APPROVED

under Resolution of the Annual General Meeting of PJSC “LENENERGO”

of \_\_\_\_\_\_\_\_\_, 2019.

(Minutes No. \_\_\_\_ of \_\_\_\_\_\_\_)

PJSC “LENENERGO”

REGULATIONS

for the Remuneration and Compensations

Payable to the Members of the Board of Directors

(amended and restated)

Saint Petersburg

2019

1. These Regulations for the Remuneration and Compensations Payable the Members of the Board of Directors of PJSC “LENENERGO” (hereinafter referred to as the “Regulations”) have been prepared in accordance with the Federal Law *On Joint Stock Companies* and set out the amount and procedure for payment of remuneration and compensations to members of the Board of Directors of PJSC “LENENERGO” (hereinafter referred to as the “Company”).

2. Remunerations shall be paid by the Company in cash.

3. These Regulations do not apply to the members of the Company’s Board of Directors who are simultaneously members of the Company’s collective executive body and the sole executive body (CEO) of the Company.

4. No remuneration shall be paid or accrued to the Chairperson and members of the Company’s Board of Directors if Russian federal legislation restricts or prohibits payment of any benefits from commercial organizations to such persons.

5. Payment of remuneration.

5.1. 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.

5.2. Remuneration to each member of the Board of Directors shall be paid on a quarterly basis.

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 ×100/130 ( | n | ), where |
| m |

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 hereof;

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.

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 |

5.5. The remuneration referred to in clause 5.3 hereof shall be paid within 30 (thirty) calendar days after the end of the reporting quarter.

5.6. In addition to the remuneration referred to in clause 5.3 hereof, the following bonuses shall be paid:

30% of S(1) to the Chairperson of the Company’s Board of Directors;

20% of S(1) to the Chairperson of a specialized Committee of the Company’s Board of Directors;

10% of S(1) to every member of a specialized Committee of the Company’s Board of Directors;

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.

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).

5.9. Total quarterly remuneration payable to each member of the Company’s Board of Directors specified in clause 5.3 hereof, including the bonuses listed in clause 5.6 hereof, 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.

5.11. Any member of the Company’s Board of Directors may waive the remuneration provided for in these Regulations by submitting a relevant application to the sole executive body (CEO) of the Company.

6. Payment of compensations.

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.

6.2. Compensations shall be paid by the Company within 3 (three) business days after submission of documents confirming the expenses incurred.

7. Remuneration shall be paid out of profits from unregulated activities.