

Remuneration to Members of the Board of Directors

Types, amount and procedure of remuneration and benefits payment to the members of the Board of Directors of JSC IDGC of the North-West are governed by the Regulations for Remuneration and Compensation Payment to the Members of the Board of Directors of JSC IDGC of the North-West approved at [the Annual General Shareholder's Meeting as of May 29, 2008](#)¹.

The system of remunerations payment to the members of the Company's Board of Directors according to the Regulations on Remuneration and Compensation Payment to the Members of the Board of Directors of JSC IDGC of the North-West includes three categories of payments:

1. For each meeting in which the member of the Board of Directors took part

For participation in the meeting of the Board of Directors held in the external form, the member of the Board of Directors is paid remuneration in the amount equal to eight minimum monthly tariffs of the first rate determined by the sector tariff agreement in the electric power complex of the Russian Federation (hereinafter referred to as the Agreement) for the day of the Company's Board of Directors meeting carrying out considering the indexation specified in the Agreement within one month after holding the meeting of the Board of Directors.

For participation in the meeting of the Board of Directors carried out in presence of the shareholders the member of the Board of Directors is paid remuneration in the amount equal to ten minimum monthly tariff of the first rate determined by the Agreement for the day of the Board of Directors meeting considering the indexation specified in the Agreement within one month after holding the meeting of the Board of Directors of the Company.

The amount of remuneration to the Chairman (Deputy Chairman) for each meeting, where he/she executed the functions of the Chairman of the Board of Directors, increases by 50%.

2. Additional remuneration for the Company's net profit result based on the data from the annual financial statements approved by the General Shareholders' Meeting.

Remuneration to the members of the Board of Directors is tied to the Company's net profit calculated according to Russian accounting standards. The amount of remuneration for the net profit depends on the number of participations by the members of the Board of Directors in the meetings of the Board of Directors during the year, subject to the results of activities in which the net profit was received.

3. Additional remuneration in case of increase of the Company's market capitalization for the period of work in the Board of Directors.

The size of additional remuneration to each member of the Board of Directors, payable for the increase of the Company's market capitalization, amounts to 0.0175% of the increase in the Company's market value calculated for the period since the election of the member to the Board of Directors until the election of a new Board of Directors.

Remuneration for the increase in the Company's market value is subject to the following conditions:

- if not less than six months passed from the moment the shares were admitted for trading on the RTS and MICEX and before the termination of powers of a member of the Board of Directors;
- if the average monthly volume of transactions with the ordinary shares of JSC IDGC of the North-West on the Stock Exchange, during the term of powers of the Board of Directors to be remunerated, is not less than RUB 1.5 million.

There is a number of limitations in respect to additional remuneration:

- additional remuneration shall not be paid if a member of the Board of Directors did not take part in more than 50% of held meetings (from his/her election to the date of termination of powers);
- amount of additional remuneration for the net profit may not exceed the fixed salary of the General Director:
 - more than 5 times for a member of the Board of Directors;
 - more than 7 times for a member of the Chairman of the Board of Directors.

Moreover, in accordance the Regulations for Remuneration and Compensation Payment to the Members of the Board of Directors of JSC IDGC of the North-West a member of the Board of Directors shall be compensated all actually incurred expenses relating to the performance of the functions of a member of the Board of Directors of the Company.

No remuneration or compensation shall be paid to members of the Board of Directors of the Company to whom payments from profit organizations are restricted or prohibited by Federal Law.

Remuneration paid to the members of the Board of Directors in 2014 (RUB)²

Full name	For participation in meetings of the Board of Directors ³	For the Company's net profit index for 2013	For the Company's market capitalization increase	Total
Structure of the Board of Directors elected at the Extraordinary General Shareholders' Meeting held on August 28, 2012	—	411,446	—	411,446
Structure of the Board of Directors elected at the Annual General Shareholders' Meeting held on June 21, 2013	2,721,600	752,740	—	3,474,340
Structure of the Board of Directors elected at the Annual General Shareholders' Meeting held on March 12, 2014	4,482,000	—	—	4,482,000
Structure of the Board of Directors elected at the Annual General Shareholders' Meeting held on June 25, 2014	6,108,000	—	—	6,108,000
T.P. Dronova	456,000	—	—	456,000
A.N. Zharikov	600,000	—	—	600,000
S.S. Zholnerchik	600,000	—	—	600,000
M.A. Lavrova	588,000	—	—	588,000
S.V. Pokrovsky	600,000	—	—	600,000
M.M. Saukh	588,000	—	—	588,000
V.V.Sofyin	600,000	—	—	600,000
S.G. Titov	900,000	—	—	900,000
R.A. Filkin	600,000	—	—	600,000
D.A. Chevkin	576,000	—	—	576,000
A.A. Erdyniyev	—	—	—	—
Total in 2014	13,311,600	1,164,186	—	14,475,786

In the reporting period, expenses relating to the performance of functions of the Company's Board of Directors in the amount of RUB 169,082 were compensated.

The Company believes that the current motivation system is highly effective and that remuneration paid to members of the Company's Board of Directors corresponds to the merits of the members of the Company's Board of Directors and the size of the Company.

1: the Annual General Shareholder's Meeting as of May 29, 2008 - The full text of the Regulations on Remuneration and Compensation Payment to the Members of the Board of Directors of JSC IDGC of the North-West is available on JSC IDGC of the North-West website at <http://www.mrsksevpap.ru/>.

2: Remuneration paid to the members of the Board of Directors in 2014 (RUB) - Hereinafter, all amounts of remuneration paid to management and control bodies are specified before Personal Income Tax.

3: For participation in meetings of the Board of Directors - In 2014 for the purpose of calculation of remuneration for participation in meetings of the Board of Directors the following minimum monthly tariffs were applied: December 01, — RUB 5,400, from July 01, — RUB 6,000.