

APPROVED
by the Annual General
Meeting of Shareholders of
IDGC of North-West, PJSC
14 June 2019 (minutes No. 14)

Chairman of the Meeting

_____ / O.A. Sergeeva /

REGULATIONS
for Remuneration and Compensation
for Members of the Board of Directors
of “Interregional Distribution Grid Company of North-West”,
Public Joint Stock Company
(new version)

1. The present Regulations (hereinafter – the “Regulations”) for Remuneration and Compensation for Members of the Board of Directors of “Interregional Distribution Grid Company of North-West”, Public Joint Stock Company have been developed in accordance with the Federal Law “On Joint Stock Companies” and establishes the amounts and procedure for payment of rewards and compensation to members of the Board of Directors of IDGC of North-West, PJSC (hereinafter - the “Company”).

2. Payment of rewards by the Company shall be performed in monetary form.

3. The present Regulations shall not cover members of the Board of Directors being simultaneously members of the Collegial Executive Body of the Company or Sole Executive Body of the Company (General Director).

4. Rewards and compensations shall not accrue and be payable to Chairman and members of the Board of Directors of the Company who are persons in relation to whom restriction or interdiction for reception of payments from commercial organizations are stipulated by the federal laws.

5. Rewards payment

5.1. Payment of remuneration to a member of the Board of Directors of the Company shall be made for the period from the date of election of a candidate to the Board of Directors of the Company until the date of termination of powers of a member of the Board of Directors of the Company.

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

5.3. The amount of quarterly remuneration for participation in the Board of Directors of the Company of each member of the Board of Directors of the Company shall be calculated taking into account the total number of meetings of the Board of Directors of the Company for the reporting quarter and the number of meetings in which the member of the Board of Directors participated, according to the formula:

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

S(1) – amount of the quarterly remuneration for participation in the Board of Directors of the Company.

B_{basic} – the amount of the basic annual remuneration, determined in the manner prescribed by the clause 5.4. of these Regulations;

n – number of meetings of the Board of Directors (independent of the form of their arrangement) wherein such member of the Board of Directors participated in the reporting quarter;

m – total number of meetings of the Board of Directors (independent of the form of their arrangement) in the reporting quarter.

5.4. The amount of the basic annual remuneration (B_{basic}) shall be established on the basis of the Company's revenue, calculated according to Russian accounting standards for the last completed reporting year preceding the election of the Company's Board of Directors, and shall be:

Amount of the revenue	B_{basic}
over 200 bln RUB	3,000,000 RUB
over 70 bln RUB	2,700,000 RUB
over 30 bln RUB	2,200,000 RUB
over 10 bln RUB	1,600,000 RUB
over 1 bln RUB	1,000,000 RUB
over 600 mln RUB	800,000 RUB
less than 600 mln RUB	600,000 RUB

5.5. The remuneration specified in Clause 5.3 of these Regulations shall be paid within 30 (thirty) calendar days after the end of the reporting quarter.

5.6. In addition to the remuneration specified in clause 5.3 of these Regulations, the following bonuses shall be established:

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

20% of S(1) – to Chairman of the Specialized Committee under the Board of Directors of the Company;

10% of S(1) – for membership in the Specialized Committee under the Board of Directors of the Company.

5.7. Bonuses for chairmanship and/or membership in the Specialized Committee of the Board of Directors of the Company shall not be paid if there has not been a single meeting of the Committee for the reporting quarter.

5.8. For the purposes of these Regulations, to determine remuneration and compensation to members of the Board of Directors, the reporting quarter shall be a regular calendar quarter (from the moment of election of the personal composition of the Board of Directors at the Annual General Meeting of the Shareholders of the Company until the next Annual General Meeting of the Shareholders of the Company).

5.9. The total amount of quarterly remuneration paid to each member of the Board of Directors of the Company as specified in Clause 5.3 hereof with account for all the bonuses specified in Clause 5.6. hereof cannot exceed the amount of 1/4 of Bbasic

5.10. Remuneration shall not be paid, if the member of the Board of Directors did not attend more than 50% of the meetings held in the reporting quarter.

5.11. The member of the Board of Directors may give up receipt of the remuneration stipulated hereby by way of forwarding the corresponding written application addressed to the Sole Executive Body (General Director) of the Company.

6. Compensation payment

6.1. A member of the Board of Directors shall be reimbursed for expenses related to participation in meetings of the Board of Directors, the Specialized Committee of the Board of Directors, general meetings of shareholders of the Company, according to the norms of reimbursement of travel expenses established for senior managers of the Company at the time of the meeting (session).

6.2. Payment of compensations shall be effected by the Company within three business days upon provision of documents bearing witness of the expenses having been incurred.

7. Payment of remuneration shall be made at the expense of profits from unregulated activities.