**Summary of amendments made to the Articles of Association of PJSC “LENENERGO” (hereinafter the “Company”)**

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| **No.** | **Current provision** | **Revised provision** | **Underlying regulations** |
|  | Paragraph 2, Article 5.7 of the Company’s Articles of Association reading as follows:“In the event of failure to pay for or partial payment for the share within the established timelines, the title to such share shall pass to the Company.” | Paragraph 2, Article 5.1 of the Company’s Articles of Association reading as follows:“In the event of non-payment or incomplete payment for shares within the established timelines, **the title to the shares whose offering price corresponds to the unpaid amount (the value of property not transferred in payment for the shares) shall pass onto the Company**.” | The provision is amended to meet the provisions of Paragraph 4, Article 34.1 of the Federal Law *On Joint-Stock Companies*, according to which:*"In case of incomplete payment for shares within the timelines set out in the first paragraph of this item (within one year from the date of state registration of the company, unless a shorter period is specified in the agreement on the establishment of the company), the title to the shares whose offering price corresponds to the unpaid amount (the value of property not transferred in payment for the shares) shall pass onto the company.”*In addition, the provision has been transferred from Article 5.7 of the Articles of Association, which stipulates the rights to additional shares, to Article 5.1 of the Company’s Articles of Association, which governs the placement of shares, because paragraph 34, Article 34.1.5. of the Federal Law *On Joint Stock Companies* provides for the placement of additional shares only subject to their being fully paid up. |
|  | Article 6.6.3 of the Company’s Articles of Association reading as follows:“Holders of Type A preference shares have the right to:…3) participate in the Company’s General Meeting with the right to vote when resolving on reorganization or liquidation of the Company;” | Article 6.6.3 of the Company’s Articles of Association reading as follows:“Holders of Type A preference shares have the right to:…3) participate in the Company’s General Meeting with the right to vote when resolving on reorganization or liquidation of the Company, **and on matters that shall be resolved unanimously by all shareholders of the Company according to the Federal Law *On Joint Stock Companies*;”** | The provision has been expanded to meet the provisions of Paragraph 1, Article 32.4 of the Federal Law *On Joint-Stock Companies* (with amendments in force since July 19, 2018), according to which:“*4. Holders of preference shares shall participate in the General Meeting with the right to vote when resolving on reorganization or liquidation of the Company, as well on matters. provided by Article 7.2.3 and Article 92.1 of this Federal Law, and on matters that shall be resolved unanimously by all shareholders of the company according to this Federal Law.*” |
|  | Paragraph 2, Article 6.6.4 of the Company’s Articles of Association reading as follows:“Holders of Type A preference shares have the right to:…4) participate in the Company’s General Meeting with the right to vote when resolving on introducing amendments and additions to these Articles of Association that restrict the rights of shareholders holding Type A preference shares.The resolution on introducing such amendments and additions shall be considered adopted if at least three quarters of votes of shareholders holding voting shares participating in the Company’s General Meeting, except for votes of shareholders holding **Type A** preference shares, and three quarters of votes of all shareholders holding **Type A** preference shares are given for such resolution.” | Paragraph 2, Article 6.6.4 of the Company’s Articles of Association reading as follows:“Holders of Type A preference shares have the right to:…4) participate in the Company’s General Meeting with the right to vote when resolving on introducing amendments and additions to these Articles of Association that restrict the rights of shareholders holding Type A preference shares.The resolution on introducing such amendments and additions shall be considered adopted if at least three quarters of votes of shareholders holding voting shares participating in the Company’s General Meeting, except for votes of shareholders holding A preference shares **with restricted rights**, and three quarters of votes of all shareholders holding preference shares **of each type with restricted rights** are given for such resolution. | The provision has been expanded to meet the provisions of Paragraph 2, Article 32.4 of the Federal Law *On Joint-Stock Companies*:*"Holders of preference shares of a certain type shall acquire the right to vote at the General Meeting when resolving on introducing amended or restated provisions in the company’s articles of association that restrict the rights of the holders of preference shares of such type, including cases when the size of the dividend is being determined or increased and/or when the liquidation value payable on preference shares of a preceding priority status is being determined or increased, or holders of preference shares of another type are being provided advantage in terms of the priority of paying out the dividend and/or liquidation value on their shares, or provisions are introduced on authorized but unissued preference shares of this or another type, which, if issued, may result in an actual reduction in the size of dividend and/or liquidation value payable on preference shares of this type as stipulated in the company’s articles of association. The resolution on introducing such amendments and additions shall be considered adopted if at least three quarters of votes of shareholders holding voting shares participating in the Company’s General Meeting, except for votes of shareholders holding A preference shares with restricted rights, and three quarters of votes of all shareholders holding preference shares of each type with restricted rights are given for such resolution, unless the company’s articles of association provide for a larger number of shareholders’ votes required for adopting such resolution.”* |
|  | Unavailable in this version. | Article 6.6.7 of the Company’s Articles of Association reading as follows:“Holders of Type A preference shares have the right to:…**7) Exercise other rights provided for by the laws of the Russian Federation.”** | The provision has been expanded to cover all rights holders of preference shares have under the Russian law . |
|  | Article 10.3 of the Company’s Articles of Association reading as follows:“10.3. Any matters referred to the competence of the General Meeting may not be delegated to the Board of Directors, Management Board, or CEO for resolving. | Article 10.3 of the Company’s Articles of Association reading as follows:“10.3. Any matters referred to the competence of the General Meeting may not be delegated to the Board of Directors, Management Board, or CEO for resolving, **unless otherwise provided for in the Federal Law *On Joint Stock Companies***.” | The provision has been expanded to meet the provisions of Paragraph 2, Article 32.4 of the Federal Law *On Joint-Stock Companies*:*“2. Any matters referred to the competence of the General Meeting may not be delegated to an executive body of the company unless otherwise provided for in this Federal Law.”* |
|  | Paragraph 13, Article 10.5 of the Company’s Articles of Association reading as follows:“Resolutions on giving consent to the execution or subsequent approval of related party transactions under Article 83 of the Federal Law *On Joint Stock Companies* shall be approved by the General Meeting by a majority vote of all shareholders holding voting shares and participating in the **voting**, who are not interested in such transactions.” | Paragraph 13, Article 10.5 of the Company’s Articles of Association reading as follows:“Resolutions on giving consent to the execution or subsequent approval of related party transactions under Article 83 of the Federal Law *On Joint Stock Companies* shall be approved by the General Meeting by a majority vote of all shareholders holding voting shares and participating in the **meeting**, who are not interested in such transactions.” | The provision has been amended to meet the provisions of Paragraph 1, Article 83.4 of the Federal Law *On Joint-Stock Companies*:*“4. Resolutions on giving consent to the execution of related party transactions shall be approved by the General Meeting by a majority vote of all shareholders holding voting shares in the company and participating in the* ***meeting****, who are not interested in such transactions, in the following cases:**…”* |
|  | Unavailable in this version. | Paragraph 14, Article 10.5 of the Company’s Articles of Association reading as follows:**“The General Meeting adopting resolutions on giving consent to the execution or subsequent approval of related party transactions shall be deemed competent regardless the number of shareholders holding voting shares and participating in the meeting, who are not interested in such transactions.”** | The provision has been amended to meet the provisions of Article 83.4 of the Federal Law *On Joint-Stock Companies*:***“4. Resolutions on giving consent to the execution of related party transactions shall be approved by the General Meeting by a majority vote of all shareholders holding voting shares in the company and participating in the meeting, who are not interested in such transactions, in the following cases:****...****The General Meeting adopting resolutions provided for in this Article shall be deemed competent regardless the number of shareholders holding voting shares and participating in the meeting, who are not interested in such transactions.”*** |
|  | Paragraph 2, Article 11.1 of the Company’s Articles of Association reading as follows:“The Annual General Meeting shall resolve matters related to the election of the Board of Directors, the Internal Audit Commission, approval of the Company’s Auditor, approval of the Company’s annual report submitted by the Company’s Board of Directors, annual accounting (financial) statements, as well as profit distribution (including payment (declaration) of dividends, except for **profit distributed as** dividends for the first quarter, half-year, or nine months of the reporting year) and losses of the Company for the reporting year, and may also resolve on other matters reserved to the Company’s General Meeting.” | Paragraph 2, Article 11.1 of the Company’s Articles of Association reading as follows:“The Annual General Meeting shall resolve matters related to the election of the Board of Directors, the Internal Audit Commission, approval of the Company’s Auditor, approval of the Company’s annual report submitted by the Company’s Board of Directors, annual accounting (financial) statements, as well as profit distribution (including payment (declaration) of dividends, except for **payment (declaration) of** dividends for the first quarter, half-year, or nine months of the reporting year) and losses of the Company for the reporting year, and may also resolve on other matters reserved to the Company’s General Meeting.” | The provision has been amended to meet the provisions of Article 47.1.3 of the Federal Law *On Joint-Stock Companies*:*“The annual General Meeting shall be held within the timeliness set out in the company’s articles of association, but not earlier than two months and no later than six months after the expiry of the reporting year. The annual General Meeting shall resolve matters related to the election of the company's board of directors (supervisory board), the company’s Internal Audit Commission, if the company’s articles of association require that the company should have an Internal Audit Commission, matters provided for in Article 48.1.11 and 48.1.11.1 of this Federal Law, and may also resolve on other matters reserved to the General Meeting.” General meetings of shareholders other than annual general meetings are extraordinary general meetings.”* |
|  | Paragraph 2, Article 11.4 of the Company’s Articles of Association reading as follows:“The record date for the General Meeting may not be set earlier than ten (10) days from the date of the resolution to hold the Company’s General Meeting and more than twenty-five (25) days before the date of the Company’s General Meeting, and, in cases provided for in **Article 14.7** of these Articles of Association, more than fifty-five (55) days before the General Meeting.” | Paragraph 2, Article 11.4 of the Company’s Articles of Association reading as follows:“The record date for the General Meeting may not be set earlier than ten (10) days from the date of the resolution to hold the Company’s General Meeting and more than twenty-five (25) days before the date of the Company’s General Meeting, and, in cases provided for in **Articles 14.7 and 14.9** of these Articles of Association, more than fifty-five (55) days before the General Meeting.” | The provision has been expanded to meet the provisions of Paragraph 2, Article 51.1 of the Federal Law *On Joint-Stock Companies*:*“The record date for the General Meeting may not be set earlier than 10 days from the date of the resolution to hold the General Meeting and more than 25 days before the date of the General Meeting, and, in cases provided for in Articles 53.2 and 53.8 of this Federal Law, more than 55 days before the General Meeting.”* |
|  | Paragraph 5, Article 11.4 of the Company’s Articles of Association reading as follows:“The list of persons entitled to participate in the General Meeting (except for information on votes) shall be made available by the Company for review at the request **of persons included in such list and holding** at least one (1) percent of the votes. At the same time, information that allows identifying the individuals included in **this** list, except for their surnames, first names, and patronymics, shall only be provided with **the** consent of **such persons**.” | Paragraph 5, Article 11.4 of the Company’s Articles of Association reading as follows:The list of persons entitled to participate in the General Meeting (except for information on their votes) shall be made available by the Company for review at the request of **any person included in such list and holding** at least one (1) percent of the votes **on any item on the agenda of the General Meeting, starting from the date following the date when the Company receives the request to provide such list (from the date when such list is prepared if such request is received by the Company before such list is prepared). The list of persons entitled to participate in the General Meeting (except for information on their votes) shall be made available by the Company for review at the premises of the executive body of the Company and shall be available for review during the General Meeting at the venue of such meeting.** At the same time, information that allows identifying the individuals included in **such** list, except for their surnames, first names, and patronymics **(if any)**, shall only be provided with **their** consent.” | The provision has been amended to meet the provisions of Item 3.8 of Regulations on General Meetings of Shareholders No. 660-P of November 16, 2018 approved the Bank of Russia:*“3.8. The list of persons entitled to participate in the General Meeting (except for information on their votes) shall be made available by the company for review at the request of any person included in such list and holding at least one percent of the votes on any item on the agenda of the General Meeting, starting from the date following the date when the company receives the request to provide such list (from the date when such list is prepared if such request is received by the company before such list is prepared). The list of persons entitled to participate in the General Meeting (except for information on their votes) shall be made available by the company for review at the premises of the executive body of the company and shall be available for review during the General Meeting at the venue of such meeting. At the same time, information that allows identifying the individuals included in such list, except for their surnames, first names, and patronymics (if any), shall only be provided with their consent.”* |
|  | Unavailable in this version. | Paragraph 6, Article 11.4 of the Company’s Articles of Association reading as follows:The Company shall, at request of any person included in the list of persons entitled to participate in the General Meeting holding at least one percent of votes on any item on the agenda of the General Meeting, provide such person with a copy of the list of persons entitled to participate in the General Meeting (except for information on their votes) within seven business days from the date when the Company receives such request (from the date when such list is prepared if such request is received by the Company before such list is prepared).” | The provision has been amended to meet the provisions of Paragraph 2, Item 3.8 of Regulations on General Meetings of Shareholders No. 660-P of November 16, 2018 approved the Bank of Russia:*“The company shall, at request of any person specified in paragraph one of this item provide such person with a copy of the list of persons entitled to participate in the General Meeting (except for information on their votes) within seven business days from the date when the company receives such request (from the date when such list is prepared if such request is received by the company before such list is prepared).”* |
|  | Paragraph 1, Article 11.5 of the Company’s Articles of Association reading as follows:“11.5. A notice on the General Meeting shall be published on the Company’s website at www.lenenergo.ru no later than thirty (30) days prior to the date of the General Meeting.” | Paragraph 1, Article 11.5 of the Company’s Articles of Association reading as follows:“11.5. A notice on the General Meeting shall be published on the Company’s website at www.lelenergo.ru no later than thirty (30) days prior to the date of the General Meeting, **and in cases provided for in Articles 53.2 and 53.8 of the Federal Law On Joint Stock Companies no later than fifty (50) days prior to the date of such General Meeting.”** | The provision has been amended to meet the provisions of Paragraph 2, Article 52.1 of the Federal Law *On Joint-Stock Companies*:*“In cases provided for in Articles 53.2 and 53.8 of this Federal Law, the notice on the General Meeting shall be served no later than 50 days before the date of such meeting.”* |
|  | Paragraph 3, Article 11.5 of the Company’s Articles of Association reading as follows:“In the case provided for in Article 14.7 of these Articles of Association, the notice on the Extraordinary General Meeting shall be served no later than fifty (50) days before the date of such meeting.” | Deleted. | This provision has been deleted since it had the same meaning as Paragraph 1, Article 11.5 of the Articles of Association. |
|  | Paragraph 1, Article 11.10 of the Company’s Articles of Association reading as follows:**“11.10. When determining the quorum and counting the voting results, only the votes submitted by ballots received by the Company no later than two (2) days before the General Meeting shall be taken into account.** The General Meeting shall be considered valid (have a quorum) if**,** a**s at the end of registration,** shareholders (their representatives) holding in aggregate more than one half of the Company’s outstanding voting shares **have registered for participation in the General Meeting**.” | Paragraph 1, Article 11.10 of the Company’s Articles of Association reading as follows:“11.10. The General Meeting shall be considered valid (have a quorum) if shareholders (their representatives) holding in aggregate more than one half of the Company’s outstanding voting shares **have participated in such General Meeting**.” | The provision has been amended to meet the provisions of Article 58.1 of the Federal Law *On Joint-Stock Companies*:*“1. The General Meeting shall be considered valid (have a quorum) if shareholders holding in aggregate more than one half of the company’s outstanding voting shares have participated in such General Meeting.”*A part of the provision has been deleted as it had the same meaning as Paragraph 2 of this item of the Articles of Association. |
|  | Unavailable in this version. | Paragraph 2, Article 11.12 of the Company’s Articles of Association reading as follows:“An extract from the minutes or from the report on the voting results of the General Meeting may be signed by the person presiding at such General Meeting and/or by the Secretary of such General Meeting, a person holding the position (performing the functions) of the sole executive body of the Company, or another person(s) authorized by the Company." | The provision has been amended to meet the provisions of Paragraph 2, Item 3.8 of Regulations on General Meetings of Shareholders No. 660-P of November 16, 2018 approved the Bank of Russia:*“An extract from the minutes or from the report on the voting results of the General Meeting may be signed by the person presiding at such General Meeting and/or by the secretary of such General Meeting, a person holding the position (performing the functions) of the sole executive body of the company, or another person(s) authorized by the company.”* |
|  | Paragraph 1, Article 12.2 of the Company’s Articles of Association reading as follows:“12.2. The General Meeting the agenda of which includes elections to the Board of Directors, Internal Audit Commission or approval of the Company’s Auditor, as well as matters provided for in Article 10.2.**13** of these Articles of Association, may not be held through absentee voting. | Paragraph 1, Article 12.2 of the Company’s Articles of Association reading as follows: “12.2. The General Meeting the agenda of which includes elections to the Board of Directors, Internal Audit Commission or approval of the Company’s Auditor, as well as matters provided for in Article 10.2.**11 and 10.2.11.1** of these Articles of Association, may not be held through absentee voting.” | The provision has been amended to meet the provisions of Article 50.2 of the Federal Law *On Joint-Stock Companies*:*“2. The General Meeting the agenda of which includes elections to the board of directors (supervisory board), Internal Audit Commission or approval of the company’s auditor, as well as matters provided for in Article 48.1.11 of this Federal Law, may not be held through absentee voting.”* |
|  | Paragraph 2, Article 12.3 of the Company’s Articles of Association reading as follows:“The record date for absentee voting on agenda items of the General Meeting may not be set earlier than ten (10) days from the date of the resolution to hold the General Meeting and more than twenty-five (25) days before the date for accepting ballots by the Company.” | Paragraph 2, Article 12.3 of the Company’s Articles of Association reading as follows:“The record date for absentee voting on agenda items of the General Meeting may not be set earlier than ten (10) days from the date of the resolution to hold the Company’s General Meeting and later than twenty-five (25) days before the deadline date for receiving ballots by the Company**, and, in cases provided for in Article 53.8 of the Federal Law On Joint Stock Companies, later than fifty-five (55) days before such General Meeting**.” | The provision has been expanded to meet the provisions of Paragraph 2, Article 51.1 of the Federal Law *On Joint-Stock Companies*:*“The record date for the General Meeting may not be set earlier than 10 days from the date of the resolution to hold the General Meeting and more than 25 days before the date of the General Meeting, and, in cases provided for in Articles 53.2 and 53.8 of this Federal Law, more than 55 days before the General Meeting.”* |
|  | Paragraph 1, Article 12.4 of the Company’s Articles of Association reading as follows:“12.4. A notice on the General Meeting held through absentee voting shall be published on the Company’s website at www.lenenergo.ru no later than thirty (30) days prior to the date for accepting voting ballots by the Company).” | Paragraph 1, Article 12.4 of the Company’s Articles of Association reading as follows:“12.4. A notice on the General Meeting to be held through absentee voting shall be published on the Company’s website at www.lelenergo.ru no later than thirty (30) days prior to the date of the General Meeting, **and in the case provided for in Article 53.8 of the Federal Law *On Joint Stock Companies* no later than fifty (50) days prior to the date of such General Meeting.”** | The provision has been expanded to meet the provisions of Paragraph 2, Article 52.1 of the Federal Law *On Joint-Stock Companies*:*“In cases provided for in Articles 53.2 and 53.8 of this Federal Law, the notice on the General Meeting shall be served no later than 50 days before the date of such meeting.”* |
|  | Unavailable in this version.  | Paragraph 3, Article 12.7 of the Company’s Articles of Association reading as follows:“An extract from the minutes or from the report on the voting results of the General Meeting may be signed by the person presiding at such General Meeting and/or by the Secretary of such General Meeting, a person holding the position (performing the functions) of the sole executive body of the Company, or another person(s) authorized by the Company." | The provision has been amended to meet the provisions of Paragraph 2, Item 3.8 of Regulations on General Meetings of Shareholders No. 660-P of November 16, 2018 approved the Bank of Russia:*“An extract from the minutes or from the report on the voting results of the General Meeting may be signed by the person presiding at such General Meeting and/or by the secretary of such General Meeting, a person holding the position (performing the functions) of the sole executive body of the company, or another person(s) authorized by the company.”* |
|  | Paragraph 2, Article 13.4 of the Company’s Articles of Association reading as follows:“**Apart from** items proposed for inclusion in the agenda of the General Meeting, **and** **in case of the absence of such proposals, the absence or insufficient number of nominees proposed** by shareholders to set up the relevant governing body, the Board of Directors may include other items in the agenda of the General Meeting or nominees in the list of nominees at its own discretion.” | Paragraph 2, Article 13.4 of the Company’s Articles of Association reading as follows: “**Along with** items proposed **by shareholders** for inclusion in the agenda of the General Meeting, **as well as candidates nominated** by shareholders to set up the relevant governing body, the **Company’s** Board of Directors may include the following items in the agenda of the General Meeting **and/**or nominees to the list of nominees **for election to the relevant body of the Company** at its own discretion. **The number of candidates nominated by the Company’s Board of Directors may not exceed the maximum number of members set for the relevant body.”** | The provision has been amended to meet the provisions of Paragraph 2, Article 53.7 of the Federal Law *On Joint-Stock Companies*:*“Along with items proposed by shareholders for inclusion in the agenda of the General Meeting, as well as candidates nominated by shareholders to set up the relevant governing body, the company’s board of directors (supervisory board) may include the following items in the agenda of the General Meeting and/or nominees to the list of nominees for election to the relevant body of the company at its own discretion. The number of candidates nominated by the company’s board of directors (supervisory board) may not exceed the maximum number of members set for the relevant body.”* |
|  | Unavailable in this version. | Article 14.9 of the Company’s Articles of Association reading as follows:“14.9. If the proposed agenda of the General Meeting contains an item on the reorganization of the Company through a merger, spin-off, or spin-out and an item on the election of the Board of Directors (Supervisory Board) of the Company to be reorganized through a merger, spin-off, or spin-out, the shareholder or shareholders holding in aggregate at least 2 per cent of the voting shares in the reorganized Company shall be entitled to nominate candidates to the Board of Directors (Supervisory Board) of the Company to be reorganized, or to the collective executive body thereof, and, if, in accordance with the Articles of Association of the newly created company the company shall have a Internal Audit Commission, candidates to the Internal Audit Commission, whose number may not exceed the number of members set for the relevant body specified in the notice on holding the Company’s General Meeting in accordance with the draft Articles of Association of the newly created Company, as well as to nominate a candidate for the position of sole executive body of such newly created company.If the proposed agenda of the General Meeting includes an item on reorganization of the Company through a merger, the shareholder or shareholders holding in aggregate at least 2 percent of the voting shares in the company being reorganized may nominate candidates for the election to the Board of Directors (Supervisory Board) of the company to be established in the form of reorganization through a merger, whose number may not exceed the number of duly elected members of the Board of Directors (Supervisory Board) of the newly created company, as specified in the notice on holding the Company’s General Meeting under the merger agreement.Proposals to nominate candidates shall be received by the reorganized Company no later than 45 days before the General Meeting of the reorganized Company.The resolution to include the persons nominated by the shareholders or the Board of Directors of the reorganized Company in the list of members of the collective executive body or the revision commission, and the resolution to approve the person performing the functions of the sole executive body at each company created in the form of reorganization through a merger, spin-out, or spin-off shall be adopted by a three-quarter majority vote of the Members of the reorganized Company’s Board of Directors. In such case, the votes of outgoing Members of the Company’s Board of Directors shall not be counted.” | The provision has been expanded to meet the provisions of Article 53.8 of the Federal Law *On Joint-Stock Companies*:*“8. If the proposed agenda of the General Meeting contains an item on the reorganization of the company through a merger, spin-off, or spin-out and an item on the election of the board of directors (supervisory board) of the company to be reorganized through a merger, spin-off, or spin-out, the shareholder or shareholders holding in aggregate at least 2 per cent of the voting shares in the reorganized company shall be entitled to nominate candidates to the board of directors (supervisory board) of the company to be reorganized, or to the collective executive body thereof, and, if, in accordance with the articles of association of the newly created company the company shall have a Internal Audit Commission, candidates to the Internal Audit Commission, whose number may not exceed the number of members set for the relevant body specified in the notice on holding the company’s General Meeting in accordance with the draft articles of association of the newly created company, as well as to nominate a candidate for the position of sole executive body of such newly created company.**If the proposed agenda of the General Meeting includes an item on reorganization of the company through a merger, the shareholder or shareholders holding in aggregate at least 2 percent of the voting shares in the company being reorganized may nominate candidates for the election to the board of directors (supervisory board) of the company to be established in the form of reorganization through a merger, whose number may not exceed the number of duly elected members of the board of directors (supervisory board) of the newly created company, as specified in the notice on holding the company’s General Meeting under the merger agreement.**Proposals to nominate candidates shall be received by the reorganized company no later than 45 days before the General Meeting of the reorganized company.**The resolution to include the persons nominated by the shareholders or the board of directors (supervisory board) of the reorganized company in the list of members of the collective executive body or the revision commission, and the resolution to approve the person performing the functions of the sole executive body at each company created in the form of reorganization through a merger, spin-out, or spin-off shall be adopted by a three-quarter majority vote of the members of the reorganized company’s board of directors. In such case, the votes of outgoing members of the company’s board of directors (supervisory board) shall not be counted.”* |
|  | Article 15.1.1 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…1) Determining the priority areas of the Company’s operations and development strategy;” | Article 15.1.1 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…1) Determining the priority areas of the Company’s operations, **including approval of the Company’s** development strategy, **the program for innovative development of the Company, and respective progress reports**;” | The provision has been expanded to meet the provisions of Rosimushchestvo’s Guidelines on Preparing Innovative Development Programs (“IDPs”) for State-Sponsored Companies (Extended to Subsidiaries of Such Companies), as approved by Instruction ISH-P13-4148 of the Russian Government of June 24, 2015, under Chapter IV of which an IDP is subject to approval by the Company’s Board of Directors with prior review of the Program by a specialized Committee. Order No. 620r of PJSC “Rosseti” of December 30, 2015, *On Drafting Innovative Development Programs for Subsidiaries and Dependent Companies of PJSC “Rosseti”* also assigns the approval of IDPs and follow-up of their implementation to Boards of Directors.  |
|  | Article 15.1.17 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…17) Approving the business plan (adjusted business plan) and reviewing quarterly business plan progress reports (for the first quarter, first six months, nine months, and the full year), **and approving (adjusting) control metrics for the Company’s cash flows;**” | Article 15.1.17 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…17) Approving the business plan (adjusted business plan) and reviewing quarterly business plan progress reports (for the first quarter, first six months, nine months, and the full year);” | The provision has been amended to reflect the cancellation of the Company’s Cash Flow Management Regulations, which provided for the approval (adjustment) of the Company’s cash flow control metrics by the Board of Directors (Resolution No. 11 of the Company’s Board of Directors of September 29, 2016, Minutes No. 11 of October 4, 2016), and approval of the Business Planning Standard and Rules that provide for including information on cash flows in the business plan progress report. |
|  | Parts o) and p) of Article 15.1.33 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…33) Determining the position of the Company (the Company’s representatives), including instructions to take or not to take part in voting on agenda items, voting on draft resolutions “for”, “against” or “abstained”, on agenda items of general meetings of shareholders (members) of subsidiaries and dependent companies, and meetings of boards of directors of subsidiaries and dependent companies with regard to;…o) approval of the business plan (adjusted business plan) of subsidiaries and dependent companies engaged in electricity transmission, generation, or sale, or whose revenue exceeds **1%** of the Company’s revenue for the last elapsed reporting period;p) review of the report on performance of the business plan for the reporting period for subsidiaries and dependent companies engaged in electricity transmission, generation, or sale, or whose revenue exceeds **1%** of the Company’s revenue for the last elapsed reporting period;” | Parts o) and p) of Article 15.1.33 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…33) Determining the position of the Company (the Company’s representatives), including instructions to take or not to take part in voting on agenda items, voting on draft resolutions “for”, “against” or “abstained”, on agenda items of general meetings of shareholders (members) of subsidiaries and dependent companies, and meetings of boards of directors of subsidiaries and dependent companies with regard to;…o) approval of the business plan (adjusted business plan) of subsidiaries and dependent companies engaged in electricity transmission, generation, or sale, or whose revenue exceeds **5%** of the Company’s revenue for the last elapsed reporting period;p) review of the report on performance of the business plan for the reporting period for subsidiaries and dependent companies engaged in electricity transmission, generation, or sale, or whose revenue exceeds **5%** of the Company’s revenue for the last elapsed reporting period;” | The provision has been amended as part of updating a list of issues to be reviewed by the Company’s Board of Directors by excluding business plans of subsidiaries and dependent companies whose revenue represent 5 percent or less of the Company’s revenue for the last elapsed reporting period from the list of documents to be reviewed. |
|  | Article 15.1.44 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…44) determining the procurement policy of the Company, including approval of the Regulations on Procurement of Goods, Works, and Services, **approval of the head of the Central Procurement Function of the Company and its members,** as well as approval of the procurement plan and other decisions in accordance with documents approved by the Company that govern the Company’s procurement;” | Article 15.1.44 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…44) determining the procurement policy of the Company, including approval of the Regulations on Procurement of Goods, Works, and Services, as well as approval of the procurement plan and other decisions in accordance with documents approved by the Company that govern the Company’s procurement;” | The provision has been amended due to the following reasons:On December 28, 2018, the Company’s Board of Directors resolved to join the Unified Procurement Standard of PJSC “Rosseti” (Minutes No. 21 of December 29, 2018), according to item 2.1.2.1 of which the composition of the Company’s Central Procurement Function is subject to approval by the Company’s CEO. |
|  | Article 15.1.56 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…56) Defining the principles and approaches to the organization of internal audit and the risk management and internal control systems of the Company; | Article 15.1.56 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…56) Defining the principles and approaches to organization of the Internal Audit function and the risk management and internal control systems of the Company, **including approval of internal regulations of the Company that determine the policy of the Company on the Company’s risk management, internal control and internal audit;**” | The provision has been expanded to meet the provisions of Article 87.1.1 of the Federal Law *On Joint-Stock Companies*:“1. A public company shall have in place risk management and internal control systems.The board of directors (supervisory board) of a public company shall approve the company’s internal documents that define the company’s policy on organizing risk management and internal control.” |
|  | Article 15.1.57 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…57) Assessing **key operational** risks **(both financial and non-financial risks)**, as well as establishing the acceptable risk appetite level for the Company;” | Article 15.1.57 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…57) Assessing risks, as well as establishing the acceptable risk-appetite level for the Company;” | The provision has been amended to streamline the risk management system and expand risk management to all areas of the Company’s activities. |
|  | Article 15.1.60 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…60) Monitoring and organizing the operation of the internal audit function, including approval of the regulations on the internal audit function; if an external independent organization is engaged to perform the functions of internal audit, approval of such organization and **signing a** contract with such organization; approval of the internal audit function’s action plan, progress reports on such action plan of the internal audit function, and the budget of the internal audit function; preliminary approval of the resolution of the company’s sole executive body on appointment or dismissal from office (otherwise than on the employee’s own initiative) of the Head of Internal Audit; application of disciplinary sanctions against the Head of Internal Audit; **determining** **the amount of** remuneration payable to the Head of Internal Audit; and review of the performance appraisal of the internal audit function;” | Article 15.1.60 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…60) Monitoring and organizing the operation of the Internal Audit function, including approval of the regulations on the Internal Audit function; if an external independent organization is engaged to perform the functions of internal audit, approval of such organization and **terms and conditions of the** contract with such organization, **including the amount of its fee**; approval of the Internal Audit function’s action plan, progress reports on such action plan of the Internal Audit function, and the budget of the Internal Audit function; preliminary approval of the resolution of the company’s sole executive body on appointment or dismissal from office (otherwise than on the employee’s own initiative) of the Head of Internal Audit; application of disciplinary sanctions against the Head of Internal Audit, **as well as** **approval of the terms of the employment contract with and** remuneration payable to the Head of Internal Audit; and review of the performance appraisal of the Internal Audit function;” | The provision has been amended to meet the provisions of Article 87.1.2 of the Federal Law *On Joint-Stock Companies*:“2. A public company shall have in place an internal audit system to assess the reliability and effectiveness of its risk management and internal control. The board of directors (supervisory board) of a public company shall approve the company’s internal documents that define the company’s policy on organizing risk management and internal control. An officer responsible for the organization and implementation of internal audit (head of the division responsible for the organization and implementation of internal audit) is appointed and dismissed by resolution of the board of directors (supervisory board) of the public company. The terms and conditions of the employment contract with such persons are subject to approval by the board of directors (supervisory board) of the public company. If the internal documents of the public company specified in this item provide for a possibility for outsourcing internal audit to another legal entity, the board of directors (supervisory board) of such public company shall determine such entity as well as the terms and conditions of the contract with such entity, including the amount of its remuneration.” |
|  | Unavailable in this version. | Article 15.1.62 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…62) Establishing Committees of the Company’s Board of Directors, approving internal regulations that define their competence and operating procedures, determining the number of their members, appointing the Chairperson and Members of the Committee, and terminating their powers;” | The provision has been expanded to meet the provisions of Article 65.1.9.1 of the Federal Law *On Joint-Stock Companies* (in force since July 19, 2018), according to which:*“9.1) Establishing committees of the company’s board of directors (supervisory board), approving internal regulations that define their competence and operating procedures, determining the number of their members, appointing the chairperson and members of the committee, and terminating their powers;”* |
|  | Unavailable in this version. | Article 15.1.63 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…1) 63) Approving the Company’s information policy and reviewing related performance reports;” | The provision has been expanded to meet Items 2.1.6 and 81 of the Corporate Governance Code recommended by Letter No. 06-52/2463 of the Bank of Russia of April 10, 2014:*“2.1.6. The board of directors should play a key role in ensuring the company’s transparency, timely and full disclosure of information by the company, and unhindered access by shareholders to the company’s documents.”**“81. Timely and full disclosure of information is an essential tool for building long-term relationships of trust with shareholders, as it helps increase the company’s value and raise capital, maintain the trust of stakeholders (partners, customers, suppliers, the public, and government authorities) towards the company. In this connection, control over proper organization and efficient operation of the disclosure system at the company, as well as securing access of shareholders to corporate information is an essential function of the board of directors. To perform this function, the board of directors should approve the company’s information policy, which should provide for a reasonable balance between the company’s openness and commercial interests.* |
|  | The provisions are missing. | Article 15.1.64 and 15.1.65 of the Company’s Articles of Association reading as follows:“The competence of the Board of Directors includes the following matters:…64) Preliminarily approving agreements on gratuitous contributions to be made by a shareholder (shareholders) to the property of the Company in cash or in any other form that do not increase the authorized capital of the Company and do not change the par value of shares (contributions to the property of the Company);65) Preliminarily approving agreements on making gratuitous contributions by the Company to the property of companies in which the Company participates, in cash or in any other form that do not increase the authorized capital of such companies and/or do not change the par value of shares;” | The provisions have been expanded to meet the provisions of Article 32.2.1 of the Federal Law *On Joint-Stock Companies*:*“1. Under an agreement with the company, shareholders shall have the right to make gratuitous contributions to the property of the company at any time in cash or in any other form that do not increase the authorized capital of the company and do not change the par value of shares (“contributions to the property of the company”) in order to finance and support the activities of the company.**Property contributed by shareholders as a contribution shall be of the types specified in Article 66.1.1 of the Civil Code of the Russian Federation.**The provisions of the Civil Code of the Russian Federation on donation agreements shall not apply to agreements under which contributions are made to the company’s property.**The agreement under which a shareholder makes a contribution to the company’s property shall be preliminarily approved by resolution of the company’s board of directors.”* |
|  | Article 18.1 of the Company’s Articles of Association reading as follows:18.1. The Board of Directors shall meet as needed, but at least once every six weeks. The Chairman of the Board of Directors (or Deputy Chairman of the Board of Directors in cases provided for in Article 17.3 of the Company’s Articles of Association) shall convene meetings of the Board of Directors at his or her own discretion or at the request of a Member of the Board of Directors, the Internal Audit Commission, Auditor, Management Board, or the CEO. | Article 18.1 of the Company’s Articles of Association reading as follows: “18.1. The Board of Directors shall meet as needed, but at least once every six weeks. The Chairman of the Board of Directors (or Deputy Chairman of the Board of Directors in cases provided for in Article 17.3 of the Company’s Articles of Association) shall convene meetings of the Board of Directors at his or her own discretion or at the request of a Member of the Board of Directors, the Internal Audit Commission, **Head of Internal Audit of the Company (head of the Company’s division responsible for organization and implementation of Internal Audit, and in case of involvement of an external independent organization to provide Internal Audit, the manager of such organization),** Auditor, Management Board, or CEO. | The provision has been expanded to meet the provisions of Article 68.1 of the Federal Law *On Joint-Stock Companies*:*“1. The chairman of the board of directors (supervisory board) shall convene meetings of the board of directors (supervisory board) at his or her own discretion or at the request of a member of the board of directors (supervisory board), the Internal Audit Commission of the company,* ***officer responsible for the organization and implementation of internal audit (head of the company’s division responsible for organization and implementation of internal audit)****, or the company’s auditor, the company’s executive body. or other persons specified in the company’s articles of association.”* |
|  | Paragraphs 1 and 3, Articles 18.6 of the Company’s Articles of Association reading as follows:“18.6. Resolutions of the Board of Directors shall be adopted by a three-quarter majority vote of Members of the Board of Directors (not counting the votes of outgoing Members of the Board of Directors) on the following matters:– Suspending the powers of the managing company (manager) and appointing an acting CEO of the Company;– Convening an Extraordinary General Meeting in cases provided for in Articles **21.19 and 21.20** of these Articles of Association.” | Paragraphs 1 and 3, Articles 18.6 of the Company’s Articles of Association reading as follows: “18.6. Resolutions of the Board of Directors shall be adopted by a three-quarter majority vote of Members of the Board of Directors (not counting the votes of outgoing Members of the Board of Directors) on the following matters:– Suspending the powers of the managing company (manager) and appointing an acting CEO of the Company;– Convening an Extraordinary General Meeting in cases provided for in Articles **21.11 and 21.12** of these Articles of Association.” | The numbering of items referred to in the provision has been updated. |
|  | Article 19.2 of the Company’s Articles of Association reading as follows:“19.2. Committees of the Board of Directors are set up to **review** matters within the Board of Directors’ competence, or matters examined by the Board of Directors in order to follow up the activities of the Company’s executive body and make necessary recommendations to the Board of Directors and the Company’s executive body. | Article 19.2 of the Company’s Articles of Association reading as follows: “19.2. Committees of the Board of Directors are set up to **preview** matters within the Board of Directors’ competence, or matters examined by the Board of Directors in order to follow up the activities of the Company’s executive body and make necessary recommendations to the Board of Directors and the Company’s executive body. | The provision has been amended to meet the provisions of paragraph 1, Article 64.3 of the Federal Law *On Joint-Stock Companies* (in force since July 19, 2018), according to which:*“3. The board of directors (supervisory board) of the company shall have the right to set up committees for preliminary review of matters within its competence. The competence and operating procedure of every committee shall be defined by an internal document of the company subject to approval by the company’s board of directors (supervisory board).”* |
|  | Article 19.3 of the Company’s Articles of Association reading as follows:“19.3. The operating rules, establishment procedure, competence and term of office of Committees of the Board of Directors shall be outlined in individual resolutions of the Board of Directors.” | Article 19.3 of the Company’s Articles of Association reading as follows: “19.3. The operating rules, establishment procedure, competence and term of office of Committees of the Board of Directors shall be outlined in **the Company’s internal regulations to be approved by the Company’s Board of Directors and in** individual resolutions of the Board of Directors.” | The provision has been amended to meet the provisions of Article 65.1.9.1 of the Federal Law *On Joint-Stock Companies* (in force since July 19, 2018), according to which:*“9.1) Establishing committees of the company’s board of directors (supervisory board), approving internal regulations that define their competence and operating procedures, determining the number of their members, appointing the chairperson and members of the committee, and terminating their powers;”* |
|  | Unavailable in this version. | Article 19.4 of the Company’s Articles of Association reading as follows:“19.4. The Company’s Board of Directors shall set up the Audit Committee to preview matters related to following up financial and business operations of the Company, including evaluating independence of the Company’s Auditor and absence of any conflict of interest with the Company’s Auditor, as well as assessing the quality of audit of the Company’s accounting (financial) statements.” | The provision has been amended to meet the provisions of paragraph 2, Article 64.3 of the Federal Law *On Joint-Stock Companies* (in force since July 19, 2018), according to which:*“The board of directors (supervisory board) of a public company shall set up the audit committee to preview matters related to following up financial and business operations of the public company, including evaluating independence of the public company’s auditor and absence of any conflict of interest with the public company’s auditor, as well as assessing the quality of audit of the company’s accounting (financial) statements.”* |
|  | Article 21.25 of the Company’s Articles of Association reading as follows:“21.25. In case of temporary absence of the CEO (due to illness, a business trip, or vacation), one of his or her Deputies may be assigned to perform his or her duties under an order of the Company’s CEO only in the absence of a resolution of the Company’s Board of Directors appointing an Acting CEO of the Company.” | Article 21.25 of the Company’s Articles of Association reading as follows:“21.25. In case of temporary absence of the CEO (due to, including, but not limited to, illness, a business trip, or vacation), one of his or her Deputies may be assigned to perform his or her duties under an order of the Company’s CEO only in the absence of a resolution of the Company’s Board of Directors appointing an Acting CEO of the Company.In connection with the circumstances specified in paragraph one hereof, the Company’s Board of Directors may resolve to appoint an Acting CEO of the Company for a certain period of time without terminating the powers of the Company’s CEO.” | The provision has been expanded to include an option in the Company’s Articles of Association for appointing an acting CEO of the Company by resolution of the Board of Directors without terminating the powers of the incumbent CEO of the Company in case of temporary absence when it is impracticable to appoint an acting CEO by the Company’s order. |
|  | Article 21.6.3 of the Company’s Articles of Association reading as follows:“21.6. The competence of the Company’s Management Board shall include the following matters:…3) Reviewing reports from the Company’s Deputy CEOs and heads of the Company’s divisions on **their performance against approved plans, programs, and instructions, as well as reviewing reports, documents, and other information on** the activities of the Company and its subsidiaries and dependent companies; | Article 21.6.3 of the Company’s Articles of Association reading as follows:“21.6. The competence of the Company’s Management Board shall include the following matters:…3) Reviewing reports **(information)** from the Company’s Deputy CEOS and heads of the Company’s divisions on the activities of the Company and its subsidiaries and dependent companies **submitted for review to the Company’s Management Board in accordance with the instructions of the Company’s Management Board or Board of Directors;**” | It is proposed to limit the scope of reports that are subject to review by the Company’s Management Board to those reports that are prepared on instruction given by the Company’s Management Board or Board of Directors. |
|  | Article 21.25 of the Company’s Articles of Association reading as follows:“21.25. In case of temporary absence of the CEO (due to illness, a business trip, or vacation), one of his or her Deputies may be assigned to perform his or her duties under an order of the Company’s CEO only in the absence of a resolution of the Company’s Board of Directors appointing an Acting CEO of the Company.” | Article 21.25 of the Company’s Articles of Association reading as follows:“21.25. In case of temporary absence of the CEO (due to, including, but not limited to, illness, a business trip, or vacation), one of his or her Deputies may be assigned to perform his or her duties under an order of the Company’s CEO only in the absence of a resolution of the Company’s Board of Directors appointing an Acting CEO of the Company.In connection with the circumstances specified in paragraph one hereof, the Company’s Board of Directors may resolve to appoint an Acting CEO of the Company for a certain period of time without terminating the powers of the Company’s CEO.” | The provision has been expanded to include an option in the Company’s Articles of Association for appointing an acting CEO of the Company by resolution of the Board of Directors without terminating the powers of the incumbent CEO of the Company in case of temporary absence when it is impracticable to appoint an acting CEO by the Company’s order. |
|  | Article 22. The Internal Audit Commission and the Auditor of the Company | Article 22. The Internal Audit Commission, **Internal Auditor** and Auditor of the Company | The provision has been expanded to meet the provisions of Article 87.1.2 of the Federal Law *On Joint-Stock Companies*:*“2. A public company shall have in place an internal audit system to assess the reliability and effectiveness of its risk management and internal control.”* |
|  | Unavailable in this version. | Paragraph 4, Article 22.7.1 of the Company’s Articles of Association reading as follows:“22.7.1. Based on the results of the audit of the Company’s financial and business operations the Internal Audit Commission shall prepare a report, which shall contain:…- certification of the reliability of data contained in the report on signed related party transactions.” | The provision has been expanded to meet the provisions of Paragraph 3, Article 81.1 of the Federal Law *On Joint-Stock Companies*:*“When preparing for holding the annual General Meeting of a public company, persons having the right to participate in the annual General Meeting shall be provided with the report on related party transactions concluded by a company in the reporting year. Such report shall be signed by the sole executive body of the company and approved by the board of directors (supervisory board) of the company, while the reliability of data contained therein shall be certified by the Internal Audit Commission of the company if a Internal Audit Commission shall be in place at the company according to its articles of association.”* |
|  | The provisions are missing. | Articles 22.8 and 22.9 of the Company’s Articles of Association reading as follows:“22.8. The Company has in place an Internal Audit function to assess the reliability and efficiency of risk management and internal control.22.9. The operating procedure for the Internal Audit function is outlined in these Articles of Association, the Internal Audit Policy approved by resolution of the Company’s Board of Directors, and local regulations governing the Internal Audit function.” | The provision has been expanded to meet the provisions of Article 87.1.2 of the Federal Law *On Joint-Stock Companies*:*“2. A public company shall have in place an internal audit system to assess the reliability and effectiveness of its risk management and internal control.”* |
|  | Article 23.3 of the Company’s Articles of Association reading as follows:“23.3. The reliability of data in the annual report **of the Company** and annual accounting (financial) statements shall be certified by the Internal Audit Commission. The Company shall engage an auditor having no common property interests with the Company or its shareholders, to conduct an audit of the Company’s annual accounting (financial) statements.” | Article 23.3 of the Company’s Articles of Association reading as follows: “23.3. The reliability of data in **the Company’s** annual report and annual accounting (financial) statements shall be certified by the Internal Audit Commission. The Company shall engage an auditor having no common property interests with the Company or its shareholders, to conduct an audit of the Company’s annual accounting (financial) statements.” | The provision has been amended to meet the provisions of Article 88.1.3 of the Federal Law *On Joint-Stock Companies*:“3. The reliability of data in the company’s annual report and annual accounting (financial) statements shall be certified by the Internal Audit Commission of the company if a Internal Audit Commission shall be in place at the company according to its articles of association or a Internal Audit Commission at a non-public company is elected solely in cases provided for in the articles of association of such company, and such cases provide for certification (verification) the reliability of data contained in such company’s annual report and annual accounting (financial) statements.” |
|  | Unavailable in this version. | Article 25.2 of the Company’s Articles of Association reading as follows:“25.2. The Company may be liquidated by court decision or voluntarily in such manner as provided for in the Civil Code of the Russian Federation, the Federal Law *On Joint Stock Companies*, and these Articles of Association.” | The provision has been expanded to meet the provisions of Article 21.1 of the Federal Law *On Joint-Stock Companies*:“1. A company may be liquidated voluntarily in such manner as provided for in the Civil Code of the Russian Federation, the Federal Law *On Joint Stock Companies*, and the company’s articles of association. A company may be liquidated by court decision on the grounds provided for in the Civil Code of the Russian Federation.” |
|  | Items 25.4–25.19, Article 25 of the Company’s Articles of Association. | The provisions are missing. | It is proposed to exclude from the Articles of Association provisions regulating the procedure for reorganization and liquidation that do not correspond to applicable laws while retaining the general provisions with reference to the provisions of the Civil Code of the Russian Federation and federal laws. |
|  | Editorial revisions, updates of item numbering and cross-references. |