

Approved
by General Meeting of Shareholders
of PJSC Lenenergo, Minutes No. ____ dated _____, 20__

Approved
by General Meeting of Shareholders
of JSC TSEK, Minutes No. ____ dated _____, 20__

Approved
by General Meeting of Shareholders
of JSC PES, Minutes No. ____ dated _____, 20__

Approved
by Resolution of the Sole Shareholder
of JSC SPb ES No. ____ dated _____, 20__

Approved
by General Meeting of Shareholders
of JSC Kurortenergo, Minutes No. ____ dated _____, 20__

Contract No. __ for Acquisition

of Tsarskoe Selo Energy Company Joint Stock Company, Kurortenergo Joint Stock Company,
Petrodvorets Power Grid Joint Stock Company, and Saint Petersburg Power Grid
Joint Stock Company
by Lenenergo Public Joint Stock Company of the Power Industry and Electrification

Saint Petersburg _____, 20__

Lenenergo Public Joint Stock Company of the Power Industry and Electrification (OGRN 1027809170300), location: the city of St. Petersburg, represented by _____, acting under _____ (hereinafter referred to as 'Lenenergo'),

Tsarskoe Selo Energy Company Joint Stock Company (OGRN 1027809003254), location: Saint Petersburg represented by _____, acting under _____ (hereinafter referred to as 'TSEK' or the 'acquired company'),

Kurortenergo Joint Stock Company (OGRN 1027812400747), location: Saint Petersburg represented by _____, acting under _____ (hereinafter referred to as 'Kurortenergo' or the 'acquired company'),

Petrodvorets Power Grid Joint Stock Company (OGRN 1027808911976), location: Saint Petersburg, represented by _____, acting under _____ (hereinafter referred to as 'PES' or the 'acquired company'), and

Saint Petersburg Power Grid Joint Stock Company (OGRN 1027810338984), location: Saint Petersburg represented by _____, acting under _____ (hereinafter referred to as 'SPb ES' or the 'acquired company'),

collectively referred to as the 'Parties', enter into this contract (the 'Contract') as follows:

1. SCOPE

1.1. In order to increase the operating efficiency and to enable sustainable development of the distribution power grid system and the reliable and high-quality power supply to consumers in Saint Petersburg, the Parties have agreed to perform the reorganization via acquisition of

TSEK, Kurortenergo, PES, and SPb ES by PJSC Lenenergo, with the transfer of all rights and obligations of the acquired companies to PJSC Lenenergo (hereinafter - the 'Reorganization').

1.2. The Parties jointly implement all actions and procedures stipulated by the Civil Code of the Russian Federation (hereinafter - the 'Russian Civil Code'), Federal Law No. 208-FZ dated December 26, 1995 *On Joint Stock Companies* (hereinafter - the 'Federal Law on JSCs'), Federal Law No. 129-FZ dated August 8, 2001 *On the State Registration of Legal Entities and Individual Entrepreneurs*, other laws and regulations of the Russian Federation, as well as constituent documents, that are required for the reorganization via acquisition.

2. ACQUISITION CONDITIONS AND PROCEDURE

2.1. The Parties undertake to take all necessary actions to implement the Reorganization in accordance with the requirements set in the laws of the Russian Federation.

2.2. PJSC Lenenergo assumes the overall management of the Reorganization process, and undertakes to coordinate all necessary activities by efforts of own employees and engaged specialists, including the following:

- develop the Reorganization plan;
- ensure making by management bodies of the Parties (the Board of Directors and the General Meeting of Shareholders) of the required decisions, in accordance with the requirements of the laws and the Articles of Associations of the Parties;
- formalize employment relations with employees of the acquired companies in accordance with the requirements of the labor laws of the Russian Federation;
- in cases stipulated by the laws, undertakes to notify the Russian Federal Antimonopoly Service on the Reorganization according to the procedure established by the laws of the Russian Federation;
- notify in writing the authorized state body performing state registration of legal entities of the beginning of the Reorganization procedure, indicating the Reorganization form on behalf of all legal entities participating in the Reorganization, and shall do it within three business days after the date of the decision on the Reorganization;
- publish on behalf of all companies participating in the Reorganization a notification on the Reorganization in the mass media in which data on the state registration of legal entities are published, and shall do it twice, at monthly intervals, after entry in the Unified State Register of Legal Entities of the record on the beginning of the Reorganization procedure.

If necessary, PJSC Lenenergo shall take other actions to properly conduct and complete the Reorganization.

2.3. The acquired companies undertake to make a decision on the Reorganization via acquisition, including on approval of this Contract, and take other actions which in order to properly conduct and complete the merger procedure.

2.4. Each the acquired company shall be deemed to have ceased its activities since entry of the relevant record in the Unified State Register of Legal Entities in respect of such the acquired company.

2.5. Reorganization shall be considered completed in respect of each the acquired company since entry into the Unified State Register of Legal Entities of the record on cessation of business of such company.

2.6. PJSC Lenenergo shall be considered reorganized, and Reorganization shall be considered completed in relation to PJSC Lenenergo since entry in the Unified State Register of Legal Entities of the record on cessation of business of the last of the acquired companies.

2.7. Upon completion of the Reorganization via acquisition, the full and the short business name of PJSC Lenenergo in the Russian and English languages shall remain unchanged in accordance with the Articles of Association of PJSC Lenenergo.

2.8. Upon completion of the Reorganization via acquisition, the Articles of Association of

PJSC Lenenergo shall be amended to the effect that PJSC Lenenergo is the successor of the rights and obligations of Kurortenergo, Tsarskoe Selo Energy Company, Saint Petersburg Power Grid, and Petrodvorets Power Grid.

3. PROCEDURE OF CONVERTING SHARES OF THE ACQUIRED COMPANIES IN THE SHARES OF THE SURVIVING COMPANY. SHARE CONVERSION RATIO (COEFFICIENT).

3.1. Shares of the acquired companies (TSEK, Kurortenergo, and PES) shall be converted into the acquired and/or purchased shares of PJSC Lenenergo, into which the companies are merged, and/or shares transferred to ownership of PJSC Lenenergo.

3.2. Share conversion ratios: The following shares shall be converted in one (1) ordinary share of PJSC “Lenenergo” with the nominal value of one (1) ruble:

3.2.1. 7.89/93847.89 of ordinary share of TSEK with the nominal value of one thousand five hundred (1,500) rubles;

3.2.2. 7.89/1643.64 of preferred share of TSEK with the nominal value of one thousand five hundred (1,500) rubles;

3.2.3. 7.89/210205.68 of ordinary share of PES with the nominal value of one (1) ruble;

3.2.4. 7.89/412.67 of Type A preferred share of PES with the nominal value of one (1) ruble;

3.2.5. 7.89/59730.42 of ordinary share of Kurortenergo with the nominal value of one hundred twenty (120) rubles;

3.2.6. 7.89/118.66 of Type A preferred share of Kurortenergo with the nominal value of one hundred sixty (160) rubles.

If after the calculation of the number of shares of PJSC Lenenergo to be received by the shareholder of TSEK, Kurortenergo, and PES following the conversion, the number of shares calculated for a shareholder is fractional, such fractional number of shares shall be rounded according to the following rules:

- if the figure immediately after the comma is 5 to 9, unity shall be added to the integer, and the figures after the comma shall not be taken into account;

- if the figure immediately after the comma is 0 to 4, only the integer shall be taken into account, and the figures after the comma shall not be taken into account;

- if the estimated number of shares is expressed as a fractional number, which is less than one, such number of shares shall be rounded to one whole share, that is, if no shares are to be allotted to a shareholder after the rounding, such shareholder shall receive one ordinary share of PJSC Lenenergo.

3.3. As part of the acquisition:

3.3.1. Own shares of SPb ES held by SPb ES shall be cancelled in accordance with Paragraph 1 of Clause 4 of Article 17 of the Federal Law on JSCs.

Shares of SPb ES held by PJSC Lenenergo shall be cancelled in accordance with Paragraph 2 of Clause 4 of Article 17 of the Federal Law on JSCs.

Shares of PJSC Lenenergo held by SPb ES shall not be cancelled but transferred to ownership of PJSC Lenenergo.

3.3.2. Own shares of PES held by PES shall be cancelled in accordance with Paragraph 1 of Clause 4 of Article 17 of the Federal Law on JSCs.

Shares of PES held by PJSC Lenenergo shall be cancelled in accordance with Paragraph 2 of Clause 4 of Article 17 of the Federal Law on JSCs.

Shares of PJSC Lenenergo held by PES shall not be cancelled but transferred to ownership of PJSC “Lenenergo”.

3.3.3. Own shares TSEK held by TSEK shall be cancelled in accordance with Paragraph 1 of Clause 4 of Article 17 of the Federal Law on JSCs.

Shares of TSEK held by PJSC Lenenergo shall be cancelled in accordance with Paragraph 2 of Clause 4 of Article 17 of the Federal Law on JSCs.

Shares of PJSC Lenenergo held by TSEK shall not be cancelled but transferred into ownership of PJSC Lenenergo.

3.3.4. Own shares of Kurortenergo held by Kurortenergo shall be cancelled in accordance with Paragraph 1 of Clause 4 of Article 17 of the Federal Law on JSCs.

Shares of Kurortenergo held by PJSC Lenenergo shall be cancelled in accordance with Paragraph 2 of Clause 4 of Article 17 of the Federal Law on JSCs.

Shares of PJSC Lenenergo held by Kurortenergo shall not be cancelled but transferred to ownership of PJSC Lenenergo.

3.3.5. Shares of PES held by SPb ES shall be cancelled due to merger into PJSC "Lenenergo", subject to the entry into the Unified State Register of Legal Entities of the record on cessation of business of PES and SPb ES at the same time (on the same day).

3.4. No additional issue of PJSC Lenenergo shares shall take place. As a result of the Reorganization, authorized capital of PJSC Lenenergo will not change and will amount to eight billion six hundred and seventeen million forty-nine thousand six hundred and thirty-one (8,617,049,631) ruble, 05 kopeks.

3.5. Authorized capital of PJSC Lenenergo is recorded in PJSC Lenenergo financial statements as of the date of entry in the Unified State Register of Legal Entities of the record on cessation of business of the acquired companies.

4. SUCCESSION

4.1. Upon completion of the Reorganization, PJSC Lenenergo becomes the successor of all obligations of the acquired companies. Transferred (accepted) fixed assets are measured at residual value (initial cost reduced by depreciation amount), inventories are assessed at actual cost, and financial investments (excluding reciprocal ones) are measured at the initial cost.

4.2. If the rights and/or obligations of any of the acquired companies change before the date of the Reorganization completion, all of them shall be deemed to be transferred to PJSC Lenenergo, taking into account such changes at the time of completion of the reorganization of the acquired company.

4.3. The last reporting year for the acquired companies shall be the period from January 1 of the year in which entry was made to the Unified State Register of Legal Entities on cessation of their business until the date of such entry.

4.4. The acquired companies shall compile final financial statements as of the date preceding the date of the state registration of the record on cessation of business.

4.5. After the merger, PJSC Lenenergo shall compile inductive financial statements by line-by-line combination (summation or subtraction in case of uncovered loss of past years) of values of item of final financial statements of the acquired companies and values of item of final financial statements of PJSC Lenenergo, except for values of item representing mutual settlements and obligations, mutual financial investments.

5. RESPONSIBILITY OF THE PARTIES. FORCE MAJEURE

5.1. Any Party hereto who failed to perform or improperly performed its obligations hereunder shall bear liability for the same, in case of a guilt (intent or negligence), in accordance with the applicable laws.

5.2. Any Party shall not be liable for failure to perform or improper performance of the obligations hereunder, if such failure or improper performance results from force majeure. If force majeure arises, the affected Party shall, within 3 days, notify the other Party of such fact and the intended effect on the possibility of performance of its obligations hereunder.

5.3. Force majeure shall suspend the period of performance of the obligation, in respect of which the said force majeure arose, for a period that may be considered reasonable based on the obligation's nature.

6. DISPUTES RESOLUTION

6.1. All disputes, disagreements and/or claims arising out of or in connection with this Contract, including those related to conclusion, effect, amendment, performance, violation, termination and validity hereof, shall be resolved via negotiations.

6.2. If a dispute cannot be resolved through negotiation, it shall be resolved through an alternative resolution procedure (mediation) on the terms and conditions and in accordance with the procedure established by the laws and the Regulation for Consideration and Settlement of Disputes and Conflicts of Interest in Rosseti Group, approved by resolutions of the Board of Directors of PJSC Lenenergo dated December 28, 2015 (Minutes No. 30 dated December 31, 2015) and the acquired companies.

6.3. If the Parties fail to agree to resolve a dispute through mediation, such dispute shall be resolved in arbitration that shall be regulated by the Arbitration Center of the Russian Union of Industrialists and Entrepreneurs (RUIE) according to its rules in effect on the date of filing the statement of claim.

If disputes are tried in arbitration, a decision awarded by the arbitration court shall be final and binding for the Parties, and not subject to appeal.

The parties agreed that the writ of execution shall be obtained at the location of (please specify: the plaintiff, the arbitration court).

The Parties agree that documents and other arbitration-related materials may emailed to:

info@powergrid.ru (for TSEK);

kenergo@kenergo.spb.ru (for Kurortenergo);

office@lenenergo.ru (for PES);

office@lenenergo.ru (for SPb ES);

office@lenenergo.ru (for PJSC Lenenergo).

7. FINAL PROVISIONS

7.1. This Contract shall become effective upon approval by the General Meeting of Shareholders of PJSC Lenenerg" and the General Meetings of Shareholders of the acquired companies and signature of this Contract by the Parties, and shall be valid until completion of the Reorganization of all the Parties participating therein, as well as in other cases established by the laws of the Russian Federation, and by agreement of the Parties.

7.2. The Contract may be terminated on the grounds established by applicable laws.

7.3. Any agreements among the Parties with regard to amending and/or supplementing the terms and conditions hereof shall become effective only if approved by the authorized management bodies of the Parties, made in writing, signed and sealed by the Parties hereto.

7.4. If one or more provisions of this Contract are declared invalid in accordance with the procedure established by the applicable laws of the Russian Federation, such provisions shall cease to be effective. Cancellation of certain provisions hereof shall not affect validity of the remaining provisions and of this Contract as a whole.

7.5. With respect to everything else beyond the scope of the Contract the Parties shall be guided by the laws of the Russian Federation.

7.6. Legal entities named in this Contract shall be identified by means of the primary state registration number (OGRN). Change of location and name of any of the Parties hereto shall not entail change of the terms and conditions hereof both in respect of such Party and in respect of

other Parties hereto.

7.7. All appendices, supplements and minutes to this Contract shall be an integral part hereof, if it is set forth in these documents.

7.8. This Contract is executed in ten (10) copies of equal legal force, two copies for each of the Parties.

8. ADDRESSES, BANK DETAILS AND SIGNATURES OF THE PARTIES