

APPROVED

by the General Meeting of Shareholders
of Detsky Mir

Public Joint Stock Company

_____ 2021

Minutes n/n, dated _____, 2021

REGULATIONS

ON REMUNERATIONS AND COMPENSATIONS

PAID TO MEMBERS OF THE BOARD OF DIRECTORS

of Detsky Mir PJSC

Moscow, 2021

CONTENTS

1. General provisions	3
2. Forms of remuneration for members of the Board of Directors	4
3. Base remuneration based on performance	4
4. Remuneration for performance of additional duties	5
5. Compensation to members of the Board of Directors	5
6. Action of the Regulations. The procedure for introducing changes and additions to the Regulations	7

1. General Provisions

1.1. These Regulations on remuneration and compensation paid to members of the Board of Directors of Detsky Mir PJSC (hereinafter the “Regulations”) have been developed in accordance with the Federal Law “On Joint Stock Companies”, other current provisions, and establish the amount and procedure for payment of remuneration and compensation to members of the Board of Directors of Detsky Mir PJSC (hereinafter – the “Company”).

1.2. These Regulations shall be approved by the General Meeting of Shareholders in accordance with the provisions of Article 64, clause 2 of the Federal Law “On Joint Stock Companies” and are the basis for the calculation and payment of remuneration and compensation to members of the Board of Directors (excluding payments, made on the basis of employment and civil law contracts).

1.3. The Company’s profit is the source of payment of remuneration and compensation, up to changes in the current legislation of the Russian Federation or an issue of clarifications from the authorized government bodies, containing an unambiguously interpreted reference to other sources.

1.4. The amounts of remuneration and compensation, the projected amount of which is calculated in accordance with these Regulations, are reflected in the Company’s budget.

1.5. The period for calculating the payment of remuneration and compensation is one year, which begins from the moment of election of the personal composition of the Board of Directors at the annual General Meeting of Shareholders of the Company and ends at the time of the next annual General Meeting of Shareholders of the Company. In case of early termination of powers and election of members of the Board of Directors at an extraordinary General Meeting of Shareholders of the Company, the calculation of the amount of remuneration shall be made taking into account the actual time of work of the Board of Directors.

Control over the calculation and payment of remuneration and compensation to the members of the Board of Directors is assigned to the Company’s Chief Financial Director.

1.6. Remuneration for the performance of the duties of members of the Company’s Board of Directors shall be paid by the Company to all members of the Board of Directors, with the exception of executive directors (members of the Company’s executive bodies).

1.7. The right for compensation for the overhead associated with the performance of the duties of the Board of Directors member belongs to all categories of members of the Board of Directors.

1.8. The General Meeting of Shareholders of the Company has the right to decide not to pay remuneration to individual members of the Company’s Board of Directors specified in clause 1.6 of these Regulations if they did not participate in more than half of the meetings of the Company’s Board of Directors and/or if they caused damage to the Company by their guilty actions (inaction).

1.9. For the purposes of these Regulations, the following terms are used:

(1) remuneration means monetary amounts, securities, other property and property-related liabilities, paid (transferred) only to members of the Company’s Board of Directors specified in clause 1.6 of these Regulations as remuneration for participation in the work of the Board of Directors;

(2) compensation – the amount of money paid to members of the Company’s Board of Directors in order to compensate for their expenses:

- incurred in connection with participation in the work of the Board of Directors: costs of travel, accommodation and others, if a meeting 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 activities of the Company: costs of travel, accommodation and others (participation in business trips by the Management and ongoing events);
- other monetary amounts provided for in sub-clause 3 of clause 5.1 of the these Regulations.

2. Forms of remuneration

2.1. Payment of remuneration is made in the following forms:

- base remuneration;
- remuneration for performance of additional duties.

The total amount of remuneration payable to a member of the Board of Directors in the forms specified in clause 2.1 of these Regulations shall not exceed USD 70,000 (seventy thousand) per year.

The total amount of remuneration payable to the Chairman of the Board of Directors in the forms specified in clause 2.1 of these Regulations shall not exceed USD 120,000 (one hundred twenty thousand) per year.

2.2. Remuneration is subject to taxation in accordance with the laws of the Russian Federation or another state, whose tax resident is a member of the Board of Directors. The Company does not compensate directors who are not tax residents of the Russian Federation for the amount of personal income tax that must be withheld from them 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 is paid in cash for fulfilling the duties of a member of the Company's Board of Directors during the period from the date of holding one annual general meeting of shareholders to the date of holding the next annual general meeting of shareholders (hereinafter the "corporate year").

3.2. The base remuneration amount is USD 60,000 (sixty thousand) per corporate year. In case of early termination of the powers of a member of the Board of Directors, remuneration shall be paid in an amount proportional to the actual term of powers of a member of the Board of Directors during the corporate year.

3.3. The base remuneration shall be paid by the Company on a monthly basis, in equal shares, based on these Regulations, as well as an extract from the minutes of the General Meeting of Shareholders of the Company on the election of members of the Board of Directors.

4. Remuneration for performance of additional duties

4.1. Members of the Company's Board of Directors are paid extra remunerations for performing their duties associated with their activities on the Committees of the Board of Directors of the Company.

For performing the duties of a member of the Committee of the Company's Board of Directors, directors are paid extra remuneration in the amount of USD 2,500 (two thousand five hundred) per corporate year¹.

For performing the duties of the Chairman of the Committee of the Company's Board of Directors, directors are paid extra remuneration in the amount of USD 5,000 (five thousand) per corporate year².

4.2. For performing the duties of the Chairman of the Company's Board of Directors, a member of the Board of Directors is paid extra remuneration in the amount of USD 60,000 (sixty thousand) per corporate year.

4.3. Remuneration for performance of additional duties is paid by the Company on a monthly basis, in equal shares, based on these Regulations, as well as an extract from the minutes of the meeting of the Board of Directors reflecting the distribution of responsibilities of members of the committees of the Board of Directors. In case of early termination of powers, the remuneration is paid in an amount proportional to the actual term of the powers of the director during the corporate year.

5. Compensation to members of the Company's Board of Directors

5.1. Each member of the Company's Board of Directors may be compensated for the following expenses related to their participation in a meeting of the Board of Directors:

5.1.1. actually incurred and documented target expenses for travel to the destination and back (economy class flight, without VIP service, taxi costs, business class flight for the Chairman of the Board of Directors, in case of a flight over 9 hours);

5.1.2. housing leasing expenses, in the amount:

- up to 300 (three hundred) USD per day for the Russian Federation, countries in the Commonwealth of Independent States (CIS), Asia, Europe, Africa and South America.
- up to 500 (five hundred) USD per day for North American countries.

5.1.3. legal and other expenses or losses in the amount determined by the ratio of 2 % (two percent) of the book value of the Company's assets as of the last reporting date preceding the date of entering into individual Indemnification Agreements, and the number of members of the Company's Board of Directors as of the date of entering into these individual Agreements, per each member of the Board of Directors, related to suits, claims, civil, administrative or criminal proceedings or regulatory and other formal investigations that may be initiated against members of the Board of Directors or brought against them in connection with their acts or omissions while performing their functions and duties as members of the Company's Board of Directors and/or members of the management bodies of any subsidiaries and affiliates of the Company (hereinafter "S&A") and/or while holding other positions in the Company and/or its S&A (including positions of the sole executive body) along with the position of a member of the Company's Board of Directors and/or a member of the management bodies of S&A (hereinafter the

¹ A member of the Board of Directors may act as a member of the Committee of the Board of Directors on no more than two Committees.

² A member of the Board of Directors may act as the Chairman of the Committee of the Board of Directors on only one Committee.

“Claim”), including possible amounts of fines, taxes and other expenses related to the satisfaction of claims or the execution of a court judgment, which any of the members of the Board of Directors will be forced to incur in connection with the Claim or Claims brought against him/her or them.

5.2. Reimbursement of documented expenses is made by the Company on the basis of a memo from the Corporate Secretary addressed to the Company’s Chief Accountant with copies of supporting documents as they are provided.

5.3. Compensation for other expenses is made out on the basis of a written application from a member of the Board of Directors with an indication of the amount of compensation for expenses in the required amount and the decision of the Company’s Sole Executive Body.

5.4. The procedure, amount and other terms of compensation for expenses and losses specified in sub-clause 3 of clause 5.1 of these Regulations shall be set forth in individual agreements between the Company and members of the Board of Directors and remain in effect for 6 (six) subsequent years from the date of resignation or dismissal of a member of the Board of Directors from this position or from any other position held in the management bodies of the Company or any S&A (whichever is later).

The compensation provided for in sub-clause 3 of clause 5.1 of this Agreement is payable when there is documentary proof of legal and other expenses or losses for a member of the Board of Directors that they incurred or has to incur, including when a member of the Board of Directors is under obligation to pay expenses for lawyers, experts, witnesses, translators and other participants in the litigation related to the defense against the Claim, and/or the incurred liability to meet the requirements set out in the Claim filed against them by virtue of a writ of execution (or any other document in any jurisdiction having the force of a writ of execution) issued by the court or any other competent authority to enforce a court judgment on the merits of such Claim.

This compensation shall not be paid in case the acts or omissions of a member of the Board of Directors, which became the basis for the Claim, are defined by the final judgment of the competent court as gross negligence, willful failure to perform official duties and/or are considered as being aimed at unlawful gaining of personal profit or willful harm to the Company or any S&A.

The compensations provided for in this clause 5.4 shall be paid by the Company within 5 (five) business days from the date of receipt of a written application from a member of the Board of Directors with attached corresponding report and documentary proof of legal and other expenses or losses that a member of the Board of Directors incurred or has to incur; while the compensation to satisfy the claims of persons or organizations that filed the Claim against a member of the Board of Directors shall be paid within 5 (five) business days from the date of presentation by a member of the Board of Directors of a writ of execution (or any other document in any jurisdiction having the force of a writ of execution) issued by the court or any other competent authority to enforce a court judgment on the merits of the Claim filed against a member of the Board of Directors.

Payment of compensation shall be made by the Company’s accounting department on the basis of a memo from the Director of the Legal Department addressed to the Company’s Deputy General Director for Finance.

6. Action of the Regulations. Procedure for introducing changes and additions to the Regulations

6.1. Changes and additions to these Regulations may be introduced upon the decision of the General Meeting of Shareholders of the Company.

The General Meeting of Shareholders may terminate these Regulations and adopt (approve) new Regulations on remuneration and compensation paid to members of the Board of Directors of Detsky Mir PJSC.

6.2. If any provisions of the legislation of the Russian Federation and these Regulations contradict each other, the provisions of the legislation of the Russian Federation shall prevail.