



Public Joint-Stock Company LENENERGO

BOARD OF DIRECTORS

1, Ploshchad Konstitutsii, Saint Petersburg, 196247

tel./fax (812) 494-37-34

EXTRACT FROM MINUTES OF MEETING No. 49 of the Board of Directors of PJSC LENENERGO

St. Petersburg

May 04, 2016

Format of the meeting: absentee (by ballot)

The date of the meeting (deadline date for receiving voting ballots): April 28, 2016

Voting ballots were sent to the following address: 1, Ploshchad Konstitutsii, Office 325, Saint Petersburg, 196247, as well as by e-mail to : sd@nwenergo.com

The number of the Board of Directors members: thirteen

Members of the Board of Directors who participated in the voting: nine:

Ye.V. Prokhorov, A.S. Bondarchuk, S.S. Zholnerchik, Yu.K. Zafesov, A.S. Kolyada, D.V. Koptin, S.Yu. Lebedev, Ye.Ye. Rozova, V.V. Sofyin

Members of the Board of Directors who did not participate in the voting: four:

A.S. Kalinin, Kh.M. Likhov, V.V. Nikonov, P.N. Snikkars

Agenda:

1. Preliminary approval of the Company's annual report for 2015.
2. Reviewing the Company's annual financial statements for 2015, including recommendations on distribution of the Company's profit and losses for FY2015.
3. Recommendations on the amount of dividends on the Company's shares for 2015, the procedure for their payout and proposals to the Annual General Meeting of Shareholders to determine the record date for dividends.
4. Reviewing a candidate for the position of the Company's auditor.
5. Approval of the agenda of the Annual General Meeting of the Company's Shareholders.
6. Determining the type (types) of preference shares whose holders have the right to vote on all items on the agenda of the Annual General Meeting of the Company's Shareholders.
7. Deciding on the list of information (materials) to be submitted to shareholders in the Company while preparing for the Annual General Meeting of the Company's Shareholders, and the procedure for shareholders to review such information.
8. Approval of the form and text of voting ballots for voting at the Annual General Meeting of the Company's Shareholders.
9. Setting the date for sending voting ballots to persons entitled to participate in the Annual General Meeting of the Company's Shareholders and determining the address for receiving completed ballots.
10. Determining the procedure for notification of the Company's shareholders on holding the Annual General Meeting of the Company's Shareholders, including approval of the form and text of the notice.
11. Election of the Secretary of the Annual General Meeting of the Company's Shareholders.
12. Approval of the cost estimate related to the preparation and holding of the Extraordinary General Meeting of the Company's Shareholders.
13. Approval of the terms of the contract with the Company's registrar.
14. Reviewing amendments to the Company's Articles of Association.
15. Reviewing a draft internal document of the Company: a new version of the Regulations on the Board of Directors of LENENERGO Public Joint Stock Company.
16. Proposals to the Annual General Meeting of Shareholders of LENENERGO PJSC regarding the Approval of the Company's Directors & Officers Insurance Agreement as an Interested-Party Transaction.

Item No. 16: Proposals to the Annual General Meeting of Shareholders of LENENERGO PJSC

regarding the Approval of the Company's Directors & Officers Insurance Agreement as an Interested-Party Transaction.

Resolution put to the vote:

Propose that the Annual General Meeting of Shareholders of LENENERGO PJSC (hereinafter referred to as the "Company") resolve as follows regarding the *Approval of the Company's Directors & Officers Insurance Agreement as an Interested-Party Transaction*:

1. Set the price of the directors & officers insurance agreement to be signed between the Company and the winner of a procurement procedure for the selection of an insurance company, being an interested-party transaction at an amount equal to the insurance premium not exceeding two million nine hundred fifty thousand (2,950,000) rubles.

2. Approve the directors & officers insurance agreement to be signed between the Company and the winner of a procurement procedure for the selection of an insurance company (hereinafter referred to as the "Agreement"), being an interested-party transaction, on the following material terms:

2.1. Parties to the Agreement:

Company as the "Policyholder";

The winner of a procurement procedure for the selection of an insurance company as the "Insurer".

2.2. The Insured:

2.2.1. the Company;

2.2.2. The Insured Persons: any individual or legal entity that, among other things, is or becomes:

- a Member of the Board of Directors, Supervisory Board, or any other similar body of the Policyholder, regardless of his, her or its title in any jurisdiction;

- a Member of the Board of Directors at a subsidiary of the Policyholder specified in Appendix No. 12 to this Resolution of the Board of Directors, elected to the Board of Directors of the Policyholder's subsidiary by votes held by the Policyholder;

- the sole executive body of the Policyholder and/or its subsidiary (hereinafter referred to as the "Company") (CEO), deputy sole executive body (First Deputy CEO, Deputy CEO) of the Policyholder, Member of the Management Board of the Policyholder, Chief Accountant of the Policyholder, Chief Financial Officer of the Policyholder, or Chief Economic Officer of the Policyholder.

2.3. Beneficiaries: any third parties who may suffer losses, as well as the Insured.

2.4. Subject matter of the Agreement: The Insurer undertakes to pay out insurance indemnity in accordance with the Agreement upon occurrence of any of the insured events specified in the Agreement (as the case may be) to the corresponding Insured and/or to any other person who is entitled to such indemnity.

2.5. Insurance coverage:

Insurance Coverage A – the Insurer undertakes to cover any losses related to any claim that was first made against any Insured Person during the Insured Period or the Discovery Period, except for cases where the Company has indemnified for such losses (to the extent of such indemnification);

Insurance Coverage B – the Insurer undertakes to pay the Company for any losses related to any claim that was first made against any Insured Person during the Insured Period or the Discovery Period;

Insurance Coverage C – the Insurer undertakes to cover any losses related to any claim with regard to securities that was first made against the Policyholder during the Insured Period or the Discovery Period.

2.6. Insured Item:

To the extent related to the liability insurance of the Insured – property interests of such Insured related to such Insured becoming liable to indemnify for losses incurred by other persons.

To the extent related to the insurance of any expenses of the Insured – property interests of such Insured related to the liability to bear and/or the need to be liable for bearing any expenses.

To the extent related to the insurance of the Company's expenses within the limits of Insurance Coverage B – property interests of the Company related to the indemnification for any expenses to such Company.

2.7. Insured Event:

To the extent related to the liability insurance of the Insured – the occurrence of all and any of the following circumstances:

(a) the Insured becomes liable under applicable laws to indemnify for any losses incurred by other persons in connection with any wrongful act committed by the Insured; and

(b) any claim is made against the Insured in connection with losses incurred by other persons as specified in item (a) above.

To the extent related to the insurance of any expenses of the Insured – any claims against the Insured that necessarily leads to any expenses of the Insured, even if such expenses have not yet been actually incurred.

To the extent related to the insurance of any expenses of Company under Insurance Coverage B – any expenses/costs borne by the Company in connection with indemnification by such Company for any damages incurred by any Insured Person and/or any other person acting on behalf of the Insured Person and/or in the interests of any Insured Person in connection with any claim against any Insured Person, and/or any liability of any Insured Person for any losses incurred by other persons, even if such losses have not yet been actually incurred.

2.8 Exceptions from the insurance coverage:

The Agreement does not cover claims related to:

- receipt by the respective Insured of any personal income or financial benefit / advantage to which the Insured had no legal right;
- any intentional criminal offense or fraudulent act; committed by the relevant Insured;
- bodily injury and property damage;
- previous claims and circumstances;
- environmental pollution;
- pension and social programs;
- claims of the Company against the Insured Person of such Company made or reviewed in the jurisdiction of the United States of America, or under the laws of the United States of America, its states, regions, territories or domains.

2.9. Total aggregate limit of liability: for all Insured for all claims – at least one billion (1,000,000,000) rubles.

2.10. Additional limit of liability: for each independent director – not less than thirty million (30,000,000) rubles, provided that the aggregate limit of liability for all independent directors will not exceed one hundred and fifty million (150,000,000) rubles.

2.11. Deductibles:

- not more than one million five hundred thousand (1,500,000) rubles - with respect to claims made in the USA or Canada (Coverage B);
- not more than one million five hundred thousand (1,500,000) rubles - with respect to other claims made in other world countries (Coverage B).
- not more than three million (3,000,000) rubles – with regard to claims related to securities made in the USA or Canada (Coverage C);
- not more than two million four hundred thousand (2,400,000) – with regard to claims related to securities made in other world countries (Coverage C).

2.12. Insured Period (validity term of the Agreement): one (1) year.

2.13. Continuity date: January 22, 1993 (date of the Company's establishment).

2.14. Discovery Period:

- at least 60 days after the expiry of the insured period automatically, without payment of any additional insurance premium;
- 1 year subject to payment of an additional insurance premium not exceeding 75% of the insurance premium under the Agreement.
- 2 years subject to payment of an additional insurance premium not exceeding 175% of the insurance premium under the Agreement.
- 3 years subject to payment of an additional insurance premium not exceeding 250% of the insurance premium under the Agreement.

2.15. The price of the Agreement (the total amount of the insurance premium): not more than two million nine hundred and fifty thousand (2,950,000) rubles.

2.16. The Agreement shall become effective from its signing and shall be valid until the expiry of the insured period, and if a discovery period is provided for, until the expiry of the applicable discovery period.

Voting results:

On collection of the voting ballots, the following was found out:

Voting ballots collected –9:

- FOR: Ye.V. Prokhorov, S.S. Zholnerchik, Yu.K. Zafesov, A.S. Kolyada, S.Yu. Lebedev, V.V. Sofyin.

- AGAINST: none;

- ABSTAINED: none.

Total:

FOR – 6;

AGAINST – 0;

ABSTAINED – 0.

The votes cast by Members of the Board of Directors A.S. Bondarchuk, D.V. Koptin, and Ye.Ye. Rozova were not counted when counting the results of voting on this agenda item in accordance with Clause 9.8 of the Regulations on the Board of Directors of LENENERGO PJSC.

The resolution was **adopted** in accordance with Article 18.5 of the Articles of Association of LENENERGO PJSC.

Resolution adopted:

Propose that the Annual General Meeting of Shareholders of LENENERGO PJSC (hereinafter referred to as the “Company”) resolve as follows regarding the *Approval of the Company's Directors & Officers Insurance Agreement as an Interested-Party Transaction*:

1. Set the price of the directors & officers insurance agreement to be signed between the Company and the winner of a procurement procedure for the selection of an insurance company, being an interested-party transaction at an amount equal to the insurance premium not exceeding two million nine hundred fifty thousand (2,950,000) rubles.

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2.2. The Insured:

2.2.1. the Company;

2.2.2. The Insured Persons: any individual or legal entity that, among other things, is or becomes:

- a Member of the Board of Directors, Supervisory Board, or any other similar body of the Policyholder, regardless of his, her or its title in any jurisdiction;

- a Member of the Board of Directors at a subsidiary of the Policyholder specified in Appendix No. 12 to this Resolution of the Board of Directors, elected to the Board of Directors of the Policyholder’s subsidiary by votes held by the Policyholder;

- the sole executive body of the Policyholder and/or its subsidiary (hereinafter referred to as the “Company”) (CEO), deputy sole executive body (First Deputy CEO, Deputy CEO) of the Policyholder, Member of the Management Board of the Policyholder, Chief Accountant of the Policyholder, Chief Financial Officer of the Policyholder, or Chief Economic Officer of the Policyholder.

2.3. Beneficiaries: any third parties who may suffer losses, as well as the Insured.

2.4. Subject matter of the Agreement: The Insurer undertakes to pay out insurance indemnity in accordance with the Agreement upon occurrence of any of the insured events specified in the Agreement (as the case may be) to the corresponding Insured and/or to any other person who is entitled to such indemnity.

2.5. Insurance coverage:

Insurance Coverage A – the Insurer undertakes to cover any losses related to any claim that was first made against any Insured Person during the Insured Period or the Discovery Period, except for cases where the Company has indemnified for such losses (to the extent of such indemnification);

Insurance Coverage B – the Insurer undertakes to pay the Company for any losses related to any claim that was first made against any Insured Person during the Insured Period or the Discovery Period;

Insurance Coverage C – the Insurer undertakes to cover any losses related to any claim with regard to securities that was first made against the Policyholder during the Insured Period or the Discovery Period.

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To the extent related to the insurance of any expenses of the Insured – property interests of such Insured related to the liability to bear and/or the need to be liable for bearing any expenses.

To the extent related to the insurance of the Company's expenses within the limits of Insurance Coverage B – property interests of the Company related to the indemnification for any expenses to such Company.

2.7. Insured Event:

To the extent related to the liability insurance of the Insured – the occurrence of all and any of the following circumstances:

(a) the Insured becomes liable under applicable laws to indemnify for any losses incurred by other persons in connection with any wrongful act committed by the Insured; and

(b) any claim is made against the Insured in connection with losses incurred by other persons as specified in item (a) above.

To the extent related to the insurance of any expenses of the Insured – any claims against the Insured that necessarily leads to any expenses of the Insured, even if such expenses have not yet been actually incurred.

To the extent related to the insurance of any expenses of Company under Insurance Coverage B – any expenses/costs borne by the Company in connection with indemnification by such Company for any damages incurred by any Insured Person and/or any other person acting on behalf of the Insured Person and/or in the interests of any Insured Person in connection with any claim against any Insured Person, and/or any liability of any Insured Person for any losses incurred by other persons, even if such losses have not yet been actually incurred.

2.8 Exceptions from the insurance coverage:

The Agreement does not cover claims related to:

- receipt by the respective Insured of any personal income or financial benefit / advantage to which the Insured had no legal right;
- any intentional criminal offense or fraudulent act; committed by the relevant Insured;
- bodily injury and property damage;
- previous claims and circumstances;
- environmental pollution;
- pension and social programs;
- claims of the Company against the Insured Person of such Company made or reviewed in the jurisdiction of the United States of America, or under the laws of the United States, its states, regions, territories or domains.

2.9. Total aggregate limit of liability: for all Insured for all claims – at least one billion (1,000,000,000) rubles.

2.10. Additional limit of liability: for each independent director – not less than thirty million (30,000,000) rubles, provided that the aggregate limit of liability for all independent directors will not exceed one hundred and fifty million (150,000,000) rubles.

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2.16. The Agreement shall become effective from its signing and shall be valid until the expiry of the insured period, and if a discovery period is provided for, until the expiry of the applicable discovery period.

Appendix:

12. List of subsidiaries of LENENERGO PJSC

Corporate Secretary (signed) A.S. Smolnikov

List of subsidiaries of LENENERGO PJSC

No.:	Name:
1	Kurortenergo CJSC
2	TsEK CJSC
3	SPb ES JSC
4	PES OJSC
5	LESR CJSC
6	Energy Service Company Lenenergo OJSC

Corporate Secretary (signed) A.S. Smolnikov
LENENERGO PJSC