

REMUNERATION

for Members of Governing Bodies

According to the Company's policy adopted for remuneration and reimbursement of expenditures (compensations) for the members of the Board of Directors, the executive bodies, and other key executives of the Company and the Regulations on Remuneration for the Members of the Board of Directors, the remuneration to the members of PJSC Evropeyskaya Elektrotehnika Board of Directors for their duties shall be paid only to the members being independent.

The decision on payment of remuneration for the members of the Board of Directors shall be taken by the General Shareholder Meeting of PJSC Evropeyskaya Elektrotehnika basing on the performances of the Board.

The amount of remuneration for the previous Board members shall be agreed by a General Shareholder Meeting selecting a new membership.

The structure of remuneration scheme for the members of the Board shall not use the elements of remuneration for the executive bodies and other key executives of the Company.

Apart from the remuneration, the members of the Board of Directors can have their expenditures linked with their duties compensated. The types of charges shall be specified by the decision of the Annual General Shareholder Meeting. All charges of the Board of Directors' members being compensated by the Company shall comply with the criteria of reasonableness and fair practices and relate directly to the duties of a Board of Directors member.

Compensation for expenses of the Board of Directors' members implies reimbursement of expenses, which were actually incurred and documented.

Remuneration and compensation (reimbursement) to the members of the Board of Directors shall be paid only basing on the decision of the Company's General Shareholder Meeting.

A member of the Board of Directors shall have a right to refuse of remuneration and/or compensation (reimbursement) provided he/she informed the Chairman of the Board of Directors in writing.

The supreme governing body of the issuer – the General Meeting of Shareholders – made a decision on amount of remuneration for the independent members of the Board of Directors elected on February 19, 2018 at the extraordinary General Shareholder Meeting for their duties in the period from the date of election to the date of termination specified by the Russian Federation legislation; total amount of RUB 2 mln shall be paid according to a procedures specified by the Company's internal documents.

In 2018 the remuneration specified by the decision of the General Shareholder Meeting for participation in the Board of Directors activities was partially paid to the independent members of the Board in amount of RUB 1 mln. The remaining part of remuneration, which is RUB 1 mln, to be paid in 2019.

There were no decisions of the supreme governing body of the issuer – the General Shareholder Meeting – taken in relation to expenses of the Board of Directors to be compensated.