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| Admitted to trading at stock exchange during the placement **“** | **10** | **“** | **November** | **2015** |  |

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MICEX Stock Exchange

(stock exchange that admitted the bonds to trade during their placement)

(position and name of authorized person from the stock exchange who admitted the bonds to trade during their placement)

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(MICEX Stock Exchange

(stock exchange that admitted the bonds to trade during their placement)

(position and name of authorized person from the stock exchange who admitted the bonds to trade during their placement)

seal

**DECISION ON ISSUE OF SECURITIES**

**2nd PART**

**(TERMS OF EXCHANGE-TRADED BOND ISSUE)**

**Public joint stock company of power industry and electrification of Kuban**

**exchange-traded nonconvertible interest-bearing certificated bearer bonds 001Р-02 with mandatory centralized custody in amount of 3 400 000 (three million four hundred thousand) bonds, with par value 1 000 (one thousand) rubles each, the total par value 3 400 000 000 (three billion four hundred million) rubles with redemption term** **on the 3 640 (three thousand six hundred and fortieth) day from the placement commencement date, placed by public offering**

**The exchange-traded bonds are placed under the Programme of exchange-traded bonds with identification number 4-00063-А-001P-02E assigned on 26 August 2015.**

Approved by the order of the Director General of the Public joint stock company of power industry and electrification of Kuban on approval of the second part of the Resolution to issue securities (terms of exchange-traded bonds issue)

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| adopted on | 3 |  | November | 201 | 5 | , Order dd | 03 |  | November | 201 | 5 | . No. | 946 |

on the basis of resolution of the Board of the Public joint stock company of power industry and electrification of Kuban on approval of the first part of the Resolution to issue securities (the Programme of exchange-traded bonds), adopted on 29 June 2015, minutes of meeting No. 217/2015 dated 31 July 2015.

Location of the issuer and its contracts: **Krasnodar, Russian Federation.**

Phone: **+ 7 (861) 268-5913,** fax: **+ 7 (861) 268-2493**

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|  | **Director General of the Public joint stock company of power industry and electrification of Kuban** | | | | | | |  |  | **Gavrilov A.I.** |  |
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|  |  | 03 |  | November | 20 | 15 |  | seal | | | |
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1. Type, category of securities

**bearer exchange-traded bond**

Identification characteristics of securities: **exchange-traded nonconvertible interest-bearing certificated bearer bonds with mandatory centralized custody.**

Series:  **001Р-02**

Hereinafter in this document the following expressions will be used:

**The first part of the resolution on securities issue, describing general rights of bonds owners and other general conditions for one or several owners of bonds issues, including the current issue of Exchange-traded bonds, hereinafter referred to as “the Programme”, “the Programme of exchanged-traded bonds”;**

**Identification number of the Programme - 4-00063-А-001P-02E dated 26 August 2015, within which the issue of Exchanged-traded bonds is published;**

**The second part of the resolution on securities issue describes specific conditions of the current bond issue, placed under the Programme, hereinafter referred to as “Terms of issue”.**

**Exchanged-traded bonds or Exchanged-traded bonds issue – an exchanged-traded bond placed within the Programme and in accordance with the current Terms of issue.**

2. Form of securities (uncertificated/certificated)

**certificated**

3. Requirement for mandatory centralized storage

**Mandatory centralized storage is required.**

**Information subject to disclosure in this chapter is specified in the chapter 3 of the Programme.**

4. Par value of each securities of the issue (additional issue):

**1 000** **(one thousand)** **rubles.**

5. Number of securities of the issue (additional issue):

**3 400 000 (three million four hundred thousand) securities.**

**The Exchange-traded bonds are not supposed to be placed in installments.**

6. Number of securities of the issue issued earlier

**The Exchange-traded bonds of the issue were not placed before. This issue is not additional issue.**

7. Rights of owner of each security of the issue (additional issue)

7.1. For ordinary shares:

**Such information is not specified for the securities of this type.**

7.2. For preferred shares:

**Such information is not specified for the securities of this type.**

7.3. For bonds:

**Information subject to disclosure in this paragraph is specified in the paragraph 7.3 of the Programme.**

7.4. For issuer options:

**Such information is not specified for the securities of this type.**

7.5. In case the securities are convertible:

**Exchange traded bonds are not convertible securities.**

7.6. In case the securities are meant for qualified investors:

**Exchange traded bonds are not securities that are meant for qualified investors.**

8. Terms and procedure of securities placement (additional securities placement)

8.1. Method of placement: public or private offering:

**public offering.**

8.2. Period of distribution of the securities

Procedure for determining the commencing date of placement:

**Date of commencement of Exchange-traded bond shall be fixed by the sole executive body of the Issuer after the admission of Exchange-traded bonds to trading during their placement.**

**The commencement date of placement shall be disclosed by the Issuer in a form of announcement on the commencement date of securities placement in accordance with the regulations of the financial markets in the following deadlines:**

**- in the news - not later than 1 (one) day before the commencement date of placement of Exchange-traded bonds;**

**- on the Issuer's webpages - no later than 1 (one) day before the commencement date of placement of Exchange-traded bonds.**

**Along with it, the Issuer shall publish such announcement first in the news and only then at its webpages.**

**The Issuer shall inform the Exchange and the National Settlement Depository on the commencement date of securities placement in an agreed manner.**

**The commencement date of Exchange-traded bonds placement, determined by the issuer's authorized management bodies, may be moved (changed) by the decision of the management body of the Issuer, on condition that the issuer has met the requirements on disclose information about changing the commencement date of Exchange-traded bonds placement, defined by certain laws of the Russian Federation.**

**In case the Issuer decides to postpone (change) the commencement date of securities placement which was disclosed in the above-mentioned method, the Issuer shall publish a notice on the change of the commencement date of securities placement in the news and on the Issuer's website not later than 1 (one) day prior to such date.**

**The Issuer shall notify the Exchange and the National Settlement Depository on changes in the commencement date of Exchange-traded bonds placement no later than 1 (one) day before the relevant date.**

End date of securities placement or procedure for determining it:

**The end date of placement of the Exchange-traded bonds is the earliest of the following dates:**

**a) the 3rd (third) business day from the date of commencement of placement;**

**b) the date when the last Exchange-traded bond was issued.**

**Exchange-traded bonds issue is not intended to be placed in tranches.**

If the period of the securities placement is determined on the basis of specifying the dates of disclosure of certain information concerning the issue of securities (additional issue), the procedure for disclosure of such information shall be also disclosed:

Term of Exchange-traded bonds is not determined on the basis of specifying the dates of disclosure of any information concerning the bond issue.

8.3. Procedure for securities placement

Information about a company that rendered the Issuer services on placement and arrangement of Exchange-traded bonds placement:

**Professional participant of the securities market that renders arrangement of Exchange-traded bonds placement (hereinafter – “the Organizer”) as well as acting as an intermediary in the placement of securities at trades of “MICEX Stock Exchange” (hereinafter – “the Underwriter”) is “Gazprombank” (Joint-Stock Company).**

Full business name: **“Gazprombank” (Open Joint-Stock Company)**

Abbreviated business name: **GPB (OJSC)**

TIN (taxpayer’s id. number): **7744001497**

PSRN (primary state registration number): **1027700167110**

Location: **117420, Moscow, Nametkina Street, 16, bldg. 1**

Postal address: **117420, Moscow, Nametkina Street, 16, bldg. 1**

License number: **License for implementation of broker activity #177-04229-100000**

Issued on: **27.12.2000**

Effective period: **without restriction of the period of validity**

Authority which issued the specified license: **Federal Commission for Securities of Russia**

Amount of remuneration of the person rendering the services of placement and/or organization of securities placement: **Remuneration of the persons rendering the services of placement and/or organization of placement of securities will not exceed 1.0% (one percent) (of the nominal value of the issuance of the Bonds**

Other data subject to disclosure in this subparagraph is given in paragraph 8.3 of chapter 8 of the Programme.

8.4. Price (prices) or the procedure for determining the price of securities

**Information subject to disclosure in this subparagraph is specified in paragraph 8.4 of chapter 8 of the Programme.**

8.5. The procedure for exercising the preemptive right to acquire the placed securities

**Information subject to disclosure this paragraph is specified in paragraph 8.5 of chapter 8 of the Programme.**

8.6. Conditions and order of securities payment

Details of the Underwriters’ accounts**:**

Holder of the account: **“Gazprombank” (Open Joint-Stock Company)**

TIN (taxpayer’s id. number)/ PSRN (primary state registration number): **7744001497 / 997950001;**

Account number:**30411810600000000123.**

Data subject to disclosure in this subparagraph is specified in paragraph 8.6 of chapter 8 of the Programme.

8.7. Information on the document containing the results of the actual placement of securities which is to be submitted after the completion of the securities placement

**Information subject to disclosure in this subparagraph is specified in paragraph 8.7 of chapter 8 of the Programme.**

9. Procedure and terms of redemption and payment of yield on bonds

9.1. Form of bond redemption

Information subject to disclosure in this subparagraph is specified in paragraph 9.1 of chapter 9 of the Programme.

9.2. Procedure and terms of bond redemption

Term (date) of repayment of Bonds or procedure for its determining

**Start date: 3640th (three thousand six hundred and fortieth) day from the start of Bonds distribution.**

**Start and end date of repayment of the Commercial Bonds coincide.**

Information subject to disclosure in this subparagraph is specified in paragraph 9.2 of chapter 9 of the Programme.

9.3. The procedure for determining the revenue paid on bonds

The size of the yield and the procedure of its determination, including the size of the yield paid on each coupon or the procedure of its determination, are specified:

**Exchange-traded bonds have 20 (twenty) coupon periods. The duration of each coupon period is set to 182 (one hundred and eighty two) days.**

**Information subject to disclosure in this subparagraph is specified in paragraph 9.3 of chapter 9 of the Programme.**

**Coupon period: 1 (the first)**

**Start date of the first coupon period or procedure for its determination:**

**Start date of the exchange-traded bonds placement**

**Due date of the first coupon period or procedure for its determination: 182nd (one hundred eighty second) day from the start date of the Bonds placement**

**Coupon period: 2 (the second)**

**Start date of the second coupon period or procedure for its determination: 182nd (one hundred eighty second) day from the start date of the Bonds placement**

**Due date of the second coupon period or procedure for its determination: 364th (three hundred sixty fourth) day from the start date of the Bonds placement**

**Coupon period: 3 (the third)**

**Start date of the third coupon period or procedure for its determination: 364th (three hundred sixty fourth) day from the start date of the Bonds placement**

**Due date of the third coupon period or procedure for its determination: 546th (five hundred forty sixth) day from the start date of the Bonds placement**

**Coupon period: 4 (the fourth)**

**Start date of the fourth coupon period or procedure for its determination: 546th (five hundred forty sixth) day from the start date of the Bonds placement**

**Due date of the fourth coupon period or procedure for its determination: 728th (seven hundred twenty eighth) day from the start date of the Bonds placement**

**Coupon period: 5 (the fifth)**

**Start date of the fifth coupon period or procedure for its determination: 728th (seven hundred twenty eighth) day from the start date of the Bonds placement**

**Due date of the fifth coupon period or procedure for its determination: 910th day (nine hundred tenth) day from the start date of the Bonds placement**

**Coupon period: 6 (the sixth)**

**Start date of the sixth coupon period or procedure for its determination: 910th (nine hundred tenth) day from the start date of the Bonds placement**

**Due date of the sixth coupon period or procedure for its determination: 1092nd (one thousand ninety second) day from the start date of the Bonds placement**

**Coupon period: 7 (the seventh)**

**Start date of the seventh coupon period or procedure for its determination: 1092nd (one thousand ninety second) day from the start date of the Bonds placement**

**Due date of the seventh coupon period or procedure for its determination: 1274th (one thousand two hundred seventy fourth) day from the start date of the Bonds placement**

**Coupon period: 8 (the eighth)**

**Start date of the eighth coupon period or procedure for its determination: 1274th (one thousand two hundred seventy fourth) day from the start date of the Bonds placement Due date of the eighth coupon period or procedure for its determination: 1456th (one thousand four hundred fifty sixth) day from the start date of the Bonds placement**

**Coupon period: 9 (the ninth)**

**Start date of the ninth coupon period or procedure for its determination: 1456th day (one thousand four hundred fifty sixth) day from the start date of the Bonds placement Due date of the ninth coupon period or procedure for its determination: 1638th (one thousand six hundred thirty eighth) day from the start date of the Bonds placement**

**Coupon period: 10 (the tenth)**

**Start date of the tenth coupon period or procedure for its determination: 1638th (one thousand six hundred thirty eighth) day from the start date of the Bonds placement**

**Due date of the tenth coupon period or procedure for its determination: 1820th (one thousand eight hundred twentieth) day from the start date of the Bonds placement**

**Coupon period: 11 (the eleventh)**

**Start date of the eleventh coupon period or procedure for its determination: 1820th (one thousand eight hundred twentieth) day from the start date of the Bonds placement**

**Due date of the eleventh coupon period or procedure for its determination: 2002nd (two thousand second) day from the start date of the Bonds placement**

**Coupon period: 12 (the twelfth)**

**Start date of the twelfth coupon period or procedure for its determination: 2002nd (two thousand second) day from the start date of the Bonds placement**

**Due date of the twelfth coupon period or procedure for its determination: 2184th (two thousand one hundred eighty fourth) day from the start date of the Bonds placement**

**Coupon period: 13 (thirteenth)**

**Start date of the thirteenth coupon period or procedure for its determination: 2184th (two thousand one hundred eighty fourth) day from the start date of the Bonds placement**

**Due date of the thirteenth coupon period or procedure for its determination: 2366th (two thousand three hundred sixty sixth) day from the start date of the Bonds placement**

**Coupon period: 14 (the fourteenth)**

**Start date of the fourteenth coupon period or procedure for its determination: 2366th (two thousand three hundred sixty sixth) day from the start date of the Bonds placement**

**Due date of the fourteenth coupon period or procedure for its determination: 2548th (two thousand five hundred forty eighth) day from the start date of the Bonds placement**

**Coupon period: 15 (the fifteenth)**

**Start date of the fifteenth coupon period or procedure for its determination: 2548th (two thousand five hundred forty eighth) day from the start date of the Bonds placement**

**Due date of the fifteenth coupon period or procedure for its determination: 2730th (two thousand seven hundred thirtieth) day from the start date of the Bonds placement**

**Coupon period: 16 (the sixteenth)**

**Start date of the sixteenth coupon period or procedure for its determination: 2730th (two thousand seven hundred thirtieth) day from the start date of the Bonds placement**

**Due date of the sixteenth coupon period or procedure for its determination: 2912th (two thousand nine hundred twelfth) day from the start date of the Bonds placement**

**Coupon period: 17 (the seventeenth)**

**Start date of the seventeenth coupon period or procedure for its determination: 2912th (two thousand nine hundred twelfth) day from the start date of the Bonds placement**

**Due date of the seventeenth coupon period or procedure for its determination: 3094th (three thousand nine hundred fourth) day from the start date of the Bonds placement**

**Coupon period: 18 (the eighteenth)**

**Start date of the eighteenth coupon period or procedure for its determination: 3094th (three thousand nine hundred fourth) day from the start date of the Bonds placement**

**Due date of the eighteenth coupon period or procedure for its determination: 3276th (three thousand two hundred seventy sixth) day from the start date of the Bonds placement**

**Coupon period: 19 (the nineteenth)**

**Start date of the nineteenth coupon period or procedure for its determination: 3276th (three thousand two hundred seventy sixth) day from the start date of the Bonds placement**

**Due date of the nineteenth coupon period or procedure for its determination: 3458th (three thousand five hundred eighth) day from the start date of the Bonds placement**

**Coupon period: 20 (the twentieth)**

**Start date of the twentieth coupon period or procedure for its determination: 3458th (three thousand five hundred eighth) day from the start date of the Bonds placement**

**Due date of the twentieth coupon period or procedure for its determination: 3640th day (three thousand six hundred fortieth) day from the start date of the Bonds placement**

The procedure for determining the amount of income paid for each coupon:

Calculation of the amount of payments on the first coupon on one Exchange-traded bond is performed under the following formula:

**CYj = Cj \* Nom \*(T(j) - T(j-1)) /365/100%,**

where CYj – amount of the coupon yield on each Exchange-traded bond;

Nom – outstanding part of the nominal value of one Exchange-traded bond;

Cj – amount of the interest rate on the j- coupon, interest per annum;

T(j-1) – date of beginning of the j- coupon period of the Exchange-traded bond;

Tj - date of the end of the j- coupon period of the Exchange-traded bond.

The amount of the coupon yield on one Commercial Paper is calculated with the accuracy of one kopeck (rounding-off is made using the mathematical rounding-off rules, namely: if the third figure following the point exceeds or is equal to 5, the second figure following the point is increased by one; if the third figure following the point is less than 5, the second figure following the point is not changed).

**Information subject to disclosure in this subparagraph is specified in paragraph 9.3 of chapter 9 of the Programme.**

**9.3.1. Order of definition of the interest rate on the first coupon:**

**Information subject to disclosure in this subparagraph is specified in paragraph 9.3.1 of chapter 9 of the Programme.**

**9.3.2. Order of definition of the interest rate on the coupons, beginning with the second one:**

**Information subject to disclosure in this subparagraph is specified in paragraph 9.3.2 of chapter 9 of the Programme.**

9.4. Order of payment of the yield on bonds

**The coupon yield on Exchange-traded bonds for each coupon period is paid as of the date of the relevant coupon period.**

**Exchange-traded bonds have 20 (twenty) coupon periods.**

**The duration of each coupon period is set to 182 (one hundred and eighty two) days.**

Timeframe for payment of the yield on the bonds:

**Coupon yield from the first coupon period is paid on the 182nd day from the start of the Bonds placement.**

**Coupon yield from the second coupon period is paid on the 364th day from the start of the Bonds placement.**

**Coupon yield from the third coupon period is paid on the 546th day from the start of the Bonds placement.**

**Coupon yield from the fourth coupon period is paid on the 728th day from the start of the Bonds placement.**

**Coupon yield from the fifth coupon period is paid on the 910th day from the start of the Bonds placement.**

**Coupon yield from the sixth coupon period is paid on the 1092nd day from the start of the Bonds placement.**

**Coupon yield from the seventh coupon period is paid on the 1274th day from the start of the Bonds placement.**

**Coupon yield from the eighth coupon period is paid on the 1456th day from the start of the Bonds placement.**

**Coupon yield from the ninth coupon period is paid on the 1638th day from the start of the Bonds placement.**

**Coupon yield from the tenth coupon period is paid on the 1820th day from the start of the Bonds placement.**

**Coupon yield from the eleventh coupon period is paid on the 2002nd day from the start of the Bonds placement.**

**Coupon yield from the twelfth coupon period is paid on the 2184th day from the start of the Bonds placement.**

**Coupon yield from the thirteenth coupon period is paid on the 2366th day from the start of the Bonds placement.**

**Coupon yield from the fourteenth coupon period is paid on the 2548th day from the start of the Bonds placement.**

**Coupon yield from the fifteenth coupon period is paid on the 2730th day from the start of the Bonds placement.**

**Coupon yield from the sixteenth coupon period is paid on the 2912th day from the start of the Bonds placement.**

**Coupon yield from the seventeenth coupon period is paid on the 3094th day from the start of the Bonds placement.**

**Coupon yield from the eighteenth coupon period is paid on the 3276th day from the start of the Bonds placement.**

**Coupon yield from the nineteenth coupon period is paid on the 3458th day from the start of the Bonds placement.**

**Coupon yield from the twentieth coupon period is paid on the 3640th day from the start of the Bonds placement.**

**Coupon yield from the twentieth coupon period is paid simultaneously with** **exchange-traded bond redemption.**

**Other information subject to disclosure in this subparagraph is specified in paragraph 9.4 of chapter 9 of the Programme.**

9.5. Procedure and conditions of early repayment of bonds

**Other information subject to disclosure in this subparagraph is specified in paragraph 9.5 of chapter 9 of the Programme.**

9.5.1 Early repayment of the bonds on request of their holder

**Other information subject to disclosure in this subparagraph is specified in paragraph 9.5.1 of chapter 9 of the Programme.**

9.5.2 Early repayment of the bonds at the Issuer’s discretion

**Information subject to disclosure in this subparagraph is specified in paragraph 9.5.2 of chapter 9 of the Programme.**

Other conditions of early repayment of the bonds: none.

9.6. Data on payment agents on the bonds:

**As of the date of approval of the Terms of issue payment agent was not appointed.**

**Other information subject to disclosure in this subparagraph is specified in paragraph 9.6 of chapter 9 of the Programme.**

9.7. Data on the bonds holders’ actions and order of information disclosure in the event of a default on the bond

**Other information subject to disclosure in this subparagraph is specified in paragraph 9.7 of chapter 9 of the Programme.**

10. Information on acquisition of bonds

**Other information subject to disclosure in this subparagraph is specified in chapter 10 of the Programme.**

10.1 . Acquisition of the Bonds by the Issuer on request of their holder (holders):

**Acquisition of the bonds by the issuer on request of their holders is stipulated with possibility of their further circulation.**

**Other information subject to disclosure in this subparagraph is specified in paragraph 10.1 of chapter 10 of the Programme.**

10.2. Acquisition by the Issuer of the Bonds in agreement with their holder (holders):

**Acquisition by the Issuer of the Bonds in agreement with their holders is stipulated with possibility of their further circulation.**

**Other information subject to disclosure in this subparagraph is specified in paragraph 10.2 of chapter 10 of the Programme.**

10.3. The period (the procedure for determining the period) of the acquisition of bonds, the order of the authorized body's decision to purchase the bonds, the procedure for the issuer disclosing information on conditions and results of the acquisition of bonds, as well as other conditions for the acquisition of bonds.

**Information subject to disclosure in this subparagraph is specified in paragraph 10.3 of chapter 10 of the Programme.**

11. Order of disclosure by the Issuer of the information on the securities issuance

**Information subject to disclosure in this subparagraph is specified in chapter 11 of the Programme.**

12. Data on security for performance of obligations on the bonds of the issue (additional issue)

**Information subject to disclosure in this subparagraph is specified in chapter 12 of the Programme.**

13. Information on representative of bondholders

**As of the date of approval of the Terms of issue the representative of Bondholders was not appointed.**

14. The obligation of the issuer at the request of the person concerned to provide such person with a copy of these Terms of the issue for a fee not exceeding the cost of its production:

**The Issuer is obliged to provide at the request of an interested person a copy of the Terms of the issue fee not exceeding the cost of its production.**

15. The obligation of the Issuer to ensure the rights of holders of securities, provided that they observe the procedure of these rights implementation, which is established by the Russian Federation laws

**Information subject to disclosure in this subparagraph is specified in chapter 15 of the Programme.**

16. The obligation of the persons which provided security for the bonds, to ensure performance of obligations of the Issuer to the holders of bonds in the event of the Issuer’s refusal to perform the obligations or delay in performance of respective obligations on the bonds according to the conditions of this security

**Information subject to disclosure in this subparagraph is specified in chapter 16 of the Programme.**

17. Other information:

**Information subject to disclosure in this subparagraph is specified in chapter 17 of the Programme.**

**Sample of securities certificate**

**front**

**Public joint stock company of power industry and electrification of Kuban**

Location: **Krasnodar, Russian Federation**

Postal address: **2A Stavropolskaya street**, **Krasnodar, Russian Federation 350033**

**Certificate**

**exchange-traded nonconvertible interest-bearing certificated bearer bonds 001Р-02 with mandatory centralized custody**

Identification number

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Date of assigning the identification number

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The Bonds are placed via public offering among an unlimited number of persons

Public joint stock company of power industry and electrification of Kuban (hereinafter – the Issuer) is obliged to ensure the rights of holders of the Commercial Papers, provided that they observe the procedure of these rights implementation, which is established by the Russian Federation laws.

This certificate attests the rights to 3 400 000 (three million four hundred thousand) of Exchanged traded bonds of the par value of 1,000 (One thousand) rubles each and total nominal value of 3 400 000 000 (three billion rubles four hundred million) rubles.

The total amount of Exchanged traded bonds of the issue, having the identification number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ dated “\_\_”\_\_\_\_\_\_\_\_ 201\_, is 3 400 000 (three million four hundred thousand) Exchanged traded bonds having the nominal value of 1,000 (One thousand) rubles each and total nominal value of 3 400 000 000 (three billion rubles four hundred million) rubles.

This certificate is transferred for storage to the Nonbank Credit Organization Closed Joint-Stock Company “National Settlement Depository” (hereinafter - “NSD”), which carries out compulsory centralized storage of the certificate of the Bonds

Location of the depositary: 12 Spartakovskaya str., Moscow

**Director general of**

**Public joint stock company of power**

**industry and electrification of Kuban** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **A.I. Gavrilov**

seal

Date “\_\_\_” \_\_\_\_\_\_\_\_\_\_\_ 20\_\_

**Back**

1. Type, category of securities

**bearer exchange-traded bond**

Identification characteristics of securities: **exchange-traded nonconvertible interest-bearing certificated bearer bonds with mandatory centralized custody.**

Series:  **001Р-02**

Hereinafter in this document the following expressions will be used:

**The first part of the resolution on securities issue, describing general rights of bonds owners and other general conditions for one or several owners of bonds issues, including the current issue of Exchange-traded bonds, hereinafter referred to as “the Programme”, “the Programme of exchanged-traded bonds”;**

**Identification number of the Programme - 4-00063-А-001P-02E dated 26 August 2015, within which the issue of Exchanged-traded bonds is published;**

**The second part of the resolution on securities issue describes specific conditions of the current bond issue, placed under the Programme, hereinafter referred to as “Terms of issue”.**

**Exchanged-traded bonds or Exchanged-traded bonds issue – an exchanged-traded bond placed within the Programme and in accordance with the current Terms of issue.**

2. Form of securities (uncertificated/certificated)

**certificated**

3. Requirement for mandatory centralized storage

**Mandatory centralized storage is required.**

Depository which will carry out centralized storage: Full business name: Nonbank Credit Organization Closed Joint-Stock Company “National Settlement Depository” Abbreviated business name: NCO CJSC NSD

Location: **12 Spartakovskaya str., Moscow**

Postal address: **12 Spartakovskaya str., Moscow 105066**

Phone: **(495) 956-27-90, (495) 956-27-91.**

Fax: **(495) 956-09-38.**

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PSRN: **1027739132563.**

TIN/ tax registration reason code (KPP): **7702165310/775001001.**

Number of the license of the professional participant in the securities market for implementation of depository activity:

number: **177-12042-000100;**

issued on: **19 February 2009;**

Effective period: without restriction of the period of validity**;**

Licensing authority: **the Central Bank of the Russian Federation (Bank of Russia)**

4. Par value of each securities of the issue (additional issue):

**1 000** **(one thousand)** **rubles.**

5. Number of securities of the issue (additional issue):

**3 400 000 (three million four hundred thousand) securities.**

**The Exchange-traded bonds are not supposed to be placed in installments.**

**6. The total amount of securities of the issue placed earlier**

**Exchange-traded bonds of the issue have not been placed before. The issue is not additional**

**7. Rights of owner of each security of the issue (additional issue)**

7.1. For ordinary shares:

**Such information is not specified for the securities of this type.**

7.2. For preferred shares:

**Such information is not specified for the securities of this type.**

7.3. For bonds:

**Each Exchange-traded bond of this issue provides to its holder the identical volume of the rights.**

**The documents certifying the rights, fixed by the Exchange-traded bond are the Certificate of Exchange-traded bond, the Programme of Exchange-traded bond and the Decision on Securities Issue.**

**In the event of discrepancies between the text of the Programme and Terms of issue and the data given in the Certificate, the owner is entitled to exercise the rights set out in this security to the extent set by this certificate. Exchange bonds of each issue, which is placed under the Programme of exchange bonds, gives its owner the right to receive upon redemption of bonds within the period stipulated by Terms of the issue of the nominal value (the unredeemed part of the nominal value, if the decision on partial early repayment made by the Issuer in accordance with clause 9.5 of the Programme) Exchange-traded bond.**

**Exchange-traded bonds of each issue, which is placed under the Programme of exchange bonds, gives its owner the right to receive a percentage of the outstanding part of the nominal value of the under the exchange-traded bonds (coupon yield), the order of determination is described in paragraph 9.3 of the Programme, and the terms of payment in paragraph 9.4 of the Programme and Terms of issue.**

**Exchange-traded bond of each issue, which is placed under the Programme, gives its holder the right to require the acquisition of Exchange-traded bond s by the Issuer in cases and on the conditions stipulated in paragraph 10 of the Programme of exchange-traded bonds.**

**Exchange-traded bonds of each issue, which is placed under the Programme of exchange bonds, grants its owner the right to demand early redemption of Exchange-traded bonds and the payment of their accumulated coupon yield on the date of early redemption of Exchange-traded bonds in cases and on the conditions stipulated in paragraph 9.5 of the Programme of exchange bonds, as well as the current legislation of the Russian Federation.**

**In the case of liquidation of the Issuer, the owner of Exchanged-traded bonds is entitled to receive the funds in order of precedence established in accordance with Article 64 of the Civil Code of the Russian Federation.**

**All debts of the Issuer on Exchanged-traded bonds will be legally equal and equally binding.**

**The Issuer undertakes to ensure that the owners of Exchange-traded bonds receive the funds back in the event that, in accordance with the legislation the issue of exchange-traded bonds is considered as invalid.**

**Exchange-traded bonds of each issue, which is placed under the Programme of exchange bonds, grants its owner the right to sell or otherwise dispose of Exchange-traded bonds.**

**Bondholder is entitled to exercise other rights provided for by the legislation of the Russian Federation.**

**The Issuer undertakes to ensure the rights of the owners of Exchange-traded bonds on condition they follow set by the legislation of the Russian Federation procedures for exercising these rights.**

**Provision of security for the Exchange-traded bonds is not stipulated.**

**8. Terms and procedure of securities placement (additional securities placement)**

**8.1. Method of placement: public or private offering:**

**public offering.**

8.2. Period of distribution of the securities

Procedure for determining the commencing date of placement:

**Date of commencement of Exchange-traded bond shall be fixed by the sole executive body of the Issuer after the admission of Exchange-traded bonds to trading during their placement.**

**The commencement date of placement shall be disclosed by the Issuer in a form of announcement on the commencement date of securities placement in accordance with the regulations of the financial markets in the following deadlines:**

**- in the news - not later than 1 (one) day before the commencement date of placement of Exchange-traded bonds;**

**- on the Issuer's webpages - no later than 1 (one) day before the commencement date of placement of Exchange-traded bonds.**

**Along with it, the Issuer shall publish such announcement first in the news and only then at its webpages.**

**The Issuer shall inform the Exchange and the National Settlement Depository on the commencement date of securities placement in an agreed manner.**

**The commencement date of Exchange-traded bonds placement, determined by the issuer's authorized management bodies, may be moved (changed) by the decision of the management body of the Issuer, on condition that the issuer has met the requirements on disclose information about changing the commencement date of Exchange-traded bonds placement, defined by certain laws of the Russian Federation.**

**In case the Issuer decides to postpone (change) the commencement date of securities placement which was disclosed in the above-mentioned method, the Issuer shall publish a notice on the change of the commencement date of securities placement in the news and on the Issuer's website not later than 1 (one) day prior to such date.**

**The Issuer shall notify the Exchange and the National Settlement Depository on changes in the commencement date of Exchange-traded bonds placement no later than 1 (one) day before the relevant date.**

End date of securities placement or procedure for determining it:

**The end date of placement of the Exchange-traded bonds is the earliest of the following dates:**

**a) the 3rd (third) business day from the date of commencement of placement;**

**b) the date when the last Exchange-traded bond was issued.**

**Exchange-traded bonds issue is not intended to be placed in tranches.**

**9. Procedure and terms of redemption and payment of yield on bonds**

**If at the moment of the actions related to fulfillment of obligations on repayment of Exchange-traded bonds and payment of yield on them, the Russian Federation laws and / or regulations in the area of ​​financial markets will set conditions, procedure and (or) rights (claims) other than those contained in this paragraph, fulfillment of obligations on repayment of the Exchange-traded bonds and payment of yield on them will be subject to the requirements of the Russian legislation and / or regulations in the financial markets operating at the time of the relevant actions.**

**9.1. Form of bond redemption**

**Repayment of the Exchange-traded bonds is made by money resources in the non-cash order in the currency of the Russian Federation. Possibility of choosing the form of the Exchange-traded bonds repayment by Exchange-traded bonds holders is not stipulated.**

**Exchange-traded bonds cannot be redeemed with property.**

**9.2. Procedure and terms of bond redemption**

Term (date) of repayment of Bonds or procedure for its determining

Start date: 3640th (three thousand six hundred and fortieth) day from the start of Bonds distribution.

Start and end date of repayment of the Exchange-traded bondscoincide.

Other conditions and order of bonds repayment:

**Repayment of the Exchange-traded bonds is made for the outstanding part of the nominal value. Payment of the outstanding part of the nominal value of the Exchange-traded bonds at their repayment is made out in rubles of the Russian Federation in the non-cash orde.**

**If the date of repayment of the Exchange-traded bonds is a public holiday or day-off - irrespective of the fact whether it is a national day-off or day-off for settlement operations, - transfer of the appropriate amount is performed on the first business day following the public holiday or day-off. The holder of the Exchange-traded bonds has no right to demand accrual of interest or any other compensation for such a delay in payment.**

For documentary bearer bonds with mandatory centralized custody:

**Payments will be made in the currency of the Russian Federation on a cashless basis.**

**Transfer of payments on redemption of the Exchanged-traded bonds shall carried out in accordance with the procedure established by the current legislation of the Russian Federation.**

The holders and other persons exercising in accordance with federal laws the rights on the Bonds, get the payments owed to them in repayment of Exchange-traded bonds by the depositary, which registers the rights on the Bonds, in which they are depositors. Deposit Agreement between the depositary, which registers rights on the securities and the depositor, shall contain the procedure for the transfer depositor payments on securities.

The issuer takes the responsibility for the implementation of monetary payments in repayment of Exchange-traded bonds by transferring money to National Settlement Depository (NSD). This obligation is considered as performed by the Issuer from the date of receipt of funds to the account of the NSD.

Transfer of cash payments in repayment of the Exchange-traded bonds shall be carried out by the depositary of the person who is its depositor:

1) as of the end of the trading day preceding the date which is determined in accordance with a document certifying the rights enshrined in securities and at which the exchange-traded bonds that are to be repaid;

2) as of the end of the business day following the date on which the NSD in accordance with the applicable law shall be disclosed information on NSD receiving subject to transfer cash payments for repayment of the Exchange-traded bonds, if a due date (deadline) the obligation of the Issuer to redeem the Exchange-traded bonds is not implemented or implemented improperly.

The Depositary shall transmit to its depositors the payments from securities in proportion to the number of the Exchange-traded bonds, which were registered at their securities accounts at the end of the business day determined in accordance with the above-mentioned paragraph.

Write-off of Exchange-traded bonds from securities accounts at redemption of all Exchange-traded bonds after the Issuer fulfilled its all obligations to holders of the Bonds for payment of coupon income for all coupon periods and par value of Exchange-traded bonds.

Release of Certificate from custody is performed after the write-off of all Exchange-traded bonds from the accounts of the NSD.

9.3. The procedure for determining the revenue paid on bonds

The size of the yield and the procedure of its determination, including the size of the yield paid on each coupon or the procedure of its determination shall be specified.

Revenue from the exchange-traded bonds is paid for certain periods (coupon periods). Bonds yield is the amount of coupon yields accrued for each coupon period.

Coupon yield is accrued on the outstanding part of the nominal value of the Commercial Bonds.

The size of the interest (coupon) for each coupon period is set as a percentage per annum of the outstanding part of the nominal value of exchange-traded bonds with accurate to a hundredth of percent.

Issuer's management bodies authorized to set the amount of interest (coupon) from the Bonds or procedure for determining it as a formula with variables, the values ​​of which cannot be changed at the discretion of the Issuer is the sole executive body of the Issuer.

Exchange-traded bonds have 20 (twenty) coupon periods. The duration of each coupon period is set to 182 (one hundred and eighty two) days.

In accordance with subsection 9.3 of paragraph 9 of the Programme of the start and end date of the coupon period shall be as follows:

**Coupon period: 1 (the first)**

**Start date of the first coupon period or procedure for its determination:**

**Start date of the exchange-traded bonds placement**

**Due date of the first coupon period or procedure for its determination: 182nd (one hundred eighty second) day from the start date of the Bonds placement**

**Coupon period: 2 (the second)**

**Start date of the second coupon period or procedure for its determination: 182nd (one hundred eighty second) day from the start date of the Bonds placement**

**Due date of the second coupon period or procedure for its determination: 364th (three hundred sixty fourth) day from the start date of the Bonds placement**

**Coupon period: 3 (the third)**

**Start date of the third coupon period or procedure for its determination: 364th (three hundred sixty fourth) day from the start date of the Bonds placement**

**Due date of the third coupon period or procedure for its determination: 546th (five hundred forty sixth) day from the start date of the Bonds placement**

**Coupon period: 4 (the fourth)**

**Start date of the fourth coupon period or procedure for its determination: 546th (five hundred forty sixth) day from the start date of the Bonds placement**

**Due date of the fourth coupon period or procedure for its determination: 728th (seven hundred twenty eighth) day from the start date of the Bonds placement**

**Coupon period: 5 (the fifth)**

**Start date of the fifth coupon period or procedure for its determination: 728th (seven hundred twenty eighth) day from the start date of the Bonds placement**

**Due date of the fifth coupon period or procedure for its determination: 910th day (nine hundred tenth) day from the start date of the Bonds placement**

**Coupon period: 6 (the sixth)**

**Start date of the sixth coupon period or procedure for its determination: 910th (nine hundred tenth) day from the start date of the Bonds placement**

**Due date of the sixth coupon period or procedure for its determination: 1092nd (one thousand ninety second) day from the start date of the Bonds placement**

**Coupon period: 7 (the seventh)**

**Start date of the seventh coupon period or procedure for its determination: 1092nd (one thousand ninety second) day from the start date of the Bonds placement**

**Due date of the seventh coupon period or procedure for its determination: 1274th (one thousand two hundred seventy fourth) day from the start date of the Bonds placement**

**Coupon period: 8 (the eighth)**

**Start date of the eighth coupon period or procedure for its determination: 1274th (one thousand two hundred seventy fourth) day from the start date of the Bonds placement Due date of the eighth coupon period or procedure for its determination: 1456th (one thousand four hundred fifty sixth) day from the start date of the Bonds placement**

**Coupon period: 9 (the ninth)**

**Start date of the ninth coupon period or procedure for its determination: 1456th day (one thousand four hundred fifty sixth) day from the start date of the Bonds placement Due date of the ninth coupon period or procedure for its determination: 1638th (one thousand six hundred thirty eighth) day from the start date of the Bonds placement**

**Coupon period: 10 (the tenth)**

**Start date of the tenth coupon period or procedure for its determination: 1638th (one thousand six hundred thirty eighth) day from the start date of the Bonds placement**

**Due date of the tenth coupon period or procedure for its determination: 1820th (one thousand eight hundred twentieth) day from the start date of the Bonds placement**

**Coupon period: 11 (the eleventh)**

**Start date of the eleventh coupon period or procedure for its determination: 1820th (one thousand eight hundred twentieth) day from the start date of the Bonds placement**

**Due date of the eleventh coupon period or procedure for its determination: 2002nd (two thousand second) day from the start date of the Bonds placement**

**Coupon period: 12 (the twelfth)**

**Start date of the twelfth coupon period or procedure for its determination: 2002nd (two thousand second) day from the start date of the Bonds placement**

**Due date of the twelfth coupon period or procedure for its determination: 2184th (two thousand one hundred eighty fourth) day from the start date of the Bonds placement**

**Coupon period: 13 (thirteenth)**

**Start date of the thirteenth coupon period or procedure for its determination: 2184th (two thousand one hundred eighty fourth) day from the start date of the Bonds placement**

**Due date of the thirteenth coupon period or procedure for its determination: 2366th (two thousand three hundred sixty sixth) day from the start date of the Bonds placement**

**Coupon period: 14 (the fourteenth)**

**Start date of the fourteenth coupon period or procedure for its determination: 2366th (two thousand three hundred sixty sixth) day from the start date of the Bonds placement**

**Due date of the fourteenth coupon period or procedure for its determination: 2548th (two thousand five hundred forty eighth) day from the start date of the Bonds placement**

**Coupon period: 15 (the fifteenth)**

**Start date of the fifteenth coupon period or procedure for its determination: 2548th (two thousand five hundred forty eighth) day from the start date of the Bonds placement**

**Due date of the fifteenth coupon period or procedure for its determination: 2730th (two thousand seven hundred thirtieth) day from the start date of the Bonds placement**

**Coupon period: 16 (the sixteenth)**

**Start date of the sixteenth coupon period or procedure for its determination: 2730th (two thousand seven hundred thirtieth) day from the start date of the Bonds placement**

**Due date of the sixteenth coupon period or procedure for its determination: 2912th (two thousand nine hundred twelfth) day from the start date of the Bonds placement**

**Coupon period: 17 (the seventeenth)**

**Start date of the seventeenth coupon period or procedure for its determination: 2912th (two thousand nine hundred twelfth) day from the start date of the Bonds placement**

**Due date of the seventeenth coupon period or procedure for its determination: 3094th (three thousand nine hundred fourth) day from the start date of the Bonds placement**

**Coupon period: 18 (the eighteenth)**

**Start date of the eighteenth coupon period or procedure for its determination: 3094th (three thousand nine hundred fourth) day from the start date of the Bonds placement**

**Due date of the eighteenth coupon period or procedure for its determination: 3276th (three thousand two hundred seventy sixth) day from the start date of the Bonds placement**

**Coupon period: 19 (the nineteenth)**

**Start date of the nineteenth coupon period or procedure for its determination: 3276th (three thousand two hundred seventy sixth) day from the start date of the Bonds placement**

**Due date of the nineteenth coupon period or procedure for its determination: 3458th (three thousand five hundred eighth) day from the start date of the Bonds placement**

**Coupon period: 20 (the twentieth)**

**Start date of the twentieth coupon period or procedure for its determination: 3458th (three thousand five hundred eighth) day from the start date of the Bonds placement**

**Due date of the twentieth coupon period or procedure for its determination: 3640th day (three thousand six hundred fortieth) day from the start date of the Bonds placement**

The procedure for determining the amount of income paid for each coupon:

Calculation of the amount of payments on the first coupon on one Exchange-traded bond is performed under the following formula:

**CYj = Cj \* Nom \*(T(j) - T(j-1)) /365/100%,**

where CYj – amount of the coupon yield on each Exchange-traded bond;

Nom – outstanding part of the nominal value of one Exchange-traded bond;

Cj – amount of the interest rate on the j- coupon, interest per annum;

T(j-1) – date of beginning of the j- coupon period of the Exchange-traded bond;

Tj - date of the end of the j- coupon period of the Exchange-traded bond.

The amount of the coupon yield on one Commercial Paper is calculated with the accuracy of one kopeck (rounding-off is made using the mathematical rounding-off rules, namely: if the third figure following the point exceeds or is equal to 5, the second figure following the point is increased by one; if the third figure following the point is less than 5, the second figure following the point is not changed).

**Information subject to disclosure in this subparagraph is specified in paragraph 9.3 of chapter 9 of the Programme.**

The procedure for determining the interest rate for the first coupon:

The interest rate for the first coupon (C1) may be determined:

A) at the end of the Tender at the Exchange among potential buyers of exchange-traded bonds on the date of commencement of placement of Exchange-traded bonds.

The procedure and conditions of the competition are given in paragraph 8.3 of the Programme of exchange bonds.

Information on the interest rate for the first coupon shall be disclosed in the manner prescribed by paragraph 11 of the Programme of exchange-traded bonds.

B) by the sole executive body of the Issuer prior to the date of commencement of placement of the Commercial Bonds.

Information on the interest rate for the first coupon shall be disclosed in the manner prescribed by paragraph 11 of the Programme of exchange-traded bonds.

Order of definition of the interest rate on the coupons, beginning with the second one:

a) Prior to the start of the Bond placement the Issuer shall determine the amount of interest (coupon) or the procedure of its determination in the form of a formula with variables, the values ​​of which cannot be changed in the Issuer's discretion, in respect of each coupon period, following the first, which begin before the expiry of Bond.

Before the start of Bonds placement the Issuer can set the interest rates or the procedure for determining the size of coupon rates in the form of a formula with variables, the values ​​of which cannot be changed at the Issuer's discretion, for any number of consecutive coupon periods starting from the second on the n-th coupon period (where n - number of coupon periods).

If the Issuer doesn’t take such decision in relation to any coupon period (i- coupon period), Issuer will be obliged to purchase the Bonds at their owners’ claim, announced within last 5 (Five) calendar days of the coupon period, preceding directly to i- coupon period (j=1,…,(n-1)) in respect to which a coupon amount or a procedure of its defining by a formula with variable components, the values of which cannot be changed depending on the Issuer’s discretion, is determined by the Issuer of the Bonds after the information disclosure to MICEX on the results of the issue of the Bonds and notifying about it the Bank of Russia according to a procedure established by it.

Specified information, including sequence numbers of the coupons, a rate of an order of a rate determining on which is established by the Issuer before the date of the placement beginning of the Bonds, as well as a sequence number of a coupon period , in which owners of the Bonds can claim purchasing by the Issuer of the Commercial papers, is disclosed by the Issuer in **procedure specified in paragraph 11 of the Programme.**

**b)** Interest rate or a procedure of the interest rate defining in respect to the coupons, amount (procedure of defining) of which was not established by the Issuer before the date of the placement beginning of the Bonds (i=(n+1),..,n), is determined by the Issuer after the information disclosure to MICEX on the results of the issue of the Bonds and notifying of it the Bank of Russia in accordance with a procedure established by it at a Date of i- coupon establishment, which becomes effective not later than in advance of 7 (seven) calendar days before the date of completion of (i-1)st coupon. At a date of i- coupon establishment the Issuer has a right to determine a rate or a procedure of a rate defining of any quantity of **undeterminable** coupons following i-coupon (thereby k – is a number of the last **determinablecoupons**)**.**

If after announcement of the rates (according to the previous paragraphs), a Bond has **undeterminable rates** or procedure of the rates definition of at least one of the subsequent coupons **((k+1),…,n**)**, then the The Issuer shall ensure the right of bond holders to require the Issuer to purchase Exchange-traded bonds at the requirements, filed by the owners of the Bonds within the last 5 (five) business days of the k-th coupon period (if the Issuer determined the rate only of one i-th coupon, i = k ).**

Information on rates and the procedure for determining the size of coupon rates in the form of a formula with variables, the values ​​of which cannot be changed at the discretion of the Issuer, the coupon periods, starting with the second, which are determined by the Issuer after the completion of the placement and the disclosure of the MICEX information on the results of the Bond and notification to the Bank of Russia in the established order, and the number of the coupon period in which the owners of Exchange-traded bonds will require the acquisition of the Bonds by the Issuer, the Issuer discloses in the manner provided in paragprah11 of the Programme of Exchange-traded bonds

9.4. Order of payment of the yield on bonds

**The coupon yield on Exchange-traded bonds for each coupon period is paid as of the date of the relevant coupon period.**

**Exchange-traded bonds have 20 (twenty) coupon periods.**

**The duration of each coupon period is set to 182 (one hundred and eighty two) days.**

Timeframe for payment of the yield on the bonds:

**Coupon yield from the first coupon period is paid on the 182nd day from the start of the Bonds placement.**

**Coupon yield from the second coupon period is paid on the 364th day from the start of the Bonds placement.**

**Coupon yield from the third coupon period is paid on the 546th day from the start of the Bonds placement.**

**Coupon yield from the fourth coupon period is paid on the 728th day from the start of the Bonds placement.**

**Coupon yield from the fifth coupon period is paid on the 910th day from the start of the Bonds placement.**

**Coupon yield from the sixth coupon period is paid on the 1092nd day from the start of the Bonds placement.**

**Coupon yield from the seventh coupon period is paid on the 1274th day from the start of the Bonds placement.**

**Coupon yield from the eighth coupon period is paid on the 1456th day from the start of the Bonds placement.**

**Coupon yield from the ninth coupon period is paid on the 1638th day from the start of the Bonds placement.**

**Coupon yield from the tenth coupon period is paid on the 1820th day from the start of the Bonds placement.**

**Coupon yield from the eleventh coupon period is paid on the 2002nd day from the start of the Bonds placement.**

**Coupon yield from the twelfth coupon period is paid on the 2184th day from the start of the Bonds placement.**

**Coupon yield from the thirteenth coupon period is paid on the 2366th day from the start of the Bonds placement.**

**Coupon yield from the fourteenth coupon period is paid on the 2548th day from the start of the Bonds placement.**

**Coupon yield from the fifteenth coupon period is paid on the 2730th day from the start of the Bonds placement.**

**Coupon yield from the sixteenth coupon period is paid on the 2912th day from the start of the Bonds placement.**

**Coupon yield from the seventeenth coupon period is paid on the 3094th day from the start of the Bonds placement.**

**Coupon yield from the eighteenth coupon period is paid on the 3276th day from the start of the Bonds placement.**

**Coupon yield from the nineteenth coupon period is paid on the 3458th day from the start of the Bonds placement.**

**Coupon yield from the twentieth coupon period is paid on the 3640th day from the start of the Bonds placement.**

**Coupon yield from the twentieth coupon period is paid simultaneously with** **exchange-traded bond redemption.**

**9.5. Procedure and terms of an early repayment of the bonds**

Opportunity of an early repayment of the Bonds at the Issuer’s discretion and at their owners’ claim is stipulated.

**Early redemption of bonds is admitted only after their complete paying-off.**

**Exchange-traded bonds thtat were early redeemed by the Issuer cannot be re-released into circulation.**

**In the case the general meeting of holders of the Bonds adopts a decision to waive the right to demand early redemption of Exchange-traded bonds, the early redemption of Exchange-traded bonds at the request of the owners cannot carried out.**

**At early repayment of the Bonds at the request of the owners, the issuer shall perform its obligations to the owner of the Bonds for payment of the outstanding part of the nominal value and the coupon yield.**

**If at the time of the perfroming certain actions related to the early redemption of Exchange-traded bonds, the Russian Federation laws and / or regulations in the area of ​​financial markets set conditions, procedure and (or) rights (claims), other than those contained in this paragraph, the early repayment of the Bonds will be subject to the requirements of the Russian legislation and / or regulations in the financial markets operating at the time of the relevant actions.**

**9.5.1 Advanced repayment of bonds on request of their owners.**

**The owner of bonds has the right to demand advanced repayment of bonds in the case of delisting of bonds at all stock exchanges which have admitted them to organized trades.**

**9.5.2 Advanced repayment of bonds at the discretion of the issuer. Advanced repayment of bonds at the discretion of the Issuer is carried out in respect of all of bonds of the issue.**

**A) The possibility of early repayment of bonds during their circulation at the discretion of the Issuer is determined by the decision of the sole executive body of the Issuer prior to the date of placement of bonds. In this case, if the Issuer decided on early repayment of bonds at his discretion, the Issuer in such a decision sets the serial number of the coupon period, on the end date of which it is possible to perform early redemption of bonds at the discretion of the Issuer. This decision is made by the sole executive body of the Issuer. If a decision on early repayment of bonds at the discretion of the Issuer is made the acquisition of bonds will mean the consent of the purchaser of bonds with possibility of their advanced repayment at the discretion of the Issuer.**

**B) Prior to the start date for placing bonds, the issuer has the right to take a decision on partial early redemption of bonds at the end date of the next coupon period(s). The issuer should define number’(s) of the coupon period(s) at which date the issuer fulfills early redemption of the certain part of the nominal value of bonds (hereinafter referred to as the Date(s) of partial early redemption), and per cent of the nominal value subject to be redeemed at the end date of this coupon period.**

**Decision on partial early redemption of bonds at the request of the issuer, is taken by the issuer’s chief executive officer, if otherwise stated in laws or charter (constituent documents) of the issuer.**

**В) The Issuer has the right to make the decision on advanced repayment of bonds on the end date of the coupon period, previous the coupon period the interest rate on which will be specified after complete payment of bonds, disclosing by MICEX the information on results of the issue of bonds and the notification of it of the Bank of Russia.**

**The decision on advanced repayment of bonds at the discretion of the Issuer is accepted by the sole executive body of the Issuer and is disclosed not later than 14 (Fourteen) days prior to the end date of the coupon period, date of advanced repayment of bonds. Advanced repayment of bonds at the discretion of the Issuer is performed concerning all bonds. Acquisition of bonds means the consent of the purchaser of bonds with possibility of their advanced repayment at the discretion of the Issuer.**

**10. Data on acquisition of bonds**

**The possibility to purchase bonds by the Issuer based on agreement with their owner (s) and the obligation of the Issuer to purchase bonds at the request of their owner (s) with their subsequent circulation is provided. Acquisition of bonds is supposed only after their complete payment. The Issuer has the right to acquire Bonds by the conclusion of transactions on acquisition of Bonds with owners of Bonds according to the legislation of the Russian Federation, including on the basis of the public irrevocable offers of the Issuer published in the news.**

**10.1 Purchase of bonds by the issuer upon their owner’s (owners’) claim**:

Issuer must secure a right of the **bondholders** to demand from the Issuer purchasing of the **bonds** during last 5 (five) calendar days of a coupon period, preceding to the coupon period, in respect to which a coupon amount or a procedure of a coupon amount defining is determined by the Issuer after the information disclosure to MICEX on results of the issue of the **bonds** and notifying of it the Bank of Russia according to a procedure established by it (hereinafter referred to as the “Submission period of the **bonds** to be purchased by the Issuer”). The owners of the **bonds** have a right to claim purchasing **bonds** from the issuer in cases described in Clause 9.3.2 of the Securities Issue Resolution.

If amount of the coupons’ interest rates or procedure of defining of the coupons’ interest rates is determined by the Issuer’s authorized governance body after the information disclosure to MICEX on results of the issue of the **bonds** and notifying of it the Bank of Russia according to a procedure established by it, simultaneously in respect to several coupon periods, the Issuer must purchase the **bonds** at their owners’ claims, declared during last 5 (Five) days of a coupon period, preceding to the coupon period, in respect to which the Issuer determines the specified interest rates of the coupons or a procedure of defining of the coupons’ interest rates, simultaneously with other coupon periods, and which occurs earlier. Purchase of the **bonds** before other coupon periods, in respect to which such amount or a procedure of the coupon’s amount definition on the **bonds** are set, is not required in this case.

**10.2. Acquisition by the Issuer of Bonds by agreement with their owner (s):**

**The Issuer has the right to acquire bonds** **by concluding agreements for the acquisition of bonds** **in accordance with the laws of the Russian Federation, including on the grounds of public irrevocable offers of the Issuer published in the News Feed. The decision on the acquisition of bonds** **s, including on the grounds of public irrevocable offers, is made by the authorized management body of the Issuer. In making this decision by the authorized management body of the Issuer the conditions, order and timing of the acquisition of bonds** **shall be set, which will be published in the news and on the web site no later than 7 (Seven) days prior to the commencement of the acceptance of the offer on purchase of bonds.**

**At the same time the acquisition of bonds** **cannot be before the full payment of bonds.**

**11.** Information on the secured liability fulfillment in the issue bonds (additional issue).

Providing security of bonds is not stipulated.

**12. Infromation on representative of bondholders**

**As of the date of approval of the Terms of issue the representative of Bondholders was not apoointed.**

**13. The obligation of the issuer at the request of the person concerned to provide such person with a copy of these Terms of the issue for a fee not exceeding the cost of its production:**

**The Issuer is obliged to provide at the request of an interested person a copy of the Terms of the issue fee not exceeding the cost of its production.**

**14.** Issuer’s liability to secure rights of the securities owners provided that they adhere to the right exercise procedure prescribed by the legislation of the Russian Federation

The issuer shall secure rights of the bonds owners provided that they adhere to the right exercise procedure prescribed by the legislation of the Russian Federation

**15. Obligation of the persons putting up collateral for bonds to ensure the performance of the issuer’s obligations to bond holders in the event that the issuer refuses to perform its obligations or delays performing its obligations related to bonds in accordance with the terms and conditions of such collateral: is not stipulated**

**16. Miscellaneous information:**

1. Placement of Exchange-traded bonds can be performed only at the stock exchange. Bonds can circulate on the stock exchange and over-the-counter markets.

Commercial Bonds before their full payment is prohibited.

Non-residents can purchase Exchange-traded bonds in accordance with applicable laws and regulations of the Russian Federation.

Bonds are circularing at the stock market with the exceptions established by the organizers of trading at the securities market.

2. On any day between the start date of placement and maturity date of the issue the value of the accrued coupon yield (ACY) on Exchange-traded bond is calculated by the following formula:

Payment amount calculation under the coupon on one Commercial paper is produced under the following formula:

ACI = Nom \* Cj \* (T - T (j-1)) / 365 / 100 %, where

ACI - the accrued coupon income, rbl.;

Nom - the face-value of one Commercial paper, rbl.;

Cj – amount of the interest rate on the j- coupon, interest per annum;

T(j-1) – date of beginning of the j- coupon period of the Exchange-traded bond;

Tj - date of the end of the j- coupon period of the Exchange-traded bond.

The amount of the coupon yield on one Commercial Paper is calculated with the accuracy of one kopeck (rounding-off is made using the mathematical rounding-off rules, namely: if the third figure following the point exceeds or is equal to 5, the second figure following the point is increased by one; if the third figure following the point is less than 5, the second figure following the point is not changed).