

APPROVED
by the Resolution of the Board of
Directors of IDGC of the South,
OJSC dated February 03, 2010
Minutes No.39/2010 dated 05.02.2010

REGULATION

On payment of remuneration and compensation to the
members of the Audit Committee of the Board of Directors
of the Open Joint-Stock Company "Interregional Distribution
Grid Company of the South"

1. This Regulation has been developed in accordance with the Federal Law on Joint Stock Companies and establishes the amount and procedure for payment of remuneration and compensation to the members of the Audit Committee of the Board of Directors of IDGC of the South, OJSC (hereinafter – the BoD Committee).

2. Members of the BoD Committee, which are the Sole Executive Body of IDGC of the South, OJSC (hereinafter – the Company) or the member of the Collective Executive Body of the Company, shall not be subject to the provisions of this Regulation.

Remuneration and compensation to the Chairman and members of the BoD Committee of the Company, who are subject to the provisions of the Federal Law on restriction or prohibition of any payments from commercial organizations, shall not be charged or paid.

3. Remuneration and compensation shall be paid by the Company in cash.

Remuneration and compensation shall be paid on the basis of the budget of the BoD Committee approved by the Board of Directors of the Company.

4. Payment of remuneration.

4.1. For participating in the meetings of the BoD Committee in the form of a joint presence, a member of the BoD Committee shall be paid remuneration in the amount equivalent to 2 (two) minimum monthly tariff rates of the worker of the first rate (hereinafter – MMTR), established by the sectoral tariff agreement in the electrical energy complex of RF (hereinafter – the Agreement) as of the day of the meeting of the BoD Committee, subject to the indexation established by the Agreement, within 30 (thirty) calendar days after the meeting of the BoD Committee.

The amount of remuneration payable to the Chairman (Vice-Chairman for each meeting at which he/she acted as the Chairman of the BoD Committee) shall be increased by 50%.

The amount of remuneration payable to the Secretary of the BoD Committee for each meeting shall be equivalent to 1 (one) MMTR as of the day of the meeting of the BoD Committee, subject to the indexation established by the Agreement, within 30 (thirty) calendar days after the meeting of the BoD Committee.

4.2. For participating in the meeting of the BoD Committee, in absentia, a member of the BoD Committee shall be paid remuneration in the amount equivalent to 1 (one) MMTR, subject to the indexation established by the Agreement, within thirty (thirty) calendar days after the meeting of the BoD Committee.

The amount of remuneration payable to the Chairman (Vice-Chairman for each meeting at which he/she acted as the Chairman of the BoD Committee) shall be increased by 50%.

The amount of remuneration paid to the Secretary of the BoD Committee for each meeting is equivalent to 0.5 (zero point five) MMTR as of the day of the meeting of the BoD Committee, subject to the indexation established by the Agreement, within 30 (thirty) calendar days after the meeting of the BoD Committee.

4.3. A member of the BoD Committee may waive the remuneration provided for in this Regulation in whole or in a certain part by sending a corresponding statement to the Director General of the Company.

If there is a corresponding written statement from a member of the BoD Committee, payment of all types of remuneration shall be made only with the written

consent of such member of the BoD Committee of the Company. In this case, when grounds arise for payment of remuneration, the Company shall send such member of the BoD Committee of the Company a notification indicating the amount of remuneration due. Such notification shall be sent no later than the relevant period for payment of remuneration provided for in this Regulation.

If there is written consent to receive remuneration from a member of the BoD Committee of the Company, the corresponding remuneration shall be paid to him/her within thirty (30) calendar days from the date of its receipt.

5. Payment of compensation.

5.1. A member of the BoD Committee of the Company shall be compensated for the costs actually incurred by him/her in attending the meetings of the BoD Committee of the Company (travel, lodging, daily allowance) in the amounts specified in clause 5.2 of this Regulation.

5.2. Members of the BoD Committee of the Company, if sent on business trip to visit the facilities of the Company, meet with shareholders and investors, participate in general meetings of shareholders of the Company, and perform other tasks related to their functions as a member of the BoD Committee of the Company, shall be:

- paid daily allowance in accordance with the procedure established for the Sole Executive Body of the Company or for the Sole Executive Body of the Management Organization of the Company;
- reimbursed travel costs to the place of business trip and back to the place of their permanent employment or residence (including insurance premium for obligatory personal insurance of passengers in transport, payment for travel documents, etc.) – in the amount of actual costs confirmed by travel documents but not exceeding the cost of travel:
 - by rail – in an enhanced comfort carriage_ of business class (CB, C);
 - by sea and river transport – by the tariffs established by the carrier, but not exceeding the cost of a seat in a luxury cabin with comprehensive passenger services;
 - by air – by the business class rate;
 - by road transport – in a public vehicle (other than taxi and car rental);
 - reimbursed costs for rent of accommodation (except when a member of the BoD Committee is provided free of charge accommodation) – in the amount of actual costs confirmed by the relevant documents, but not more than three minimum monthly tariff rates of the worker of the first rate established by the sectoral tariff agreement in the electrical energy complex of RF as of the day of reimbursement, subject to the indexation established by the Agreement, for each day of residence.

5.3. Compensation shall be paid by the Company within one calendar day after submission of documents confirming the costs incurred.