

(Translation from Russian)

APPROVED BY
The Resolution of the annual General
Meeting of Shareholders
of Public Joint-Stock Company
Federal Hydro- Generating Company – RusHydro
(Minutes No. 19 dated October 02, 2020)

REGULATION
On Remunerations and Compensations for Members
of the Internal Audit Commission
of Public Joint-Stock Company
Federal Hydro - Generating Company – RusHydro
(RusHydro)

2020

1. GENERAL PROVISIONS

1.1. This Regulation was developed in accordance with the laws of the Russian Federation and the Articles of Association of RusHydro and establishes the procedure for payment of remunerations and compensations to members of the Internal Audit Commission of RusHydro (the "Company").

1.2. This Regulation shall be approved by the General Meeting of Shareholders of the Company and serve as the grounds for calculation and payment of remunerations and compensations to members of the Internal Audit Commission.

1.3. This Regulation shall apply to the members of the Internal Audit Commission who are not persons prohibited or restricted by the legislation of the Russian Federation from receiving any payments from for-profit enterprises.

1.4. If the prohibition or restriction on receiving payments from for-profit enterprises is lifted on grounds provided for by the legislation of the Russian Federation, remunerations and compensations to a member of the Internal Audit Commission shall be calculated from the date of written notice to the Company's Board of Directors of the lifting of such prohibition or restriction in accordance with the procedure provided for in this Regulation.

1.5. In case of the early termination of powers or the election of a member of the Internal Audit Commission at an extraordinary General Meeting of Shareholders, the amount of remuneration shall be calculated based on the actual time of performance of the duties by the member of the Internal Audit Commission.

1.6. Settlements with members of the Internal Audit Commission shall be made on the basis of their applications for payment of remuneration/compensation filed in the forms given in Schedules 3 and 4 to this Regulation by transferring funds using the bank account (deposit) details specified in such applications.

2. AMOUNT AND PROCEDURE FOR PAYMENT OF REMUNERATIONS TO THE INTERNAL AUDIT COMMISSION

2.1. Remuneration shall be paid to a member of the Internal Audit Commission depending on the results of his/her work for the corporate year and on the extent of his/her participation in the work of the Internal Audit Commission.

For the purposes of this Regulation, to determine the amount of remuneration to members of the Internal Audit Commission, the corporate year shall mean the period from the election of members of the Internal Audit Commission at the annual General Meeting of Shareholders to the next annual General Meeting of Shareholders with the agenda item "On election of members of the Internal Audit Commission of the Company."

To calculate the remuneration for members of the Internal Audit Commission whose powers were terminated early, as well as those elected at an extraordinary General Meeting of Shareholders, the corporate year shall be deemed equal to 365 days.

Remuneration for a member of the Internal Audit Commission shall be determined based on the basic remuneration. The basic remuneration for a member of the Internal Audit Commission (Ббаз) is 15% of the average annual remuneration for a member of the Board of Directors.

- the average annual remuneration (Всредн) for a member of the Board of Directors is calculated as:

$$\text{Всредн} = (B1 + B2 + B3) / (N1 + N2 + N3),$$

where:

- B1 is the total amount of remuneration accrued to members of the Company's Board of Directors for the calendar year preceding the year of expiration of the powers of the members of the Internal Audit Commission in respect of whom the payment of remuneration is being considered at the General Meeting of Shareholders;

- N1 is the number of members of the Company's Board of Directors for whom remunerations amounting to the annual remuneration B1 were accrued;

- B2 is the total amount of remuneration accrued to members of the Company's Board of Directors for the second calendar year preceding the year of expiration of the powers of the members of the Internal Audit Commission in respect of whom the payment of remuneration is being considered at the General Meeting of Shareholders;
- N2 is the number of members of the Company's Board of Directors for whom remunerations amounting to the annual remuneration B2 were accrued;
- B3 is the total amount of remuneration accrued to members of the Company's Board of Directors for the third calendar year preceding the year of expiration of the powers of the members of the Internal Audit Commission in respect of whom the payment of remuneration is being considered at the General Meeting of Shareholders;
- N3 is the number of members of the Company's Board of Directors for whom remunerations amounting to the annual remuneration B3 were accrued.

2.2. The actual amount of remuneration for a member of the Internal Audit Commission based on the results of his/her work for the year shall be calculated according to the formula:

$$B_{\text{факт}} = B_{\text{баз}} * (m_i / m) * K_y,$$

where:

$B_{\text{факт}}$ is the actual amount of remuneration calculated based on the basic remuneration;

$B_{\text{баз}}$ is the basic remuneration specified in Clause 2.1 of this Regulation;

m_i is the number of days in the corporate year during which a member of the Internal Audit Commission performed his/her duties;

m is the total number of days in the corporate year;

K_y is the personal participation factor of a member of the Internal Audit Commission.

2.2.1. The personal participation factor reflects the participation of a member of the Internal Audit Commission in the meetings of the Internal Audit Commission and his/her performance of additional duties as the Chairman or the Secretary of the Internal Audit Commission.

2.2.2. The personal participation factor is calculated for each member of the Internal Audit Commission separately according to the formula:

$$K_y = 1 + K_3 + K_{\text{доп}}, \text{ where:}$$

K_y is the personal participation factor;

K_3 is the factor of participation in meetings of the Internal Audit Commission;

$K_{\text{доп}}$ is the factor of participation as the Chairman or the Secretary of the Internal Audit Commission.

2.2.3. The factor K_3 is calculated based on the participation of a member of the Internal Audit Commission in n_i meetings out of n meetings held by the Internal Audit Commission during the corporate year, including absentee votings:

$$K_3 = 0.1 * (n_i / n), \text{ where}$$

n_i and n are determined based on the minutes of meetings of the Internal Audit Commission.

2.2.4. The factor $K_{\text{доп}}$, which takes work as the Chairman or the Secretary of the Internal Audit Commission into account, is calculated according to the formula:

$$K_{\text{доп П}} = 0.3 * (f_i / m), \text{ for the Chairman of the Internal Audit Commission,}$$

$$K_{\text{доп С}} = 0.1 * (f_i / m), \text{ for the Secretary of the Internal Audit Commission, where:}$$

f_i is the number of days in the corporate year (out of the total number m) during which the duties of the Chairman or the Secretary of the Internal Audit Commission were performed; it is determined based on the minutes of meetings of the Internal Audit Commission.

2.2.5. The personal participation factor K_y and its components (K_3 , $K_{\text{доп}}$) are expressed as decimal fractions accurate to three decimal places.

2.2.6. The personal participation factor K_y shall be approved by the Chairman of the Internal Audit Commission and submitted to the Board of Directors in the format given in Schedule 1 to this Regulation.

2.2.7. Remuneration shall not be paid to a member of the Internal Audit Commission if he/she participated in less than half of the meetings held during his/her membership in the Internal Audit Commission ($K_y = 0$).

2.2.8. The actual amount of remuneration for each member of the Internal Audit Commission is calculated by the Company in the format provided in Schedule 2 to this Regulation.

2.2.9. The Company shall determine, withhold and pay income tax and other taxes and fees arising in connection with the payment of remunerations and compensations to members of the Internal Audit Commission.

2.3. If, during the corporate year, a member of the Internal Audit Commission took active part in additional audits held by the Internal Audit Commission by decision of the General Meeting of Shareholders, the Board of Directors or at the request of (a) shareholder(s) holding in aggregate at least 10 percent of the Company's voting shares, the Chairman of the Internal Audit Commission may request that the General Meeting of Shareholders increase the personal participation factor calculated in accordance with Clause 2.2.2, but not by more than by 20%.

2.4. The calculation of remunerations for members of the Company's Internal Audit Commission shall be controlled by the Chairman of the Internal Audit Commission and their payment shall be controlled by the Board of Directors.

2.5. Remuneration shall be paid by the Company in monetary form (in Russian rubles) on a one-time basis within three (3) months after the annual General Meeting of Shareholders of the Company at which a decision to elect new members of the Company's Internal Audit Commission was made.

3. AMOUNT AND PROCEDURE FOR PAYMENT OF COMPENSATIONS TO MEMBERS OF THE INTERNAL AUDIT COMMISSION

3.1. The members of the Internal Audit Commission who are public officers are not entitled to compensation of travel and accommodation expenses by the Company.

3.2. The Company will compensate the documented expenses for travel and accommodation to the members of the Internal Audit Commission who are not covered by the limitations established in Clause 1.3 hereof in the event of the need to visit the Company's facilities, to participate in meetings of the Internal Audit Commission, and to perform other tasks of the Company's Internal Audit Commission.

3.2.1. The need for the members of the Internal Audit Commission to incur expenses shall be preliminarily agreed upon at the meeting of the Internal Audit Commission.

3.2.2. The amount of compensation for expenses related to participation in the meetings of the Internal Audit Commission and holding audits shall be equal to the amount of actual expenses confirmed with the relevant documents but shall not exceed the limits established in Clause 3.3 hereof.

3.2.3. If the amount of actual expenses incurred by a member of the Internal Audit Commission exceeds the amount calculated as per Clause 3.2.2 hereof, the amount of such excess shall not be subject to compensation.

3.3. Upon the request of the Internal Audit Commission, the Company shall be entitled to purchase travel documents for the Internal Audit Commission members for all kinds of transport on the way to the destination and back to the place of their permanent employment and to book (pay for) hotel accommodation according to the following limits:

- Hotel level: max 4*;
- Room category: standard;
- Service level for air travel: economy;
- Service level for rail travel: 2nd class / compartment.

If there are no air or railway tickets at the established fare or no free hotel rooms of the established category, the Company may purchase travel tickets and make accommodation reservations of a higher class.

3.4. For the purpose of compensation of the expenses incurred, the member of the Internal Audit Commission shall send the Company a written application as per the form given in Appendix 3 hereto and shall attach the original documents confirming such expenses.

The documents confirming the expenses incurred that are subject to compensation shall be submitted by the member of the Internal Audit Commission in accordance with the procedure established by the legislation of the Russian Federation for accounting of business travel expenses.

3.5. The Company shall pay compensations within 30 business days following the receipt of the documents listed in Clause 3.4 hereof by the Company.

3.6. There is no need for the General Meeting of Shareholders to adopt a separate decision on paying compensations to the Internal Audit Commission members calculated in accordance with the provisions of this section.

4. RESTRICTIONS ON THE AMOUNT AND PROCEDURE FOR PAYMENT OF REMUNERATIONS AND COMPENSATIONS TO THE INTERNAL AUDIT COMMISSION

4.1. Restrictions on the amount and procedure for payment of remunerations to the Internal Audit Commission:

4.1.1. The General Meeting of Shareholders may decide not to pay remuneration to members of the Internal Audit Commission or to change its amount.

4.1.2. If, at the end of the financial year, there are negative factors related to the deterioration of the Company's financial position, the amount of remuneration for members of the Internal Audit Commission may be reduced or canceled altogether by the General Meeting of Shareholders. The Board of Directors of the Company may request that the amount of remuneration for members of the Internal Audit Commission be reduced or canceled altogether due to the said negative factors.

4.1.3. The total annual amount of remuneration for all members of the Internal Audit Commission shall not exceed five per cent (5%) of the calculated base for payment of the Company's dividends.

4.1.4. If, in accordance with this Regulation, a decision to reduce the amount of remuneration for members of the Internal Audit Commission calculated under Section 2 hereof was made, the remuneration amount shall be reduced for each member of the Internal Audit Commission on a pro rata basis.

4.1.5. If the General Meeting of Shareholders decides not to pay remuneration to the Company's Board of Directors, remuneration shall also not be paid to the Internal Audit Commission.

4.2. Remuneration and compensation shall be paid only upon the written request of a member of the Company's Internal Audit Commission.

4.3. A member of the Internal Audit Commission may decline the remuneration and compensation provided for in this Regulation, in full or in part, by sending an application to that effect to the Company's Board of Directors.

5. VALIDITY OF THE REGULATION AND AMENDMENT PROCEDURE

5.1. This Regulation shall come into force from the date of its approval by the General Meeting of Shareholders of the Company.

5.2. This Regulation may be amended by decision of the General Meeting of Shareholders of the Company.

5.3. The General Meeting of Shareholders of the Company may terminate this Regulation and adopt (approve) a new Regulation on Remunerations and Compensations for Members of the Internal Audit Commission.

5.4. If this Regulation comes into conflict with the legislation of the Russian Federation, the norms of the legislation of the Russian Federation shall apply.

Calculation
of the Personal Participation Factor of a Member of the Internal Audit Commission¹

Member of the Internal Audit Commission (full name)

Calculation factor	Factor value	Justification
n		Number of meetings held by the Internal Audit Commission during the corporate year, including absentee votings.
n _i		Number of meetings attended by the member of the Internal Audit Commission.
K ₃		Factor of personal participation in meetings of the Internal Audit Commission: $K_3 = 0.1 * (n_i / n)$.
f _i		Number of days in the corporate year during which a member of the Internal Audit Commission acted as the Chairman/Secretary of the Internal Audit Commission.
m		Total number of days in the corporate year.
K _{доп}		Factor of participation as the Chairman/Secretary of the Internal Audit Commission: $K_{доп \text{ п}} = 0.3 * (f_i / m)$, for the Chairman of the Internal Audit Commission, $K_{доп \text{ с}} = 0.1 * (f_i / m)$, for the Secretary of the Internal Audit Commission.
K _у		$K_y = 1 + K_3 + K_{доп}$ For a member of the Internal Audit Commission who participated in less than half of the meetings held during his/her membership in the Internal Audit Commission, the personal participation factor shall be established as $K_y = 0.0$

Chairman of the Internal Audit Commission

/full name/

¹ To be filled in by the Chairman of the Internal Audit Commission for each member of the Internal Audit Commission, including the Chairman of the Internal Audit Commission.

Calculation
of the Actual Remuneration for a member of the Internal Audit Commission

Member of the Internal Audit Commission (full name)

Calculation factor	Factor value	Justification
m		Total number of days in the corporate year.
mi		Number of days in the corporate year during which a member of the Internal Audit Commission performed his/her duties.
$B_{\text{баз}}$		According to Clause 2.1 of the approved Regulation
K_y		To be determined by the Chairman of the Company's Internal Audit Commission and submitted to the Company's Board of Directors.
$B_{\text{факт}}$		$B_{\text{факт}} = B_{\text{баз}} * (mi / m) * K_y$
Request to increase the actual amount of remuneration by %		Decision to increase the actual amount of remuneration
Total $B_{\text{факт}}$, considering the decision to increase the actual amount of remuneration		

Director of the Department
of Corporate Accounting and Reporting,
Chief Accountant of the Company

/full name/

Schedule 3
to the Regulation on
Remunerations and Compensations
for Members of the Internal Audit
Commission
of RusHydro

To the Board of Directors
of RusHydro

From the member of the Internal
Audit Commission (full name)

Application for Payment of Remuneration

I hereby ask you to give an order to pay me monetary remuneration for the performance of my duties as a member of the Internal Audit Commission of RusHydro during the period _____.

I hereby confirm that during the specified period I was not a person prohibited or restricted by the legislation of the Russian Federation from receiving any payments from for-profit enterprises.

I request that the remuneration be paid by funds transfer to the bank account (deposit): *(bank account (deposit) details)*.

Date____

_____ /full name/

Schedule 4
to the Regulation on Remunerations
and Compensations for Members of
the Internal Audit Commission
of RusHydro

To Chairman of the
Management Board –
General Director
of RusHydro
(full name)

From the member of the Internal
Audit Commission (full name)

Application for Payment of Compensation

I hereby ask you to give an order to compensate me for travel and accommodation expenses in the amount of

_____ rubles related to _____ (*specify the event of the Internal Audit Commission*):

- travel expenses in the amount of _____ rubles (*specify the details and cost of purchased tickets*);

- accommodation expenses in the amount of _____ rubles (*specify the period of stay at the hotel*).

I request that the compensation be paid by funds transfer to the bank account (deposit): (bank account (deposit) details).

- Attachment:
1. Copy of the minutes of the Internal Audit Commission with approval of the relevant expenses.
 2. Documents confirming the expenses incurred and compensable.

Date _____

/full name/