

APPROVED:

by the Resolution of the Annual General Meeting  
of Shareholders of IDGC of Centre, PJSC  
\_\_.\_.2018 (Minutes # \_\_/18 of \_\_.\_.2018)

**REGULATION**  
**on the payment of remuneration and compensation**  
**to members of the Audit Commission**  
**of IDGC of Centre, PJSC**

(new edition)

Moscow  
2018

## **1. General provisions**

1.1. This Regulation on the payment of remuneration and compensation to members of the Audit Commission of IDGC of Centre, PJSC (hereinafter - the Regulation) is a document of IDGC of Centre, PJSC (hereinafter - the Company) developed according to Federal law from December, 26th, 1995 №208-FZ «About joint stock companies», the Articles of Association of IDGC of Centre, PJSC and other standard legal acts.

1.2. This Regulation determines a procedure of calculation and payment of remuneration and compensation of members of the Audit Commission provided by the legislation of the Russian Federation, in connection with accomplishment of the obligations provided by the Articles of Association of the Company and the Regulation on the Audit Commission of the Company by them.

1.3. Action of this Regulation extends on members of the Audit Commission of the Company, not being persons in which relation federal laws provide restriction or prohibition on receipt of any payments from commercial organisations.

1.4. In case of removal of prohibition or restriction on receipt of payments from commercial organisations on the bases provided by the legislation of the Russian Federation, calculation of remuneration and compensation to a member of the Audit Commission is produced from the date of the notice in writing by a member of the Audit Commission of the Company and the Audit Commission about prohibition or restriction removal, in an order provided by this Regulation.

1.5. In case of the preschedule termination of powers, and also election of a member of the Audit Commission at extraordinary Shareholders general meeting, calculation of the sum of compensation is produced taking into account actual time of realisation of obligations of a member of the Audit Commission.

1.6. Settlements with members of the Audit Commission are produced in Russian rubles, on the basis of the application / applications of a member of the Audit Commission for remuneration / compensation payment, constituted under the forms, specified in Appendices 3, 4 to this Regulation, by transfer of money funds to specified in the application of a member of the Audit Commission bank account (deposit) details.

## **2. Size and order of payment of compensations to members of the Audit Commission**

2.1. Compensation is paid to a member of the Audit Commission of the Company following the results of work for corporate year and depends on degree of his or her participation in the Audit Commission work. With a view of this Regulation for determination of rates of remuneration to members of the Audit Commission the corporate year is understood as the period, from the moment of election of a personal membership of the Audit Commission at Shareholders general meeting of the Company and till the moment of carrying out of the subsequent Shareholders general meeting of the Company with the item «About election of members of the Audit Commission of the Company».

For calculation of compensation to members of the Audit Commission, whose powers are terminated ahead of schedule and who also are elected at extraordinary shareholders general meeting, the corporate year is admitted to be equal to 365 days.

2.2. Compensation to a member of the Audit Commission is determined from a compensation base unit (Rbase). Base compensation to a member of the Audit Commission is established proceeding from the revenue of the Company calculated under RAS for fiscal year, according to the below specified scale:

Group	Size of revenue of the Company for a fiscal year	Size of the base unit of compensation
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. Actual rate of remuneration of a member of the Audit Commission following the results of work for corporate year is calculated under the formula:

$$R_{\text{fact}} = R_{\text{base}} * (m_i / m) * K_y, \text{ where:}$$

$R_{\text{fact}}$  - the actual rate of remuneration estimated proceeding from the base rate of remuneration;

$R_{\text{base}}$  - the base rate of remuneration determined on the scale, specified in item 2.2;

$m_i$  - number of calendar days in corporate year during which obligations of a member of the Audit Commission were fulfilled;

$m$  - total number of calendar days in corporate year;

$K_y$  - coefficient of personal participation of a member of the Audit Commission.

2.3.1 The coefficient of personal participation reflects participation of a member of the Audit Commission in the Audit Commission sessions, and also execution of additional obligations by him or her as the Chairman or the Secretary of the Audit Commission.

2.3.2 The coefficient of personal participation is determined for each member of the Audit Commission separately under the formula:

$$K_y = (1 + K_3 + K_{\text{dop}}) * K_{\text{prov}}, \text{ where:}$$

$K_y$  - coefficient of personal participation;

$K_3$  - coefficient of participation in Audit Commission sessions;

$K_{\text{dop}}$  - coefficient considering work as the Chairman of the Audit Commission / the Secretary of the Audit Commission;

$K_{\text{prov}}$  - coefficient of participation in audit events of the Audit Commission.

2.3.3. Coefficient  $K_3$  is established proceeding from degree of participation of a member of the Audit Commission in  $n_i$  sessions from  $n$  sessions which have been conducted by the Audit Commission in corporate year, including correspondence votings:

$$K_3 = 0,1 * (n_i / n), \text{ where}$$

value  $n_i$  and  $n$  is determined on the basis of minutes of sessions of the Audit Commission.

2.3.4. The coefficient  $K_{dop}$  considering work as the Chairman of the Audit Commission / the Secretary of the Audit Commission, is calculated under the formula:

$K_{dop C} = 0,3 * (fi / m)$  - for the Chairman of the Audit Commission,

$K_{dop S} = 0,1 * (fi / m)$  - for the Secretary of the Audit Commission, where:

$fi$  - the quantity of days in corporate year (from total quantity  $m$ ), during which obligations of the Chairman / the Secretary were fulfilled, is determined on the basis of minutes of sessions of the Audit Commission.

2.3.5. The coefficient  $K_{prov}$  is established by the decision of the Chairman of the Audit Commission proceeding from degree of participation of a member of the Audit Commission in audit process and quality of his or her work, at the rate from 0,000 to 1,000.

At determination of size of individual coefficients  $K_{prov}$  it is necessary to consider degree of participation of a member of the Audit Commission after all stages of audit process:

- preparation / audit planning;
- audit realisation;
- preparation of the audit report;
- interaction with the Company based on the results of audit (including monitoring of elimination of revealed infringements).

2.3.6. Coefficient of personal participation  $K_y$  and its constituents ( $K_z$ ,  $K_{dop}$ ,  $K_{prov}$ ) are determined in a format of decimal fraction, to within the third sign after a comma.

2.3.7. The coefficient of personal participation  $K_y$  is established by the Chairman of the Audit Commission and directs to the Chief executive officer of the Company in a format specified in Appendix 1 to this Regulation.

2.3.8. Compensation is not paid to the member of the Audit Commission who has not taken part in more than half of sessions, taken place in its membership in the Audit Commission, ( $K_y = 0$ ) is established.

2.3.9. Calculation of actual rate of remuneration is produced for each member of the Audit Commission by the Company in a format specified in Appendix 2 to this Regulation.

2.3.10. The Company independently determines, deducts and pays the income tax and other taxes and fees arising in connection with payment to members of the Audit Commission of remuneration and compensation.

2.4. In a case if the member of the Audit Commission in corporate year took active part in additional audits of the Audit Commission or control events for individual questions, conducted under the decision of the Shareholders general meeting, Board of directors of the Company or on request of a shareholder (shareholders) of the Company owning in aggregate not less than 10 percent of voting shares of the Company, the Chairman of the Audit Commission has the right to request Shareholders general meeting for increase in the actual rate of remuneration calculated under the formula, specified in item 2.3. of this Regulation.

2.5. The control of calculation of compensations to members of the Audit Commission of the Company is assigned to the Chairman of the Audit Commission, the control of compensation payment is assigned to the Chief executive officer of the Company.

2.6. Compensation is paid not later than 30 (thirty) calendar days after the Annual General Meeting of Shareholders of the Company and representation by the Chairman of the Audit Commission to the Chief executive officer of the Company of calculation of coefficient of personal participation  $K_y$  of members of the Audit Commission.

In case of accepting by Shareholders general meeting of the decision on increase in rate of remuneration following the results of the audits which have been conducted on bases, specified in item 2.4. of this Regulation, the Company at calculation of actual compensation of members of the Audit Commission considers the size of its increase established by the decision of Shareholders general meeting.

In a case if the decision of Shareholders general meeting on increase in the size of actual compensation of members of the Audit Commission is accepted after imputation date of their compensation, the Company performs charge of compensation at a rate of a difference between the imputed size and the compensation calculated taking into account the increased size, established by the decision of the Shareholders general meeting.

2.7. The member of the Audit Commission of the Company has the right to refuse receipt of remuneration and compensation provided by this Regulation, in full or in part, by direction of a corresponding application to the Chief executive officer of the Company.

### **3. Size and an order of payment of compensations to members of the Audit Commission.**

3.1. Members of the Audit Commission who are not covered by the restrictions specified in item 1.3. of this Regulation, in case of visiting of facilities of the Company, participation in sessions of the Audit Commission of the Company, conducted in a place of actual location of the Company, and also accomplishment of other tasks of the Audit Commission of the Company, the Company produces compensation of documentary confirmed expenses connected with participation in events of the Audit Commission of the Company.

3.2. The size of compensation of the expenses, connected with participation in sessions of the Audit Commission and carrying out of audits, is determined at a rate of the actual expenditures confirmed with corresponding documents, but not above the rates specified in item 3.4. of this Regulation.

3.3. In case of excess of the sum of the actual expenditures incurred by a member of the Audit Commission over the sum calculated according to item 3.2. of this Regulation, the sum of excess is not subject to compensation.

3.4. On demand of the Audit Commission the Company acquires for members of the Audit Commission travel documents for all types of transport while travelling

to a business trip destination and back to a place of permanent job and provides (reserves, pays) residing at hotels at the following rates:

- air transport under the economy class ticket;
- by rail in a compartment car of firm trains, in high-speed trains in an economy class car;
- motor transport of the regular service to a business trip destination and back on fare existing in a specified district on regular journeys of transport companies;
- automobile (except a taxi), by rail to the airport / railway station and back on fare existing in a given district (trains "Aeroexpress" to/from airports under the economy class ticket);
- accommodation at hotels not above 4\*, room of a category "standard".

At absence of air or railway tickets, under the above-stated tariffs, vacant rooms in hotels of the established category, the Company can arrange tickets and reservations with higher class accommodation.

3.5. With a view of compensation of the produced expenses the member of the Audit Commission directs to the Company the written application under the sample specified in Appendix 3 to this Regulation with attachment of originals of documents, confirming expenses, indication of bank account (deposit) details.

The documents, confirming produced and subject to compensation expenses, are given by a member of the Audit Commission in an order established by the legislation of the Russian Federation for accounting of travelling and living expenses.

3.6. Payment of compensations is produced by the Company within 5 working days from the date of receipt in the Company of the documents provided by item 3.5 of this Regulation.

#### **4. Final provisions.**

4.1. This Regulation comes into force from the date of approval by the Company's Shareholders general meeting.

4.2. In case of the contradiction of the Regulation to standards of the legislation of the Russian Federation, before its bringing in conformity with the specified standards and entering changes into it (approval in a new wording) under the decision of Shareholders general meeting of the Company, standards of the current legislation of the Russian Federation are applied.

Appendix 1  
to the Regulation on the payment of  
remuneration and compensation to  
members of the Audit Commission of  
IDGC of Centre, PJSC

**Calculation  
of Coefficient of personal participation  
of Member of the Audit Commission<sup>1</sup>**

Member of the Audit Commission \_\_\_\_\_

Calculation coefficient	Size of indicator	Justification
n		Quantity of sessions which have been conducted by the Audit Commission in corporate year, including correspondence votings.
ni		Quantity of sessions in which the member of the Audit Commission has taken part.
$K_3$		Coefficient of participation in the Audit Commission sessions: $K_3 = 0,1 * (ni / n)$ .
fi		Quantity of days in corporate year during which obligations of the Chairman/Secretary were fulfilled.
m		Total quantity of days in corporate year.
$K_{dop}$		Coefficient considering work as the Chairman/Secretary: $K_{dop C} = 0,3 * (fi / m)$ - for the Chairman of the Audit Commission, $K_{dop S} = 0,1 * (fi / m)$ - for the Secretary of the Audit Commission.
$K_{prov}$		$K_{prov}$ - coefficient of participation in audit events of the Audit Commission: from 0,0 to 1,0. For the Chairman of the Audit Commission $K_{prov} = 1,000$
$K_y$		$K_y = (1 + K_3 + K_{dop}) * K_{prov}$ Member of the Audit Commission who has missed more than half of sessions, taken place in its membership in the Audit Commission, $K_y = 0,0$

Chairman of the Audit Commission \_\_\_\_\_ / Full name \_\_\_\_\_ /

<sup>1</sup> It is filled in by the Chairman of the Audit Commission for each member of the Audit Commission, including the Chairman of the Audit Commission.

Appendix 2  
to the Regulation on the payment of  
remuneration and compensation to  
members of the Audit Commission of  
IDGC of Centre, PJSC

**Calculation  
of actual rate of remuneration  
to Member of the Audit Commission**

Member of the Audit Commission \_\_\_\_\_

Calculation coefficient	Size of indicator	Justification
m		Total quantity of days in corporate year.
m <sub>i</sub>		Quantity of days in corporate year during which obligations of a member of the Audit Commission were fulfilled.
R <sub>base</sub>		According to item 2.2. of the approved Regulation
K <sub>y</sub>		Established by the Chairman of the Audit Commission of the Company and given to the Chief executive officer of the Company.
<b>R<sub>fact</sub></b>		$R_{fact} = R_{base} * (m_i / m) * K_y$
Request for increase in actual rate of remuneration by _____ %		Decision on increase in actual rate of remuneration
<b>Total R<sub>fact</sub></b> , taking into account the decision on increase		

Chief accountant of the Company / Full name /

Appendix 3  
to the Regulation on the payment of  
remuneration and compensation to  
members of the Audit Commission of  
IDGC of Centre, PJSC

\_\_\_\_\_  
*(Chief executive officer is indicated)*  
*PJSC* « \_\_\_\_\_ »  
\_\_\_\_\_  
*(Full name)*

from Member of the Audit Commission  
*Full name of Member of the Audit  
Commission*

### **Application for compensation payment**

You are kindly requested to order to pay me the monetary reward connected with execution by me of obligations of a member of the Audit Commission (*the Company name*) during the period \_\_\_\_\_.

I confirm that during the specified period I was not among persons in which relation federal laws provide restriction or prohibition on receipt of payments from commercial organisations

Please, make the payment by transfer to the bank account (deposit) (*to specify bank account (deposit) details*).

Date \_\_\_\_\_

\_\_\_\_\_/Full name /

Appendix 4  
to the Regulation on the payment of  
remuneration and compensation to  
members of the Audit Commission of  
IDGC of Centre, PJSC

\_\_\_\_\_  
*(Chief executive officer is indicated)*  
PJSC « \_\_\_\_\_ »  
\_\_\_\_\_  
*(Full name)*

From Member of the Audit Commission  
*Full name of Member of the Audit  
Commission*

### Application for compensation payment

You are kindly requested to order to compensate me expenses in size \_\_\_\_\_ RUB, connected with a trip and accommodation during (to specify Audit Commission event):

- expenses on journey - (to specify details, a class of tickets and cost, the sum of expenses);

- expenses on accommodation - (in hotel «    » during the period from «    » to «    » in the amount of).

Please, make the compensation payment by transfer to the bank account (deposit): (to specify bank account (deposit) details).

Attachment: Documents confirming made and subject to compensation expenses.

Date \_\_\_\_\_ /Full name /