

Training and development of members of the Board of Directors

The Company organizes training for members of the Board of Directors each year in an effort to develop and strengthen individual skills and expand knowledge in selected areas.

Taking into account the professionalism, recognized business reputation, and tremendous experience of the members of the Board of Directors as well as their heavy work load, the focus areas of the program are preliminarily discussed at in-person meetings attended by independent directors. Inter RAO organizes training events for these individuals in the form of workshops and personal training sessions and also provides members of the Board of Directors with regular informational mailings.

Current Board of Directors

The Company's Charter stipulates that the PJSC Inter RAO Board of Directors must have 11 members. Members of the Company's Board of Directors are elected annually by the General Meeting of Shareholders through cumulative voting.

The size of the Board of Directors best suits the Company's current goals and objectives as well as industry practices and ensures the requisite balance of expertise among the members of the Board of Directors. In addition, the Board of Directors is well balanced in terms of its independence, which provides an effective system of checks and balances in the corporate governance model of PJSC Inter RAO. The current Board of Directors consists of four independent directors, which exceeds both the target number¹ and the proportion established by the Listing Rules and the Corporate Governance Code recommended for use by the Central Bank of the Russian Federation (Bank of Russia).

In order to achieve a balance of interests, the Board of Directors may include members who are recognized as:

1. executive directors;
2. non-executive directors;
3. independent directors.

These activities involve immersion in a particular area of the Company's activities with the involvement of well-known market specialists and key managers who are employees of the Group. Such a format facilitates the deeper involvement of members of the Board of Directors in the Group's business and enhances the efficiency of the work of the Board of Directors as a whole.

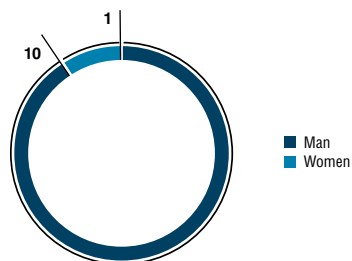
In September 2018, a workshop was held for members of the Board of Directors on the development of additional paid services from power supply companies of the Inter RAO Group. The Retail Business Unit presented concepts of the new focus areas for the development of retail, which generated lively interest and discussion among the members of the Board of Directors and the Strategy and Investment Committee who attended the discussion.

The definition of an executive and non-executive director as well as the criteria for the independence of members of the Board of Directors are specified in the Corporate Governance Code and in the Listing Rules of PJSC Moscow Exchange. In order to monitor the compliance of members of the Board of Directors with the criteria for independence, the Nomination and Remuneration Committee of the Board of Directors analyzes this compliance on a quarterly basis. In the event of a change in the status of the independence of the members of the Board of Directors, the issue is submitted for consideration by the Board of Directors.

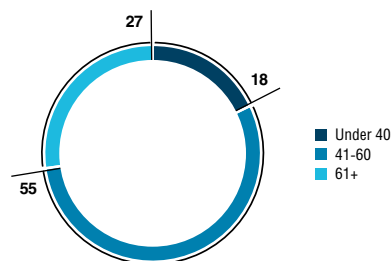
Members of the Board of Directors	2016	2017	2018	Fulfillment of the target
Executive directors	1	1	1	Target: no more than 25%. Fulfilled: yes, 1 of 11
Non-executive directors	4	6	6	–
Independent directors	4	4	4	Target: 3 of 11 Fulfilled, yes, 4 of 11

¹ Listing Rules of PJSC Moscow Exchange registered with the Bank of Russia on October 2, 2018.

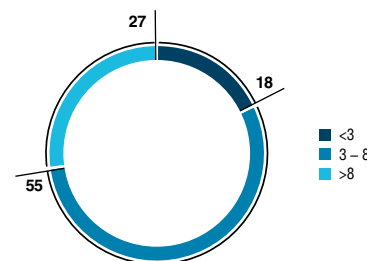
GENDER MAKEUP OF THE BOARD OF DIRECTORS



AGE OF MEMBERS OF THE BOARD OF DIRECTORS



TENURE ON THE BOARD OF DIRECTORS



The Board of Directors should be formed² in such a way so as to ensure a balance of professionalism, knowledge, and experience in order to properly fulfill the duties of the members of the Board of Directors in the Company's interests taking into account the Company's development strategy. Members of the Company's Board of Directors should have a renowned high reputation, including among investors, and should not have a conflict of interest with the Company.

Candidates for the Board of Directors must meet at least one of the following criteria:

1. Be recognized as experts in such fields as the power industry, finance, law, strategic management, audit, risk management, HR management, corporate governance, production modernization, innovation, or investment;
2. Have experience working on boards of directors or in senior positions at other joint-stock companies whose shares are traded on organized trading floors (stock exchanges), including at international companies.

The Nomination and Remuneration Committee conducts an assessment of all candidates nominated to the Board of Directors in terms of their compliance with the established criteria.

The results of the self-assessment show that the quality and size of the Board of Directors and the committees are optimal and correspond to the Company's current objectives.

The Board of Directors is balanced with the necessary expertise and professional experience. Members of the Board of Directors devote sufficient time to fulfilling their tasks on the Board of Directors.

² Clause 2.1 of the Regulation on the PJSC Inter RAO Board of Directors approved by the Annual General Meeting of Shareholders of PJSC Inter RAO dated June 9, 2017 (Minutes No. 17 dated June 9, 2017).