**PROPOSALS CONCERNING AMENDMENTS**

**TO THE REGULATIONS FOR THE MANAGEMENT BOARD OF PJSC “LENENERGO” SUBMITTED IN 2018**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Current wording** | **Proposed revised wording** | **Rationale for amendment (with comment  specifying the underlying regulation ((change in)  an applicable effective provision of the Russian law, etc.)** |
| 1 | 3.1.3. Members of the Management Board shall:  - participate in Company’s Management Board meetings;  - implement resolutions and instructions of the Company’s General Meeting, Board of Directors and Management Board, comply with the requirements set forth in the Company’s Articles of Association and bylaws;  - act in the interests of the Company, exercise their rights and perform their duties in respect of the Company in good faith and reasonably;  - keep confidential the Company’s proprietary information and commercial secrets;  - notify the Company’s Board of Directors, the Company’s Internal Audit Board, and the Company’s Auditor in writing about:  a) corporate entities in which the member of the Management Board holds, whether independently or jointly with his/her affiliate(s), 20 or more percent of voting shares (interests, units);  b) corporate entities, in governing bodies of which the member of the Management Board holds any positions;  c) notify the Company’s CEO and the Board of Directors about any contemplated transactions in which the member of the Management Board could be deemed an interested party fifteen days prior to any such transaction; | 3.1.3. Members of the Management Board shall:  - participate in Company’s Management Board meetings;  - implement resolutions and instructions of the Company’s General Meeting, Board of Directors and Management Board, comply with the requirements set forth in the Company’s Articles of Association and bylaws;  - act in the interests of the Company, exercise their rights and perform their duties in respect of the Company in good faith and reasonably;  - keep confidential the Company’s proprietary information and commercial secrets;  **- within 2 (two) months from the date when they learned or should have learned of circumstances that may lead to their being considered interested in the Company’s transactions, notify the Company about:**  **a) corporate entities, in respect of which they, their spouses, parents, children, full or half-siblings, adoptive parents, and adopted children, and/or their controlled organizations are controlling persons or have the right to give binding instructions;**  **b) corporate entities, in governing bodies of which they, their spouses, parents, children, full or half-siblings, adoptive parents, and adopted children, and/or their controlled persons hold any positions;**  **c) existing or contemplated transactions in which they could be deemed interested parties.**  **In case of changes to the above circumstances previously notified to the Company, the members of the Management Board shall notify the Company of such a change within 14 (fourteen) days from the date when they learned or should have learned of it.** | The wording has been amended to be aligned with clauses 1, 2 of Article 82 of the Federal Law *On Joint-Stock Companies*:  *“1. Persons specified in the first paragraph of clause 1 of Article 81 of this Federal Law, within two months from the date when they learned or should have learned of circumstances that may lead to their being considered interested in the company’s transactions, shall notify the company about:*  *1) corporate entities, in respect of which they, their spouses, parents, children, full and half-siblings, adoptive parents, and adopted children, and/or their controlled organizations are controlling persons or have the right to give binding instructions;*  *2) corporate entities, in governing bodies of which they, their spouses, parents, children, full and half-siblings, adoptive parents, and adopted children, and/or their controlled persons hold any positions;*  *3) existing or contemplated transactions in which they could be deemed interested parties.*  *2. In the event of any change in the information specified in sub-clauses 1 and 2 of clause 1 hereof after receipt of the notice specified in clause 1 hereof, persons specified in the first paragraph of clause 1 of Article 81 of this Federal Law shall notify the company of the change in such information within 14 days from the date when they learned or should have learned of such change.”* |
| 2 | 5.12. The meetings of the Management Board are held in person (with all of the Management Board’s members present) or via absentee voting (in absentia).  Offsite meetings of the Company’s Management Board may be held as instructed by the Chairperson of the Management Board. | 5.1. The meetings of the Management Board are held in person (with all of the Management Board’s members present) **to discuss and adopt resolutions on agenda items** or via absentee voting (**by submitting voting ballots**).  Offsite meetings of the Company’s Management Board may be held as instructed by the Chairperson of the Management Board.  **The meetings of the Management Board may be held using a specialized automated information system designed to hold meetings of the Company’s Management Board, including the distribution of notices, materials (information) on agenda items, organization of voting by the members of the Management Board, and summarizing of the results (hereinafter referred to as the automated information system).**  **If so decided by the Chairperson of the Company’s Management Board, the members of the Management Board who are unable to be present at the venue of the Management Board’s meeting may participate in the discussion of agenda items and vote remotely via telephone or video conference calls.** | This is a clarifying amendment that is also to enable the use of the modern software and technology for the organizing and holding of meetings the Company’s Management Board. |
| 3 | 7.6. The Secretary of the Management Board sends absentee voting ballots to the members of the Management Board at least 1 (one) business day prior to the deadline set for submission of the voting ballots in the notice of the absentee voting in its original form or by fax. | 7.6. The Secretary of the Management Board sends absentee voting ballots to the members of the Management Board at least 1 (one) business day prior to the deadline set for submission of the voting ballots in the notice of the absentee voting by fax, **email, or via the automated electronic system.** | The amendment is enable the use of the modern software and technology for the organizing and holding of meetings the Company’s Management Board. |
| 4 | 7.8. When completing an absentee voting ballot, the member of the Management Board shall cross out all but one of the possible voting options (“for”, “against”, or “abstained”) for each draft resolution and for each item put to the vote. Once the voting ballot is completed, the member of the Management Board shall sign it and specify their surname and initials. | 7.8. When completing an absentee voting ballot, the member of the Management Board shall cross out all but one of the possible voting options (“for”, “against”, or “abstained”) for each draft resolution and for each item put to the vote. Once the voting ballot is completed, the member of the Management Board shall sign it and specify their surname and initials**.**  **Members of the Company’s Management Board may also vote on proposed draft resolutions via the automated information system.** | The amendment is enable the use of the modern software and technology for the organizing and holding of meetings the Company’s Management Board. |
| 5 | 7.10. The member of the Management Board shall deliver the completed and signed voting ballot within the timelines specified in the ballot to the Secretary of the Management Board or send it by fax, with the original of the voting ballot to be later sent to the address specified therein.  Members of the Management Board whose voting ballots the Secretary of the Management Board receives within the deadline for the voting ballots submission are deemed having participated in the absentee voting. | 7.10. The member of the Management Board shall deliver the completed and signed voting ballot within the timelines specified in the ballot to the Secretary of the Management Board or send it by fax **or by email**, with the original of the voting ballot to be later sent to the address specified therein.  Members of the Management Board whose voting ballots the Secretary of the Management Board receives within the deadline for the voting ballots submission, **and the members of the Board of Directors who vote on the proposed draft resolutions via the automated information system are deemed having participated in the absentee voting.** | The amendment is enable the use of the modern software and technology for the organizing and holding of meetings the Company’s Management Board. |
| 6 | 7.11. **Whether there is a quorum required to pass resolutions via absentee voting is determined based on the ballots completed and signed by the members of the Management Board and received by the Company before the deadline specified in the notice of absentee voting.**  Based on the received voting ballots, the Secretary of the Management Board sums up the results of absentee voting on the agenda items and drafts the minutes of meeting of the Management Board in accordance with the procedure set forth herein. | 7.11. Based on the received voting ballots **and the results of voting via the automated information system**, the Secretary of the Management Board sums up the results of absentee voting on the agenda items and drafts the minutes of meeting of the Management Board in accordance with the procedure set forth herein. | The wording is removed, since it was the same as the wording contained in clause 6.22 of the Regulations. |
| 7 | 8.3. The Company shall keep the minutes of meetings of the Management Board at the location of the Company’s executive body. The Chairperson of the Management Board shall be responsible for the safekeeping of the minutes of the Management Board’s meetings.  The minutes of meetings of the Company’s Management Board shall be available for review to any member of the Board of Directors, member of the Internal Audit Board (Internal Auditor), the Company’s Auditor, the Company’s CEO, and to any shareholder(s) of the Company holding over 25 percent of the Company’s voting shares. | 8.3. The Company shall keep the minutes of meetings of the Management Board at the location of the Company’s executive body. The Chairperson of the Management Board shall be responsible for the safekeeping of the minutes of the Management Board’s meetings.  The minutes of meetings of the Company’s Management Board shall be available for review to any member of the Board of Directors, member of the Internal Audit Board (Internal Auditor), the Company’s Auditor, the Company’s CEO, **and to any shareholder(s) of the Company in accordance with the requirements set forth in the Federal Law *On Joint-Stock Companies*.** | The wording is amended to specify in the Regulations that the procedure for providing information about the Company and the procedure for providing shareholders with access to the Company’s documents are governed by the Federal Law *On Joint-Stock Companies* (Articles 89-91 of the Federal Law *On Joint-Stock Companies*). |
| 8 | Annex 1  to the amended and restated Regulations for the Management Board  of PJSC “LENENERGO”  The completed and signed voting ballot shall be faxed to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, or its original shall be submitted no later than \_\_\_\_ on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. | Annex 1  to the amended and restated Regulations for the Management Board  of PJSC “LENENERGO”  The completed and signed voting ballot shall be faxed to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, **emailed to \_\_\_\_\_\_\_\_\_\_\_\_\_\_** , or its original shall be submitted no later than \_\_\_\_ on \_\_\_\_\_\_\_\_\_\_\_\_\_\_. | The wording is amended to be consistent with the amended wording of clause 7.10 of the Regulations. |