

APPROVED:

By Resolution of the Board
of Directors of
PJSC “Inter RAO”, dated September
14, 2015 (Minutes No. 153 dated
September 17, 2015)

Chairman of the Board of Directors
PJSC “Inter RAO”

_____ I.I. Sechin

**REGULATION
ON THE NOMINATIONS AND AWARDS COMMITTEE OF
THE BOARD OF DIRECTORS
Public Joint Stock Company
“Inter RAO UES”**

Moscow
2015

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1. GENERAL PROVISIONS

1.1. The Regulation on the Nominations and Awards Committee of the Board of Directors of Public Joint Stock Company “Inter RAO UES” (hereinafter Regulation) has been developed in accordance with the laws of the Russian Federation, the Articles of Association of Public Joint Stock Company “Inter RAO UES” (hereinafter Company), the Code of Corporate Governance (CCG) approved by the Bank of Russia on March 21, 2014 (letter of the Bank of Russia No. 06-52/2463 dated April 10, 2014), the Regulation on the Board of Directors of Public Joint Stock Company “Inter RAO UES”, and the Listing Rules of MICEX Stock Exchange CJSC.

1.2. The Nominations and Awards Committee of the Board of Directors of Public Joint Stock Company “Inter RAO UES” (hereinafter Committee) is established by resolution of the Board of Directors of the Company as a consultative and advisory body that supports the effective performance of functions by the Board of Directors of the Company of the overall management of the Company's activity.

1.3. The Committee is not a management body of the Company and cannot act on behalf of the Company.

1.4. Resolutions of the Committee are recommendatory in nature for the Board of Directors of the Company.

1.5. Recommendations (opinions) may only be received from one Committee within the Board of Directors on each item on the agenda for a meeting of the Board of Directors of the Company, unless otherwise established by resolution of the Board of Directors.

2. GOALS AND TASKS OF THE COMMITTEE

2.1. The main goal for the Committee is to facilitate the recruitment of qualified specialists for Company management and to create the necessary stimuli for their productive output.

2.2. The main tasks of the Committee are to enhance human resources and improve operational effectiveness and the professional membership of the Board of Directors of the Company, and also to prepare recommendations for the Board of Directors for the formation of effective and transparent Company remuneration practices.

2.3. The Committee contributes to the formation of effective and transparent Company remuneration practices used for members of the Board of Directors of the Company, members of the Management Board, and the Chair

of the Management Board of the Company.¹

2.4. The Committee supervises the disclosure of information about remuneration practices and policies, and about the ownership of company shares by members of the Board of Directors of the Company, as well as by members of the Management Board and the Chair of the Management Board of the Company in the annual report and on the company's corporate website on the Internet.²

2.5. The Committee facilitates the improvement of the professional membership and operational efficiency of the Board of Directors of the Company, and forms its recommendations for the process of nominating candidates to the Board of Directors.³

3. COMPETENCE OF THE COMMITTEE

3.1. For the purpose of accomplishing the objectives and tasks set forth in Clause 2 hereof, the Committee shall perform the following functions:


3.1.1. For the formation of effective and transparent Company remuneration practices:


3.1.1.1. Development and regular revision of the Company's remuneration policy for members of the Board of Directors, members of the Management Board of the Company, and the Chair of the Management Board of the Company, including the development of parameters for short-term and long-term motivation programs for members of the Management Board of the Company and the Chair of the Management Board of the Company.⁴


3.1.1.2. Supervision over the integration and implementation of the Company's remuneration policy for the members of the Board of Directors, members of the Management Board of the Company, and the Chair of the Management Board of the Company;⁵


3.1.1.3. Preliminary evaluation of the performance of the Management Board of the Company and the Chair of the Management Board of the Company following the results of the year in accordance with the Company's remuneration policy, and the preliminary evaluation of the achievement of goals by the said persons as part of the long-term motivation program;⁶


¹  Clause 178, section II, part B of the CCG

²  Clause 181, section II, part B of the CCG

³  Clause 178, section II, part B of the CCG

⁴  Subclause 1, Clause 181, section II, part B of the CCG

⁵  Subclause 2, Clause 181, section II, part B of the CCG

⁶  Subclause 3, Clause 181, section II, part B of the CCG

3.1.1.4. Develop material terms for agreements with the members of the Management Board of the Company and the Chair of the Management Board of the Company;

3.1.1.5. Develop the terms and conditions for the early termination of employment agreements with members of the Management Board of the Company and the Chair of the Management Board of the Company, including all material obligations of the Company and the conditions of their provision;⁷

3.1.1.6. Selection of an independent consultant on issues of the remuneration of members of the Management Board of the Company and the Chair of the Management Board of the Company, the determination of tender conditions, and the fulfillment of its role as tender commission;⁸

3.1.1.7. Development of recommendations for the Board of Directors of the Company to determine the amount of remuneration and the principles of bonus payments to the corporate secretary (employees of the business unit performing the functions of a corporate secretary) of the Company;⁹


3.1.1.8. Preliminary evaluation of the performance of the Company's corporate secretary following the results of the year and the proposal on bonus payments to the corporate secretary (employees of the business unit performing the functions of a corporate secretary) of the Company;¹⁰


3.1.1.9. Preparation of reports on the practical implementation of the principles set forth in the remuneration policy for members of the Board of Directors, members of the Management Board of the Company, and the Chair of the Management Board of the Company, to be included in the annual report and other documents of the Company.¹¹


3.1.2. For HR planning (succession planning) in the Company:


3.1.2.1. evaluate the scope of members of the Board of Directors of the Company from the perspective of professional specialization, experience, independence, and the engagement of its members in the operations of the Board of Directors of the Company; determination of the priority areas to improve its membership;¹²


3.1.2.2. Determine the methodology for the self-evaluation of the Board of Directors, and the elaboration of proposals for the Board of Directors to choose an independent consultant to evaluate the operations of the Board of Directors.¹³


⁷  Subclause 4, Clause 181, section II, part B of the CCG


⁸  Subclause 5, Clause 181, section II, part B of the CCG

⁹  Subclause 6, Clause 181, section II, part B of the CCG

¹⁰  Subclause 6, Clause 181, section II, part B of the CCG

¹¹  Subclause 7, Clause 181, section II, part B of the CCG

¹²  Subclause 1, Clause 186, section II, part B of the CCG

¹³  Clause 187, section II, part B of the CCG

3.1.2.3. Determine the criteria for choosing candidates to become members of the Board of Directors, members of the Management Board of the Company, or the Chair of the Management Board of the Company;

3.1.2.4. Interact with the Company's shareholders in terms of selecting candidates for the Board of Directors of the Company in order to ensure that the members of the Board of Directors will comply with the Company's objectives and tasks to the fullest extent;¹⁴

3.1.2.5. Analyze the professional qualifications and independence of all candidates nominated to the Board of Directors of the Company based on all information available to the committee;¹⁵

3.1.2.6. Prepare recommendations for the Company's shareholders regarding the voting process and election of candidates to the Board of Directors of the Company;¹⁶


3.1.2.7. Consider the engagement of external consultants (a specialized agency for the recruitment of directors) for the selection of candidates to become members of the Board of Directors of the Company;


3.1.2.8. Describe the individual duties of directors and the Chair of the Board of Directors, including the indication of the time to be spent on issues related to the Company's activities during and outside the meetings, in the course of scheduled and unscheduled work (individually for a member of the Board of Directors and for the Chair of the Board of Directors).¹⁷


3.1.2.9. Detailed and formal self-evaluation or external evaluation of the Board of Directors and its committees annually, from the point of view of their general performance, and the individual contributions of directors towards the performance of the Board of Directors and its committees; elaboration of recommendations for the Board of Directors on improvements to the operational processes of the Board of Directors and its committees, execution of a report on the results of the self-evaluation or external evaluation to be included in the Company's annual report;¹⁸


3.1.2.10. Create an introductory course for newly elected members of the Board of Directors that is intended to acquaint new directors with the Company's key assets, strategy, business practices, organizational structure and key executive employees, as well as with the operational procedures of the Board of Directors; supervise the practical implementation of the introductory course;¹⁹


¹⁴  Subclause 2, Clause 186, section II, part B of the CCG

¹⁵  Subclause 3, Clause 186, section II, part B of the CCG

¹⁶  Subclause 3, Clause 186, section II, part B of the CCG

¹⁷  Subclause 4, Clause 186, section II, part B of the CCG

¹⁸  Subclause 5, Clause 186, section II, part B of the CCG

¹⁹  Subclause 6, Clause 186, section II, part B of the CCG

3.1.2.11. Create a training and advanced training program for members of the Board of Directors that takes into account the individual needs of its certain members, and supervise its practical implementation;²⁰

3.1.2.12. Analyze the existing and expected demands of the Company concerning the professional qualification of members of the Management Board and the Chair of the Management Board of the Company that are stipulated by the interests of the Company's competitiveness, development, and succession planning in respect to the said persons;²¹

3.1.2.13. Plan HR appointments, inter alia, with due regard to ensuring the proper succession of member duties of the Management Board of the Company and the Chair of the Management Board of the Company;

3.1.2.14. Prepare recommendations for the Board of Directors regarding candidates being considered for corporate secretary (head of the business unit that performs the functions of a corporate secretary), members of the Management Board of the Company and the Chair of the Management Board of the Company;²²

3.1.2.15. Regularly evaluate the activity of the members of the Management Board of the Company and the Chair of the Management Board of the Company, and prepare proposals for the Board of Directors on their potential reappointment;

3.1.2.16. Prepare reports on the committee's performance to include them in the annual report and other Company documents.²³

3.1.3. Preliminary review, analysis, and the preparation of recommendations on the following matters within the competence of the Board of Directors of the Company:

3.1.3.1. Determination of the quantitative composition of the Management Board of the Company, election of members to the Management Board of the Company, and decisions on the early termination of the powers of members of the Management Board;

3.1.3.2. Determination of the amount of remunerations and compensations paid to the Chair and members of the Management Board of the Company;

3.1.3.3. Bringing the Chair of the Management Board of the Company and members of the Management Board of the Company in line with (and encourage adherence to) the labor laws of the Russian Federation and the Company's internal documents;

²⁰ [📄](#) Subclause 7, Clause 186, section II, part B of the CCG

²¹ [📄](#) Subclause 8, Clause 186, section II, part B of the CCG

²² [📄](#) Subclause 9-10, Clause 186, section II, part B of the CCG

²³ [📄](#) Subclause 11, Clause 186, section II, part B of the CCG

3.1.3.4. Suspending the powers of the management company (manager) and appointing a temporary sole executive body of the Company;

3.1.3.5. Suspending the powers of the Chair of the Management Board of the Company and appointing an acting Chair of the Management Board of the Company;

3.1.3.6. Submitting to the attention of the General Meeting of Shareholders of the Company issues regarding the payment of remunerations and (or) compensations to the members of the Revision Commission of the Company;

3.1.3.7. Submitting to the attention of the General Meeting of Shareholders of the Company issues regarding the delegation of powers of the Company's sole executive body to the management company (manager);

3.1.3.8. Negotiating the agreement to combine positions in the management bodies of other companies by the Chair or member of the Management Board;

3.1.3.9. Approval of the target values (adjusted values) of key performance indicators (KPI) and reference indicators (RI) for the Chair of the Management Board of the Company and members of the Management Board of the Company, and the reports on their achievement, as well as the calculation methods and methods for evaluating their achievement;

3.1.3.10. Determination of the status of members of the Board of Directors of the Company, and the study of the annual self-evaluation results of the Board of Directors of the Company and the results of the performance evaluation of the Board of Directors of the Company;

3.1.3.11. Execution and revision of the Succession Plan for the members of the Board of Directors;

3.1.3.12. Other issues as dictated by the Board of Directors.

4. RIGHTS OF THE COMMITTEE

4.1. In order to perform the functions entrusted to it, the Committee may:

4.1.1. Carry out research on issues within its competence;

4.1.2. Request and obtain any information, documents and comments on them from the Chair of the Management Board and members of the Management Board of the Company that may be necessary for its activities;

4.1.3. Engage employees, Company management, and members of other Committees of the Board of Directors of the Company in physical Committee meetings.

5. RESPONSIBILITIES OF THE COMMITTEE

5.1. The Committee shall:

5.1.1. Perform functions entrusted to the Committee pursuant to this Regulation, the requirements of laws of the Russian Federation, and the Charter and internal documents of the Company;

5.1.2. Provide the Board of Directors with commercially effective and legally substantiated recommendations (opinions) on matters within the competence of the Board of Directors of the Company that fall within the competence of the Committee;

5.1.3. Advise the Board of Directors of the Company of risks that the Company is exposed to in a timely manner on matters within the competence of the Board of Directors that fall within the competence of the Committee;

5.1.4. Comply with confidentiality requirements and not disclose any information about the Company that is a commercial secret and/or proprietary data.

6. MEMBERSHIP AND FORMATION OF THE COMMITTEE, RIGHTS AND RESPONSIBILITIES OF MEMBERS OF THE COMMITTEE


6.1. The quantitative membership of the Committee shall be between three (3) and seven (7) persons as determined by a resolution of the Board of Directors of the Company.

6.2. Members of the Committee shall be nominated by members of the Board of Directors of the Company and elected by a majority of votes of members of the Board of Directors of the Company that attend the meetings of the Board of Directors. Each member of the Board of Directors may nominate a maximum of three (3) candidates to the Committee.

6.3. Only a member of the Board of Directors of the Company who is an independent director in accordance with the requirements of the Code of Corporate Governance recommended for use by the Central Bank of the Russian Federation (Bank of Russia), or recognized as such by resolution of the Board of Directors of the Company in accordance with Article 2 of the Regulation on the Board of Directors of the Company, can become a member of the Committee.²⁴

6.4. If the fulfillment of Clause 6.3 hereof is impossible due to objective reasons, independent directors shall compose the majority of members of the Committee, and other members of the Committee may be members of the Board of Directors of the Company who are not the Chair of the Management Board or members of the Management Board of the Company.

6.5. Details of candidates nominated by members of the Board of Directors of the Company to the Committee shall be made available to the Chair of the Board of Directors of the Company in writing at least five (5) days before the

²⁴  Clause 179, 183, section II, part B of the CCG

Board of Directors holds the meeting (the final date ballots for absentee voting are accepted) with an agenda that includes the election of members to the Committee.

6.6. Proposals to nominate a candidate(s) to the Committee shall be signed by the respective member of the Board of Directors of the Company.

6.7. Members of the Committee are elected on the terms and conditions hereof for a term that expires on the date of the first meeting of the Board of Directors composed of newly elected members.

6.8. Candidate members of the Committee shall have higher education (preferably in the field of economics, finance or law), and at least 5 years of work experience in corporate management.

The Board of Directors of the Company shall have the right to establish additional criteria for the professional competencies of Committee member candidates.

6.9. The powers of any member of the Committee may be revoked by resolution of the Board of Directors of the Company.

6.10. The Chair of the Committee and members of the Committee may resign by tendering a resignation notice to the Chair of the Board of Directors of the Company. For the purpose of this Clause, the powers of the Chair or any member of the Committee shall be deemed terminated from the date of the corresponding decision of the Board of Directors of the Company.

6.11. If the number of Committee members falls below the minimum quorum determined herein and required for Committee meetings to be held, the Chair of the Board of Directors shall convene an extraordinary meeting of the Board of Directors to elect Committee members or include the issue of electing members to the Committee in the agenda for the next scheduled meeting of the Board of Directors of the Company.

6.12. Members of the Committee may, within the competence of the Committee:

1) Request documents and information necessary for decisions to be made on issues within the competence of the Committee from the Chair of the Management Board of the Company and members of the Management Board of the Company. The request shall be made in writing and signed by the Chair of the Committee;

2) Exercise any other rights that may be stipulated herein.

6.13. Members of the Committee shall familiarize themselves with the materials before the meeting of the Committee and work out their own position on each item of the meeting's agenda.

6.14. When exercising their rights and performing their obligations,

members of the Committee shall act in the interests of the Company, and exercise their rights and perform their obligations to the Company reasonably and in good faith.

7. CHAIR OF THE COMMITTEE, ELECTION PROCEDURE

7.1. The management of the Committee and the organization of its activities is performed by the Chair of the Committee.

7.2. The Chair of the Committee is elected by the Board of Directors of the Company from among the elected members of the Committee by a majority of votes of members of the Board of Directors of the Company in attendance at the meeting of the Board of Directors.

7.3. Only a member of the Committee who meets the independence requirements, as set forth in Clause 6.3 hereof, can be elected as the Chair of the Committee. The Chair of the Board of Directors of the Company cannot be elected the Chair of the Committee.²⁵

7.4. The Board of Directors of the Company may reelect the Chair of the Committee at any time.

7.5. The Deputy Chair of the Committee shall perform the duties of the Chair of the Committee in the event of the absence of the latter. The Deputy Chair of the Committee is elected by members of the Committee from among themselves by a majority of votes of all elected members of the Committee. Any candidate for the position of Deputy Chair is subject to the limitations set out in Clause 7.3 hereof.

7.6. The Chair of the Committee:

- 1) Convenes and presides over Committee meetings;
- 2) Defines how the meeting is to be held and approves the Committee meeting agendas;
- 3) Determines the list of individuals invited to participate in physical Committee meetings. Officials and/or employees of the Company are invited to physical Committee meetings (consideration of certain items of the agenda of the meeting) by being sent a relevant invitation in the name of the Chair of the Management Board of the Company. The Chair of the Management Board of the Company shall ensure the participation of officials and/or employees of the Company invited to a Committee meeting (consideration of certain items of the agenda of the meeting) or any other individuals that have due powers, information, and qualifications necessary for productive involvement in the Committee meeting (consideration of items of the agenda of the meeting, provision of information, involvement in a discussion, decision-making, etc.);
- 4) Ensures that meeting minutes of the Committee are taken and signs

²⁵  Clause 179, section II, part B of the CCG

them;

5) Represents the Committee during its collaboration with the Board of Directors of the Company, other Committees of the Board of Directors, executive bodies of the Company, the Auditor, the Audit Committee of the Company, managers of subdivisions of the executive office of the Company, and other bodies and individuals;

6) Maintains the official correspondence of the Committee, signs requests, letters, and documents on behalf of the Committee;

7) Distributes responsibilities among Committee members;

8) Develops and submits the operational plan of the Committee for approval to the Committee, monitors compliance with the resolutions and plans of the Committee's operations;

9) Ensures that the requirements of the laws of the Russian Federation, the Charter of the Company, other internal documents of the Company, and this Regulation are met during the Committee's activities;

10) Performs any other functions set out in applicable laws, the Charter of the Company, this Regulation, and other internal documents of the Company.

8. SECRETARY OF THE COMMITTEE

8.1. The Secretary of the Committee is elected by a majority of votes of all elected members of the Committee. The candidate secretary of the Committee is nominated by the Chair of the Management Board of the Company from among the Company staff.

8.2. The Secretary of the Committee makes technical provisions (information, documentation, minutes, secretarial) for the current operations of the Committee in part by the following:

1) Ensuring preparation for and holding Committee meetings;

2) Gathering and systematizing meeting materials;

3) Ensuring that members of the Committee and invitees are given timely notice of meetings of the Committee, and sent meeting agendas, materials on agenda items, and ballots;

4) Keeping meeting minutes and organizing the preparation of the draft resolutions of the Committee;

5) Keeping records of correspondences addressed to the Committee and/or members of the Committee (including queries, requests, applications), and ensuring that members of the Committee obtain the necessary information;

6) Archiving meeting minutes of the Committee and any other documents and materials related to the activities of the Committee pursuant to the documentation archiving procedure in place at the Company;

7) Implementing the instructions of the Chair of the Committee within the powers of the Chair of the Committee;

8) Performing any other functions in accordance herewith.

8.3. The Secretary of the Committee may, if so resolved by the Board of Directors of the Company, be paid a remuneration and/or compensation of the expenses incurred in the performance of his or her responsibilities.

A supplementary agreement to the employment contract is executed with the Secretary of the Committee to include the functions of the Secretary of the Committee based on the resolution by the Committee to elect the Secretary of the Committee.

The terms and conditions of the supplementary agreement to the employment contract with the Secretary of the Committee, including the amount of remuneration, are defined by the Board of Directors of the Company or an individual so authorized by the Board of Directors of the Company.

The supplementary agreement to the employment contract with the Secretary of the Committee is signed by the Chair of the Management Board of the Company on behalf of the Company.

9. COMMITTEE MEETINGS

9.1. Committee meetings are convened by the Chair of the Committee in accordance with the plan of operation (scheduled meetings) approved at a meeting of the Committee or otherwise prescribed herein (extraordinary meetings).

9.2. The Committee's operational plan is prepared by the Chair of the Committee based on the approved operational plan of the Board of Directors of the Company.

9.3. The Work Plan of the Committee is approved at a meeting of the Committee to be held within twenty (20) days of the meeting of the Board of Directors of the Company which approved the Work Plan of the Board of Directors of the Company.

9.4. Committee meetings are held in Moscow or any other location defined by the Chair of the Committee.

9.5. When convening a Committee meeting, the Chair specifies the date, time, location, format, agenda of the meeting, and the list of individuals invited to participate in the physical meeting of the Committee.

9.6. The Chair of the Committee prepares the agenda of a scheduled meeting based on the approved agenda of the Board of Directors and/or at the discretion of the Chair of the Committee if additional issues need to be considered.

9.7. Extraordinary meetings of the Committee are held when an extraordinary meeting of the Board of Directors is held pursuant to the notice of a

meeting of the Board of Directors of the Company received from the Secretary of the Board of Directors of the Company, where the agenda of the latter meeting includes item(s) referred to hereunder within the competence of the Committee, or when so decided by the Chair of the Committee.

9.8. Notice of a meeting of the Committee complete with the agenda shall include the agenda of the meeting, the format of the meeting, the date, location, and time of the meeting (the date and time ballots for voting on agenda items of the meeting should already be received). Notice of the meeting shall be prepared by the Secretary of the Committee and signed by the Chair of the Committee or the Vice Chair of the Committee (when so authorized herein). Notice of the meeting of the Committee shall be sent to individuals that are to attend the meeting at least 5 (five) business days before the date of the meeting (the date when ballots should already be received for absentee voting) and include the name of the person responsible for the preparation of each agenda item. Materials and information on agenda items are sent to members of the Committee and individuals invited to attend the meeting at least three (3) business days before the meeting is held, including resolutions (recommendations) of the Management Board of the Company when so required by Clause 9.10 hereof.

Notice and materials (information) on agenda items may be provided to members of the Committee in person, or by fax or email, while notice of the meeting of the Committee must be provided to members of the Committee by fax or in the original.

Materials for the agenda items of the Committee meeting shall include draft resolutions on these items. The preparation of draft resolutions is organized by the Chair of the Committee.

Individuals invited to attend a physical meeting of the Committee are sent materials on those items of the agenda of the meeting of the Committee that they are expected to participate in the discussion of.

9.9. When notice of a meeting of the Board of Directors of the Company has an agenda that includes items referred by this Regulation to the competence of the Committee is received from the Secretary of the Board of Directors of the Company, the Chair of the Committee shall take all measures to ensure that Committee meetings are held in a timely manner to prepare and send recommendations (resolutions) on said agenda items of the meeting of the Board of Directors of the Company to the Board of Directors pursuant to the approved Regulation on Convening and Holding Meetings of the Board of Directors of the Company.

If the Committee fails to provide the Board of Directors with relevant recommendations (opinions) on a certain agenda item of the meeting of the Board of Directors of the Company for any reason (no quorum, not enough time to elaborate an issue, etc.) the Board of Directors may resolve to have this item

considered without the recommendations (opinions) of the Committee of the Board of Directors.

9.10. When notice is received from the Secretary of the Board of Directors of the Company about a meeting of the Board of Directors of the Company with agenda items that are included hereby within the competence of the Committee and are subject to preliminary consideration by the Management Board of the Company in accordance with the Regulation on the Management Board of the Company, the Committee meeting on such items shall be held directly after their preliminary consideration at a meeting of the Management Board of the Company. In this event, the relevant resolutions (recommendations) of the Management Board shall be provided to members of the Committee before the Committee meeting.

10. PROCEDURE FOR HOLDING COMMITTEE MEETINGS

10.1. Committee meetings are held in joint attendance of the Committee members (physical meeting) or as an absentee ballot on agenda items of the meeting (meeting in absentia).

10.2. Physical meetings of the Committee are opened by the President of the meeting, the Chair of the Committee or, in his/her absence by the Deputy Chair.

10.3. Physical meetings of the Committee are attended by members of the Committee and invitees.

10.4. The Secretary of the Committee defines whether a physical Committee meeting has quorum.

10.5. The President of the physical meeting advises those present of whether there is quorum for the Committee meeting to be valid and announces the meeting agenda.

10.6. If there is no quorum the meeting is invalid. In this event, the President of the meeting makes one of the following decisions:

1) Sets the time the meeting is rescheduled to by consulting with the individuals attending the meeting, but not more than two hours later;

2) Sets the date of a second meeting with the same agenda;

3) Includes the items that should have been considered at the failed meeting of the Committee in the agenda of the next scheduled Committee meeting.

10.7. The physical meeting of the Committee is valid (has quorum) when attended by at least half of the elected Committee members.

10.8. The written opinions of absent members of the Committee written and received as required herein shall be taken into consideration when the outcome of voting on the agenda items of a physical meeting of the Committee is being established for a meeting attended by at least half of all Committee

members.

10.9. The signed written opinion shall be sent by the respective member of the Committee at least two (2) hours before the meeting is held to the Secretary of the Committee in the original or by fax followed by the original written opinion sent to the location of the Company.

10.10. The decision to hold a meeting of the Committee in absentia is made by the Chair of the Committee.

10.11. When a meeting of the Committee is to be held in absentia, ballots necessary to vote on items of the agenda of the meeting prepared in accordance with Appendix No. 1 hereto are sent to members of the Committee along with materials (information) on the agenda items of the meeting in absentia.

10.12. When completing an absentee ballot, the member of the Committee shall strike out all but one answer (for, against, abstain) for each item put to vote.

10.13. The completed ballot shall be signed by the respective member of the Committee and include his or her last name and initials.

10.14. The completed and signed ballot shall be submitted by the member of the Committee to the Secretary of the Committee on or before the date and time ballots are to be received (provided on the actual ballot), in the original or by fax followed by the original ballot being sent to the address given on the ballot.

10.15. Any ballots completed with violations of the requirements set forth in Paragraph one, Subclause 10.3.2. hereof shall not be counted towards the total votes as concerns the corresponding item.

10.16. An unsigned ballot or a ballot submitted after the dates referred to in Subclause 10.3.2. hereof shall be invalid and excluded from the calculation of quorum necessary for a resolution to be made in absentia and not included in the calculation of votes and the determination of voting outcomes.

10.17. The meeting of the Committee in absentia is valid (has quorum) if attended by at least half of the elected members of the Committee.

10.18. Participants of a meeting in absentia shall be members of the Committee whose ballots were received by the Secretary of the Committee on or before the date and time ballots should be received by.

10.19. Resolutions at Committee meetings shall be made by a simple majority of votes of elected Committee members.

10.20. When dealing with an issue, each member of the Committee has one vote at the meeting. The vote of the Chair of the Committee shall be decisive in case the number of votes is equal.

10.21. A vote may not be assigned by one member of the Committee to another member of the Committee or another individual.

10.22. The Secretary of the Committee prepares minutes of the meeting

within three (3) business days of the meeting of the Committee.

10.23. The minutes of the Committee meeting are signed by the President of the meeting and the Secretary of the Committee. The minutes or any part of the minutes on agenda items of the meeting of the Board of Directors are sent by the Secretary of the Committee within one (1) business day after being signed to the Board of Directors of the Company complete with the materials and recommendations prepared for it. All members of the Committee are sent copies of the minutes, prepared materials, and recommendations.

10.24. The President and Secretary of the Committee are responsible for the accurate preparation of the minutes. The Secretary of the Committee is responsible for archiving the minutes, ballots, materials, and recommendations of the Committee.

10.25. The minutes of the meeting of the Committee include:

- 1) The format of the meeting;
- 2) The date, location, and time of the meeting (the date and time ballots shall be received by);
- 3) The list of members of the Committee attending the meeting (participating in absentee voting, physical and absentee voting) and invitees;
- 4) The agenda;
- 5) The proposals of Committee members on agenda items;
- 6) Issues put to a vote and the outcomes of the vote with details on how each member of the Committee voted;
- 7) Resolutions adopted.

10.26. If requested by a member of the Committee, a summary of his or her opinion on the agenda items of the meeting of the Committee may be attached to the minutes of the meeting of the Committee. Such an opinion shall be prepared by the member of the Committee and submitted to the Secretary of the Committee.

11. COLLABORATION WITH OTHER COMPANY BODIES AND INDIVIDUALS

11.1. When performing its responsibilities, the Committee shall maintain effective work relations with management, controlling bodies, structural subdivisions of the Company and other Committees of the Board of Directors of the Company, and other entities and individuals.

11.2. The Chair and the Secretary of the Committee shall support the informational, technical, and coordinated collaboration between the Committee and the Board of Directors, executive bodies and structural subdivisions of the

Company, and other Committees of the Board of Directors of the Company.

11.3. The Chair of the Management Board and members of the Management Board shall, based on a request signed by the Chair of the Committee, provide information and materials that members of the Committee may need to make resolutions on concerning issues within the competence of the Committee.

Said information and materials shall be provided within one (1) business day of receiving the request unless a longer term is expressly stated therein.

Members of the Committee may request additional information (materials) if incomplete or inaccurate information (materials) is (are) provided.

11.4. The recommendations (opinions) prepared (worked out) by the Committee are submitted by the Chair of the Committee to the Board of Directors of the Company while copies thereof are provided to the Chair of the Management Board of the Company.

12. CONFIDENTIALITY

12.1. Individuals that are (were) members of the Committee, the Secretary of the Committee and third parties engaged in activities of the Committee shall, during the period when members of the Committee perform their responsibilities and for three (3) years after their powers in the Committee expire, meet confidentiality requirements regarding proprietary information that they receive in connection with their duties in the Committee. The concept of information that is not publicly available applies to operations of the Company, and the content of such information is established by a resolution of an authorized management body of the Company.

12.2. The Secretary of the Committee and third parties participating in the Committee may obtain said information provided that they and the Company enter into an agreement on the use of said information.

12.3. All and any documents related to the activities of the Committee shall be kept at the location of the Company pursuant to the document archiving procedure in place at the Company. The Secretary of the Committee is responsible for archiving said documents.

13. SUPPORT OF ACTIVITIES OF THE COMMITTEE

13.1. A separate expense item is prescribed to support the activities of the Committee when the expense section of the Total Budget of the Company is prepared.

13.2. The amount of remuneration and compensation payable to members of the Committee, the payment method, and the due dates are determined in accordance with the Regulation on the Payment of Remuneration and Compensation to Members of the Board of Directors of the Company.

13.3. The proposed budget of the Committee (with breakdown

information) is prepared at the first meeting of the Committee and forwarded for approval to the Board of Directors of the Company.

The draft budget of the Committee shall be completed with an opinion of the Chair of the Management Board of the Company on whether the proposed budget can be financed in the amount planned taking into account the Company's business operations in the relevant planning period.

13.4. The Chair of the Committee is the person responsible for drafting and submitting the Committee budget to the Board of Directors of the Company for approval.

13.5. For the purpose of Committee meeting, the Chair of the Management Board of the Committee shall provide the Committee with premises, grant persons listed in the said request unrestricted access to them, and also take other action to hold the Committee meeting.

14. FINAL PROVISIONS

14.1. The Committee shall submit a report on the activity of the Committee to the Board of Directors of the Company at least once annually. At the first meeting held by new members of the Board of Directors elected at the extraordinary or annual general shareholders meeting, the Committee shall submit to the Board of Directors a final report on the activities of the Committee for the period of the previous Board of Directors.

14.2. The Chair of the Committee may provide the Board of Directors of the Company with separate reports on issues within the competence of the Committee.

14.3. Details of the individual resolutions of the Committee may be published on the Company's website. Whether information needs to be published is determined by the Chair of the Committee of the Board of Directors of the Company subject to the confidentiality requirement.

14.4. Information on the activities of the Committee shall be included in the Annual Report of the Company.

14.5. This Regulation and all and any amendments hereto are approved by the Board of Directors of the Company.

14.6. Any issues other than those governed by this Regulation shall be governed by the Charter of the Company, the Regulation on Convening and Holding Meetings of the Board of Directors of the Company, and other internal documents of the Company, applicable laws, and resolutions of the Board of Directors of the Company.

14.7. If certain articles hereof contravene any new amendments to the laws or regulations of the Russian Federation, such articles shall lose legal effect and

members of the Committee shall be governed by the laws and regulations of the Russian Federation until this Regulation is amended.

**NOMINATIONS AND REMUNERATION COMMITTEE OF THE
BOARD OF DIRECTORS**

of Public Joint Stock Company “Inter RAO UES”

VOTING BALLOT
for Voting on Agenda Items of the Meeting
of the Nominations and Remuneration Committee of the Board of Directors
of PJSC “Inter RAO”,
Held in Absentia on _____, 20 __.

Item:

1. _____

Resolution (passed at the meeting):

1. _____

FOR

AGAINST

ABSTAINED

(Please strike through all but your response)

Item:

2. _____

Resolution (passed at the meeting):

2. _____

FOR

AGAINST

ABSTAINED

(Please strike through all but your response)

The completed and signed ballot is to be sent by fax to (____)_____ or in the original on or before

_____.

/date, time/

Any ballot received by the Company after the date and time above will not be included in the vote count and the summary of the absentee ballot.

Please send the original ballot to:

Committee member

of the Board of Directors of PJSC “Inter RAO”

_____/_____
(signature) (full name)

THE BALLOT IS INVALID WITHOUT THE SIGNATURE OF THE COMMITTEE MEMBER