

APPROVED

by the Resolution of the Annual Meeting  
of Shareholders of IDGC of Centre, JSC  
30.05.2019 (Minutes # 01/19 of 31.05.2019)

REGULATION  
on the payment of remuneration and compensation  
to members of the Board of Directors  
of IDGC of Centre, PJSC  
(new edition)

Moscow  
2019

1. This Regulation on the payment of remuneration and compensation to members of the Board of Directors of IDGC of Centre, PJSC (hereinafter - the Regulation) is developed according to the Federal law «About joint stock companies» and establishes sizes and an order of payment of remuneration and compensation to the Board of Directors of IDGC of Centre, PJSC (hereinafter – the Company).

2. Payment of remuneration is produced by the Company in the monetary form.

3. This Regulation does not cover members of the Board of Directors of the Company who are simultaneously members of a joint executive body of the Company or chief executive officer (general director) of the Company.

4. Remuneration to the Chairman and members of the Board of Directors of the Company, being persons in which relation the federal law provides restriction or prohibition on receipt of any payments from commercial organisations, is not accrued and not paid.

5. Payment of remunerations.

5.1. Payment of remuneration to a member of the Board of Directors of the Company is produced for the period from the date of election of a candidate to the Board of Directors of the Company to the date of termination of the powers of the member of the Board of Directors of the Company.

5.2. Remuneration to each member of the Board of Directors is paid quarterly.

5.3. Rate of quarterly remuneration for participation in the board of directors of the Company of each member of the board of directors of the Company is calculated accounting of total quantity of sessions of the board of directors of the Company for the reporting quarter and quantities of sessions in which each member of the board of directors took part, under the formula:

$$S(1) = R_{base}/4 \times 100/130 \left( \frac{n}{m} \right), \text{ where}$$

S(1) – rate of quarterly remuneration for participation in the Company's board of directors;

R<sub>base</sub> – the base unit of yearly remuneration determined in an order, established in item 5.4. of this Regulation.

n – quantity of sessions of the board of directors (irrespective of the form of their carrying out) in which each member of the board of directors took part in the reporting quarter;

m – total quantity of sessions of the board of directors (irrespective of the form of their carrying out) in the reporting quarter.

5.4. The size of a base unit of yearly remuneration (R<sub>base</sub>) is established proceeding from the revenue of the Company calculated under Russian accounting standards for the last completed reporting year preceding the election of the Company's Board of Directors, and constitutes:

Size of revenue	Rbase
Over 200 billion RUB	3 000 000 RUB
Over 70 billion RUB	2 700 000 RUB
Over 30 billion RUB	2 200 000 RUB
Over 10 billion RUB	1 600 000 RUB
Over 1 billion RUB	1 000 000 RUB
Over 600 million RUB	800 000 RUB
Less than 600 million RUB	600 000 RUB

5.5. The remuneration specified in point 5.3 of this Regulation, is paid within 30 (Thirty) calendar days after the end of the reporting quarter.

5.6. In addition to the remuneration specified in point 5.3. of this Regulation, the following allowances are established:

30% from S(1) - to the Chairman of the Board of Directors of the Company;

20% from S(1) - to the Chairman of a specialized committee of the Company's Board of Directors;

10% from S(1) - for membership in a specialized committee of the Company's Board of Directors.

5.7. Allowances are not paid for presidency and-or membership in a specialized committee, if for the reporting quarter no session of a committee of the Board of Directors has been conducted.

5.8. With a view of this Regulation for determination of rates of remuneration and compensation to the Board of Directors a reporting quarter is understood as a regular calendar quarter (from the moment of election of a personal membership of the Board of Directors at the Annual Shareholders General Meeting of the

Company and till the moment of carrying out of the subsequent Annual Shareholders General Meeting of the Company).

5.9. The general rate of quarterly remuneration, specified in point 5.3. of this Regulation, taking into account the allowances specified in point 5.6. of this Regulation, cannot exceed  $\frac{1}{4}$  of the Rbase.

5.10. Remuneration is not paid, if each member of the Board of Directors of the Company did not take part in more than 50 % of taken place sessions in the reporting quarter.

5.11. A member of the Board of Directors of the Company can refuse receipt of the remuneration provided by this Regulation by sending a corresponding application addressed to chief executive officer (general director) of the Company.

#### 6. Payment of compensations.

6.1. A member of the Board of Directors is compensated with the expenses connected with participation in sessions of the Board of Directors, a specialized Committee of the Board of Directors, general meetings of shareholders of the Company at existing rates of compensation of travelling and living expenses at the moment of carrying out of the session (meeting), established for top managers of the Company.

6.2. Payment of compensations is produced by the Company within 3 (Three) working days after representation of the documents confirming expenses made.

7. Remuneration is paid at the expense of profits from unregulated activities.