

Remuneration for members of the Board of Directors

The Regulation specifies the base annual amount of remuneration as well as the formula for calculating the amount of actual payments, which decrease when members of the Board of Directors miss meetings (both in-person and in absentia) and increases when they serve concurrently on committees of the Board of Directors. The amount of fixed base remuneration for a member of the Board of Directors is RUB 3 million per corporate year.

Remuneration increases by 30% for the Chairman of the Board of Directors, by 15% for the chairmen of committees of the Board of Directors, and by 10% for members of the committees. These bonuses are cumulative. Remuneration is not paid if a member of the Board of Directors participates in less than 50% (from the time of election until the termination of powers) of the meetings held (both in-person and in absentia).

The Regulation also envisages reimbursement for members of the PJSC Inter RAO Board of Directors based on actual expenses, such as expenses for traveling

to and from the meeting place of the Board of Directors and its committees as well as accommodation expenses, and also regulates the ownership of Company shares by members of the Board of Directors.

The Company does not employ other forms of remuneration, including short-term and long-term forms of incentive that depend on financial results or share-based forms of incentive (stock options). In the event of the early termination of the powers of a member of the Board of Directors, no other payments are made apart from those envisaged by the Regulation on the Payment of Remuneration and Compensation to Members of the PJSC Inter RAO Board of Directors.

The Regulation on the Payment of Remuneration and Compensation to Members of the PJSC Inter RAO Board of Directors does not apply to members of the Company's Board of Directors who are members of the Company's collective executive body.

Remuneration for members of the Management Board

The remuneration system for members of the PJSC Inter RAO Management Board aims to ensure their financial interest in achieving strategic goals and improving the economic efficiency of management as well as a fair and competitive level of remuneration. In order to enhance information transparency, the Nomination and Remuneration Committee decided to publish information about the amount of remuneration paid to the individual serving as Chairman of the Management Board and members of the Management Board on the Company's official website.

The financial interest of members of the Management Board in achieving the Company's strategic goals is achieved through short-term and long-term incentive systems.

The Company employs a procedure that ensures the return to the Company of bonuses that were wrongly received by members of the executive bodies and other key managers of the Company.³ There have been no such cases in the practice of PJSC Inter RAO.

³ Amendments to the Regulation on Financial Incentive for the Chairman and Members of the Management Board (approved by a resolution of the Company's Board of Directors dated December 29, 2016 (Minutes No. 189 dated December 30, 2016)).