

Remuneration Report

The remuneration structure for members of the Company's governing bodies is largely determined by the Board of Directors and the Personnel and Remuneration Committee of the Board of Directors, which also undertakes preliminary analysis of matters pertaining to the establishment of an efficient and open compensation practice within the Company.

The remuneration structure for members of the Company's governance bodies is designed to attract, motivate and retain individuals with the skills and expertise required for the Company's efficient management, the accomplishment of its set strategic objectives and the completion of assigned tasks.

The principles and recommendations of the Bank of Russia's Corporate Governance Code, as well as the Company's current approach to accruing salary and compensation, serve as the foundation for the development of the remuneration plans for members of its governing bodies.

Regulating Documents

The payment of compensation and remuneration to the members of the Board of Directors of the Company shall be made in accordance with [Regulations on Payment of Remuneration and Compensation to the Members of the Board of Directors of the Company](#)¹. The current practices in the Company in the field of determining remuneration and compensation to members of the Board of Directors meet the principles of efficiency, transparency, accountability, sufficiency and take into account the input of these persons in the Company's activities.

The procedure for remuneration of persons who are members of the Committees under the Board of Directors, but who are not Board members, is determined by [the Regulations on Payment of Remuneration And Compensation to Members of the Committees of the Board of Directors of the Company](#)².

Remuneration Practices

- A lump-sum payment is made to the members of the Company's Board of Directors as compensation for their performance throughout the corporate year, which runs from the date of election to the date on which their powers are terminated.
- The resolution on the payment of remuneration is made by the Annual General Meeting of Shareholders of the Company.

In order to foster greater engagement among Board of Directors members and a vested interest in the Company's attainment of higher financial success, Board member remuneration is correlated with the Company's financial performance.

The remuneration is calculated on the basis of the base part of the remuneration, which is determined depending on the volume of the Company's revenue³ for the financial year preceding the remuneration payment year.

Revenue for the Financial Year	Value of the Base Part of the Remuneration
Over RUB 200 bln	RUB 1,000,000
Over RUB 30 bln	RUB 900,000
Over RUB 10 bln	RUB 800,000
Over RUB 1 bln	RUB 700,000
Over RUB 600 mln	RUB 600,000
Less than RUB 600 mln	No remuneration is payable

¹ Approved by the resolution of the General Meeting of Shareholders of the Company on 14 September 2022 (Minutes No. 27 dated 15 September 2022).

² Approved by the resolution of the Board of Directors (Minutes No. 280 dated 24 August 2015).

³ Calculated under RAS.

The **base remuneration** for Board members in the 2022–2023 corporate year was RUB 1,000,000.

The **actual remuneration** of a Board member is calculated by considering the following guidelines:

- The total remuneration of a member of the Board of Directors of the Company **cannot exceed the base remuneration** for the corporate year.
- Remuneration for participation in the Board meetings** is determined by taking into account both the actual number of meetings attended and the amount of the **basic part** of remuneration.
- The size of allowances is determined as follows:**

+30% of remuneration for attending Board meetings for the Chairman of the Board of Directors

+20% of remuneration for attending Board meetings for the Chairman of a Committee under the Board of Directors

+10% of remuneration for attending Board meetings for a member of a Committee under the Board of Directors

In accordance with clause 3.7 of the Regulations on Payment of Remunerations and Compensations to the Members of the Board of Directors of the Company, the total amount of remuneration to a member of the Board of Directors of the Company cannot exceed RUB 900,000.

More details on the calculation formula for attending Board meetings, please see [the Regulations on Payment of Remuneration and Compensation to Members of the Board of Directors of the Company](#).



Compensations

The Board members' actual expenses, such as travel costs to and from meetings of the Board of Directors and Committees, accommodation costs and other costs associated with the Company's operations, are reimbursed according to the Regulations on Payment of Remunerations and Compensations to the Members of the Board of Directors of the Company.

The total compensation for each member will be shared later once the members of the Board of Directors have given their consent for this information to be disclosed.

Remuneration in the Reporting Year

Remuneration for Members of the Board of Directors

Annual General Meeting of Shareholders of the Company¹ decided to pay remuneration to members of the Board of Directors of PJSC Rosseti, who do not hold public office, in the amount determined in accordance with the Regulations on Payment of Remuneration and Compensation to Members of the Board of Directors of the Company.

Remuneration for membership in the Board of Directors

$$R_{act} = R_{base} \times 100 / 130 \times (a/b)$$

$$R_{base} = \text{RUB } 1,000,000$$

a – number of Board meetings the Board member attended

b – total number of Board meetings held between annual meetings of shareholders

Additional remuneration

Remuneration to the Chairperson of the Board of Directors ²	$R_{act} \times 30\% / 100\%$
Remuneration to the Chairperson of the Committee ²	$R_{act} \times 20\% / 100\%$
Remuneration for Committee membership ²	$R_{act} \times 10\% / 100\%$

Information on the number of meetings of the Board Committees

Audit Committee	15
Personnel and Remuneration Committee	10
Strategy Committee	10
Investment Committee	8

Aggregate remuneration of Board members in 2021–2023, RUB '000

	2021	2022	2023
	6,430.70	6,956.18	3,619.14

¹ Held on 30 June 2023, Minutes No. 29 dated 30 June 2023.

² No bonuses for chairmanship and membership in the Board Committee are paid if less than three Committee meetings were held during the corporate year.