

REMUNERATION AND COMPENSATION POLICY

Board of Directors

The Annual General Meeting of Stockholders, conducted on 23.05.2019, adopted Amended and Restated Regulations of Remunerations and Compensations due to the Board of Directors at OAO IDGC of Urals. In compliance with the Regulations, remunerations comprise a lump sum quarterly payment for participation in the Board activities.

Quarterly service remunerations due to each Board of Directors member are calculated, factoring in the total number of Board of Directors meetings conducted during the reported quarter and number of meetings attended by a Board of Directors member. Basic annual remunerations (Rbase) are determined according to the revenues of the Company, calculated under RAS, for the last completed report year preceding election of the Board of Directors. The following increments are added to the remunerations: 30% for the Board Chair, 20% for the Chair of a Board Committee, 10% for a membership in a Board Committee. If a Committee conducts no meetings during the reported quarter, no increments for the Board of Directors Committee Chairmanship and membership are paid. The overall quarterly remunerations and increments due to each Board of Directors member do not exceed 1/4 of Rbase. Remunerations are not paid, if a Board of Directors member fails to attend more than 50% of the meetings conducted during the reported quarter. Remunerations are paid within 30 (Thirty) calendar days after the end of the reported quarter. Remunerations are charged and paid to the Board of Directors Chairman and members, subject to legal restrictions or prohibition of any allowances from businesses. Remunerations are paid from the income obtained from non-regulated services.

A Board of Directors member obtains compensations for expenses related to the participation in Board of Directors meetings, Board of Directors Committee meetings, General Meetings of Stockholders in compliance with the Company's C-level trip reimbursement rates, valid as of the date of such meetings. The payment of compensations is made within 3 (Three) business days after presentation of documents supporting the costs incurred.

Executive Bodies

The KPI system for the executive bodies is disclosed in Section "Key Performance Indicators".

Total remunerations and/or compensations due to each governing body, RUB thousand

Type of remunerations	Board of Directors	Executive Board
Service remunerations	23,879	0
Salary	0	36,031
Bonuses	0	19,052
Commission fees	0	0
Other types	0	578
Reimbursement of expenses	323	0
TOTAL	24,202	55,661

In 2020, the Company has concluded a contract with AO SOGAZ on D&O insurance for the period starting 01.07.2020 and ending 30.06.2021, with a RUB 1,582.5 thousand premium paid to the insurer and RUB 1.5 billion total limit of liabilities. In 2021, the Company has concluded a contract with AO SOGAZ on D&O insurance for the period starting 01.07.2021 and ending 30.06.2022, with a RUB 16,376.25 thousand premium paid to the insurer and RUB 825,000 thous. total limit of liabilities.



* Visit the official web-site of the Company to read the Regulations (Section Incorporating Documents and Bylaws (Main/About us/ Incorporating Documents and Bylaws).