(name)

Date March 14, 2017

***Chief Accountant and Head of the Business  
and Tax Accounting and Reporting, PJSC "Lenenergo"***

(title of the person acting as the issuer's chief accountant)

(signature)

Seal

**G. V. Kuznetsova**

(name)

Date March 14, 2017

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## Introduction

*Public Joint-Stock Company “Lenenergo” (hereinafter, the “Issuer”, or PJSC “Lenenergo”, or the “Company”).*

The Introduction contains brief information that is further detailed by the issuer in the securities prospectus, specifically:

a) general information about the issuer: full and short corporate names (in the case of a non-profit organization, name), taxpayer identification number (INN) (if any), principal state registration number (OGRN) (if any), registered address, date of state registration, goals of the issuer’s establishment (if any), core activities of the issuer:

full corporate name in Russian: *Публичное акционерное общество энергетики и электрификации «Ленэнерго»*

short corporate name in Russian: *ПАО «Ленэнерго»*

full corporate name in English: *Public JOINT-STOCK COMPANY “LENENERGO”*

short corporate name in English: *PJSC “LENENERGO”*

Taxpayer Identification Number (INN): *7803002209*

Principal State Registration Number (OGRN): *1027809170300*

registered address: *Russian Federation, Saint Petersburg*

date of state registration: *January 22, 1993*

goals of the issuer’s establishment:

*The Issuer’s business objectives are the goals of its establishment.*

*In accordance with paragraph 3.1 of Article 3 of the Articles of Association, the Company’s business objectives are as follows:*

- 1) earn profit for the Company;*
- 2) ensure the efficient and reliable operation of electricity distribution grid facilities;*
- 3) ensure the sustained development of the electricity distribution grid sector;*
- 4) secure a reliable and high-quality power supply (electricity transportation).*

core activities of the issuer:

*In accordance with paragraph 3.2 of Article 3 of the Issuer’s Articles of Association, the Company’s core activities are as follows:*

- electric power transmission services and other services inextricably associated with the process of electric power supply to consumers;*
- connection of power receivers (power units) of corporate entities and individuals to power grids;*
- acquisition (purchase) of electric power from the wholesale market of electric power (capacity) from retail market entities and generating companies;*
- acquisition (purchase) of heat from generating companies;*
- power generation for in-house needs;*
- generation of heat, supply (sale) of heat at the statutory rates in accordance with dispatcher schedules of heat loads, including to households;*
- designing, installation and adjustment at the operational site, operating, and metrological support of operations of electric power metering units;*
- transmission of electric power and heat;*
- power grid maintenance;*
- heat supply networks maintenance;*
- gas supply networks maintenance;*
- engineering surveys for the construction of buildings and structures of criticality rating 1 and 2 in compliance with the state standard;*
- preparation of design documentation for capital construction projects;*
- construction, reconstruction and overhaul;*
- acting as a power supplier of last resort, supply of electric power on the territory of its operations;*
- geodesic operations;*
- transportation of passengers by motor vehicles equipped for eight (8) people and more;*
- transportation of cargo by railway;*
- loading and unloading during railway transportation;*

- transportation of dangerous cargo;
- development of communications facilities and communications service delivery;
- educational activities;
- storage of oil, gas and derivatives;
- sale of oil, gas and derivatives;
- medical activities;
- export and import operations;
- operation of fire-hazardous production facilities;
- scrap non-ferrous metal collection, processing and sale;
- scrap ferrous metal collection, processing and sale;
- organization and conduct of trainings on mobilization, civil defense and emergency response;
- activities and services for the protection of information constituting trade and state secrets;
- activities in the field of energy saving and energy efficiency;
- activities in the field of energy inspection (energy audit) and provision of energy services;
- development of schedules on emergency restrictions of consumption;
- control measurements of flow, load and voltage levels in electrical grids of power supply systems;
- services for the certification of workplaces on working conditions;
- organization of children’s recreation and healthcare, provision of tour packages to children’s health summer camps;
- activities related to the research, developmental and technological works, including designing, developing, implementing new and improving existing equipment, technologies, and methods to enhance the reliability, quality, efficiency and sustainability of power supply to consumers, creation of conditions for the development of the grid system of Russia, implementation of R&D programs and innovative programs, participation in the establishment of sectoral R&D funds;
- organizational, practical and preventive measures to ensure integrated security (antiterrorist and anticriminal protection, economic security, anti-corruption activities and information security);
- other activities not prohibited by the laws of the Russian Federation.

**The issuer’s previously registered (approved) issue-grade securities that are outstanding as of the approval date hereof:**

**Outstanding securities:**

1,658,814,839 uncertificated registered ordinary shares (state registration number 1-01-00073-A-001D of June 27, 2003) with a par value of 1 ruble each, with a total par value of 1,658,814,839 rubles;

93,264,311 class A uncertificated registered preference shares (state registration number 2-01-00073-A of June 27, 2003) with a par value of 1 ruble each, with a total par value of 93,264,311 rubles;

2,400,000 exchange-traded interest-bearing inconvertible certificated bearer bonds subject to mandatory centralized custody, Series BO-05, (identification number 4B02-05-00073-A of June 07, 2013) with a par value of 1,000 rubles each, with a total par value of 2,400,000,000 rubles.

**Securities with respect to which this Prospectus is issued:**

exchange-traded inconvertible interest-bearing certificated bearer bonds subject to mandatory centralized custody to be placed under the program of exchange-traded bonds, with a total par value of up to thirty-five billion (35,000,000,000) Russian rubles for all issues of the exchange-traded bonds, with the redemption date falling on or prior to the ten thousand, nine hundred twentieth (10,920th) day after the start date of the placement of the issue of the exchange-traded bonds under the program of exchange-traded bonds to be placed through a public offering.

**This Prospectus discloses and details information concerning:**

- auditor (auditing entity);
- individuals who signed the Prospectus;
- goals of the issue and ways of using the proceeds from the placement of issue-grade securities;
- risks associated with the acquisition of placed issue-grade securities (industry-specific risks, country and regional risks, financial risks, legal risks, reputational risk, strategic risk, risks associated with the Issuer’s activities);
- the Issuer’s corporate name;
- the Issuer’s state registration;
- the Issuer’s establishment and development;
- the Issuer’s contact details;

- *taxpayer identification number;*
- *the Issuer's financial and economic performance;*
- *the issuer's liquidity, capital and current asset adequacy;*
- *analysis of factors and conditions affecting the Issuer's activities;*
- *members of the Issuer's management bodies;*
- *the total number of the Issuer's shareholders (members);*
- *annual accounting (financial) statements of the Issuer;*
- *interim accounting (financial) statements of the Issuer;*
- *consolidated financial statements of the Issuer;*
- *the accounting policy of the Issuer;*
- *the Issuer's being a party to litigation if such litigation may materially affect the Issuer's financial and economic activities;*
- *placed issue-grade securities, and the value, dates, conditions, and procedure for the placement thereof;*
- *other information.*

b) general information about the securities placed by the issuer with respect to which the prospectus is registered: class, category (type), series (in the case of bonds), and other identification characteristics of securities, quantity of placed securities, par value (if such securities shall have a par value under the laws of the Russian Federation), procedure and dates of the placement (start date, end date of the placement or procedure for determining thereof), offering price or procedure for determining the offering price, conditions for securing the performance of obligations (in the case of secured bonds), conversion conditions (in the case of convertible securities):

*The terms defined below will be used herein:*

*Program or Bond Program: the Program of Series 001P Exchange-Traded Bonds, which is the first part of the decision on the securities issue, containing the generally defined rights vested in the holders of the exchange-traded bonds and specifying other general terms and conditions for one or more issues of the exchange-traded bonds;*

*Issue Terms: the terms and conditions for the issue of the exchange-traded bonds under the program of exchange-traded bonds, which is the second part of the decision on the securities issue, containing the specific terms and conditions for each individual issue of the exchange-traded bonds;*

*Issue: any individual issue of the exchange-traded bonds placed under the Program;*

*Exchange-Traded Bond or Exchange-Traded Bond of the Issue: any exchange-traded bond placed as part of the Issue;*

*Exchange-Traded Bonds: the exchange-traded bonds placed as part of the Issue.*

*"Business day" means any day (1) that is not a public holiday or a non-business day in the Russian Federation and (2) on which Moscow-based credit institutions are open for payments in Russian rubles.*

Class of securities: *exchange-traded bearer bonds*

Other identification characteristics of exchange-traded bonds placed under the program of exchange-traded bonds: *exchange-traded inconvertible interest-bearing certificated bearer bonds subject to mandatory centralized custody to be placed under the Program of Series 001P Exchange-Traded Bonds.*

*Information on the series of the individual issue of the Exchange-Traded Bonds will be specified in the Issue Terms.*

Par value: *The minimum and maximum par values of each Exchange-Traded Bond are not specified in the terms and conditions of the Bond Program.*

*The par value of each Exchange-Traded Bond will be specified in the applicable Issue Terms.*

*The minimum and maximum quantities of the Exchange-Traded Bonds of the individual issue are not specified in the terms and conditions of the Bond Program.*

*The quantity of the Exchange-Traded Bonds of the issue placed under the Bond Program will be specified in the applicable Issue Terms.*

*The maximum amount of the par values of the Exchange-Traded Bonds that may be placed under the Bond Program is up to thirty-five billion (35,000,000,000) Russian rubles.*

Placement method for bonds that may be placed under the bond program: *public offering.*

Dates of the placement (start date, end date of the placement or procedure for determining thereof)



*The Issuer of the Exchange-Traded Bonds and the exchange that admitted them to regulated trading shall provide access to information contained in the Securities Prospectus (hereinafter, the “Prospectus”) for any persons concerned, regardless of the purpose of obtaining such information, not later than the start date of the placement of the Exchange-Traded Bonds.*

*The statement concerning the identification number assigned to the Program and concerning the procedure for providing access to information contained in the Program and the Prospectus shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*The statement concerning the Exchange-Traded Bonds admitted to trading in the course of their placement (concerning the Exchange-Traded Bonds included on the List of Securities Admitted to Trading on the Moscow Exchange (hereinafter, the “List”)) and concerning the identification number assigned to the issue of the Exchange-Traded Bonds and concerning the procedure for providing access to information contained in the Issue Terms shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*The start date of the placement of the Exchange-Traded Bonds shall be determined by the Issuer’s sole executive body. Information concerning the start date determined by the Issuer for the placement of the Exchange-Traded Bonds shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus and may be specified in the Issue Terms. The start date of the placement of the Exchange-Traded Bonds shall be determined by the Issuer in accordance with the applicable laws of the Russian Federation.*

*The Issuer shall notify the Moscow Exchange (hereinafter, the “Exchange”) and National Settlement Depository (“NSD”) of the determined placement start date in accordance with the agreed procedure.*

*The start date of the placement of the Exchange-Traded Bonds that is not specified in the Issue Terms may be postponed (changed) pursuant to a decision of the Issuer’s sole executive body subject to the requirements applicable to the procedure for disclosing information about postponing (changing) the start date of the placement of the Exchange-Traded Bonds as provided for in the laws of the Russian Federation, the Program, and the Prospectus.*

*If the Issuer decides to postpone (change) the start date of the placement of the securities disclosed in accordance with the procedure specified above, the Issuer shall publish the statement concerning the changed start date of the placement of the securities in accordance with the procedure specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*The Issuer shall notify the Exchange and NSD of the changed start date of the placement of the Exchange-Traded Bonds not later than one (1) day prior to the relevant date.*

*The end date of the placement of the Exchange-Traded Bonds (or the procedure for determining their placement dates) will be specified in the applicable Issue Terms.*

*No individual issue of the Exchange-Traded Bonds under the Bond Program will be placed in tranches.*

*Offering price or procedure for determining the offering price: The Offering Price of the Exchange-Traded Bonds or the procedure for determining the Offering Price is not specified in the terms and conditions of the Program and will be specified in the applicable Issue Terms.*

Placement procedure:

*The Exchange-Traded Bonds shall be placed by means of entering into purchase and sale transactions at the offering price of the Exchange-Traded Bonds as determined in accordance with paragraph 8.4 of the Program and of the Issue Terms (hereinafter, the “Offering Price”).*

*The transactions related to the placement of the Exchange-Traded Bonds shall be entered into in Public Joint-Stock Company Moscow Exchange MICEX-RTS (herein above and hereinafter, the “Exchange” or the “Moscow Exchange”) by means of accepting the targeted buy bids for the Exchange-Traded Bonds submitted in the trading system of the Exchange (hereinafter, the “Trading System”) in accordance with the Rules for Trading on the Equity & Bond Market of Public Joint-Stock Company Moscow Exchange MICEX-RTS (hereinafter, the “Exchange Trading Rules” or the “Exchange Rules”).*

*The targeted buy bids for the Exchange-Traded Bonds and the offsetting targeted sell bids for the Exchange-Traded Bonds shall be submitted in the Trading System of the Moscow Exchange by electronic transmission; however, it shall be deemed that such transactions have the same force and effect as*

*agreements in writing. The time of entering into any transaction related to the placement of the Exchange-Traded Bonds shall be the time of its registration in the Trading System of the Moscow Exchange.*

*The Trading Participants shall not be notified (informed) separately of the acceptance of (refusal to accept) their bids.*

*Details of the Moscow Exchange (hereinafter, the “Trading Institutor”):*

Full corporate name: *Public Joint-Stock Company Moscow Exchange MICEX-RTS*

Short corporate name: *Moscow Exchange*

Registered address: *Russia, Moscow, Bolshoy Kislovsky pereulok, 13*

Postal address: *Russia, 125009, Moscow, Bolshoy Kislovsky pereulok, 13*

Date of state registration: *October 16, 2002*

Principal State Registration Number (OGRN): *1027739387411*

Name of the state registration authority: *Interdistrict Inspectorate of the Ministry of Taxation of the Russian Federation for the City of Moscow No. 39*

License No.: *077-001*

Date of issue: *August 29, 2013*

Valid until: *issued for a perpetual term*

Licensing authority: *Federal Financial Markets Service of the Russian Federation*

*If any potential buyer is not the Exchange’s trading participant (hereinafter, the “Trading Participant”), such potential buyer shall enter into an agreement with any Trading Participant and instruct such Trading Participant to buy the Exchange-Traded Bonds. Any potential buyer of the Exchange-Traded Bonds that is a Trading Participant shall act independently.*

*In order to enter into a purchase and sale transaction related to the Exchange-Traded Bonds in the course of their placement, any potential buyer shall in advance (before the start date of the placement of the Exchange-Traded Bonds) open the relevant custody account with NSD, responsible for centralized custody in relation to the Exchange-Traded Bonds, or with any other Custodian. The procedure and deadlines for opening the custody accounts shall be in accordance with the regulations of the relevant Custodians.*

*The agreements signed in the course of the placement of the Exchange-Traded Bonds may be amended and/or terminated for the reasons and in accordance with the procedure provided for in Chapter 29 of the Civil Code of the Russian Federation.*

*Trading shall be in accordance with the Exchange Rules that are duly registered and effective as of the trading date.*

*In this connection, the Exchange-Traded Bonds may be placed through bidding to determine the coupon rate for the first coupon period (hereinafter, the “Bidding”) or by means of collecting the buyers’ buy bids for the Exchange-Traded Bonds with such fixed price and such coupon rate for the first coupon period as determined by the Issuer in advance in accordance with the procedure and upon the terms and conditions provided for in the Program (hereinafter, the “Book Building”).*

*The Issuer’s sole executive body shall decide on the placement procedure for the Exchange-Traded Bonds.*

*Information concerning the selected placement procedure will be disclosed by the Issuer in accordance with the procedure provided for in paragraph 11 of the Program and paragraph 8.11 of the Prospectus or will be specified in paragraph 8.3 of the Issue Terms.*

*In this case, the Issuer shall inform the Exchange of the decision within one (1) calendar day after the date when the Issuer’s sole executive body decides on the placement procedure for the Exchange-Traded Bonds and prior to the start date of the placement of the Exchange-Traded Bonds.*

c) general information about the securities placed by the issuer with respect to which the prospectus is registered (in the case of the subsequent registration of the securities prospectus (after the state registration of the securities issue (additional issue) report (notice of the results of securities issue (additional issue)): class, category (type), series (in the case of bonds), and other identification characteristics of securities, quantity of placed securities, par value (if such securities shall have a par value under the laws of the Russian Federation), conditions for securing the performance of obligations (in the case of secured bonds), conversion conditions (in the case of convertible securities): *N/A*.

d) principal goals of the issue and ways of using the proceeds from the placement of issue-grade securities:

Goals of the issue: *raise investments, improve the Issuer’s financial stability.*

Ways of using the proceeds from the placement of issue-grade securities:

- replenish the issuer's working capital;
- obtain funding for the Company's production, economic, investment, and financing operations.

e) other information required to be specified in the introduction at the discretion of the issuer: N/A.

*This Securities Prospectus contains estimates and forecasts of the Issuer's authorized management bodies with respect to future events and/or acts, development prospects for the economic sector where the Issuer conducts its core operations, and operating results of the Issuer, including its plans and the probability that certain events will occur and certain acts will be done. Investors should not rely solely upon estimates and forecasts of the Issuer's management bodies as actual operating results of the Issuer in the future may be different than projected for many reasons. The acquisition of the Issuer's securities may involve the risks described herein.*

# Section I. Details of the Issuer's Bank Accounts, Auditor (Auditing Entity), Appraiser, and Financial Advisor, and Information Concerning Other Individuals Who Signed the Securities Prospectus

## 1.1. Bank Account Details of the Issuer

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

## 1.2. Information Concerning the Issuer's Auditor (Auditing Entity)

Information concerning the auditor (auditing entity) that conducted an independent audit of accounting (financial) statements of the issuer and consolidated financial statements of the issuer, which statements are included in the securities prospectus, for the three most recently closed financial years or, if the issuer has operated for less than three years, for each closed financial year or, if the deadline for submission of the issuer's accounting (financial) statements for the first reporting year has not yet expired, that conducted an independent audit of the issuer's opening accounting (financial) statements or quarterly accounting (financial) statements of the issuer (if the deadline for submission of the issuer's quarterly accounting (financial) statements has expired as of the approval date of the securities prospectus or such quarterly accounting (financial) statements of the issuer were prepared before the expiration thereof) and that issued the relevant auditor's reports contained in the securities prospectus:

1. Full corporate name: **KPMG Joint-Stock Company**

Short corporate name: **AO KPMG**

Registered address: **129110, Moscow, Olimpiysky prospekt, 18/1, office 3035**

Taxpayer Identification Number (INN): **7702019950**

Principal State Registration Number (OGRN): **1027700125628**

Telephone: **+7 (495) 937-4477**

Fax: **+7 (495) 937-4499**

E-mail: **moscow@kpmg.ru**

Details of the auditor's membership in self-regulatory audit organizations

Full name **Self-Regulatory Organization of Auditors "Russian Union of Auditors" (Association)**

Registered address: **Russian Federation, Moscow**

financial year(s) from among the three most recently closed financial years or any other reporting period for which the auditor (auditing entity) conducted an independent audit of the issuer's statements: **2013**

type of the issuer's accounting (financial) statements in relation to which the auditor (auditing entity) conducted an independent audit (accounting (financial) statements, consolidated financial statements):

**Audit of the Issuer's accounting statements in accordance with Russian Accounting Standards (RAS) for 2013**

If the auditor (auditing entity) conducted an independent audit of the issuer's opening accounting (financial) statements or the issuer's quarterly accounting (financial) statements additionally specify that this is the case and specify the period(s) from among the three most recently closed financial years the current year for which the auditor (auditing entity) conducted an audit of the issuer's statements.

**N/A.**

Factors that may affect the auditor's (auditing entity's) independence from the issuer, including information about significant interests connecting the auditor (members of the auditing entity's management bodies and financial and economic control bodies) and the issuer (members of the issuer's management bodies and financial and economic control bodies):

**Factors that may affect the auditor's independence from the issuer, including significant interests connecting the auditor (the auditor's executives) and the issuer (the issuer's executives): none.**

Stakes held by the auditor (the auditor's officers) in the issuer's company: **N/A.**

Borrowings from the issuer to the auditor (the auditor's officers):

N/A.

Close business relationships (participation in promoting the issuer's products (services), participation in joint entrepreneurial activities, etc.) and family relationships: N/A.

Information about the issuer's officers simultaneously acting as the auditor's officers (the auditor): N/A.

Measures taken by the issuer and the auditor (auditing entity) to mitigate the effects of the above-mentioned factors:

*Since there are no factors that may affect the auditor's independence from the Issuer as of the approval of this Securities Prospectus, no information about measures taken by the issuer and the auditor to mitigate the effects of the above-mentioned factors is disclosed in this paragraph of the Securities Prospectus.*

*However, if such factors arise in the future, the main measures taken by the Issuer to mitigate the effects of the above-mentioned factors will be the process of careful consideration given by the Issuer to the potential auditor's independence from the Issuer and absence of the above-mentioned factors.*

*Also, to mitigate the effects of the above-mentioned factors, the Issuer and the Issuer's management bodies will not carry out joint activities together with the auditor, will not grant loans, and will not appoint the auditor's officers as the Issuer's officers. The Issuer and the auditor will act in compliance with the applicable laws.*

Procedure for selecting the issuer's auditor (auditing entity):

Bidding process related to auditor (auditing entity) selection and its key terms:

*No bidding procedure related to auditor (auditing entity) selection is conducted. The auditing entities were selected to conduct an annual audit of the financial statements of subsidiaries and affiliates of PJSC "Rosseti" by the Bidding Commission of PJSC "Rosseti".*

*Key terms of bidding procedures: experience in performing similar work, professional reputation, service fee. The Board of Directors of the Issuer recommended that the Annual General Meeting of Shareholders of the Issuer approve the preferred bidder, ZAO KPMG, as the auditor for 2013. The Annual General Meeting of Shareholders of the Issuer approved ZAO KPMG as the auditor to conduct a mandatory audit of the accounting (financial) statements for 2013.*

Procedure for submitting the auditor's (auditing entity's) nomination for approval by the issuer's general meeting of shareholders (members), including the management body adopting the nomination decision:

*In accordance with sub-paragraph 9 of paragraph 10.2, paragraph 22.8 of the Issuer's Articles of Association, paragraph 4.1.3 of the Regulations for the Audit Committee of the Board of Directors, the Issuer's auditor shall be approved by the General Meeting of Shareholders of the Issuer. The issue related to the approval of the Issuer's auditor shall be included by the Board of Directors of the Issuer on the agenda of the General Meeting of Shareholders as recommended by the Audit Committee of the Board of Directors or any other person authorized under law or the Articles of Association of the Issuer to include items on the agenda of the General Meeting of Shareholders of the Issuer or request that the General Meeting of Shareholders be held.*

Information about work performed by the auditor (auditing entity) as part of special engagements: N/A.

Procedure for determining the amount of the auditor's (auditing entity's) fee, specifying the actual amount of the fee paid by the issuer to the auditor (auditing entity) for the most recent closed reporting year for which the auditor conducted an independent audit of the issuer's annual accounting (financial) statements and/or annual consolidated financial statements, information concerning deferred and overdue payments for the services provided by the auditor (auditing entity).

*The auditor's fee shall be determined by the Issuer's Board of Directors in accordance with sub-paragraph 12 of paragraph 15.1, paragraph 22.9 of the Issuer's Articles of Association, paragraph 2 of Article 86 of the Federal Law "On Joint-Stock Companies". In the course of bidding procedures, the auditor's fee was determined based on monitoring the audit services market.*

*The actual amount of the fee paid by the Issuer to the auditor, KPMG Joint-Stock Company, for 2013: 1,324,187 rubles (inclusive of VAT).*

*There are no deferred or overdue payments for the services provided by the auditor.*

2. Full corporate name: *Limited Liability Company "Ernst & Young"*

Short corporate name: *LLC "Ernst & Young"*

Registered address: *115035, Russia, Moscow, Sadovnicheskaya naberezhnaya, 77/1*

Taxpayer Identification Number (INN): *7709383532*

Principal State Registration Number (OGRN): *1027739707203*

Telephone: *+7 (495) 755-9700*

Fax: +7 (495) 755-9701

E-mail: [moscow@ru.ey.com](mailto:moscow@ru.ey.com)

Details of the auditor's membership in self-regulatory audit organizations

Full name: ***Self-Regulatory Organization of Auditors "Russian Union of Auditors" (Association).***

Registered address: ***Russian Federation, Moscow.***

financial year(s) from among the three most recently closed financial years or any other reporting period for which the auditor (auditing entity) conducted an independent audit of the issuer's statements: **2013, 2014**

type of the issuer's accounting (financial) statements in relation to which the auditor (auditing entity) conducted an independent audit (accounting (financial) statements, consolidated financial statements):

***Audit of the Issuer's accounting statements in accordance with Russian Accounting Standards (RAS) for 2014***

***Audit of the Issuer's consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) for 2013 and 2014***

If the auditor (auditing entity) conducted an independent audit of the issuer's opening accounting (financial) statements or the issuer's quarterly accounting (financial) statements additionally specify that this is the case and specify the period(s) from among the three most recently closed financial years the current year for which the auditor (auditing entity) conducted an audit of the issuer's statements.

***Review of the condensed interim consolidated financial statements of JSC "Lenenergo" and its subsidiaries in accordance with International Financial Reporting Standards (IFRS) for the period from January 1 to June 30, 2013.***

***Review of the condensed interim consolidated financial statements of JSC "Lenenergo" and its subsidiaries in accordance with International Financial Reporting Standards (IFRS) for the period from January 1 to June 30, 2014.***

Factors that may affect the auditor's (auditing entity's) independence from the issuer, including information about significant interests connecting the auditor (members of the auditing entity's management bodies and financial and economic control bodies) and the issuer (members of the issuer's management bodies and financial and economic control bodies):

***Factors that may affect the auditor's (auditing entity's) independence from the issuer, including information about significant interests connecting the auditor (members of the auditing entity's management bodies and financial and economic control bodies) and the issuer (members of the issuer's management bodies and financial and economic control bodies): none.***

Stakes held by the auditor (the auditor's officers) in the issuer's company: *N/A.*

Borrowings from the issuer to the auditor (the auditor's officers):

*N/A.*

Close business relationships (participation in promoting the issuer's products (services), participation in joint entrepreneurial activities, etc.) and family relationships: *N/A.*

Information about the issuer's officers simultaneously acting as the auditor's officers (the auditor): *N/A.*

Measures taken by the issuer and the auditor (auditing entity) to mitigate the effects of the above-mentioned factors:

***Since there are no factors that may affect the auditor's independence from the Issuer as of the approval of this Securities Prospectus, no information about measures taken by the issuer and the auditor to mitigate the effects of the above-mentioned factors is disclosed in this paragraph of the Securities Prospectus.***

***However, if such factors arise in the future, the main measures taken by the Issuer to mitigate the effects of the above-mentioned factors will be the process of careful consideration given by the Issuer to the potential auditor's independence from the Issuer and absence of the above-mentioned factors.***

***Also, to mitigate the effects of the above-mentioned factors, the Issuer and the Issuer's management bodies will not carry out joint activities together with the auditor, will not grant loans, and will not appoint the auditor's officers as the Issuer's officers. The Issuer and the auditor will act in compliance with the applicable laws.***

Procedure for selecting the issuer's auditor (auditing entity):

Bidding process related to auditor (auditing entity) selection and its key terms:

***No bidding procedure related to auditor (auditing entity) selection is conducted. The auditing entities were selected to conduct an annual audit of the financial statements of subsidiaries and affiliates of PJSC "Rosseti" by the Bidding Commission of PJSC "Rosseti".***

***Key terms of bidding procedures: experience in performing similar work, professional reputation, service fee. The Board of Directors of the Issuer recommended that the Annual General Meeting of Shareholders of the Issuer approve the preferred bidder, LLC "Ernst & Young", as the auditor for 2014.***

*The Annual General Meeting of Shareholders of the Issuer approved LLC “Ernst & Young” as the auditor to conduct a mandatory audit of the accounting (financial) statements for 2014.*

*LLC “Ernst & Young” was approved as the auditor to conduct an audit of the consolidated IFRS financial statements for 2013 by the Audit Committee of the Issuer’s Board of Directors on June 10, 2013 (Minutes No. 35 of June 13, 2013).*

*LLC “Ernst & Young” was approved as the auditor to conduct an audit of the consolidated IFRS financial statements for 2014 by the Audit Committee of the Issuer’s Board of Directors on April 16, 2014 (Minutes No. 42 of April 16, 2014) and approved by the Issuer’s Board of Directors on May 19, 2014 (Minutes No. 36 of May 21, 2014).*

Procedure for submitting the auditor’s (auditing entity’s) nomination for approval by the issuer’s general meeting of shareholders (members), including the management body adopting the nomination decision:

*In accordance with sub-paragraph 9 of paragraph 10.2, paragraph 22.8 of the Issuer’s Articles of Association, paragraph 4.1.3 of the Regulations for the Audit Committee of the Board of Directors, the Issuer’s auditor shall be approved by the General Meeting of Shareholders of the Issuer. The issue related to the approval of the Issuer’s auditor shall be included by the Board of Directors of the Issuer on the agenda of the General Meeting of Shareholders as recommended by the Audit Committee of the Board of Directors or any other person authorized under law or the Articles of Association of the Issuer to include items on the agenda of the General Meeting of Shareholders of the Issuer or request that the General Meeting of Shareholders be held.*

Information about work performed by the auditor (auditing entity) as part of special engagements: *N/A.*

Procedure for determining the amount of the auditor’s (auditing entity’s) fee, specifying the actual amount of the fee paid by the issuer to the auditor (auditing entity) for the most recent closed reporting year for which the auditor conducted an independent audit of the issuer’s annual accounting (financial) statements and/or annual consolidated financial statements, information concerning deferred and overdue payments for the services provided by the auditor (auditing entity).

*The auditor’s fee shall be determined by the Issuer’s Board of Directors in accordance with sub-paragraph 12 of paragraph 15.1, paragraph 22.9 of the Issuer’s Articles of Association, paragraph 2 of Article 86 of the Federal Law “On Joint-Stock Companies”. In the course of bidding procedures, the auditor’s fee was determined based on monitoring the audit services market.*

*The actual amount of the fee paid by the Issuer to the auditor, LLC “Ernst & Young”, for 2014: 7,361,990.91 rubles (inclusive of VAT)*

*There are no deferred or overdue payments for the services provided by the auditor.*

3. Full corporate name: **Limited Liability Company “RSM RUS”**

Short corporate name: **LLC “RSM RUS”**

Taxpayer Identification Number (INN): **7722020834**

Principal State Registration Number (OGRN): **1027700257540**

registered address: **119285, Russian Federation, Moscow, ul. Pudovkina, 4**

telephone: **+7 (495) 363-2848**

fax: **+7 (495) 981-4121**

e-mail: **mail@rsmrus.ru**

full name of the self-regulatory audit organization of which the issuer’s auditor (auditing entity) is (was) a member: **Self-Regulatory Organization of Auditors Association “Sodruzhestvo” (SRO AAS).**

registered address of the self-regulatory audit organization of which the issuer’s auditor (auditing entity) is (was) a member: **Russian Federation, Moscow.**

financial year(s) from among the three most recently closed financial years or any other reporting period for which the auditor (auditing entity) conducted an independent audit of the issuer’s statements: **2015.**

type of the issuer’s accounting (financial) statements in relation to which the auditor (auditing entity) conducted an independent audit (accounting (financial) statements, consolidated financial statements):

**Audit of the Issuer’s accounting statements in accordance with Russian Accounting Standards (RAS) for 2015**

**Audit of the Issuer’s consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) for 2015**

If the auditor (auditing entity) conducted an independent audit of the issuer’s opening accounting (financial) statements or the issuer’s quarterly accounting (financial) statements additionally specify that this is the case and specify the period(s) from among the three most recently closed financial years the current year for which the auditor (auditing entity) conducted an audit of the issuer’s statements.

***Review of the condensed interim consolidated financial statements of PJSC “Lenenergo” and its subsidiaries in accordance with International Financial Reporting Standards (IFRS) for the period from January 1 to June 30, 2015.***

***Review of the condensed interim consolidated financial statements of PJSC “Lenenergo” and its subsidiaries in accordance with International Financial Reporting Standards (IFRS) for the period from January 1 to June 30, 2016.***

Factors that may affect the auditor’s (auditing entity’s) independence from the issuer, including information about significant interests connecting the auditor (members of the auditing entity’s management bodies and financial and economic control bodies) and the issuer (members of the issuer’s management bodies and financial and economic control bodies):

***Factors that may affect the auditor’s independence from the issuer, including significant interests connecting the auditor (the auditor’s executives) and the issuer (the issuer’s executives): none.***

stakes held by the auditor (members of the auditing entity’s management bodies and financial and economic control bodies) in the issuer’s company: *N/A*

loans granted by the issuer to the auditor (members of the auditing entity’s management bodies and financial and economic control bodies) *N/A*

close business relationships (participation in promoting the issuer’s products (services), participation in joint entrepreneurial activities, etc.) and family relationships: *N/A*

information about members of the issuer’s management bodies and/or financial and economic control bodies simultaneously acting as members of the auditing entity’s management bodies and/or financial and economic control bodies: *N/A*

Measures taken by the issuer and the auditor (auditing entity) to mitigate the effects of the above-mentioned factors:

***Since there are no factors that may affect the auditor’s independence from the Issuer as of the approval of this Securities Prospectus, no information about measures taken by the issuer and the auditor to mitigate the effects of the above-mentioned factors is disclosed in this paragraph of the Securities Prospectus.***

***However, if such factors arise in the future, the main measures taken by the Issuer to mitigate the effects of the above-mentioned factors will be the process of careful consideration given by the Issuer to the potential auditor’s independence from the Issuer and absence of the above-mentioned factors.***

***Also, to mitigate the effects of the above-mentioned factors, the Issuer and the Issuer’s management bodies will not carry out joint activities together with the auditor, will not grant loans, and will not appoint the auditor’s officers as the Issuer’s officers. The Issuer and the auditor will act in compliance with the applicable laws.***

Procedure for selecting the issuer’s auditor (auditing entity):

Bidding process related to auditor (auditing entity) selection and its key terms:

***No bidding procedure related to auditor (auditing entity) selection is conducted. The auditing entities were selected to conduct an annual audit of the financial statements of subsidiaries and affiliates of PJSC “Rosseti” by the Bidding Commission of PJSC “Rosseti”.***

***Key terms of bidding procedures: experience in performing similar work, professional reputation, service fee. The Board of Directors of the Issuer recommended that the Annual General Meeting of Shareholders of the Issuer approve the preferred bidder, LLC “RSM RUS”, as the auditor for 2015.***

***The Annual General Meeting of Shareholders of the Issuer approved LLC “RSM RUS” as the Company’s auditor on June 22, 2015 (Minutes No. 1/2015 of June 22, 2015).***

***LLC “RSM RUS” was approved as the auditor to conduct an audit of the consolidated IFRS financial statements for 2015 by the Audit Committee of the Issuer’s Board of Directors on May 8, 2015 (Minutes No. 55 of May 8, 2015) and approved by the Issuer’s Board of Directors on May 20, 2015 (Minutes No. 36 of May 22, 2015).***

procedure for submitting the auditor’s (auditing entity’s) nomination for approval by the issuer’s general meeting of shareholders (members), including the management body adopting the nomination decision:

***In accordance with sub-paragraph 9 of paragraph 10.2, paragraph 22.8 of the Issuer’s Articles of Association, paragraph 4.1.3 of the Regulations for the Audit Committee of the Board of Directors, the Issuer’s auditor shall be approved by the General Meeting of Shareholders of the Issuer. The issue related to the approval of the Issuer’s auditor shall be included by the Board of Directors of the Issuer on the agenda of the General Meeting of Shareholders as recommended by the Audit Committee of the Board of Directors or any other person authorized under law or the Articles of Association of the Issuer to include items on the agenda of the General Meeting of Shareholders of the Issuer or request that the General Meeting of Shareholders be held.***

Information about work performed by the auditor (auditing entity) as part of special engagements.

*N/A*



Procedure for determining the amount of the auditor's (auditing entity's) fee, specifying the actual amount of the fee paid by the issuer to the auditor (auditing entity) for the most recent closed reporting year for which the auditor conducted an independent audit of the issuer's annual accounting (financial) statements and/or annual consolidated financial statements, information concerning deferred and overdue payments for the services provided by the auditor (auditing entity).

*The auditor's fee shall be determined by the Issuer's Board of Directors in accordance with Article 15 of the Issuer's Articles of Association, paragraph 2 of Article 86 of the Federal Law "On Joint-Stock Companies".*

*The actual amount of the fee paid by the Issuer to the auditor, LLC "RSM RUS", for 2015: 2,126,061.86 rubles*

*There are no deferred or overdue payments for the services provided by the auditor for 2015.*

### **1.3. Information Concerning the Issuer's Appraiser**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **1.4. Information Concerning the Issuer's Advisors**

*Financial advisor in the securities market, other persons providing the Issuer with advisory services related to issued securities and signing the securities prospectus: none*

### **1.5. Information Concerning Other Individuals Who Signed the Securities Prospectus**

Full name: *Roman Nikolayevich Berdnikov*

Year of Birth: *1973*

Positions held by the individual: *Acting CEO, Public Joint-Stock Company "Lenenergo"; Chairman of the Management Board, PJSC "Lenenergo"; Member of the Board of Directors, PJSC "Lenenergo"*

Full name: *Galina Vladimirovna Kuznetsova*

Year of Birth: *1959*

Positions held by the individual: *Chief Accountant and Head of the Business and Tax Accounting and Reporting Department, Public Joint-Stock Company "Lenenergo".*

*Other individuals who signed the securities prospectus and are not specified in the previous paragraphs of this section: none.*

## **Section II. Basic Information Concerning the Financial and Economic Condition of the Issuer**

### **2.1. Financial and Economic Performance Indicators of the Issuer**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **2.2. Market Capitalization of the Issuer**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **2.3. Liabilities of the Issuer**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **2.4. Goals of the Issue and Ways of Using Proceeds from the Issue of Issue-Grade Securities**

If the securities are placed through subscription, goals of the issue and ways of using the proceeds from the placement of securities:

Goals of the issue: *raise investments, improve the Issuer's financial stability.*

Ways of using the proceeds from the placement of issue-grade securities:

- *replenish the issuer's working capital;*
- *obtain funding for the Company's production, economic, investment, and financing operations.*

If the securities are placed by the issuer to finance any specific transaction (associated transactions) or any other operation:

description of the transaction or other operation for the financing of which securities are issued:

goals of using the proceeds from the placement of securities;

estimated price (value) of the transaction (associated transactions) or other operation;

payback of costs incurred based on the projected financial flows for the entire period of securities circulation.

*The Exchange-Traded Bonds are not placed in order to finance any specific transaction (associated transactions) or any other operation.*

### **2.5. Risks Associated with the Acquisition of Placed Issue-Grade Securities**

Detailed analysis of risk factors associated with the acquisition of placed securities, namely:

industry-specific risks;

country and regional risks;

financial risks;

legal risks;

risk of loss of business reputation (reputational risk);  
strategic risk;  
risks associated with the issuer's activities;  
bank risks.  
Description of the issuer's risk management policy.

The issuer's risk management policy:

*The Issuer considers risk management to be one of the crucial elements of strategic management. Risk management is carried out by the Issuer in accordance with the Risk Management Policy approved by the Board of Directors of PJSC "Lenenergo" (Minutes No. 45 of April 12, 2016) and defining the basic principles of the organization, implementation, and follow-up of risk management processes within the Company.*

*In accordance with the Risk Management Policy of PJSC "Lenenergo", the purpose of the risk management system is to ensure reasonable confidence in the achievement of the goals set for the Company as determined by the Strategy for Development of the Electric Grid Sector of the Russian Federation (approved by Ordinance of the Government of the Russian Federation No. 511-r of April 3, 2013), development program documents and the Articles of Association of the Company, and to ensure the growth of the Company's value while maintaining the balance of interests of all stakeholders. The Issuer regularly identifies, assesses and controls risks, adapts its operations in order to decrease the probability and mitigate the potential consequences of risks, and informs the shareholders and other stakeholders accordingly.*

*The most significant risks that may affect the issuer's activities are analyzed below. To neutralize some of the risks, the issuer has implemented a number of protection measures and developed possible actions to be taken by the issuer in the event of a particular risk occurrence.*

*The list of risks presented below is not exhaustive since there are factors which are currently negligible but may subsequently have an adverse impact on the Company's activities thus affecting its financial performance.*

### **2.5.1. Industry-Specific Risks**

Description of the impact of potential deterioration of the issuer's industry situation on its activities and the performance of securities-related obligations. The most significant, in the issuer's opinion, potential changes in the industry (in the Russian and external market respectively) and the issuer's expected actions in the event of their occurrence.

*The core business of the Issuer (electricity distribution and grid connection) is regulated activities. Prices (tariffs) are set by regional tariff regulation authorities; the methodology and rules for setting them are formulated by the Federal Antimonopoly Service (previously, by the Federal Tariff Service of the Russian Federation).*

*Therefore, the key industry-specific risks include:*

*- restrictions on or the elimination of the tariff growth rate (average pool tariffs, voltage tariff rates for each customer group) and, as a consequence, failure to take into account economically feasible expenses in full as part of the Company's tariff-based revenues;*

*- changes in legislation as related to tariff regulation and the use of set prices/tariffs in contractual relations;*

*- deviation of actual inflation and price increases in the deregulated market from the values taken into account for regulation.*

*In accordance with the general regulation rules, actual performance is taken into account for regulation after 2 years. During this period of time the Company has cash gaps that require additional borrowings;*

*- potential reduction by the regulator of the Company's income for failure to complete the capital investment program: if the approval of any adjustment to the capital investment program is delayed and/or if there are any changes in the Company's financial and economic condition or the macroeconomic conditions of the Company's activities, the actual completion of the capital investment program may be lower than taken into account for regulation. Legislation does not provide for taking into account objective factors of such decreases, and regulation for the following year may reduce the Company's income by the amount of penalties for failure to complete the capital investment program.*

*The above-mentioned factors lead to the risk that revenue from electricity distribution services and consequently the Company's net profit may decrease. Based on the extent of their impact on the Company's activities, these risks may be assessed as moderate.*

*To reduce any adverse impact of risk realization, PJSC “Lenenergo” conducts continuous work as part of the tariff campaign with regional and federal regulatory bodies in terms of providing supporting documents, analyzing the consequences of applying draft amendments to regulatory legal acts, timely updating the declared information and indicators that form the minimum regulated revenue and tariff rates for the provision of regulated services.*

*Industry-specific risks also include the risk of reduction in the volume of electricity distribution services. The risk is associated with the overall decline in large customers’ power and capacity demand due to decreased industrial output, optimization of customers’ external power supply, increasingly wider use of in-house generation facilities by customers, impaired financial solvency. In order to minimize the risk, the Company, based on statistics and forecasts of economic development of the Russian Federation and constituent entities of the Russian Federation as well as forecasts of behavior of large consumers, takes measures to improve the accuracy of forecasting the volume of electricity distribution services used for pricing and business planning purposes. The Company takes measures to implement the Long-Term Development Programs for Electricity Metering Systems and the energy saving program in line with Federal Law No. 261-FZ “On Energy Saving and Energy Efficiency” of November 23, 2009.*

*In addition, given the industry’s general state and the use of equipment that is substantially worn out and outdated, the Issuer recognizes that operational (production) risks are significant. Failure to comply with the reliability parameters established by the regulator may result in decreased minimum regulated revenue in the next regulatory period. The Company takes the following measures to mitigate these risks:*

- modernization, rehabilitation, and new construction of electric grid facilities,*
- improvement of the equipment repair and maintenance policy,*
- introduction of advanced equipment diagnostics methods,*
- property insurance.*

*Risks associated with potential deterioration of the Issuer’s industry situation will not have a material effect on the Issuer’s activities and performance of the Issuer’s securities-related obligations.*

*The Issuer does not operate in the external market; consequently, industry-specific risks in the external market are not described.*

*Risks associated with possible changes in the prices of raw materials and services used by the issuer in its activities (in the Russian and external market respectively) and their effects on the issuer’s activities and the performance of securities-related obligations.*

*As an infrastructural unit of the wholesale and retail electricity market, the Issuer is not involved in the production and consumption of electricity (except for electricity for its own needs) and is not materially dependent on the use of any raw materials or other materials typical of the processing sectors of the economy. The Issuer’s key activity is the transmission of electric power through grids not related to the Unified National (All-Russian) Electric Grid (UNEG). In this regard, an important area of the Issuer’s activities is the maintenance of its own power grids in order to ensure the reliability of power distribution, which is not materially dependent on the use of any raw materials or other materials. The Issuer also leases some of the UNEG’s grids owned by PJSC “FGC UES”.*

*Therefore, the Issuer’s main expenses are payments for electricity distribution services via the UNEG, the amount of which is subject to approval by the Federal Antimonopoly Service, and costs associated with the maintenance services, renovation, and technical upgrading of its own electricity grids.*

*In the price segment not regulated by the government, currency fluctuations may lead to increased prices of fuel, lubricants, gasoline, diesel fuel, materials, and equipment for the core production and business operations (in 2016, prices of materials and equipment increased by 45% on average year-over-year).*

*Therefore, there is a risk that the issuer may incur increased costs and decreased profits. The issuer takes the following measures to mitigate these risks:*

- cost optimization in relation to repair, maintenance, and capital construction;*
- wide use of a competitive environment for purchases of materials, work, and services;*
- implementation of an import substitution policy, resulting in the share of imported materials that have no domestic equivalents brought to.*

*In view of measures taken by the Issuer, risks associated with potential changes in prices for raw materials and services used by the Issuer in its activities will not have a material effect on the Issuer’s activities and performance of the Issuer’s securities-related obligations.*

*The Issuer does not operate in the external market; consequently, industry-specific risks in the external market are not described.*

Risks associated with possible changes in the prices of the issuer's products and/or services (in the Russian and external market respectively) and their effects on the Issuer's activities and the performance of securities-related obligations.

*The Issuer's main income is generated by payments for power distribution services and grid connection fees. Tariffs for these services of the Issuer are part of the price segment regulated by the government.*

*Therefore, there is a risk of tariffs being set below an economically feasible level, which has a considerable impact on the Company's operations and may adversely affect the Issuer's activities and performance of the Issuer's securities-related obligations. To reduce this risk the Issuer continuously interacts with tariff authorities to set the tariffs at the feasible level.*

*The Issuer does not operate in the external market; consequently, industry-specific risks in the external market are not described.*

## **2.5.2. Country and Regional Risks**

Risks associated with the political and economic situation in the country (countries) and the region in which issuer is registered as a taxpayer and/or conducts its core business provided that the issuer's core business in such country (region) accounts for 10 percent or more of income in the most recently closed reporting period preceding the date of approval of the securities prospectus. Expected actions of the issuer in the event of adverse effect of changes in the situation in the country (countries) and region on its activities.

*Country and regional risks are determined primarily by macroeconomic factors existing globally, nationwide, and at regional level. These factors may adversely affect the Issuer's possibilities for borrowing, liquidity indicators, investment and operating efficiency, and, eventually, shareholder value. Additionally, the global economic crisis has a harmful effect on industrial production and electricity consumption, which reduces the Issuer's revenue.*

*The Issuer operates in two constituent entities of the Russian Federation: Saint Petersburg and the Leningrad Region, which are economically developed regions of the country and form a center of financial and political activity. This ensures that the Company's services are stably in demand, albeit exposed to economic risks.*

*Most of these risks cannot be directly controlled by the Company because of their scale. The Company analyzes the situation and takes all possible crisis management measures to minimize their adverse impact.*

*Currently, the impact of these risks on the Company's activities was assessed as moderate.*

Expected actions of the issuer in the event of adverse effect of changes in the situation in the country (countries) and region on its activities:

*As part of measures to minimize these risks, the Company works on cutting internal costs and optimizing the capital investment program and pursues a balanced borrowing policy.*

Risks associated with potential military conflicts, a declared state of emergency, or strikes in the country (countries) and region where the issuer is registered as a taxpayer and/or conducts its core business:

*The Russian Federation is a multinational state including regions with varying levels of social and economic development. In this regard, the likelihood of internal conflicts in Russia, including military ones, cannot be entirely ruled out. The operations of Russian companies, including PJSC "Lenenergo", can be damaged by both domestic and international acts of terrorism, which can also adversely affect investments and the value of the Company's securities.*

*However, military conflicts and a declared state of emergency in the region in which the Company operates are unlikely to happen.*

*In order to minimize these risks, the Company takes measures to comply with the requirements set forth in Federal Law No. 256-FZ "On Security of Facilities in the Fuel and Energy Sector" of July 21, 2011.*

Risks associated with the geography of the country (countries) and region where the issuer is registered as a taxpayer and/or conducts its core business, including high likelihood of natural disasters, possible interruption of transportation due to remoteness and/or inaccessibility, etc.:

*Geography of the region in which the Issuer operates carries the risk of natural disasters (hurricane winds, heavy rains, snowfalls, etc.) resulting in power outages in the region and material damage to the Company's assets.*

*The Issuer assesses these risks as moderate.*

*Measures taken by the Issuer to minimize these risks:*

- The Issuer implements a package of measures to prepare grid facilities for freshets and thunderstorms.*
- The Issuer takes continuous efforts to reduce the time period required for prompt recovery work.*
- Expanding the pathways of overhead lines in accordance with regulatory legal acts setting out the procedure for determining protected areas and forest clearings near power grid facilities.*
- Implementation of property insurance program;*
- Ensuring the availability and mobilization readiness of emergency recovery teams.*

*Risks associated with the possible interruption of transportation due to remoteness and/or inaccessibility are assessed by the Issuer as minimal.*

### **2.5.3. Financial Risks**

The issuer's exposure to risks associated with changes in interest rates, exchange rates, the issuer's activities or hedging operations performed by the issuer for the purposes of mitigating negative implications of the above-mentioned risks.

*In the course of its operations, the Company carries out financial management measures aimed at the efficient management of its property and financing sources.*

*The risks accompanying the economic and financial activities are categorized as financial risks, which play the most important role in the Company's aggregate risk portfolio.*

*Financial risks arise in the Issuer's relationships with banks and other financial institutions. The Issuer's exposure to financial risks is also due to the fact that governmental regulatory authorities have a direct impact on the Issuer's activities by approving tariffs for electricity distribution services and setting grid connection fees.*

*Currently, the Company is not engaged in export and import operations. The Issuer's principal counterparties are Russian residents; prices for the Issuer's electricity distribution and grid connection services are also denominated in the currency of the Russian Federation.*

*Therefore, the Company is not exposed to the foreign exchange risk.*

*The energy industry is one of the most capital-intensive sectors in the resource market, which is why the Issuer's activities require substantial capital expenditures and investments. In the course of its operations under its financial and economic policy, PJSC "Lenenergo" borrows in various forms from the Russian capital market.*

*On September 19, 2016, the Bank of Russia decided to reduce the key rate to 10.00% per annum based on the following trends:*

- inflation is slowing down;*
- the real interest rates in the economy (adjusted for inflation expectations) will stay at a mark where demand for credit will be met without heightened inflationary pressure, retaining the incentives to save;*
- production recovery fails to cause consumer price growth amid slack demand.*

*The risks of failure to deliver on the 4% inflation target in 2017 persist. Along with external risks, this is mainly due to the inertia of inflation expectations and the uncertainty over specific fiscal consolidation measures, including wage and pension indexation. The emerging trend towards wage increase and deposit rate cut may undermine households' propensity to save.*

*To alleviate these risks, the Bank of Russia has to keep rates at a level that encourages saving, brings down inflation expectations and promotes sustainable inflation reduction to the target level.*

*There is risk of changes in interest rates under loan agreements of PJSC "Lenenergo".*

*The Issuer does not perform any hedging operations for the purposes of mitigating adverse implications of changes in interest rates and foreign currency exchange rates.*

Exposure of the issuer's financial condition, liquidity, sources of funding, performance, etc. to exchange rate changes (currency risks):

*Currently, the Company is not engaged in export and import operations. The assets and liabilities of PJSC "Lenenergo" are mostly denominated in the local currency. The Issuer's principal counterparties are Russian residents; prices for the Issuer's electricity distribution and grid connection services are also denominated in the currency of the Russian Federation.*

*Therefore, the Issuer's financial condition, liquidity, financing sources, and operating results are hardly affected by exchange rate changes.*

Expected actions of the issuer in the event of adverse effects of exchange rate and interest rate changes on the issuer's activities:

*In order to mitigate interest rate risks, the Company takes the following measures:*

- *entering into long-term revolving facility agreements providing for a significant borrowing limit and the possibility of early repayment without penalty;*
- *selecting financial institutions for the provision of services through open competitive procedures, which allows raising loans on the most favorable terms.*

*The Issuer is not affected by the currency exchange rates, therefore, the expected actions of the Issuer in the event of adverse effects of exchange rate changes are not disclosed.*

Inflation impact on the yield on securities, critical inflation rates in the issuer's opinion and the issuer's expected actions to mitigate the above-mentioned risk:

*The Issuer is exposed to inflation risk, since inflationary processes can decrease the value of receivables.*

*Inflation can adversely affect on the Issuer's financial and economic activities in the form of the following risks:*

- *Loss risk associated with losses in the real value of receivables in the event of substantially deferred or delayed payments;*
- *Risk associated with increased interest on borrowings;*
- *Risk associated with increased production costs of goods, products, work, and services due to increased prices of energy, transportation services, wages, etc.;*
- *Risk associated with decreases in the real value of funds under the capital investment program.*

*In the event of any adverse change in overall inflation indicators, the Company plans to optimize receivables management and cost management. As inflation grows, the Issuer plans to pay special attention to increasing the turnover of current assets, mainly by changing existing contractual relationships with customers in order to reduce trade receivables.*

*In general, the impact of inflationary factors on the Issuer's financial stability is forecasted in the course of preparing the Company's financial plans. The Issuer is a regulated organization.*

*Therefore, in the issuer's opinion, the inflationary risk is not critical to the Issuer and cannot significantly affect the yield on securities, since, if the actual inflation is above the level used in the tariff model for the current regulatory period, the difference is taken into account by the regulator for the following regulatory period. Accordingly, there are no critical inflation rates.*

Indicators of the issuer's financial statements that can be changed by the above-mentioned financial risks to the greatest extent, including risks, their likelihood and the nature of changes in statements:

<b>Risk factor</b>	<b>Likelihood of its occurrence</b>	<b>Indicators of the issuer's financial statements that can be changed by the above-mentioned financial risks to the greatest extent</b>	<b>Nature of changes in statements</b>
Interest rate fluctuations	Low	Profit, cost efficiency	Reduced net profit and cost efficiency
Exchange rate fluctuations	Low	Cost	Increased cost
Availability of borrowings	Low	Borrowings	Increased interest expenses
Reaching critical inflation rates	Low	Amount of receivables, amount of payables	Decrease in receivables, increase in payables

## 2.5.4. Legal Risks

Legal risks associated with the issuer's activities (in the domestic and external market respectively), including risks associated with changes in:

- foreign exchange regulation;
- tax legislation;

customs control rules and customs duties;  
licensing requirements for the core activities of the issuer and licensing requirements for the rights to use controlled items (including natural resources);  
litigation practice related to the issuer's activities (including licensing matters) which can adversely affect its performance and the outcome of pending litigation involving the issuer.

*The Issuer (like all joint-stock companies operating in the Russian Federation) is exposed to the risk of changes in legislation (federal laws and by-laws) governing joint-stock and corporate relationship. The Issuer cannot guarantee that there will be no adverse changes in Russian legislation in the long term, since most of the risk factors are beyond the control of the Company.*

*Adverse effects of this category of risks are mitigated through the monitoring of, and ensuring prompt response to, changes in the Russian legislation and through active interaction with legislative and executive bodies and public organizations with respect to interpretation and improvement of legislation.*

*Since the Issuer does not operate in the external market, the Issuer is not exposed to legal risks in the external market.*

Risks associated with changes in foreign exchange regulation:

*Russian foreign exchange legislation has been substantially liberalized in recent years. In particular, amendments and supplements to the Federal Law "On Foreign Exchange Regulation and Control" came into effect in 2007, which abolished almost all restrictions on foreign exchange transactions between residents and non-residents that existed previously. This, together with the government's policy aimed at enhancing the convertibility of the ruble, allows assessing risks of potential tightening of foreign exchange regulation in the Russian Federation and the impact of such risks on the Issuer's activities as insignificant.*

*Since the Issuer does not operate in the external market, the Issuer is not exposed to legal risks in the external market.*

Risks associated with changes to tax legislation:

*In order to minimize the risk that taxes may be incorrectly calculated and/or paid due to different interpretations of legislation, the Issuer constantly improves the calculation of the tax base strictly in accordance with the laws in effect in the Russian Federation. If the existing procedure and conditions of taxation are changed, the Issuer intends to plan its financial and economic activities in line with such changes.*

*Since the Issuer does not operate in the external market, the Issuer is not exposed to legal risks in the external market.*

Risks associated with changes to customs control rules and customs duties:

*The Issuer does not import goods into the Customs Union customs area or export goods from the Customs Union customs area; consequently, the Issuer is not exposed to risks associated with violation of customs control rules and customs duties.*

*Since the Issuer does not operate in the external market, the Issuer is not exposed to legal risks in the external market.*

Risks associated with changes to licensing requirements for the core activities of the issuer and licensing requirements for the rights to use controlled items (including natural resources):

*In accordance with Federal Law No. 99-FZ "On Licensing for Specific Activity Types" of May 4, 2011, electricity and heat network operation is not subject to licensing and does not require any special permits. The Issuer has permits (licenses) or documents in support of permission to perform specific types of work.*

*In its activities, the Issuer operates in accordance with the applicable laws, complies in all material respects with the requirements contained in permits, and, in the event of any regulatory complaints, intends to use its best efforts to correct non-compliance and remedy the situation.*

*Since the Issuer does not operate in the external market, the Issuer is not exposed to legal risks in the external market.*

Risks associated with changes to litigation practice related to the issuer's activities (including licensing matters) which can adversely affect its performance and the outcome of pending litigation involving the issuer:

*There is little likelihood of changes to litigation practice related to the Issuer's activities.*

*Legal risks are managed based on optimizing the legalities and support of the Issuer's activities. In order to minimize legal risks, any of the Issuer's business processes exposed to risks (for example, contracts) are subject to legal due diligence.*



*The Issuer's legal support staff regularly monitors rulings of senior courts and analyzes trends in enforcement practices of district arbitration courts.*

*The best enforcement practices are extensively applied and used not only to safeguard the rights and legitimate interests of the Issuer in court, but also to resolve legal issues arising out of its activities.*

*If litigation practice is changed in relation to the Issuer's activities, financial and economic activities will be planned with due consideration to such changes.*

*Since the Issuer does not operate in the external market, the Issuer is not exposed to legal risks in the external market.*

## **2.5.5. Risk of Loss of Business Reputation (Reputational Risk)**

Risk of the issuer incurring losses resulting from a reduction in the number of its customers (counterparties) due to a negative perception of the issuer's financial stability, financial position, the quality of its products (works, services) or the nature of its activities in general.

*Activities of the Company are aimed at fulfilling all of their obligations to customers and counterparties. PJSC "Lenenergo" is constantly working to secure a reliable and uninterrupted power supply, improve the quality of their services, and increase their customer focus, i.e. achieve the goals defined by the Strategy for Development of the Electric Grid Sector of the Russian Federation (approved by Ordinance of the Government of the Russian Federation No. 511-r of April 3, 2013).*

*Therefore, the Issuer assessed its reputational risk as insignificant.*

*Measures taken by the Issuer to minimize the reputational risks:*

*- organize work on restoring electricity supply after natural disasters within the shortest time possible, using accident recovery crews of all branches;*

*- reply to customer queries in a timely manner;*

*- fulfill grid connection obligations;*

*- disclose information about the Company's activities as required by the applicable laws.*

*- under the government support program, the Company implements measures to ensure performance of its accumulated obligations related to the connection of applicants to power grids.*

## **2.5.6. Strategic Risk**

Risk of the issuer incurring losses resulting from mistakes (drawbacks) in decisions defining the issuer's strategy of operations and development (strategic management) expressed in the lack of or inadequate consideration of potential threats to the issuer's operations, incorrect or poorly substantiated identification of the priority areas of operations in which the issuer can have a competitive advantage, absence or insufficiency of required resources (financial, logistical, human) and organizational measures (managerial decisions) to ensure achievement of the issuer's strategic goals:

*The strategic priorities of the Company's activities are determined by the Strategy for Development of the Electric Grid Sector of the Russian Federation approved by the Government of the Russian Federation, containing approaches to dealing with systemic issues in the electric power sector.*

*Therefore, the Company's strategic risks are risks that may affect the Company's ability to secure a reliable, high-quality, and affordable power supply in the Russian Federation in the long term and improve efficiency in the electric grid sector.*

*The Company assesses the strategic risk as low and maintains a strong focus on securing a reliable and uninterrupted electricity and heat generation, constructing new facilities and increasing the efficiency of the existing ones through the implementation of the priority investment program, implementing energy-saving technologies, contributing to the energy efficiency improvement of the Russian economy, increasing the Company's capitalization and investment appeal, improving energy efficiency through the development of electricity production from renewable energy sources.*

## **2.5.7. Risks Associated with the Issuer's Activities**

Issuer-specific risks or risks associated with the issuer's core financial and business activities.

*One of the risks affecting the Issuer's activities is the risk that overdue receivables from energy retailers may grow.*

*In order to minimize the risk, the Company deals with counterparties with the aim of ensuring the timely discharge of contractual obligations and repayment of overdue debts while initiating court proceedings to recover receivables (late payment penalties) and build positive judicial practice. The Company implements*

*a comprehensive energy saving and energy efficiency program, including the installation of power meters and measures to detect non-contractual consumption.*

*In order to perform its own obligations to energy retailers, PJSC “Lenenergo” operates under contracts for electricity distribution services using the grids of allied grid organizations. Payments under the contracts are made at individual tariffs set by the Tariff Committees of Saint Petersburg and the Leningrad Region for 2016 in accordance with the applicable Russian laws.*

*The individual tariffs applicable to allied grid organizations with respect to electricity distribution services in 2016 are both two-rate and one-rate tariffs.*

*In relations with allied grid organizations, there are unresolved disputes that arose in 2013-2015 with respect to non-agreed volume and cost of electricity distribution services resulting from the absence of agreed essential terms of contracts.*

*The material risk associated with payments for the increased volume of electricity distribution services in relation to allied grid organizations arises from some electrical equipment leased to and by allied grid organizations, which results in doubling the amount of, and payment for, the same electricity flow from the grid of PJSC “Lenenergo” and from the acquisition of on-site station equipment of power generation facilities by allied grid organizations. This amount of services is not taken into account for tariff and balancing decisions, which leads to lost income and, as a result, to disagreements about payments.*

*PJSC “Lenenergo” prepared a schedule of measures to settle disagreements and overdue debts (including by recourse to court proceedings) in relation to distribution services of allied grid organizations in Saint Petersburg and the Leningrad Region.*

*Requests were sent to the regulator and the Russian Federal Antimonopoly Service concerning recognition of expenses of PJSC “Lenenergo” for the service of allied grid organizations in accordance with decisions of courts for Saint Petersburg and the Leningrad Region.*

*There are no disputes with JSC “Saint Petersburg Power Grid” as of the approval date of this Prospectus.*

*In accordance with administrative documents of PJSC “Rosseti”, a mediation procedure was carried out to resolve the disputes with JSC “Saint Petersburg Power Grid”. Disputes for 2014 were resolved in favor of JSC “Saint Petersburg Power Grid”, repayment of debt in the amount of 925 million rubles is planned in Q4 2016. Disputes for 2015 were resolved in favor of PJSC “Lenenergo” in accordance with the tariff and balancing decision for 2015.*

*The remaining disputes with JSC “Petrodvorets Power Grid” for 2014-2015 amount to 342.6 million rubles. The disputes will be resolved through a mediation procedure in the manner and within the time limits specified in regulations of PJSC “Rosseti”.*

*Disputes with PJSC “FGC UES” concerning the volume and cost of services provided were resolved by both parties signing dispute resolution memorandums. Some of the disputes were resolved in accordance with the pre-trial dispute resolution procedure. The remaining disputes were resolved in accordance with the court decision recognizing debt in favor of PJSC “FGC UES” which became final on December 8, 2015. Through negotiations between*

*PJSC “Lenenergo” and PJSC “FGC UES”, the parties agreed on installment payment of amounts owed to PJSC “FGC UES” for the provided electricity distribution services under the Contract, expenses related to state duty payment, interest for delayed implementation of the decision of the Moscow Arbitration Court of September 28, 2015 concerning case No. A40-1091/15 in the amount of 5,056,035,656 rubles 09 kopecks during 2016-2018. The parties preliminarily approved a debt repayment schedule under a Supplementary Agreement to the Contract for electricity distribution services.*

#### Operating risks

*Operational and technological risks affecting power supply reliability are associated with system-wide failures of the operability and performance of power distribution equipment and with power outages suffered by customers of the Company due to natural disasters, high physical deterioration and obsolescence of power grid assets, non-compliance with operating requirements and conditions for power grid equipment, and failure to implement the required repair program to the necessary extent.*

*These risk factors affect power grid losses, increasing the Company’s expenses associated with electric power purchased to compensate for losses. If these risks occur, this may have material economic and reputational consequences.*

*In order to reduce the probability that operational and technological risks occur, the issuer takes measures to make the power supply more reliable and prevent process failure risks. These measures include clearing and expanding the pathways of overhead lines, renovating power grid facilities, expanding the stock of reserve power supply equipment and the fleet of vehicles and special equipment for accident recovery work, carrying out a comprehensive program to modernize power grid assets, modernizing switching equipment and telemetry systems, improving data collection and transmission systems, analyzing process failures, etc.*

*The Company implements a package of measures to prepare grid facilities for freshets and thunderstorms. The Company carries out a program to reduce injury risks at power grid facilities, provides personnel training, ensures personnel supervision, and conducts personnel certification. The Company operates, develops, and constantly improves an integrated management system based on international standards ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and corresponding national standards.*

#### *Environmental risks*

*Environmental risks include potential harmful emissions from motor transport.*

*Environmental risks can also arise out of substation transformer oil leaks caused by defective oil receivers, which may lead to environmental pollution by oil products.*

*In order to minimize the adverse impact of electric facilities on the environment and ensure environmental safety in Saint Petersburg and the Leningrad Region, the Issuer implements its Environmental Policy. Environmental risks are mitigated by carrying out a long-term multiyear program to replace oil circuit breakers rated 6–110 kV with vacuum circuit breakers and SF6-insulated circuit breakers and install reclosers, which reduces the use of dielectric oils and prevents them from going into the environment as well as brings down costs associated with the disposal of used oils. The Company controls maximum permissible emissions at production sites and effluents and ensures timely waste disposal.*

#### *Investment risks*

*Investment risks are as follows:*

*- Risk associated with failure to meet the deadlines for putting facilities into operation under the capex program, including due to the failure of contractors and suppliers to perform their obligations in full or in due time.*

*- Risk associated with the application by regulatory authorities of provisions (imposition of penalties) that specify a reduction in tariff-based revenue in the event of failure to complete the capital investment program.*

*- Risk of failing to achieve the target of reducing specific investment expenses in line with the relevant target of reducing investment costs by 30% vs 2012 set in the Strategy for the Development of the Electric Grid Sector of the Russian Federation, due to the fact that imported materials account for a certain share of investment expenses and due to rising prices for basic materials.*

*In order to minimize these risks, the Issuer takes the following measures:*

*- The Company monitors the implementation of the capex program and its financing and analyzes the causes of the deviation of the actual results of capex program implementation from the planned targets.*

*- The Company improves the process quality control and management system for capital construction under the capex program.*

*- The Company constantly monitors specific construction costs (1 km and 1 MVA).*

*- With the purpose of reducing its dependence on imported equipment, technical devices, component parts, etc., the Company carries out an action plan for import substitution.*

#### *Grid connection risks*

*Due to a large volume of accumulated grid connection obligations and the fact that the investment expenses necessary to fulfill such obligations are not covered by related cash inflows, the Company is unable to perform such obligations in due time, which entails the risk that requesting entities may file action and that the Company may violate antimonopoly legislation by failing to meet the deadlines for the provision of grid connection services. If the Federal Antimonopoly Service issues rulings imposing penalties on the Company for non-compliance with applicable laws, their legality will be challenged in court. Furthermore, the Company maintains stable and constructive interaction with the Federal Antimonopoly Service of Russia, its regional bodies for Saint Petersburg and the Leningrad Region to ensure prompt consideration of and response to the Antimonopoly Service's inquiries.*

*Currently, the Company is actively working towards the fulfillment of its accumulated grid connection obligations under the government support program. The Company interacts with the regulatory bodies of the Russian constituent entities to ensure inclusion of the grid connection fee for subsidized applicants in the electricity distribution tariff.*

*In order to facilitate the process of obtaining an electricity connection, the Government of the Russian Federation has developed and implements the Action Plan ("Road Map") to Improve Accessibility of Power Supply Infrastructure (Ordinance of the Government of the Russian Federation No. 1144-r of June 30, 2012). Subject to measures included in the Road Map, the Company works to improve the procedure for processing grid connection requests, including by using information technology and standard solutions to modernize the business process. Additionally, the Company explains to customers how grid connection services are provided, including through the Customer Relations Portal on the Company's website, customer service centers, and call centers.*

*The Company carries out an action plan to meet the key parameters in order to achieve the target ranking for “Getting Electricity” under the Doing Business initiative.*

*There is a risk of lost profits arising from the failure to properly fulfill grid connection contracts. The source of such risk is the failure of applicants to fulfill their obligations, including their refusal of connection despite expenses incurred by the Issuer as a grid company. Such circumstances result in newly built equipment remaining unutilized and in the Company failing to receive potential revenue from electricity distribution services. In order to reduce this risk, the Company files claims against applicants to reimburse the Company for its expenses in relation to provided grid connection. The Company also explains to applicants that they have obligations under grid connection contracts and that there are implications of their non-fulfillment (penalties, postponed connection).*

risks associated with pending litigation involving the issuer:

*Pending litigation involving the Issuer is connected with disputes between PJSC “Lenenergo” and allied grid companies under electricity distribution contracts concerning payments for the maximum capacity, volume and cost of the provided electricity transmission services. The most significant disputes with grid companies are those with JSC “Saint Petersburg Power Grid”, JSC “Petrodvorets Power Grid” and JSC “United Energy Company”, PJSC “FGC UES”. The disputes mainly concern the type of tariff applied for payments and the absence of agreed essential terms of electricity distribution contracts as provided for by the laws in effect in the Russian Federation. PJSC “Lenenergo” defends its position in court. There is no well-established litigation practice with respect to this type of disputes.*

*Taking into account amendments to laws and regulations of the Russian Federation that govern these matters and the litigation practice evolving in the Russian Federation with respect to similar disputes, PJSC “Lenenergo” believes that final decisions in these court proceedings will be issued in favor of PJSC “Lenenergo”.*

*However, taking into account the amounts of claims from the allied grid companies as well as the fact that a number of court decisions issued with respect to similar cases were not in favor of PJSC “Lenenergo”, the Company believes that if litigation concerning these disputes is completed not in favor of PJSC “Lenenergo” this will significantly affect the Company’s financial performance. Therefore, PJSC “Lenenergo” recognized provisions with respect to such claims against PJSC “Lenenergo” in its accounting records.*

impossibility of renewing the issuer’s license to perform a certain type of activity or to use controlled items (including natural resources):

*The Issuer has no difficulties in obtaining or renewing any permits (licenses) or documents confirming that permission is granted to perform certain types of work. The risk is assessed as insignificant.*

potential liability of the issuer for third-party debts, including the issuer’s subsidiaries:

*Currently, PJSC “Lenenergo” is not liable for third-party debts, including the Issuer’s subsidiaries, since the Issuer did not provide collateral for their obligations. Risks associated with the potential liability of the Issuer for third-party debts, including the Issuer’s subsidiaries, are assessed as insignificant.*

potential loss of customers accounting for at least 10 percent of total revenue from the sale of the issuer’s products (work, services):

*The Issuer’s core business (electricity distribution and grid connection) is activities of a natural monopoly because there is no competition due to the Company’s operational profile.*

*Risks associated with the potential loss of customers accounting for at least 10 percent of total revenue from the sale of the Issuer’s products (work, services) are assessed as insignificant.*

## **2.5.8. Bank Risks**

*No information is disclosed since the Issuer is not a credit institution.*

## Section III. Detailed Information Concerning the Issuer

### 3.1. Establishment History and Development of the Issuer

#### 3.1.1. Data Concerning the Issuer's Corporate Name

Full and short corporate names of the issuer (in the case of a non-profit organization, name) and effective date(s) of the currently used names.

Full corporate name of the issuer in Russian: *Публичное акционерное общество энергетики и электрификации «Ленэнерго»*

Short corporate name of the issuer in Russian: *ПАО «Ленэнерго»*

Full corporate name in English: *Public JOINT-STOCK COMPANY "LENENERGO"*

Short corporate name in English: *PJSC "LENENERGO"*

Currently used names are effective from: *July 20, 2015*

If the full or short company name of the issuer (in the case of a non-profit organization, name) is similar to the name of another corporate entity, the name of such corporate entity and notes necessary to prevent the above names from being confused:

*The full or short company name of the issuer (in the case of a non-profit entity, name) is similar to the name of another corporate entity:*

*Names of such corporate entities:*

*Homeowner Partnership "Lenenergo" (Principal State Registration Number (OGRN) 1084705001908, Taxpayer Identification Number (INN) 4705042582);*

*Open Joint-Stock Company "Lenenergo Energy Service Company" (Principal State Registration Number (OGRN) 1117847478715, Taxpayer Identification Number (INN) 7810846884);*

*Limited Liability Company "Lenenergo" (Principal State Registration Number (OGRN) 1103827000771, Taxpayer Identification Number (INN) 3830090905);*

*Gardening Non-Profit Partnership "Dubki JSC Lenenergo" (Principal State Registration Number (OGRN) 1024702186090, Taxpayer Identification Number (INN) 4720014685);*

*Non-Profit Gardening Partnership LVS "Lenenergo" (Principal State Registration Number (OGRN) 1137847154411, Taxpayer Identification Number (INN) 7814569991);*

*Autonomous Non-Profit Organization Sports and Cultural Club "LENENERGO" (Principal State Registration Number (OGRN) 1127800005178, Taxpayer Identification Number (INN) 7806290315);*

*Non-Profit Gardening Partnership LKS "Lenenergo" (Principal State Registration Number (OGRN) 1037832004099, Taxpayer Identification Number (INN) 7814139653)*

*Notes necessary to prevent the above-mentioned names from being confused:*

*The Issuer uses its location, taxpayer identification number (INN) and/or principal state registration number (OGRN) as a means of identification in formal agreements and documents.*

Registration details of the issuer's corporate name (in the case of a non-profit organization, name) registered as a trademark or service mark:

*The Issuer's corporate name (in the case of a non-profit organization, name) is registered as a trademark or a service mark.*

*Registration details of these trademarks:*

*The official and single symbol of PJSC "Lenenergo" is the Company's logo registered as a trademark (service mark).*

*The corporate font with the name "Lenenergo" is an integral element of the Company's corporate identity and may be used both independently and in combination with the PJSC "Lenenergo" logo.*

*Registration details of the trademark:*

*Trademark (Service Mark) Certificate No. 129419 issued by the Federal Service for Intellectual Property of the Russian Federation and registered on the State Register of Trademarks and Service Marks of the Russian Federation on February 14, 2014, the term of the exclusive right was extended until December 13, 2023.*

If the issuer's corporate name (in the case of a non-profit organization, name) was changed after its establishment, all previous full and short corporate names and legal form of ownership of the issuer, specifying the dates and grounds thereof:

Previous full corporate name of the issuer: *Открытое акционерное общество энергетики и электрификации «Ленэнерго» (in Russian), JOINT-STOCK COMPANY «LENENERGO» (in English)*

Previous short corporate name of the issuer: *ОАО «Ленэнерго» (in Russian), JSC «LENENERGO» (in English)*

Legal form of ownership: *Open joint-stock company*

Date of change: *July 20, 2015*

Grounds for change: *Resolution of the Annual General Meeting of JSC “Lenenergo”; Minutes of the Meeting No. 1/2015 of June 24, 2015.*

Previous full corporate name of the issuer: *Открытое акционерное общество энергетики и электрификации «Ленэнерго» (in Russian), JOINT-STOCK COMPANY «LENENERGO» (in English)*

Previous short corporate name of the issuer: *АО «Ленэнерго» (in Russian), JSC «LENENERGO» (in English)*

Legal form of ownership: *Open joint-stock company*

Date of change: *October 03, 2002*

Grounds for change: *Resolution of the Annual General Meeting of the Company; Minutes of the Meeting No. 1 of May 23, 2002*

Previous full corporate name of the issuer: *Акционерное общество открытого типа энергетики и электрификации «Ленэнерго»*

Previous short corporate name of the issuer: *АО «Ленэнерго»*

Legal form of ownership: *Open joint-stock company*

Date of change: *June 29, 1996*

Grounds for change: *Resolution of the Annual General Meeting of the Company; Minutes of the Meeting No. 1 of May 15, 1996*

### **3.1.2. Information Concerning the Issuer's State Registration**

For corporate entities registered (incorporated) before July 1, 2002:

state registration number of the corporate entity: *2084*

date of state registration: *January 22, 1993*

registration authority registering the incorporation: *Registration Chamber of the Office of the Mayor of Saint Petersburg*

Principal State Registration Number (OGRN) of the corporate entity (if applicable): *1027809170300*

date of OGRN assignment (date of entry on a corporate entity registered (incorporated) before July 1, 2002 in the Uniform State Register of Corporate Entities): *July 22, 2002*

Registering authority which made an entry in the Uniform State Register of Corporate Entities concerning a corporate entity registered (incorporated) before July 1, 2002: *Inspectorate of the Ministry of Taxation of the Russian Federation for the Tsentralny District of Saint Petersburg*

### **3.1.3. Information Concerning the Issuer's Establishment and Development**

Date, until which the issuer will exist if the issuer was established for a certain term or until the achievement of a certain goal, or indication that the issuer was established for a perpetual term.

Date, until which the issuer will exist: *The Issuer was established for a perpetual term*

Overview of the issuer's establishment and development.

*Public Joint-Stock Company “LENENERGO” was established in accordance with Decree of the President of the Russian Federation No. 922 of August 14, 1992 “On Particular Issues of Transformation of State Enterprises, Associations, Organizations of the Fuel and Energy Complex into Joint-Stock Companies”, Decree of the President of the Russian Federation No. 923 of August 15, 1992 “On Organization of Management of Power Complex of the Russian Federation in the Context of Privatization”, Decree of the President of the Russian Federation No. 1334 of November 05, 1992 “On the Implementation of Decree of the President of the Russian Federation No. 922 of August 14, 1992 ‘On Particular Issues of*

*Transformation of State Enterprises, Associations, Organizations of the Fuel and Energy Complex into Joint-Stock Companies' in the Electric Power Industry".*

*The founder of the Company is the City Property Management Committee of Saint Petersburg Mayor's Office, a regional agency of the State Property Management Committee of the Russian Federation.*

*The Company was registered by resolution of the Registration Chamber of Saint Petersburg Mayor's Office No. 2518 of January 22, 1993 as Joint-Stock Company "Lenenergo".*

*The Company is the successor to Lenenergo Energy and Electrification Enterprise, a Leningrad-based state-owned enterprise, within the scope of rights and obligations as defined by the Privatization Plan of December 22, 1992.*

*On April 08, 2005, the Extraordinary General Meeting of Shareholders of JSC "Lenenergo" resolved to reorganize JSC "Lenenergo" through a the spin-off of the following companies:*

- JSC "Saint Petersburg Generation Company",*
- JSC "North-West Energy Managing Company",*
- JSC "Saint Petersburg Energy Supply Company",*
- JSC "Saint Petersburg Backbone Grids".*

*These reforms were a new round of development in the history of Russia's first power system. The main task of the reforms was to adapt the work of the power energy sector to market conditions while also fully preserving the experience earned by many generations of Petersburg power engineers.*

*On April 27, 2007, the Board of Directors of RAO UES of Russia approved the plan of 11 standalone interregional distribution grid companies, including JSC "Lenenergo".*

*At the 2nd stage of RAO UES of Russia's reorganization, a controlling shareholding of 465,896,500 ordinary shares (45.71% of the authorized capital) in JSC "Lenenergo" was transferred to JSC "IDGC Holding" (currently, PJSC "Rosseti") under the Separation Balance Sheet on July 1, 2008). Following an additional issue of shares in JSC "Lenenergo" in the 4th quarter of 2008, the City of Saint Petersburg acquired a blocking shareholding of the issuer's voting shares.*

*In 2010, JSC "Lenenergo" acquired CJSC "Tsarskoye Selo Energy Company" (96.95% of the authorized capital) and CJSC "Kurortenergo" (98.13% of the authorized capital) as part of the establishment of a unified power grid company.*

*January 1, 2011 marked the transition of JSC "Lenenergo" to a new long-term tariff regulation system RAB (Regulatory Asset Base) with the main goal of raising investments for the expansion and upgrading of infrastructure.*

*In 2012, the Agency for Strategic Initiatives selected JSC "Lenenergo" to be its partner in the implementation of the road map under the project to improve accessibility of power supply infrastructure. The project provides for the development of mechanisms to upgrade the grid connection system on the basis of JSC "Lenenergo", which mechanisms are to be subsequently implemented at the national level.*

*In 2014, PJSC "Federal Testing Center" was established to become the first center in Russia focusing on testing high voltage equipment.*

*In December 2014, the Training Center was commissioned in Tervolovo, Gatchina District. It comprises a classroom building with 12 specialized classrooms, 2 training facilities operating on a year-round basis, a grid training ground for 0.4, 10, 35 and 110 kV grids, and 110/35/10 kV substation training ground.*

*In 2015, PJSC "Lenenergo" completed consolidation of the largest electricity distribution market players in Saint Petersburg and the Leningrad Region: JSC "Saint Petersburg Power Grid" and JSC "Petrodvorets Power Grid".*

Goals of the issuer's establishment, the issuer's mission (if any) and other information concerning the issuer's activities that is of importance for making a decision to acquire the issuer's securities.

Goals of the issuer's establishment:

*In accordance with paragraph 3.1 of Article 3 of the Articles of Association, the Company's business objectives are as follows:*

- 1) earn profit for the Company;*
- 2) ensure the efficient and reliable operation of electricity distribution grid facilities;*
- 3) ensure the sustained development of the electricity distribution grid sector;*
- 4) secure a reliable and high-quality power supply (electricity transportation).*

core activities of the issuer:

*In accordance with paragraph 3.2 of Article 3 of the Issuer's Articles of Association, the Company's core activities are as follows:*

*–electric power transmission services and other services inextricably associated with the process of electric power supply to consumers;*

*–connection of power receivers (power units) of corporate entities and individuals to power grids;*

- acquisition (purchase) of electric power from the wholesale market of electric power (capacity) from retail market entities and generating companies;
  - acquisition (purchase) of heat from generating companies;
  - power generation for in-house needs;
  - generation of heat, supply (sale) of heat at the statutory rates in accordance with dispatcher schedules of heat loads, including to households;
  - designing, installation and adjustment at the operational site, operating, and metrological support of operations of electric power metering units;
  - transmission of electric power and heat;
  - power grid maintenance;
  - heat supply networks maintenance;
  - gas supply networks maintenance;
  - engineering surveys for the construction of buildings and structures of criticality rating 1 and 2 in compliance with the state standard;
  - preparation of design documentation for capital construction projects;
  - construction, reconstruction and overhaul;
  - acting as a power supplier of last resort, supply of electric power on the territory of its operations;
  - geodesic operations;
  - transportation of passengers by motor vehicles equipped for eight (8) people and more;
  - transportation of cargo by railway;
  - loading and unloading during railway transportation;
  - transportation of dangerous cargo;
  - development of communications facilities and communications service delivery;
  - educational activities;
  - storage of oil, gas and derivatives;
  - sale of oil, gas and derivatives;
  - medical activities;
  - export and import operations;
  - operation of fire-hazardous production facilities;
  - scrap nonferrous metal collection, processing and sale;
  - scrap ferrous metal collection, processing and sale;
  - organization and conduct of trainings on mobilization, civil defense and emergency response;
  - activities and services for the protection of information constituting trade and state secrets;
  - activities in the field of energy saving and energy efficiency;
  - activities in the field of energy inspection (energy audit) and provision of energy services;
  - development of schedules on emergency restrictions of consumption;
  - control measurements of flow, load and voltage levels in electrical grids of power supply systems;
  - services for the certification of workplaces on working conditions;
  - organization of children’s recreation and healthcare, provision of tour packages to children’s health summer camps;
  - activities related to the research, developmental and technological works, including designing, developing, implementing new and improving existing equipment, technologies, and methods to enhance the reliability, quality, efficiency and sustainability of power supply to consumers, creation of conditions for the development of the grid system of Russia, implementation of R&D programs and innovative programs, participation in the establishment of sectoral R&D funds;
  - organizational, practical and preventive measures to ensure integrated security (antiterrorist and anticriminal protection, economic security, anti-corruption activities and information security);
  - other activities not prohibited by the laws of the Russian Federation.
- Issuer’s mission: *Secure a reliable, efficient, and uninterrupted power supply for Saint Petersburg and the Leningrad Region; provide nondiscriminatory access to electric power connections without delay.*
- Other information concerning the issuer’s activities which is of importance for adopting a decision on the acquisition of the issuer’s securities: *N/A*



### 3.1.4. Contact Details

Issuer's registered address, issuer's address as specified in the Uniform State Register of Corporate Entities, other postal address of the issuer (if any), telephone, fax, e-mail, web-page(s) where information about the issuer and the securities (being) placed by the issuer is available.

Issuer's registered address: **Russian Federation, Saint Petersburg**

Issuer's address as specified in the Uniform State Register of Corporate Entities: **196247 Saint Petersburg, Ploshchad Konstitutsii, 1**

Other postal address of the issuer (if any): *N/A*

Telephone: + 7 (812) 595-86-13

Fax: + 7 (812) 494-32-54

E-mail: [office@lenenergo.ru](mailto:office@lenenergo.ru)

Information about the issuer and the securities (being) placed by the issuer is available on the Internet at: <http://www.e-disclosure.ru/portal/company.aspx?id=65>; <http://www.lenenergo.ru/>

Address, telephone, fax, e-mail address, and web page of the special function of the issuer (third party shareholder and investor relations (if any)).

Special function of the issuer shareholder and investor relations: **Shareholder and Investor Relations**

Location: **196247 Saint Petersburg, Ploshchad Konstitutsii, 1**

Telephone: +7 (812) 494-39-63

Fax: +7 (812) 494-37-34

E-mail: [ir@lenenergo.ru](mailto:ir@lenenergo.ru)

Web-page: <http://www.e-disclosure.ru/portal/company.aspx?id=65>; <http://www.lenenergo.ru/>

### 3.1.5. Taxpayer Identification Number

7803002209

### 3.1.6. Branches and Representative Offices of the Issuer

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this sub-paragraph is not disclosed.*

## 3.2. Core Business Activities of the Issuer

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

## 3.3. Plans for Future Activities of the Issuer

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

## 3.4. Membership of the Issuer in Banking Groups, Banking Holding Companies, Holding Companies and Associations

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **3.5. Issuer's Subsidiaries and Affiliates**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **3.6. Composition, Breakdown and Value of the Issuer's Fixed Assets, Information Concerning Plans for the Acquisition, Replacement, Retirement of Fixed Assets and All Evidence of Encumbrance of the Issuer's Fixed Assets**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **3.7. Issuer-Controlled Entities of Material Importance to the Issuer**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

## Section IV. Information Concerning the Financing and Economic Activities of the Issuer

### 4.1. Financial and Economic Performance of the Issuer

Changes in indicators describing the issuer's financial and business performance, including profits/losses, for the five most recently closed financial years or, if the issuer has operated for less than five years, for each closed financial year. Information is presented as a table in respect of each reporting period.

Description	For 2011	For 2012	For 2013	For 2014	For 2015
Net profit margin, %	3.70	2.87	1.06	-17.82	-13.53
Asset turnover ratio, times	0.34	0.28	0.27	0.27	0.22
Return on assets, %	1.27	0.80	0.29	-4.84	-3.04
Return on equity, %	2.43	1.37	0.56	-11.15	-5.22
Uncovered loss at balance sheet date, thousand rubles	0	0	0	0	1,610,309
Ratio of uncovered loss at balance sheet date to book value of assets, %	0.00	0.00	0.00	0.00	0.83

Calculation method if any indicator is calculated other than in accordance with recommended calculation method. If, in the issuer's opinion, calculation of any of the above-mentioned indicators does not make any obvious economic sense, the issuer may instead use another indicator describing the issuer's financial and business performance, including profits/losses, specifying the calculation method thereof. In addition to the above-mentioned indicators, the issuer may use other indicators describing the issuer's financial and business performance, including profits/losses, specifying the calculation method thereof.

**Indicators were calculated using the methods recommended by the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P).**

*Note: to ensure correct comparison of data for the calculation of indicators:*

- for 2011, values specified in the annual accounting (financial) statements for 2012 (column "At December 31, 2011") were used;
- for 2012, values specified in the annual accounting (financial) statements for 2013 (column "At December 31 2012") were used;
- for 2013, values specified in the annual accounting (financial) statements for 2014 (column "At December 31, 2013") were used;
- for 2014, values specified in the annual accounting (financial) statements for 2014 (column "At December 31, 2014") were used;
- for 2015, values specified in the annual accounting (financial) statements for 2015 (column "At December 31, 2015") were used.

Economic analysis of the issuer's profit/loss based on changes in the above-mentioned indicators.

**Net profit margin of the Issuer is equal to net profit as a percentage of sales revenue. This indicator decreased in the period from 2011 to 2014 (from 3.70% to -17.82%) due to the fact that revenue from the core activity (electricity distribution services) in 2011-2014 grew at a slower pace than the expenses required to conduct the activities, thus the amount of the received net profit also decreased. The Issuer achieved the maximum net profit margin in 2011 (3.70%), and the minimum value for the period under review (in 2014) was -17.82%, down by 18.88 points vs 2013 due to the loss incurred by the Issuer. In 2015, the net profit margin was also negative (-13.53%), also due to the incurred loss. At the same time, net profit margin increased by 4.29% mainly as a result of a decrease in the Issuer's losses (by 25.7%, 2,051 million rubles) relative to a decrease in the Issuer's revenue (by 2.2%, 995 million rubles).**

*The asset turnover ratio is a financial indicator reflecting the utilization rate of all available assets by the organization. Amid the growth rates of the Issuer's assets outperforming the growth rates of its revenue, the turnover ratio shows a downward trend (from 0.34 in 2011 to 0.27 in 2014). With a decrease in revenue and a rise in the book value of the Issuer's assets, the asset turnover ratio for 2015 decreased (by 0.05x, 17.2%) and totaled 0.22x.*

*Return on assets shows the profit received from each ruble invested in the assets. From 2011 to 2014 inclusive, the Issuer's return on assets decreased (from 1.27% to -4.84%) due to a decrease in the Company's net profit. In 2014, this indicator was negative, i.e. the Issuer incurred 4.84 kopecks of loss per each ruble invested in assets. For 2015, return on assets was -3.04%, or up 1.80% year-over-year due to a decrease in the Issuer's losses.*

*Return on equity shows the profit received from each ruble invested in the company by its owners. Until 2014 inclusive, the Issuer's return on equity also decreased (from 2.43% to -11.15%). Return on equity for 2014 decreased by 11.71% year-over-year and became negative (-11.15%). Return on equity for 2015 increased by 5.93% year-over-year and was still negative (-5.22%). The improvement was also due to an increase in the financial performance of the Issuer.*

*Return on equity, return on assets, and net profit margin were negative in 2015 due to PJSC "Lenenergo" incurring uncovered loss in the amount of -5,916 million rubles.*

*In 2011-2014 the Issuer had no uncovered loss. In 2015, uncovered loss amounted to 1,610,309 thousand rubles as a result of loss incurred by the Issuer exceeding retained profits for previous years.*

*The ratio of uncovered loss to the book value of assets as of the end of 2011-2014 was equal to zero. The ratio of uncovered loss to the book value of assets for 2015 was equal to 0.83% due the loss incurred by the Issuer in 2015.*

The reasons that are believed by the issuer's management bodies to have brought about the issuer's profit/loss recognized in its accounting (financial) statements for the five closed financial years preceding the securities prospectus approval date or, if the issuer has operated for less than five years, for each closed financial year.

*In 2011-2013, the Issuer annually generated positive net profit as a result of the Issuer's revenue from core activities significantly exceeding the expenses, which reflects the economic efficiency of the Company's operations.*

*The Issuer's loss in 2014 and 2015 was affected by adverse consequences of the Company's reform (transfer of liabilities unsecured by financing sources), shortfalls in income resulting from executive bodies of Saint Petersburg and the Leningrad Region in charge of state regulation of tariffs approving incorrect tariff and balancing decisions (excess tariff smoothing, use of overstated capacity for the tariff and balancing decisions vs actual capacity), disputes with allied grid organizations with respect to the provided electricity distribution services, deterioration of counterparties' payment discipline, growth of interest rates on borrowings.*

*The Company's electricity distribution activities were loss-making during the entire period after the reform.*

*The most significant deterioration of the issuer's financial performance over the five most recently closed financial years was in 2014. In general, the growth of net loss and adverse changes in profitability indicators were mainly affected by the creation of a provision for the impairment of financial investments in connection with difficulties faced by Bank "Tavrishesky" (JSC).*

*Increase in expenses for the creation of provisions for estimated liabilities arising from the existing disputes with allied grid organizations, recognition of loss under lost cases related to disputes with allied grid organizations also contributed to the deterioration of the financial performance.*

If the issuer's management bodies have different opinions about the above-mentioned reasons and/or the degree of their influence on the issuer's financial and business performance, opinion of each of such management bodies of the issuer and reasoning explaining their position.

*The Issuer's management bodies have the same opinions about the above-mentioned reasons or the degree of their influence on the Issuer's financial and economic performance.*

If a member of the issuer's board of directors (supervisory board) or a member of the issuer's collegial executive body has a dissenting opinion about the above-mentioned reasons and/or the degree of their influence on the issuer's financial and economic performance, which opinion is contained in the minutes of a meeting of the issuer's board of directors (supervisory board) or the issuer's collegial executive body that dealt with the relevant issues, and insists that this opinion be included in the securities prospectus, such dissenting opinion and reasoning explaining the position of such member of the issuer's management body:

*Members of the Issuer's Board of Directors have no dissenting opinions about the above-mentioned reasons and/or the degree of their influence on the Issuer's financial and economic performance.*

## 4.2. Liquidity of the Issuer, Capital and Current Asset Adequacy

Changes in indicators describing the issuer's liquidity for the five most recently closed financial years or, if the issuer has operated for less than five years, for each closed financial year.

Description	For 2011	For 2012	For 2013	For 2014	For 2015
Net working capital, thousand rubles	-13,959,488	-13,279,129	-17,623,065	-20,327,419	-12,263,955
Current ratio	0.50	0.48	0.53	0.47	0.75
Quick ratio	0.47	0.45	0.51	0.42	0.72

Calculation method if any indicator is calculated other than in accordance with recommended calculation method. If, in the issuer's opinion, calculation of any of the above-mentioned indicators does not make any obvious economic sense, the issuer may instead use another indicator describing the issuer's liquidity, specifying the calculation method thereof. In addition to the above-mentioned indicators, the issuer may use other indicators describing the issuer's liquidity, specifying the calculation method thereof.

*Indicators were calculated using the methods recommended by the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P).*

*Note: to ensure correct comparison of data for the calculation of indicators:*

- for 2011, values specified in the balance sheet for 2013 (column "At December 31, 2011") were used;*
- for 2012, values specified in the balance sheet for 2014 (column "At December 31, 2012") were used;*
- for 2013, values specified in the balance sheet for 2014 (column "At December 31, 2013") were used;*
- for 2014, values specified in the balance sheet for 2014 (column "At December 31, 2014") were used;*
- for 2015, values specified in the balance sheet for 2015 (column "At December 31, 2015") were used.»).*

Economic analysis of the issuer's liquidity and solvency and the adequacy of the issuer's equity for settling short-term liabilities and covering current operating expenses based on the economic analysis of changes in the above indicators, describing the factors that are believed by the issuer's management bodies to have had the greatest effect on the issuer's liquidity and solvency in the reporting period:

*Net working capital is the difference between the Issuer's current assets and current liabilities.*

*In other words, net working capital characterizes working capital free from short-term (current) liabilities, i.e. the share of the Issuer's current assets that is financed from long-term sources and that does not need to be used to meet current financial obligations.*

*Traditionally, the recommended value of net current assets is greater than zero, because in the most general case, the company should have current assets after meeting all current financial obligations in order to carry on its day-to-day activities. However, due to the industry's operational profile, the situation where the Issuer has no net working capital is acceptable.*

*The Issuer operates in a capital-intensive industry, which is why its liabilities include a large amount of borrowed funds, while non-current assets make up the largest portion of its assets. At the same time, liabilities include a considerable amount of advances for grid connection services, which are closely related to the implementation of the investment program (sources of capital investment financing).*

*In 2011-2015, the issuer had no net working capital, and its net working capital was negative, i.e. current assets of the issuer were not financed from long-term sources. At the same time, net current assets slightly improved during 2011-2012 (from -13,959,488 thousand rubles to -13,279,129 thousand rubles). In 2011, the growth of current assets (mainly cash and financial investments) exceeded the increase in short-term liabilities, which resulted in net working capital growing by 348 million rubles. In 2012, the issuer's short-term liabilities decreased (mainly due to payables on loans and borrowings) and current assets*

increased (mainly due to receivables), which resulted in net working capital increasing by 680 million rubles. Starting from 2013, this indicator has been deteriorating. More than 1.3x negative growth of net working capital for 2013 year-over-year was due to a significant increase in short-term liabilities (net of deferred income) resulting from growth of the issuer's short-term payables amid a less significant increase in current assets net of non-current receivables in absolute terms. Negative growth of net working capital for 2014 amounted to 2,704 million rubles (1.15x) as a result of a decrease in current assets (mainly due to a decrease in the most liquid assets – cash and short-term financial investments) with simultaneous increase in short-term liabilities (net of deferred income). A decline in the negative value of net working capital for 2015 amounted to 8,063 million rubles (39.7%). This change for 2015 was due to an increase in current assets (mainly due to an increase in the most liquid assets – cash and short-term financial investments, resulting from recognition of unused proceeds from sale of federal loan bonds in such assets as of the end of 2015).

*The current ratio reflects the company's current assets (net of long-term receivables) required for business activities and the timely discharge of short-term (current) liabilities.*

*The quick ratio shows the share of current liabilities that can be covered by the most liquid part of current assets (current assets net of inventory, input VAT, and long-term receivables).*

*During the period under review, liquidity ratios demonstrated unidirectional fluctuations. At the end of 2012, both current and quick ratios slightly decreased by 0.02 points each and were equal to 0.48 and 0.45 points, respectively. Both current and quick ratios increased in 2013 by 0.05 and 0.06 points year-over-year and totaled 0.53 and 0.51 points, respectively. In 2014, the current and quick ratios decreased by 0.06 and 0.09 points and were equal to 0.47 and 0.42 points, respectively. At the end of 2015, the current and quick ratios were 0.75 and 0.72 points, up 0.28 and 0.30 points year-over-year, respectively. The decrease in the current ratio during the period under review was due to an increase in the Issuer's short-term liabilities, and growth of the liquidity ratios was driven by an increase in the Issuer's current assets relative to the growth of the Issuer's short-term liabilities. At the same time, a significant amount of liabilities under loans and borrowings repayable within 12 months after the reporting date and the amount of payables related to advances received under grid connection contracts most of which are short-term had a downward effect on the liquidity indicators.*

If the issuer's management bodies have different opinions about the above-mentioned factors and/or the degree of their influence on the issuer's financial and business performance, opinion of each of such management bodies of the issuer and reasoning explaining their position:

*The Issuer's management bodies have the same opinions about the above-mentioned factors or the degree of their influence on the Issuer's financial and economic performance.*

If a member of the issuer's board of directors (supervisory board) or a member of the issuer's collegial executive body has a dissenting opinion about the above-mentioned factors and/or the degree of their influence on the issuer's financial and economic performance, which opinion is contained in the minutes of a meeting of the issuer's board of directors (supervisory board) or the issuer's collegial executive body that dealt with the relevant issues, and insists that this opinion be included in the securities prospectus, such dissenting opinion and reasoning explaining the position of such member of the issuer's management body:

*Members of the Issuer's Board of Directors have no dissenting opinions about the above-mentioned factors and/or the degree of their influence on the Issuer's financial and economic performance.*

### **4.3. Value and Structure of the Issuer's Capital and Current Assets**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **4.4. Information Concerning the Policy and Expenses Incurred by the Issuer in the Area of Scientific and Technological Development, in Respect of Licenses and Patents, New Developments and Research**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

## 4.5. Analysis of Trends in the Issuer's Core Business

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

## 4.6. Analysis of Factors and Conditions Affecting the Issuer's Activities

Factors and conditions (inflation, changes in foreign exchange rates, resolutions of government bodies, other economic, financial, political factors, etc.) affecting the activities of the issuer that caused changes in the issuer's revenue from sale of goods, products, works, services and the issuer's profit (loss) from core activities.

*The key factors include the overall development trend in the market for services provided by PJSC "Lenenergo" and in the wholesale market of Saint Petersburg and the Leningrad Region.*

*Factors and conditions affecting the Issuer's activities include:*

- *changes in energy consumption in the Issuer's operating regions;*
- *changes in payment behavior of heat and electric power consumers;*
- *changes in the legislation on tariff regulation;*
- *reduction of cross-subsidizing;*
- *aging of the Issuer's core equipment, lack of investment resources to maintain distribution facilities;*
- *increased number of power sales companies operating in the wholesale and retail electricity markets;*
- *development of energy-saving technologies*
- *reduced number of allied grids.*
- *identification and reduction of non-contractual power consumption.*

Forecast with respect to the duration of the above factors and conditions:

*The following factors will have a significant impact on the issuer's activities in the long term:*

- *changes in energy consumption in the Issuer's operating regions;*
- *changes in payment behaviour of electric power consumers;*
- *aging of the Issuer's core equipment, lack of investment resources to maintain and upgrade distribution facilities;*
- *increased number of power sales companies operating in the wholesale and retail electricity markets;*
- *increased number of allied grid companies.*

Actions taken by the issuer and actions that the issuer plans to take in the future to effectively use these factors and conditions:

*In order to effectively use the above-mentioned factors and conditions, the Issuer implements an efficient investment policy with respect to upgrading worn-out electrical equipment and developing the electricity industry and commissioning of new facilities. Also, the Issuer focuses on increasing the amount of electricity distribution by connecting new consumers to the Issuer's own grids, eliminating non-contractual consumption, purchasing electric grid facilities from allied grid organizations, and increasing the measurement accuracy (implementing a program for the long-term development of electricity metering systems).*

Methods used by the issuer and methods that the issuer plans to use in the future to mitigate the adverse effects of the factors and conditions affecting the issuer's activities:

- *managing the quality of products and services of PJSC "Lenenergo" to drive competitiveness;*
- *strengthening financial control and introducing a cost-cutting program;*
- *managing risks associated with the Company's core activities;*
- *reducing electricity losses;*
- *insuring property risks, civil liability risks, etc.;*
- *pursuing an efficient pricing policy;*
- *improving the reliability of electricity supply to consumers;*
- *increasing the throughput capacity of power grids by upgrading power grid facilities;*
- *developing and implementing energy-saving and energy-efficiency programs.*

*Also, PJSC "Lenenergo" annually monitors for compliance by regulatory authorities with legislation in terms of timely reflecting revenue adjustments associated with variances between regulatory targets and actual tariffs, including the consumer price index.*

Material events/factors which can have the strongest adverse effect on the possibility of equal or higher performance of the issuer in the future compared with its performance in the most recent reporting period before the securities prospectus approval date:

*A material factor having an adverse effect on the Issuer's performance may involve tariffs for electricity distribution services established at a level that does not ensure generation of the minimum regulated revenue sufficient to finance all activities of the Issuer.*

The likelihood of such events (factors): **high**.

Material events/factors which can improve the issuer's performance, their likelihood and duration.

*A material factor contributing to the improvement of the Issuer's performance may involve increases in tariffs for electricity distribution services exceeding the inflation growth and ensuring a break-even operation.*

The likelihood of such events (factors): **low**.

*The duration of these events is expected to sustain in the mid-term.*

#### **4.7. Competitors of the Issuer**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*



## Section V. Detailed Information Concerning Members of the Issuer’s Management Bodies and the Issuer’s Bodies Controlling Its Financing and Economic Activities, and Brief Information Concerning the Issuer’s Employees (Personnel)

### 5.1. Information Concerning the Structure and Competence of the Issuer’s Management Bodies

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### 5.2. Information Concerning Members of the Issuer’s Management Bodies

#### Board of Directors.

1) Full name: *Oleg Mikhailovich Budargin (Chairman)*

Year of Birth: *1960*

Education: *Higher education. Norilsk Industrial Institute, majoring in Industrial and Civil Construction.*

All positions held by the individual within the Issuer’s company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2009	2013	PJSC “FGC UES”	Chairman of the Management Board
2013	present	PJSC “Rosseti”	CEO, Chairman of the Management Board
2013	present	PJSC “FGC UES”	Member of the Board of Directors
2016	present	PJSC “Lenenergo”	Chairman of the Board of Directors
2016	present	Russian Regional Development Bank (Joint-Stock Company)	Member of the Supervisory Board
2016	present	Association of Solar Power Enterprises (Non-Profit Partnership)	Chairman of the Supervisory Board
2016	present	PJSC “MOESK”	Chairman of the Board of Directors
2016	present	North Caucasus Federal University (Federal State Budget Institution of Higher Vocational Education)	Member of the Supervisory Board
2016	present	National Research University Moscow Power Engineering Institute (Federal State Budget Institution of Higher Vocational Education)	Member of the Board of Trustees, member of the Academic Board
2016	present	PJSC “Rosseti”	Member of the Board of Directors
2016	present	Association of Polar Explorers (Inter-Regional Public Organization)	Member of the Board, Chairman of the Environment Division
2016	present	World Energy Council	Vice Chairman, Senior Advisor for Regional Development

2016	present	State Academic Mariinsky Theatre (Federal State Budget Cultural Institution)	Member of the Board of Trustees
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stake held by the individual in the issuer's company: *N/A*

percentage of the issuer's ordinary shares held by the individual: *N/A*

number of the issuer's shares of each category (type) that may be acquired by the individual by exercising the individual's rights attaching to options issued by the issuer: **0 shares**

stakes held by the individual in the issuer's subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer's subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer's subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer's subsidiaries or affiliates: *N/A*

any family relations with members of the issuer's management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: *N/A*

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

2) Full name: **Roman Nikolayevich Berdnikov**

Year of Birth: **1973**

Education: **Higher education. Moscow Power Engineering Institute (Technical University), electric engineer (graduation year: 1999); planning engineer (graduation year: 2002)**

All positions held by the individual within the Issuer's company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2010	2013	JSC "FGC UES"	Deputy Chairman of the Management Board, First Deputy Chairman of the Management Board
2013	2015	PJSC "Rosseti"	First Deputy CEO for Technical Policy
2015	present	PJSC "Rosseti"	First Deputy CEO
2015	present	PJSC "Lenenergo"	Acting CEO, Chairman of the Management Board
2016	present	PJSC "Lenenergo"	Member of the Board of Directors
2016	present	PJSC "Federal Testing Center"	Member of the Board of Directors

stake held by the individual in the issuer's company: *N/A*

percentage of the issuer's ordinary shares held by the individual: *N/A*

number of the issuer's shares of each category (type) that may be acquired by the individual by exercising the individual's rights attaching to options issued by the issuer: **0 shares**

stakes held by the individual in the issuer's subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer's subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer's subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer's subsidiaries or affiliates: *N/A*

any family relations with members of the issuer's management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: *N/A*

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

3) Full name: **Marina Alekseevna Lelekova**

Year of Birth: **1961**

Education: **Higher education. Far East Institute of Soviet Trade, economist (graduation year: 1982)**

All positions held by the individual within the Issuer's company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2004	2013	JSC "FGC UES"	Head of the Control and Inspection Department; Director, Deputy Director, Senior Expert, Lead Specialist of the Financial Control and Internal Audit Directorate
2013	present	PJSC "Rosseti"	Director of the Controlling and Internal Inspection Department, Director of the Internal Audit and Control Department
2016	present	PJSC "Lenenergo"	Member of the Board of Directors; Chairman of the Audit Committee of the Board of Directors of PJSC "Lenenergo"

stake held by the individual in the issuer's company: *N/A*

percentage of the issuer's ordinary shares held by the individual: *N/A*

number of the issuer's shares of each category (type) that may be acquired by the individual by exercising the individual's rights attaching to options issued by the issuer: **0 shares**

stakes held by the individual in the issuer's subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer's subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer's subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer's subsidiaries or affiliates: *N/A*

any family relations with members of the issuer's management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: **Chairman of the Audit Committee of the Board of Directors**

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

4) Full name: **Egor Vyacheslavovich Prokhorov**

Year of Birth: **1982**

Education: **Higher education. Saint-Petersburg State University, majoring in Mathematical Methods in Economics, mathematical economist. Candidate of Science (PhD) in Economics.**

All positions held by the individual within the Issuer's company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		

2009	2012	JSC “FGC UES”	Head of the Corporate Finance Department
2012	2013	JSC “FGC UES”	Finance Director
2012	2013	JSC “IDGC Holding”	Finance Director
2011	2013	LLC “Energy Industry Index - FGC UES”	CEO
2013	2013	JSC “Rosseti”	Finance Director
2013	present	PJSC “Rosseti”	Deputy CEO for Finance
2014	2016	PJSC “Federal Testing Center”	Member of the Board of Directors
2014	present	PJSC “Lenenergo”	Member of the Board of Directors
2014	present	PJSC “IDGC of Siberia”	Member of the Board of Directors
2015	present	PJSC “Tomsk Distribution Company”	Member of the Board of Directors
2016	present	JSC “Engineering Center UES Real Estate”	Chairman of the Board of Directors

stake held by the individual in the issuer’s company: *N/A*

percentage of the issuer’s ordinary shares held by the individual: *N/A*

number of the issuer’s shares of each category (type) that may be acquired by the individual by exercising the individual’s rights attaching to options issued by the issuer: *0 shares*

stakes held by the individual in the issuer’s subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer’s subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer’s subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer’s subsidiaries or affiliates: *N/A*

any family relations with members of the issuer’s management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: *N/A*

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

5) Full name: *Sergey Vladimirovich Sergeev*

Year of Birth: *1976*

Education: *Higher education. Novocherkassk State Technical University (majoring in Industrial and Civil Construction, construction engineer)*

All positions held by the individual within the Issuer’s company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2009	2013	JSC “FGC UES”	Deputy Chairman of the Management Board; Company management
2013	present	PJSC “Rosseti”	Deputy CEO for Fixed Assets Construction
2014	present	JSC “Research Engineering Center for Interregional Distribution Grid Companies”	Chairman of the Board of Directors

2016	present	PJSC “Lenenergo”	Member of the Board of Directors; member of the Audit Committee of the Board of Directors
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stake held by the individual in the issuer’s company: *N/A*

percentage of the issuer’s ordinary shares held by the individual: *N/A*

number of the issuer’s shares of each category (type) that may be acquired by the individual by exercising the individual’s rights attaching to options issued by the issuer: *0 shares*

stakes held by the individual in the issuer’s subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer’s subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer’s subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer’s subsidiaries or affiliates: *N/A*

any family relations with members of the issuer’s management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: *member of the Audit Committee of the Board of Directors*

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

6) Full name: *Dmitry Borisovich Gvozdev*

Year of Birth: *1974*

Education: *Higher education. Kuzbass State Technical University, majoring in Electric Power Supply, electric engineer.*

All positions held by the individual within the Issuer’s company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2011	2011	JSC “FGC UES”	Deputy Chairman of the Management Board
2011	2012	LLC “Invest Holding”	Advisor to the CEO
2012	2013	Institute of Electrical Power Engineering of the National Research University Moscow Power Engineering Institute, Federal State Budget Institution	Deputy Director
2013	2013	CJSC “RKSS”	Deputy CEO
2013	present	PJSC “Rosseti”	Director of the Situational Analysis Center
2013	present	Institute of Electrical Power Engineering of the National Research University Moscow Power Engineering Institute, Federal State Budget Institution	Assistant Professor, Department of Electrical Power Systems
2016	present	PJSC “Lenenergo”	Member of the Board of Directors
2016	present	PJSC “IDGC of the South”	Member of the Board of Directors

2016	present	JSC “Tyumenenergo”	Member of the Board of Directors
2016	present	JSC “Roskartografia”	Member of the Board of Directors

stake held by the individual in the issuer’s company: *N/A*

percentage of the issuer’s ordinary shares held by the individual: *N/A*

number of the issuer’s shares of each category (type) that may be acquired by the individual by exercising the individual’s rights attaching to options issued by the issuer: *0 shares*

stakes held by the individual in the issuer’s subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer’s subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer’s subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer’s subsidiaries or affiliates: *N/A*

any family relations with members of the issuer’s management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: *N/A*

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

7) Full name: *Gasán Guseynovich Safarov*

Year of Birth: *1964*

Education: *Higher education. Baku Branch of N. A. Voznesensky Leningrad Financial and Economic Institute, 1988. Doctor of Economics, Professor.*

All positions held by the individual within the Issuer’s company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2002	2015	Saint Petersburg Tariff Committee	Deputy Chairman
2015	present	Saint Petersburg Tariff Committee	First Deputy Chairman
2016	present	PJSC “Lenenergo”	Member of the Board of Directors

stake held by the individual in the issuer’s company: *N/A*

percentage of the issuer’s ordinary shares held by the individual: *N/A*

number of the issuer’s shares of each category (type) that may be acquired by the individual by exercising the individual’s rights attaching to options issued by the issuer: *0 shares*

stakes held by the individual in the issuer’s subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer’s subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer’s subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer’s subsidiaries or affiliates: *N/A*

any family relations with members of the issuer’s management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: *N/A*

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

8) Full name: *Pavel Nikolayevich Snikkars*

Year of Birth: *1978*

Education: *Higher education. Siberian Academy of Public Administration (graduation year: 2000), majoring in Public and Municipal Administration; Siberian University of Consumer Cooperation, majoring in Legal Studies.*

All positions held by the individual within the Issuer's company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2010	2012	JSC "UNECO"	Deputy CEO for Development, Deputy CEO for Market Operations
2012	2013	Non-Profit Partnership Market Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market	Member of the Management Board, Deputy Chairman of the Management Board
2013	present	Ministry of Energy of the Russian Federation	Director of the Electricity Industry Development Department
2014	present	JSC "IDGC of Urals"	Member of the Board of Directors
2014	present	JSC "Financial Settling Center"	Chairman of the Board of Directors
2015	present	PJSC "Lenenergo"	Member of the Board of Directors
2016	present	JSC "Institute ENERGOSETPROEKT"	Chairman of the Board of Directors
2016	present	PJSC "Tomsk Distribution Company"	Member of the Board of Directors
2016	present	PJSC "FGC UES"	Member of the Board of Directors

stake held by the individual in the issuer's company: *N/A*

percentage of the issuer's ordinary shares held by the individual: *N/A*

number of the issuer's shares of each category (type) that may be acquired by the individual by exercising the individual's rights attaching to options issued by the issuer: *0 shares*

stakes held by the individual in the issuer's subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer's subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer's subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer's subsidiaries or affiliates: *N/A*

any family relations with members of the issuer's management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: *N/A*

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

9) Full name: *Lyudmila Dmitriyevna Solovyova*

Year of Birth: *1958*

Education: *Higher education*

All positions held by the individual within the Issuer’s company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2011	2012	LLC “MIR 21”	CEO
2012	2012	CJSC “Energy Efficient System Solutions”	Deputy CEO
2012	2012	Government of the Tula Region	Advisor to the Governor of the Tula Region
2012	2012	Government of the Tula Region	Minister of Construction, Housing and Utility Services of the Tula Region
2012	2013	Ministry of Regional Development of the Russian Federation	Advisor to the Minister, Assistant of the Minister
2013	2013	Federal Agency for Construction, Housing and Utility Services	Deputy Head
2013	2014	Ministry of Regional Development of the Russian Federation	Assistant of the Minister
2014	present	Saint Petersburg Housing Committee	Deputy Chairman
2016	present	PJSC “Lenenergo”	Member of the Board of Directors

stake held by the individual in the issuer’s company: *N/A*

percentage of the issuer’s ordinary shares held by the individual: *N/A*

number of the issuer’s shares of each category (type) that may be acquired by the individual by exercising the individual’s rights attaching to options issued by the issuer: *0 shares*

stakes held by the individual in the issuer’s subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer’s subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer’s subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer’s subsidiaries or affiliates: *N/A*

any family relations with members of the issuer’s management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: *N/A*

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

10) Full name: ***Marina Mikhailovna Yankina***

Year of Birth: ***1964***

Education: ***Higher education***

All positions held by the individual within the Issuer’s company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2006	2013	Inter-Regional Inspectorate of the Federal Tax Service for Major Taxpayers No. 9	Head of the Inspectorate
2013	2015	Saint Petersburg City Property Management Committee	Deputy Chairman
2015	present	Saint Petersburg Property Relations Committee	Deputy Chairman



2016	present	PJSC “Lenenergo”	Member of the Board of Directors
2016	present	JSC “West High-Speed Diameter”	Member of the Board of Directors
2016	present	JSC “Center of Exhibition and Museum Projects”	Member of the Board of Directors
2016	present	LLC “Zhilcomservis No. 2 of the Moskovsky District”	Member of the Board of Directors
2016	present	JSC “Saint Petersburg Property Fund”	Member of the Board of Directors
2016	present	JSC “Pulkovo Airport”	Member of the Board of Directors
2016	present	JSC “Yugo-Zapadnaya CHPP”	Member of the Board of Directors
2016	present	JSC “Passenger Port of Saint Petersburg Marine Façade”	Member of the Board of Directors
2016	present	LLC “PeterburgGaz”	Member of the Board of Directors
2016	present	LLC “Yubileyny Sports Center”	Member of the Board of Directors
2016	present	JSC “Metrostroy”	Member of the Board of Directors

stake held by the individual in the issuer’s company: *N/A*

percentage of the issuer’s ordinary shares held by the individual: *N/A*

number of the issuer’s shares of each category (type) that may be acquired by the individual by exercising the individual’s rights attaching to options issued by the issuer: *0 shares*

stakes held by the individual in the issuer’s subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer’s subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer’s subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer’s subsidiaries or affiliates: *N/A*

any family relations with members of the issuer’s management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: *N/A*

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

11) Full name: **Andrey Sergeyevich Bondarchuk**

Year of Birth: **1977**

Education: **Higher education. Saint Petersburg State Mining Institute, majoring in Enterprise Power Supply (1999); Saint Petersburg State University, majoring in General Management (2006).**

All positions held by the individual within the Issuer’s company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2006	2013	Government of the Leningrad Region	Deputy Chairman of the Tariff and Pricing Policy Committee, Chairman of the Fuel and Energy Complex Committee
2013	present	Saint Petersburg Government, Energy and Building Services Committee	Chairman

2015	present	PJSC “Lenenergo”	Member of the Board of Directors; member of the Audit Committee of the Board of Directors
2015	present	Joint-Stock Company “Saint Petersburg Power Grid”	Member of the Board of Directors

stake held by the individual in the issuer’s company: *N/A*

percentage of the issuer’s ordinary shares held by the individual: *N/A*

number of the issuer’s shares of each category (type) that may be acquired by the individual by exercising the individual’s rights attaching to options issued by the issuer: **0 shares**

stakes held by the individual in the issuer’s subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer’s subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer’s subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer’s subsidiaries or affiliates: *N/A*

any family relations with members of the issuer’s management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: ***member of the Audit Committee of the Board of Directors***

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

12) Full name: ***Olga Vasilyevna Kolesnikova***

Year of Birth: ***1958***

Education: ***Higher education. Alma-Ata Institute of National Economy, 1983.***

All positions held by the individual within the Issuer’s company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2010	2012	Kostroma Region Administration	Director of the Fuel and Energy Complex and Tariff Policy Department
2012	2014	Ministry of Regional Development of the Russian Federation	Director of Records Management and Administration Department
2015	present	Saint Petersburg Government, Energy and Building Services Committee	Deputy Chairman
2015	present	JSC “Petrodvorets Power Grid”	Member of the Board of Directors
2016	present	PJSC “Lenenergo”	Member of the Board of Directors, member of the Audit Committee of the Board of Directors

stake held by the individual in the issuer’s company: *N/A*

percentage of the issuer’s ordinary shares held by the individual: *N/A*

number of the issuer’s shares of each category (type) that may be acquired by the individual by exercising the individual’s rights attaching to options issued by the issuer: **0 shares**

stakes held by the individual in the issuer’s subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer’s subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer’s subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer’s subsidiaries or affiliates: *N/A*

any family relations with members of the issuer’s management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: ***member of the Audit Committee of the Board of Directors***

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

13) Full name: ***Elgiz Idrisovich Kachaev***

Year of Birth: ***1963***

Education: ***Higher education. Leningrad State University, 1990; North-West Academy of Public Administration, 2003.***

All positions held by the individual within the Issuer’s company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2009	2011	LLC “PolimerStroy”	Director for Development
2011	2012	Saint Petersburg Inter-Regional Information and Business Center	President
2012	2012	Economic Development, Industrial Policy and Trade Committee	Deputy Chairman
2012	present	Saint Petersburg Entrepreneurship and Consumer Market Development Committee	Chairman
2016	present	PJSC “Lenenergo”	Member of the Board of Directors, member of the Audit Committee of the Board of Directors

stake held by the individual in the issuer’s company: *N/A*

percentage of the issuer’s ordinary shares held by the individual: *N/A*

number of the issuer’s shares of each category (type) that may be acquired by the individual by exercising the individual’s rights attaching to options issued by the issuer: ***0 shares***

stakes held by the individual in the issuer’s subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer’s subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer’s subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer’s subsidiaries or affiliates: *N/A*

any family relations with members of the issuer’s management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

information about serving (member of the committee, chairman of the committee) on committees of the board of directors (supervisory board), specifying the name of the committee: ***member of the Audit Committee of the Board of Directors***

information concerning members of the board of directors (supervisory board) considered to be independent by the issuer: *N/A*

**CEO (Sole Executive Body)**

Full name: ***Roman Nikolayevich Berdnikov***

Year of Birth: **1973**

Education: **Higher education. Moscow Power Engineering Institute (Technical University), electric engineer (graduation year: 1999); planning engineer (graduation year: 2002)**

All positions held by the individual within the Issuer's company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2010	2013	JSC "FGC UES"	Deputy Chairman of the Management Board, First Deputy Chairman of the Management Board
2013	2015	PJSC "Rosseti"	First Deputy CEO for Technical Policy
2015	present	PJSC "Rosseti"	First Deputy CEO
2015	present	PJSC "Lenenergo"	Acting CEO, Chairman of the Management Board
2016	present	PJSC "Lenenergo"	Member of the Board of Directors
2016	present	PJSC "Federal Testing Center"	Member of the Board of Directors

stake held by the individual in the issuer's company: *N/A*

percentage of the issuer's ordinary shares held by the individual: *N/A*

number of the issuer's shares of each category (type) that may be acquired by the individual by exercising the individual's rights attaching to options issued by the issuer: **0 shares**

stakes held by the individual in the issuer's subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer's subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer's subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer's subsidiaries or affiliates: *N/A*

any family relations with members of the issuer's management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

### **Management Board**

1) Full name: **Roman Nikolayevich Berdnikov**

Year of Birth: **1973**

Education: **Higher education. Moscow Power Engineering Institute (Technical University), electric engineer (graduation year: 1999); planning engineer (graduation year: 2002)**

All positions held by the individual within the Issuer's company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2010	2013	JSC "FGC UES"	Deputy Chairman of the Management Board, First Deputy Chairman of the Management Board
2013	2015	PJSC "Rosseti"	First Deputy CEO for Technical Policy
2015	present	PJSC "Rosseti"	First Deputy CEO
2015	present	PJSC "Lenenergo"	Acting CEO, Chairman of the Management Board
2016	present	PJSC "Lenenergo"	Member of the Board of Directors

2016	present	PJSC "Federal Testing Center"	Member of the Board of Directors
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stake held by the individual in the issuer's company: *N/A*

percentage of the issuer's ordinary shares held by the individual: *N/A*

number of the issuer's shares of each category (type) that may be acquired by the individual by exercising the individual's rights attaching to options issued by the issuer: *0 shares*

stakes held by the individual in the issuer's subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer's subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer's subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer's subsidiaries or affiliates: *N/A*

any family relations with members of the issuer's management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

2) Full name: ***Maksim Sergeevich Artemyev***

Year of Birth: ***1977***

Education: ***Higher education. Ivanovo State Power Engineering University, 1999***

All positions held by the individual within the Issuer's company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2010	2011	JSC "Lenenergo"	Deputy CEO for Sales of Services
2010	present	PJSC "Lenenergo"	Member of the Management Board
2011	present	PJSC "Lenenergo"	First Deputy CEO - Chief Engineer

stake held by the individual in the issuer's company: *N/A*

percentage of the issuer's ordinary shares held by the individual: *N/A*

number of the issuer's shares of each category (type) that may be acquired by the individual by exercising the individual's rights attaching to options issued by the issuer: *0 shares*

stakes held by the individual in the issuer's subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer's subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer's subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer's subsidiaries or affiliates: *N/A*

any family relations with members of the issuer's management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

3) Full name: ***Aleksandr Dmitriyevich Nikonov***

Year of Birth: ***1960***

Education: ***Higher Political College of the Ministry of the Interior of the USSR, officer with higher military and political education, 1984; Higher education. Saint Petersburg Law Institute, majoring in Legal Studies, lawyer, 1996***

All positions held by the individual within the Issuer's company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2008	2013	LLC OP “Galaks”	Deputy CEO
2013	present	PJSC “Lenenergo”	Member of the Management Board, Deputy CEO for Security
2014	present	JSC “Energy Service Company Lenenergo”	Chairman of the Board of Directors
2015	present	CJSC “Lenenergospetsremont”	Member of the Board of Directors

stake held by the individual in the issuer’s company: *N/A*

percentage of the issuer’s ordinary shares held by the individual: *N/A*

number of the issuer’s shares of each category (type) that may be acquired by the individual by exercising the individual’s rights attaching to options issued by the issuer: *0 shares*

stakes held by the individual in the issuer’s subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer’s subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the issuer’s subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer’s subsidiaries or affiliates: *N/A*

any family relations with members of the issuer’s management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

4) Full name: *Maksim Anatolyevich Ivanov*

Year of Birth: *1974*

Education: *Higher education. Saint Petersburg State University of Aerospace Instrumentation, majoring in Aircraft Instruments and Computing Systems.*

All positions held by the individual within the Issuer’s company and other entities over the past five years and currently in chronological order, including concurrent positions:

Period		Entity	Title
From	To		
2005	2014	LLC “North-West Gas Company”	CEO
2015	2015	JSC “Lenenergo”	Advisor to the CEO of the Executive Office (concurrent position)
2015	present	PJSC “Lenenergo”	First Deputy Director General for Fixed Assets Construction and Investments
2016	present	PJSC “Lenenergo”	Member of the Management Board
2016	present	JSC “Petrodvorets Power Grid”	Chairman of the Board of Directors
2016	present	JSC “Saint Petersburg Power Grid”	CEO, Member of the Board of Directors

stake held by the individual in the issuer’s company: *N/A*

percentage of the issuer’s ordinary shares held by the individual: *N/A*

number of the issuer’s shares of each category (type) that may be acquired by the individual by exercising the individual’s rights attaching to options issued by the issuer: *0 shares*

stakes held by the individual in the issuer’s subsidiaries and affiliates and additionally, in the case of the subsidiaries or affiliates of the issuer that are joint-stock companies, percentage of ordinary shares of the issuer’s subsidiaries or affiliates held by the individual and the number of each category (class) of shares in the

issuer's subsidiaries or affiliates that may be acquired by the individual by exercising the rights attaching to options issued by the issuer's subsidiaries or affiliates: *N/A*

any family relations with members of the issuer's management bodies and/or financial and economic control bodies: *N/A*

information concerning administrative sanctions for the violations of law in the area of finance, taxes and levies, securities markets or criminal sanctions (criminal records) for economic and/or public-order crimes: *N/A*

information concerning positions held by the individual in management bodies of business entities when bankruptcy proceedings were initiated against such entities and/or when one of the bankruptcy procedures provided for in Russian law on insolvency (bankruptcy) was applied: *N/A*

### **5.3. Information Concerning the Remuneration, Benefits and/or Reimbursement Amount for Each Management Body of the Issuer**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **5.4. Information Concerning the Structure and Competence of the Issuer's Financial and Economic Control Bodies, and Concerning the Issuer's Risk Management and Internal Control System**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **5.5. Information Concerning Members of the Issuer's Financial and Economic Control Bodies**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **5.6. Information Concerning the Remuneration and/or Reimbursement Amount for the Issuer's Financial and Economic Control Body**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **5.7. Data Concerning the Headcount and High-Level Data Concerning the Composition of the Issuer's Personnel (Employees) and Changes in the Issuer's Employee (Personnel) Headcount**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

## **5.8. Information Concerning Any Obligations of the Issuer to Its Employees (Personnel) Regarding Their Potential Participation in the Issuer's Equity**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*



## **Section VI. Information Concerning the Issuer's Members (Shareholders) and Related-Party Transactions Completed by the Issuer**

### **6.1. Information Concerning the Total Number of the Issuer's Shareholders (Members)**

Total number of persons having non-zero balances in their personal accounts and registered on the issuer's shareholder register as of the date of approval of the securities prospectus: **6,215**

Total number of nominee holders of the issuer's shares: **1**

Total number of persons included on the latest list of the persons entitled to participate in the issuer's general meeting of shareholders (any other list of persons that is prepared for the purposes of exercising the rights attaching to the issuer's shares and for the preparation of which the nominee holders of the issuer's shares provided details of the persons on whose behalf they held (hold) the issuer's shares): **8,784**

Categories (types) of the issuer's shares whose holders were to be included on such list:

- *uncertificated registered ordinary shares*;

- *class A uncertificated registered preference shares*

Date of the list: **July 06, 2016**

Information concerning the number of treasury shares on the issuer's balance sheet as at the last date of the reporting quarter, separately for each category (type) of shares: **0**

Information concerning the number of the issuer's shares held by issuer-controlled entities, separately for each category (type) of shares:

Category of shares: *uncertificated registered ordinary shares*

Number of the issuer's shares held by issuer-controlled entities: **300**

Category of shares: *class A uncertificated registered preference shares*

Number of the issuer's shares held by issuer-controlled entities: **200**

### **6.2. Information Concerning the Issuer's Members (Shareholders) Owning at Least 5 Percent of Its Authorized Capital or at Least 5 Percent of Its Ordinary Shares; Information Concerning Persons Controlling Such Members (Shareholders) or, in the Absence of Such Persons, Concerning Their Members (Shareholders) Owning at Least 20 Percent of their Authorized Capital or at Least 20 Percent of Their Ordinary Shares**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **6.3. Information Concerning the Stake Held by the Government or Municipality in the Issuer's Company and Special Right ("Golden Share")**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **6.4. Information Concerning Restrictions on Participation in the Issuer's Equity**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

## **6.5. Information Concerning Changes in the Composition and Value of Stakes Held by the Issuer's Shareholders (Members) Owning at Least 5 Percent of Its Authorized Capital or at Least 5 Percent of Its Ordinary Shares**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

## **6.6. Information Concerning Related-Party Transactions Completed by the Issuer**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

## **6.7. Information Concerning the Value of Accounts Receivable**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

## **Section VII. Accounting (Financial) Statements of the Issuer and Other Financial Information**

### **7.1. Annual Accounting (Financial) Statements of the Issuer**

Composition of the issuer's annual accounting (financial) statements attached to the securities prospectus:

a) annual accounting (financial) statements of the issuer for the three most recently closed financial years preceding the approval date of the securities prospectus or, if the issuer has operated for less than three years, for each closed financial year in accordance with the requirements set forth in the laws of the Russian Federation, with the auditors' report attached in relation to such accounting (financial) statements. If, in accordance with the laws of the Russian Federation on auditing, accounting (financial) statements are not subject to mandatory audit, annual accounting (financial) statements of the issuer to be included in the securities prospectus shall be audited by the specifically engaged auditor (individual or entity), and the relevant auditors' report shall be attached to the submitted annual accounting (financial) statements:

*Annual accounting (financial) statements of the Issuer for the three most recently closed financial years preceding the approval date of the Securities Prospectus (for 2013, 2014, 2015) prepared in accordance with the requirements set forth in the laws of the Russian Federation.*

*Composition of the statements:*

*For 2013:*

*Auditor's report on the accounting statements of Joint-Stock Company "Lenenergo" for 2013*

*Balance sheet as of December 31, 2013;*

*Profit and loss statement for 12 months of 2013;*

*Statement of changes in equity for 2013;*

*Statement of cash flows for 12 months of 2013;*

*Notes to the accounting statements of JSC "Lenenergo".*

*The above-mentioned statements were disclosed by the Issuer in the quarterly report for the 1st quarter of 2014 published on May 15, 2014 on the Issuer's web-page at:*

*<http://e-disclosure.ru/portal/files.aspx?id=65&type=5>*

*The disclosed information linked to above has not changed and is valid as of the approval date of the Securities Prospectus.*

*For 2014:*

*Auditor's report on the accounting (financial) statements of JSC "Lenenergo" for 2014*

*Balance sheet as of December 31, 2014;*

*Profit and loss statement for 12 months of 2014;*

*Notes to the balance sheet and profit and loss statement*

*Statement of changes in equity for 2014;*

*Statement of cash flows for 12 months of 2014;*

*Notes to the accounting (financial) statements of JSC "Lenenergo" for 2014.*

*The above-mentioned statements were disclosed by the Issuer in the quarterly report for the 1st quarter of 2015 published on May 15.05.2015, 2014 on the Issuer's web-page at:*

*<http://e-disclosure.ru/portal/files.aspx?id=65&type=5>*

*The disclosed information linked to above has not changed and is valid as of the approval date of the Securities Prospectus.*

*For 2015:*

*Auditor's report on the accounting statements for 2015;*

*Balance sheet as of December 31, 2015;*

*Profit and loss statement for 12 months of 2015;*

*Statement of changes in equity for 2015;*

*Statement of cash flows for 12 months of 2015;*

*Notes to the balance sheet and profit and loss statement of PJSC "Lenenergo" for 2015.*

*The above-mentioned statements were disclosed by the Issuer in an annex to the quarterly report for the 1st quarter of 2016 published on May 13, 2016 on the Issuer's web-page at:*

*<http://e-disclosure.ru/portal/files.aspx?id=65&type=5>*

*The disclosed information linked to above has not changed and is valid as of the approval date of the Securities Prospectus.*

b) if the issuer has annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) or any internationally recognized rules other than IFRS, such financial statements of the issuer together with the relevant auditor's report (if the statements were audited) in Russian shall be attached additionally for the period specified in sub-paragraph "a" of this paragraph. The standards (rules) applicable to such annual financial statements shall be specified separately.

If the deadline for submission of the issuer's accounting (financial) statements for the first reporting year has not yet expired, the prospectus shall include the issuer's opening accounting (financial) statements, and if the deadline for submission of the issuer's quarterly accounting (financial) statements has not expired as of the approval date of the securities prospectus, the issuer's opening accounting (financial) statements shall be audited by the specifically engaged auditor and the relevant auditors' report shall be attached to the submitted opening accounting (financial) statements of the issuer.

***The issuer has no non-consolidated annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) or any internationally recognized rules other than IFRS.***

## **7.2. Interim Accounting (Financial) Statements of the Issuer**

Composition of the issuer's interim accounting (financial) statements attached to the securities prospectus:

a) interim accounting (financial) statements of the issuer for the most recently closed reporting quarter (reporting period of 3, 6, or 9 months of the reporting financial year) preceding the approval date of the securities prospectus under the laws of the Russian Federation, with the relevant auditors' report attached (if such statements were audited).

*Accounting (financial) statements as of September 30, 2016 prepared in accordance with the requirements set forth in the laws of the Russian Federation, composed of:*

*- Balance sheet as of September 30, 2016;*

*- Profit and loss statement for 9 months of 2016.*

*The above-mentioned statements were disclosed by the Issuer in the quarterly report for the 3rd quarter of 2016 published on November 14, 2016 on the Issuer's web-page at:*

*<http://e-disclosure.ru/portal/files.aspx?id=65&type=5>*

*The disclosed information linked to above has not changed and is valid as of the approval date of the Securities Prospectus.*

b) if the issuer has interim financial statements prepared in accordance with International Financial Reporting Standards (IFRS) or any internationally recognized rules other than IFRS, such financial statements of the issuer together with the relevant auditor's report (if the statements were audited) in Russian shall be attached additionally for the most recently closed reporting quarter (reporting period of 3, 6, or 9 months of the reporting financial year) preceding the approval date of the securities prospectus. The standards (rules) applicable to such interim financial statements shall be specified separately.

If the deadline for submission of the issuer's annual accounting (financial) statements for the first reporting year has not yet expired as of the approval date of the securities prospectus, the issuer's quarterly accounting (financial) statements shall be audited by the specifically engaged auditor and the relevant auditors' report shall be attached to the submitted quarterly accounting (financial) statements of the issuer.

***The issuer has no non-consolidated interim financial statements prepared in accordance with IFRS or any internationally recognized rules other than IFRS.***

## **7.3. Consolidated Financial Statements of the Issuer**

Composition of the issuer's consolidated financial statements attached to the securities prospectus:

a) annual consolidated financial statements of the issuer with the expired or unexpired submission deadline for the three most recently closed financial years preceding the approval date of the securities prospectus or, if the issuer has operated for less than three years, for each closed financial year in accordance

with the requirements set forth in the laws of the Russian Federation, with the auditors' report attached in relation to such consolidated accounting (financial) statements. The standards (rules) applicable to such annual consolidated financial statements shall be specified separately. If the issuer does not prepare annual consolidated financial statements, the issuer shall specify grounds for being allowed not to prepare such statements:

***The Issuer prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as provided for in paragraph 2 of Article 2 of Federal Law No. 208-FZ "On Consolidated Financial Statements" of July 27, 2010 and Article 30 of Federal Law No. 39-FZ "On the Securities Market" of April 22, 1996.***

***Composition of the statements for 2013:***

***Auditor's report on the consolidated financial statements of JSC "Lenenergo" and its subsidiaries for 2013;***

***Consolidated statement of financial position as of December 31, 2013;***

***Consolidated statement of profit or loss for the year ended December 31, 2013;***

***Consolidated statement of comprehensive income for the year ended December 31, 2013;***

***Consolidated statement of changes in equity for the year ended December 31, 2013;***

***Consolidated statement of cash flows for the year ended December 31, 2013;***

***Notes to the consolidated financial statements for the year ended December 31, 2013.***

***The Issuer disclosed the above-mentioned statements as the annual consolidated financial statements in accordance with IFRS or other internationally recognized rules (file "IFRS 2013 FY.pdf.zip") on April 9, 2014 on the Issuer's web-page at:***

***<http://e-disclosure.ru/portal/files.aspx?id=65&type=4>***

***The disclosed information linked to above has not changed and is valid as of the approval date of the Securities Prospectus.***

***Composition of the statements for 2014:***

***Auditor's report on the consolidated financial statements of JSC "Lenenergo" and its subsidiaries for 2014;***

***Consolidated statement of financial position as of December 31, 2014;***

***Consolidated statement of profit or loss for the year ended December 31, 2014;***

***Consolidated statement of comprehensive income for the year ended December 31, 2014;***

***Consolidated statement of changes in equity for the year ended December 31, 2014;***

***Consolidated statement of cash flows for the year ended December 31, 2014;***

***Notes to the consolidated financial statements for the year ended December 31, 2014.***

***The Issuer disclosed the above-mentioned statements as the annual consolidated financial statements in accordance with IFRS or other internationally recognized rules (file "Otchetnost' MSFO\_Lenehnergo\_2014\_.pdf.zip") on April 13, 2015, on the Issuer's web-page at:***

***<http://e-disclosure.ru/portal/files.aspx?id=65&type=4>***

***The disclosed information linked to above has not changed and is valid as of the approval date of the Securities Prospectus.***

***Composition of the statements for 2015:***

***Auditor's report on the consolidated financial statements of PJSC "Lenenergo" for 2015;***

***Consolidated statement of financial position as of December 31, 2015;***

***Consolidated statement of profit or loss for the year ended December 31, 2015;***

***Consolidated statement of comprehensive income for the year ended December 31, 2015;***

***Consolidated statement of changes in equity for the year ended December 31, 2015;***

***Consolidated statement of cash flows for the year ended December 31, 2015;***

***Notes to the consolidated financial statements.***

***The Issuer disclosed the above-mentioned statements as the annual consolidated financial statements in accordance with IFRS or other internationally recognized rules (file "AZ\_Lenehnergo\_010416\_MSFO.PDF.zip") on April 4, 2016, on the Issuer's web-page at:***

***<http://e-disclosure.ru/portal/files.aspx?id=65&type=4>***

***The disclosed information linked to above has not changed and is valid as of the approval date of the Securities Prospectus.***

b) interim consolidated financial statements of the issuer for the reporting period of 6 months of the current year under the laws of the Russian Federation, with the relevant auditors' report attached (if such statements were audited). The standards (rules) applicable to such interim consolidated financial statements shall be specified separately. If the issuer does not prepare interim consolidated financial statements, the issuer shall specify grounds for being allowed not to prepare such statements:

***Interim condensed consolidated financial statements of PJSC "Lenenergo" and its subsidiaries for the period from January 1 to June 30, 2016***

***Composition of the statements for 6 months ended June 30, 2016 (unaudited):***

- ***Report on the review of interim condensed consolidated financial statements;***
- ***Interim condensed consolidated statement of financial position as of June 30, 2016;***
- ***Interim condensed consolidated statement of profit or loss for six months ended June 30, 2016;***
- ***Interim condensed consolidated statement of comprehensive income for six months ended June 30, 2016;***
- ***Interim condensed consolidated statement of changes in equity for six months ended June 30, 2016;***
- ***Interim condensed consolidated statement of cash flows for six months ended June 30, 2016;***
- ***Notes to the interim condensed consolidated statements for six months ended June 30, 2016.***

***The Issuer disclosed the above-mentioned statements as the interim consolidated financial statements in accordance with IFRS or other internationally recognized rules (file "Lenehnergo AZ.PDF.zip") on August 25, 2016, on the Issuer's web-page at:***

***<http://e-disclosure.ru/portal/files.aspx?id=65&type=4>***

***The disclosed information linked to above has not changed and is valid as of the approval date of the Securities Prospectus.***

c) if the issuer has interim consolidated financial statements for the reporting periods of 3 or 9 months of the current year, such interim consolidated financial statements of the issuer for the most recently closed reporting period of 3 or 9 months of the reporting year together with the relevant auditor's report (if the statements were audited) shall be attached additionally. The standards (rules) applicable to such interim consolidated financial statements shall be specified separately.

N/A

## **7.4. Information Concerning the Accounting Policy of the Issuer**

Basic provisions of the issuer's accounting policy independently defined by the issuer in accordance with the accounting laws of the Russian Federation and approved by an order or directive of the person in charge of the organization and state of the issuer's accounting.

Information concerning the basic provisions of the issuer's accounting policy shall be specified with respect to the present financial year the quarterly accounting (financial) statements for which are included in the securities prospectus and with respect to each closed financial year the annual accounting (financial) statements for which are included in the securities prospectus.

***The Issuer maintains its accounting records in accordance with Federal Law No. 402-FZ "On Accounting" of December 6, 2011 and Russian Accounting Standards.***

***The Issuer published a summary of its significant accounting policies for 2013-2016:***

**2013**

***in an annex to the quarterly report for the 1st quarter of 2013 published on May 14, 2013 on the Issuer's web-page at:***

***<http://e-disclosure.ru/portal/files.aspx?id=65&type=5>***

***The disclosed information linked to above has not changed and is valid as of the approval date of the Securities Prospectus.***

**2014**

***in an annex to the quarterly report for the 1st quarter of 2014 published on May 15, 2014 on the Issuer's web-page at:***

***<http://e-disclosure.ru/portal/files.aspx?id=65&type=5>***

***The disclosed information linked to above has not changed and is valid as of the approval date of the Securities Prospectus.***



2015

as part of the annual accounting (financial) statements for 2015 disclosed in an annex to the quarterly report for the 1st quarter of 2016 published on May 13, 2016 on the Issuer's web-page at:

<http://e-disclosure.ru/portal/files.aspx?id=65&type=5>

The disclosed information linked to above has not changed and is valid as of the approval date of the Securities Prospectus.

2016:

*Basis of preparation of annual accounting (financial) statements*

The Company conducts its accounting in accordance with Federal Law No. 402-FZ "On Accounting" of December 6, 2011, Regulations on Accounting and Accounting Statements in the Russian Federation approved by Order of the Ministry of Finance of the Russian Federation No. 34n of July 29, 1998 (as amended on December 30, 1999, March 24, 2000, September 18, 2006, March 26, 2007, October 25, 2010, and December 24, 2010), and the current Accounting Regulations. Accounting (financial) statements of the Company for 2015 were prepared in accordance with the same Law and regulations, the Company's Accounting Policy approved by Order No. 836 of December 31, 2013 as supplemented and amended by Order No. 132 of March 27, 2015, No. 183 of April 24, 2015, No. 310 of July 8, 2015, No. 626 of December 31, 2015, No. 144 of March 31, 2016, No. 303 of June 30, 2016, No. 653 of December 9, 2016, No. 699 of December 28, 2016 on the basis of consolidated balance-sheet data of the Company's branches.

Accounting (financial) statements of the Company are compiled on the basis of standard forms recommended for application by Order No. 66n of July 2, 2010 of the Ministry of Finance of the Russian Federation (as amended on April 6, 2015) "On the Forms of Accounting Statements of Organizations".

If the Company has no data on the relevant assets, liabilities, income, expenses, business operations, for which indicators (lines, columns) are provided for in standard forms, such indicators (rows, columns) are not included in the Company's forms.

The Company's CEO, Deputy CEOs and the branch heads are responsible for the accounting process and fair presentation of the accounting report of the Company, compliance with the laws in business operations, and arranging for the statutory audit.

Chief Accountant - Head of Accounting and Tax Records and Reporting Department of the Company - is responsible for maintaining accounting records, preparation of accounting statements, development of accounting policies, and provision of full and reliable accounting statements to internal and external users.

Accounting (financial) statements of the Company for 2016 were compiled without derogation from the principles and rules of accounting, which may occur if such rules do not allow presenting fairly the property status and financial performance of the Company.

In preparing the balance sheet, the following assumptions were made to clarify the presentation of assets and liabilities for individual significant items in the statements:

<i>Balance sheet indicator</i>	<i>Line code</i>	<i>Data presentation in the statements</i>
<b>I. NON-CURRENT ASSETS</b>		
<i>Other non-current assets</i>	1190	<i>Net presentation of accounts payable (60.01) and accounts receivable (76.01.1) for insurance payments</i>
<i>Short-term accounts receivable (other)</i>	123206	<i>Net presentation of accounts payable (60.01) and accounts receivable (76.02) for claims</i>
<b>IV. NON-CURRENT LIABILITIES</b>		
<i>Other liabilities</i>	1450	<i>Net presentation of accounts payable (60.01) and accounts receivable (76.01.1) for insurance payments</i>
<b>V. CURRENT LIABILITIES</b>		
<i>Accounts payable (suppliers and contractors)</i>	1521	<i>Net presentation of accounts payable (60.01) and accounts receivable (76.01.1) for insurance payments</i>
		<i>Net presentation of accounts payable (60.01) and accounts receivable (76.02) for claims</i>
		<i>Presentation of contractor payments under agency contracts (76.11)</i>

Each significant indicator is disclosed in the accounting (financial) statements of the Company. An indicator shall be considered significant, if separate non-disclosure thereof in the balance sheet and the profit and loss statement

could influence the economic decisions of users taken on the basis of the reporting information.

#### *Uncertainty of estimates*

The key assumptions concerning future events and other sources of uncertainty of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are as follows:

- financial investments;
- deferred taxes;
- provision for doubtful debts;
- provision for future payment of leave allowances;
- provision for payment of year-end bonuses;
- provision for bonuses related to the commissioning of new facilities;
- provisions made for contingencies:
- provision for claims;
- provision for legal proceedings.

#### *Fixed assets*

Fixed assets include assets held for the performance of work, provision of services or for administrative needs of PJSC "Lenenergo" for a period exceeding 12 months and with a value exceeding 40,000 rubles.

In accordance with clauses 7, 8 of Accounting Regulations 6/01 "Accounting for Fixed Assets", fixed assets are recognized at initial cost. The initial cost of fixed assets acquired for a fee is the amount of actual costs incurred by the company for the acquisition, construction and manufacturing thereof, excluding the value added tax and other refundable taxes (except as provided for in the laws of the Russian Federation).

The Company revalues fixed assets to determine the current (replacement) value so as to ensure that the cost of fixed assets at which they are carried in accounting records and statements is not significantly different from the current (replacement) cost, on a regular basis but not more than once a year.

Revaluation of groups of fixed assets is carried out in accordance with the procedure established by law on the basis of the relevant administrative documents of PJSC "Lenenergo".

Fixed assets put into operation prior to January 1, 2002 were depreciated using the straight-line method according to the standard rates approved by Decree of the Government of the USSR No. 1072 of October 22, 1990.

Fixed assets acquired from January 1, 2002 were depreciated at the rates based on useful lives determined in accordance with the Classification of Fixed Assets Included in Depreciation Groups approved by Decree of the Government of the Russian Federation No. 1 of January 1, 2002.

In accordance with paragraph 20 of Accounting Regulations 6/01 "Accounting for Fixed Assets", useful lives of fixed assets (in years) that have been used to calculate depreciation are presented in Appendix 5.3.2.

Depreciation charges in respect of fixed assets are recognized in the accounting records of the reporting period to which they relate and are accrued regardless of the Company performance in the reporting period (Accounting Regulations 6/01).

The initial cost of fixed assets at which they are recognized in accounting records may change in the event of completion, additional equipment, reconstruction, modernization, partial liquidation or revaluation of fixed assets (paragraph 14 of Accounting Regulations 6/01).

In accordance with paragraph 11 of Accounting Regulations 6/01 "Accounting for Fixed Assets", fixed assets received under contracts providing for performance of obligations (payment<sup>7</sup>) in kind are valued as follows:

- The initial cost of fixed assets received under contracts providing for performance of obligations (payment) in kind is the value of assets transferred or to be transferred by the company. The value of assets transferred or to be transferred by the company is established based on the price at which the company determines the value of similar assets in comparable circumstances.

- If the value of assets transferred or to be transferred by the company cannot be established, the cost of fixed assets received by the company under contracts providing for performance of obligations (payment) in kind is determined based on the price at which similar fixed assets are acquired in comparable circumstances.

#### *Intangible assets*

In accordance with paragraph 6 of Accounting Regulations 14/2007 "Accounting for Intangible Assets", intangible assets are recognized at initial cost. The initial cost of intangible assets is the amount (expressed in monetary terms) equal to the amount of payment in cash or in another form or to the amount of accounts payable paid or accrued by the company on acquisition, creation of an asset or ensuring conditions for the intended use of the asset.

The actual (initial) cost of an intangible asset acquired under contracts providing for performance of obligations (payment) in kind is determined based on the value of assets transferred or to be transferred by the company. If the value of assets transferred or to be transferred by the company under such contracts cannot be determined, the cost of the intangible asset received by the company is determined based on the price at which similar intangible assets are acquired in comparable circumstances.

In accordance with paragraph 28 of Accounting Regulations 14/2007 "Accounting for Intangible Assets", intangible assets with a definite useful life are depreciated using the straight-line method.

PJSC "Lenenergo" establishes useful life for each type of intangible assets that are subject to depreciation upon their initial recognition based on the expected useful life of the asset during which the Company can receive economic benefits. The useful life of an intangible asset is determined by a specially created commission.

Intangible assets are tested annually for the need to adjust their useful lives and depreciation method. If the period during which the company intends to use the asset significantly changes, the useful life of such asset shall be



adjusted.

During the reporting period, the Company did not identify any factors indicating that the useful lives need to be adjusted or any factors causing impairment.

Depreciation charges in respect of intangible assets are recognized in the accounting records of the reporting period to which they relate and are accrued regardless of the Company performance in the reporting period (paragraph 33 of Accounting Regulations 14/2007).

Useful lives of intangible assets for the purpose of depreciation accrual are as follows:

Intangible assets	Useful life
"lenenergo.ru" website	11 months
Information System Alpha	60 months
Electronic archive	60 months
Electronic databases	60 months
Trademark	120 months
R&D	12 months

Intangible asset "Lenenergo website" was not written off after full repayment of the cost due to its use to receive economic benefits and for advertising and information distribution purposes.

#### **Inventories**

In accordance with paragraph 2 of Accounting Regulations 5/01 "Inventory Accounting", inventories mean assets that are used as raw materials, supplies for the core activity of the Company (performance of work, provision of services) or for administrative needs.

In accordance with paragraphs 5, 6 of Accounting Regulations 5/01 "Inventory Accounting", inventories are stated at the actual cost of acquisition. The actual cost of inventories acquired for a fee is the amount of actual costs incurred by the company for the acquisition thereof, excluding the value added tax and other refundable taxes (except as provided for in the laws of the Russian Federation).

Inventories released for production or otherwise disposed of are valued on the first-in-first-out basis.

The cost of tools, appliances and supplies is charged to expense in full when they are transferred to operation. To ensure their integrity, quantitative accounting is carried out.

In accordance with paragraph 24 of Accounting Regulations 5/01 "Inventory Accounting", at the end of the reporting year inventories are reported in the balance sheet at cost determined by the above inventory assessment methods.

Accounting and release of special clothing are carried out on the basis of the proprietary standard titled "Occupational Safety Management System in PJSC "Lenenergo":

- Standard norms of free release of special clothing, special footwear and other personal protective equipment;
- Norms for equipment of workplaces with inventory (duty) protective equipment;

Procedure for providing employees with special clothing, footwear and other personal protective equipment.

#### **Accounts receivable**

Accounts receivable that were not repaid within the period established by contract and are not secured by respective guarantees are recognized as a doubtful debt. A provision for doubtful debts is created based on the results of reconciliation of accounts receivable.

The amount of the provision is determined separately for each doubtful debt depending on the financial position (solvency) of the debtor and estimated probability of debt repayment in whole or in part.

The Company creates a provision for doubtful debts if it is more likely than not that outflow of the Company's economic resources will be required or the inflow of economic benefits will reduce as a result of non-payment of the respective debt.

The Company creates provisions for doubtful debts in the event of recognizing doubtful accounts receivable. The amounts of such provisions are charged to the company's profits or losses.

#### **Income**

Revenues are recognized in the amount (expressed in monetary terms) equal to the amount of the received cash and other assets and/or the amount of receivables (subject to the provisions of paragraph 3 of Accounting Regulations 9/99 "Company Income" No. 32n (as amended on December 30, 1999, March 30, 2001, September 18, 2006, November 27, 2006). If the received amount covers only some part of the revenue, the recognized revenue will be determined as the amount of receipts and receivables (to the extent not covered by the receipts).

Revenues are recognized by the Company in the accounting records when all of the following conditions are met (paragraph 12 of Accounting Regulations 9/99):

- the company has the right to receive such revenues arising from a particular contract or duly confirmed otherwise;
- the amount of revenue can be determined;
- increased economic benefits are expected as a result of a particular transaction;
- ownership (possession, use and disposal) of products (goods) has passed to the buyer from the company, or work has been accepted by the customer (services have been provided);
- expenses that have been or will be incurred in connection with such transaction can be determined.

*The following are the proceeds recognized as income from ordinary activities of the Company:*

- *revenue from electricity distribution;*
- *revenue from grid connection;*
- *revenue from industrial work and services.*

*Revenue from specific work, service, or sale of specific product is recognized as and when they are completed, if the completion of work, service, or product can be determined.*

*Income of the company not related to the sale of products, performance of work, provision of services, sale of goods is not recognized as income from ordinary activities and is to be reported as part of other income in accordance with the requirements of Accounting Regulations 9/99.*

*Revenue from sale of products and goods, including proceeds from works and services, is recognized in line with the accrual principle (when shipped) and presentation of payment documents. Revenue is accounted for by type of activity.*

*Revenue from sales is recorded in the profit and loss statement net of value added tax, discounts, and other similar mandatory payments.*

*Income for the reporting year is recorded in the profit and loss statement separately for ordinary types of activities and other income and expenses broken down by the types and amounts and compared with the previous year.*

#### *Expenses*

*The Company accounts for expenses in accordance with Accounting Regulation 10/99 "Company Expenses" approved by Order No. 33n of the Ministry of Finance of the Russian Federation of May 6, 1999.*

*In accordance with paragraph 17 of Accounting Regulations 10/99 "Company Expenses", expenses are recognized in the accounting records irrespective of the intention to receive revenues, sundry or other income and irrespective of the form in which expenses are incurred (in specie, in kind or otherwise).*

*In accordance with paragraph 18 of Accounting Regulations 10/99 "Company Expenses", expenses are recognized in the reporting period in which they occurred irrespective of the time of actual payment or other form in which they were incurred.*

*Management expenses are not shown separately from general expenses by primary activities, and selling and distribution expenses are not separated.*

*Expenses for the reporting year are recorded in the profit and loss statement separately for ordinary types of activities and other income and expenses broken down by the types and amounts and compared with the previous year.*

#### *Accounting for loan and borrowing costs*

*The Company accounts for loan and borrowing costs in accordance with Accounting Regulation 15/2008 "Accounting for Loan and Borrowing Costs" approved by Order No. 107n of the Ministry of Finance of the Russian Federation of October 6, 2008.*

*Loans and borrowings payable are recognized inclusive of interest payable at the end of the reporting period.*

*Interest payable to lenders is accrued on a monthly basis. The interest accrued is recognized separately.*

*Accrued coupon yield on bonds is recognized as other expenses in the reporting periods to which such accruals relate. It is also accrued on a monthly basis.*

*Additional borrowing and loan costs (cost of information and consulting services, etc.) are accounted separately and recorded as other expenses as they arise.*

*Accounting of transactions related to issue of bonds is carried out in accordance with the requirements of Accounting Regulations 15/01 "Accounting for Loans and Borrowings".*

*Interest on loans and borrowings directly attributable to the acquisition and/or construction of an investment asset is included in the cost of such asset and repaid by depreciation accrual, except to the extent that no asset depreciation is provided for in the accounting rules.*

#### *Cash and cash equivalents*

*Cash assets of Company include non-cash money in ruble current accounts of the Executive Office, in special accounts, excluding deposit accounts, and cash in transit.*

*Accounting of cash flows among the Company's current accounts is kept on account 57 "Transfers in transit".*

#### *Net presentation of cash flows*

*Cash flows are shown in the statement of cash flows on a net basis when they relate to operations of the Company's counterparties rather than operations of the Company itself and/or when receipts from any persons stipulate appropriate payments to other persons.*

*For the purpose of compiling the statement of cash flows in accordance with the requirements of Accounting Regulations 23/2011 "Statement of Cash Flows", the balanced version of indirect taxes is recorded in the line "Other payments" of the statement of cash flows and is not distributed by types of activity (current, investment, and financial transactions). Payments to sellers and receipts from buyers are shown excluding VAT.*

#### *Asset valuation methods*

*In accordance with paragraph 1 of Article 11 of Federal Law No. 402-FZ, valuation of assets and liabilities is made for the reflection thereof in the accounting records and accounting (financial) statements in monetary terms.*

*Valuation of assets purchased for a fee is carried out by summing up expenses actually incurred for their purchase; donated assets - at the market value on the date of recognition of such assets; assets produced in-house - at the production cost.*

#### *Reporting segments*

*The Company identified the following operating segments:*

- *Electricity distribution services;*

- *Power grid connection services.*

*Distribution of income and expenses between operating segments using the direct method is carried out at the level of core activities. Distribution of other income and expenses between operating segments is not carried out due to inexpediency and the lack of necessary basis.*

*Division by geographical segments is carried out in management accounting using the methods described in Section 6 of Accounting Policies “Methodical Aspects of Accounting Policies for the Management Accounting Purposes”.*

*For the purpose of reporting information on geographical characteristics, the Company performs separate accounting within management accounting for constituent entities of the Russian Federation where it carries out regulated activities.*

#### *Other*

*Expenses incurred in the reporting period but relating to subsequent reporting periods are shown in the accounting records and reported in the balance sheet in accordance with the terms of asset recognition established by legal regulations on accounting and are written off in accordance with the procedure established for writing off the cost of assets of this type.*

*On disposal of an asset recognized as financial investment (except for those specified in paragraphs 27, 30 of Accounting Regulations 19/02), for which no current market value is determined, its value is determined as the initial cost of each reporting unit.*

*Expenses on each R&D operation performed are written off as normal business expenses using the straight-line method based on the expected useful life of such item starting from the actual application of the obtained results. Useful life of R&D item is determined by a commission specially created by order of the CEO or the Branch Manager (within the limits of his/her powers) at the time of recognition of the work result but not exceeding 5 years.*

*Expenses recognized as deferred expenses are recorded on special account 76.07 “Deferred Assets” and reported in the balance sheet in other non-current assets or other current assets depending on the maturity.*

*Deferred assets include:*

- *payments related to voluntary and compulsory insurance of property and employees;*
- *non-exclusive rights to use computer software and databases, provided that the duration of such rights is specified in the contract;*
- *costs of creating databases and bringing them to the level of commercial operation, based on license agreements;*
- *payments for the right to use intellectual property items made in the form of a fixed single payment are written off in accordance with the duration of the right specified in the contract;*
- *other expenses which result in income generation by the Company in future periods.*

*Deferred assets are written off on the straight line basis depending on their destination in the manner prescribed in the contract or on the one-time basis if the duration is not specified in the contract.*

*If laws and regulations do not establish the accounting methods applied by the Company, the relevant method shall be developed in the course of the accounting policy compilation based on the current statutory provisions on accounting and the International Financial Reporting Standards (paragraph 7 of Accounting Regulation 1/2008).*

#### *Changes in the accounting policies*

*Effects of changes in the accounting policy that have had or could have a significant influence on the financial position of the Company, its financial performance and/or cash flows are reflected in accounting statements retrospectively, except when monetary valuation of such effects with regard to the periods preceding the reporting period cannot be made with sufficient reliability.*

*In the event of changes in the requirements established by laws or federal or industry standards, development or selection of new accounting methods, significant changes in the Company’s operating environment that result in new business operations for which no accounting methods are determined in the accounting policy, a supplement to the accounting policy is drawn up. An accounting policy supplement is executed as a supplement to the Accounting Policy Regulations and is not treated as a new revision thereof.*

*Changes to the Accounting Policy of PJSC “Lenenergo” for 2016 include a more detailed description of the aspects of accounting and accounting policy form structuring that are typical for the Company and mainly relate to the Uniform Corporate Accounting Principles (UCAP) implemented in the parent company by Order No. 547 of PJSC “Rosseti” of September 2, 2013 “On approval of accounting regulations of PJSC “Rosseti” Group”:*

- *accounting of equipment to be installed and the procedure for transferring such equipment for installation was clarified in section 4.7 “Accounting of Capital Investments”;*
- *primary accounting documents for fixed assets were amended and supplemented to ensure unification of information in different accounting systems of the Company concerning attribution to territorial production and technological complexes and results of extended inventory taking of power grid facilities of 35kV and above;*
- *section 6 “Methodical Aspects of Accounting Policies for the Management Accounting Purposes” was supplemented in line with the Uniform Principles of Separate Accounting of Income and Expenses approved by PJSC “Rosseti”.*

## 7.5. Information Concerning Total Exports and Exports as a Percentage of Total Sales

In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.

## 7.6. Information Concerning Material Changes in the Composition of the Issuer's Property after the Last Date of the Most Recently Closed Financial Year

In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.

## 7.7. Information Concerning the Issuer's Being a Party to Litigation if Such Litigation May Materially Affect the Issuer's Financial and Economic Activities

Information concerning the issuer's being a party to litigation as a claimant or respondent (specifying sanctions imposed by a court on the respondent) if such litigation may materially affect the issuer's financial and economic activities. Information shall be disclosed for the three most recently closed financial years preceding the approval date of the securities prospectus or, if the issuer has operated for less than three years, for each closed financial year.

Case No.	Claimant	Respondent	Claim value, rubles
A21-8911/2013	PJSC "Lenenergo"	LLC "Zapelektromontazh"	972,965,567.00
A56-38900/2013	JSC "UNECO"	PJSC "Lenenergo"	141,525,249.06
A56-28756/2013	LLC "Interkros SP"	PJSC "Lenenergo"	247,572,411.44
A56-56260/2013	JSC "Petrodvorets Power Grid"	PJSC "Lenenergo"	370,834,256.00
A56-75765/2013	JSC "Petrodvorets Power Grid"	PJSC "Lenenergo"	137,297,792.60
A56-56314/2013	PJSC "Lenenergo"	JSC "UNECO"	125,385,392.58
A21-8911/2013	PJSC "Lenenergo"	LLC "Zapelektromontazh"	972,965,567.00
A56-38900/2013	JSC "UNECO"	JSC "Lenenergo"	141,525,249.06
A56-34946/2014	CJSC "Kolpino Grid Company"	PJSC "Lenenergo"	56,142,340.80
A56-73354/2014	MP "VPES"	PJSC "Lenenergo"	65,182,649.84
A56-12077/2014	JSC "UNECO"	PJSC "Lenenergo"	410,659,475.14
A56-27220/2014	JSC "UNECO"	PJSC "Lenenergo"	448,916,150.00
A56-52563/2014	LLC "Interkros SP"	PJSC "Lenenergo"	298,951,947.16
A56-50616/2014	JSC "Saint Petersburg Power Grid"	PJSC "Lenenergo"	1,137,771,688.46
A56-57771/2014	JSC "Petrodvorets Power Grid"	PJSC "Lenenergo"	240,007,752.87
A56-55659/2014	LLC "PG Fosforit"	PJSC "Lenenergo"	113,438,866.60
A56-59582/2014	PJSC "Lenenergo"	JSC "Oboronenergosbyt"	233,420,759.78
A56-4339/2014	LLC "Neviss-Complex"	PJSC "Lenenergo"	78,945,881.61
A56-84124/2014	PJSC "Lenenergo"	LLC "Vyborg Lumber Industry Corporation"	122,972,733.62
A56-81721/2014	JSC "LOESK"	PJSC "Lenenergo"	104,285,786.67
A56-12077/2014	JSC "UNECO"	JSC "Lenenergo"	410,659,475.14

A56-27220/2014	JSC "UNECO"	JSC "Lenenergo"	448,916,150.00
A56-57771/2014	JSC "Petrodvorets Power Grid"	PJSC "Lenenergo"	240,007,752.87
A56-55659/2014	LLC "PG Fosforit"	JSC "Lenenergo"	113,438,866.60
A40-1091/2015	JSC "FGC UES"	PJSC "Lenenergo"	1,150,313,370.51
A56-11904/2015	PJSC "Lenenergo"	LLC "Mechel-Energo"	67,571,704.24
A56-11900/2015	PJSC "Lenenergo"	CJSC "Kirov-TEK"	77,765,617.21
A56-29222/2015	JSC "LOESK"	PJSC "Lenenergo"	475,407,831.90
A56-7238/2015	JSC "Oboronenergo"	PJSC "Lenenergo"	122,914,142.72
A56-9300/2015	JSC "LOESK"	PJSC "Lenenergo"	212,406,986.45
A56-16687/2015	JSC "PSK"	PJSC "Lenenergo"	523,974,902.21
A56-16687/2015	PJSC "Lenenergo"	JSC "PSK"	625,264,883.54
A56-35559/2015	PJSC "Lenenergo"	PJSC "Lenenergo"	464,886,897.30
A56-38452/2015	JSC "Oboronenergo"	PJSC "Lenenergo"	50,633,322.26
A56-42928/2015	JSC "Saint Petersburg Power Grid"	PJSC "Lenenergo"	1,009,064,531.20
A56-15495/2015	LLC "SLK"	PJSC "Lenenergo"	100,391,393.32
A56-31366/2015	CJSC "Kominvest-AKMT"	PJSC "Lenenergo"	202,000,000.00
A56-24533/2015	JSC "Oboronenergo"	PJSC "Lenenergo"	56,674,682.67
A56-35448/2015	PJSC "Lenenergo"	JSC "Oboronenergosbyt"	251,571,040.30
A56-56650/2015	LLC "Energovektor"	PJSC "Lenenergo"	76,835,742.02
A56-56660/2015	LLC "Energovektor"	PJSC "Lenenergo"	123,645,959.56
A56-53618/2015	LLC "Energovektor"	PJSC "Lenenergo"	378,084,356.71
A56-56648/2015	LLC "Energovektor"	PJSC "Lenenergo"	242,319,493.50
A56-48191/2015	LLC "TriNiti Trust"	PJSC "Lenenergo"	70,473,114.50
A56-48190/2015	LLC "TriNiti Trust"	PJSC "Lenenergo"	67,568,619.32
A56-84563/2015	PJSC "Lenenergo"	LLC "Baltindustria-Sever"	575,683,341.36
A56-69755/2015	LLC "Lider"	PJSC "Lenenergo"	100,426,649.70
A56-59758/2015	PJSC "Lenenergo"	CJSC "Lenelektromontazh"	621,276,458.89
A52-2563/2015	PJSC "Lenenergo"	LLC "Energovektor"	123,131,097.57
A56-59750/2015	LLC "TsRS"	PJSC "Lenenergo"	77,110,347.07
A40-172145/2015	JSC "Federal Grid Company of Unified Energy System"	PJSC "Lenenergo"	1,698,361,777.52
A56-54327/2015	LLC "Omega-plus"	PJSC "Lenenergo"	68,540,192.69
A56-42928/2015	JSC "Saint Petersburg Power Grid"	PJSC "Lenenergo"	1,009,064,531.20
A56-55535/2015	JSC "UNECO"	PJSC "Lenenergo"	79,856,152.93
A56-59174/2015	JSC "UNECO"	PJSC "Lenenergo"	145,807,362.40
A56-57344/2015	JSC "UNECO"	PJSC "Lenenergo"	121,536,483.2
A56-66999/2015	JSC "UNECO"	PJSC "Lenenergo"	153,574,356
A56-71613/2015	JSC "UNECO"	PJSC "Lenenergo"	128,255,604.28
A56-72773/2015	JSC "UNECO"	PJSC "Lenenergo"	130,690,116.67
A56-80696/2015	JSC "UNECO"	PJSC "Lenenergo"	138,712,321
A56-80691/2015	JSC "UNECO"	PJSC "Lenenergo"	152,016,550.14
A56-85063/2015	JSC "UNECO"	PJSC "Lenenergo"	137,305,271.09
A56-88857/2015	JSC "UNECO"	PJSC "Lenenergo"	152,016,550.14
A56-89029/2015	JSC "UNECO"	PJSC "Lenenergo"	153,574,356.00
A56-89678/2015	JSC "UNECO"	PJSC "Lenenergo"	302,194,699.57
A56-90063/2015	JSC "UNECO"	PJSC "Lenenergo"	299,129,340.60
A56-91395/2015	JSC "UNECO"	PJSC "Lenenergo"	296,530,504.63
A56-73580/2015	JSC "UNECO"	PJSC "Lenenergo"	377,255,573.51
A56-73580/2015	JSC "UNECO"	JSC "PSK"	377,255,573.51
A56-79864/2015	JSC "UNECO"	JSC "PSK"	328,767,990.22
A56-86805/2015	JSC "UNECO"	PJSC "Lenenergo"	282,476,108.77

<i>A56-75561/2015</i>	<i>JSC “UNECO”</i>	<i>JSC “PSK”</i>	<i>322,234,202.49</i>
<i>A56-89649/2015</i>	<i>JSC “UNECO”</i>	<i>JSC “PSK”</i>	<i>179,521,880.67</i>
<i>A56-89683/2015</i>	<i>JSC “UNECO”</i>	<i>JSC “PSK”</i>	<i>179,521,880.67</i>
<i>A56-70162/2015</i>	<i>PJSC “Lenenergo”</i>	<i>LLC “Uralskaya”</i>	<i>72,089,912.44</i>
<i>A56-57160/2015</i>	<i>PJSC “Lenenergo”</i>	<i>LLC “NPO Pigment”</i>	<i>191,072,713.44</i>
<i>A56-66471/2015</i>	<i>PJSC “Lenenergo”</i>	<i>Homeowner Partnership “Sodruzhestvo”</i>	<i>60,184,856.37</i>
<i>A56-76700/2015</i>	<i>LLC “Saint Petersburg Humanitarian Business Center “Yuna”</i>	<i>PJSC “Lenenergo”</i>	<i>61,024,284.41</i>
<i>A56-90128/2015</i>	<i>JSC “Construction Corporation Vozrozhdenie SPb”</i>	<i>PJSC “Lenenergo”</i>	<i>50,693,380.07</i>

*In 2013-2015, PJSC “Lenenergo” had disputes with allied grid companies under electricity distribution contracts concerning payments for the maximum capacity, volume and cost of the provided electricity transmission services. The most significant disputes with grid companies are those with JSC “Saint Petersburg Power Grid”, JSC “Petrodvorets Power Grid” and JSC “United Energy Company”, PJSC “FGC UES”.*

*The disputes mainly concern the type of tariff applied for payments and the absence of agreed essential terms of electricity distribution contracts as provided for by the laws in effect in the Russian Federation.*

*There is no well-established litigation practice with respect to the majority of disputes, final court decisions have not yet been issued.*

*Information concerning litigation with the final decision issued that may materially affect the Issuer’s financial and economic activities (specifying sanctions imposed by a court on the Issuer):*

<b>Case No.</b>	<b>Court decision</b>
<i>A56-56260/2013</i>	<i>28,244,189 rubles 08 kopecks of interest on wrongfully withheld funds, 197,444 rubles 51 kopecks of state duty in respect of the lawsuit shall be recovered from JSC “Lenenergo”</i>
<i>A56-75765/2013</i>	<i>116,417,092.77 rubles of debt, 20,880,699.83 rubles of interest on wrongfully withheld funds, 200,000 rubles of expenses related to state duty payment shall be recovered from JSC “Lenenergo”</i>
<i>A56-73354/2014</i>	<i>Interest for the period from November 11, 2014 to the date of actual debt repayment shall be recovered from JSC “Lenenergo”; interest shall be charged on the amount of 65,182,649 rubles 84 kopecks at the rate of the Central Bank of the Russian Federation of 8.25% per annum. 191,000 rubles of state duty in respect of the lawsuit, 3,000 rubles of state duty in respect of the petition of appeal shall be recovered from JSC “Lenenergo” to the federal budget.</i>
<i>A56-12077/2014</i>	<i>102,521,091 rubles 60 kopecks of debt, 5,416,517 rubles of interest, and 55,000 rubles of legal expenses related to the payment of state duty in respect of the lawsuit and petition of cassation shall be recovered from PJSC “Lenenergo”.</i>
<i>A56-50616/2014</i>	<i>1,095,344,184.95 rubles of debt, 42,427,503.51 rubles of penalties, 182,209.80 rubles of legal expenses related to the payment of state duty in respect of the lawsuit and petition of appeal shall be recovered from JSC “Lenenergo”.</i>
<i>A56-55659/2014</i>	<i>91,933,058 rubles 56 kopecks of loss shall be recovered from PJSC “Lenenergo”.</i>
<i>A40-1091/2015</i>	<i>470,846,214 rubles 40 kopecks of debt, 370 244 948 rubles 49 kopecks of penalties, 200,000 rubles of expenses related to the payment of state duty shall be recovered from PJSC “Lenenergo”.</i>
<i>A56-29222/2015</i>	<i>144,062,812 rubles 04 kopecks of debt, 532,282 rubles 09 kopecks of interest on wrongfully withheld funds for the period from February 24, 2015 to May 31, 2015, 186,224 rubles 62 kopecks of state duty in respect of the lawsuit shall be recovered from PJSC “Lenenergo”.</i>
<i>A56-9300/2015</i>	<i>196,964,635 rubles 83 kopecks of debt, 15,442,350 rubles 62 kopecks of interest on wrongfully withheld funds which shall be charged from April 15, 2015 to the date of primary obligation performance based on 1/360 of the refinancing rate of the</i>

	<i>Central Bank of the Russian Federation in respect of the outstanding or delayed amount for each day of the delay, and 200,000 rubles 00 kopecks of expenses related to the payment of state duty shall be recovered from JSC "Lenenergo".</i>
<i>A56-38452/2015</i>	<i>49,923,985 rubles 63 kopecks of debt, 709,336 rubles 63 kopecks of interest on wrongfully withheld funds which shall be charged for the period from May 23, 2015 based on the rate of 8.25% per annum in respect of the debt in the amount of 49,923,985 rubles 63 kopecks as of the date of actual performance of obligation, and 200,000 rubles of expenses related to the payment of state duty in respect of the lawsuit shall be recovered from PJSC "Lenenergo".</i>
<i>A56-24533/2015</i>	<i>1,118,467 rubles 86 kopecks of interest on wrongfully withheld funds for the period from February 21, 2015 to June 23, 2015, interest on debt in the amount of 27,153,283 rubles 47 kopecks at the refinancing rate of the Bank of Russia of 8.25% charged from June 26, 2015 to the date of actual performance of debt repayment obligation shall be recovered from JSC "Lenenergo".</i>
<i>A56-56650/2015</i>	<i>424,396 rubles 06 kopecks of debt shall be recovered from PJSC "Lenenergo". 11,488 rubles of state duty shall be recovered from PJSC "Lenenergo" to the federal budget.</i>
<i>A56-56660/2015</i>	<i>71,557,125 rubles 82 kopecks of debt shall be recovered from PJSC "Lenenergo". 200,000 rubles of state duty shall be recovered from PJSC "Lenenergo" to the federal budget.</i>
<i>A56-69755/2015</i>	<i>98,001,120 rubles of outstanding principal amount under contract No. 14-9659 of July 23, 2014, 2,425,529 rubles 70 kopecks of interest on wrongfully withheld funds, 2,537,820 rubles 67 kopecks of interest in accordance with Article 317.1 of the Civil Code of the Russian Federation, and 200,000 rubles of expenses related to the payment of state duty shall be recovered from PJSC "Lenenergo".</i>
<i>A56-54327/2015</i>	<i>28,558,413 rubles 62 kopecks of unreasonable gains and 20,000,000 of penalties shall be recovered from PJSC "Lenenergo". 200,000 rubles of state duty shall be recovered from PJSC "Lenenergo" to the federal budget.</i>

# Section VIII. Information Concerning the Placed Issue-Grade Securities, and the Value, Dates, Conditions, and Procedure for the Placement Thereof

## 8.1. Class, Category (Type) of Securities

Class of securities: *exchange-traded bearer bonds*

Other identification characteristics of exchange-traded bonds placed under the program of exchange-traded bonds:

*Exchange-traded inconvertible interest-bearing certificated bearer bonds subject to mandatory centralized custody to be placed under the program of series 001P exchange-traded bonds*

Information on the series of the individual issue of the Exchange-Traded Bonds will be specified in the Issue Terms.

## 8.2. Form of Securities

Form of placed securities: *certificated*

## 8.3. Information Concerning Mandatory Centralized Custody

*The Exchange-Traded Bonds are subject to mandatory centralized custody.*

Custodian responsible for centralized custody:

Full corporate name: *National Settlement Depository*

Short corporate name: *NSD*

Registered address: *Moscow, ul. Spartakovskaya, 12*

Postal address: *105066, Moscow, ul. Spartakovskaya, 12*

Taxpayer Identification Number (INN): *7702165310*

Telephone: *(495) 956-27-89, (495) 956-27-90*

Custodian license number: *045-12042-000100*

Date of issue: *February 19, 2009*

Valid until: *issued for a perpetual term*

Licensing authority: *Federal Financial Markets Service of the Russian Federation*

*If NSD ceases to exist due to its reorganization, its legal successor shall be responsible for mandatory centralized custody in relation to the Exchange-Traded Bonds. Any reference to NSD in the Program and/or the Issue Terms shall be construed as a reference to NSD or its legal successor.*

*The Exchange-Traded Bonds shall be certificated, with a single certificate (hereinafter, the "Certificate" or the "Exchange-Traded Bond Certificate") to be issued and subject to mandatory centralized custody with National Settlement Depository (NSD) for the entire Issue. Separate certificates may not be issued to the holders of the Exchange-Traded Bonds. The holders of the Exchange-Traded Bonds shall not have the right to demand that they be provided with the Certificate.*

*Before the start date of the placement of the Exchange-Traded Bonds, PJSC "Lenenergo" (hereinafter, the "Issuer") shall transfer the Certificate to NSD for custody.*

*The Exchange-Traded Bond Certificate shall be in the form attached as an annex to the applicable Issue Terms.*

*In the event of any conflict among the Program, the Issue Terms, and information contained in the Exchange-Traded Bond Certificate, any holder shall be entitled to demand that the rights granted by the Exchange-Traded Bonds be exercised to the extent specified in the Certificate.*

*The rights attaching to the Exchange-Traded Bonds and the transfer of the Exchange-Traded Bonds, including any encumbrance in relation to the Exchange-Traded Bonds, shall be accounted for and recorded by NSD and any other custodians accounting for the rights to the Exchange-Traded Bonds other than NSD (hereinafter collectively referred to as the "Custodians" and each individually as the "Custodian").*

*Ownership of the Exchange-Traded Bonds shall be confirmed by custody account statements issued by NSD and the Custodians to holders of the Exchange-Traded Bonds. Ownership of the Exchange-Traded Bonds shall transfer upon making a credit entry in the custody account of the acquirer of the Exchange-Traded Bonds with NSD and the Custodians.*

*Any potential acquirer of the Exchange-Traded Bonds shall open a custody account with NSD or the Custodians. The procedure and deadlines for opening the custody accounts shall be in accordance with the regulations of the relevant Custodians.*

*Any acquirer of the Exchange-Traded Bonds shall independently assess and bear the risk that the personal law applicable to such acquirer or a ban or any other restriction imposed by governmental or other authorized agencies may prohibit such acquirer from investing in the Exchange-Traded Bonds.*



*Any acquirer of the Exchange-Traded Bonds shall independently assess and bear the risk that the personal law applicable to the custodian maintaining the custody account intended to account for the rights to the Exchange-Traded Bonds or the personal law applicable to the custodian maintaining the custody account intended to record a transaction related to the Exchange-Traded Bonds or a ban or any other restriction imposed by governmental or other authorized agencies may prohibit such custodian from assisting with an investment in the Exchange-Traded Bonds of the Issuer.*

*Upon redemption, the Exchange-Traded Bonds shall be debited to the custody accounts after the Issuer fulfills all of its obligations to the holders of the Exchange-Traded Bonds to pay the par value of the Exchange-Traded Bonds and coupon income from the Exchange-Traded Bonds for all coupon periods. The Exchange-Traded Bond Certificate shall be removed from custody after all of the Exchange-Traded Bonds are debited to the accounts with NSD.*

*The procedure for accounting for and transferring the rights to certificated issue-grade securities subject to mandatory centralized custody shall be governed by Federal Law No. 39-FZ “On the Securities Market” of April 22, 1996; the Regulations for Custodial Activities in the Russian Federation approved by Resolution of the Federal Commission for the Securities Market of the Russian Federation No. 36 of October 16, 1997; and other legal regulations of the Russian Federation and internal documents of the custodian.*

*In the event of amendments to the laws of the Russian Federation and/or regulations applicable to the financial markets, the procedure for accounting for and transferring the rights to the Exchange-Traded Bonds and the related payments shall be subject to such amendments to the laws and/or regulations applicable to the financial markets.*

## **8.4. Par Value of Each Security of the Issue**

*The minimum and maximum par values of each Exchange-Traded Bond are not specified in the terms and conditions of the Bond Program.*

*The par value of each Exchange-Traded Bond will be specified in the applicable Issue Terms.*

*The maximum amount of the par values of the Exchange-Traded Bonds that may be placed under the Bond Program is up to thirty-five billion (35,000,000,000) Russian rubles.*

## **8.5. Quantity of Securities of the Issue**

*The minimum and maximum quantities of the Exchange-Traded Bonds of the individual issue are not specified in the terms and conditions of the Bond Program.*

*The quantity of the Exchange-Traded Bonds of the issue placed under the Bond Program will be specified in the applicable Issue Terms.*

*If any individual issue (additional issue) of bonds under the bond program is to be placed in tranches, specify information concerning the number (procedure for determining the number) of such tranches, the quantity (procedure for determining the quantity) of bonds in each tranche, and serial numbers and, if assigned, codes of bonds of each tranche.*

*The Exchange-Traded Bonds will not be placed in tranches.*

## **8.6. Total Quantity of Previously Placed Securities of This Issue**

*Information concerning the total quantity of previously placed Exchange-Traded Bonds of the issuer or concerning the issue of such Exchange-Traded Bonds not being an additional issue will be specified in the applicable Issue Terms.*

## **8.7. Rights Vested in a Holder of Each Security of the Issue**

*Each Exchange-Traded Bond shall provide its holder with the same scope and duration of rights within one Issue, regardless of the time of its acquisition. The documents certifying the rights granted by the Exchange-Traded Bonds shall be the Exchange-Traded Bond Certificate, the Program, and the Issue Terms.*

*Upon redemption at maturity, any holder of the Exchange-Traded Bonds shall be entitled to receive the par value of the Exchange-Traded Bond (the outstanding part of the par value if the Issuer decides on partial early redemption in accordance with paragraph 9.5 of the Program).*

*If the Issuer decides on the partial early redemption of the Exchange-Traded Bonds in accordance with paragraph 9.5 of the Program, any holder of the Exchange-Traded Bonds shall also be entitled to receive each earlier redeemed part of the par value of the Exchange-Traded Bond.*

*Any holder of the Exchange-Traded Bonds shall be entitled to receive income (interest) in the amount determined under paragraph 9.3 of the Program and within the period determined under paragraph 9.4 of the Program.*

*Any holder of the Exchange-Traded Bonds shall have the right to request that the Exchange-Traded Bonds be acquired by the Issuer in the instances and upon the terms and conditions specified in paragraph 10.1 of the Program.*

*Any holder of the Exchange-Traded Bonds shall have the right to demand that the Exchange-Traded Bonds be redeemed earlier and such holder receive the accrued coupon income related to the Exchange-Traded Bonds and*

*calculated as of the date of performance of the obligations to redeem the Exchange-Traded Bonds earlier where specified in paragraph 9.5.1 of the Program and provided for in the laws of the Russian Federation.*

*In the event that the Issuer is liquidated, any holder of the Exchange-Traded Bonds may receive the outstanding amount in the order of priority provided for in Article 64 of the Civil Code of the Russian Federation.*

*All debts of the Issuer in relation to the Exchange-Traded Bonds will be legally equal and equally binding.*

*The Issuer shall cause the invested funds to be refunded to the holders of the Exchange-Traded Bonds if, under the applicable laws of the Russian Federation, the issue of the Exchange-Traded Bonds is held invalid.*

*Any holder of the Exchange-Traded Bonds shall have the right to unrestrictedly sell and otherwise transfer the Exchange-Traded Bonds in accordance with the applicable laws of the Russian Federation.*

*Any holder of the Exchange-Traded Bonds may exercise other rights provided for in the laws of the Russian Federation.*

*The Issuer shall ensure the exercise of the rights vested in the holders of the Exchange-Traded Bonds, provided that they comply with the procedure prescribed by the laws of the Russian Federation for the exercise of such rights.*

*No collateral is provided for the Exchange-Traded Bonds.*

*The placed securities are not intended for qualified investors.*

## **8.8. Conditions and Procedure for Placement of the Securities of the Issue**

### 8.8.1. Securities placement method

*Public offering.*

### 8.8.2. Dates of the securities placement

Start date and end date of the securities placement or procedure for determining the dates of the securities placement:

*The dates (procedure for determining the dates) of the placement of the Exchange-Traded Bonds are not specified in the Program.*

*The Issuer of the Exchange-Traded Bonds and the exchange that admitted them to regulated trading shall provide access to information contained in the Securities Prospectus (hereinafter, the "Prospectus") for any persons concerned, regardless of the purpose of obtaining such information, not later than the start date of the placement of the Exchange-Traded Bonds.*

*The statement concerning the identification number assigned to the Program and concerning the procedure for providing access to information contained in the Program and the Prospectus shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*The statement concerning the Exchange-Traded Bonds admitted to trading in the course of their placement (concerning the Exchange-Traded Bonds included on the List of Securities Admitted to Trading on the Moscow Exchange (hereinafter, the "List")) and concerning the identification number assigned to the issue of the Exchange-Traded Bonds and concerning the procedure for providing access to information contained in the Issue Terms shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*The start date of the placement of the Exchange-Traded Bonds shall be determined by the Issuer's sole executive body. Information concerning the start date determined by the Issuer for the placement of the Exchange-Traded Bonds shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus and may be specified in the Issue Terms. The start date of the placement of the Exchange-Traded Bonds shall be determined by the Issuer in accordance with the applicable laws of the Russian Federation.*

*The Issuer shall notify the Exchange and NSD of the determined placement start date in accordance with the agreed procedure.*

*The start date of the placement of the Exchange-Traded Bonds that is not specified in the Issue Terms may be postponed (changed) pursuant to a decision of the Issuer's sole executive body subject to the requirements applicable to the procedure for disclosing information about postponing (changing) the start date of the placement of the Exchange-Traded Bonds as provided for in the laws of the Russian Federation, the Program, and the Prospectus.*

*If the Issuer decides to postpone (change) the start date of the placement of the securities disclosed in accordance with the procedure specified above, the Issuer shall publish the statement concerning the changed start date of the placement of the securities in accordance with the procedure specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*The Issuer shall notify the Exchange and NSD of the changed start date of the placement of the Exchange-Traded Bonds not later than one (1) day prior to the relevant date.*

**The end date of the placement of the Exchange-Traded Bonds (or the procedure for determining their placement dates) will be specified in the applicable Issue Terms.**

### 8.8.3. Securities placement procedure

*The Exchange-Traded Bonds shall be placed by means of entering into purchase and sale transactions at the offering price of the Exchange-Traded Bonds as determined in accordance with paragraph 8.4 of the Program and of the Issue Terms (hereinafter, the “Offering Price”).*

*The transactions related to the placement of the Exchange-Traded Bonds shall be entered into in Public Joint-Stock Company Moscow Exchange MICEX-RTS (herein above and hereinafter, the “Exchange” or the “Moscow Exchange”) by means of accepting the targeted buy bids for the Exchange-Traded Bonds submitted in the trading system of the Exchange (hereinafter, the “Trading System”) in accordance with the Rules for Trading on the Equity & Bond Market of Public Joint-Stock Company Moscow Exchange MICEX-RTS (hereinafter, the “Exchange Trading Rules” or the “Exchange Rules”).*

*The targeted buy bids for the Exchange-Traded Bonds and the offsetting targeted sell bids for the Exchange-Traded Bonds shall be submitted in the Trading System of the Moscow Exchange by electronic transmission; however, it shall be deemed that such transactions have the same force and effect as agreements in writing. The time of entering into any transaction related to the placement of the Exchange-Traded Bonds shall be the time of its registration in the Trading System of the Moscow Exchange.*

*The Trading Participants shall not be notified (informed) separately of the acceptance of (refusal to accept) their bids.*

If securities are placed through bidding-based subscription, specify the name of the person that institutes trading (issuer, specialist organization). If trading is instituted by a specialist organization, specify its full and short corporate names, registered address, and, in the case of regulated trading instituted by an exchange or any other trading institutor, the number, date of issue, and term of the license authorizing such exchange or such other trading institutor to institute trading in the securities market and the licensing authority.

***Details of the Moscow Exchange (hereinafter, the “Trading Institutor”):***

Full corporate name: ***Public Joint-Stock Company Moscow Exchange MICEX-RTS***

Short corporate name: ***Moscow Exchange***

Registered address: ***Russia, Moscow, Bolshoy Kislovsky pereulok, 13***

Postal address: ***Russia, 125009, Moscow, Bolshoy Kislovsky pereulok, 13***

Date of state registration: ***October 16, 2002***

Principal State Registration Number (OGRN): ***1027739387411***

Name of the state registration authority: ***Interdistrict Inspectorate of the Ministry of Taxation of the Russian Federation for the City of Moscow No. 39***

License No.: ***077-001***

Date of issue: ***August 29, 2013***

Valid until: ***issued for a perpetual term***

Licensing authority: ***Federal Financial Markets Service of the Russian Federation***

*If any potential buyer is not the Exchange’s trading participant (hereinafter, the “Trading Participant”), such potential buyer shall enter into an agreement with any Trading Participant and instruct such Trading Participant to buy the Exchange-Traded Bonds. Any potential buyer of the Exchange-Traded Bonds that is a Trading Participant shall act independently.*

*In order to enter into a purchase and sale transaction related to the Exchange-Traded Bonds in the course of their placement, any potential buyer shall in advance (before the start date of the placement of the Exchange-Traded Bonds) open the relevant custody account with NSD, responsible for centralized custody in relation to the Exchange-Traded Bonds, or with any other Custodian. The procedure and deadlines for opening the custody accounts shall be in accordance with the regulations of the relevant Custodians.*

*The agreements signed in the course of the placement of the Exchange-Traded Bonds may be amended and/or terminated for the reasons and in accordance with the procedure provided for in Chapter 29 of the Civil Code of the Russian Federation.*

*Trading shall be in accordance with the Exchange Rules that are duly registered and effective as of the trading date.*

*In this connection, the Exchange-Traded Bonds may be placed through bidding to determine the coupon rate for the first coupon period (hereinafter, the “Bidding”) or by means of collecting the buyers’ buy bids for the Exchange-Traded Bonds with such fixed price and such coupon rate for the first coupon period as determined by the Issuer in advance in accordance with the procedure and upon the terms and conditions provided for in the Program (hereinafter, the “Book Building”).*

*The Issuer's sole executive body shall decide on the placement procedure for the Exchange-Traded Bonds.*

*Information concerning the selected placement procedure will be disclosed by the Issuer in accordance with the procedure provided for in paragraph 11 of the Program and paragraph 8.11 of the Prospectus or will be specified in paragraph 8.3 of the Issue Terms.*

*In this case, the Issuer shall inform the Exchange of the decision within one (1) day after the date when the Issuer's sole executive body decides on the placement procedure for the Exchange-Traded Bonds and prior to the start date of the placement of the Exchange-Traded Bonds.*

*1) Placement of the Exchange-Traded Bonds through the Bidding:*

*Entering into the transactions related to the placement of the Exchange-Traded Bonds shall start on the start date of the placement of the Exchange-Traded Bonds after the finalization of the Bidding and shall end on the end date of the placement of the Exchange-Traded Bonds. The Bidding shall start and end on the start date of the placement of the Exchange-Traded Bonds.*

*The coupon rate for the first coupon period of the Exchange-Traded Bonds shall be determined according to the results of the Bidding on the Exchange among the potential buyers of the Exchange-Traded Bonds on the start date of the placement of the Exchange-Traded Bonds.*

*On the date of the Bidding, the Trading Participants shall submit the targeted buy bids for the Exchange-Traded Bonds in the course of the Bidding in the Trading System for their own account or for the account and on the instructions of clients. The time and procedure for submitting the bids in the course of the Bidding shall be determined by the Exchange upon agreement with the Issuer and/or the Underwriter (as defined below).*

*The buy bids for the Exchange-Traded Bonds shall be sent by the Trading Participants to the Underwriter.*

*Any buy bid shall contain the following material terms and conditions:*

- acquisition price;*
- quantity of the Exchange-Traded Bonds;*
- coupon rate for the first coupon period;*
- settlement code used for the securities transaction to be included in the clearing pool of the clearing institution on a multilateral or simple clearing basis and specifying that the transaction involves carrying out the control procedure for collateral and that the appropriate trade date of the securities transaction is the closing date of the transaction;*
- other parameters in accordance with the Exchange Rules.*

*The specified acquisition price shall be the Offering Price of the Exchange-Traded Bonds determined in accordance with the Issue Terms.*

*The specified quantity of the Exchange-Traded Bonds shall be the quantity of the Exchange-Traded Bonds that the potential buyer would like to buy if the coupon rate set by the Issuer's sole executive body for the first coupon period is higher than or equal to the coupon rate specified for the first coupon period in the bid.*

*The specified coupon rate for the first coupon period shall be the coupon rate set by the Issuer for the first coupon period (expressed numerically with an accuracy of up to two decimal places) and acceptable to the buyer willing to buy the Exchange-Traded Bonds in the quantity specified in the bid at the Offering Price of the Exchange-Traded Bonds determined in accordance with the Issue Terms.*

*In this connection, money shall be reserved in the Trading Participants' trading accounts with NSD in the amount sufficient to pay in full for the Exchange-Traded Bonds specified in the buy bids for the Exchange-Traded Bonds, including all necessary commission fees.*

*Any bids failing to meet the requirements set forth above shall not be admitted to the Bidding.*

*Upon the expiration of the bid submission period for the Bidding, the Exchange shall make the consolidated register of buy bids for securities (hereinafter, the "Consolidated Bid Register") and shall make it available to the Underwriter.*

*The Consolidated Bid Register shall contain all of the material terms and conditions of each bid: the acquisition price, the quantity of securities, the date and time of receipt of the bid, the bid number, the acceptable coupon rate for the first coupon period, and other details in accordance with the Exchange Rules.*

*Upon analyzing the Consolidated Bid Register received from the Underwriter, the Issuer's sole executive body shall decide on the coupon rate for the first coupon period and shall inform the Exchange of the decision simultaneously with the publication of such information through the Newswire (as defined below).*

*Information concerning the coupon rate for the first coupon period shall be disclosed by the Issuer in accordance with paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*After the publication of information concerning the coupon rate for the first coupon period through the Newswire, the Issuer shall inform the Underwriter and NSD of the coupon rate for the first coupon period.*

*Upon receipt of information from the Issuer concerning the coupon rate for the first coupon period, the Underwriter shall enter into transactions in accordance with the Exchange Rules by means of accepting the bids in accordance with the procedure specified in the Program; however, only the bids with the coupon rate that is lower than or equal to the coupon rate set for the first coupon period shall be accepted.*

*In accepting the buy bids submitted for the Exchange-Traded Bonds in the course of the Bidding, priority shall be given to the bids with the lowest coupon rate.*

*In the event of any bids with the same coupon rate for the first coupon period, priority shall be given to the bids submitted earlier. The unaccepted bids of the Trading Participants shall be rejected by the Underwriter. The Trading Participants shall not be notified (informed) in writing of the acceptance of (refusal to accept) their bids.*

*After determining the coupon rate for the first coupon period and accepting the bids submitted in the course of the Bidding, the Trading Participants acting for their own account or for the account and on the instructions of potential buyers may submit the targeted buy bids for the Exchange-Traded Bonds at the Offering Price to the Underwriter within the placement period if the issue of the Exchange-Traded Bonds is not placed in full in the course of the Bidding.*

*Any buy bid submitted for the Exchange-Traded Bonds shall be accepted by the Underwriter in full if the quantity of the Exchange-Traded Bonds in such buy bid for the Exchange-Traded Bonds is not greater than the quantity of the Exchange-Traded Bonds remaining unplaced (not to exceed the total quantity of the Exchange-Traded Bonds offered for placement). If the quantity in any buy bid for the Exchange-Traded Bonds is greater than the quantity of the Exchange-Traded Bonds remaining unplaced, then such buy bid for the Exchange-Traded Bonds shall be accepted in the quantity of the unplaced securities. If the Underwriter places all of the Exchange-Traded Bonds offered for placement, the subsequent buy bids for the Exchange-Traded Bonds shall not be accepted.*

*Starting from the second day of the placement of the Exchange-Traded Bonds, any buyer shall, when entering into the purchase and sale transaction related to the Exchange-Traded Bonds, also pay the amount of accrued coupon income from the Exchange-Traded Bonds.*

*The Exchange-Traded Bonds of the Issuer may not be purchased in the course of their placement for the account of the Issuer.*

## **2) Placement of the Exchange-Traded Bonds by means of the Book Building:**

*If the Exchange-Traded Bonds are placed by means of the Book Building, the Issuer's sole executive body shall decide on the coupon rate for the first coupon period before the start date of the placement of the Exchange-Traded Bonds.*

*Information concerning the coupon rate for the first coupon period shall be disclosed by the Issuer in accordance with paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*The Issuer shall inform the Exchange and NSD of the coupon rate for the first coupon period before the start date of the placement of the Exchange-Traded Bonds.*

*The placement of the Exchange-Traded Bonds by means of the Book Building shall involve an invitation for the general public to submit bids (offers) with respect to the acquisition of placed securities. The Trading Participants' targeted bids shall be the Trading Participants' offers to acquire the placed Exchange-Traded Bonds.*

*The reply that the bids (offers) with respect to the acquisition of the placed Exchange-Traded Bonds is accepted shall be sent to the Trading Participants selected by the Issuer at its sole discretion from among the Trading Participants submitting such bids (offers) by means of submitting offsetting targeted bids. In this connection, the Trading Participants agree that their bids may be rejected or accepted in full or in part.*

*On the start date of the placement of the Exchange-Traded Bonds, the Trading Participants shall, within the bid submission period for the buy bids for the Exchange-Traded Bonds at the fixed price and the coupon rate for the first coupon period, submit the targeted buy bids for the Exchange-Traded Bonds in the Trading System for their own account or for the account and on the instructions of clients.*

*The time and procedure for submitting the targeted bids within the bid submission period at the fixed price and the coupon rate for the first coupon period shall be determined by the Exchange upon agreement with the Issuer and/or the Underwriter.*

*Upon the expiration of the bid submission period for the buy bids for the Exchange-Traded Bonds at the fixed price and the coupon rate for the first coupon period, the Exchange shall make the Consolidated Bid Register and shall make it available to the Underwriter.*

*The Consolidated Bid Register shall contain all of the material terms and conditions of each bid: the acquisition price, the quantity of securities, the date and time of receipt of the bid, the bid number, and other details in accordance with the Exchange Rules.*

*Upon analyzing the Consolidated Bid Register received from the Underwriter, the Issuer shall select the acquirers for the Issuer's intended sale of the Exchange-Traded Bonds, determine the quantity of the Exchange-Traded Bonds to be sold by the Issuer to such acquirers, and inform the Underwriter thereof.*

*Upon receipt of information from the Issuer concerning the acquirers for the Issuer's intended sale of the Exchange-Traded Bonds and concerning the quantity of the Exchange-Traded Bonds to be sold by the Issuer to such acquirers, the Underwriter shall enter into transactions with the acquirers selected by the Issuer for the sale of the Exchange-Traded Bonds by means of submitting offsetting targeted bids in accordance with the Exchange Rules, specifying the quantity of securities that the Issuer wishes to sell to such acquirers, in accordance with the procedure specified in the Program.*

*In accepting the bids, priority shall be given to the bids of the acquirers with which or (if any acquirer of the Exchange-Traded Bonds acts as an agent engaged to acquire the Exchange-Traded Bonds in the course of the placement) with whose clients the Underwriter has the Preliminary Agreements (as defined below) whereby the potential acquirers and the Issuer (through the Underwriter) agree to enter into the principal agreements for the purchase and sale of the Exchange-Traded Bonds on the start date of the placement of the Exchange-Traded Bonds, provided that such bids are submitted by such acquirers to perform their obligations under the Preliminary Agreements.*

*After accepting the bids submitted within the bid submission period, the Trading Participants acting for their own account or for the account and on the instructions of potential acquirers may submit the targeted buy bids for the Exchange-Traded Bonds at the Offering Price to the Underwriter within the placement period if the issue of the Exchange-Traded Bonds is ultimately not placed in full.*

*The Issuer shall evaluate such bids, select the acquirers for the Issuer's intended sale of the Exchange-Traded Bonds, determine the quantity of the Exchange-Traded Bonds to be sold by the Issuer to such acquirers, and inform the Underwriter thereof.*

*Upon receipt of information from the Issuer concerning the acquirers for the Issuer's intended sale of the Exchange-Traded Bonds and concerning the quantity of the Exchange-Traded Bonds to be sold by the Issuer to such acquirers, the Underwriter shall enter into transactions with the acquirers selected by the Issuer for the sale of the Exchange-Traded Bonds by means of submitting offsetting targeted bids in accordance with the Exchange Rules, specifying the quantity of securities that the Issuer wishes to sell to such acquirers, in accordance with the procedure specified in the Program.*

*The buy bids for the Exchange-Traded Bonds shall be sent by the Trading Participants to the Underwriter.*

*Any buy bid shall contain the following material terms and conditions:*

- acquisition price;*
- quantity of the Exchange-Traded Bonds;*
- settlement code used for the securities transaction to be included in the clearing pool of the clearing institution on a multilateral or simple clearing basis and specifying that the transaction involves carrying out the control procedure for collateral and that the appropriate trade date of the securities transaction is the closing date of the transaction;*
- other parameters in accordance with the Exchange Rules.*

*The specified acquisition price shall be the Offering Price of the Exchange-Traded Bonds determined in accordance with the Issue Terms.*

*The specified quantity of the Exchange-Traded Bonds shall be the quantity of the Exchange-Traded Bonds that the potential buyer would like to buy at such coupon rate for the first coupon period as determined prior to the placement start date.*

*In this connection, money shall be reserved in the Trading Participants' trading accounts with NSD in the amount sufficient to pay in full for the Exchange-Traded Bonds specified in the buy bids for the Exchange-Traded Bonds, including all necessary commission fees.*

*Any bids failing to meet the requirements set forth above shall not be admitted.*

*Starting from the second day of the placement of the Exchange-Traded Bonds, any buyer shall, when entering into the purchase and sale transaction related to the Exchange-Traded Bonds, also pay the amount of accrued coupon income from the Exchange-Traded Bonds.*

*The Exchange-Traded Bonds of the Issuer may not be purchased in the course of their placement for the account of the Issuer.*

If the issuer and/or its authorized person intend to enter into the preliminary agreements containing the obligation to subsequently enter into the principal agreements aimed at the transfer of placed securities to the initial holders or if they intend to collect the preliminary bids for the acquisition of placed securities, specify the procedure for entering into such preliminary agreements or the procedure for submitting such preliminary bids:

*If the Exchange-Traded Bonds are placed by means of the Book Building, the Underwriter may, on the instructions of the Issuer, enter into the preliminary agreements with the potential acquirers of the Exchange-Traded Bonds, containing the obligation to subsequently enter with them or the Trading Participants acting on their behalf into the principal agreements aimed at the transfer of the placed securities to them.*

*Such preliminary agreements shall be entered into by means of the Underwriter's accepting the potential buyers' offers to enter into the preliminary agreements whereby the potential buyers and the Issuer (through the Underwriter) agree to enter into the principal agreements for the purchase and sale of the Exchange-Traded Bonds (hereinafter, the "Preliminary Agreements") on the start date of the placement of the Exchange-Traded Bonds. In this connection, any offer to enter into the Preliminary Agreement may be rejected or accepted in full or in part at the Issuer's sole discretion.*

*The acceptance of the offers submitted by the potential buyers of the Exchange-Traded Bonds to enter into the Preliminary Agreements shall be communicated by the Underwriter using the methods specified in the offers submitted by the potential buyers of the Exchange-Traded Bonds not later than the date immediately preceding the start date of the placement of the Exchange-Traded Bonds.*

*The collection of the proposals (offers) to enter into the Preliminary Agreements from the potential buyers may not start earlier than the date when information is published on a real-time information resource provided by the news agency (herein above and hereinafter, the "Newswire") about the period for submitting the proposals (offers) of the potential buyers to enter into the Preliminary Agreements and shall not end later than one (1) day before the start date of the placement of the Exchange-Traded Bonds.*

procedure for disclosing information concerning the period for submitting the offers of the potential buyers of the Exchange-Traded Bonds to enter into the Preliminary Agreements:

*The Issuer shall disclose information concerning the period for submitting the offers to enter into the Preliminary Agreements in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*The offers submitted by the potential buyers to enter into the Preliminary Agreements shall specify the maximum amount that they are willing to pay for the Exchange-Traded Bonds, the maximum acquisition price of one Exchange-Traded Bond, the minimum coupon rate for the first coupon period for the Exchange-Traded Bonds acceptable to the potential buyers willing to buy the Exchange-Traded Bonds in the above-mentioned maximum amount, the minimum premium payable as a percentage of the par value of the Exchange-Traded Bonds (in the case of its marketing) on top of the early redemption price of the Exchange-Traded Bonds in the event of early redemption at the option of the Issuer as provided for in paragraph 9.5.2.1 of the Program and 8.9.5.2.1 of the Prospectus, and the preferable methods for communicating the acceptance to the offerors. By submitting the offers to enter into the Preliminary Agreement, the potential buyers agree that their offers may be rejected or accepted in full or in part.*

*The end date and/or time initially determined by the Issuer's sole executive body for the period for submitting the offers of the potential buyers to enter into the Preliminary Agreements may be changed by the Issuer's sole executive body.*

*Information concerning the foregoing shall be disclosed in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

procedure for disclosing information concerning the expiration of the period for submitting the offers of the potential buyers of the Exchange-Traded Bonds to enter into the Preliminary Agreements:

*Information concerning the expiration of the period for submitting the offers of the potential buyers to enter into the Preliminary Agreements shall be disclosed in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*The principal agreements for the purchase and sale of the Exchange-Traded Bonds shall be entered into in accordance with the procedure specified above in this paragraph.*

*The procedure and conditions for the placement of the Exchange-Traded Bonds through subscription shall not make it impossible or substantially difficult for the acquirers to acquire such securities.*

preemptive right granted to acquire placed securities, including the exercisability of the preemptive right to acquire securities as provided for in Articles 40 and 41 of the Federal Law "On Joint-Stock Companies": *The preemptive right to acquire the placed Exchange-Traded Bonds is not granted.*

in the case of registered securities the register of whose holders is kept by the registrar, specify the person (registrar, custodian, or initial holder) to whom the issuer issues (sends) the transfer order serving as justification for making a credit entry in the personal account or custody account of the initial holder, deadline, and other conditions for issuing the transfer order: *The Exchange-Traded Bonds placed under the Bond Program are not registered securities.*

in the case of certificated securities subject to mandatory centralized custody, specify the procedure, including the deadline, for making a credit entry in the custody account of the initial holder with the custodian accounting for the rights to such securities:

*The Exchange-Traded Bonds placed through the Moscow Exchange shall be credited by NSD or the Custodians to the custody accounts of the buyers of the Exchange-Traded Bonds on the date of the purchase and sale transaction related to the Exchange-Traded Bonds.*

*Any credit entry shall be made in the initial acquirer's custody account with NSD according to the information received from the clearing institution that maintains settlement for the transactions registered by the Trading Institution in the course of the placement of the Exchange-Traded Bonds (hereinafter, the "Clearing Institution"), and the placed Exchange-Traded Bonds shall be credited by NSD to the custody accounts of the acquirers of the Exchange-Traded Bonds in accordance with the clearing terms and conditions of the Clearing Institution and the custodial terms and conditions of NSD.*

*The Exchange-Traded Bonds sold in the course of the placement shall be credited by NSD or the Custodians to the custody accounts of the buyers of the Exchange-Traded Bonds in accordance with the custodial terms and conditions of NSD and the Custodians.*

*Any acquirer of the Exchange-Traded Bonds shall independently assess and bear the risk that the personal law applicable to such acquirer or a ban or any other restriction imposed by governmental or other authorized agencies may prohibit such acquirer from investing in the Exchange-Traded Bonds.*

*Any acquirer of the Exchange-Traded Bonds shall independently assess and bear the risk that the personal law applicable to the custodian maintaining the custody account intended to account for the rights to the Exchange-Traded Bonds or the personal law applicable to the custodian maintaining the custody account intended to record a transaction related to the Exchange-Traded Bonds or a ban or any other restriction imposed by governmental or other authorized agencies may prohibit such custodian from assisting with an investment in the Exchange-Traded Bonds of the Issuer.*

*Any expenses in connection with making credit entries for initial holders' (acquirers') placed Exchange-Traded Bonds deposited in the custody accounts shall be paid by the initial holders of the Exchange-Traded Bonds.*

in the case of certificated securities not subject to mandatory centralized custody, specify the procedure, including the deadline, for issuing securities certificates to the initial holders: ***The Exchange-Traded Bonds are subject to centralized custody.***

***If the Exchange-Traded Bonds cannot be placed due to the reorganization or liquidation of the Trading Institutor or subject to the requirements set forth in the laws of the Russian Federation, the Issuer shall decide to select another trading institutor for entering into transactions related to the placement of the Exchange-Traded Bonds. In this case, the Exchange-Traded Bonds will be placed in accordance with the regulatory and internal documents governing the activities of such trading institutor.***

***If the Trading Institutor for entering into transactions related to the placement of the Exchange-Traded Bonds is changed, the Issuer shall publish information concerning the new trading institutor for entering into transactions related to the placement of the Exchange-Traded Bonds. Such information shall be disclosed in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.***

Brokers providing the issuer with services in relation to placing and arranging the placement of securities are engaged to place securities:

***Information concerning the organizations that may provide the Issuer with services in relation to arranging the placement of the Exchange-Traded Bonds (hereinafter, the “Arrangers”) will be specified in the Issue Terms.***

The principal functions of such persons include:

- 1. formulating the parameters and terms for the issue and placement of the Exchange-Traded Bonds;***
- 2. drafting the documents necessary for the placement and trading of the Exchange-Traded Bonds;***
- 3. preparing, organizing, and holding roadshows before the placement of the Exchange-Traded Bonds;***
- 4. providing advice on the issues related to the requirements set forth in the laws in effect in the Russian Federation with respect to the procedure for issuing, placing, trading, and redeeming the Exchange-Traded Bonds, including advice in the course of disclosing information at the stages of the securities issue procedure and assistance in preparing the relevant information statements;***
- 5. doing other acts necessary for the placement of the Exchange-Traded Bonds.***

***The organization providing the Issuer with services in relation to the placement of the Exchange-Traded Bonds shall be the agent engaged to place securities and acting on the instructions and for the account of the Issuer (herein above and hereinafter, the “Underwriter”).***

***The person appointed by the Underwriter or the list of the potential Underwriters that may be engaged by the Issuer to place the Exchange-Traded Bonds will be specified in the applicable Issue Terms.***

***The Issuer’s sole executive body shall decide on the appointment of the Underwriter before the start date of the placement of the Exchange-Traded Bonds with respect to each issue of the Exchange-Traded Bonds placed under the Program. Information concerning the foregoing shall be disclosed by the Issuer in accordance with the procedure provided for in paragraph 11 of the Program and paragraph 8.11 of the Prospectus if the Issue Terms specify the list of the potential Underwriters or if the decision on the appointment of the Underwriter precedes the approval of the Issue Terms.***

***The principal functions of the Underwriter include:***

- receiving (collecting) the written proposals (offers) of the potential acquirers to enter into the Preliminary Agreements (if the Exchange-Traded Bonds are placed by means of the Book Building and provided that the Issuer decides to enter into the Preliminary Agreements);***
- entering into the Preliminary Agreements by means of sending the Issuer’s reply (acceptance) that the proposals (offers) to enter into the Preliminary Agreements are accepted (if the Exchange-Traded Bonds are placed by means of the Book Building) to the potential acquirers selected by the Issuer at its sole discretion;***
- accepting the buy bids for the Exchange-Traded Bonds on the instructions and for the account of the Issuer upon the terms and conditions of the agreement and in accordance with the procedure specified in the Program;***
- informing the Issuer about the quantity of the actually placed Exchange-Traded Bonds and about the proceeds from the sale of the Exchange-Traded Bonds;***
- transferring the amounts received by the Underwriter from the acquirers of the Exchange-Traded Bonds as payment therefor into the Issuer’s settlement account upon the terms and conditions of the agreement;***
- doing other acts necessary to perform its obligations to place the Exchange-Traded Bonds in accordance with the laws of the Russian Federation and under the agreement between the Issuer and the Underwriter.***

if such person has the obligation to acquire securities that remain unplaced after the expiration of the required period, specify that this is the case and, if such obligation exists, specify the quantity (procedure for determining the quantity) of securities that remain unplaced after the expiration of the required period and shall be acquired by such person and the period (procedure for determining the period) after the expiration of which such person is obliged to acquire such quantity of securities: N/A



if such person has the obligation to maintain the prices of placed securities at a certain level for a certain period after the completion of their placement (stabilization obligation), including responsibilities in relation to the provision of market maker services, specify that this is the case and, if such obligation exists, specify the period (procedure for determining the period) within which such person is obliged to carry out stabilization or provide market maker services: *N/A*

if such person has the right to acquire any additional quantity of the issuer's securities from among the issuer's previously placed (outstanding) securities of the same class or category (type) as placed securities, with the exercisability of such right depending on the results of the placement of securities, specify that this is the case and, if such right exists, specify the additional quantity (procedure for determining the additional quantity) of securities that may be acquired by such person and the period (procedure for determining the period) within which such person may exercise the right to acquire the additional quantity of securities: *N/A*

amount of remuneration payable to such person and, if such remuneration (portion of remuneration) is payable to such person for the provision of services in relation to maintaining the prices of placed securities at a certain level for a certain period after the completion of their placement (stabilization services), including market maker services, the amount of such remuneration: ***The amount of remuneration payable to the persons providing services in relation to placing and/or arranging the placement of the securities will not exceed a total of one percent (1%) of the par value of each issue of the Exchange-Traded Bonds.***

if securities are intended for distribution outside the Russian Federation, including by means of the placement of any relevant foreign securities, specify that this is the case: *N/A*

if, at the same time as placing securities, it is also planned to offer for acquisition, including outside the Russian Federation by means of the placement of any relevant foreign securities, any of the issuer's previously placed (outstanding) securities of the same class or category (type), specify that this is the case: *N/A*

if, as defined by the Federal Law "On the Procedure for Making Foreign Investments in Economic Entities of Strategic Importance to Ensuring the Country's Defense and National Security," the issuer is an economic entity that is of strategic importance to ensuring the country's defense and national security, specify that this is the case: ***The Issuer is not an economic entity that is of strategic importance to ensuring the country's defense and national security.***

if entering into agreements aimed at the transfer of the issuer's securities to their initial holders during the course of their placement may require prior consent, with the issuer being an economic entity that is of strategic importance to ensuring the country's defense and national security, in accordance with the Federal Law "On the Procedure for Making Foreign Investments in Economic Entities of Strategic Importance to Ensuring the Country's Defense and National Security," specify that this is the case: *N/A*

#### 8.8.4. Offering price(s) or procedure for determining the offering price(s) of securities

***The Offering Price of the Exchange-Traded Bonds or the procedure for determining the Offering Price is not specified in the terms and conditions of the Program and will be specified in the applicable Issue Terms.***

#### 8.8.5. Exercisability of the preemptive right to acquire placed securities

*N/A*

#### 8.8.6. Terms and procedure for payment for securities

***Payment for the Exchange-Traded Bonds shall be in cash, by bank transfer, in Russian rubles in accordance with the clearing rules of the Clearing Institution.***

***Settlement for the purchase and sale transactions related to the Exchange-Traded Bonds in the course of their placement shall be delivery versus payment through NSD in accordance with the Clearing Rules of the Clearing Institution in the Securities Market.***

***The proceeds from the placement of the Exchange-Traded Bonds on the Exchange shall be credited to the Underwriter's account with NSD.***

Full corporate name: *National Settlement Depository*

Short corporate name: *NSD*

Registered address: *Moscow, ul. Spartakovskaya, 12*

Postal address: *105066, Moscow, ul. Spartakovskaya, 12*

Banking license No.: *3294*

Valid until: *issued for a perpetual term*

Date of issue: *August 4, 2016*

Licensing authority: *Bank of Russia*

BIC: *044525505*

Correspondent account: 30105810345250000505 with the Central Bank of the Russian Federation Main Branch for the Central Federal District

Telephone: (495) 956-27-90, 956-27-91

*Payment for the securities may not be made other than in cash.*

*Payment for the securities may not be made in installments.*

*The Underwriter shall transfer the proceeds from the placement of the Exchange-Traded Bonds into the Issuer's account within the period specified in the agreement for the functions of the agent engaged to place the securities on the Exchange.*

*The details of the Underwriter's account used for the transfer of funds received as payment for the securities will be specified in the Issue Terms and/or the statement about the appointment of the Underwriter to be disclosed in accordance with paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

8.8.7. Information concerning the document that contains the actual results of the placement of securities and is submitted upon completion of the placement of securities

*The document that contains the actual results of the placement of the Exchange-Traded Bonds shall be the Exchange's notice of the placement results of the Exchange-Traded Bonds to be submitted to the Bank of Russia by the exchange that admitted the Exchange-Traded Bonds to regulated trading and assigned the issue identification number.*

## **8.9. Procedure and Conditions of Bond Redemption and Payment of Income from Bonds**

### 8.9.1. Bond redemption method

*The Exchange-Traded Bonds shall be redeemed in cash, in Russian rubles, by bank transfer. No holder of the Exchange-Traded Bonds may choose any redemption method for the Exchange-Traded Bonds.*

### 8.9.2. Procedure and conditions of bond redemption

*The maximum redemption period of the Exchange-Traded Bonds to be placed under the Program is ten thousand, nine hundred twenty (10,920) days after the start date of the placement of the issue of the Exchange-Traded Bonds under the Program of Exchange-Traded Bonds.*

*The Exchange-Traded Bonds shall be redeemed on the date (hereinafter, the "Redemption Date") that will be specified, or determined in accordance with the procedure specified, in the Issue Terms. The start and end dates of the redemption of the Exchange-Traded Bonds shall be the same.*

*If the Redemption Date falls on a non-business day, then the amount due shall be paid on the first business day following such non-business day. No holder of the Exchange-Traded Bonds shall be entitled to demand that interest accrue or any other compensation be paid for such delay in payment.*

*The "business day" means (for the purposes of the preceding sub-paragraph) any day (1) that is not a public holiday or a non-business day in the Russian Federation and (2) on which Moscow-based credit institutions are open for payments in Russian rubles.*

Procedure and conditions of bond redemption.

*The holders and any other persons exercising the rights attaching to the Exchange-Traded Bonds in accordance with the federal laws shall receive amounts payable to them as the redemption of the Exchange-Traded Bonds through the custodian that accounts for the rights to the securities and whose depositors include such holders and persons.*

*The custodial agreement between the custodian that accounts for the rights to the securities and the depositor shall contain the procedure for transferring securities-related payments to the depositor.*

*The Issuer shall perform the obligation to pay amounts as the redemption of the securities by bank transfer to NSD. Such obligation shall be deemed to be performed by the Issuer as of the date when such amounts are credited to NSD's account.*

*The custodian shall transfer payments as the redemption of the Exchange-Traded Bonds to its depositors:*

*1) at the close of the dealing day immediately preceding the date that is determined in accordance with the document certifying the rights attaching to the securities and on which the Exchange-Traded Bonds shall be redeemed;*

*2) at the close of the dealing day immediately following the date on which, in accordance with the applicable laws of the Russian Federation, NSD discloses information concerning the receipt by NSD of amounts payable as the redemption of the Exchange-Traded Bonds if, on the prescribed date (within the prescribed period), the Issuer's*

*obligation to pay amounts as the redemption of the Exchange-Traded Bonds is not performed or is improperly performed.*

*The custodian shall transfer securities-related payments to its depositors in proportion to the quantity of the Exchange-Traded Bonds that are recorded in their custody accounts at the close of the dealing day determined in accordance with the preceding sub-paragraph.*

*The Exchange-Traded Bonds shall be redeemed in accordance with the procedure set forth in the applicable laws of the Russian Federation.*

*The redemption of the Exchange-Traded Bonds shall apply to the outstanding part of the par value. The outstanding part of the par value shall be the difference between the par value of one Exchange-Traded Bond and its part redeemed in the event of the partial early redemption of the Exchange-Traded Bonds (if the Issuer decides on partial early redemption in accordance with paragraph 9.5 of the Program and paragraph 8.9.5 of the Prospectus) (herein above and hereinafter, the “outstanding part of the par value of the Exchange-Traded Bonds”).*

*In the event of the redemption of the Exchange-Traded Bonds, the amount of coupon income for the last coupon period shall also be paid.*

*In the event of the redemption, the Exchange-Traded Bonds shall be debited to the custody accounts after the Issuer performs all of its obligations to the holders of the Exchange-Traded Bonds to repay the par value of the Exchange-Traded Bonds and pay coupon income therefrom for all coupon periods.*

*The Certificate shall be removed from custody after all of the Exchange-Traded Bonds are debited to the accounts with NSD.*

### 8.9.3. Procedure for determining income payable with respect to bonds

Specify the amount of income from bonds or specify that the procedure for determining such income is not specified in the terms and conditions of the bond program.

If it is intended that income from bonds will be paid for certain periods (coupon periods), specify optional additional information concerning such periods or the procedure for determining such periods and concerning the amount of income payable with respect to each coupon or a separate coupon or the procedure for determining such amount.

*Income from the Exchange-Traded Bonds shall be the sum of coupon incomes accrued for each coupon period as a percentage of the outstanding part of the par value of the Exchange-Traded Bonds and payable on the last date of the relevant coupon period.*

**The number of coupon periods of the Exchange-Traded Bonds shall be specified in the Issue Terms.**

**The duration of each coupon period shall be specified in the Issue Terms.**

**The Issuer shall specify the first and last dates of the coupon periods or the procedure for determining such dates for each issue in the applicable Issue Terms.**

*The amount payable with respect to each *i*th coupon for one Exchange-Traded Bond shall be calculated in accordance with the following formula:*

$$CI_i = R_i * PV * (LDCP(i) - FDCP(i)) / (365 * 100\%),$$

*where*

*CI<sub>i</sub> is the amount of coupon income from each Exchange-Traded Bond for the *i*th coupon period in Russian rubles;*

*PV is the outstanding part of the par value of one Exchange-Traded Bond in Russian rubles;*

*R<sub>i</sub> is the interest rate for the *i*th coupon (interest per annum);*

*FDCP(*i*) is the first date of the *i*th coupon period.*

*LDCP(*i*) is the last date of the *i*th coupon period.*

**i* is the sequential number of the coupon period (*i* = 1, 2, 3 ... *N*), where *N* is the number of coupon periods specified in the Issue Terms.*

*CI<sub>i</sub> shall be calculated with an accuracy of up to two decimal places (the digit in the second decimal place shall be rounded up or down to the nearest whole digit according to mathematical rounding rules: if the digit in the third decimal place is higher than or equal to 5, the digit in the second decimal place shall be increased by one; if the digit in the third decimal place is lower than 5, the digit in the second decimal place shall not be changed).*

*The amount of interest (coupon) income or the procedure for determining such interest (coupon) income in a formula with variables whose values may not be changed at the option of the Issuer shall be determined by the Issuer's sole executive body in accordance with the procedure specified below.*

Procedure for determining the interest rate for the first coupon:

*The interest rate for the first coupon shall be determined by the Issuer's sole executive body on the start date of the placement of the Exchange-Traded Bonds according to the results of the Bidding on the Exchange among the potential acquirers of the Exchange-Traded Bonds or before the start date of the placement of the Exchange-Traded*

**Bonds if the Exchange-Traded Bonds are placed by means of the Book Building in accordance with the procedure specified in paragraph 8.3 of the Program.**

**Information concerning the coupon rate for the first coupon period shall be disclosed by the Issuer in accordance with paragraph 11 of the Program and paragraph 8.11 of the Prospectus.**

Procedure for determining the interest rate for the second and subsequent coupons:

**a) Before the start date of the placement of the Exchange-Traded Bonds Issuer may decide on the coupon rates or the procedure for determining the coupon rates in a formula with variables whose values may not be changed at the option of the Issuer for the second coupon period to the jth coupon period ( $j = 2 \dots N$ ).**

**Information concerning the coupon rates or the procedure for determining the coupon rates in a formula with variables whose values may not be changed at the option of the Issuer as determined before the start date of the placement of the Exchange-Traded Bonds and concerning the sequential number of the coupon period within which the holders of the Exchange-Traded Bonds may request that the Issuer acquire the Exchange-Traded Bonds shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.**

**The Issuer shall inform the Exchange and NSD of the decisions, including the determined coupon rates or the procedure for determining the coupon rates before the start date of the placement of the Exchange-Traded Bonds.**

**Before the start date of the placement of the Exchange-Traded Bonds, the Issuer shall determine the amount of interest or the procedure for determining the interest rate for each coupon period following the first coupon period and starting before the placement end date of the issue of the Exchange-Traded Bonds.**

**b) If the Issuer does not determine the interest rate or the procedure for determining the interest rate for each coupon period before the start date of the placement of the Exchange-Traded Bonds, such interest rate (procedure for determining such interest rate) shall be determined by the Issuer after the completion of the placement of the Exchange-Traded Bonds at least five (5) business days prior to the last date of the preceding coupon period.**

**Information concerning the coupon rates or the procedure for determining the coupon rates for the Exchange-Traded Bonds and concerning the sequential number of the coupon period within which the holders of the Exchange-Traded Bonds may request that the Issuer acquire the Exchange-Traded Bonds as determined by the Issuer after the completion of the placement of the Exchange-Traded Bonds shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.**

**The Issuer shall inform the Exchange and NSD of the decisions, including the determined coupon rates or the procedure for determining the coupon rates at least five (5) business days prior to the last date of the coupon period within which the interest rate is determined for the subsequent coupons.**

#### 8.9.4. Procedure and period for paying income from bonds

**Period for paying income from bonds: Coupon income from the Exchange-Traded Bonds accrued for each coupon period shall be paid on the last date of the relevant coupon period (hereinafter, the "Last Date of the Coupon Period/Coupon Income Payment Date").**

Procedure for paying income from bonds:

**Coupon income from the Exchange-Traded Bonds shall be paid in cash, in Russian rubles, by bank transfer.**

**If the Last Date of the Coupon Period/Coupon Income Payment Date falls on a non-business day, then the amount due shall be paid on the first Business Day following such non-business day. No holder of the Exchange-Traded Bonds shall be entitled to demand that interest accrue or any other compensation be paid for such delay in payment.**

**The "business day" means (for the purposes of the preceding sub-paragraph) any day (1) that is not a public holiday or a non-business day in the Russian Federation and (2) on which Moscow-based credit institutions are open for payments in Russian rubles.**

**The holders and any other persons exercising the rights attaching to the Exchange-Traded Bonds in accordance with the federal laws shall receive amounts of income from the Exchange-Traded Bonds through the custodian that accounts for the rights to the securities and whose depositors include such holders and persons. The custodial agreement between the custodian that accounts for the rights to the securities and the depositor shall contain the procedure for transferring securities-related payments to the depositor.**

**The Issuer shall perform the obligation to pay amounts with respect to the securities by bank transfer to NSD, responsible for their mandatory centralized custody. Such obligation shall be deemed to be performed by the Issuer as of the date when such amounts are credited to NSD's account.**

**The custodian shall transfer payments as income from the Exchange-Traded Bonds to its depositors:**

1) at the close of the dealing day immediately preceding the date that is determined in accordance with the document certifying the rights attaching to the securities and on which the Issuer shall perform the obligation to pay amounts as income from the Exchange-Traded Bonds;

2) at the close of the dealing day immediately following the date on which, in accordance with the applicable laws of the Russian Federation, NSD discloses information concerning the receipt by NSD of amounts payable as income from the Exchange-Traded Bonds if, on the prescribed date (within the prescribed period), the Issuer's obligation to pay amounts as income from the Exchange-Traded Bonds to be paid simultaneously with amounts as the redemption of the Exchange-Traded Bonds (the Issuer's obligation to pay the last amount with respect to the Exchange-Traded Bonds) is not performed or is improperly performed.

The custodian shall transfer securities-related payments to its depositors in proportion to the quantity of the Exchange-Traded Bonds that are recorded in their custody accounts at the close of the dealing day determined in accordance with the preceding sub-paragraph.

Coupon income from the Exchange-Traded Bonds remaining unplaced or from the Exchange-Traded Bonds transferred to the Issuer's account with NSD shall not accrue and shall not be paid.

Income from the Exchange-Traded Bonds shall be paid in accordance with the procedure set forth in the applicable laws of the Russian Federation.

#### 8.9.5. Procedure and conditions of early bond redemption

Specify whether bonds are redeemable earlier at the option of the issuer and/or at the request of their holders.

*The Exchange-Traded Bonds are redeemable earlier at the option of the Issuer and/or at the request of their holders.*

*The Exchange-Traded Bonds may be redeemed earlier only after they are paid for in full.*

*The Exchange-Traded Bonds redeemed earlier may not be reissued for trading.*

##### 8.9.5.1. Early redemption at the request of holders

*The holders of the Exchange-Traded Bonds may request that they be redeemed earlier if the Exchange-Traded Bonds are delisted on all exchanges that admitted them to regulated trading.*

*The Exchange-Traded Bonds shall be redeemed earlier in cash, by bank transfer, in Russian rubles. No holder of the Exchange-Traded Bonds may choose any redemption method for the Exchange-Traded Bonds.*

Value (procedure for determining the value) of early redemption: *The early redemption of the Exchange-Traded Bonds at the request of their holders shall be equal to 100% of the outstanding part of the par value of the Exchange-Traded Bonds, plus accrued coupon income (ACI) therefrom calculated as of the date of the early redemption of the Exchange-Traded Bonds in accordance with paragraph 18 of the Program and paragraph 8.19 of the Prospectus.*

Period (procedure for determining the period) for early bond redemption by the issuer or for applications sent (submitted) by bond holders requesting early bond redemption:

*The holders of the Exchange-Traded Bonds may submit applications requesting that the Exchange-Traded Bonds be redeemed earlier (hereinafter also, the "Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds") within the period from the time when they are delisted on the last exchange that admitted the Exchange-Traded Bonds to regulated trading until thirty (30) days after the date when information is disclosed about the fact that the holders of the Exchange-Traded Bonds begin to be entitled to request that such Exchange-Traded Bonds be redeemed earlier and about the procedure and conditions of their early redemption or, if the Exchange-Traded Bonds are not admitted to regulated trading within 30 days after their delisting, until the date when information is disclosed about the fact that such Exchange-Traded Bonds are admitted by the exchange to regulated trading or until the redemption date of the Exchange-Traded Bonds.*

*If early redemption is requested, the Issuer shall redeem the Exchange-Traded Bonds within seven (7) business days after the date of receipt of the Request (Application) for the Early Redemption of the Exchange-Traded Bonds.*

Procedure for exercising the right to request early bond redemption on the part of the persons exercising their rights to securities:

*If their rights to the securities are accounted for by a (foreign) nominee holder, a foreign organization authorized under the personal law applicable to such foreign organization to account for and transfer the rights to such securities, or a person responsible for mandatory centralized custody of such securities, then any persons exercising their rights to the securities shall exercise the right to request that their securities be redeemed earlier by submitting to such organizations the Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds.*

*The Request (Application) for the Early Redemption of the Exchange-Traded Bonds shall contain information making it possible to identify the person exercising the rights to the securities, information making it possible to identify the securities the rights to which are exercised, information concerning the quantity of securities held by such person, and information concerning the international identification code of the organization accounting for such person's rights to the securities.*

*Apart from the information specified above, the Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds shall also specify other information required by the laws of the Russian Federation and information necessary to prepare the offsetting custody instructions to transfer the Exchange-Traded Bonds from the custody accounts opened for the holders of the Exchange-Traded Bonds or their authorized persons with NSD to the issue account opened for the Issuer with NSD, together with the payment instructions to transfer the relevant amounts from the bank account opened for the Issuer or its authorized person with NSD to the bank accounts opened for the holders of the Exchange-Traded Bonds or their authorized persons with NSD, in accordance with the rules established by NSD for the transfer of securities on the offsetting instructions of the transferor and the transferee with controlled monetary settlement.*

*In addition to the Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds, any holders of the Exchange-Traded Bonds or their authorized persons may provide the Issuer with the documents necessary for the application of the tax rates applicable to income received from the Exchange-Traded Bonds. In the event of any failure to provide or any delay in providing such documents, the Issuer shall not be liable to the holders of the Exchange-Traded Bonds for the non-application of the relevant tax rates.*

*The Request (Application) for the Early Redemption of the Exchange-Traded Bonds shall be sent in accordance with the applicable laws.*

*Any nominee holders shall send to the person with which they have nominee holders' personal accounts (custody accounts) the Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds received from the holders exercising their rights to the securities that are accounted for by such person and the Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds received from its depositors that are nominee holders and foreign nominee holders.*

*Information concerning the intent of the persons exercising their rights to the securities shall be deemed to be received by the Issuer on the date when NSD receives the Request (Application) for the Early Redemption of the Exchange-Traded Bonds.*

Procedure and terms for early redemption of the Exchange-Traded Bonds at the request of their holders:

*The Exchange-Traded Bonds shall be redeemed earlier in cash, by bank transfer, in Russian rubles. No holder of the Exchange-Traded Bonds may choose any redemption method for the Exchange-Traded Bonds.*

*If any Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds specify payment in ready cash, they will be rejected.*

*The holders of the Exchange-Traded Bonds agree that, if the date of the early redemption of the Exchange-Traded Bonds at the request of any holder of the Exchange-Traded Bonds is later than the last date of the redemption period for the Exchange-Traded Bonds as defined in paragraph 9.2 of the Issue Terms, then all provisions related to the redemption of the Exchange-Traded Bonds as provided for in paragraph 9.2 of the Program, paragraph 8.9.2 of the Prospectus, and the Issue Terms shall apply to the early redemption of the issue of the Exchange-Traded Bonds at the request of their holders. The rights of the holders of the Exchange-Traded Bonds shall be deemed by the Issuer to be exercised, and the Issuer's obligations to redeem the Exchange-Traded Bonds earlier as provided for in paragraph 9.5.1 of the Program and paragraph 8.9.5.1 of the Prospectus shall be deemed to be properly performed.*

*The holders of the Exchange-Traded Bonds agree that mutual settlement in relation to the early redemption of the Exchange-Traded Bonds at the request of their holders shall be in accordance with the rules established by NSD for the transfer of securities on the offsetting instructions of the transferor and the transferee with controlled monetary settlement. For these purposes, the holders of the Exchange-Traded Bonds or the persons authorized by the holders of the Exchange-Traded Bonds to receive funds as the early redemption of the Exchange-Traded Bonds shall have bank accounts in Russian rubles with NSD.*

*Such persons shall independently assess and bear the risk that the personal law applicable to such persons or a ban or any other restriction imposed by governmental or other authorized agencies may prohibit such persons from investing in the Exchange-Traded Bonds or that the personal law applicable to the credit institutions with which such persons have bank accounts or the personal law applicable to the credit institutions whose correspondent accounts are intended for the payment of income from the Exchange-Traded Bonds in cash and other amounts payable to the holders of such securities or a ban or any other restriction imposed by governmental or other authorized agencies may prohibit such credit institutions from participating in the transfer of funds intended for such payments with respect to the Exchange-Traded Bonds.*

*The procedure and period for opening bank accounts with NSD shall be governed by the laws of the Russian Federation, regulations of the Bank of Russia, and the terms and conditions of the agreement with NSD.*

*In this connection, the holders of the Exchange-Traded Bonds that are individuals agree that mutual settlement in relation to the early redemption of the Exchange-Traded Bonds at the request of their holders shall use only the bank accounts of the corporate entities authorized by the holders of the Exchange-Traded Bonds that are individuals to receive amounts as the early redemption of the Exchange-Traded Bonds.*

*Within three (3) business days after the date of receipt of the Request (Application) for the Early Redemption of the Exchange-Traded Bonds, it shall be evaluated by the Issuer (hereinafter, the "evaluation period for the Request (Application) for the Early Redemption).*

*If the Issuer decides to reject the Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds, then the Issuer shall, on or prior to the second (2nd) business day after the last date of the evaluation period for the Request (Application) for the Early Redemption of the Exchange-Traded Bonds, notify the holders of the Exchange-*

*Traded Bonds of the decision by electronic transmission (by sending electronic documents) in accordance with the procedure prescribed by NSD. Not later than the day immediately following the date of receipt of information from the Issuer about the decision to reject the Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds, stating the reasons therefor, NSD and the nominee holders that have personal accounts shall make such information available to their depositors.*

*The Issuer's obligation to provide information concerning the decision to reject the Request (Application) for the Early Redemption of the Exchange-Traded Bonds, stating the reasons therefor, shall be deemed to be performed as of the date of its receipt by NSD.*

*The receipt of any notice of the rejected Request (Application) for the Early Redemption of the Exchange-Traded Bonds shall not deprive any holder of the Exchange-Traded Bonds of the right to submit the Request (Application) for the Early Redemption of the Exchange-Traded Bonds again.*

*If the Issuer decides to accept the Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds, then the Exchange-Traded Bonds shall be transferred from the custody accounts opened for the holders of the Exchange-Traded Bonds or their authorized persons with NSD to the issue account opened for the Issuer with NSD, and the relevant amounts shall be transferred from the bank account opened for the Issuer or its authorized person with NSD to the bank accounts opened for the holders of the Exchange-Traded Bonds or their authorized persons on the offsetting instructions with controlled monetary settlement.*

*For such transfers, the Issuer shall, on or prior to the second (2nd) business day after the last date of the evaluation period for the Request (Application) for the Early Redemption of the Exchange-Traded Bonds, notify the holders of the Exchange-Traded Bonds of the decision to accept the Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds by electronic transmission (by sending electronic documents) in accordance with the procedure prescribed by NSD and shall specify in such notice the details necessary to prepare the custody instructions in accordance with the form prescribed for the transfer of securities with controlled monetary settlement, together with the settlement date.*

*After sending such notices, the Issuer shall submit to NSD the offsetting custody instructions to transfer the Exchange-Traded Bonds (in accordance with the form prescribed for the transfer of securities with controlled monetary settlement) from the custody accounts opened for the holders of the Exchange-Traded Bonds or their authorized persons with NSD to its issue account, using the details specified in the Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds, and the Issuer or its authorized person shall submit to NSD the instructions to transfer funds from its bank account to the bank accounts of the holders of the Exchange-Traded Bonds or their authorized persons, using the details specified in the relevant Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds.*

*After receiving the notices that the Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds are accepted, the holders of the Exchange-Traded Bonds or their authorized persons shall submit to NSD the instructions in accordance with the form prescribed for the transfer of securities with controlled monetary settlement to transfer the Exchange-Traded Bonds from the custody accounts opened for the holders of the Exchange-Traded Bonds or their authorized persons with NSD to the issue account of the Issuer, using the details specified in the notices that the Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds are accepted.*

*The custody instructions to transfer the securities with controlled monetary settlement and the payment instructions to transfer funds shall specify the same performance date within the period prescribed by the applicable laws of the Russian Federation for the performance by the Issuer of its obligation to redeem the Exchange-Traded Bonds earlier (hereinafter, the "Performance Date").*

*The Performance Date shall not fall on a non-business day.*

*Early redemption shall apply to all of the received Requests (Applications) for the Early Redemption of the Exchange-Traded Bonds that meet the requirements specified above in this paragraph.*

*The Exchange-Traded Bonds redeemed by the Issuer earlier may not be reissued for trading.*

Procedure for the issuer's disclosing (providing) information concerning the procedure and conditions of early bond redemption

*Information that the holders of the Exchange-Traded Bonds begin/cease to be entitled to request that the Issuer redeem their Exchange-Traded Bonds earlier shall be disclosed by the Issuer in accordance with paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*Additionally, the Issuer shall notify NSD of the occurrence of the event empowering the holders of the Exchange-Traded Bonds to request that the par value (outstanding part of the par value) of the Exchange-Traded Bonds be repaid and that accrued coupon income payable to them with respect to the Exchange-Traded Bonds be paid and shall notify NSD that the Issuer receives applications requesting the early redemption of the Exchange-Traded Bonds.*

Procedure for disclosing (providing) information concerning the results of early bond redemption, including the quantity of bonds redeemed earlier

*The Issuer shall disclose information concerning the results of the early redemption of the Exchange-Traded Bonds (including the quantity of the Exchange-Traded Bonds redeemed earlier) within the period and in accordance with the procedure set forth in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

Other terms and conditions:

*Notwithstanding the foregoing, in the event of any material breach of the terms and conditions for fulfilling the obligations with respect to the Exchange-Traded Bonds or otherwise as provided for in the federal laws, any holders shall have the right to request the early redemption of the Exchange-Traded Bonds before their maturity whether or not such right is specified in the Issue Terms for the Exchange-Traded Bonds.*

*Unless any other period is specified in the federal laws, any holders shall have the right to request the early redemption of the Exchange-Traded Bonds upon the occurrence of the circumstances (events) that cause such right to arise under the federal laws or, if such right arises out of any material breach of the terms and conditions for fulfilling the obligations with respect to bonds, from the occurrence of the circumstances specified in paragraph 5 of Article 17.1 of Federal Law No. 39-FZ “On the Securities Market” of April 22, 1996 until the date when the Issuer and/or (if appointed) representatives of the holders of the Exchange-Traded Bonds disclose information that such breach is remedied.*

*If early redemption is requested in the event of any material breach of the terms and conditions for fulfilling the obligations with respect to the Exchange-Traded Bonds or otherwise as provided for in the federal laws, the Issuer shall redeem the Exchange-Traded Bonds within seven (7) business days after the date of receipt of the request therefor.*

*If the general meeting of holders of the Exchange-Traded Bonds resolves to waive the right to request the early redemption of the Exchange-Traded Bonds, then Exchange-Traded Bonds shall not be redeemed earlier at the request of their holders.*

*If the Exchange-Traded Bonds are redeemed earlier at the request of their holders, the Issuer shall perform all of its obligations to the holders of the Exchange-Traded Bonds to repay the par value and pay coupon income.*

*Apart from what is specified in paragraph 9.5.1 of the Program, the Issue Terms may also set out additional cases of the early redemption of the Exchange-Traded Bonds at the request of their holders.*

#### 8.9.5.2. Early redemption at the option of the issuer

*The early redemption of the Exchange-Traded Bonds at the option of the Issuer shall apply to all of the Exchange-Traded Bonds of the issue.*

*The applicable Issue Terms will specify whether or not the Exchange-Traded Bonds are redeemable earlier (including partially) at the option of the Issuer upon the terms and conditions set forth below in relation to each issue of the Exchange-Traded Bonds.*

*Apart from what is specified in this paragraph of the Prospectus, the Issue Terms may also set out additional cases of the early redemption of the Exchange-Traded Bonds at the option of the Issuer.*

##### 8.9.5.2.1.

Period (procedure for determining the period) within which the issuer may decide on early bond redemption at its option

*Whether or not the Exchange-Traded Bonds are redeemable earlier at the option of the Issuer within their trading period shall be determined by the authorized body of the Issuer before the start date of the placement of the Exchange-Traded Bonds (except for the cases of the early redemption described in paragraph 9.5.2.3 of the Program and 8.9.5.2.3 of the Prospectus). In this connection, if the Issuer decides that the Exchange-Traded Bonds are redeemable earlier at its option, such decision of the Issuer shall specify the date(s) when the Exchange-Traded Bonds may be redeemed earlier at the option of the Issuer and whether or not any premium is payable as a percentage of the par value of the Exchange-Traded Bonds on top of the early redemption price of the Exchange-Traded Bonds (if payable, its amount). This decision shall be made by the Issuer’s sole executive body.*

*If it is decided that the Exchange-Traded Bonds be redeemable earlier at the option of the Issuer, the acquisition of the Exchange-Traded Bonds shall mean that any acquirer of the Exchange-Traded Bonds agrees that they may be redeemed earlier at the option of the Issuer.*

procedure for disclosing information concerning the procedure and conditions of early bond redemption at the option of the issuer:

*Information concerning the Issuer’s decision that the Exchange-Traded Bonds may be redeemed earlier at the option of the Issuer shall be disclosed in accordance with the procedure specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*The Issuer shall inform the Exchange and NSD of the decision that the securities may or may not be redeemed earlier on or prior to the second (2nd) business day after the date of the decision and before the start date of the placement of the Exchange-Traded Bonds.*

procedure and conditions of early bond redemption at the option of the issuer:

*If it is decided that the Exchange-Traded Bonds be redeemable earlier at the option of the Issuer, the Issuer may decide on the early redemption of the Exchange-Traded Bonds at least fourteen (14) days prior to the date of the early redemption determined in the Issuer’s decision that the Exchange-Traded Bonds may be redeemed earlier at the option of the Issuer.*



*This decision shall be made by the Issuer's sole executive body.*

procedure for disclosing information concerning the decision on early bond redemption at the option of the issuer:

*Information concerning the decision on the early redemption of the Exchange-Traded Bonds at the option of the Issuer shall be disclosed in accordance with the procedure specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*The Issuer shall inform the Exchange and NSD of the decision, including the date and conditions of the early redemption of the Exchange-Traded Bonds at the option of the Issuer, on or prior to the second (2nd) business day after the date of the decision. The Issuer shall also inform NSD about the amount of accrued coupon income calculated as of the date of the early redemption and about the premium payable as a percentage of the par value of the Exchange-Traded Bonds on top of the early redemption price of the Exchange-Traded Bonds (if payable).*

*If, at least fourteen (14) days prior to the date of the early redemption determined in the Issuer's decision that the Exchange-Traded Bonds may be redeemed earlier at the option of the Issuer, the Issuer fails to make and disclose the decision on the early redemption of the Exchange-Traded Bonds, then it shall be deemed that the Issuer does not use the early redemption at the option of the Issuer as specified in paragraph 9.5.2.1 of the Program and paragraph 8.9.5.2.1 of the Prospectus, and the Issuer may not redeem the Exchange-Traded Bonds earlier in accordance with paragraph 9.5.2.1 of the Program and paragraph 8.9.5.2.1 of the Prospectus.*

value (procedure for determining the value) of early redemption: *The early redemption of the Exchange-Traded Bonds shall be equal to the outstanding part of the par value, plus accrued coupon income calculated as of the date of the early redemption in accordance with paragraph 18 of the Program and paragraph 8.19 of the Prospectus. Additionally, the premium shall be paid (if payable) in the amount determined by the Issuer's sole executive body before the start date of the placement of the Exchange-Traded Bonds.*

Period for early bond redemption by the issuer

*If the Issuer decides on the early redemption at the option of the Issuer, the Exchange-Traded Bonds shall be redeemed earlier on the date of the early redemption specified by the Issuer in the Issuer's decision that the Exchange-Traded Bonds may be redeemed earlier at the option of the Issuer.*

Start date of early redemption:

*The date of the early redemption specified by the Issuer in the Issuer's decision that the Exchange-Traded Bonds may be redeemed earlier at the option of the Issuer.*

End date of early redemption:

*The start and end dates of the early redemption of the Exchange-Traded Bonds shall be the same.*

procedure for disclosing (providing) information concerning the results of early bond redemption, including the quantity of bonds redeemed earlier

*The Issuer shall disclose information concerning the results of the early redemption of the Exchange-Traded Bonds at the option of the Issuer (including the quantity of the Exchange-Traded Bonds redeemed earlier) within the period and in accordance with the procedure set forth in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

#### **8.9.5.2.2.**

Period (procedure for determining the period) within which the issuer may decide on partial early bond redemption at its option

*Before the start date of the placement of the Exchange-Traded Bonds, the Issuer may decide on the partial early redemption of the Exchange-Traded Bonds on the last date of any regular coupon period(s). In this connection, the Issuer shall determine the number(s) of the coupon period(s) on the last date of which the Issuer redeems a certain part of the par value of the Exchange-Traded Bonds earlier and shall determine the percentage of the par value redeemable on the last date of such coupon period(s).*

*This decision shall be made by the Issuer's sole executive body.*

*If it is decided that the Exchange-Traded Bonds be partially redeemed earlier, the acquisition of the Exchange-Traded Bonds shall mean that any acquirer of the Exchange-Traded Bonds agrees that they may be partially redeemed earlier at the option of the Issuer.*

procedure for disclosing information concerning the procedure and conditions of partial early bond redemption at the option of the issuer:

*Information concerning the Issuer's decision on the partial early redemption of the Exchange-Traded Bonds at the option of the Issuer shall be disclosed in accordance with the procedure specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

***The Issuer shall inform the Exchange and NSD of the decision, including the redeemable part of the par value of the Exchange-Traded Bonds and the par value of the Exchange-Traded Bonds remaining after the partial early redemption of the Exchange-Traded Bonds on or prior to the second (2nd) business day after the date of the decision and before the start date of the placement of the Exchange-Traded Bonds.***

Procedure and conditions of partial early bond redemption at the option of the issuer

value (procedure for determining the value) of partial early redemption: ***The partial early redemption of the Exchange-Traded Bonds shall be equal to the percentage of the par value of one Exchange-Traded Bond as determined by the Issuer before the placement of the Exchange-Traded Bonds. In this connection, coupon income shall be paid for the coupon period on the payment date of which the Exchange-Traded Bonds are partially redeemed earlier. The total value of all parts of the par value of the Exchange-Traded Bonds redeemed earlier shall be equal to 100% of the par value of the Exchange-Traded Bonds.***

Period for partial early bond redemption by the issuer:

***If the Issuer decides on the partial early redemption of the Exchange-Traded Bonds before the start date of the placement of the Exchange-Traded Bonds, the Exchange-Traded Bonds shall be partially redeemed earlier on the last date of the coupon period(s) specified by the Issuer in such decision.***

Start date of partial early redemption:

***The last date of the coupon period(s) specified by the Issuer in the decision on the partial early redemption of the Exchange-Traded Bonds before the start date of the placement of the Exchange-Traded Bonds.***

End date of partial early redemption:

***The start and end dates of the partial early redemption of the Exchange-Traded Bonds shall be the same.***

procedure for disclosing (providing) information concerning the results of partial early bond redemption:

***The Issuer shall publish information concerning the performance by the Issuer of its obligations (including the results of the partial early redemption of the Exchange-Traded Bonds) in the form of a statement of material fact within the period and in accordance with the procedure provided for in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.***

#### **8.9.5.2.3.**

Period (procedure for determining the period) within which the issuer may decide on early bond redemption at its option

***The Issuer may decide on the early redemption of the Exchange-Traded Bonds on the last date of the coupon period immediately preceding the Date of Acquisition at the Request of the Holders as defined in paragraph 10.1 of the Program and paragraph 8.10.1 of the Prospectus. This decision shall be made by the Issuer's sole executive body and disclosed at least fourteen (14) days prior to the last date of such coupon period. The acquisition of the Exchange-Traded Bonds shall mean that any acquirer of the Exchange-Traded Bonds agrees that they may be redeemed earlier at the option of the Issuer.***

procedure for disclosing information concerning the procedure and conditions of early bond redemption at the option of the issuer:

***Information concerning the Issuer's decision that the Exchange-Traded Bonds are redeemed earlier at the option of the Issuer shall be disclosed in accordance with the procedure specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.***

***The Issuer shall inform the Exchange and NSD of the decision on or prior to the second (2nd) business day after the date of the decision.***

***Additionally, at least fourteen (14) days prior to the last date of the coupon period on the last date of which the Exchange-Traded Bonds are redeemed earlier at the option of the Issuer, the Issuer shall notify NSD of the Issuer's decision on the early redemption of the Exchange-Traded Bonds on the last date of such coupon period.***

Procedure and conditions of early bond redemption at the option of the issuer:

value (procedure for determining the value) of early redemption: ***The early redemption of the Exchange-Traded Bonds shall be equal to the outstanding part of the par value. In this connection, coupon income shall be paid for the coupon period on the last date of which the Exchange-Traded Bonds are redeemed earlier.***

procedure for disclosing information concerning early bond redemption at the option of the issuer:

***Information concerning the early redemption of the Exchange-Traded Bonds at the option of the Issuer shall be disclosed in accordance with the procedure specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.***

***Such information shall also include, inter alia, the value of the early redemption and the period, procedure, and conditions for the early redemption of the Exchange-Traded Bonds by the Issuer.***

Period for early bond redemption by the issuer

***If the Issuer decides on the early redemption at the option of the Issuer, the Exchange-Traded Bonds shall be redeemed earlier on the last date of the coupon period immediately preceding the Date of Acquisition at the request of their holders as specified in paragraph 10.1 of the Program and paragraph 8.10.1 of the Prospectus.***

Start date of early redemption:

***The last date of the coupon period immediately preceding the Date of Acquisition at the request of the holders as specified in paragraph 10.1 of the Program and paragraph 8.10.1 of the Prospectus.***

End date of early redemption:

***The start and end dates of the early redemption of the Exchange-Traded Bonds shall be the same.***

procedure for disclosing (providing) information concerning the results of early bond redemption, including the quantity of bonds redeemed earlier

***The Issuer shall disclose information concerning the results of the early redemption of the Exchange-Traded Bonds at the option of the Issuer (including the quantity of the Exchange-Traded Bonds redeemed earlier) within the period and in accordance with the procedure set forth in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.***

8.9.5.2.4. Procedure for paying amounts to the holders of the Exchange-Traded Bonds in the course of the early redemption (partial early redemption) of the Exchange-Traded Bonds at the option of the Issuer

***The Exchange-Traded Bonds shall be redeemed earlier (partially redeemed earlier) in cash, in Russian rubles, by bank transfer. No holder of the Exchange-Traded Bonds may choose any redemption method for the Exchange-Traded Bonds.***

***The early redemption (partial early redemption) of the Exchange-Traded Bonds at the option of the Issuer shall apply to all of the Exchange-Traded Bonds.***

***The Exchange-Traded Bonds redeemed by the Issuer earlier may not be reissued for trading.***

***If the Early Redemption Date (Partial Early Redemption Date) falls on a non-business day, then the amount due shall be paid on the first business day following such non-business day. No holder of the Exchange-Traded Bonds shall be entitled to demand that interest accrue or any other compensation be paid for such delay in payment.***

***The "business day" means (for the purposes of the preceding sub-paragraph) any day (1) that is not a public holiday or a non-business day in the Russian Federation and (2) on which Moscow-based credit institutions are open for payments in Russian rubles.***

***The holders and any other persons exercising the rights attaching to the Exchange-Traded Bonds in accordance with the federal laws shall receive amounts payable to them as the redemption of the Exchange-Traded Bonds, including their early redemption (partial early redemption), through the custodian that accounts for the rights to the securities and whose depositors include such holders and persons.***

***The custodial agreement between the custodian that accounts for the rights to the securities and the depositor shall contain the procedure for transferring securities-related payments to the depositor.***

***In the event of the early redemption, the Exchange-Traded Bonds shall be debited to the custody accounts after the Issuer performs all of its obligations to the holders of the Exchange-Traded Bonds to repay the par value of the Exchange-Traded Bonds and pay coupon income therefrom for all coupon periods.***

***The Certificate shall be removed from custody after all of the Exchange-Traded Bonds are debited to the accounts with NSD.***

***The Issuer shall perform the obligation to pay amounts as the redemption of the securities, including their early redemption (partial early redemption), by bank transfer to NSD. Such obligation shall be deemed to be performed by the Issuer as of the date when such amounts are credited to NSD's account.***

***The early redemption (partial early redemption) of the Exchange-Traded Bonds shall be in accordance with the procedure set forth in the requirements of the applicable laws of the Russian Federation.***

8.9.6. Information concerning the paying agents for bonds

***As of the approval date of the Program, the paying agent is not appointed.***

Specify the issuer's right to appoint and dismiss additional paying agents and the procedure for disclosing information concerning such acts.

***The Issuer may appoint and dismiss paying agents:***

- in the event of redeeming the Exchange-Traded Bonds earlier at the request of their holders in accordance with paragraph 9.5.1 of the Program and paragraph 8.9.5.1 of the Prospectus;***
- in the event of making payments to the holders of the Exchange-Traded Bonds if there is any breach of the obligations related to the Exchange-Traded Bonds.***

*It is presumed that the Issuer may not appoint several paying agents for the Exchange-Traded Bonds simultaneously.*

*Information concerning the paying agents appointed and dismissed by the Issuer shall be disclosed by the Issuer in accordance with the procedure specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

8.9.7. Information concerning bond holders' acts and procedure of information disclosure in the event of default on bonds:

*In accordance with Articles 809 and 810 of the Civil Code of the Russian Federation, the Issuer shall repay the par value of the Exchange-Traded Bonds to their holders and pay coupon income from the Exchange-Traded Bonds within the periods and in accordance with the procedure provided for in the terms and conditions of the Program and the Issue Terms.*

*The Issuer's failure to perform the obligations related to the Exchange-Traded Bonds is a material breach of the terms and conditions of the loan agreement concluded by the issue and sale of the Exchange-Traded Bonds (hereinafter also the "default") if:*

- the Issuer delays the performance of the obligation to pay any interest (coupon) income from the Exchange-Traded Bonds for more than ten (10) business days or refuses to perform such obligation;*
- the Issuer delays the performance of the obligation to repay the par value (or, if the par value is repaid by parts, part of the par value) of the Exchange-Traded Bonds for more than ten (10) business days or refuses to perform such obligation;*
- the Issuer delays the performance of the obligation to redeem the Exchange-Traded Bonds for more than ten (10) business days or refuses to perform such obligation.*

*However, the delayed performance of the obligations within the periods specified in this paragraph shall constitute technical default.*

Procedure for dealing with claims against the issuer

*1. In the event of a material breach of the terms and conditions for fulfilling the obligations related to the Exchange-Traded Bonds under paragraph 5 of Article 17.1 of Federal Law No. 39-FZ "On the Securities Market" of April 22, 1996, the holders of the Exchange-Traded Bonds shall have the right to request the early redemption of the Exchange-Traded Bonds upon the occurrence of the relevant events until the date when the Issuer and/or (if appointed) representatives of the holders of the Exchange-Traded Bonds disclose information that such breach is remedied.*

*Requests for the early redemption of the Exchange-Traded Bonds shall be submitted to the Issuer in accordance with the procedure specified in paragraph 9.5.1 of the Program and paragraph 8.9.5.1 of the Prospectus, subject to specific aspects provided for in Articles 17.1 and 8.9 of Federal Law No. 39-FZ "On the Securities Market" of April 22, 1996*

*If early redemption is requested, the Issuer shall redeem the Exchange-Traded Bonds within seven (7) business days after the date of receipt of the request.*

*2. In the event of default, the holders of the Exchange-Traded Bonds may, without requesting the early redemption of the Exchange-Traded Bonds, submit a request (claim) to the Issuer demanding that:*

- in the event of default in payment of any interest (coupon) income from the Exchange-Traded Bonds, the Issuer pay the accrued but not paid coupon income and pay interest for the delay in payment of the coupon income in accordance with Articles 395 and 811 of the Civil Code of the Russian Federation;*
- in the event of default in repayment of the par value (or, if the par value is repaid by parts, part of the par value) of the Exchange-Traded Bonds, the Issuer repay the par value (the relevant part of the par value) of the Exchange-Traded Bonds and pay interest for delay in repayment of the par value (part of the par value) in accordance with Articles 395 and 811 of the Civil Code of the Russian Federation;*
- in the event of default in acquisition of the Exchange-Traded Bonds, the Issuer perform the obligation to acquire the Exchange-Traded Bonds at the acquisition price determined in accordance with paragraph 10 of the Program and paragraph 8.10 of the Prospectus and pay interest for delay in performance of the acquisition obligation in accordance with Articles 395 and 811 of the Civil Code of the Russian Federation.*

*In the event of technical default, the holders of the Exchange-Traded Bonds may, starting from the day following the date when an obligation was to be performed, submit a request (claim) to the Issuer demanding that the Issuer pay interest for the delay in performing the obligations related to the Exchange-Traded Bonds in accordance with Articles 395 and 811 of the Civil Code of the Russian Federation.*

*A request (claim) to the Issuer (hereinafter, the "Claim") shall be submitted in accordance with the rules established by the laws of the Russian Federation for the exercise of rights to the securities by persons whose rights to the securities are accounted for by a (foreign) nominee holder, a foreign organization authorized under the personal law applicable to such foreign organization to account for and transfer the rights to such securities, or a person responsible for mandatory centralized custody of such securities, and in accordance with the procedure established for the exercise of the right to request early redemption of the Exchange-Traded Bonds by persons exercising their rights to the securities as specified in paragraph 9.5.1 of the Program.*

*If a Claim against the Issuer cannot be submitted via a (foreign) nominee holder, a foreign organization authorized under the personal law applicable to such foreign organization to account for and transfer the rights to such securities, or a person responsible for mandatory centralized custody of such securities or if such organizations refuse to accept the Claim, the holders of the Exchange-Traded Bonds or their authorized persons may send such Claim by registered mail, return receipt requested, with a list of enclosures, to the Issuer's address specified in the Uniform State Register of Corporate Entities or deliver it to the Issuer's authorized person with a signed acknowledgement of receipt.*

*The Claim shall contain information specified in the laws of the Russian Federation and bank account details of the person authorized to receive funds as payment for the Exchange-Traded Bonds.*

*The Claim shall be considered by the Issuer within five (5) days (hereinafter, the "Claim Consideration Period").*

*If the Claim relates to the payment of interest for delay in performing or failure to perform the obligations related to the Exchange-Traded Bonds in accordance with Article 395 of the Civil Code of the Russian Federation, the Issuer shall, within three (3) business days after the end of the Claim Consideration Period, pay the amounts due to the holders of the Exchange-Traded Bonds who submitted the Claim in accordance with the bank account details specified in the Claim.*

*In the event of default or technical default, the Issuer shall perform the obligations to repay the par value (the relevant part of the par value) of the Exchange-Traded Bonds, to pay coupon income for the full coupon period for the Exchange-Traded Bonds, and to acquire the Exchange-Traded Bonds (except for the payment of interest for the delay in performing the obligations related to the Exchange-Traded Bonds in accordance with Articles 395 and 811 of the Civil Code of the Russian Federation) in accordance with the procedure prescribed for the repayment of the par value (part of the par value) of the Exchange-Traded Bonds, the payment of interest (coupon) income therefrom, and the acquisition of the Exchange-Traded Bonds under paragraphs 9.2, 9.4, and 10 of the Program and paragraphs 8.9.2, 8.9.4, and 8.9.10 of the Prospectus, respectively.*

*If at least one Request (Application) for the Early Redemption of the Exchange-Traded Bonds submitted in accordance with the procedure specified in paragraph 9.5.1 of the Program and paragraph 8.9.5.1 of the Prospectus is accepted resulting in the repayment of the par value (outstanding part of the par value) of the Exchange-Traded Bonds and payment of coupon income for the completed coupon period, the amounts due to other holders entitled to receive them in accordance with paragraph 8.9.7 of the Prospectus may not be paid in accordance with the procedure specified in sections 9.2 and 9.4 of the Program and paragraphs 8.9.2, 8.9.4 of the Prospectus. In this event the Issuer shall request that NSD provide it with the list of holders of the Exchange-Traded Bonds as of the relevant dates (hereinafter, the "List"). In order to ensure that payments specified in this paragraph are made to the holders included in the List who did not submit any Requests, the Issuer shall arrange for the transfer of the relevant amounts.*

Procedure for initiating legal or arbitral proceedings.

*If the Issuer refuses to accept the Claim, the holders of the Exchange-Traded Bonds or their authorized persons may initiate legal or arbitral proceedings against the Issuer for the claimed amounts.*

*If the Issuer fails to pay or partially pays any amounts payable to the holders of the Exchange-Traded Bonds with respect to the repayment of the par value (part of the par value) of the Exchange-Traded Bonds, payment of coupon income therefrom, acquisition of the Exchange-Traded Bonds, and payment of interest for the delay in performing the obligations related to the Exchange-Traded Bonds in accordance with Article 395 of the Civil Code of the Russian Federation), then the holders of the Exchange-Traded Bonds or their authorized persons may initiate legal or arbitral proceedings against the Issuer for the claimed amounts.*

*If a representative of the holders of the Exchange-Traded Bonds is appointed in accordance with Article 29.1 of Federal Law No. 39-FZ "On the Securities Market" of April 22, 1996 (hereinafter, the "Securities Market Law"), then the holders of the Exchange-Traded Bonds may not individually initiate legal or arbitral proceedings unless otherwise provided for in the Securities Market Law, the Issue Terms for the Exchange-Traded Bonds, or the decision of the general meeting of holders of the Exchange-Traded Bonds.*

*The holders of the Exchange-Traded Bonds may take individual legal action upon expiration of one month after the grounds for such action arise, if the representative of the holders of the Exchange-Traded Bonds fails to initiate the relevant arbitral proceedings within the specified period of time, or if the general meeting of holders of the Exchange-Traded Bonds fails to resolve to waive the right to initiate such proceedings within the specified period of time.*

*The holders of the Exchange-Traded Bonds that are individuals may initiate legal proceedings in a general jurisdiction court having jurisdiction over the respondent's domicile, and the holders of the Exchange-Traded Bonds that are corporate entities and individual entrepreneurs may initiate arbitral proceedings in an arbitration court having jurisdiction over the respondent's domicile.*

*The total limitations period under Article 196 of the Civil Code of the Russian Federation shall be three years. In accordance with Article 200 of the Civil Code of the Russian Federation, the limitations period shall begin upon the expiration of the period prescribed for the performance of the Issuer's obligations.*

*Courts shall have jurisdiction over civil cases under Article 22 of the Code of Civil Procedure of the Russian Federation.*

*Arbitration courts shall have jurisdiction over cases under Article 27 of the Code of Arbitral Procedure of the Russian Federation.*

Procedure for disclosing information concerning non-performance or improper performance of obligations related to the bonds:

*In the event of any non-performance or improper performance by the Issuer of its obligations related to the Exchange-Traded Bonds (including default or technical default), the Issuer shall publish information concerning such non-performance or improper performance of its obligations to the holders of the Exchange-Traded Bonds, including:*

- *scope of outstanding obligations;*
- *reasons for the non-performance of obligations;*
- *possible acts on the part of the holders of the Exchange-Traded Bonds to satisfy their claims.*

*The Issuer did not instruct any other corporate entity to disclose information concerning non-performance or improper performance of the obligations related to the Exchange-Traded Bonds.*

*Such information shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

## **8.10. Information Concerning the Acquisition of Bonds**

Specify whether the bonds may be acquired by the issuer upon agreement with their holders and/or at the request of the bond holders with their possible subsequent trading

*The Exchange-Traded Bonds may be acquired by the Issuer upon agreement with their holders and/or at the request of the holders of the Exchange-Traded Bonds with their possible subsequent trading.*

*The Exchange-Traded Bonds within a separate issue shall be acquired upon the same terms and conditions.*

*The Exchange-Traded Bonds may be acquired only after they are paid for in full.*

*Payment for the Exchange-Traded Bonds in the course of their acquisition shall be in cash, by bank transfer, in Russian rubles.*

*Whether or not the Exchange-Traded Bonds may be acquired upon the terms and conditions set forth below with respect to each issue of the Exchange-Traded Bonds will be specified in the applicable Issue Terms.*

8.10.1 Bond acquisition by the issuer at the request of bond holder(s):

*The Issuer shall acquire the placed Exchange-Traded Bonds requested by the holders of the Exchange-Traded Bonds if the amount (procedure for determining the amount) of interest (coupon) income from the Exchange-Traded Bonds is determined by the Issuer after the completion of the placement of the Exchange-Traded Bonds.*

Procedure and conditions of bond acquisition by the issuer, including:

procedure for deciding by the issuer's authorized body on bond acquisition:

*A separate decision of the Issuer's authorized body on the acquisition of the Exchange-Traded Bonds at the request of their holders is not required.*

period (procedure for determining the period) for bond holders' request for bond acquisition by the issuer:

*The Issuer shall acquire the placed Exchange-Traded Bonds at the request submitted by the holders of the Exchange-Traded Bonds within last five (5) business days of the coupon period immediately preceding the coupon period for which the Issuer determines the amount (procedure for determining the amount) of interest (coupon) income from the Exchange-Traded Bonds after the completion of the placement of the Exchange-Traded Bonds (hereinafter, the "Period of the Requested Acquisition of the Exchange-Traded Bonds").*

*If the amount (procedure for determining the amount) of interest (coupon) income from the Exchange-Traded Bonds is simultaneously determined for several coupon periods, the Issuer shall acquire the Exchange-Traded Bonds at the request submitted by their holders within the prescribed period in the coupon period immediately preceding the coupon period for which the Issuer shall, in accordance with the prescribed procedure, determine the amount (procedure for determining the amount) of interest (coupon) income simultaneously with other coupon periods and which comes earlier. In this case, the Exchange-Traded Bonds shall not be acquired before any other coupon periods for which the amount (procedure for determining the amount) of interest (coupon) income from the Exchange-Traded Bonds is determined.*

*The Issuer shall acquire all of the Exchange-Traded Bonds requested for acquisition within the prescribed period.*

procedure for the exercise by the persons exercising their rights to securities of their right to request that the issuer acquires bonds:

*Any persons exercising their rights to the Exchange-Traded Bonds shall exercise the right to request that the Exchange-Traded Bonds that they hold be acquired in accordance with the rules set forth in the applicable laws of the Russian Federation.*

*Any request for the acquisition of the Exchange-Traded Bonds shall contain information specified in the laws of the Russian Federation and information making it possible to identify the regulated trading participant on whose behalf the sell bid for the Exchange-Traded Bonds will be submitted.*

period (procedure for determining the period) for bond acquisition by the issuer:

***The Exchange-Traded Bonds shall be acquired on the third (3rd) business day after the last date of the Period of the Requested Acquisition of the Exchange-Traded Bonds (hereinafter, the “Date of Acquisition at the Request of the Holders”).***

procedure for bond acquisition by the issuer:

***The Issuer shall acquire the Exchange-Traded Bonds by means of entering into agreements for the purchase and sale of the Exchange-Traded Bonds in the course of trading on the Moscow Exchange by accepting the targeted sell bids submitted for the Exchange-Traded Bonds in the Trading System in accordance with the Exchange Trading Rules.***

***Any holder of the Exchange-Traded Bonds may act independently (if the holder of the Exchange-Traded Bonds is a regulated trading participant) or engage a regulated trading participant authorized by the holder of the Exchange-Traded Bonds to sell the Exchange-Traded Bonds to the Issuer (hereinafter, the “Selling Agent”).***

***The Issuer may act independently (if the Issuer is a regulated trading participant) or engage a regulated trading participant authorized by the Issuer to buy the Exchange-Traded Bonds (hereinafter, the “Buying Agent”).***

***The Issuer may, not later than seven (7) business days prior to the Period of the Requested Acquisition of the Exchange-Traded Bonds, decide to appoint or change the Buying Agent.***

***Information concerning such decision shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus. If, seven (7) business days prior to the Period of the Requested Acquisition of the Exchange-Traded Bonds, the Issuer fails to appoint the Buying Agent and/or disclose information about such appointment, then it shall be deemed that the Issuer (as an exchange traded/listed entity) is itself responsible for the acquisition of the Exchange-Traded Bonds.***

***The Issuer or the Buying Agent (if appointed) shall, on the Date of Acquisition at the Request of the Holders within the period agreed upon with the Exchange, submit the offsetting targeted bids against the bids of the holders of the Exchange-Traded Bonds (submitted by the holders of the Exchange-Traded Bonds or the Selling Agent) from which the Issuer receives the Requests to Buy the Exchange-Traded Bonds in the Trading System as of the time of the closing of the transaction.***

Price (procedure for determining the price) for bond acquisition by the issuer:

***The acquisition price of the Exchange-Traded Bonds shall be one hundred percent (100%) of the outstanding part of the par value of the Exchange-Traded Bonds. In this connection, accrued coupon income shall additionally be paid as calculated as of the Date of Acquisition at the Request of the Holders.***

Procedure for the issuer’s disclosing information concerning the procedure and conditions of bond acquisition by the issuer at the request of bond holder(s).

***The Issuer shall, not later than seven (7) business days prior to the Period of the Requested Acquisition of the Exchange-Traded Bonds, notify representatives of the holders of the Exchange-Traded Bonds (if appointed) and disclose information about such acquisition or notify all holders of the acquired Exchange-Traded Bonds about such acquisition as follows:***

***1) Information concerning all material terms and conditions of the acquisition of the Exchange-Traded Bonds at the request of their holders shall be disclosed by the Issuer by means of the publication of the Program in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.***

***2) Information concerning the determined amount (procedure for determining the amount) of interest (coupon) income from the Exchange-Traded Bonds and concerning the sequential number of the coupon period within which the holders of the Exchange-Traded Bonds may request the acquisition of the Exchange-Traded Bonds by the Issuer shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.***

Procedure for the issuer’s disclosing information concerning the results of bond acquisition by the issuer, including the quantity of bonds acquired by the issuer.

***Information concerning the performance by the Issuer of its obligations to acquire the Exchange-Traded Bonds (including the quantity of the acquired Exchange-Traded Bonds) shall be disclosed by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.***

8.10.2 Bond acquisition by the issuer upon agreement with bond holder(s):

***The Issuer may acquire the Exchange-Traded Bonds by means of entering into agreements for the purchase and sale of the Exchange-Traded Bonds in accordance with the laws of the Russian Federation, including under the Issuer’s public irrevocable offers published in the mass media and/or through the newswire.***

Procedure and conditions of bond acquisition by the issuer, including:

procedure for deciding by the issuer’s authorized body on bond acquisition:

***Any decision to acquire the Exchange-Traded Bonds, including under public irrevocable offers, shall be made by the Issuer’s authorized management body subject to the provisions of the Program. In making such decision, the***

*Issuer's authorized management body shall determine the terms and conditions, procedure, and period for the acquisition of the Exchange-Traded Bonds to be published through the newswire and on the Internet.*

*More than one decision to acquire the Exchange-Traded Bonds may be made.*

period (procedure for determining the period) within which the issuer may decide to acquire placed bonds, and, if bonds are acquired by the issuer upon agreement with their holders, procedure for submitting offers to acquire bonds:

*The Issuer may decide to acquire the placed Exchange-Traded Bonds upon agreement with their holders throughout the trading period of the Exchange-Traded Bonds.*

*Any decision of the Issuer's authorized body to acquire the Exchange-Traded Bonds upon agreement with the holders of the Exchange-Traded Bonds shall specify as follows:*

- date of the decision to acquire (repurchase) the Exchange-Traded Bonds;*
- series and form of the Exchange-Traded Bonds, the identification number assigned to the issue of the Exchange-Traded Bonds, and the date when the Exchange-Traded Bonds were admitted to trading on the exchange in the course of the placement;*
- quantity of the acquired Exchange-Traded Bonds;*
- procedure for accepting the acquisition offer by the person exercising the rights to the Exchange-Traded Bonds and the period within which such person may give the Notice of the Accepted Offer of the Issuer to acquire the Exchange-Traded Bonds upon the terms and conditions set forth in the decision to acquire the Exchange-Traded Bonds and contained in the published statement about the acquisition of the Exchange-Traded Bonds, which period may not be less than five (5) business days;*
- start date of the acquisition of the Exchange-Traded Bonds by the Issuer;*
- end date of the acquisition of the Exchange-Traded Bonds;*
- acquisition price of the Exchange-Traded Bonds or the procedure for determining the acquisition price;*
- procedure for acquiring the Exchange-Traded Bonds;*
- method and period of payment;*
- name of the Buying Agent, its registered address and postal address, and the particulars of the professional securities market participant's license (if the Issuer engages the Buying Agent).*

*The Issuer shall, not later than seven (7) business days prior to the period within which the holders may accept the offer in relation to the acquisition by the Issuer of the Exchange-Traded Bonds that they hold, notify representatives of the holders of the Exchange-Traded Bonds (if appointed) and disclose information about such acquisition or notify all holders of the acquired Exchange-Traded Bonds about such acquisition.*

procedure for the exercise by the persons exercising their rights to securities of their right to request that the issuer acquires bonds by means of accepting the issuer's bond acquisition offer:

*The Notice of the Accepted Offer of the Issuer to acquire the Exchange-Traded Bonds shall be given in accordance with the rules set forth in the applicable laws of the Russian Federation.*

*The Notice of the Accepted Offer of the Issuer to acquire the Exchange-Traded Bonds shall contain information specified in the laws of the Russian Federation and information making it possible to identify the regulated trading participant on whose behalf the sell bid for the Exchange-Traded Bonds will be submitted.*

period (procedure for determining the period) for bond acquisition by the issuer:

*The Exchange-Traded Bonds shall be acquired on the Date(s) of Acquisition of the Exchange-Traded Bonds determined by the decision of the Issuer's authorized management body to acquire the Exchange-Traded Bonds (hereinafter, the "Date of Acquisition upon Agreement with the Holders").*

procedure for bond acquisition by the issuer:

*The Issuer shall acquire the Exchange-Traded Bonds by means of entering into agreements for the purchase and sale of the securities in the course of trading on the Moscow Exchange by accepting the targeted sell bids submitted for the Exchange-Traded Bonds in the Trading System in accordance with the Exchange Trading Rules.*

*Any holder of the Exchange-Traded Bonds may act independently (if the holder of the Exchange-Traded Bonds is a regulated trading participant) or engage the Selling Agent.*

*The Issuer may act independently (if the Issuer is a regulated trading participant) or engage the Buying Agent.*

*The Issuer may, not later than seven (7) business days prior to the period within which the holders may accept the offer in relation to the acquisition by the Issuer of the Exchange-Traded Bonds that they hold, decide to appoint or change the person that will perform the functions of the Buying Agent.*

*Information concerning such decision shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus. If, seven (7) business days prior to the period within which the holders may accept the offer in relation to the acquisition by the Issuer of the Exchange-Traded Bonds that they hold, the Issuer fails to appoint the Buying Agent and/or disclose information about such appointment, then it shall be deemed that the Issuer (as an exchange traded/listed entity) is itself responsible for the acquisition of the Exchange-Traded Bonds.*

*The Issuer or the Buying Agent (if appointed) shall, on the Date of Acquisition upon Agreement with the Holders within the period agreed upon with the Exchange, submit the offsetting targeted bids against the bids of the holders of the Exchange-Traded Bonds (submitted by the holders of the Exchange-Traded Bonds or the Selling Agent) from which*



*the Issuer receives the Notice of the Accepted Offer to acquire the Exchange-Traded Bonds in the Trading System as of the time of the closing of the transaction.*

*If the quantity of the Exchange-Traded Bonds in any offer accepted by the holders of the Exchange-Traded Bonds in relation to their acquisition by the Issuer is greater than specified in such offer, the Issuer shall acquire the Exchange-Traded Bonds from the holders in proportion to the requested quantities, provided that only a whole number of the Exchange-Traded Bonds may be acquired.*

Price (procedure for determining the price) for bond acquisition by the issuer:

*The acquisition price of the Exchange-Traded Bonds or the procedure for determining such price in a formula with variables whose values may not be changed at the option of the Issuer shall be determined by the decision of the Issuer's authorized management body to acquire the Exchange-Traded Bonds.*

Procedure for the issuer's disclosing information concerning the procedure and conditions of bond acquisition by the issuer upon agreement with bond holders.

*Issuer shall, not later than seven (7) business days prior to the period within which the holders may accept the offer in relation to the acquisition by the Issuer of the Exchange-Traded Bonds that they hold, notify representatives of the holders of the Exchange-Traded Bonds (if appointed) and disclose information about such acquisition or notify all holders of the acquired Exchange-Traded Bonds about such acquisition in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

Procedure for the issuer's disclosing information concerning the results of bond acquisition by the issuer, including the quantity of bonds acquired by the issuer.

*Information concerning the performance by the Issuer of its obligations to acquire the Exchange-Traded Bonds (including the quantity of the acquired Exchange-Traded Bonds) shall be disclosed by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

**8.10.3.** *If the Exchange-Traded Bonds are acquired by the Issuer upon agreement with their holder(s) and at the request of their holder(s), they shall be credited to the custody account opened for the Issuer with NSD and intended to account for the rights to the securities issued by the Issuer.*

Period for bond acquisition or the procedure for determining such period; procedure for deciding by the issuer's authorized body on bond acquisition:

- *If the Exchange-Traded Bonds are acquired by the Issuer at the request of the holders of the Exchange-Traded Bonds, the Date of Acquisition of the Exchange-Traded Bonds by the Issuer shall be determined in accordance with paragraph 10.1 of the Program and paragraph 8.10.1 of the Prospectus. A separate decision on the acquisition of the Exchange-Traded Bonds at the request of their holder(s) is not required.*

- *If the Issuer decides on the acquisition of the Exchange-Traded Bonds upon agreement with their holders in accordance with paragraph 10.2 of the Program and paragraph 8.10.2 of the Prospectus, including under the Issuer's public irrevocable offers published in the mass media, the period and any other terms and conditions of the acquisition of the Exchange-Traded Bonds shall be determined by the Issuer subject to the requirements set forth in the laws and shall be published through the Newswire and on the Internet. Any decision to acquire the Exchange-Traded Bonds upon agreement with their holder(s) shall be made by the Issuer's authorized management body subject to the provisions of the Program, the Prospectus, and the Articles of Association of the Issuer.*

Procedure for the issuer's disclosing information concerning the conditions and results of bond acquisition:

**1.** *The Issuer shall, not later than seven (7) business days prior to the period within which the holders of the Exchange-Traded Bonds may accept the offer in relation to the acquisition by the Issuer of the Exchange-Traded Bonds that they hold, notify representatives of the holders of the Exchange-Traded Bonds (if appointed) and disclose information about such acquisition or notify all holders of the acquired Exchange-Traded Bonds about such acquisition.*

*Information concerning all material terms and conditions of the acquisition of the Exchange-Traded Bonds at the request of their holders shall be disclosed by the Issuer by means of the publication of the Program and the Prospectus on the Internet on or prior to the start date of the placement of the first issue of the Exchange-Traded Bonds under the Bond Program.*

**2.** *Information concerning the determined coupon rates or the procedure for determining the amount of coupon rates in a formula with variables whose values may not be changed at the option of the Issuer and concerning the sequential number of the coupon period within which the holders of the Exchange-Traded Bonds may request the acquisition of the Exchange-Traded Bonds by the Issuer, shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

**3.** *If the Issuer decides on the acquisition of the Exchange-Traded Bonds upon agreement with their holder(s), including under the Issuer's public irrevocable offers, the statement about such acquisition shall be published by the Issuer in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

**4.** *Information concerning the results of the acquisition Exchange-Traded Bonds and concerning the*

*performance by the Issuer of its obligations to acquire the Exchange-Traded Bonds (at the request of the holders of the Exchange-Traded Bonds/upon agreement with the holders of the Exchange-Traded Bonds (including the quantity of the acquired Exchange-Traded Bonds) shall be disclosed in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*5. The Issuer shall acquire the Exchange-Traded Bonds through the Trading Institutor specified in paragraph 8.3 of the Program and paragraph 8.8.3 of the Prospectus in accordance with the regulatory documents governing the activities of the Trading Institutor.*

*If the Exchange-Traded Bonds cannot be acquired due to the reorganization or liquidation of the Trading Institutor or subject to the requirements set forth in the laws of the Russian Federation, the Issuer shall decide to select another trading institutor for entering into transactions related to the acquisition of the Exchange-Traded Bonds. In this case, the Exchange-Traded Bonds will be acquired in accordance with the regulatory and internal documents governing the activities of such trading institutor.*

*If the Trading Institutor for entering into transactions related to the acquisition of the Exchange-Traded Bonds is changed, the Issuer shall publish information concerning the new trading institutor for entering into transactions related to the acquisition of the Exchange-Traded Bonds. Such information shall be disclosed in accordance with the procedure and within the period specified in paragraph 11 of the Program and paragraph 8.11 of the Prospectus.*

*8.10.4. If, on the Date of Acquisition, the Exchange-Traded Bonds are not traded on the Exchange, then the Issuer shall acquire the Exchange-Traded Bonds from their holders upon the following terms and conditions and in accordance with the following procedure:*

*1) In order to enter into any agreement (transaction) for the acquisition of the Exchange-Traded Bonds by the Issuer, the persons exercising the rights to the Exchange-Traded Bonds shall send the Notice of the Accepted Offer to acquire the Exchange-Traded Bonds within the period, upon the terms and conditions, and in accordance with the procedure for the acquisition of the Exchange-Traded Bonds published through the Newswire and on the Internet, in the case of the acquisition of the Exchange-Traded Bonds upon agreement with their holders, or shall send the Requests to Buy the Exchange-Traded Bonds in accordance with the procedure and upon the terms and conditions specified in paragraph 10.1 of the Program and paragraph 8.10 of the Prospectus, in the case of the acquisition Exchange-Traded Bonds at the request of their holders.*

*In accordance with the requirements set forth in the laws of the Russian Federation, the persons exercising securities-related rights shall, if their rights to securities are accounted for by a nominee holder, a foreign nominee holder, a foreign organization authorized under the personal law applicable to such foreign organization to account for and transfer the rights to such securities, or a person responsible for mandatory centralized custody of such securities, exercise the rights to request the acquisition of their Exchange-Traded Bonds by issuing the orders (instructions) with the requests (applications) submitted to such organizations for the acquisition of the Exchange-Traded Bonds. The procedure for issuing the orders (instructions) shall be defined by the agreement with the custodian.*

*Upon receipt of the orders (instructions), the Custodian shall send to NSD the communications with the requests (applications) for the acquisition of the Exchange-Traded Bonds (hereinafter also, the "Communications About the Holder's Intent"). Any Communications About the Holder's Intent shall contain information making it possible to identify the person exercising the rights to the securities, information making it possible to identify the securities the rights to which are exercised, information concerning the quantity of securities held by such person, and information concerning the international identification code of the organization accounting for such person's rights to the securities.*

*Apart from the information specified above, the Communications About the Holder's Intent shall also specify other information required by the laws of the Russian Federation and information necessary to prepare the offsetting custody instructions to transfer the Exchange-Traded Bonds from the custody accounts opened for the holders of the Exchange-Traded Bonds or their authorized persons with NSD to the issue account opened for the Issuer with NSD and intended to account for the rights to the securities issued by the Issuer, together with the payment instructions to transfer the relevant amounts from the bank account opened for the Issuer or its authorized person with NSD to the bank accounts opened for the holders of the Exchange-Traded Bonds or their authorized persons with NSD, in accordance with the rules established by NSD for the transfer of securities on the offsetting instructions of the transferor and the transferee with controlled monetary settlement.*

*In addition to the requests (applications) sent to the custodian for the acquisition of the Exchange-Traded Bonds by issuing the orders (instructions), the holders of the Exchange-Traded Bonds or their authorized persons may provide the Issuer with the documents necessary for the application of the tax rates applicable to income received from the Exchange-Traded Bonds. In the event of any failure to provide or any delay in providing such documents, the Issuer shall not be liable to the holders of the Exchange-Traded Bonds for the nonapplication of the relevant tax rates.*

*The Communications About the Holder's Intent shall be sent by the Custodian to NSD by electronic transmission (by sending electronic documents) in accordance with the procedure prescribed by NSD.*

*Any nominee holders shall send to the person with which they have nominee holders' personal accounts (custody accounts) the Communications About the Holder's Intent in relation to the holders whose rights to the securities are accounted for by such person and the Communications About the Holder's Intent received from its depositors that are nominee holders and foreign nominee holders.*

*The Communications About the Holder's Intent shall be made available to the Issuer by NSD sending the Communications About the Holder's Intent. Information concerning the intent of the persons exercising their rights to*

*the securities shall be deemed to be received by the Issuer on the date when NSD receives the Communication About the Holder's Intent.*

*Any agreement (transaction) for the acquisition of the Exchange-Traded Bonds shall be deemed to be entered into on the date of receipt by NSD of the Communication About the Holder's Intent.*

*2). The Exchange-Traded Bonds shall be acquired at the determined acquisition price on the determined date of acquisition from the holders of the Exchange-Traded Bonds in the over-the-counter market by transfer of the Exchange-Traded Bonds from the custody accounts opened for the holders of the Exchange-Traded Bonds or their authorized persons with NSD to custody account opened for the Issuer with NSD and intended to account for the rights to the securities issued by the Issuer and by transfer of the equivalent amounts from the bank account opened for the Issuer's authorized person with NSD to the bank accounts opened with NSD for the holders of the Exchange-Traded Bonds or the persons authorized by the holders of the Exchange-Traded Bonds to receive funds in relation to the Exchange-Traded Bonds. The Exchange-Traded Bonds shall be transferred in accordance with the rules established by NSD for the transfer of securities on the offsetting instructions of the transferor and the transferee with controlled monetary settlement. In order to enter into transactions related to the sale of the Exchange-Traded Bonds, the holders of the Exchange-Traded Bonds or the persons authorized by the holders of the Exchange-Traded Bonds to receive funds in relation to the Exchange-Traded Bonds shall have bank accounts in Russian rubles with NSD.*

*In order to perform agreements (transactions) for the acquisition of the Exchange-Traded Bonds, the holders of the Exchange-Traded Bonds or their authorized persons shall issue the instructions in accordance with the procedure and within the period specified above in this sub-paragraph.*

*Such persons shall independently assess and bear the risk that the personal law applicable to such persons or a ban or any other restriction imposed by governmental or other authorized agencies may prohibit such persons from investing in the Exchange-Traded Bonds or that the personal law applicable to the credit institutions with which such persons have bank accounts or the personal law applicable to the credit institutions whose correspondent accounts are intended for the payment of income from the Exchange-Traded Bonds in cash and other amounts payable to the holders of such securities or a ban or any other restriction imposed by governmental or other authorized agencies may prohibit such credit institutions from participating in the transfer of funds intended for such payments with respect to the Exchange-Traded Bonds.*

*The procedure and period for opening bank accounts with NSD shall be governed by the laws of the Russian Federation, regulations of the Bank of Russia, and the terms and conditions of the agreement with NSD.*

*In this connection, the holders of the Exchange-Traded Bonds that are individuals may receive amounts related to the Exchange-Traded Bonds only through the bank accounts of the corporate entities authorized by the holders of the Exchange-Traded Bonds that are individuals to receive amounts related to the Exchange-Traded Bonds.*

*3). The Issuer shall not have the obligations to the holders of the Exchange-Traded Bonds to acquire the Exchange-Traded Bonds if they fail to send the requests (applications) for the acquisition of the Exchange-Traded Bonds or if they send such the requests (applications) in accordance with the prescribed procedure but fail to issue custody instructions to transfer the Exchange-Traded Bonds from their custody account(s) to the custody account opened for the Issuer with NSD and intended to account for the rights to the securities issued by the Issuer in accordance with the rules established by NSD and if the quantity of the Exchange-Traded Bonds specified in the custody instructions issued to NSD to transfer the Exchange-Traded Bonds differs from the quantity specified in the requests (applications) for the acquisition of the Exchange-Traded Bonds.*

*If the applicable laws of the Russian Federation and/or the regulations on the financial markets are amended, then the procedure for over-the-counter settlement for the acquisition of the Exchange-Traded Bonds (including subject to the procedure for accounting for and transferring the rights to the Exchange-Traded Bonds) shall be governed subject to the changed legal requirements and/or regulations on the financial markets.*

## **8.11. Procedure for the Issuer's Disclosing Information Concerning the Issue of Securities**

*Information concerning the issue of the Exchange-Traded Bonds that may be placed under the Bond Program shall be disclosed as described below.*

*The Issuer shall disclose information at each stage of the securities issue pursuant to the procedure provided for in the Federal Law "On the Securities Market," the Federal Law "On Joint-Stock Companies," the regulations on the financial markets, and the rules approved by the Moscow Exchange for the procedure for admitting the Exchange-Traded Bonds to trading and in accordance with the procedure and within the period provided for in the Program and the Prospectus.*

*If, at the time of occurrence of any event subject to disclosure by the Issuer in accordance with the applicable laws of the Russian Federation and the regulations on the financial markets, any procedure and deadline apply to the disclosure of information concerning such event other than the procedure and deadline*

set forth in the Program and the Prospectus, then information concerning such event shall be disclosed in accordance with the procedure and within the period provided for in the federal laws and the regulations on the financial markets in force and effect at the time of occurrence of such event.

If, at the time of the Issuer's decision with respect to any event at stages of issuing and trading the Exchange-Traded Bonds and any other event described in paragraph 11 of the Program and paragraph 8.11 of the Prospectus in accordance with the applicable laws of the Russian Federation, any procedure and deadline apply to the Issuer's decision with respect to such event other than the procedure and deadline set forth in this paragraph, then the decision with respect to such event shall be made by the Issuer in accordance with the procedure and within the period provided for in the laws of the Russian Federation in force and effect at the time of the Issuer's decision with respect such event.

To disclose information on the Internet, the Issuer uses the webpage provided by a disseminator of information in the securities market (herein above and hereinafter, the "Internet") at <http://www.e-disclosure.ru/portal/company.aspx?id=65>.

Herein above and hereinafter, the disclosure of information "on the Internet" shall mean the disclosure of information on the webpage provided by a disseminator of information in the securities market at <http://www.e-disclosure.ru/portal/company.aspx?id=65>.

1) Information concerning the decision of the Issuer's authorized management body to approve the Program shall be disclosed by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets. Such information shall be disclosed within the following periods:

- in the case of disclosure through the Newswire, not later than one (1) day after the date of the minutes (the expiration of the period prescribed by the laws of the Russian Federation for the preparation of the minutes) of the meeting of the Issuer's authorized body that decided to approve the Program;
- in the case of disclosure on the Internet, not later than two (2) days after the date of the minutes (the expiration of the period prescribed by the laws of the Russian Federation for the preparation of the minutes) of the meeting of the Issuer's authorized body that decided to approve the Program.

In this connection, publication on the Internet shall follow publication through the Newswire.

2) Information concerning the Issuer's approval of the Issue Terms shall be disclosed by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets. Such information shall be disclosed within the following periods:

- in the case of disclosure through the Newswire, not later than one (1) day after the date of the decision to approve the Issue Terms;
- in the case of disclosure on the Internet, not later than two (2) days after the date after the date of the decision to approve the Issue Terms.

In this connection, publication on the Internet shall follow publication through the Newswire.

3) If the Exchange-Traded Bonds are admitted to trading on the Moscow Exchange in the course of their placement, the Issuer and the Moscow Exchange shall provide access to information contained in the Program, the Issue Terms, and the Prospectus for any persons concerned, regardless of the purpose of obtaining such information, and shall disclose information concerning the Exchange-Traded Bonds admitted to trading on the Exchange in accordance with the prescribed procedure.

4) Information concerning the identification number assigned to the Program shall be published by the Issuer in the form of a statement of material fact within the periods listed below after the date when the Exchange through the Moscow Exchange's site on the Internet discloses information concerning the identification number assigned to the Program on the webpage of the Moscow Exchange, which is responsible for the identification number assignment, on the Internet or when the Issuer is notified by the Exchange in writing of the identification number assigned to the Program by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first:

- in the case of publication through the Newswire, not later than one (1) day;
- in the case of publication on the Internet, not later than two (2) days.

In this connection, publication on the Internet shall follow publication through the Newswire.

4.1) Information concerning the identification number assigned to the separate issue of the Exchange-Traded Bonds shall be published by the Issuer in the form of a statement of material fact within the periods listed below after the date when the Moscow Exchange publishes information concerning the identification number assigned to the issue of the Exchange-Traded Bonds on the webpage of the Moscow Exchange on

*the Internet or when the Issuer is notified in writing of the identification number assigned to the issue of the Exchange-Traded Bonds by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first:*

- *in the case of publication through the Newswire, not later than one (1) day;*
- *in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*5) Information concerning the Exchange-Traded Bonds admitted to trading in the course of their placement (concerning the Exchange-Traded Bonds included on the List) shall be published by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the date when the Exchange publishes information concerning the Exchange-Traded Bonds admitted to trading in the course of their placement (concerning the Exchange-Traded Bonds included on the List) through the Moscow Exchange's site on the Internet or when the Issuer is notified in writing of the Exchange-Traded Bonds admitted to trading in the course of their placement (of the Exchange-Traded Bonds included on the List) by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first:*

- *in the case of publication through the Newswire, not later than one (1) day;*
- *in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*6) Issuer shall publish the text of the Program submitted to the Exchange and the text of the Prospectus submitted to the Exchange on the Internet on or prior to the start date of the placement of the first issue of the Exchange-Traded Bonds under the Bond Program.*

*The publication of the text of the Program submitted to the Exchange and the text of the Prospectus submitted to the Exchange shall specify the identification number assigned to the Program, its assignment date, and the name of the Exchange that assigned the identification number to the Program.*

*The text of the Program submitted to the Exchange and the text of the Prospectus submitted to the Exchange shall be available on the Internet from the date prescribed by the Disclosure Regulations for their publication on the Internet or, if published on the Internet after such date, from the date of their publication on the Internet until the redemption of all of the Exchange-Traded Bonds placed under the Program (before the expiration of the Program if none of the Exchange-Traded Bonds are placed under the Program).*

*The Exchange-Traded Bonds shall not be placed under the Program before the date when the Issuer provides access to the Program.*

*7) The Issuer shall publish the text of the Issue Terms on the Internet not later than the start date of the placement of the Exchange-Traded Bonds.*

*The publication of the text of the Issue Terms on the Internet shall specify the identification number assigned by the Exchange to the Issue, the identification number assignment date, and the name of the Exchange that admitted the Exchange-Traded Bonds to trading.*

*The text of the Issue Terms shall be available on the Internet from the date of its publication on the Internet until the redemption (cancellation) of all of the Exchange-Traded Bonds of the Issue.*

*8) All persons concerned may become acquainted with the Program, the Prospectus, and the Issue Terms and obtain their copies for a fee not to exceed their duplication costs at: Russia, 196247, Saint Petersburg, Ploshchad Konstitutsii, 1; telephone: + 7 (812) 595-86-13, fax: + 7 (812) 494-32-54*

*The Issuer shall, upon request, make available to holders of the Issuer's securities and any other persons concerned a copy of such document for a fee not to exceed its duplication costs within seven (7) days after the date of such request.*

*The details of the Issuer's settlement account(s) for payment of the duplication costs of the documents specified in this paragraph and the amount (procedure for determining the amount) of such costs shall be posted by the Issuer on the Internet.*

*9) Disclosure of information concerning early redemption of the Exchange-Traded Bonds at the option of the Issuer:*

*9.1) Whether or not the Exchange-Traded Bonds are redeemable earlier at the option of the Issuer within their trading period shall be determined by the Issuer before the start date of the placement of the Exchange-Traded Bonds.*

**9.1.1. The statement about the Issuer's decision that the Exchange-Traded Bonds be redeemable earlier at the option of the Issuer shall be disclosed in the form of a statement of material fact in accordance with the regulations on the financial markets as follows:**

- **in the case of disclosure through the Newswire, not later than one (1) day after the date of the decision that the Exchange-Traded Bonds be redeemable earlier and not later than one (1) day immediately preceding the start date of the placement of the Exchange-Traded Bonds;**
- **in the case of disclosure on the Internet, not later than two (2) days after the date of the decision the Exchange-Traded Bonds be redeemable earlier and not later than one (1) day immediately preceding the start date of the placement of the Exchange-Traded Bonds.**

**In this connection, publication on the Internet shall follow publication through the Newswire.**

**Such information shall also include, inter alia, the procedure for the Issuer's deciding on the early redemption of the Exchange-Traded Bonds, the period and procedure for disclosing information concerning the decision on the early redemption of the Exchange-Traded Bonds, the date(s) when the Exchange-Traded Bonds may be redeemed earlier at the option of the Issuer, and the premium payable as a percentage of the par value of the Exchange-Traded Bonds on top of the early redemption price (if payable).**

**The Issuer shall inform the Exchange and NSD of the decision that the securities may or may not be redeemed earlier on or prior to the second (2nd) business day after the date of the decision and before the start date of the placement of the Exchange-Traded Bonds.**

**9.1.2. Information concerning the Issuer's decision on the early redemption of the Exchange-Traded Bonds shall be published by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the date of the decision of the Issuer's sole executive body on the early redemption of the Exchange-Traded Bonds:**

- **in the case of publication through the Newswire, not later than one (1) day;**
- **in the case of publication on the Internet, not later than two (2) days.**

**In this connection, publication on the Internet shall follow publication through the Newswire.**

**Information concerning the early redemption of the Exchange-Traded Bonds at the option of the Issuer shall be disclosed at least fourteen (14) days prior to the date of such early redemption.**

**Such information shall also include, inter alia, the value of the early redemption, the premium payable as a percentage of the par value of the Exchange-Traded Bonds on top of the early redemption price (if payable), and the period, procedure, and conditions for the early redemption of the Exchange-Traded Bonds by the Issuer.**

**The Issuer shall inform the Exchange and NSD of the decision, including the date and conditions of the early redemption of the Exchange-Traded Bonds at the option of the Issuer, on or prior to the second (2nd) business day after the date of the decision.**

**9.2) Information concerning the Issuer's decision on the partial early redemption of the Exchange-Traded Bonds on the last date of any regular coupon period(s) shall be published in the form of a statement of material fact in accordance with the regulations on the financial markets as follows:**

- **in the case of disclosure through the Newswire, not later than one (1) day after the date of the decision on the partial early redemption of the Exchange-Traded Bonds on the last date of any regular coupon period(s) and not later than one (1) day immediately preceding the start date of the placement of the Exchange-Traded Bonds;**
- **in the case of disclosure on the Internet, not later than two (2) days after the date of the decision on the partial early redemption of the Exchange-Traded Bonds on the last date of any regular coupon period(s) and not later than one (1) day immediately preceding the start date of the placement of the Exchange-Traded Bonds.**

**In this connection, publication on the Internet shall follow publication through the Newswire.**

**Such information shall include, inter alia, the number(s) of the coupon period(s) on the last date of which the Issuer redeems a certain part of the par value of the Exchange-Traded Bonds earlier, the percentage of the par value redeemable on the last date of such coupon period(s), and the procedure and conditions for the partial early redemption of the Exchange-Traded Bonds by the Issuer.**

**The Issuer shall inform the Exchange and NSD of the decision, including the redeemable part of the par value of the Exchange-Traded Bonds and the par value of the Exchange-Traded Bonds remaining after the partial early redemption of the Exchange-Traded Bonds on or prior to the second (2nd) business day after the date of the decision and before the start date of the placement of the Exchange-Traded Bonds.**



9.3) *The Issuer may decide on the early redemption of the Exchange-Traded Bonds on the last date of the coupon period immediately preceding the Date of Acquisition at the Request of the Holders as defined in paragraph 10.1 of the Program and paragraph 8.10.1 of the Prospectus.*

*Information concerning the Issuer's decision on the early redemption of the Exchange-Traded Bonds shall be published by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below:*

- *in the case of disclosure through the Newswire, not later than one (1) day after the date of the decision on the early redemption of the Exchange-Traded Bonds and not later than fourteen (14) days prior to the date of the early redemption of the Exchange-Traded Bonds;*
- *in the case of disclosure on the Internet, not later than two (2) days after the date of the decision on the early redemption of the Exchange-Traded Bonds and not later than fourteen (14) days prior to the date of the early redemption of the Exchange-Traded Bonds.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*Such information shall also include, inter alia, the value of the early redemption and the period, procedure, and conditions for the early redemption of the Exchange-Traded Bonds by the Issuer.*

*The Issuer shall inform the Exchange and NSD of the decision on or prior to the second (2nd) business day after the date of the decision.*

10) *Information concerning the start date of the placement shall be published by the Issuer in the form of a statement about the start date of the placement of the securities in accordance with the regulations on the financial markets within the periods listed below:*

- *in the case of publication through the Newswire, not later than one (1) day before the start date of the placement of the Exchange-Traded Bonds;*
- *in the case of publication on the Internet, not later one (1) day before the start date of the placement of the Exchange-Traded Bonds.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

11) *The start date of the placement of the Exchange-Traded Bonds that is determined by the Issuer's sole executive body and is not specified in the Issue Terms may be postponed (changed) pursuant to a decision of the Issuer's sole executive body subject to the requirements applicable to the procedure for disclosing information about postponing (changing) the start date of the placement of the Exchange-Traded Bonds as provided for in the laws of the Russian Federation, the Program, and the Prospectus.*

*If the Issuer decides to postpone (change) the start date of the placement of the securities disclosed in accordance with the procedure specified above, Issuer shall, in accordance with the regulations on the financial markets, publish the statement concerning the changed start date of the placement of the securities through the Newswire and on the Internet not later than one (1) day before such date.*

*The Issuer shall notify the Exchange and NSD of the changed start date of the placement of the Exchange-Traded Bonds not later than one (1) day prior to the relevant date.*

12) *If information concerning the placement procedure is not specified in paragraph 8.3 of the Issue Terms or if the Issuer decides on the placement procedure before the approval of the Issue Terms, information concerning the Issuer's decision on the procedure for placing the securities shall be published in the form of a statement of material fact in accordance with the regulations on the financial markets as follows:*

- *in the case of disclosure through the Newswire, not later than one (1) day after the date of the decision of the Issuer's sole executive body on the procedure for placing the Exchange-Traded Bonds and before the start date of the placement of the Exchange-Traded Bonds;*
- *in the case of disclosure on the Internet, not later than two (2) days after the date of the decision of the Issuer's sole executive body on the procedure for placing the Exchange-Traded Bonds and before the start date of the placement of the Exchange-Traded Bonds.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*In this case, the Issuer shall inform the Exchange of the decision within one (1) day after the date when the Issuer's sole executive body decides on the placement procedure for the Exchange-Traded Bonds and prior to the start date of the placement of the Exchange-Traded Bonds.*

13) *If the Issue Terms specify the list of the potential Underwriters or if the decision on the appointment of the Underwriter precedes the approval of the Issue Terms, the Issuer shall disclose information concerning the appointment of the Underwriter on or prior to the start date of the placement of*

*the Exchange-Traded Bonds and within the periods listed below after the date of the decision of the Issuer's sole executive body:*

*- in the case of publication through the Newswire, not later than one (1) day;*

*- in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*Such information shall also contain the details of the Underwriter's account(s) used for the transfer of funds received as payment for the Exchange-Traded Bonds.*

*14) If, on the instructions of the Issuer, the Underwriter intends to enter into the preliminary agreements with the potential buyers of the Exchange-Traded Bonds, containing the obligation to subsequently enter with them or the Trading Participants acting on their behalf into the principal agreements aimed at the transfer of the placed securities to them, then the Issuer shall disclose the following information:*

14.1) concerning the period for submitting the offers of the potential buyers of the Exchange-Traded Bonds to enter into the Preliminary Agreements

*The Issuer shall disclose information concerning the period for submitting the offers to enter into the Preliminary Agreements in the form of a statement of material fact within the periods listed below after the date of the decision of the Issuer's authorized body:*

*- in the case of publication through the Newswire, not later than one (1) day and before the start date of the placement of the Exchange-Traded Bonds;*

*- in the case of publication on the Internet, not later than two (2) days and before the start date of the placement of the Exchange-Traded Bonds.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*Such information shall contain the form of the potential buyer's offer to enter into the Preliminary Agreement and the procedure and period for submitting such offers.*

*The end date and/or time initially determined by the Issuer's sole executive body for the period for submitting the offers of the potential buyers to enter into the Preliminary Agreements may be changed by the Issuer's sole executive body.*

*Information concerning the foregoing shall be disclosed in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the date of the decision to change the period for submitting the offers of the potential buyers to enter into the Preliminary Agreements:*

*- in the case of publication through the Newswire, not later than one (1) day and before the start date of the placement of the Exchange-Traded Bonds;*

*- in the case of publication on the Internet, not later than two (2) days and before the start date of the placement of the Exchange-Traded Bonds.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

14.2) concerning the expiration of the period for submitting the offers of the potential buyers to enter into the Preliminary Agreements

*Information concerning the expiration of the period for submitting the offers of the potential buyers to enter into the Preliminary Agreements shall be disclosed by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets as follows:*

*- in the case of publication through the Newswire, not later than one (1) day immediately following the expiration of the period for submitting the offers to enter into the Preliminary Agreements;*

*- in the case of publication on the Internet, not later one (1) day immediately following the expiration of the period for submitting the offers to enter into the Preliminary Agreements.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*15) If the Issuer decides to place the Exchange-Traded Bonds by means of the Book Building, the Issuer shall, before the start date of the placement of the Exchange-Traded Bonds, also decide on the coupon rate for the first coupon period. Information concerning the coupon rate set by the Issuer for the first coupon period shall be published in the form of a statement of material fact in accordance with the regulations on the financial markets as follows:*

*- in the case of disclosure through the Newswire, not later than one (1) day after the date when the Issuer's sole executive body sets the coupon rate for the first coupon period and not later than the start date of the placement of the Exchange-Traded Bonds;*

*- in the case of disclosure on the Internet, not later than two (2) days after the date when the Issuer's*



*sole executive body sets the coupon rate for the first coupon period and not later than the start date of the placement of the Exchange-Traded Bonds.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*The Issuer shall inform the Exchange and NSD of the decisions, including the determined coupon rates or the procedure for determining the coupon rates before the start date of the placement of the Exchange-Traded Bonds.*

*16) If the Issuer decides to place the Exchange-Traded Bonds through the Bidding, information concerning the coupon rate set by the Issuer's sole executive body for the first coupon period for the Exchange-Traded Bonds according to the results of the Bidding shall be disclosed by the Issuer not later than the start date of the placement of the Exchange-Traded Bonds in the form of a statement of material fact in accordance with the regulations on the financial markets. Such information shall be disclosed within the following periods:*

*- in the case of disclosure through the Newswire, not later than one (1) day after the date when the Issuer's sole executive body sets the coupon rate for the first coupon period for the Exchange-Traded Bonds;*

*- in the case of disclosure on the Internet, not later than two (2) days after the date when the Issuer's sole executive body sets the coupon rate for the first coupon period for the Exchange-Traded Bonds.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*17) Information concerning the start and end of the placement of the securities shall be disclosed as follows:*

*In accordance with paragraph 26.12 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, under No. 454-P) (hereinafter also, the "Disclosure Regulations"), if the issuer discloses information concerning the start date of the placement (concerning the changed art date of the placement) of securities as required by Chapter 5 of the Disclosure Regulations, it is not necessary to disclose the statement of material fact about the start of the placement of securities.*

*Information concerning the end of the placement of the Exchange-Traded Bonds shall be disclosed by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the end date of the placement of the Exchange-Traded Bonds:*

*- in the case of publication through the Newswire, not later than one (1) day;*

*- in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*18) On or prior to the day immediately following the placement end date of the Exchange-Traded Bonds or, if all of the Exchange-Traded Bonds are placed before the placement end date, on or prior to the day immediately following the placement of the last Exchange-Traded Bond, the Moscow Exchange shall disclose information concerning the placement results of the Exchange-Traded Bonds and shall notify the Bank of Russia thereof in accordance with the procedure prescribed by the latter.*

*19)*

*19.1. Information concerning the performance of the Issuer's obligations to pay income (coupon income, a part of the par value) with respect to the Exchange-Traded Bonds shall be disclosed by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the date when the Issuer's obligation to pay income from the Exchange-Traded Bonds shall be performed or, if such obligation shall be performed by the Issuer within a certain time (period), the last day of such period:*

*- in the case of publication through the Newswire, not later than one (1) day;*

*- in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*Disclosed information concerning the partial early redemption shall include information concerning the part of the par value of the Exchange-Traded Bonds redeemed in the course of the partial early redemption.*

*19.2. Information concerning the redemption/results of the early redemption of the Exchange-Traded Bonds shall be disclosed by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the date of the redemption/early*

*redemption of the Exchange-Traded Bonds:*

- in the case of publication through the Newswire, not later than one (1) day;*
- in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*Disclosed information concerning the results of the early redemption shall include information concerning the quantity of the Exchange-Traded Bonds redeemed earlier.*

*20) In the event of any nonperformance or improper performance by the Issuer of its obligations related to the Exchange-Traded Bonds (including default or technical default), the Issuer shall publish information concerning such nonperformance or improper performance of its obligations in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below:*

*1) after the date when the Issuer's obligations shall be performed or, if such obligations shall be performed by the Issuer within a certain time (period), the last day of such period:*

- in the case of publication through the Newswire, not later than one (1) day;*
- in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire;*

*2) on the tenth business day after the date when the Issuer's obligations shall be performed or, if such obligations shall be performed by the Issuer within a certain time (period), the last day of such period:*

- in the case of publication through the Newswire, not later than one (1) day;*
- in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*Such information shall include as follows:*

- scope of outstanding obligations;*
- reasons for the non-performance of obligations;*
- possible acts on the part of the holders of the Exchange-Traded Bonds to satisfy their claims.*

*21) Information concerning the paying agent and/or the Buying Agent appointed and dismissed by the Issuer shall be disclosed by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the date of such appointment or dismissal:*

- in the case of publication through the Newswire, not later than one (1) day;*
- in the case of publication on the Internet, not later than two (2) days;*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*Information concerning the Buying Agent appointed and dismissed by the Issuer for the acquisition of the Exchange-Traded Bonds at the request of their holders shall be disclosed by the Issuer not later than seven (7) business days before the first date of the period for submitting the requests to acquire the Exchange-Traded Bonds.*

*Information concerning the Buying Agent appointed and dismissed by the Issuer for the acquisition of the Exchange-Traded Bonds upon agreement with their holders shall be disclosed by the Issuer not later than seven (7) business days before the first date of the period for receiving the offers to acquire the Exchange-Traded Bonds.*

*Information concerning the appointed/dismissed Buying Agent shall specify the full and short corporate names, the registered address and postal address of the appointed Buying Agent, the number and date of the license authorizing such person to perform the Buying Agent's functions, the licensing authority, and the first (last) date of the performance by such person of the Buying Agent's functions.*

*22) The interest rate or the procedure for determining the interest rate for the second and subsequent coupons shall be determined in accordance with the procedure specified in paragraph 9.3 of the Program.*

*22.1) Information concerning the coupon rates or the procedure for determining the coupon rates in a formula with variables whose values may not be changed at the option of the Issuer for the second and subsequent coupons as determined before the start date of the placement of the Exchange-Traded Bonds and concerning the sequential number of the coupon period within which the holders of the Exchange-Traded Bonds may request the acquisition Exchange-Traded Bonds by the Issuer, shall be disclosed by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets before the start date of the placement of the Exchange-Traded Bonds and within the periods listed below after the date of the decision of the Issuer's authorized management body:*

- in the case of publication through the Newswire, not later than one (1) day;*

*- in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*The Issuer shall inform the Exchange and NSD of the decisions, including the determined coupon rates or the procedure for determining the coupon rates before the start date of the placement of the Exchange-Traded Bonds.*

*22.2) Information concerning the coupon rates or the procedure for determining the coupon rates in a formula with variables whose values may not be changed at the option of the Issuer for the second and subsequent coupons as determined by the Issuer after the completion of the placement of the Exchange-Traded Bonds and concerning the sequential number of the coupon period within which the holders of the Exchange-Traded Bonds may request the acquisition Exchange-Traded Bonds by the Issuer, shall be disclosed in the form of a statement of material fact in accordance with the regulations on the financial markets not later than five (5) business days before the last date of the preceding coupon period and within the periods listed below after the decision on the coupon rate(s) or the procedure for determining the coupon rate(s):*

*- in the case of publication through the Newswire, not later than one (1) day;*

*- in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*The Issuer shall inform the Exchange and NSD of the decisions, including the determined coupon rates or the procedure for determining the coupon rates at least five (5) business days prior to the last date of the coupon period within which the interest rate is determined for the subsequent coupons.*

*23) Information concerning all material terms and conditions of the acquisition of the Exchange-Traded Bonds at the request of their holders shall be disclosed by the Issuer by means of the publication of the Program and the Prospectus on the Internet on or prior to the start date of the placement of the Exchange-Traded Bonds.*

*24) If the Issuer decides on the acquisition of the Exchange-Traded Bonds upon agreement with their holder(s), including under the Issuer's public irrevocable offers, information concerning such decision shall be disclosed in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the date of the minutes of the meeting of the Issuer's authorized body that approves the decision to acquire the Exchange-Traded Bonds, but not later than seven (7) business days prior to the period for accepting the offers to acquire the Exchange-Traded Bonds:*

*- in the case of publication through the Newswire, not later than one (1) day;*

*- in the case of publication on the Internet, not later than two (2) days.*

*Such information shall include as follows:*

*- date of the decision to acquire (repurchase) the Exchange-Traded Bonds;*

*- series and form of the Exchange-Traded Bonds, the identification number assigned to the issue of the Exchange-Traded Bonds, and the date when the Exchange-Traded Bonds were admitted to trading on the exchange in the course of the placement;*

*- quantity of the acquired Exchange-Traded Bonds;*

*- procedure for accepting the acquisition offer by the person exercising the rights to the Exchange-Traded Bonds and the period within which such person may give the Notice of the Accepted Offer of the Issuer to acquire the Exchange-Traded Bonds upon the terms and conditions set forth in the decision to acquire the Exchange-Traded Bonds and contained in the published statement about the acquisition of the Exchange-Traded Bonds, which period may not be less than five (5) business days.*

*- start date of the acquisition of the Exchange-Traded Bonds by the Issuer;*

*- end date of the acquisition of the Exchange-Traded Bonds;*

*- acquisition price of the Exchange-Traded Bonds or the procedure for determining the acquisition price;*

*- procedure for acquiring the Exchange-Traded Bonds;*

*- method and period of payment;*

*- name of the Buying Agent, its registered address and postal address, and the particulars of the professional securities market participant's license (if the Issuer engages the Buying Agent).*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*25) Information concerning the performance by the Issuer of its obligations to acquire the Exchange-*

*Traded Bonds (including the quantity of the acquired Exchange-Traded Bonds) shall be disclosed in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below:*

*- in the case of publication through the Newswire, not later than one (1) day after the date of the acquisition of the Exchange-Traded Bonds/the last date of the period for acquiring the Exchange-Traded Bonds;*

*- in the case of publication on the Internet, not later than two (2) days after the date of the acquisition of the Exchange-Traded Bonds/the last date of the period for acquiring the Exchange-Traded Bonds.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*26) Information concerning the early redemption of the Exchange-Traded Bonds at the request of the holders of the Exchange-Traded Bonds:*

*26.1) Information concerning the delisting of the Exchange-Traded Bonds shall be published by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the date when the Issuer becomes (or should have become) aware, including being notified thereof by the Russian securities trading institutor, of the exclusion of the Exchange-Traded Bonds of the Issuer from the quotation list of the Russian exchange (from the list of securities admitted by the Russian securities trading institutor to regulated trading):*

*- in the case of publication through the Newswire, not later than one (1) day;*

*- in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*Additionally, the Issuer shall notify NSD of the occurrence of the event empowering the holders of the Exchange-Traded Bonds to request that the par value (outstanding part of the par value) of the Exchange-Traded Bonds be repaid and that accrued coupon income payable to them with respect to the Exchange-Traded Bonds be paid and shall notify NSD that the Issuer receives applications requesting the early redemption of the Exchange-Traded Bonds.*

*26.2) Information concerning the results of the early redemption of the Exchange-Traded Bonds (including the quantity of the Exchange-Traded Bonds redeemed earlier) shall be disclosed by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the date of the early redemption of the Exchange-Traded Bonds:*

*- in the case of publication through the Newswire, not later than one (1) day;*

*- in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*26.3) Information that the holders of the Exchange-Traded Bonds cease to be entitled to request that the Issuer redeem their Exchange-Traded Bonds earlier shall be disclosed by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the date when the Issuer becomes (or should have become) aware of the existence of the grounds (the occurrence of the event, the performance of the act) causing the holders of the Exchange-Traded Bonds to cease to be so entitled:*

*- in the case of publication through the Newswire, not later than one (1) day;*

*- in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*26.4) Information that the holders of the Exchange-Traded Bonds begin to be entitled to request that the Issuer redeem their Exchange-Traded Bonds earlier shall be published by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the date when the Issuer becomes (or should have become) aware of the existence of the grounds (the occurrence of the event, the performance of the act) causing the holders of the Exchange-Traded Bonds to begin to be so entitled:*

*• in the case of publication through the Newswire, not later than one (1) day;*

*• in the case of publication on the Internet, not later than two (2) days.*

*In this connection, publication on the Internet shall follow publication through the Newswire.*

*27) The Issuer is obligated to disclose information concerning its activities in the form of quarterly reports and statements of material fact to the extent and in accordance with the procedure specified in the regulations on the financial markets.*

*28) In the event that, during the securities placement period, the Issuer decides to amend the Program, the Issue Terms, and/or the Prospectus and/or in the event that, during the share placement period, the Issuer receives from the Bank of Russia or a governmental agency a written request (order, prescript) to suspend the placement of securities or, if the issue (additional issue) of securities is not subject to state registration in accordance with the Federal Law “On the Securities Market” or any other federal laws, from any other agency (organization) authorized to order so under the laws of the Russian Federation (hereinafter, the “authorized agency”), the Issuer shall suspend the placement of securities and publish a statement of the suspension of the placement of securities through the Newswire and on the Internet.*

*A statement of the suspension of the placement of securities shall be published by the Issuer within the periods listed below after the date of the minutes (the expiration date of the period prescribed by the laws of the Russian Federation for issuing the minutes) of the meeting of the Issuer’s authorized management body that has adopted the decision to amend the Program, the Issue Terms, and/or the Prospectus or after the date of receipt by the Issuer from the authorized agency a written request (order, prescript) to suspend the placement of securities by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first:*

- in the case of publication through the Newswire, not later than one (1) day;*
- in the case of publication on the Internet, not later than two (2) days.*

*If the placement of securities is suspended due to the registration agency’s deciding to suspend the issue of securities, then information concerning the suspended issue of securities shall be disclosed by the Issuer in the form of a statement of material fact in accordance with the requirements set forth in Section V of the Disclosure Regulations.*

*29) During the securities placement period, after amendments to the Program, the Issue Terms, and/or the Prospectus are approved by the Exchange, after it is decided to refuse to approve the Exchange’s decision to refuse to approve such amendments, or after a written notice (prescript, decision) is received during the securities placement period from the authorized agency stating permission to resume the placement of securities (termination of grounds for suspending the placement of securities), the Issuer shall publish a statement of the resumption of the placement of securities through the Newswire and on the Internet.*

*A statement of the resumption of the placement of securities shall be published by the Issuer within the periods listed below after the date when information concerning the Exchange’s approval of amendments to the Program, the Issue Terms, and/or the Prospectus or the Exchange’s refusal to approve such amendments is published through the Moscow Exchange’s site on the Internet or after the date when the Issuer receives from the Exchange a written notice of the decision to approve amendments to the Program, the Issue Terms, and/or the Prospectus or the Exchange’s refusal to approve such amendments or a written notice (prescript, decision) from the authorized agency stating permission to resume the placement of securities (termination of grounds for suspending the placement of securities) by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first:*

- in the case of publication through the Newswire, not later than one (1) day;*
- in the case of publication on the Internet, not later than two (2) days.*

*If the placement of securities is resumed due to the registration agency’s deciding to resume the issue of securities, then information concerning the resumed issue of securities shall be disclosed by the Issuer in the form of a statement of material fact in accordance with the requirements set forth in Section V of the Disclosure Regulations.*

*The placement of securities may not be resumed before a statement of the resumption of the placement of securities is published through the Newswire and on the Internet.*

30) Information concerning the Exchange's approval of amendments to the Program and/or the Prospectus and/or the Issue Terms shall be disclosed by the Issuer within the periods listed below after the date when the Exchange through the Moscow Exchange's website on the Internet discloses information concerning the approval of approval of amendments to the Program and/or the Prospectus and/or the Issue Terms or when the Issuer receives from the Exchange a written notice of the approved decision by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first:

- in the case of publication through the Newswire, not later than one (1) day;
- in the case of publication on the Internet, not later than two (2) days.

After the Exchange approves amendments to the Program, the Issue Terms, and/or the Prospectus, the Issuer shall publish such amendments approved by the Exchange for the Program, the Issue Terms, and/or the Prospectus on the Internet within two (2) days after the date when the Exchange discloses information concerning its approved decision to approve such amendments through the Moscow Exchange's site on the Internet or after the date when the Issuer receives from the Exchange a written notice of the approved decision to approve such amendments by mail, by facsimile transmission, by electronic mail, or by delivery against receipt, whichever date occurs first, but not earlier than the date when the Program, the Issue Terms, and/or the Prospectus submitted to the Exchange are published on the Internet. The publication of amendments to the Program, the Issue Terms, and/or the Prospectus on the Internet shall specify the date of their approval by the Exchange and the name of the approving Exchange.

The text of amendments approved by the Exchange for the Program and the Issue Terms shall be available on the Internet from the date prescribed by the Disclosure Regulations for its publication on the Internet or, if published on the Internet after such date, from the date of its publication on the Internet until the required expiration of access to the text of the Program and the Issue Terms submitted to the Exchange.

The text of amendments approved by the Exchange for the Prospectus shall be available on the Internet from the required date of its publication on the Internet or, if published on the Internet after such date, from the date of its publication on the Internet until the expiration prescribed by the Disclosure Regulations for access to the text of the Prospectus submitted to the Exchange.

The Issuer shall make available to any persons concerned copies of amendments to the Program and/or the Prospectus and/or the Issue Terms for a fee not to exceed their duplication costs.

31) If the Trading Institutor for entering into transactions related to the placement/acquisition of the Exchange-Traded Bonds is changed, the Issuer shall publish information concerning the new trading institutor for entering into transactions related to the placement/acquisition of the Exchange-Traded Bonds. Such information shall include as follows:

- full and short corporate names of the Trading Institutor;
- registered address, telephone and fax numbers;
- particulars of the license (number, date of issue, term, licensing authority);
- procedure for the placement/acquisition of the Exchange-Traded Bonds in accordance with the rules of the Trading Institutor.

Information shall be published by the Issuer in the form of a statement of material fact in accordance with the regulations on the financial markets within the periods listed below after the date of the decision to change the Trading Institutor for entering into transactions related to the placement/acquisition of the Exchange-Traded Bonds:

- in the case of publication through the Newswire, not later than one (1) day;
- in the case of publication on the Internet, not later than two (2) days.

In this connection, publication on the Internet shall follow publication through the Newswire.

If the issuer shall disclose information in the form of quarterly reports and statements of material facts, specify that this is the case: *The Issuer shall make such disclosures.*

## **8.12. Information Concerning Collateral for Bonds of the Issue**

N/A

### **8.13. Information Concerning the Representative of Bond Holders**

*Information concerning the representative of the holders of the Exchange-Traded Bonds (if appointed) will be specified in the applicable Issue Terms.*

### **8.14. Information Concerning Deeming the Acquisition of Bonds to be High-Risk Investments**

*N/A.*

### **8.15. Further Information Concerning Russian Depositary Receipts**

*The Issuer does not place Russian depositary receipts.*

### **8.16. Limitations on the Acquisition and Trading of Placed Issue-Grade Securities**

Limitations on the acquisition and trading of placed securities in accordance with the laws of the Russian Federation:

*a) Transactions entailing the transfer of title to issue-grade securities (trading of issue-grade securities) may be conducted after the state registration of the issue (additional issue) or after an identification number is assigned to their issue (additional issue).*

*Any transfer of title to issue-grade securities is prohibited before they are paid for in full and, if the procedure for issuing securities involves the state registration of the securities issue (additional issue) report, before the state registration of such report.*

*b) Any public trading of issue-grade securities, including offering them to the general public (including the use of advertising), is allowed, provided that the following conditions are simultaneously fulfilled:*

*1) the securities prospectus has been registered (exchange-traded bonds or Russian depositary receipts have been admitted to regulated trading with the related securities prospectus to be submitted to the exchange) or issue-grade securities have been admitted to regulated trading without their inclusion on quotation lists;*

*2) the issuer has disclosed information as specified by the Federal Law “On the Securities Market” or, if issue-grade securities are admitted to regulated trading without the state registration of the securities prospectus, as required by the trading institutor.*

*c) Any public trading, advertising, and offering to the general public in any other manner are prohibited with respect to securities whose public trading is prohibited or is not specified by federal laws and other legal regulations of the Russian Federation.*

In the case of the placement of shares, specify limitations placed by the issuer (joint-stock company) under its articles of association on the maximum quantity or par value of shares owned by one shareholder.

*The Issuer does not issue shares.*

Separately, limitations placed by the issuer’s articles of association and the laws of the Russian Federation for potential non-resident acquirers, including limitations on the size of foreign persons’ stake in the Issuer’s Company.

*The Exchange-Traded Bonds shall be traded in accordance with the Program, the Issue Terms, and the applicable laws of the Russian Federation.*

*Non-residents may acquire the Exchange-Traded Bonds in accordance with the applicable laws and regulations of the Russian Federation.*

*The Exchange-Traded Bonds may be traded on the exchange and over-the-counter.*

*The Exchange-Traded Bonds traded on the exchange are subject to retirement as required by securities trading institutors.*

*The Exchange-Traded Bonds traded over-the-counter are subject to limitations under the applicable laws of the Russian Federation.*

## **8.17. Information Concerning Changes in Prices of the Issuer's Issue-Grade Securities**

If the issuer's securities of the same class as placed securities are included on the list of securities admitted to trading through the securities trading institutor, specify information for each quarter within which at least 10 transactions are conducted through the securities trading institutor but for at most the three most recently closed years or, if the issuer has operated for less than three years, for each closed financial year:

*Exchange-traded inconvertible interest-bearing certificated bearer bonds, Series BO-05, subject to mandatory centralized custody (identification number 4B02-05-00073-A of June 07, 2013)*

*Series BO-05 bonds were placed from July 22, 2015 to July 27, 2015.*

*Trading of Series BO-05 bonds started in the 3rd quarter of 2015.*

*Redemption period (date) for the securities of the issue: July 09, 2025*

<i>Reporting Quarter</i>	<i>Highest Price of One Bond Based on the Transactions Completed in the Reporting Quarter, %</i>	<i>Lowest Price of One Bond Based on the Transactions Completed in the Reporting Quarter, %</i>	<i>Market Price of One Bond Based on the Transactions Completed in the Reporting Quarter, %</i>
<i>3Q2015</i>	<i>less than 10 transactions were conducted</i>		
<i>4Q2015</i>	<i>less than 10 transactions were conducted</i>		

Full corporate name, registered address of the securities trading institutor through which transactions were conducted that are used to specify information concerning changes in prices of the securities.

Full corporate name: *Public Joint-Stock Company Moscow Exchange MICEX-RTS*

Short corporate name: *Moscow Exchange*

Registered address: *Russia, Moscow, Bolshoy Kislovsky pereulok, 13*

Postal address: *Russia, 125009, Moscow, Bolshoy Kislovsky pereulok, 13*

## **8.18. Information Concerning Securities Trading Institututors Intended for the Placement and/or Trading of Placed Issue-Grade Securities**

*The Exchange-Traded Bonds are placed through trading-based subscription instituted by an exchange.*

*Details of the exchange:*

Full corporate name: *Public Joint-Stock Company Moscow Exchange MICEX-RTS*

Short corporate name: *Moscow Exchange*

Registered address: *Russia, Moscow, Bolshoy Kislovsky pereulok, 13*

Postal address: *Russia, 125009, Moscow, Bolshoy Kislovsky pereulok, 13*

Date of state registration: *October 16, 2002*

Principal State Registration Number (OGRN): *1027739387411*

Name of the state registration authority: *Interdistrict Inspectorate of the Ministry of Taxation of the Russian Federation for the City of Moscow No. 39*

License No.: *077-001*

Date of issue: *August 29, 2013*

Valid until: *issued for a perpetual term*

Licensing authority: *Federal Financial Markets Service of the Russian Federation*

*If any potential buyer is not the Exchange's trading participant (hereinafter, the "Trading Participant"), such potential buyer shall enter into an agreement with any Trading Participant and instruct such Trading Participant to buy the Exchange-Traded Bonds. Any potential buyer of the Exchange-Traded Bonds that is a Trading Participant shall act independently.*



*In order to enter into a purchase and sale transaction related to the Exchange-Traded Bonds in the course of their placement, any potential buyer shall in advance (before the start date of the placement of the Exchange-Traded Bonds) open the relevant custody account with NSD, responsible for centralized custody in relation to the Exchange-Traded Bonds, or with any other Custodian. The procedure and deadlines for opening the custody accounts shall be in accordance with the regulations of the relevant Custodians.*

*The agreements signed in the course of the placement of the Exchange-Traded Bonds may be amended and/or terminated for the reasons and in accordance with the procedure provided for in Chapter 29 of the Civil Code of the Russian Federation.*

*Trading shall be in accordance with the Exchange Rules that are registered in accordance with the established procedure.*

If issued securities in relation to which the securities to be placed are an additional issue are admitted to regulated trading through an exchange or any other securities trading institutor, specify that this is the case:

*Information concerning the total quantity of previously placed Exchange-Traded Bonds of the issuer or concerning the issue of such Exchange-Traded Bonds not being an additional issue will be specified in the applicable Issue Terms.*

If the issuer intends to apply to an exchange or any other securities trading institutor for the admission of placed securities to regulated trading, specify that this is the case and the anticipated period for the submission of the issuer's application (request).

*The Issuer also intends to apply to the Moscow Exchange for the admission of the placed securities to regulated trading.*

*Anticipated period for the submission of the Issuer's application (request):*

*Documents for the admission of the Exchange-Traded Bonds to regulated trading shall be submitted to the Moscow Exchange within one month after the date of approval of the Exchange-Traded Bond Issue Terms by the Issuer.*

Other details of exchanges or other securities trading institutors intended for the placement and/or trading of placed securities specified by the issuer at its discretion.

N/A

## **8.19. Other Information Concerning Placed Securities**

*1. The Exchange-Traded Bonds shall be traded in accordance with the Program, the Issue Terms, and the applicable laws of the Russian Federation.*

*Non-residents may acquire the Exchange-Traded Bonds in accordance with the applicable laws and regulations of the Russian Federation.*

*The Exchange-Traded Bonds may be traded on the exchange and over-the-counter.*

*The Exchange-Traded Bonds traded on the exchange are subject to retirement as required by securities trading institutors.*

*The Exchange-Traded Bonds traded over-the-counter are subject to limitations under the applicable laws of the Russian Federation*

*2. On any day between the placement start date and the redemption date of the issue, the amount of accrued coupon income (ACI) from one Exchange-Traded Bond shall be calculated in accordance with the following formula:*

$$ACI = R_j * PV * (T - T(j-1)) / 365 / 100\%$$

*where*

*j is the sequential number of the coupon period (j = 1, 2, 3 ... N), where N is the number of coupon periods specified in the Issue Terms;*

*ACI is the amount of accrued coupon income in Russian rubles;*

*PV is the outstanding part of the par value of one Exchange-Traded Bond in Russian rubles;*

*R<sub>j</sub> is the interest rate of the jth coupon (interest per annum);*

*T(j-1) is the first date of the jth coupon period (in the case of the first coupon period, T(j-1) is the start date of the placement of the Exchange-Traded Bonds);*

*T is the calculation date for accrued coupon income within the jth coupon period.*

*ACI shall be calculated with an accuracy of up to two decimal places (the digit in the second decimal place shall be rounded up or down to the nearest whole digit according to mathematical rounding rules: if the digit in the third decimal place is higher than or equal to 5, the digit in the second decimal place shall be increased by one; if the digit in the third decimal place is lower than 5, the digit in the second decimal place shall not be changed).*

3. *If, at the time of the Issuer's decision with respect to any event at stages of issuing and trading the Exchange-Traded Bonds and any other event described in the Program, the Issue Terms, and the Prospectus in accordance with the applicable laws of the Russian Federation, any procedure and deadline apply to the Issuer's decision with respect to such event other than the procedure and deadline set forth in the Program, the Issue Terms, and the Prospectus, then the decision with respect to such event shall be made by the Issuer in accordance with the procedure and within the period provided for in the laws of the Russian Federation in force and effect at the time of the Issuer's decision with respect such event.*

*If, at the time of the disclosure of information concerning any event at stages of issuing and trading the Exchange-Traded Bonds and any other event described in the Program, the Issue Terms, and the Prospectus in accordance with the applicable laws of the Russian Federation, any procedure and deadline apply to the disclosure of information concerning such event other than the procedure and deadline set forth in the Program, the Issue Terms, and the Prospectus, then information concerning such event shall be disclosed in accordance with the procedure and within the period provided for in the laws of the Russian Federation in force and effect at the time of the disclosure of information concerning such event.*

*If, at the time of certain acts in connection with the early redemption of the Exchange-Traded Bonds/the acquisition of the Exchange-Traded Bonds/the performance of the Issuer's obligations related to the Exchange-Traded Bonds (coupon payment and/or redemption) in accordance with the laws of the Russian Federation, any conditions, procedure, and/or rules (requirements) apply other than those contained in the Program, the Issue Terms, and the Prospectus, then the early redemption of the Exchange-Traded Bonds/the acquisition of the Exchange-Traded Bonds/the performance of the Issuer's obligations related to the Exchange-Traded Bonds (coupon payment and/or redemption) shall comply with the laws of the Russian Federation and/or the regulations on the financial markets in force and effect at the time of such acts.*

4. *Information with respect to the names, addresses, licenses, and other particulars of the companies (organizations) specified in the Program, the Issue Terms, and the Prospectus is given according to the versions of the constitutive/constitutional documents and/or similar documents in effect as of the time of the approval of the Program, of the Issue Terms and of the Prospectus.*

*In the event of any changes to the names, addresses, licenses, and other particulars of the companies (organizations) specified in the Program, the Issue Terms, and the Prospectus, such information shall be deemed to include such changes.*

5. *If the applicable laws of the Russian Federation and/or the regulations on the financial markets are amended after the approval of the Program, the Issue Terms, and the Prospectus, then the provisions (requirements, conditions) specified in the Program, the Issue Terms, the Certificate, and the Prospectus shall be subject to the amended mandatory requirements set forth in the laws of the Russian Federation and/or the regulations on the financial markets.*

6. *If, at the time of certain acts in connection with default and/or technical default on the Exchange-Traded Bonds in accordance with the laws of the Russian Federation and/or the regulations on the financial markets, any conditions, procedure, and/or rules (requirements) apply other than those contained in the Program, the Issue Terms, and the Prospectus, then such acts shall comply with the laws of the Russian Federation and/or the regulations on the financial markets in force and effect at the time of such acts.*

## **Section IX. Additional Information Concerning the Issuer and the Issue-Grade Securities Placed by the Issuer**

### **9.1. Additional Information Concerning the Issuer**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **9.2. Information About Each Category (Type) of the Issuer's Shares**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **9.3. Information Concerning the Previous Issues of the Issuer's Securities Other than Shares**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **9.4. Information Concerning the Person(s) That Provided Collateral for Collateralized Bonds of the Issuer and Concerning the Collateral Provided for Collateralized Bonds of the Issuer**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **9.5. Information Concerning Entities Recording the Rights to the Issue-Grade Securities of the Issuer**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **9.6. Information Concerning Legislative Acts Governing Capital Import/Export Aspects That May Affect Dividend, Interest and Other Payments to Non-residents**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

### **9.7. Information Concerning Declared (Accrued) and Paid Dividends on the Issuer's Shares and Yield on the Issuer's Bonds**

*In accordance with paragraph 8.10 of the Regulations for the Disclosure of Information by Issuers of Issue-Grade Securities (approved by the Bank of Russia on December 30, 2014, No. 454-P), information in this paragraph is not disclosed.*

## **9.8. Other Information**

Other information concerning the issuer and its securities in addition to the information specified above in the securities prospectus (at the issuer's discretion):

*N/A*