

**NOTICE  
OF THE EXERCISABILITY OF THE PREEMPTIVE RIGHT TO ACQUIRE ADDITIONALLY ISSUED SHARES IN  
PUBLIC JOINT STOCK COMPANY OF THE POWER INDUSTRY  
AND ELECTRIFICATION LENENERGO**

**Dear shareholder!**

Public Joint Stock Company of the Power Industry and Electrification Lenenergo (hereinafter, the “Company” or “PJSC Lenenergo” or the “Issuer”) hereby notifies you that, on **December 3, 2015**, the Bank of Russia conducted the state registration of the additional issue of shares of PJSC Lenenergo.

The additional issue of securities (uncertificated registered ordinary shares) of PJSC Lenenergo was assigned State Registration Number **1-01-00073-A-004D**.

Quantity of the placed additional registered ordinary shares is **eighteen billion eight hundred eighty-two million four hundred fifty-five thousand four hundred fifty-one (18,882,455,451) pieces**.

Method of placement – **public offering**.

The offering price of the additional uncertificated registered ordinary shares (including with respect to the persons included on the list of the persons having the preemptive right to acquire placed additional shares) is **six (6) rubles ninety-nine (99) kopecks** for one share determined by the resolution of the Board of Directors of PJSC Lenenergo on December 4, 2015 (Minutes # 25 of December 9, 2015).

In accordance with Article 40 of the Federal Law “On Joint-Stock Companies,” the Issuer’s shareholders shall have the preemptive right to acquire the quantity of additional ordinary shares placed through a public offering in proportion to the quantity of the Issuer’s ordinary shares that they hold.

**Preemptive Right Period**

The Preemptive Right Period (the period during which the Application to acquire shares through exercising the preemptive right, and the document on payment for acquired shares should be received by the Issuer), is two hundred thirty (230) days after the date when the Notice of the exercisability of the preemptive Right to acquire placed shares is published on the Issuer’s webpage on the Internet at <http://www.lenenergo.ru/>.

Prior to the expiration of the Preemptive Right Period with respect to the placed securities, the securities may not be placed otherwise than by virtue of the exercise of this preemptive right.

Date of the list of the persons having the preemptive right to acquire the placed securities: **October 19, 2015** (date of the list of the persons entitled to participate in the Extraordinary General Meeting of Shareholders that decided to increase the authorized capital by means of the placement of the additional shares).

**Procedure for determining the maximum quantity of additional shares that may be acquired by each person having the preemptive right to acquire shares:**

The maximum quantity of the additional shares that may be acquired by any person through exercising the preemptive right to acquire shares is proportional to the quantity of the Issuer’s registered ordinary shares held by such person as of October 19, 2015 (date of the list of the persons entitled to participate in the Extraordinary General Meeting of Shareholders held on November 24, 2015 that decided to increase the authorized capital by means of the placement of the additional shares), and shall be calculated in accordance with the following formula:

$$L=A*(18,882,455,451/ 1,658,814,839.05), \text{ where}$$

L is the maximum quantity of additional shares of this additional issue of PJSC Lenenergo that may be acquired by the person having the preemptive right to acquire the additional shares,

A is the quantity of the Issuer’s registered ordinary shares held by the person having the preemptive right to acquire the additional shares, as of October 19, 2015 (date of the list of the persons entitled to participate in the Extraordinary General Meeting of Shareholders held on November 24, 2015 that decided to increase the authorized capital by means of the placement of the additional shares),

18,882,455,451 is the quantity of additional shares placed by the Issuer in accordance with the Decision on the Additional Securities Issue,

1,658,814,839.05 is the quantity of the Issuer’s previously placed registered ordinary shares, as of October 19, 2015 (date of the list of the persons entitled to participate in the Extraordinary General Meeting of Shareholders held on November 24, 2015 that decided to increase the authorized capital by means of the placement of the additional shares).

If the calculation of the quantity of the placed additional shares that may be acquired by any person having the preemptive right to acquire the shares by virtue of such person's preemptive right results in a fractional number, then such person shall be entitled to acquire the portion of a placed additional share (fractional share) corresponding to the fractional part of the calculated number. Any fractional share shall vest in the shareholder owning such share the rights attaching to the relevant category of shares within the scope equal to the portion of a whole share constituted by such fractional share. Fractional shares shall be traded on a par with whole shares. In the register maintenance system, fractional shares accounted for in registered persons' personal accounts shall not be subject to rounding up or down to the nearest whole share.

#### **Procedure for exercising the preemptive right to acquire the additional shares**

In the process of exercising the preemptive right to acquire shares, civil law agreements shall be entered into with the persons having the preemptive right to acquire the placed shares (hereinafter also, the "Applicants") in accordance with the procedure described below.

Any person having the preemptive right to acquire the placed additional ordinary shares shall be entitled to exercise the preemptive right in full or in part on the basis of a written application submitted to the Issuer to acquire securities of the additional issue (hereinafter, the "Application") accompanied by a document confirming the payment for the quantity of shares specified in the Application.

#### **Procedure for submitting Applications to the Company:**

The recommended form of the Application is published by the Issuer on the Internet at: <http://www.e-disclosure.ru/portal/company.aspx?id=65> and <http://www.lenenergo.ru/>.

#### **The Application should contain the following information:**

- title: Application to Acquire Shares in Public Joint Stock Company of the Power Industry and Electrification Lenenergo Through Exercising the Preemptive Right;
- full name (full corporate name) of the person having the preemptive right to acquire the additional shares;
- place of residence (registered address) of the person having the preemptive right to acquire the additional shares;
- quantity of the additional shares acquired by such person.

It is recommended that the following information also be included in the Application:

- in the case of an individual, identity document data (date and place of birth; series, number, and date of issue of passport (other document proving the identity); issuing authority; validity period, if applicable);
- in the case of a corporate entity, incorporation particulars (including, in the case of a Russian corporate entity, information about state registration/registration on the Uniform State Register of Juridical Persons (date, registration authority, registration certificate number));
- Taxpayer Identification Number (INN) of the person having the preemptive right to acquire the additional shares;
- information about the method of payment for the additional shares: in cash or other than in cash (property), or cash and other than in cash (property) contemporaneously (the list of non-cash funds which can be paid for shares is specified in paragraph 8.6 of the Decision on the Additional Securities Issue);
- in the case of payment for shares made other than in cash – description (the list and characteristics) of the property transferred as payment for additional shares with the indication of data enabling to identify such property, in particular:
  - in the case of payment by the shares of joint stock companies full corporate name, location and Principal State Registration Number (OGRN) of the joint stock company shall be specified;
  - category (type), state registration number of shares of the joint stock company contributed as payment for placed securities; quantity and par value of shares of the joint stock company contributed as payment for placed securities with indication of the share of the specified shares in percentage of all ordinary/preferred shares and the authorized capital of the joint stock company;
  - in the case of payment for shares made other than in cash, the monetary value is specified for each object of property according to the Applicant, at which the Applicant contributed non-cash funds as payment for placed shares;
  - in the case of payment for placed securities by Federal loan bonds number and state registration number of the issue should be specified. The Application should be accompanied by a document confirming the transfer of title to FLB used as payment for the placed securities to the Issuer (a certificate, statement, or report containing information about the quantity of FLB deposited in the Issuer's account and accepted as payment for the shares of this issue);

- number of the Applicant's personal account on the register of holders of the Issuer's registered securities;
- if the Applicant is a client of the nominee holder and the shares should be deposited on the register of holders of the Issuer's registered securities in the account of the nominee holder, data on the personal account of the nominee holder on the register of holders of the Issuer's registered securities should be specified: full corporate name of the Custodian (hereinafter, also the "first level Custodian". The first level Custodian in the Decision on the Additional Securities Issue and the Securities Prospectus is also the Central Custodian which is carrying out its activity according to the requirements of the Federal Law dated 07.12.2011 No. 414-FZ "About the Central Custodian"), state registration data (Principal State Registration Number (OGRN), state registration authority, date of state registration and registration of the Custodian on the Uniform State Register of Juridical Persons), number of personal account of the nominee holder on the register of holders of the Issuer's registered securities, number of the Applicant's custody account (as related to the placed securities), number and date of the custodial agreement between the Custodian and the Applicant. If the Applicant's custody account (as related to the placed securities) is maintained by a nominee holder which is, in its turn, a depositor of other nominee holder (hereinafter, the "second level Custodian"), the following information should be specified in the Application for each of the Custodians:
  - full corporate name;
  - state registration data (Principal State Registration Number (OGRN), state registration authority, date of state registration and registration of the Custodian on the Uniform State Register of Juridical Persons) of the first level Custodian;
  - number of personal account of the first level Custodian on the Issuer's register of holders of registered securities;
  - number of the Applicant's custody account;
  - number and date of the custodial agreement between the second level Custodian and the Applicant (as related to the placed securities);
  - number and date of the intercustodial agreement between the Custodians.
  - This information should be specified on all nominee holders, starting from the nominee holder with which the Applicant has a custody account (as related to the placed securities), and ending with the nominee holder which has a personal account on the register of holders of registered securities of the Issuer;
- bank account details of the Applicant that may be used for refund purposes;
- contact information of the Applicant (postal address, e-mail address and fax number including area code);
- information that the Application is accompanied by a document confirming the Applicant's payment for the placed securities.

The Application shall be signed by the Applicant (or by such person's authorized person, provided that the Application is accompanied by the original or a notarized copy of the duly issued power of attorney or any other document confirming the representative's authority) and shall, in the case of a corporate entity, bear the corporate seal.

The Applications shall be received during the Preemptive Right Period at the Issuer's registered address: 196247, St. Petersburg, Constitution Square, 1 every working day from 09.00 a.m. to 5 p.m. (MSK time).

The Issuer's postal address for Applications to be submitted: 196247, St. Petersburg, Constitution Square, 1.

The Application shall be accompanied by documents confirming the payment for the acquired shares, and in the case of payment for shares by property it shall be accompanied by the report of the appraiser on the market value of the contributed property.

The Issuer shall be entitled to refuse the exercise of the preemptive right by the person submitting the Application if:

- the Application fails to satisfy the requirements set forth in paragraph 8.5 of the Decision on the Additional Securities Issue;
- the Application does not allow the person on whose behalf the Application is submitted to be identified as the person having the preemptive right to acquire shares;
- the Application submitted through the representative of the person having the preemptive right to acquire shares is not accompanied by the original or a notarized copy of the duly issued power of attorney or any other document confirming the representative's authority;
- the Application fails to be accompanied by a document confirming the payment for the shares by the person having the preemptive right to acquire the placed securities;
- the Issuer receives the Application and/or a document confirming the payment for the shares after the expiration of the Preemptive Right Period.

In the event that the Issuer refuses the exercisability of the preemptive right to the person submitting the Application, the Issuer shall send to such person a corresponding notice within ten (10) business days after the date of receipt of the Application indicating the reasons that prevent the preemptive right to acquire the additional shares from being exercised.

In the case of receiving a notice of impossibility to exercise the preemptive right to acquire the additional shares the person wishing to exercise the preemptive right to acquire the shares may, prior to the expiration of the Preemptive Right Period, submit the Application again upon correcting the reasons that prevent the preemptive right to acquire the shares from being exercised.

The contract on acquisition of shares with the persons exercising the preemptive right of their acquisition shall be deemed to have been concluded at the moment of receiving by the Issuer a duly executed Application with the attached documents on payment for the shares. In case the Issuer receives the Application before the start date of the placement of the additional shares, the contract shall be deemed to have been concluded on the placement date of the shares.

#### **Procedure for payment for the additional shares**

During exercising by shareholders of the preemptive right to acquire the placed additional shares, the acquired shares shall be paid not later than the expiration of the Preemptive Right Period.

Payment for the additional uncertificated registered ordinary shares of PJSC Lenenergo can be made:

- in cash in the currency of the Russian Federation (Russian rubles) in a cashless form by bank transfer to the settlement account of PJSC Lenenergo;

- other than in cash:

- by the shares of the following companies: Saint Petersburg Electrical Networks, Joint Stock Company and Petrodvortsovaya Grid, Open Joint Stock Company;

- by power facilities (movable, immovable property) involved in the energy supply of subscribers in St. Petersburg and the Leningrad region, which is commissioned, and the ownership of which is confirmed;

- by federal loan bonds (issues 29006RMFS, 29007RMFS, 29008RMFS, 29009RMFS, 29010RMFS (hereinafter also, the "FLB")).

Payment for the placed additional shares can be made both in one and several forms (in cash and/or other than in cash). If the information about the form of payment for the shares is not specified in the Application, it is considered that it provides for the payment only in cash.

#### **Procedure for payment for the additional shares in cash:**

Additional shares shall be paid in cash in the currency of the Russian Federation (Russian rubles) in a cashless form by bank transfer to the settlement account of PJSC Lenenergo:

Credit institution details

Full corporate name: Public Joint Stock Company Sberbank of Russia

Short corporate name: PJSC Sberbank

Location: Russian Federation, Moscow

Registered address: Russian Federation, 117997, Moscow, Vavilova St., 19

INN (Taxpayer Identification Number): 7707083893

Account number: 40702810055430130788

Account type: settlement

BIC: 044030653

Correspondent account: 30101810500000000653

The recipient of funds received as payment for securities: Public Joint Stock Company of the Power Industry and Electrification Lenenergo (INN 7803002209, KPP 781001001).

The obligation to pay for the corresponding quantity of shares in the case of payment in cash shall be deemed to have been fulfilled upon receipt by the Issuer of the amount due in its account specified above.

The document confirming payment for the additional shares in cash shall be:

- the original or copy of the payment order certified by the bank;

- in the case of payment to the bank's cashier, the documents issued thereto;

- in the case of payment through the bank terminal, the documents issued thereto (e.g. a receipt, bank order).
- the bank transfer receipt to the Issuer's settlement account specified above.

Procedure for payment for the additional shares other than in cash (property):

The procedure for payment for the placed shares other than in cash:

1. In the case of payment for the additional shares by immovable property, the Applicant and the Issuer shall sign the Agreement on acquisition of shares (the barter agreement) and the transfer-acceptance act of the immovable property made in accordance with the requirements of the legislation on the state registration of title to immovable property and transactions with it, and the state registration of title to immovable property. The payment date for the placed shares shall be deemed the date of state registration of the title transfer of immovable property to the Issuer. The state registration of the title transfer of immovable property to the Issuer shall be certified by the certificate of state registration of title issued in accordance with the requirements of Article 14 of the Federal Law dated 21.07.1997 No. 122-FZ "About state registration of title to immovable property and transactions with it".

2. In the case of payment for the additional shares by movable property (except for payment by the shares of joint stock companies and federal loan bonds), the Applicant and the Issuer shall sign the Agreement on acquisition of shares (the barter agreement) and the transfer-acceptance act, according to which the Applicant transfers, and the Issuer accepts property transferred as payment for shares. In cases stipulated by the current legislation of the Russian Federation, the civil contract is subject to state registration.

3. Shares of the following companies: Saint Petersburg Electrical Networks, Joint Stock Company and Petrodvortsovaya Grid, Open Joint Stock Company used as payment for the additional registered ordinary shares of the Issuer shall be transferred to the Issuer in accordance with the transfer order (instruction) of the Applicant. Thus, the moment of payment for the additional registered ordinary shares of the Issuer is considered the moment of entry on the deposit of the shares to the personal account (custody account) of the Issuer on the register of holders of registered securities of the joint stock company (in the custodial account system of the nominee holder of shares of the joint stock company).

4. In the event of payment for the shares by the FLB, the rights to the FLB shall transfer to the Issuer upon making a credit entry in the custody account of PJSC Lenenergo (the Issuer) opened with a nominee holder of Gazprombank (Joint-Stock Company).

The FLB shall be credited to the Issuer's custody account opened with Gazprombank (Joint-Stock Company) at the Central Custodian (National Settlement Depository; registration particulars: State Registration Certificate No. 1027739132563 issued by Interdistrict Inspectorate of the Ministry of Taxation of the Russian Federation for the City of Moscow No. 39 on 30.08.2002) with the following details:

Full corporate name of the Custodian: Gazprombank (Joint-Stock Company)

Location: 117420, Moscow, Nametkina St., 16, build.1

State registration particulars: Principal State Registration Number (OGRN) 1027700167110 of 28.08.2002; the state registration certificate issued by the Directorate of the Ministry of Taxation of the Russian Federation for the City of Moscow

Number of the professional securities market participant's license to perform custodial activities: 177-04464-000100

Date of issue: 10.01.2001

Valid until: Issued for an indefinite term

Issuing authority: Federal Financial Markets Service of the Russian Federation

Custodian code: MC 00098 00000

Number of the custodian's account: ML 9508300025

Section for crediting to the custodian's account: 000000000000000000

For crediting to the custody account № 433987

Owner: PJSC Lenenergo

Documents issued in the event of payment for the shares by the FLB: instructions to withdraw securities from custody and/or custodial instructions.

In the event of payment for the placed shares other than in cash (by the FLB), it is recommended that the Applicant send by email to the Issuer at [ir@lenenergo.ru](mailto:ir@lenenergo.ru) at least 5 business days prior to submitting the Application a notice of the Applicant's intention to make payment for the placed shares by the FLB so that the Issuer is able to give the Issuer's custodian the instructions to credit the FLB to the custody account and send the Applicant a reference for such transaction. Any such notice shall contain:

- full name (full corporate name) of the Applicant;

- in the case of an individual, identity document data (date and place of birth; series, number, and date of issue; issuing authority);
- in the case of a corporate entity, incorporation particulars (including, in the case of a Russian corporate entity, information about state registration/registration on the Uniform State Register of Juridical Persons (date, registration authority, registration certificate number));
- quantity of the acquired securities;
- quantity of the FLB planned to be transferred to the Issuer as payment for the placed shares, state registration number of the FLB issue, and date of assigning the state registration number;
- information about the place of custody of the FLB that shall be transferred as payment for the placed shares (the Central Custodian or any other custodian);
- custody account details of the Applicant: custody account name, custody account number, section number, and depositor code;
- contact information of the Applicant (mobile telephone number and email address).

The email address for requesting a reference for the confirmation of each transaction is ir@lenenergo.ru.

The documents confirming the payment for the shares of this issue other than in cash (by the FLB) shall be:

- a document confirming the transfer of title to the FLB used as payment for the placed securities to the Issuer (a certificate, report, or statement from the custodian responsible for storing and accounting for the acquirer with respect to withdrawing/depositing the FLB to the Issuer's custody account with Gazprombank (Joint-Stock Company)) as of the date of the transfer of the FLB used as payment for the shares.

The FLB that are transferred as payment for the shares shall be free and clear of any third-party claims, shall not be subject to any encumbrances, and shall not be subject to any dispute or attachment.

If payment for the placed securities is made by shares of joint stock companies/federal loan bonds, then any expenses in connection with the transfer of shares of joint stock companies/FLB used as payment for the placed securities into the Issuer's account shall be paid by the Applicant

Monetary valuation of the property transferred as payment for the shares is made by the Issuer's Board of Directors. Thus, monetary valuation of such property, as determined by the Issuer's Board of Directors cannot exceed the valuation made by the appraiser engaged for determining the market value of the property contributed as payment for the shares. The appraisers specified in paragraph 8.6 of the Decision on the Additional Securities Issue and paragraphs 1.3, 8.8.6 of the Securities Prospectus should be engaged to determine the market value of the property, which can be paid for the shares of PJSC Lenenergo.

In case the quantity of acquired shares specified in the Application is less than the quantity of shares paid by the Applicant, it is considered that the Applicant exercised the preemptive right to acquire shares with respect to the quantity of shares specified in the Application; thus, the Application is satisfied in respect to the quantity of shares specified therein. In this case, overpaid money shall be returned to the Applicant in the manner and time stipulated in paragraph 8.5 of the Decision on the Additional Securities Issue. In case payment for the shares is made other than in cash – not later than sixty (60) days from the end date of securities placement the Issuer shall return to the Applicant the difference between the value of property used as payment for the additional shares and the cost of the additional shares specified by the Applicant in the Application. This difference is returned in the manner stipulated in paragraph 8.5 of the Decision on the Additional Securities Issue for refund of overpaid money.

In case the quantity of acquired shares specified in the Application exceeds the quantity of paid shares, it is considered that the Applicant exercised the preemptive right to acquire shares with respect to the quantity of paid shares.

In case the quantity of shares specified in the Application exceeds the maximum quantity of shares which may be acquired by the Applicant, and the quantity of paid shares is not less than the maximum quantity of shares which the Applicant may acquire when exercising the preemptive right to acquire shares, it is considered that the Applicant exercised the preemptive right to acquire shares with respect to the maximum quantity of shares which may be acquired when exercising the preemptive right to acquire shares. In this case, overpaid money shall be returned to the Applicant in the manner and time stipulated in paragraph 8.5 of the Decision on the Additional Securities Issue. In case payment for the shares is made other than in cash – not later than sixty (60) days from the end date of securities placement the Issuer shall return to the Applicant the difference between the value of property used as payment for the additional shares and the cost of the additional shares specified by the Applicant in the Application. This difference is returned in the manner stipulated in paragraph 8.5 of the Decision on the Additional Securities Issue for

refund of overpaid money.

Procedure for refund of the money overpaid by the Applicant during exercising the preemptive right to acquire additional shares

In the above mentioned cases, overpaid money shall be refund by bank transfer within sixty (60) days from the end date of securities placement. The refund shall be made to the bank account specified in the Application, and if such details are not specified in the Application, to the account specified in the refund request. If the Application does not contain any bank details for refund, and the refund request is not received by the Issuer at least sixty (60) days from the end date of securities placement, the refund shall be made to the account specified on the register of holders of the Issuer's registered securities. The person who transferred the excessive amount shall bear the costs for the refund of overpaid money.

**Procedure and terms for transfer of the additional shares to the persons exercising the preemptive right to acquire them**

The Issuer shall submit to the registrar a transfer order being the basis for making a credit entry on the register of shareholders on the personal account of the person exercising the preemptive right to acquire securities of the Issuer, or a nominee holder, the depositor of which such person is, no earlier than the start date of placement and no later than the day of summing up the results of exercising the preemptive right to acquire the placed securities.

**Please note that any person registered on the Company's shareholder register is required by paragraph 5 of Article 44 of Federal Law No. 208-FZ "On Joint-Stock Companies" to notify the Company's Registrar of any change of such person's particulars.**

**Failure by registered persons to furnish information concerning the change of their details and/or the necessary documents may render it impossible to make credit entries in acquirers' accounts, and PJSC Lenenergo shall not be held liable for any losses caused in connection therewith.**

**Additional information**

The text of the Decision on the Additional Securities Issue and the text of the Securities Prospectus with respect to the additional shares are posted by the Issuer on the Internet at:

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

All interested persons can familiarize with the Decision on the Additional Securities Issue and the Securities Prospectus and obtain their copies at: 196247, St. Petersburg, Constitution sq., 1, office 325.

Telephone for inquiries: +7 (812) 494-39-06, +7 (812) 494-39-63, Shareholder and Investor Relations Division of PJSC Lenenergo.

Acting Director General  
of PJSC Lenenergo

M.A. Ivanov

December 10, 2015