

REPORT ON THE REMUNERATION OF MANAGEMENT BODIES, SUPERVISORY BODIES, AND THE AUDITOR

REMUNERATION OF THE BOARD OF DIRECTORS

In 2017, remuneration was paid to the Members of the Board of Directors elected on June 27, 2016, for work in the Board of Directors from June 27, 2016 to June 26, 2017.

The calculation of the remuneration was made in accordance with the Regulation on the payment of remuneration and compensation to members of the Board of Directors of PJSC RusHydro, approved by the Annual General Meeting of Shareholders on June 27, 2016 (Minutes No. 15 of June 29, 2016). Basic calculation parameters:

- the basic part of the remuneration of each member of the Board of Directors is 900,000 rubles;
- the amount of remuneration depends on the number of meetings in which a member of the Board of Directors participated;
- remuneration is not paid if a member of the Board of Directors of the Company did not participate in more than 25 (twenty five) % of the meetings held (from the moment of his election until the election of the Board of Directors of the Company in a new membership);
- the amount of remuneration is increased if the member of the Board of Directors is:
 - Chairman of the Board of Directors (by 30%),
 - Chairman of the Committee of the Board of Directors (by 20%),
 - Senior Independent Director (15%);
 - a member of the Committee of the Board of Directors (by 10%);
- remuneration to the Chairman and members of the Board of Directors of the Company who are (during the full or partial term of office of a member of the Board of Directors) individuals for whom the legislation of the Russian Federation stipulates a restriction or prohibition on receiving any payments from commercial organisations, is not accrued or paid;
- remuneration is not paid to members of the Board of Directors who are or have been members of the executive bodies of the Company.

The Company does not pay compensation to members of the Board of Directors other than those related to travel and residence for participation in the meeting, including the Company does not pay remuneration to members of the Board of Directors due to a change of control or early termination of powers.

Remuneration and allowances are paid by the Company in cash (Russian rubles) within 60 (sixty) days after the annual General Meeting of Shareholders of the Company at which the decision to elect a new Board of Directors of the Company was made.

The decision on the payment of remuneration to the members of the Board of Directors was adopted by the annual General Meeting of Shareholders on June 27, 2017. The decision on the payment of remuneration to members of the Board of Directors was previously reviewed and recommended by the Personnel and Remuneration Committee (Minutes No. 63 of May 22, 2017).

Remuneration of the Board of Directors, thousand RUB

	2015	2016	2017
Remuneration for participation in the work of the management body	7,861.99	5,561.54	7,472.31
Salary	0	0	0
Premium	0	0	0
Commission	0	0	0
Other types of remuneration	0	0	0
Total:	7,861.99	5,561.54	7,472.31
Costs associated with the performance of the functions of a management member, reimbursed by the Company	336.21	52.51	0

This remuneration methodology was not revised from 2010 to 2016.

In 2016 the Company attracted the world-wide renowned consultant Ernst & Young (CIS) BV (the Moscow branch), which conducted a survey of the practice of remuneration to board members of large Russian companies with comparable business size. Based on the results of the analysis, a new method for calculating the remuneration of members of the Board of Directors of the Company was developed, according to which the basic part of the remuneration of each member of the Board of Directors is set at RUB 3.51 mn, which corresponds to the average market level of remuneration. This approach will allow retaining and attracting professionals to the Board of Directors of the Company.

The General Meeting of Shareholders of PJSC RusHydro (Minutes No. 16 dated June 27, 2017) approved a new Regulation on the payment of remuneration and compensation to members of the Board of Directors of PJSC RusHydro.



The document is available at the Company's website: <http://www.eng.rushydro.ru>

REMUNERATION OF THE MANAGEMENT BOARD

Remunerations to members of the Management Board, including the Chairman of the Management Board, the CEO, were paid in 2017 in accordance with the terms of employment contracts and the Regulations on Remuneration and Compensation to the members of the Management Board of PJSC RusHydro approved by the decision of the Board of Directors of the Company on November 11, 2016 (Minutes No. 243 of November 14, 2016).

In 2016 the Company attracted the world-wide renowned consultant Ernst & Young (CIS) BV (the Moscow branch), which conducted a survey of the remuneration practice regarding top of large Russian companies with comparable business size. Based on the results of the analysis, the procedure for calculating the remuneration of members of the Management Board of the Company was substantially revised.

Since January 1, 2017 the remuneration model was fully linked to the implementation of short-term and long-term KPI of the Company, approved by the Board of Directors of the Company on the recommendation of the Nominations and Remuneration Committee under the Company's Board of Directors.