

**Approved by
Decision of Board of Directors
“IDGC of the South”, JSC
dated February 03.2010
Minutes No.39/2010
dated February 05.2010**

**REGULATIONS ON
Remuneration and Compensation Payment to the
Committee for Strategy, Development, Investments and Reform
Attached to Board of Directors
Open Joint Stock Company “Interregional Distributive Grid Company of the
South”**

**Rostov-on-Don
2010**

1. The present Regulations were developed on the basis of the Federal Law "On Joint Stock Companies" and establishes the amount and the procedure of payment of remuneration and compensation to the members of the Committee for Strategy, Development, Investments and Reform of "IDGC of South", JSC (hereinafter referred to as "the Committee attached to BoD").

2. The effect of these Regulations does not extend to the members of the Committee attached to BoD who are the sole executive body of "IDGC of South", JSC (hereinafter referred to as the Company) or a member of the collective executive body of the Company.

Remuneration and compensation are not accrued and paid to Chairperson and members of the Committee attached to BoD who are persons, in relation to whom restriction or interdiction for reception of profit from commercial organizations is stipulated by the federal laws.

3. Payment of remuneration and compensation is performed by the Company in the monetary form.

Payment of remuneration and compensation is performed on the basis of the budget of the BoD, approved by the Board of Directors of the Company.

4. Payment of remuneration.

4.1 For participation in meeting of the Committee attached to BoD held in the form of joint presence, a member of the Committee attached to BoD receives payment equal to 2 (two) minimum monthly wage rates (MMWR) of a 1st category worker fixed in the sectoral tariff agreement of the electric power industry of the Russian Federation (hereinafter referred to as the Agreement) at the date of holding the meeting of the Committee attached to BoD, indexed in conformity with the Agreement, within thirty (thirty) calendar days after holding the meeting of the Committee attached to BoD.

The amount of remuneration paid the Chairperson of the Committee attached to BoD (or Deputy Chairperson of the Committee - for every meeting, at which he/she performed functions of the Chairperson of the Committee attached to BoD) increases by 50 %.

The amount of remuneration paid the secretary of the Committee attached to BoD for every meeting equals to 1 (one) MMWR at the date of holding the meeting of the Committee attached to BoD, indexed in conformity with the Agreement, within thirty (thirty) calendar days after holding the meeting of the Committee attached to BoD.

4.2 For participation in meeting of the Committee attached to BoD held in the absentee form, a member of the Committee attached to BoD receives payment equal to 1 (one) MMWR, indexed in conformity with the Agreement, within thirty (thirty) calendar days after holding the meeting of the Committee attached to BoD.

The amount of remuneration paid the Chairperson of the Committee attached to BoD (or Deputy Chairperson of the Committee - for every meeting, at which he/she performed functions of the Chairperson of the Committee attached to BoD) increases by 50 %.

The amount of remuneration paid the secretary of the Committee attached to BoD for every meeting equals to 0,5 (one point five) MMWR at the date of holding the meeting of the Committee attached to BoD, indexed in conformity with the Agreement, within thirty (thirty) calendar days after holding the meeting of the Committee attached to BoD.

4.3 A member of the Committee attached to BoD can refuse to get remuneration specified by the present Regulations fully or partially by sending the corresponding notification to the CEO of the Company.

In case of existing of the above-mentioned notification payment of remuneration of all types to the member of the Committee attached to BoD is carried out only at the written consent of the member of the Committee attached to BoD of the Company. In case of occurring the grounds of remuneration payment, the Company is obliged to send to the member of the Committee attached to BoD of the Company a notification with indication of the sum of a due remuneration. Such a notification should be sent no later than the date of the remuneration payment specified by the present Regulations.

In case of existing of the written consent of the member of the Committee attached to BoD of the Company to get remuneration, the corresponding remuneration is paid to him/her within 30 (thirty) calendar days after its receipt.

5. Payment of compensation.

5.1 Actually incurred by a member of the Committee attached to BoD of the Company expenses related to his/her participation in meetings of the Committee attached to BoD of the Company (travel, residence, payment of daily allowances), are compensated to him/her in the amount specified in subparagraph 5.2 of the present Regulations.

5.2 In case of the member of the Committee attached to BoD being sent to a business trip for visiting of the Company's objects, having meetings with the shareholders and investors, participating in the General meetings of shareholders, and also for implementing other tasks, related to the functions of a member of the Committee attached to BoD of the Company, the following compensations are paid:

- payment of daily allowances according to the procedure established for the sole executive body of the Company, or the sole executive body of the managing organization of the Company;
- reimbursement of expenses on travel to the place of a business trip and back to the place of employment or residence (including insurance payment on the obligatory personal insurance of the passengers on transport, payment for the services on processing travel

documents, etc.) in the amount of actual expenses confirmed by the travel documents, but no more than the travel fare:

by a railway transport - in the high convenience carriage of business-class (SV, S);

by a marine and river transport – according to the tariffs set by the transport company, but no more than the fare in a “de luxe” cabin with complex service for passengers;

by an air transport – according to the tariff of business-class;

by a motor transport - in the vehicle of the common use (except for a taxi and car lease);

- reimbursement of expenses on an apartment rent (except for the case when a member of the Committee attached to BoD gets a free apartment) in the amount of actual expenses confirmed by the corresponding documents, but no more than three minimum monthly wage rates (MMWR) of a 1st category worker fixed in the sectoral tariff agreement of the electric power industry of the Russian Federation as at the day of compensation payment, indexed in conformity with the Agreement, for each day of sojourn.

5.3. Payment of compensation is carried out by the Company within one calendar day after submitting the documents confirming the incurred expenses.