

APPROVED
by the Annual General
Meeting of Shareholders of
IDGC of North-West, PJSC
07 June 2018 (minutes No. 13)

Chairman of the Meeting

_____ / Y.N. Mangarov /

REGULATIONS
for Remuneration and Compensation
for Members of the Auditing Commission
of "Interregional Distribution
Grid Company of North-West"
Public Joint Stock Company
(new version)

Saint Petersburg
2018

1. General provisions

The present Regulations (hereinafter – the “Regulations”) for Remuneration and Compensation for Members of the Auditing Commission of “Interregional Distribution Grid Company of North-West”, Public Joint Stock Company (hereinafter – the “Company”) have been developed in accordance with Federal Law No 208-FZ “On Joint Stock Companies” dated December 26, 1995, the Company’s Articles of Association and other regulatory legal instruments.

1.2. The present Regulations shall determine the procedure for calculation and payment of rewards and compensations to members of the Auditing Commission as stipulated by the legislation of the Russian Federation in connection with their discharging the duties stipulated by the Charter of the Company and the Regulations on the Auditing Commission of the Company.

1.3. The present Regulations shall cover members of the Auditing Commission of the Company other than persons in relation to whom restriction or interdiction for reception of payments from commercial organizations are stipulated by the federal laws.

1.4. In case of abolishment of a restriction or interdiction for reception of payments from commercial organizations by reasons stipulated by the legislation of the Russian Federation, calculation of rewards and compensations due to a member of the Auditing Commission shall be performed from the date when the member of the Auditing Commission gave a written notification to the Company and the Auditing Commission of abolishment of such restriction or interdiction following the procedure stipulated hereby.

1.5. In case of early termination of powers as well as election of a member of the Auditing Commission at an extraordinary the General Meeting of Shareholders, calculation of the reward sum shall be performed with account for the actual time of one having performed the duties of a member of the Auditing Commission.

1.6. Settlements with members of the Auditing Commission shall be effected in RUB against application(s) of the member of the Auditing Commission for payment of reward/compensation drawn on the forms specified in Appendices 1 and 2 hereto by way of remittance of monies as per the essential details of the bank account (deposit) specified in the application of the member of the Auditing Commission.

2. Amount of reward due to the Auditing Commission members and its payment procedure

2.1. The reward shall be payable to a member of the Auditing Commission of the Company following the outcome of work in the corporate year and depending on the degree of their participation in work of the Auditing Commission. For purposes hereof for determination of the amount of reward due to members of the Auditing Commission, the corporate year shall be understood as a period from the moment of election of the personal composition of the Auditing Commission at a General Meeting of Shareholders of the Company and to the moment of arrangement of the

next General Meeting of Shareholders of the Company considering the issue “On election of members of the Auditing Commission of the Company”.

For purposes of calculation of reward due to members of the Auditing Commission that either had their powers early terminated or were elected at an extraordinary the General Meeting of Shareholders, the corporate year shall be recognized as equal to 365 calendar days.

2.2. The reward due to a member of the Auditing Commission shall be determined relying on the reward baseline part (B_{base}). The baseline reward due to a member of the Auditing Commission shall be established proceeding from the Company’s revenue during the financial year calculated as per the Russian Accounting Standards (hereinafter referred to as the RAS) in accordance with the scale as follows:

| Group | Amount of the Company’s revenue in the financial year | Amount of the reward baseline part |
|-------|---|------------------------------------|
| 1 | Over 200 bln RUB | 150,000 RUB |
| 2 | Over 30 bln RUB | 135,000 RUB |
| 3 | Over 10 bln RUB | 120,000 RUB |
| 4 | Over 1 bln RUB | 105,000 RUB |
| 5 | Over 600 mln RUB | 90,000 RUB |

2.3. The actual amount of reward due to a member of the Auditing Commission following the outcome of work in the corporate year shall be calculated from the formula:

$$R_{\text{actual}} = R_{\text{base}} * (m_i / m) * C_p \text{ where}$$

R_{actual} – actual amount of reward calculated proceeding from the baseline reward amount;

R_{base} – baseline reward amount determined according to the scale given in Clause 2.2 hereof;

m_i – number of calendar days within the corporate year when the duties of a member of the Auditing Commission were discharged

m – total number of calendar days in the corporate year;

C_p – coefficient of personal participation of a member of the Auditing Commission.

2.3.1. The personal participation coefficient shall reflect participation of the member of the Auditing Commission in sessions of the Auditing Commission as well as their discharging additional duties in the capacity of Chairman of Secretary of the Auditing Commission.

2.3.2. The personal participation coefficient shall be determined for each member of the Auditing Commission individually from the following formula:

$$C_p = (1 + C_s + C_{\text{add}}) * C_{\text{review}} \text{ where}$$

C_p – personal participation coefficient;

C_s – coefficient of participation in sessions of the Auditing Commission;

C_{add} – coefficient taking into account work in the capacity of Chairman of the Auditing Commission/Secretary of the Auditing Commission;

C_{review} – coefficient of participation in reviewing actions of the Auditing Commission;

2.3.3. The coefficient C_s shall be established proceeding from the degree of participation of a member of the Auditing Commission in n_i out of the n sessions arranged by the Auditing Commission in the corporate year inclusive of in absentia voting:

$C_s = 0.1 * (n_i / n)$ where

values n_i and n are determined relying on Minutes of sessions of the Auditing Commission.

2.3.4. Coefficient C_{add} taking into account work in the capacity of Chairman of the Auditing Commission/Secretary of the Auditing Commission shall be calculated from the formula:

$C_{add Ch} = 0.3 * (f_i / m)$ – for Chairman of the Auditing Commission,

$C_{add S} = 0.1 * (f_i / m)$ – for Secretary of the Auditing Commission, where:

f_i - number of days within the corporate year (out of the total number m) when the duties of Chairman/Secretary were discharged, relying on minutes of sessions of the Auditing Commission.

2.3.5. The coefficient C_{review} shall be established by decision of Chairman of the Auditing Commission proceeding from the degree of participation of a member of the Auditing Commission in the reviewing process and from the quality of their work, amounting to 0.000 to 1.000.

During determination of individual C_{review} coefficients, one needs to take into account the degree of participation of a member of the Auditing Commission in all the stages of the review process, such as:

- review preparation/planning;
- review performance;
- review statement preparation;
- interaction with the Company following the review results (inclusive of monitoring of elimination of violations as may have been revealed).

2.3.6. The personal participation coefficient C_p and its components (C_s , C_{add} , C_{review}) shall be determined in a decimal fraction with accuracy up to the third digit after the decimal point.

2.3.7. The personal participation coefficient C_p shall be established by Chairman of the Auditing Commission and submitted to Sole Executive Body of the Company in the format set forth in Appendix 3 hereto.

2.3.8. No reward shall be payable to a member of the Auditing Commission having missed more than half of the sessions that took place during the period of their membership in the Auditing Commission (C_p established as = 0).

2.3.9. Calculation of the actual amount of reward for each member of the Auditing Commission shall be performed by the Company in the format given in Appendix 4 hereto.

2.3.10. The Company shall independently estimate, deduct and pay income tax and other taxes and charges as may arise in connection with payment of rewards and compensations to members of the Auditing Commission.

2.4. If, during the corporate year, the member of the Auditing Commission actively participated in additional reviews carried out by the Auditing Commission or control actions dedicated to individual issues that were conducted by decision of the General Meeting of Shareholders, the Board of Directors of the Company or by demand of the Company's shareholder(s) jointly holding at least 10 per cent of voting shares of the Company, Chairman of the Auditing Commission shall be entitled to solicit from the General Meeting of Shareholders increase of the actual amount of reward calculated from the formula set forth in Clause 2.3. hereof.

2.5. Control over calculation of reward due to members of the Auditing Commission of the Company shall be vested in Chairman of the Auditing Commission with control over payment of reward vested in Sole Executive Body of the Company.

2.6. The reward shall be paid no later than within 30 (thirty) calendar days after the Annual General Meeting of Shareholders was held and Chairman of the Auditing Commission provided the calculation of the personal participation coefficient C_p for members of the Auditing Commission to Sole Executive Body of the Company.

The General Meeting of Shareholders having taken decision on increase of the amount of reward following the outcome of reviews conducted due to the reasons set forth in Clause 2.4. hereof, the Company shall take into account the amount of such increase established by decision of the General Meeting of Shareholders when calculating the reward actually due to members of the Auditing Commission.

If the decision of the General Meeting of Shareholders on increase of the amount of the reward actually due to members of the Auditing Commission was taken after the reward accrual date, the Company may provide for additional accrual of reward in the amount of the difference between the accrued amount and the reward calculated with account for the increased amount as established by decision of the General Meeting of Shareholders.

2.7. A member of the Auditing Commission of the Company shall be entitled refuse to receive the reward and compensations as stipulated hereby in full or in part by way of submitting a declaration to the effect to Sole Executive Body of the Company.

3. Compensations amount and procedure of compensation payment to members of the Auditing Commission

3.1. In case of visits to the Company's facilities, participation in sessions of the Auditing Commission of the Company as well as accomplishment of other tasks of the Auditing Commission of the Company, the Company shall compensate members of the Auditing Commission that are not covered by the restrictions set

forth in Clause 1.3. hereof for documentarily supported expenses related to participation in actions of the Auditing Commission of the Company.

3.2. The amount of compensation for expenses related to participation in sessions of the Auditing Commission and conductance of reviews shall be determined as equal to the amount of actual expenses supported by corresponding documents but not in excess of the norms specified in Clause 3.4. hereof.

3.3. In case the sum total of expenses actually incurred by a member of the Auditing Commission exceeds the sum calculated according to Clause 3.2 hereof, the sum of excess shall not be subject to compensation.

3.4. By request of the Auditing Commission, the Company shall buy for members of the Auditing Commission travel documents for all means of transportation for transfer to the business trip destination and back to the place of permanent employment, ensuring (booking, paying for) hotel accommodation as per the following norms:

- transportation by air: economy class tickets;
- transportation by rail: a compartment car with named trains or an Economy class car with high-speed trains;
- transportation by road: regular service transportation to the business trip destination and back at the transportation cost in effect within the locality in question for regular service of transportation organizations;
- transportation by road (except for taxi) or by rail to an airport/railway terminus and back: at the transportation cost in effect within the locality in question (in Aeroexpress trains to/from an airport – Economy class tickets);
- hotel accommodation: no more than 4*, room category - Standard.

Airline or railway tickets as per the tariffs specified or vacant hotel rooms of the established category being unavailable, the Company may procure higher class travel documents and accommodation booking.

3.5. For purposes of compensation for expenses incurred, a member of the Auditing Commission shall send in to the Company a written application as per the sample given in Appendix 2 hereto, appending the originals of the documents bearing witness of the expenses and specifying the essential details of the bank account (deposit).

Documents bearing witness of the expenses incurred and subject to compensation shall be provided by a member of the Auditing Commission following the procedure established by the Russian Federation legislation for accounting for travel expenses.

3.6. Payment of compensations shall be effected by the Company within 5 business days from the date when the Company received the documents stipulated by Clause 3.5 hereof.

4. Final provisions

4.1. The present Regulations shall take effect from the moment of approval by the General Meeting of Shareholders of the Company.

4.2. In case of the Provision being in conflict with the norms of the Russian Federation legislation, until the moment of bringing the Regulations in accord with the said norms and introducing amendments to the Regulations (restated Regulations approval) by decision of the General Meeting of Shareholders, the norms of the effective legislation of the Russian Federation shall apply.

Appendix 1
to the Regulations for Remuneration
and Compensation for Members of the
Auditing Commission of
IDGC of North-West, PJSC

(specify Sole Executive Body)
of IDGC of North-West, PJSC

(Full name)

from a member of the Auditing
Commission
*Full name of member of the Auditing
Commission*

Application for payment of reward

Please arrange for paying me the monetary reward related to me having discharged the duties of a member of the Auditing Commission of IDGC of North-West, PJSC during the period from _____.

Hereby I confirm that during the said period I did not belong to the category of persons in relation to whom restriction or interdiction for reception of payments from commercial organizations is stipulated by the federal laws.

Please effect the reward payment by way of remittance to the bank account (deposit) *(specify the essential details of the bank account (deposit))*.

Date _____ / _____ / *Full name* /

Appendix 2
to the Regulations for Remuneration
and Compensation for Members of the
Auditing Commission of
IDGC of North-West, PJSC

(specify Sole Executive Body)
of IDGC of North-West, PJSC

(Full name)

from a member of the Auditing
Commission
*Full name of member of the Auditing
Commission*

Application for payment of compensation

Please arrange for compensating me for expenses in an amount of RUB _____ related to my travelling and accommodation within the framework of *(specify the action of the Auditing Commission)*:

- travel expenses - *(specify the essential details, ticket class and price and the total amount of expenses)*;

- accommodation expenses - *(at the hotel « _____ » during the period from « _____ » to « _____ », the total amount being equal to _____)*.

Please effect the compensation payment by way of remittance to the bank account (deposit): *(specify the essential details of the bank account (deposit))*.

Appendix: Documents bearing witness of the expenses incurred and subject to compensation.

Date _____ / _____ / *Full name /*

**Calculation
of the personal participation coefficient
of a member of the Auditing Commission¹**

Member of the Auditing Commission _____

| Estimated coefficient | Indicator value | Substantiation |
|-----------------------|-----------------|---|
| n | | Number of sessions held by the Auditing Commission in the corporate year inclusive of in absentia voting. |
| ni | | Number of sessions the member of the Auditing Commission participated in. |
| C _s | | Coefficient of participation in sessions of the Auditing Commission: $C_s = 0.1 * (ni / n)$. |
| fi | | Number of days within the corporate year when the duties of Chairman/Secretary were discharged. |
| m | | Total number of days in the corporate year. |
| C _{add} | | Coefficient taking into account work in the capacity of Chairman/Secretary: $C_{add Ch} = 0.3 * (fi / m)$ – for Chairman of the Auditing Commission, $C_{add S} = 0.1 * (fi / m)$ – for Secretary of the Auditing Commission. |
| C _{review} | | C _{review} – coefficient of participation in reviewing actions of the Auditing Commission: 0.0 – 1.0. Established for Chairman of the Auditing Commission shall be C _{review} = 1.000 |
| C _p | | $C_p = (1 + C_s + C_{add}) * C_{review}$ Established for a member of the Auditing Commission having missed more than half of the sessions that took place during the period of their membership in the Auditing Commission shall be C _p = 0.0 |

Chairman of the Auditing Commission / Full name /

¹ To be filled in by a representative of the Auditing Commission for each member of the Auditing Commission inclusive of Chairman of the Auditing Commission.

Appendix 4
to the Regulations for Remuneration
and Compensation for Members of the
Auditing Commission of
IDGC of North-West, PJSC

**Calculation
of the actual amount of reward
due to a member of the Auditing Commission**

Member of the Auditing Commission _____

| Estimated coefficient | Indicator value | Substantiation |
|---|------------------------|---|
| m | | Total number of days in the corporate year |
| m_i | | Number of days within the corporate year when the duties of a member of the Auditing Commission were discharged |
| R_{base} | | According to Clause 2.2. of the approved Regulations |
| C_p | | Established by Chairman of the Auditing Commission of the Company and provided to Sole Executive Body of the Company. |
| R_{actual} | | $R_{actual} = R_{base} * (m_i / m) * C_p$ |
| Petition for increase of the actual amount of reward by _____ % | | Decision on increase of the actual amount of reward |
| Total R_{actual} with account for decision on increase | | |

Chief Accountant of the Company;

/ Full name /