**Summary of Amendments**

**to the Regulations for the Remuneration and Compensations Payable to the Members of the Board of Directors of PJSC “LENENERGO” (“Company”)**

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| **No.** | **Current provision** | **Revised provision** | **Rationale for amendment** |
| **1.** | Paragraph 1 of clause 4.1 of the Company’s Regulations reading as follows:  “4.1. Remuneration shall be paid to members of the Company’s Board of Directors for their work during the period from their election to the Company’s Board of Directors until the election of new members of the Company’s Board of Directors.” | Clause 5.1 of the Company’s Regulations reading as follows:  “Remuneration to a member of the Company’s Board of Directors shall be paid for the period from the date of election of the relevant candidate to the Company’s Board of Directors until the date of termination of powers of such member of the Company's Board of Directors.” | The period for payment of remuneration to the members of the Company’s Board of Directors was clarified in relation to the term of office of a relevant member of the Board of Directors. |
| **2.** | Paragraph 2 of clause 4.1 of the Company’s Regulations reading as follows:  “Remuneration shall be paid to members of the Company’s Board of Directors **as a lump sum** in Russian rubles.” | Clause 5.2 of the Company’s Regulations reading as follows:  “5.2. Remuneration to each member of the Board of Directors shall be paid **on a quarterly basis**.” | Remuneration is paid to the members of the Company's Board of Directors on a quarterly basis, while previously it used to be paid to them on an annual basis. |
| **3.** | Clause 4.2 of the Company’s Regulations reading as follows:  “4.2. The amount of remuneration payable to each member of the Company’s Board of Directors for sitting on the Company’s Board of Directors shall be calculated taking into account the total number of meetings of the Company’s Board of Directors **over the previous corporate year** and the number of meetings in which such member of the Board of Directors took part using the formula below:  S (1) = Rbase ×100/130 × (n/m), where  S (1) is the remuneration for sitting on the Company’s Board of Directors;  Rbase is the remuneration base amount determined in accordance with the procedure set forth in clause 4.3 of the Regulations;  n is the number of meetings of the Board of Directors (irrespective of their format), in which a member of the Board of Directors took part in the period **between the annual General Meetings**;  m is the total number of meetings of the Board of Directors (irrespective of their format) **in the period between the annual General Meetings**.” | Clause 5.3 of the Company’s Regulations reading as follows:  “5.3. The amount of quarterly remuneration payable to each member of the Company’s Board of Directors for sitting on the Company’s Board of Directors shall be calculated taking into account the total number of meetings of the Company’s Board of Directors **over the reporting quarter** and the number of meetings in which such member of the Board of Directors took part using the formula below:  S (1) = Rbase×4/130 × (n/m), where  S (1) is the **quarterly** remuneration for sitting on the Company’s Board of Directors;  Rbase is the amount of annual base remuneration calculated in accordance with the procedure set forth in clause 5.4 of the Regulations.  n is the number of meetings of the Board of Directors (irrespective of their format), in which a member of the Board of Directors took part **in the reporting quarter**;  m is the total number of meetings of the Board of Directors (irrespective of their format) **in the reporting quarter**.” | Remuneration is paid to the members of the Company's Board of Directors on a quarterly basis, while previously it used to be paid to them on an annual basis. |
| **4.** | Clause 4.3 of the Company’s Regulations reading as follows:  “4.3. The remuneration base amount (Rbase) shall be based on the revenues calculated in accordance with Russian Accounting Standards and received by the Company in the financial year and is as follows:   |  |  | | --- | --- | | Revenue | Rbase | | Over RUB 200 bn | **RUB 1,000,000** | | Over RUB 30 bn | **RUB 900,000** | | Over RUB 10 bn | **RUB 800,000** | | Over RUB 1 bn | **RUB 700,000** | | Over RUB 600 m | **RUB 600,000** | | Less than RUB 600 m | **RUB 500,000** | | Clause 5.4 of the Company’s Regulations reading as follows:  “5.4. The amount of annual base remuneration (Rbase) shall be calculated based on the Company’s revenue assessed in accordance with the Russian Accounting Standards for the last full fiscal year preceding the election of the Company’s Board of Directors:   |  |  | | --- | --- | | Revenue | Rbase | | Over RUB 200 bn | **RUB 3,000,000** | | **Over RUB 70 bn** | **RUB 2,700,000** | | Over RUB 30 bn | **RUB 2,200,000** | | Over RUB 10 bn | **RUB 1,600,000** | | Over RUB 1 bn | **RUB 1,000,000** | | Over RUB 600 m | **RUB 800,000** | | Less than RUB 600 m | **RUB 600,000** | | The annual base remuneration for calculating the remuneration amount was increased. The provisions concerning additional remuneration (clause 9 of the Regulations) were cancelled. |
| **5.** | Clause 4.4 of the Company’s Regulations reading as follows:  “4.4. The remuneration specified in clause 4.2 of the Regulations shall be paid within **60 days after the annual General Meeting of the Company**.” | Clause 5.5 of the Company’s Regulations reading as follows:  “5.5. The remuneration referred to in clause 5.3 of the Regulations shall be paid within **30 (thirty) calendar days after the end of the reporting quarter**.” | The time limits for remuneration payment were changed due to the change of payment frequency (from annual to quarterly). |
| **6.** | Paragraph 5 of clause 4.5 of the Company’s Regulations reading as follows:  “The bonuses for chairmanship and/or membership in a specialized Committee **shall not be paid if less than three meetings of the Board of Directors’ Committee were held during the corporate year**.” | Clause 5.7 of the Company’s Regulations reading as follows:  “5.7. The bonuses for chairmanship and/or membership in a specialized Committee of the Company’s Board of Directors **shall not be paid if no meetings of the Committee were held during the reporting quarter**.” | The provision has been amended, since the remuneration frequency has been changed (from annual to quarterly). |
| **7.** | Paragraphs 6-7 of clause 4.5 of the Company’s Regulations reading as follows:  “For the purposes of these Regulations and for the purpose of determining the amount of remuneration and compensations payable to members of the Board of Directors, **the corporate year** shall be understood as the period from the date when members of the Board of Directors were elected at the annual General Meeting of the Company’s Shareholders and up to the date of the subsequent annual General Meeting of the Company’s Shareholders.  For the purpose of calculating the amount of remuneration and compensations payable to members of the Board of Directors whose term of office was terminated earlier by resolution of the extraordinary General Meeting or who were elected at the extraordinary General Meeting of the Company, the corporate year shall equal 365 days.” | Clause 5.8 of the Company’s Regulations reading as follows:  “5.8. For the purposes of these Regulations and for the purpose of determining the amount of remuneration and compensations payable to members of the Board of Directors, **the reporting quarter** shall be understood as the next calendar quarter (from the date when members of the Board of Directors were elected at the annual General Meeting of the Company’s Shareholders and up to the date of the subsequent annual General Meeting of the Company’s Shareholders).” | The provision has been amended, since the remuneration frequency has been changed (from annual to quarterly). |
| **8.** | Clauses 4.6-4.7 of the Company’s Regulations reading as follows:  “4.6. Total remuneration specified in clause 4.2 of the Regulations, including the bonuses listed in clause 4.5 of the Regulations, may not exceed Rbase.  4.7. No remuneration shall be paid if the relevant member of the Company’s Board of Directors did not participate in more than 50% of meetings held **(from the election of such member until the termination of such member’s powers)**.” | Clauses 5.9-5.10 of the Company’s Regulations reading as follows:  “5.9. Total quarterly remuneration payable to each member of the Company’s Board of Directors specified in clause 5.3 of the Regulations, including the bonuses listed in clause 5.6 of the Regulations, may not exceed 1/4 of Rbase.  5.10. No remuneration shall be paid if the relevant member of the Company’s Board of Directors did not participate in more than 50% of meetings held **during the reporting quarter**.” | The provision has been amended, since the remuneration frequency has been changed (from annual to quarterly). |
| **9.** | Clause 4.8 of the Company’s Regulations reading as follows:  “4.8. Within the time specified in clause 4.4 of the Regulations, the members of the Board of Directors shall be paid additional remuneration from net profit in the event of the Company’s market capitalization growth during the period of work of the Board of Directors.  The amount of additional remuneration payable to each member of the Board of Directors in accordance with clause 4.8 shall be equal to 0.0175 percent of the Company’s market capitalization growth calculated for the period from the election of the relevant member of the Board of Directors until the election of new members of the Company’s Board of Directors.  …» | Unavailable in the revised version. | Payment of additional remuneration to the members of the Board of Directors from the Company's net profit was cancelled. |
| **10.** | Clause 5.1 of the Company’s Regulations reading as follows:  “5.1. Members of the Board of Directors shall be compensated for expenses related to their participation in meetings of the Board of Directors at the rates of compensation for travel expenses **applicable in the Company** at the time of the meeting.” | Clause 6.1 of the Company’s Regulations reading as follows:  “6.1. Members of the Board of Directors shall be compensated for expenses related to their participation in meetings of the Board of Directors, Committees of the Board of Directors, and General Meetings of the Company, at the rates of compensation for travel expenses **applicable to top managers** of the Company in force at the time of the meeting.” | Specified was the Company employee category who are entitled to standard compensation for travel expenses for the purposes of compensating Board of Directors’ members for expenses. |
| **11.** | Unavailable in the current version. | Clause 7 of the Company’s Regulations reading as follows:  “7. Remuneration shall be paid out of profits from unregulated activities.” | New provision has been added about profits from unregulated activities as the source of remuneration payment to the members of the Board of Directors. |
| **12.** | Minor improvements of wording. | | |