

**APPROVED**

by Resolution of the Annual General Meeting of  
Shareholders  
of IDGC of Volga, PJSC dated June 16, 2015  
Minutes No. 9/2015 dated June 18, 2015

**REGULATIONS**  
**on Remunerations and Compensations Payable to Members of Internal**  
**Audit Commission of IDGC of Volga, PJSC**

(New Version)

## **1. General**

1.1. These Regulations on Remunerations and Compensations Payable to Members of the Internal Audit Commission of IDGC of Volga, PJSC (the "Regulations") are a document of IDGC of Volga, PJSC (the "Company") drawn up in compliance with Federal Law No. 208-FZ "On Joint-Stock Companies" dated December 26, 1995, Articles of Association of IDGC of Volga, PJSC and other regulations.

1.2. These Regulations describe the procedure for calculating and paying remunerations and compensations to members of the Internal Audit Commission provided by the law of the Russian Federation for discharging their duties as set forth in the Articles of Association of the Company and the Regulations on the Internal Audit Commission.

1.3. These Regulations are applicable to members of the Internal Audit Commission of the Company who are not subject to any restrictions or prohibitions imposed by the federal laws relating to payments from commercial organizations. Remunerations and compensations shall not be paid to members of the Internal Audit Commission who are public sector employees (Clause 3.3, Article 12.1, Federal Law No. 279-FZ "On Anti-Corruption Enforcement" dated December 25, 2008).

1.4. Should any prohibition or restriction relating to payments from commercial organizations be withdrawn as per the law of the Russian Federation, the amount of remunerations and compensations payable to a member of the Internal Audit Commission shall be calculated from the date of a written notice of the above withdrawal provided by a member of the Internal Audit Commission according to the procedure as set forth herein.

1.5. Should the duties of a member be terminated before the end date or a new member of the Internal Audit Commission be elected by an extraordinary General Meeting of Shareholders, the amount of remuneration shall be calculated basing upon the actual time in office of a member of the Internal Audit Commission.

1.6. Remunerations and compensations shall be transferred to a bank account of a member of the Internal Audit Commission in Russian rubles against an application/applications for payment of remuneration/compensation drawn up by a member of the Internal Audit Commission using forms specified in Appendices Nos. 3, 4 hereto (the above application(s) shall contain bank account (deposit) details).

## **2. Amount and Payment of Internal Audit Commission Remunerations**

2.1. The remuneration will be paid to a member of the Internal Audit Commission of the Company basing upon his/her participation in the work of the Internal Audit Commission and performance of the Commission during the corporate year. For the purposes of these Regulations, the corporate year used to calculate the amount of remuneration payable to members of the Internal Audit Commission refers to a period from the date of election of members of the Internal Audit Commission by the General Meeting of Shareholders of the Company to the date of the next General Meeting of Shareholders of the Company having the issue "Election of Members of the Internal Audit Commission of the Company" on its agenda.

To calculate the amount of remuneration payable to members whose duties were terminated and who were elected by an extraordinary General Meeting of Shareholders, the corporate year is deemed to be equal to 365 days.

2.2. The remuneration to a member of the Internal Audit Commission will be calculated using a basic part of the remuneration ( $R_{bas}$ ). The basic remuneration payable to a member of the Internal Audit Commission depends on the amount of the Company's revenue calculated according to the Russian Accounting Standards (RAS) for the financial year using the below scale:

Group	Company's Revenue for Financial Year	Basic Part of Remuneration
1	Over 200 billion rub.	150,000 rub.
2	Over 30 billion rub.	135,000 rub.
3	Over 10 billion rub.	120,000 rub.
4	Over 1 billion rub.	105,000 rub.
5	Over 600 million rub.	90,000 rub.

2.3. The actual amount of remuneration payable to a member of the Internal Audit Commission basing upon the performance achieved during the corporate year shall be calculated as follows:

$$R_{act} = R_{bas} * (m_i / m) * C_p, \text{ where:}$$

$R_{act}$  is the actual amount of remuneration deriving from the basic amount of remuneration;

$R_{bas}$  is the basic amount of remuneration calculated using the scale specified in the above paragraph 2.2;

$m_i$  is the number of calendar days of the corporate year during which a member of the Internal Audit Commission fulfilled his/her duties;

$m$  is a total number of calendar days of the corporate year;

$C_p$  is the coefficient of personal participation of a member of the Internal Audit Commission.

2.3.1 The Personal Participation Coefficient refers to participation of a member of the Internal Audit Commission in the meetings of the Internal Audit Commission and fulfillment of additional duties as a Chairperson or Secretary of the Internal Audit Commission.

2.3.2 The Personal Participation Coefficient shall be calculated for each member of the Internal Audit Commission as follows:

$$C_p = (1 + C_m + C_{add}) * C_{aud}, \text{ where:}$$

$C_p$  is the Personal Participation Coefficient;

$C_m$  is the coefficient of participation in the meetings of the Internal Audit Commission;

$C_{add}$  is the coefficient of fulfillment of additional duties as a Chairperson or Secretary of the Internal Audit Commission;

$C_{aud}$  is the coefficient of the auditing activities of the Internal Audit Commission.

2.3.3.  $C_m$  depends on participation of a member of the Internal Audit Commission in  $n_i$  meetings from  $n$  meetings held by the Internal Audit Commission during the corporate year, including absentee voting:

$C_m = 0.1 * (ni / n)$ , where

$ni$  and  $n$  derive from the minutes of meetings of the Internal Audit Commission.

2.3.4.  $C_{add}$  referring to additional duties as a Chairperson or Secretary of the Internal Audit Commission shall be calculated as follows:

$C_{add C} = 0.3 * (fi / m)$  - for the Chairperson of the Internal Audit Commission,

$C_{add S} = 0.1 * (fi / m)$  - for the Secretary of the Internal Audit Commission, where:

$fi$  is a number of days of the corporate year (from the total number  $m$ ) during which a member of the Internal Audit Commission fulfilled duties of the Chairperson or Secretary calculated basing upon the minutes of meetings of the Internal Audit Commission.

2.3.5.  $C_{aud}$  varying between 0.000 and 1.000 shall be defined by the Chairperson of the Internal Audit Commission basing upon participation of a member of the Internal Audit Commission in the auditing activities and quality of his/her work.

To define the value of individual coefficients  $C_{aud}$ , participation of a member of the Internal Audit Commission in all stages of the audit process shall be taken into account:

- preparation / audit scheduling;
- audit process;
- preparation of an Audit Report;
- participation in follow-up measures jointly with other employees of the Company (including monitoring of remedial works).

2.3.6.  $C_p$  and its components ( $C_m$ ,  $C_{add}$ ,  $K_{aud}$ ) shall be calculated in a decimal format accurate to the third decimal place.

2.3.7.  $C_p$  defined by the Chairperson of the Internal Audit Commission shall be submitted for approval by the Sole Executive Body of the Company in the format specified in Appendix No. 1 hereto.

2.3.8. No remuneration ( $C_p = 0$ ) shall be paid to a member of the Internal Audit Commission who failed to attend more than a half of meetings of the Internal Audit Commission held during the period of his/her membership.

2.3.9. The actual amount of remuneration payable to each member of the Internal Audit Commission shall be calculated by the Company in the format specified in Appendix No. 2 hereto.

2.3.10. The Company will, at its own discretion, withhold and pay the income tax and other taxes and dues arisen from payment of remunerations and compensations to members of the Internal Audit Commission.

2.4. Should a member of the Internal Audit Commission take an active part in additional audits performed by the Internal Audit Commission or checks relating to specific issues initiated by the General Meeting of Shareholders, Board of Directors of the Company or a shareholder(s) of the Company who owns at least 10 percent of voting shares of the Company, the Chairperson of the Internal Audit Commission may request the General Meeting of Shareholders to increase the actual amount of remuneration calculated according to the equation specified in paragraph 2.3 hereof.

2.5. The Chairperson of the Internal Audit Commission shall control calculations of the remunerations payable to members of the Internal Audit Commission, and Sole Executive Body of the Company shall supervise the payment of remunerations.

2.6. The remuneration shall be paid no later than 30 (thirty) calendar days upon issue of the Audit Report of the Internal Audit Commission detailing on the results of

the annual check of the financial and business activities of the Company and upon delivery of calculations of the Personal Participation Coefficients ( $C_p$ ) of members of the Internal Audit Commission to the Sole Executive Body of the Company by the Chairperson of the Internal Audit Commission.

Should the General Meeting of Shareholders decide to increase remunerations proceeding from the results of checks carried out as per the above paragraph 2.4. hereof, the Company will calculate the actual amount of remunerations payable to members of the Internal Audit Commission with account of the rise defined by the General Meeting of Shareholders.

Should the General Meeting of Shareholders decide to increase the actual amount of remunerations payable to members of the Internal Audit Commission after the accrual date, the Company will accrue the additional remuneration in the amount of the difference between the accrued amount and remuneration calculated with the account of the rise defined by the General Meeting of Shareholders.

2.7. A member of the Internal Audit Commission may refuse to accept remuneration and compensations provided by these Regulations, fully or partially, by giving an application to the Sole Executive Body of the Company.

### **3. Amount and Payment of Compensations to Members of Internal Audit Commission**

3.1. Should members of the Internal Audit Commission uncovered by restrictions specified in the above paragraph 1.3. hereof visit the Company's facilities, participate in the meeting of the Internal Audit Commission of the Company held at the Company's business address and fulfill other tasks of the Internal Audit Commission of the Company, the Company will compensate all documented expenses associated with the above participation in the activities of the Internal Audit Commission of the Company.

3.2. The amount of compensation for the expenses associated with participation in the meetings of the Internal Audit Commission and auditing activities will be equal to the amount of actual documented expenses. However, the amount of compensation shall not exceed the rates specified in the below paragraph 3.4. hereof.

3.3. Should the amount of actual expenses incurred by a member of the Internal Audit Commission exceed the amount calculated as per the above paragraph 3.2. hereof, the excess amount will not be compensated.

3.4. Upon request of the Internal Audit Commission, the Company will purchase two-way travel documents (from the regular place of work to business trip destination and back) of any type for all members of the Internal Audit Commission and provide (make reservations and payments) accommodation as follows:

- Air transport: economy class;
- Railway transport: compartment cars of premium service trains, economy class cars of high-speed trains;
- Motor transport of regular service: to the business trip destination and back at local fares;
- Motor transport (except for taxi) and railway transport to an airport/railway station and back at local fares (by aeroexpress trains from/to airports at economy class fares);

- Accommodation: hotels with a maximum rating of 4\*, standard class rooms. Should no air or railway tickets or accommodation options of the above categories be available, the Company may purchase or reserve tickets and hotel rooms of higher class.

3.5. To be reimbursed for expenses, a member of the Internal Audit Commission shall submit a written application drawn up as per Appendix No. 4 hereto and original documentary proof of expenses. The above application shall contain bank account (deposit) details.

A member of the Internal Audit Commission shall provide the documentary proof of actual expenses to be repaid according to the procedure prescribed by RF law for accounting for travel expenses.

3.6. The Company shall pay compensations within 5 business days from the date of receipt of documents specified in the above paragraph 3.5. hereof.

#### **4. Final Provisions**

4.1. These Regulations will become effective from the date of approval by the General Meeting of Shareholders of the Company.

4.2. Should these Regulations be in conflict with the statutory provisions of the Russian Federation, the Company shall adhere to the applicable statutory provisions of the Russian Federation until these Regulations are brought in line with the above provisions and all necessary amendments are made (new version is approved) by the General Meeting of Shareholders of the Company.

**Calculation  
of Personal Participation Coefficient  
of Member of Internal Audit Commission<sup>1</sup>**

Member of the Internal Audit Commission:

---

<b>Coefficient</b>	<b>Value</b>	<b>Basis</b>
<b>n</b>		Number of meetings held by the Internal Audit Commission during the corporate year, including absentee voting.
<b>ni</b>		Number of meetings attended by a member of the Internal Audit Commission.
<b>C<sub>m</sub></b>		Coefficient of participation in the meetings of the Internal Audit Commission: $C_m = 0.1 * (ni / n)$
<b>fi</b>		Number of days of the corporate year during which a member of the Internal Audit Commission fulfilled duties of the Chairperson or Secretary.
<b>m</b>		Total number of days of the corporate year.
<b>C<sub>add</sub></b>		Coefficient of fulfillment of additional duties as a Chairperson or Secretary. $C_{add C} = 0.3 * (fi / m)$ - for the Chairperson of the Internal Audit Commission, $C_{add S} = 0.1 * (fi / m)$ - for the Secretary of the Internal Audit Commission.
<b>C<sub>aud</sub></b>		Coefficient of the auditing activities of the Internal Audit Commission: from 0.0 to 1.0. $C_{aud} = 1.000$ for the Chairperson of the Internal Audit Commission
<b>C<sub>p</sub></b>		$C_p = (1 + C_m + C_{add}) * C_{aud}$ No remuneration ( $C_p = 0.0$ ) shall be paid to a member of the Internal Audit Commission who failed to attend more than a half of meetings of the Internal Audit Commission held during the period of his/her membership.

Chairperson of the Internal Audit Commission /      Full name /

---

<sup>1</sup> The below table shall be filled out by the Chairperson of the Internal Audit Commission for each member of the Internal Audit Commission, including the Chairperson his/herself.

**Calculation  
of Actual Amount of Remuneration Payable to  
Member of Internal Audit Commission**

Member of the Internal Audit Commission:

---

Coefficient	Value	Basis
<b>m</b>		Total number of days of the corporate year.
<b>m<sub>i</sub></b>		Number of days of the corporate year during which a member of the Internal Audit Commission fulfilled his/her duties.
<b>R<sub>bas</sub></b>		As per paragraph 2.2. of the approved Regulations
<b>C<sub>p</sub></b>		Coefficient defined by the Chairperson of the Internal Audit Commission of the Company and submitted for approval by the Sole Executive Body of the Company.
<b>R<sub>act</sub></b>		$R_{act} = R_{bas} * ( m_i / m ) * C_p$
Request for increasing the actual amount of remuneration by _____ %		Decision on increasing the actual amount of remuneration
<b>Total R<sub>act</sub></b> , with account of the decision on increasing the amount		

Chief Accountant of the Company      / Full name /



\_\_\_\_\_  
(Sole Executive Body)  
IDGC of Volga, PJSC

\_\_\_\_\_  
(Full name )

from member of the Internal Audit  
Commission  
*Full name of a member of the Internal Audit  
Commission*

### **Remuneration Application**

You are kindly requested to pay remuneration for my duties of a member of the Internal Audit Commission of IDGC of Volga, PJSC discharged during the period \_\_\_\_\_.

I hereby confirm that during the above period there no restrictions or prohibitions imposed against me by the federal laws relating to payments from commercial organization.

You are kindly requested to transfer the remuneration to my bank account (deposit) (please, state your bank account (deposit) details).

Date: \_\_\_\_\_ / *Full name*/

\_\_\_\_\_  
(Sole Executive Body)  
IDGC of Volga, PJSC  
\_\_\_\_\_  
(Full name )

from member of the Internal Audit  
Commission  
*Full name of a member of the Internal Audit  
Commission*

### Compensation Application

You are kindly requested to compensate me for travel and accommodation expenses in the amount \_\_\_\_\_ rub. associated with (*please, state the activities of the Internal Audit Commission*):

- travel expenses - (*please, state ticket details, class and price, and total cost*);
- accommodation expenses - (*in a hotel (please, state the name of the hotel) during the period from... till ... in the amount of...*).

You are kindly requested to transfer the compensation to my bank account (deposit):(*please, state your bank account (deposit) details*).

Enclosed documents: Documentary proof of the actual expenses to be repaid.

Date: \_\_\_\_\_ / *Full name*/