

# BOARD OF DIRECTORS

## Role of the Board of Directors

The PJSC Inter RAO Board of Directors handles the strategic management of the Company, determines the basic principles and approaches for organizing the risk management and internal control framework at the Company, monitors the activities of the Company's executive bodies, monitors the execution of the resolutions adopted at the General Meeting of Shareholders, ensures the protection and exercising of shareholders' rights, determines the main parameters of the business plan and monitors its implementation, determines the management system for controlled companies, and adopts decisions on key projects and major transactions.

The Board of Directors regularly conducts an analysis of the compliance of the Company's corporate governance system and corporate values with its goals and objectives as well as the scale of its activities and the risks that are assumed. The Board of Directors evaluates the activities of the Company's executive bodies and the work of management.

In its activities, the Board of Directors is guided by the Federal Law "On Joint-Stock Companies," other regulatory legal acts of the Russian Federation, the Company's Charter, and the Regulation on the PJSC Inter RAO Board of Directors.<sup>3</sup>

## Independent directors and their role

The participation of independent directors on the Board of Directors provides an independent and balanced perception based on their knowledge, experience, and qualifications. The objectivity of independent directors and their constructive criticism are of great value for the Board of Directors and the Company as a whole. The contribution made by independent directors facilitates the adoption of decisions that take into account the interests of various groups of stakeholders and improves the quality of management decisions. The experience of working with independent directors confirms that these individuals demonstrate a level of high professionalism, independent judgment, and independent voting on all agenda items.

PJSC Inter RAO supports the practice that was introduced in 2017 of independent directors preliminarily considering significant corporate actions.

The Company engages in the practice of holding business meetings with independent directors for a preliminary discussion of key issues that are submitted to the Board of Directors for consideration.

The Nomination and Remuneration Committee of the PJSC Inter RAO Board of Directors continues the regular practice of the quarterly monitoring of directors' compliance with the independence criteria established by the Code and the Listing Rules of PJSC Moscow Exchange. In the event the Committee identifies any change in the status of members of the Board of Directors, the issue of analyzing the compliance of independent members of the Board of Directors with the criteria for independence is submitted to the Board of Directors for consideration.

As of the end of the reporting year, the Company's Board of Directors had three independent members who fully comply with the recommendations of the Corporate Governance Code (Andrey Bugrov, Ronald Pollett, and Yelena Sapozhnikova), and one independent director who is recognized as such by a resolution of the Company's Board of Directors (Alexander Lokshin).<sup>4</sup>

<sup>3</sup> Approved by the Annual General Meeting of Shareholders of PJSC Inter RAO dated June 9, 2017 (Minutes No. 17 dated July 09, 2017).

<sup>4</sup> Minutes No. 225 dated May 21, 2018 and No. 243 dated April 1, 2019.