

# REMUNERATION SYSTEM FOR MANAGEMENT AND CONTROL BODIES

## Remuneration of Members of the Board of Directors

Remuneration and reimbursement of expenses to the Company's Board members in the reporting year were accrued and paid in accordance with the Regulations on Payment of Remuneration and Compensation to Members of the Company's Board of Directors as amended<sup>1</sup> (hereinafter referred to as the Regulations).

According to the Regulation, the remuneration to the members of the Board of Directors is paid quarterly in the period starting from the candidate election to the Board and finishing at the end of the Board's office.

The amount of remuneration for sitting on the Board of Directors for each of the Board members was calculated

against the overall number of the Board of Directors meetings in the reporting quarter and the number of meetings every Board member attended.

The remuneration consists of base and additional parts:

- The base part of the remuneration  $S$  (1) is calculated as per the formula:

$$S(1) = R_{\text{base}} / 4 \times 100 / 130 \times (n/m),$$

where:

- $R_{\text{base}}$  — is the amount of the base annual remuneration by reference to the Company's revenue under RAS calculated for the last completed reporting year before the election of the Company's Board of Directors.

The amount of the Company's revenue under RAS calculated for the last completed reporting year before the election of the Company's Board of Directors

	$R_{\text{base}}$ (RUB)
Over RUB 200 bln	3,000,000
Over RUB 70 bln	2,700,000
Over RUB 30 bln	2,200,000
Over RUB 10 bln	1,600,000
Over RUB 1 bln	1,000,000
Over RUB 600 mln	800,000
Less than RUB 600 mln	600,000

- $n$  — the number of meetings of the Board of Directors (irrespective of the form of a meeting) attended by a Board member in the reporting quarter
- $m$  — the total number of meetings of the Board of Directors (irrespective of the form of a meeting) in the reporting quarter

- additional part — premiums expressed in % relative to the remuneration base part:
  - 30% — for the Chairman of the Company's Board of Directors
  - 20% — for the Chairman of a specialised Committee under the Board of Directors
  - 10% — for the membership in a specialised committee under the Company's Board of Directors

Premiums for performing the duties of a Chairman and/or Board member are not paid if there are no Committee meetings held within the reporting quarter.

Remuneration is not paid to the members of the Board of Directors if they did not take part in more than 50% of the meetings held in the reporting quarter.

<sup>1</sup> Approved by the decision of the Annual General Meeting of Shareholders of Kubanenergo, PJSC dated 20 June 2019 (Minutes No. 42 dated 20 June 2019).

The remuneration is paid to the members of the Board of Directors within 30 calendar days after the end of the reporting quarter.

The Regulation on Remuneration Payment to the Board of Directors:

- Does not apply to the members of the Board of Directors that are simultaneously members of executive bodies

- States that remunerations are not accrued and paid to the Chairman or members of the Company's Board of Directors if the federal legislation restricts or prohibits them to receive any payments from commercial organisations
- Provides the right of the Board members to receive reimbursement of expenditures associated with attending the meetings

of the Board of Directors, its Committee, General Meetings of Shareholders of the Company according to the rules for reimbursement of travel expenses valid at the time of the meeting and established for top managers of the Company

## Remuneration accrued and paid to members of the Company's Board of Directors (RUB '000)

Indicator	2021 <sup>1</sup>	2022	2023 <sup>2</sup>
Basic remuneration for participation in meetings of the Board of Directors	14,478	15,991	16,321
Premium of 30% to the Chairman of the Board of Directors	496	508	508
Premium of 20% to the Chairman of a dedicated committee under the Board of Directors	545	999	643
Premium of 10% for membership in a dedicated committee under the Board of Directors	959	719	846
<b>Total</b>	<b>16,478</b>	<b>18,217</b>	<b>18,318</b>

The Company did not pay any other remunerations to the members of the Board of Directors.

The Company has no remuneration or reimbursement payments overdue to the Board of Directors members.

The expenses of the Board of Directors members were not reimbursed in the reporting year.

The Company did not provide any loans (credits) to the Board of Directors members.

## Remuneration of Members of Executive Bodies

In accordance with the decision of the Board of Directors of the Company on 29 June 2023<sup>3</sup> members of the Management Board of the Company are classified as senior managers of the Company.

if a senior manager is elected as a member of the Management Board of the Company, remuneration is paid by means of an additional payment for membership in the collegial executive body (Management Board) of the Company in the amount corresponding to the minimum wage under Article 133 of the Labour Code of the Russian Federation.

For the members of executive bodies, the Company has no remuneration or reimbursement payments overdue.

In accordance with the Regulations on Remuneration and Material Incentives for Senior Managers of Rosseti Kuban, PJSC<sup>4</sup>,

## Remuneration and reimbursement of expenses paid to the members of the Company's executive bodies (RUB '000)

Indicator	2021	2022	2023
Remuneration for sitting on the Management Board	1,506	1,667	802
Salary	28,324	38,185	56,169
Bonuses	21,528	36,204	24,902
Reimbursement of expenses	1,437	2,291	1,433
Other types of remuneration	3,284	2,192	1,640
<b>Total</b>	<b>56,079</b>	<b>80,539</b>	<b>84,946</b>

<sup>1</sup> Subject to accrual and payment of remuneration for Q4 2021 in January 2022.

<sup>2</sup> Subject to accrual and payment of remuneration for Q4 2023 in January 2024.

<sup>3</sup> Minutes No. 524/2023 dated 30 June 2023.

<sup>4</sup> Approved by resolution of the Board of Directors of the Company dated 29 June 2023 (Minutes No. 524/2023 dated 30 June 2023).