

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.

The motivation system is based on the following principles: transparency, balance (observing the balance of interests of the shareholders of the Company, and the interest of management in achieving the Company's objectives in the long-term and short-term), objectivity (the amount of remuneration directly depends on the results of the Company's activities and the implementation of significant projects).

The current model of remuneration provides for a long-term motivation programme for the Management Board with reference to the growth of the value of shares and the fulfilment of key performance indicators of the Programme established by the Board of Directors of the Company. The programme is designed to more closely link the interests of the management and shareholders of the Company in the steady growth of the Company's capitalisation and business development. The main objectives and principles of the Programme: motivation of the Company's management for the implementation of strategic tasks and openness to shareholders, remuneration is determined taking into account the level of achievement of KPI of the Programme, a single mechanism for calculating remuneration and equal conditions for obtaining compensation.

The amount and terms of compensation to the members of the Management Board in connection with the early termination of the contract are determined by a document approved by the Board of Directors regulating the payment of remuneration and compensation to the members of the Management Board of PJSC RusHydro. Golden parachutes for the early termination of a contract in the Company are not provided. The maximum amount of compensation paid in case of an early dismissal of a member of the Management Board is limited in accordance with the legislation of the Russian Federation by a threefold average monthly salary of a member of the Management Board.

 For more details on the KPIs established by the Board and their execution, see section Key performance indicators.



Here you can find Information on remuneration to the members of the Management Board, including the Chairman of the Management Board, the CEO, is disclosed on the corporate website of the Company as part of the issuer's quarterly reports <http://www.rushydro.ru>

Remuneration of the Management Board, mn RUB

| | 2015 | 2016 | 2017 |
|----------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| Remuneration for participation in the work of the management body | 0 | 0 | 0 |
| Salary | 97.83 | 71.66 | 185.39 |
| Premium | 625.84 | 153.92 | 344.62 |
| Commission | 0 | 0 | 0 |
| Other types of remuneration | 0 | 0 | 0 |
| Total: | 723.67 | 225.57 | 530.01 |
| Costs associated with the performance of the functions of a management member, reimbursed by the Company | 7.79 | 6.99 | 1.70 |