

**APPROVED BY**

The General Meeting of Shareholders of  
Public Joint-Stock Company

Segezha Group

November 11, 2021

Minutes No. 6/21, dated November 15, 2021

**REGULATIONS**  
**ON REMUNERATION AND REIMBURSEMENT**  
**PAID TO MEMBERS OF THE BOARD OF DIRECTORS**  
**Segezha Group PJSC**

Moscow, 2021

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## 1. General Provisions

1.1. This Regulations on Remuneration and Reimbursement Paid to Members of the Board of Directors of Segezha Group PJSC (hereinafter, 'the Regulations') has been developed in accordance with the Federal Law On Joint Stock Companies, other applicable regulations and establishes the amount and procedure for payment of remuneration and reimbursement to members of the Board Directors of Segezha Group PJSC (hereinafter, 'the Company').

1.2. This Regulations shall be approved by the General Meeting of Shareholders in accordance with the provisions of Clause 2, Art. 64, Federal Law On Joint Stock Companies, and shall be the basis for the calculation and payment of remuneration and reimbursement to members of the Company's Board of Directors (excluding payments made on the basis of labour and civil contracts).

1.3. The Company's profit shall be the source of remuneration and reimbursement payments until relevant amendments to the current legislation of the Russian Federation (hereinafter, 'the RF') or clarifications from the authorised authorities containing an unambiguously interpreted indication of other sources.

1.4. The remuneration and reimbursement, the projected amount of which is calculated in accordance herewith, shall be recognised in the Company's budget.

1.5. The period for calculating the payment of remuneration and reimbursement shall be one year starting from the election of the members of the Board of Directors at the annual general meeting of the Company's shareholders and ending with the subsequent annual general meeting of the Company's shareholders (hereinafter, the 'corporate year'). In the event of early termination of powers, and election of members of the Board of Directors at an extraordinary General Meeting of the Company's Shareholders, the amount of remuneration shall be calculated taking into account the actual working hours of the Board of Directors.

The calculation and payment of remuneration and reimbursement to members of the Board of Directors should be controlled by the Company's Corporate Secretary and the Company's Vice President for Finance and Investments.

1.6. Remuneration for performing the duties of members of the Company's Board of Directors shall be paid by the Company to independent members of the Board of Directors, whose status is determined by the decision of the Company's Board of Directors. In determining the status, the Company's Board of Directors shall consider whether the members of the Company's Board of Directors comply with the independence criteria established by the applicable legislation, the rules of the regulators and the Company's internal documents.

An independent member of the Board of Directors shall not be an employee or a member of the executive management bodies of legal entities that are part of the Company's group.

1.7. All categories of members of the Company's Board of Directors shall have the right to reimbursement for overhead costs associated with performing the duties of a member of the Company's Board of Directors.

1.8. The General Meeting of the Company's Shareholders shall be entitled to decide not to pay remuneration to individual members of the Company's Board of Directors specified in Clause 1.6. hereof, if they did not participate in the work of more than half of the meetings of the Company's Board of Directors and/or if they caused damage to the Company by their misconduct (negligent omission).

1.9. For the purposes of this Regulations, the following terms shall be used:

(1) remuneration shall mean monetary amounts, securities, other property and/or property-related liabilities, paid (transferred) only to the members of the Company's Board of Directors specified in Clause 1.6. hereof, as remuneration for participation in the work of the Company's Board of Directors.

(2) reimbursement shall mean monetary amounts paid to members of the Company's Board of Directors in order to reimburse their expenses:

- incurred in connection with participation in the work of the Board of Directors: travel, accommodation and other costs, if a meeting of the Company's Board of Directors or the Committee of the Company's Board of Directors is held outside the place of permanent residence of a member of the Board of Directors;
- not related to participation in meetings, but related to the Company's activities: expenses for travel, accommodation and other expenses (participation in business trips of the management and ongoing events), subject to the approval of these expenses by the Company (Chairman of the Board of Directors);
- other amounts provided for by Sub-Clause 3, Clause 6.1. hereof.

## **2. Forms of Remuneration**

2.1. Remuneration to members of the Company's Board of Directors shall be paid in the following forms:

- base remuneration;
- remuneration for the performance of extra duties;
- year-end bonus.

2.2. Remuneration paid to members of the Company's Board of Directors shall be subject to taxation in accordance with the legislation of the Russian Federation or another state, of which a member of the Board of Directors is a tax resident. The Company shall not reimburse members of the Board of Directors for the amount of personal income tax to be withheld in accordance with the legislation of the Russian Federation and/or paid by them in accordance with the legislation of another state.

## **3. Base Remuneration**

3.1. The base remuneration shall be paid in monetary terms for the performance of the duties of a member of the Company's Board of Directors in equal shares on a quarterly basis over the corporate year.

3.2. The base remuneration shall amount to 6,000,000 rubles per corporate year. In the event of early termination of the appointment of a member of the Board of Directors, remuneration shall be paid in an amount proportional to the actual term of office of the member of the Board of Directors during the corporate year.

3.3. The Company shall pay base remuneration on a quarterly basis in equal shares no later than 30 days after the end of the quarter as per a memo provided by the Company's Corporate Secretary, as well as an extract from the minutes of the General Meeting of the Company's Shareholders on the election of members of the Board of Directors.

## **4. Remuneration for the Performance of Extra Duties**

4.1. Members of the Company's Board of Directors shall be paid extra remuneration for performing the duties of the Chairman of the Company's Board of Directors, Deputy Chairman of the Company's Board of Directors, as well as work in the Committees of the Company's Board of Directors:

4.1.1. For performing the duties of the Chairman of the Company's Board of Directors, a member of the Board of Directors shall be paid extra remuneration in the amount of 1,250,000 rubles per quarter.

4.1.2. For performing the duties of the Deputy Chairman of the Company's Board of Directors, a member of the Board of Directors shall be paid extra remuneration in the amount of 625,000 rubles per quarter.

4.1.3. Participation of members of the Company's Board of Directors in the meetings of the Committees of the Board of Directors shall be additionally remunerated in the amount of 1,500,000 rubles per corporate year.

4.1.4. For performing the duties of the Chairman of the Committee of the Company's Board of Directors, directors shall also be additionally remunerated in the amount of 70,000 rubles per quarter.

4.2. Remuneration for performing extra duties shall be paid by the Company on a quarterly basis in equal shares no later than 30 days after the end of the quarter as per a memo provided by the Company's Corporate Secretary, reflecting the number of meetings of the Committees of the Board of Directors within the relevant quarter, as well as extracts from the minutes of the meeting of the Board of Directors reflecting the distribution of duties of members of the Committees of the Board of Directors. In the event of early termination of the powers of a member of the Board of Directors, remuneration for performing the duties of the Chairman of the Committee of the Board of Directors shall be paid to the corresponding member of the Board of Directors in an amount proportional to the actual term of office of the director during the corporate year.

## **5. Year-End Bonus**

5.1. A year-end bonus may be paid to independent directors depending on the results of the corporate year and on the basis of a decision of the General Meeting of Shareholders of the Company in exceptional cases and if there is sufficient justification for such payment.

5.2. On accepting the appropriate decision, a year-end bonus is paid by the Company no later than 45 days after the date of the Annual General Meeting of Shareholders on the basis of a memo provided by the Corporate Secretary of the Company and on an extract from the minutes of the General Meeting of Shareholders at which the decision was made to pay such a bonus.

## **6. Reimbursement for Members of the Company's Board of Directors**

6.1. Each member of the Company's Board of Directors shall be reimbursed for the following expenses related to performing the duties of a member of the Company's Board of Directors:

- (1) the actually incurred and documented target costs of travel from the place of permanent residence to the destination (the venue of the Board of Directors) and back, the cost of renting accommodation, as well as other documented costs.
- (2) Legal and other expenses or losses of the members of the Company's Board of Directors due to the possible presentation of complaints or claims against them for their actions (inaction) in the exercise of official duties as members of the Company's Board of Directors, reimbursed in the amount and on the terms determined by the applicable liability regulations for directors and officials.

6.2. The Company shall reimburse documented expenses based on a memo of the Corporate Secretary addressed to the Company's Vice President for Finance and Investments with copies of supporting documents attached.

6.3. Other expenses shall be reimbursed based on a written application from a member of the Board of Directors with an indication of the amount required to be reimbursed for expenses and the decision of the Company's Sole Executive Body (President).

6.4. The procedure, volume and other conditions for reimbursement of expenses and losses specified in Sub-Clause 2, Clause 6.1. hereof, shall be enshrined in individual agreements between the Company and members of the Board of Directors and remain in effect for 6 (six) subsequent years upon resignation or removal of a member of the Board of Directors from this position or from any

other position in the Company's management bodies or in those of any subsidiaries or dependent companies (whichever occurs later).

Reimbursement provided for in Sub-Clause 2, Clause 6.1. hereof shall be paid if there is documentary evidence of court or other expenses or losses that a member of the Board of Directors has incurred or should incur, including if a member of the Board of Directors is obliged to pay expenses for lawyers, experts, witnesses, translators and other participants during defence against a Claim and/or the emergence of an obligation to satisfy the requirements for a Claim submitted to it by a court or other competent authority of a writ of execution (or another document in any jurisdiction having the force of a writ of execution) for the enforcement of a court decision on the merits of such Claims.

This reimbursement shall not be paid if the actions or inaction of a member of the Board of Directors, which became the basis for the Claim, are characterised by the final decision of the competent court as gross negligence, willful violation of official duties and/or are recognised as aimed at unlawful extraction of personal benefit or deliberate harm to the Company or any subsidiaries or affiliates.

The Company shall pay the reimbursement stipulated by this Clause 6.4. within 5 (five) working days upon receipt of a written application from a member of the Board of Directors with a report and documentary evidence of court or other expenses or losses that the member of the Board of Directors has incurred or must incur; in such a case, reimbursement for the satisfaction of claims of persons or organisations that have filed a Claim against a member of the Board of Directors is carried out within 5 (five) working days upon presentation by a member of the Board of Directors of a writ of execution issued by a court or other competent authority (or another document in any jurisdiction, having the force of a writ of execution) for the compulsory execution of a court decision on the merits of a Claim filed against a member of the Board of Directors.

6.5. Some expenses specified in Clause 6.1. hereof may be limited by the decision of the Company's Board of Directors.

## **7. Force of Regulations Procedure for Amending and Expanding this Regulations.**

7.1. This Regulations may be amended, expanded or revoked only by the decision of a general meeting of the Company's shareholders.

7.2. If legislation, regulators or the Company's internal regulations for the payment of remuneration and reimbursement to members of the Company's Board of Directors hereunder require approvals or permits to be obtained from the authorities, regulators or the Company's management bodies, the Company's obligations to pay remuneration to members of the Company's Board of Directors hereunder shall arise only after receiving all the necessary approvals and/or permits.

7.3. This Regulations has been developed based on and taking into account the provisions of the current legislation of the Russian Federation as of the date of approval hereof. If the applicable legislation is amended, this Regulations shall be brought in line with the legislation.

7.4. In all cases, if there are discrepancies between this Regulations and the applicable law, including discrepancies caused by amendments to legislation that are not recorded herein, the legislation of the Russian Federation shall prevail, and this Regulations shall be valid to the extent that it is consistent with the current legislation of the Russian Federation.

7.5. This Regulations shall apply to relations arising since July 1, 2021.

7.6. Should the Company acquire public status, this Regulations shall remain in effect.