

Appendix #7 To the shareholder's Proposal on nomination of candidates to the Board of Directors, as well as introduction of items into the agenda of the general meeting of shareholders dated 24.02.2016

APPROVED BY

by the Decision of the Annual Meeting of Shareholders
of IDGC of Centre, PJSC

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

(new edition)

Moscow
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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», principles and recommendations of the Corporate Governance Code, and establishes sizes and an order of payment of remuneration and compensation to members of the Board of Directors of IDGC of Centre, PJSC (hereinafter - the Company).

1. Payment of remuneration is produced by the Company in the monetary form in Russian Rubles.
2. Action of this regulation does not extend on 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.
3. Compensations 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 organizations, are not charged and not paid.
4. Payment of remuneration.
 - 4.1. Payment of remuneration to members of the Company's Board of Directors is made during the period from the date of election to the Board of Directors of the candidate prior to the date of termination of powers of the member of the Board of Directors, including in connection with the election of new members to the Board of Directors, to which the given member of the Board of Directors was not re-elected.

Members of the Board of Directors shall be paid a fee determined on the basis of a fixed basic annual remuneration in the manner provided by this Regulation.

Remuneration to members of the Board of Directors shall be paid quarterly in the form of a lump sum for each previous full or partial calendar quarter, based on the actual number of calendar days during which the members of the Board of Directors performed their duties and on the condition that during this full (incomplete) quarter at least one meeting of the Board of Directors was held.

Thus, if a member of the Board of Directors was re-elected to the new Board of Directors, his or her reward for the quarter, on which the date of re-election falls, is determined and paid within the time and in the amount established by this Regulation, taking into account the continuity of the period of office.

Note: an incomplete calendar quarter, for the purposes of this Regulation, is considered attributable to the quarter period of performance of office by a member of the Board of Directors, from the start date until the date of termination of office, inclusive, provided that the member of the Board of Directors was not a member of the Board of Directors as of either the date beginning of the next calendar quarter or the end date of the previous calendar quarter, or at both these dates.

- 4.2. The amount of remuneration for participation in the Board of Directors of each member of the Company's Board of Directors for the last full (incomplete) calendar quarter, subject to the conditions set forth in para. 4.1. hereof, shall be determined by the formula:

$$S = (R_{base} / 4 \times D / Q) \times (n / m) \times C_{person}$$

, where:

S - remuneration for participation in the Company's Board of Directors;

R_{base} - the fixed basic annual remuneration set forth in para. 4.3. of this Regulation.

D - number of calendar days in the quarter (full or partial), during which a member of the Board of Directors performed his duties; Q - total number of calendar days in the full or partial calendar quarter.

n - number of meetings of the Board of Directors (regardless of their holding form), in which a member of the Board of Directors participated during this full (incomplete) calendar quarter;

m - total number of meetings of the Board of Directors (regardless of their holding form), held during this full (incomplete) calendar quarter;

C person - the ratio defined as follows:

if a member of the board of directors attended in person, including through a conference call or other means, as set by the Regulation on the Board of Directors, equated with personal presence, less than 50% of the meetings of the Company's Board of Directors held in the form of joint presence during the full (incomplete) calendar quarter, then C person=0.5, otherwise C person=1.

4.3. The size of the fixed basic annual remuneration (Rbase) is **900 000 (nine hundred thousand)** rubles.

4.4. During the execution of the duties of the Chairman of the Board of Directors, Chairman of a specialized committee of the Board of Directors, a member of a specialized Committee of the Board of Directors in a full (incomplete) calendar quarter to the remuneration specified in paragraph 4.2 of this Regulation, the following allowances shall be determined:

4.4.1. - 30% from S - to Chairman of the Company's Board of Directors;

4.4.2. - 20% from S - to Chairman of a specialized Committee of the Company's Board of Directors, regardless of the number of committees in which a member of the Board of Directors acts as Chairman;

4.4.3. - 10% from S - for membership in each specialized committee under the Company's Board of Directors, but not more than 30% of S in the aggregate regardless of the number of committees.

Surcharges for the chairmanship and membership of the same specialized committee are not cumulative.

The allowance, set in para. 4.4.1. of this Regulation, in case a member of the Board of Directors, who is not Chairman of the Board of Directors, functions of the presiding officer at a meeting of the Board of Directors, will not be paid.

The allowance, set in para. 4.4.2. of this Regulation, in case a member of the Board of Directors, who is not Chairman of a specialized committee of the Company's Board of Directors, functions of the presiding officer at a meeting of the given committee, will not be paid with respect to this committee.

4.5. The total amount of the quarterly remuneration paid to a member of the Company's Board Directors, referred to in paragraph 4.2 of this Regulation with all allowances specified in paragraph 4.4. of this Regulation shall not exceed the size $(Rbase/4) \times 1,5$.

4.6. Remuneration of a member of the Company's Board of Directors, including the allowances established under para. 4.4. hereof, is not paid for the corresponding quarter, if the member of the Company's Board of Directors did not take part in more than 50% of meetings of the Company's Board of Directors held in the full (incomplete) calendar quarter.

4.7. The allowance, established in accordance with para. 4.4.3. hereof, shall not be paid in respect of the Committee, if a member of the Company's Board of Directors did not take part in more than 50% of the Committee's meetings held during the period of performance of his or her duties as a committee member, attributable to the corresponding full (incomplete) calendar quarter.

4.8. The allowance, established in accordance with para. 4.4.2. hereof, shall not be paid, if a member of the Company's Board of Directors did not take part in more than 50% of meetings of at least one specialized committee of the Company's Board of Directors held during the term of his or her execution of the duties of a member (including Chairman) of the Committee, attributable to the relevant full (incomplete) calendar quarter.

4.9. Surcharges for the chairmanship and (or) membership in a specialized committee shall not be paid if during the term of the duties of Chairman (a member) of the Committee attributable to the corresponding full (incomplete) calendar quarter, no meeting of this committee was held in the form of joint presence. Thus,

if the Committee's meeting in person falls on the date of termination of powers of a member (Chairman) of the Committee, it shall be considered valid for a period of service.

4.10. The remuneration, referred to in paragraph 4.2 of this Regulation, shall be paid within 60 (sixty) days after the date of the end of the calendar quarter (including in the case of an incomplete quarter),

4.11. A member of the Company's Board of Directors may refuse to receive remuneration under this Regulation in whole or in part, by sending a written application to the name of the sole executive body (General Director) of the Company or Secretary of the Company's Board of Directors.

5. Payment of compensation.

5.1. A member of the Board of Directors is reimbursed for expenses related to the participation in the meeting of the Board of Directors, according to the current regulations of the meeting of reimbursement of travel expenses, established by the Company for Company's top managers (and (or) provided with employment contracts with employees who occupy positions of the Company's top managers).

5.2. The payment of compensation is made by the Company within 3 (three) working days after submission of documents confirming the expenses incurred.