

(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 the Management Board  
of Public Joint-Stock Company Federal Hydro- Generating Company –  
RusHydro  
(PJSC RusHydro)**

## **1. GENERAL PROVISIONS**

1.1. This Regulation is an internal document of Public Joint-Stock Company Federal Hydro-Generating Company – RusHydro (PJSC RusHydro) (the "Company") that describes the process of the Management Board's formation, the period and procedure for convening and holding the Management Board's meetings, and the Management Board's decision-making procedure.

1.2. This Regulation was elaborated in accordance with the laws of the Russian Federation and the Articles of Association of the Company.

1.3. The Company's Management Board, as the collegial executive body, shall act in the best interest of the Company in accordance with the applicable laws of the Russian Federation, the Company's Articles of Association, other internal documents, and this Regulation and be guided by resolutions of the General Meeting of Shareholders and the Board of Directors.

1.4. The Company's Management Board is responsible for attaining goals and implementing the development strategy and policy of the Company and runs the day-to-day activities of the Company within its competence as determined by the Company's Articles of Association and resolutions of the General Meeting of Shareholders and the Board of Directors.

1.5. The main objectives of the Company's Management Board are:

- To ensure the observance of the rights and legitimate interests of the Company's shareholders
- To draft proposals on the Company's development strategy
- To implement the finance and economic policy of the Company, to find solutions for critical issues in its current business activities, and to coordinate the operation of its departments
- To enhance the performance of the internal control and risk management systems
- To ensure high ROA and maximum profit from the Company's activities

## **2. FORMATION OF THE MANAGEMENT BOARD**

2.1. The Management Board's members shall be elected, and their powers shall be terminated by resolution of the Company's Board of Directors.

2.2. The sole executive body of the Company shall perform the duties of the Chairman of the Management Board: the Chairman of the Management Board and General Director of the Company (the "Chairman of the Management Board").

2.3. The Chairman of the Management Board shall submit proposals on the composition of and candidates to the Management Board for the consideration of the Board of Directors.

2.3.1. Candidates to the Management Board proposed by the Chairman of the Management Board for the consideration of the Board of Directors shall meet the following criteria for the appointment of Management Board members:

- Have a higher professional education (technical, planning engineering, economic, legal, or other)
- Have at least five years of work experience in managerial positions
- Meet other criteria established by the Company's internal documents

2.4. A candidate shall be deemed elected to the Management Board if a majority of the members of the Board of Directors participating in the meeting voted for them.

2.5. The Company shall enter into an employment contract with the elected members of the Management Board.

The conditions of employment contracts with members of the Management Board shall be determined by the sole executive body of the Company; the effective term of such contracts may not exceed three years.

Employment contracts with members of the Management Board of the Company shall be signed on behalf of the Company by the sole executive body.

The employment relations of members of the Management Board of the Company shall be governed by the characteristics of labor regulations established by chapter 43 of the Labor Code of the Russian Federation.

The procedure for paying remuneration and compensations to the Chairman and members of the Management Board shall be determined by the Company's Board of Directors.

2.6. Any member of the Management Board may resign at any time by sending a notice as per the applicable laws to the attention of the Chairman of the Management Board and the Chairman of the Board of Directors of the Company. The date of the member's resignation shall be the date of the meeting of the Board of Directors where a resolution to terminate the powers of the member was made, unless otherwise stipulated by resolution of the Board of Directors.

### **3. RIGHTS, OBLIGATIONS, AND LIABILITY OF THE MEMBERS OF THE MANAGEMENT BOARD**

#### **3.1. MEMBERS OF THE MANAGEMENT BOARD**

3.1.1. The rights and obligations of the members of the Management Board shall be determined by the applicable laws of the Russian Federation, this Regulation, and employment agreements executed between the Company and each member.

3.1.2. The members of the Management Board may:

- 1) As the collegiate executive body of the Company, manage the day-to-day activities of the Company
- 2) Receive in full all information about the Company's activity and review institutional, regulatory, accounting, reporting, contractual, and other documents of the Company
- 3) Submit inquiries, make statements, and submit proposals as to the agenda items of the Management Board's meetings
- 4) Submit written proposals regarding the program of works of the Management Board and agenda items of a meeting of the Management Board
- 5) Call a meeting of the Management Board of the Company
- 6) Receive remuneration and compensations promptly and in full as determined by the Board of Directors of the Company
- 7) Object in writing to resolutions of the Management Board and notify the Chairman of the Management Board and the Board of Directors thereof
- 8) Exercise any other rights stipulated by the laws of the Russian Federation, the Articles of Association, and employment agreements executed between the Company and each member

3.1.3. The members of the Management Board shall:

- 1) Participate in meetings of the Company's Management Board
- 2) Implement resolutions and instructions of the General Meeting of Shareholders, the Board of Directors, and the Management Board of the Company and comply with the Articles of Association and internal documents of the Company
- 3) Act in the interest of the Company and exercise their rights and fulfill their obligations with regard to the Company reasonably and in good faith
- 4) Notify the Company within two months after they became aware or should have become aware of the occurrence of circumstances by virtue whereof they may be recognized as interested parties in a transaction:
  - a) Of legal entities with regard to which they or their spouse, parents, children, or full or half-siblings, and/or entities under their control are controlling persons or are entitled to give binding instructions
  - b) Of legal entities in whose management bodies they or their spouse, parents, children, or full or half-siblings, and/or entities under their control hold any positions
  - c) Of any actual or assumed transactions, of which they are aware, in which they may be recognized as interested parties

In the case of any changes to the information set forth in paragraphs (a)–(c) of subclause 4 of clause 3.1.3 of the Regulation after the Company receives notice, the members of the Management Board shall notify the Company thereof within 14 days after they became aware or should have become aware of such changes.

5) Within 10 days after the acquisition/disposal of the Company's shares, inform the Chairman of the Management Board in writing of the Company's shares held by them, including their quantity

6) Not disclose any information constituting professional or trade secret of the Company and comply with the Regulation on the Company's Insider Information

3.1.4. Concurrent service of the members of the Management Board in the management bodies of other entities and the holding of other paid positions in other entities shall be subject to the approval of the Company's Board of Directors.

3.1.5. Members of the Management Board shall be held liable to the Company for losses incurred by the latter due to their willful acts (inactions), unless other causes for liability are prescribed by the federal laws.

At the same time, the members of the Management Board who voted against a resolution leading to the Company incurring losses or, acting in good faith, did not participate in voting shall not be held liable.

### **3.2. CHAIRMAN OF THE MANAGEMENT BOARD**

3.2.1. The Chairman of the Management Board shall organize the operation of the Management Board.

3.2.2. The Chairman of the Management Board shall:

- 1) Submit proposals on the composition of and candidates to the Management Board for consideration by the Board of Directors
- 2) Call a meeting of the Management Board
  - Specify the date, time, and venue of such a meeting
  - Approve the agenda of a meeting
  - Determine the list of invitees who may participate in discussion of the agenda items of a meeting of the Management Board
  - Determine the information (materials) to be distributed among the members of the Management Board during the preparation for a meeting of the Management Board
- 3) Chair the meetings of the Management Board
- 4) Sign the minutes of the Management Board's meetings
- 5) Coordinate the operation of the Management Board and ensure compliance with the laws of the Russian Federation, the Articles of Association of the Company, and this Regulation in the Management Board's activity
- 6) In the case of a temporary absence (business trip, vacation, illness), may confer the powers for the organization of the work of the Management Board indicated in paragraphs 1)–5) and 7) of subclause 3.2.2 of clause 3.2 of this Regulation on another member of the Management Board in accordance with the legislation of the Russian Federation, the Articles of Association of the Company, other internal documents of the Company and this Regulation
- 7) Perform other actions prescribed by this Regulation

### **4. SECRETARY OF THE MANAGEMENT BOARD**

4.1. The Secretary of the Management Board is responsible for the organizational and informational support of the Management Board.

4.2. The Secretary of the Management Board shall be appointed from among the employees of the Company by the Chairman of the Management Board.

4.3. The Secretary of the Management Board shall:

- 1) Ensure the preparation of materials to be considered at the meetings of the Management Board
- 2) Make a draft of the program of works of the Management Board not later than one month before the start of the quarter being planned
- 3) Notify the members of the Management Board of the Management Board's meetings by sending a notice and materials on the agenda items for the meeting
- 4) Liaise with the Company's Corporate Secretary and secretaries of committees of the Board of Directors to coordinate the activity of the Management Board, the Board of Directors, and its committees
- 5) Provide organizational and technical support for the meetings of the Management Board
- 6) Keep a record of the affairs of the Management Board
- 7) Supervise the implementation of resolutions of the Management Board and inform the Management Board of their implementation
- 8) Prepare, as instructed by the Chairman of the Management Board, drafts of documents and resolutions of the Management Board
- 9) Maintain and draft the minutes of the meetings of the Management Board, have them approved and signed, and make extracts from the minutes as requested
- 10) Inform the members of the Management Board and responsible parties about resolutions of the Management Board by sending extracts from the minutes of the Management Board's meetings (The extracts from the minutes of the Management Board's meetings shall be signed by the Secretary of the Management Board and authenticated with a seal within one business day after the minutes are signed.)

The Secretary of the Management Board shall perform other acts stipulated by this Regulation and the instructions of the Chairman of the Management Board.

4.4. The Secretary of the Management Board shall be responsible for the quality and promptness of the making of extracts from the minutes of the Management Board's meetings and for the performance of other obligations set forth herein.

## **5. PROCEDURES OF THE MANAGEMENT BOARD**

5.1. The Management Board's meetings shall be held according to the Program of Works and as may be necessary, but not less than once a month.

5.2. The Management Board's Program of Works shall include:

- 1) Matters to be considered at the meetings of the Company's Management Board in the current year (on a quarterly basis)
- 2) The date and form of the meetings of the Management Board
- 3) Persons responsible for the preparation of matters to be considered at the meetings of the Management Board

5.3. The Program of Work shall be approved by the Company's Management Board on a quarterly basis.

5.4. The Program of Work shall take into account resolutions of the General Meeting of Shareholders, the Board of Directors, and the Auditor and proposals of the Chairman of the Management Board, members of the Management Board, deputies of the General Director, and heads of the Company's departments.

5.5. The Meetings of the Management Board shall be convened by the Chairman of the Management Board:

- As per the Program of Work of the Management Board
- Either on the initiative of the Chairman of the Management Board or on the initiative of any member of the Management Board
- As per a resolution of the Board of Directors, the Internal Audit Commission, or the Auditor of the Company

5.6. The agenda of the meeting of the Management Board shall be drafted based on the Program of Work of the Management Board and resolutions of the General Meeting of Shareholders, the Board of Directors, the Internal Audit Commission, or the Auditor of the Company or proposals of the Chairman and members of the Management Board.

5.7. The meetings of the Management Board shall be held by joint attendance of members of the Management Board (in-person meeting) or by absentee voting (absentee meeting).

As instructed by the Chairman of the Management Board, field meetings of the Management Board may be organized.

5.8. The Management Board is legitimate if at least one-half of the elected members of the Management Board members participate in the meeting (in voting in absentia).

5.9. The Management Board shall pass all resolutions by a simple majority of the votes of the members of the Management Board present at the meeting (participating in voting in absentia).

5.10. Each member of the Management Board shall have one vote. A member of the Management Board may not give their vote to another member of the Management Board or to any other person.

In the case of a tie between the members of the Management Board, the Chairperson of the Management Board shall have a casting vote.

5.11. Upon determining the presence of a quorum and voting results on agenda items of the in-person Management Board meeting, the written opinion of a Management Board member absent from the Board meeting shall be considered.

5.12. If any member of the Management Board who participated in a meeting of the Management Board does not agree with a resolution adopted on (an) agenda item(s), they may outline their position on this (these) item(s) in writing. Such dissenting opinion shall be attached to the minutes of the respective meeting of the Management Board.

## **6. CONVENING AND HOLDING THE MEETINGS OF THE MANAGEMENT BOARD BY JOINT ATTENDANCE**

6.1. The members of the Management Board shall be notified of the date, time, venue, and agenda of the meeting of the Management Board two business days before the said meeting.

6.2. The notice of a meeting of the Management Board by joint attendance must include:

- The Company's business name

- The agenda of the Management Board's meeting
- The date, time, and venue of the Management Board's meeting

6.3. The notice of the meeting of the Management Board shall be drafted by the Secretary of the Meeting and signed by the Chairman of the Management Board.

Along with the notice of the meeting of the Management Board, the members of the Management Board shall receive all necessary materials (information) and draft resolutions on the agenda items.

6.4. The items included in the agenda shall be considered at the meetings of the Management Board.

In exceptional cases, the in-person meetings of the Management Board may consider items not included in the agenda, provided that the consideration of such item has been unanimously approved by all members of the Management Board present at the meeting, and that a quorum is present.

6.5. The Secretary of the Management Board shall determine whether a quorum is present at the meeting of the Management Board, whereupon the Chairman of the Management Board shall announce that the quorum is present and declare the agenda.

6.6. The agenda items shall be considered at the meeting of the Management Board as follows:

- 1) Presentation of a report on the agenda item by a member of the Management Board (an invitee)
- 2) Discussion of the agenda item
- 3) Proposed resolution wording on the agenda item
- 4) Voting on the agenda item
- 5) Counting of votes, announcement of preliminary voting results (counting the written opinions of members of the Management Board absent from the meeting)

Any member of the Management Board may participate in the meeting of the Management Board through use of telephone, video conference, or another form of remote communication as long as the other members can identify such member and discuss the agenda items with them in real time. Participation through the use of the aforesaid means of communication shall be equivalent to the personal attendance of the member of the Management Board.

If a meeting of the Management Board is organized by means of telephone, video conference, or another form of remote communication enabling the identification of such a member of the Management Board, the venue of such a meeting shall be the place where the Chairman of the Management Board is located.

6.7. Based on the voting results of the meeting of the Management Board, the Secretary of the Management Board shall declare a vote to be final and draft the minutes of the meeting of the Management Board as set forth herein.

## **7. ADOPTION OF RESOLUTIONS BY ABSENTEE VOTING**

7.1. A resolution of the Management Board on items within its competence may be adopted by absentee voting (poll).

7.2. For the adoption of a resolution by absentee voting (poll), each member of the Management Board shall receive a notice of absentee voting on agenda items, materials (information), and draft resolutions on agenda items not later than three business days before the deadline for the submission of absentee ballots.

7.3. The notice of absentee voting shall include:

- The Company's business name
- The agenda of the Management Board's meeting
- An indication that absentee voting is to be conducted by filling in an absentee ballot
- The deadline (date and time) for submission of completed absentee ballots

7.4. The members of the Management Board may provide their comments and/or suggestions regarding the proposed draft resolutions on the items put to absentee voting not later than two business days before the deadline for submission of absentee ballots as specified in the notice of absentee voting.

7.5. The Secretary of the Management Board shall draft the absentee ballot form on the agenda items as per the form set forth in the Schedule hereto.

7.6. The absentee ballots shall be sent by the Secretary of the Management Board to all members of the Management Board not later than one business day before the deadline for submission of the absentee ballots as set forth in the notice of absentee voting, either in the

original, by email, or via the electronic document management system in use in the Company as of the date of the absentee meeting of the Management Board.

7.7. The absentee ballot form shall include:

- The Company's full business name
- The wording of the agenda items
- The voting options
- The deadline (date and time) for submission of completed absentee ballots
- The address to which the completed absentee ballots should be returned

7.8. When filling in the absentee ballot, a member of the Management Board must cross out inapplicable voting options, thus leaving only one for each draft resolution on each item (for, against, abstained). The completed absentee ballot shall be signed by the member of the Management Board, indicating their printed name.

7.9. An absentee ballot completed in breach of clause 7.8 hereof shall be deemed void and shall not be counted in the quorum necessary to adopt a resolution by absentee voting or in the counting of votes. If the instructions for filling in the ballot are breached with regard to one item, the absentee ballot shall be deemed void only with regard to such item.

7.10. The filled in and signed absentee ballot shall be sent by the member of the Management Board to the Secretary of the Management Board within the period specified in the absentee ballot in the original or by email (scanned form) followed by the original absentee ballot sent by post.

The members of the Management Board whose absentee ballots were received by the Secretary of the Management Board before the deadline for submission of absentee ballots shall be deemed to have participated in the absentee voting.

7.11. The presence of a quorum for the adoption of resolutions by absentee voting shall be determined based on completed absentee ballots signed by the members of the Management Board and received by the Company within the period set forth in the notice of absentee voting.

Based on the absentee ballots received, the Secretary of the Management Board shall declare an absentee vote to be final and draft the minutes of the meeting of the Management Board as set forth herein.

## **8. MINUTES OF THE MEETING OF THE MANAGEMENT BOARD**

8.1. The minutes of a meeting of the Company's Management Board based on the results of absentee voting shall be drafted and signed by the Chairman and the Secretary of the Management Board—who shall be responsible for the accuracy of the minutes—within two business days after the meeting.

8.2. The minutes of the meeting of the Management Board shall include:

- The Company's full business name
- The form of the meeting (joint attendance, absentee voting)
- The time and venue of the meeting (tallying of the voting results)
- Members of the Management Board who attended the meeting (participated in absentee voting) and invitees
- Whether a quorum is present
- The agenda of the meeting
- Items put to a vote and voting results with the list of names
- An overview of reports and speeches by persons who attended the meeting (in the case of a meeting by joint attendance)
- Adopted resolutions

8.3. The Company shall keep the minutes of the meetings of the Management Board at the location of the Company's executive body.

The minutes of meetings of the Management Board shall be available for the review of any member of the Board of Directors, the Internal Audit Commission, the Auditor, or (a) shareholder(s) holding in total at least 25% of the Company's voting shares.

8.4. A copy of the minutes of the Management Board's meeting shall be distributed among the members of the Management Board within three business days after the minutes are signed.

## **9. FINAL PROVISIONS**

9.1. This Regulation shall be approved by the General Meeting of the Company's Shareholders.

9.2. This Regulation may be amended by the General Meeting of the Company's Shareholders.

9.3. If any changes to the applicable laws and regulations of the Russian Federation and/or the Articles of Association of the Company lead to their collision with the provisions of this Regulation, such provisions shall become invalid, and the Management Board shall be guided by the applicable laws and regulations of the Russian Federation and/or the Articles of Association of the Company until this Regulation is amended.



**MANAGEMENT BOARD  
PJSC RusHydro**

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**ABSENTEE BALLOT  
for absentee voting on the agenda items of the meeting of the Management Board**

Deadline (date and time) for submission of the absentee ballots \_\_\_\_\_, \_\_:\_\_

**Item 1:** \_\_\_\_\_

**Resolution:**

\_\_\_\_\_  
\_\_\_\_\_

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
(leave your voting option not crossed out)		

Comments: \_\_\_\_\_  
\_\_\_\_\_

**Item 2:** \_\_\_\_\_

**Resolution:**

\_\_\_\_\_  
\_\_\_\_\_

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
(leave your voting option not crossed out)		

Comments: \_\_\_\_\_  
\_\_\_\_\_

The completed and signed absentee ballot shall be sent in the original to the Secretary of the Management Board \_\_\_\_\_ (tel. \_\_\_\_\_), by email (email address \_\_\_\_\_), or via the electronic document management system not later than on \_\_\_\_\_.

Absentee ballots received after deadline shall not be accepted for the counting of votes or for the tallying of the absentee voting results.

An absentee ballot not signed by a member of the Management Board shall be invalid.

Member of the Management Board / \_\_\_\_\_ /  
(signature)