

APPENDIX No.1 INFORMATION ON COMPLIANCE WITH THE RUSSIAN CORPORATE GOVERNANCE CODE

Hereby the Board of Directors of PJSC RusHydro announces the observance of the principles of corporate governance enshrined in the corporate governance Code and the reasons of partially observance and non-observance the particular principles of the Russian Corporate Governance Code.

Information on principles and recommendations of the Corporate Governance Code that are not complied with by PJSC RusHydro or are compiled by PJSC RusHydro not in full with description of the extent to which they are not complied with:

Partially complied principles:

- principle 1.1.6 is not complied with in the following part: **not all candidates for the Company's management and control bodies were present at the General meeting of shareholders of the Company.**
- principle 2.8.5 is not complied with in the following part: **independent directors head not all committees, but only part of them.**
- principle 7.2.2 is not complied with in the following part: **list of grounds on which members of the Board of Directors and other parties stipulated by the legislation are considered interested in the transactions of the Company, is not widened.**

Principles not complied with:

- principle 2.4.3: **independent directors comprise not less than one third of the elected members of the Board of Directors.**

Detailed information on the compliance of RusHydro with the principles and recommendations of the Corporate Governance Code recommended for use by the Bank of Russia is indicated in the table on "Compliance with the principles and recommendations of the Corporate Governance Code".

A brief description of the most significant aspects of the model and practice of corporate governance in the Company, a description of the methodology by which the Company assessed the compliance with corporate governance principles enshrined in the Corporate Governance Code recommended by the Bank of Russia, as well as planned (proposed) actions and activities of the Company to improve the model and practice of corporate governance with an indication of the timing of the implementation of such actions and activities is indicated in the chapter "Corporate Governance" of this Annual Report.

The Company issues internal documents and corporate governance practices of the Company in accordance with the provisions of the Code of the Company. Thus, the Company respects the fundamental principles and recommendations of the Code.

The reasons for the difference in some provisions of the Company's Corporate Governance Code from the principles of the recommendations of the Corporate Governance Code recommended by the Bank of Russia: the inapplicability of a number of provisions of the Code to the Company (for example, the absence of preferred shares).

Key reasons explanation, factors and (or) circumstances due to which the Company does not comply with with or complies not in full with the principles of corporate governance, set out in the Corporate Governance Code and description of mechanisms and governance tools that are used by the Company in place of (substitute) recommended by the Corporate Governance Code are given below in column 5 of the table of the Report on compliance with the principles and recommendations of the Code of Corporate Governance.

The Company complies with all recommendations of the Corporate Governance Code, which are reflected in the requirements of the Moscow Stock Exchange Listing Rules, which are mandatory for issuers whose shares are in the First level of the list of securities.

Information on compliance with the principles and recommendations of the Corporate Governance Code¹

No.	Corporate Governance Principles	Criteria used to evaluate whether the principle is observed	Status of compliance with the principle of corporate governance for 2019	Explanations of deviations from the evaluation criteria compliance with the principle of corporate governance in 2019
1.1	The Company should ensure equal and fair treatment of all its shareholders in the course of exercising their rights to participate in the management of the Company.			
1.1.1	The Company creates the most favorable conditions possible for its shareholders, enabling them to participate in the general meetings and to develop informed positions on the issues forming its agenda, as	1. The internal document of the Company approved by the general meeting of shareholders and regulating the procedure of general meeting holding is available within the public domain.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

¹ Considered by the Board of Directors of PJSC RusHydro (minutes dated ____ No.____). The Board of Directors confirms that the data provided in this report contains complete and reliable information on the Company's compliance with the principles and recommendations of the Corporate Governance Code for 2019.

	well as providing them with the opportunity express their opinions regarding the issues under discussion.	2. The Company presents an available way of communication with the Company, such as hotline, e-mail or forum in the Internet, allowing the shareholders to express their opinion and send items in relation to the agenda in the process of preparation for holding the general meeting. Indicated actions were taken by the Company on the day preceding the general meeting held during the reporting period.		
1.1.2	Procedures for notification of the general meeting holding and provision of materials for it give the shareholders an opportunity to properly prepare themselves for participation therein.	<p>1. A notice announcing a general shareholders meeting is placed (published) on the website of the Company at least 30 days before the date of the general meeting.</p> <p>2. In the message about the meeting provided the meeting venue and documents required for admission to the premises.</p> <p>3. The shareholders were provided with access to information about what issues were proposed on the agenda and who was nominated to the</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

		Board of Directors and the auditing Commission of the Company.		
1.1.3	During the preparation for and holding of the general meeting, the shareholders had the opportunity to freely and in a timely manner receive information about the meeting and its materials, to pose questions to members of the Company's executive bodies and Board of Directors, and to communicate with each other.	<p>1. In the reporting period, shareholders were provided with an opportunity to pose questions to members of the Company's executive bodies and Board members of the Company before and during the annual general meeting.</p> <p>2. The materials set out the positions of the Board of Directors regarding the general meeting's agenda, as well as dissenting opinions of the Board members on each item therein.</p> <p>3. The Company provided those shareholders who are entitled to review the list of persons authorized to participate in the meeting with the opportunity to review it starting from the date when the Company receives such information.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.1.4	There were no unjustified difficulties preventing shareholders from exercising their right to demand that a general	1. The shareholders had the opportunity to propose items to be included in the agenda of its annual general meeting within a 60-day period following the	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	meeting be convened, nominate candidates to the Company's management bodies, and to place proposals on its agenda.	end-date of the respective calendar year. 2. In the reporting period, the Company did not refuse to accept proposals on the agenda or candidates to the bodies of the Company because of typing errors and other insignificant flaws in the shareholder proposal.		
1.1.5	Each shareholder was able to freely exercise his/her right to vote in a straightforward and most convenient way.	1. Internal document (internal policy) of the Company contains provisions whereby every participant of the general meeting may, until the end of the general meeting, request a copy of the filled out ballot certified by the counting commission.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.1.6	Procedures for holding a general meeting set out by the Company provides equal opportunity to all persons present at the general meeting to express their opinions and ask questions that might be of interest to them.	1. When holding general meetings of shareholders in the form of a meeting (joint presence of shareholders) sufficient time for reports on the agenda was provided, as well as sufficient time to discuss these issues. 2. The candidates to management and control bodies of the Company were	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially -observed <input type="checkbox"/> not observed	Paras. 1 and 3 are fully observed. Para. 2 is partially observed. Regarding para. 2, the Company provides the following explanations: Para. 2.7. The Regulation on the procedure for convening and holding the General Meeting of Shareholders of the Company provides for the right to attend the meeting of persons included in the list of candidates for election to the management and control bodies of the Company.

		<p>available to answer the questions of shareholders at the meeting, on which the nominees were put to vote.</p> <p>3. The Board of Directors when making the decisions connected with preparation and conduction of general meetings of shareholders considered the issue of use of telecommunication systems to provide the shareholders with remote access to take part in the general meetings during the reporting period.</p>		<p>In practice, the Meeting in 2019 was attended by the majority of members of the Board of Directors, including the Chairman of the Board of Directors and two members of the Audit Commission. Herewith, invitations to participate in the Meeting were sent to all candidates to management and control bodies.</p> <p>The deviation from the compliance with this recommendation is triggered by the fact that the Company, due to various reasons (production, organizational, personal circumstances of each candidate), cannot provide the mandatory presence of each and every candidate to management and control bodies at each meeting. In practice, the candidates to the Board of Directors, who were not previously elected to the Board of Directors, are usually present at the meetings, and shareholders have an actual opportunity to ask them questions.</p> <p>In the future, the Company intends to strive for the fullest possible observance of this recommendation of the Code.</p>
1.2.	Shareholders were provided with equal and fair opportunities to participate in the profits of the Company by means of receiving dividends.			
1.2.1	<p>The Company developed and put in place a transparent and clear mechanism for determining the amount of dividends and their payment.</p>	<p>1. The Company developed and disclosed its dividend policy approved by the Board of Directors.</p> <p>2. If the dividend policy of the Company utilizes indicators from the financial statements of the Company to determine the size of the dividend, the relevant provisions of the dividend policy should include the consolidated indicators of financial statements.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

1.2.2	The Company does not make a decision on the payment of dividends, if such decision, without formal violation of limits set out by law, is unjustified from the economic point of view and might lead to the formation of false assumptions about the Company's activity.	1. The dividend policy of the Company contains clear indications of financial / economic circumstances, which prohibit the Company from paying the dividends.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.2.3	The Company does not allow deterioration of dividend rights of its existing shareholders.	1. The Company has not taken any actions, which lead to the deterioration of dividend rights of existing shareholders in the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.2.4	The Company strives to rule out any means through which its shareholders can obtain profit (gain) at the Company's expense other than dividends and distributions of its liquidation value.	1. The Company has established appropriate control mechanisms in its internal documents to prevent its controlling persons from deriving a profit (income) from the Company in ways other than dividends or liquidation value, which contain provisions establishing control mechanisms for timely identification and approval of transactions with affiliated parties and major shareholders (persons entitled to control votes attached to voting shares) in cases when the law does not formally recognize	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

		these transactions as interested-party transactions.		
1.3.	The system and practices of corporate governance ensure equal terms and conditions for all shareholders owning shares of the same class (category), including minority (small) and foreign shareholders and equal treatment of them on the part of the Company.			
1.3.1	The Company has created the conditions for fair treatment of every shareholder on the part of management bodies and controlling persons of the Company, including conditions to ensure prohibition of abuse of minority shareholders by large shareholders.	1. During the reporting period, the procedures adopted for management of potential conflicts between major shareholders were effective, and the Board of Directors paid sufficient attention to conflicts between shareholders, if there were any.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.3.2	The Company does not perform any acts, which would or could result in artificial reallocation of corporate control therein.	1. There were no quasi-treasury shares or they did not participate in voting in the course of the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.4.	The shareholders were provided with reliable and efficient means of recording their rights to shares, as well as with the opportunity to freely dispose of such shares in a non-onerous manner.			
1.4	The shareholders were provided with reliable and efficient means of recording their rights to shares, as well as with the opportunity to freely dispose of such shares in a non-onerous manner.	1. Quality and reliability of the work performed by the registrar of the Company answers the requirements of the Company and its shareholders.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

2.1.	The Board of Directors performs strategic management of the Company, determines major principles of and approaches to creation of risk management and internal control system within the Company, monitors the activity of the Company's executive bodies, and carries out other key functions.			
2.1.1	The Board of Directors is responsible for decisions to appoint and remove members of executive bodies, including actions in response to failure of the latter to properly perform their duties. The Board of Directors also makes sure that the Company's executive bodies act in accordance with an approved development strategy and main business goals of the Company.	<p>1. According to the Charter of the Company, the Board of Directors has the authority to appoint, dismiss and determine the terms and conditions of contracts with members of executive bodies.</p> <p>2. The Board of Directors heard the report (reports) of the sole executive body and members of the collective executive body on the implementation of the strategy of the Company.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1, the Company provides the following explanations:</p> <p>In accordance with the Charter of the Company, the terms of the contract of the sole executive body shall be determined by the Board of Directors or a person authorized by the Board of Directors to sign a contract. Besides, the competence of the Board of Directors includes the authority to approve the Policy on Remuneration and Compensation of members of the Executive Bodies.</p> <p>The terms of contracts with members of the Management Board are determined by the sole executive body taking into account the Policy on Remuneration (Compensation) of members of Executive Bodies approved by the Board of Directors.</p>
2.1.2	The Board of Directors establishes basic long-term targets of the Company's activity, evaluates and approves its key performance indicators and principal business goals, as well as evaluates and approves its strategy and business plans in respect of its principal areas of operations.	1. During the reporting period at the meetings the Board of Directors reviewed matters related to the status of execution of the strategy, approval by the financial plan (budget) of the Company, as well as review of criteria and indicators (including interim) pertaining to the execution of the strategy and business plans of the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

2.1.3	The Board of Directors determines principles of and approaches to creation of the risk management and internal control system in the Company.	<p>1. The Board of Directors has determined the principles and approaches to creation of the risk management and internal control system in the Company.</p> <p>2. The Board of Directors has evaluated the risk management and internal control system during the reporting period.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.1.4	The Board of Directors should determine the Company's policy on remuneration due to and (or) reimbursement of costs (compensation) incurred by its Board of Directors, members of its executive bodies and other key managers.	<p>1. The Company has developed and implemented a policy (policies) approved by the Board of Directors on remuneration and reimbursement of costs (compensation) incurred by its Board members, members of executive bodies and other key managers.</p> <p>2. During the reporting period, at the meetings the Board of Directors reviewed matters related to the indicated policy (policies).</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1 and para. 2 the Company provides the following explanations:</p> <p>Since the category of "key executives" was not defined and not approved by the Board of Directors, the Remuneration and Reimbursement of Expenses (Compensation) Policy was not approved by the Board of Directors for this category of employees.</p> <p>The Remuneration and Reimbursement of Expenses (Compensation) Policy of all employees of the Company has been determined with due account to the principles of the Remuneration and Reimbursement of Expenses (Compensation) Policy for members of the Company's executive bodies approved by the Board of Directors.</p>
2.1.5	The Board of Directors plays a key role in prevention, detection and resolution of internal conflicts between the Company's bodies,	1. The Board of Directors plays a key role in prevention, detection and resolution of internal conflicts.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	shareholders and employees.	2. The Company has created a system of identification of transactions related to a conflict of interests and a system of measures intended to resolve such conflicts.		
2.1.6	The Board of Directors plays a key role in ensuring that the Company is transparent, discloses information in full and in due course, and provides its shareholders with unhindered access to its documents.	1. The Board of Directors has approved a regulation on information policy. 2. The Company has appointed persons in charge of the implementation of the information policy.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.1.7	The Board of Directors monitors the Company's corporate governance practices and plays a key role in its material corporate events.	1. During the reporting period, the Board of Directors reviewed the corporate governance practices in the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.2.	The Board of Directors is accountable to the Company's shareholders.			
2.2.1.	Information about the Board of Directors' work is disclosed and provided to the shareholders.	1. The annual report of the Company for the reporting period includes information about the attendance of meetings of the Board of	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

		<p>Directors and Committees by individual directors.</p> <p>2. The annual report contains information about the main results of the evaluation of the work of the Board of Directors in the reporting period.</p>		
2.2.2	The chairman of the Board of Directors is available to communicate with the Company's shareholders.	1. In the Company there is a transparent procedure that enables the shareholders to send the Chairman of the Board of Directors issues and their position thereon.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.3.	The Board of Directors is an efficient and professional governing body of the Company, which is able to make objective and independent judgements and pass resolutions in the best interests of the Company and its shareholders.			
2.3.1	Only persons with impeccable business and personal reputation, having knowledge, skills and experience necessary to make decisions that fall within the competence of the Board of Directors and to perform all such functions efficiently, should be elected to the Board of Directors.	<p>1. The performance assessment procedure for the Board of Directors adopted in the Company includes the evaluation of professional qualifications of the Board members.</p> <p>2. In the reporting period, the Board of Directors (or its Nominations Committee) evaluated candidates nominated to the Board of Directors in terms of their experience, knowledge,</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

		business and personal reputation, absence of conflicts of interest etc.		
2.3.2	Members of the Board of Directors of the Company are elected pursuant to a transparent procedure enabling the shareholders to obtain information about candidates sufficient for them to get an idea of the candidates' personal and professional qualities.	1. In all cases of the general meeting of shareholders conducted in the reporting period the agenda of which included issues on election of the Board of Directors, the Company submitted biographical data on all candidates nominated to the Board of Directors, results of the evaluation of such candidates conducted by the Board of Directors (or its Nominations Committee), as well as information regarding the candidate's conformity with independence criteria in accordance with recommendations 102 - 107 of the Code and the candidates' written consent to be elected to the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.3.3	The composition of the Board of Directors is balanced, in particular in terms of qualifications, expertise and business skills and enjoys the confidence of the shareholders.	1. During the procedure of assessment of the work of the Board of Directors conducted in the reporting period, the Board of Directors analysed its composition in terms of qualifications, experience and expertise of its members.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

2.3.4	The composition of the Board of Directors of the Company enables the Board of Directors to organize its activities in the most efficient way possible, in particular, to create the possibility to form committees of the Board of Directors, as well as to enable substantial minority shareholders of the company to put forth a candidate to the Board of Directors for whom they vote.	1. During the procedure of assessment of the work of the Board of Directors conducted in the reporting period, the Board of Directors analysed the conformity of its composition to the needs of the Company and its shareholders.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.4. The Board of Directors should include a sufficient number of independent directors.				
2.4.1	An independent director should mean any person who has the required professional skills and expertise and is sufficiently able to have his/her own position and make objective and bona fide judgements, free from the influence of the Company's executive bodies, any individual group of its shareholders or other stakeholders. It should be noted that, under normal circumstances, a candidate (or an elected	1. During the reporting period all independent members of the Board of Directors answered all requirements of recommendations 102 - 107 of the Code or were deemed independent pursuant to a decision of the Board of Directors ² .	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

<p>director) may not be deemed to be independent, if he/she is associated with the Company, any of its substantial shareholders, material trading partners or competitors or the government.</p>			
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² The recognition of directors as independent meets the requirements established by the Listing Rules of the Moscow Exchange, with the requirements of the Corporate Governance Code of the Company, but partially does not comply with the requirements of the Corporate Governance Code recommended by the Bank of Russia in respect of a provision that does not allow for the recognition of a director as independent if he/she has a formal connection with the State (A. Chekunov).

2.4.2	<p>Evaluation is carried out of compliance of candidates nominated to the Board of Directors with the independence criteria and regular reviews are made of the compliance of independent members of the Board of Directors with independence criteria. When carrying out such evaluation, substance should take precedence over form.</p>	<p>1. During the reporting period the Board of Directors (or the Nominations Committee of the Board of Directors) issued an opinion regarding the independence of each candidate nominated to the Board and provided the shareholders with the appropriate conclusion.</p> <p>2. At least once in the reporting period the Board of Directors (or the Nominations Committee of the Board of Directors) evaluated the independence of current members of the Board of Directors indicated by the Company in the annual report as independent directors.</p> <p>3. The Company has developed procedures indicating the actions which must be taken by the Board of Directors member once he/she ceases to be independent including their obligation to inform the Board of Directors of these</p>	<p><input checked="" type="checkbox"/> observed</p> <p><input type="checkbox"/> partially -observed</p> <p><input type="checkbox"/> not observed</p>	
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		circumstances in a timely manner.		
2.4.3	Independent directors should account for at least one-third of all directors elected to the Board of Directors.	1. Independent directors should account for at least one-third of the composition of the Board of Directors.	<input type="checkbox"/> observed <input type="checkbox"/> partially -observed <input checked="" type="checkbox"/> not observed	<p>Regarding para. 1 the Company provides the following explanations:</p> <p>The number of independent members of the Board of Directors during the reporting period was less than 1/3 of the number of the Board of Directors, due to the fact that the Company does not affect the composition of the Board of Directors, since members of the Board of Directors are elected by shareholders at the meeting.</p> <p>However, the Nomination and Compensation Committee considered candidates to members of the Board of Directors in terms of their independence and this information was presented to shareholders as part of the Meeting materials.</p> <p>At the end of the reporting period, the Company had 4 independent directors (2 of which were completely independent and 2 were recognized as independent by the decision of the Board of Directors), which meets the requirements of the Moscow Exchange Listing Rules for the number of independent directors on the Board of Directors.</p> <p>In order to comply with this requirement in 2020, the Company will inform shareholders of the presence of independent candidates among candidates to the Board of Directors.</p> <p>If the Company fails to elect the sufficient number of independent directors for the meeting in 2020, the Company will consider the possibility of recognizing individual directors as independent directors by a decision of the Board of Directors.</p>

2.4.4	Independent directors play a key role in prevention of internal conflicts in the Company and performance by the latter of material corporate actions.	1. Independent directors (with no conflict of interest) preliminarily review material corporate actions related to a potential conflict of interest and the results of such evaluation should be made available to the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.5.	The Chairman of the Board of Directors helps to carry out the functions imposed thereon in a most efficient manner.			
2.5.1	The independent director is elected to the position of the chairman of the Board of Directors or among the Company's independent directors who would coordinate work of the independent directors and liaise with the chairman of the Board of Directors.	1. The Chairman of the Board of Directors is an independent director or a senior independent director who was appointed from among the independent directors. 2. The role, rights and responsibilities of the Chairman of the Board (and, if applicable, of the senior independent director) are clearly determined in the internal documents of the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	The Company chose an approach for electing a senior independent director, in view of the fact that during the reporting period Deputy Chairman of the Government of the Russian Federation - Plenipotentiary of the President in the Far Eastern Federal District Yu. Trutnev, representing the Russian Federation in the Company's Board of Directors, was elected as the Chairman of the Board of Directors.
2.5.2	The Chairman of the Board of Directors ensures that meetings are held in a constructive atmosphere and that any items on the meeting agenda are discussed	1. The performance of the Chairman of the Board of Directors was evaluated within the framework of the Board performance assessment	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	freely controls the execution of decisions, made by the Board of Directors.	procedure in the reporting period.		
2.5.3	The Chairman of the Board of Directors takes any and all measures as may be required to provide the members of the Board of Directors in a timely manner with information required to make decisions on issues of the agenda.	1. The obligation of the Chairman of the Board of Directors to take any and all measures to provide the members of the Board of Directors with information required to make decisions in a timely manner is stipulated in the internal documents of the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.6.	Board members act reasonably and in good faith in the best interests of the Company and its shareholders, being sufficiently informed, with due care and diligence.			
2.6.1	Acting reasonably and in good faith means that Board members make decisions considering all available information, in the absence of a conflict of interests, treating shareholders of the Company equally and assuming normal business risks.	1. Internal documents of the Company define that a Board member is obliged to notify the Board of Directors if he/she has a conflict of interests in relation to any issue of the agenda of the meeting of the Board of Directors or Committee of the Board of Directors before discussion beginning of the agenda issue.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

		<p>2. According to internal documents of the Company, the Board member should abstain from voting on any issues in which he/she has a conflict of interests.</p> <p>3. The Company provides a procedure enabling the Board members to receive, at the expense of the Company, professional advice on issues relating to the competence of the Board of Directors.</p>		
2.6.2	Rights and duties of the Board members are clearly stated and documented in the Company's internal documents.	1. The Company adopted and published an internal document whereby the rights and duties of the Board members are clearly stated.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.6.3	Board members should have sufficient time to perform their duties.	1. Individual attendance of the Board and committee meetings and time devoted to the preparation for the participation in meetings was considered during the procedure of assessment of the Board of	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

		<p>Directors in the reporting period.</p> <p>2. In accordance with internal documents of the Company, the Board members should notify the Company's Board of Directors of their intention to take a position in management bodies of other entities and (apart from subsidiaries and affiliates of the Company), as well as of the fact of such appointment.</p>		
2.6.4	<p>All Board members should have equal opportunity to access the Company's documents and information. Newly elected Board members should be provided with sufficient information about the Company and work of its Board of Directors as soon as possible.</p>	<p>1. In accordance with internal documents of the Company, the Board members have the right to obtain access to the documents and make requests concerning the Company and entities controlled by the Company and executive bodies of the Company are obliged to provide corresponding information and documents.</p>	<p><input checked="" type="checkbox"/> observed</p> <p><input type="checkbox"/> partially -observed</p> <p><input type="checkbox"/> not observed</p>	

		2. The Company has a formal induction program for newly elected Board members.		
2.7.	Meetings of the Board of Directors, preparation for them and participation of Board members therein should ensure efficient work of the Board.			
2.7.1	It is recommended to hold meetings of the Board of Directors as needed, with due account of the Company's scope of activities and its then current goals.	1. The Board of Directors held at least six meetings in the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.7.2	In internal documents of the Company a procedure for preparing for and holding of meetings of the Board of Directors is fixed, enabling the Board members to prepare themselves properly for the conduction of such meetings.	1. The Company has an internal document in place regulating the procedure of preparation and holding of Board meetings, which, inter alia, requires that the notice of a meeting must be made, as a rule, at least 5 days before the date of the meeting.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.7.3	The form of a meeting of the Board of Directors should be determined with due account of the importance of the issues on the agenda. Most important issues should	1. According to the Charter or an internal document of the Company, the most important issues (in accordance with the list provided in recommendation 168 of the Code) must be considered and	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	be decided at the meetings held in person.	decided at meetings held in person.		
2.7.4	Decisions on most important issues relating to the Company's business should be made at a meeting of the Board of Directors by a qualified majority vote or by a majority vote of all elected Board members.	1. According to the Charter of the Company, the most important issues as described by recommendation 170 of the Code must be decided by a qualified majority vote of at least three quarters of the votes or by a majority vote of all elected Board members.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.8.	The Board of Directors should form committees for preliminary consideration of the most important issues of the Company's business.			
2.8.1	For the purpose of preliminary consideration of any matters of control over the Company's financial and business activities, an audit committee is created comprised of independent directors.	<p>1. The Board of Directors formed an Audit Committee comprised exclusively of independent directors.</p> <p>2. The objectives of the audit committee, including the objectives listed in recommendation 172 of the Code, are determined in the internal documents of the Company.</p> <p>3. At least one member of the audit committee, who is an independent director, has experience and knowledge of preparation, analysis,</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	The requirement specified in Clause 3 of para. 2.8.1 is met by a member of the Board of Directors, V. Pivovarov, since he has experience in analysing accounting (financial) statements.

		<p>evaluation and audit of accounting (financial) statements.</p> <p>4. Meetings of the Audit Committee were held at least once every quarter during the reporting period.</p>		
2.8.2	<p>For the purpose of preliminary consideration of any matters of development of efficient and transparent remuneration practices, it is recommended to form a remuneration committee comprised of independent directors and chaired by an independent director who should not concurrently be the Board chairman.</p>	<p>1. The Board of Directors formed a Remuneration Committee comprised exclusively of independent directors.</p> <p>2. The Remuneration Committee is chaired by an independent director who is not the Board chairman at the same time.</p> <p>3. The objectives of the Remuneration Committee, including the objectives listed in recommendation 180 of the Code, are determined in the internal documents of the Company.</p>	<p><input checked="" type="checkbox"/> observed</p> <p><input type="checkbox"/> partially -observed</p> <p><input type="checkbox"/> not observed</p>	

2.8.3	For the purpose of preliminary consideration of any matters relating to human resources planning (making plans regarding successor directors), professional composition and work efficiency of the Board of Directors, the Nominating Committee is formed (a committee on nominations, human resources) with a majority of its members being independent directors.	<p>1. The Board of Directors formed the Nominations Committee (or its objectives indicated in recommendation 186 of the Code are implemented by a different committee), with a majority of its members being independent directors.</p> <p>2. The objectives of the Nominations Committee (or the relevant committee performing these functions) including the objectives indicated in recommendation 186 of the Code are determined in the internal documents of the Company.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.8.4	Taking into account activity scale and risk level the Board of Directors of the Company makes sure that the composition of its committees fully complies with the activity goals of the Company. Additional	1. In reporting period, the Board of Directors of the Company considered an issue of compliance of composition of its committees with the goals of the Board of Directors and activity goals of the Company. Additional committees were	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	committees were either formed, or were not deemed necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, committee on health, security and environment etc.).	either formed, or were not deemed necessary.		
2.8.5	The composition of the committees is determined in a way to allow a comprehensive discussion of issues being considered on a preliminary basis with due consideration of differing opinions.	<p>1. The Board committees are chaired by independent directors.</p> <p>2. In internal documents (policies) of the Company provisions are provided in accordance to which persons who are not members of the Audit Committee, Nominating Committee and Remuneration Committee, can attend meetings of committees only at the invitation of their chairmen.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Para. 1 is partially observed.</p> <p>Para. 2 is fully observed.</p> <p>Regarding para. 1, the Company provides the following explanations:</p> <p>In accordance with the requirements of the Company's Corporate Governance Code, the Committees should be headed by independent directors. The Audit Committee, the Nomination and Compensation Committee, and the Investment Committee are headed by independent directors.</p> <p>The Reliability, Energy Efficiency and Innovations Committee and the Committee on Energy Development of the Far East are narrow-focused committees that consider issues of territorial development and issues related to technical policy, reliable and</p>

				<p>safe operation of the Company's production facilities, energy conservation policy, and innovative and environmental policy.</p> <p>Given the specific features of the issues addressed by these Committees, the Chairman of the Committee shall primarily possess professional skills, experience in the operative sphere of the relevant Committee and other special knowledge.</p> <p>Having regard to the above, the members of the Committees were elected as Chairmen of the respective Committees based on their professional skills and experience in the relevant operative sphere of the Committees.</p> <p>The Strategy Committee is a special-purpose committee on issues of strategic development of the Company, which by the orders of the Government of the Russian Federation, Board of Directors of the Company preliminarily considers strategic and other significant transactions of RusHydro Group, issues of priority directions of development of RusHydro Group and other significant issues of activity.</p> <p>Taking into account specificities of issues considered by the Strategy Committee, the Chairman of the Committee is more interested in professional skills, experience in working with the Government of the Russian Federation and federal executive bodies, experience in the Committee's sphere of activity and other special knowledge.</p> <p>In connection with the abovementioned, I. Zadvornov was elected Chairman of the Strategy Committee (Head of the Secretariat of the Deputy Chairman of the Government of the Russian Federation - Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District Yu.</p>
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				<p>Trutnev), whose professional skills and work experience allow effective interaction of committee members who are representatives of executive authorities, business and independent directors, to form recommendation to the Board of Directors of the Company when considering strategic issues for the development of the Company.</p> <p>If possible, in 2019 the Company plans to consider the possibility of electing an independent director as the Chairman of the Strategy Committee.</p>
2.8.6	Committee chairmen inform the Board of Directors and its chairman of the work of their committees on a regular basis.	1. During the reporting period chairmen of the Board committees presented regular reports to the Board of Directors on their activities.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.9.	The Board of Directors makes an exhaustive evaluation of the quality of its work and that of its committees and Board members.			
2.9.1	Evaluation of quality of the Board of Directors' work is aimed at determining how efficiently the Board of Directors, its committees and Board members work and whether their work meets the Company's needs, as well as at making their work more	<p>1. Self-evaluation or external evaluation of the work of the Board of Directors in the reporting period included the evaluation of the work of the Board committees, separate members of the Board of Directors and of the Board of Directors as a whole.</p> <p>2. The results of the self-evaluation or external</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	intensive and identifying areas of improvement.	evaluation of the Board of Directors in the reporting period were reviewed by the Board of Directors at meetings held in person.		
2.9.2	Quality of work of the Board of Directors, its committees and Board members is evaluated on a regular basis, at least once a year. To carry out an independent evaluation of the quality of the Board of Directors' work, an external organization (consultant) is engaged on a regular basis, at least once every three years.	1. An external organization (consultant) was engaged to carry out independent evaluation of the work quality of the Board of Directors at least once in the last three reporting periods.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
3.1.	The Company's corporate secretary carries out efficient interaction with its shareholders, coordination of the Company's actions designed to protect the rights and interests of its shareholders and support of efficient work of its Board of directors.			
3.1.1	The corporate secretary possesses knowledge, experience and qualifications sufficient for performance of his/her duties, as well as an impeccable reputation and	1. The Company has adopted and disclosed an internal document – regulation on the corporate secretary. 2. The Company disclosed on its website and in its annual	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	enjoys the trust of the shareholders.	report information on the corporate secretary which is as detailed as that required to be disclosed in relation to the Board members and members of the executive bodies of the Company.		
3.1.2	The corporate secretary has sufficient independence from the Company's executive bodies and possesses necessary powers and resources required to perform his/her tasks.	1. The Board of Directors approves the appointment, termination of appointment and additional remuneration of the corporate secretary.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
4.1.	The level of remuneration paid by the Company is sufficient to enable it to attract, motivate and retain persons having required skills and qualifications. Remuneration due to the Board members, the executive bodies and other key managers of the Company is paid in accordance with a remuneration policy approved by the Company.			
4.1.1	The level of remuneration paid by the Company to its Board members, executive bodies, and other key managers creates sufficient motivation for them to work efficiently and enables the Company to attract and retain knowledgeable skilled and duly qualified persons.	1. The Company has adopted an internal document (documents) – a remuneration policy (policies) in relation to its Board members, members of executive bodies and other key managers whereby the approaches to the remuneration of the indicated persons are clearly determined.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1, the Company provides the following explanations:</p> <p>Since the category of "other key managers" was not defined and not approved by the Board of Directors, the Remuneration and Compensation Policy was not approved by the Board of Directors for this category of employees.</p>

	The Company avoids setting the level of remuneration any higher than necessary, nor allowing for an excessively large gap between the level of remuneration of any of the above persons and that of the Company's employees.			
4.1.2	The Company's remuneration policy was developed by its Remuneration Committee and approved by the Board of Directors of the Company. With the help of its Remuneration Committee, the Board of Directors should monitor implementation of, and compliance with the remuneration policy by the Company and, should this be necessary, review and amend the same.	1. During the reporting period the Remuneration Committee reviewed the remuneration policy (policies), and the practice of its (their) implementation and, if necessary, provided the Board of Directors with the relevant recommendations.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1, the Company provides the following explanations:</p> <p>The Company's remuneration policy was developed by the Nomination and Compensation Committee and approved by the Company's Board of Directors in 2016 and is implemented since 2017. The Board of Directors with the support of the Remuneration Committee, should this be necessary, reviews and amends the same. During the reporting period, the Nomination and Compensation Committee submitted relevant recommendations to the Board of Directors.</p>

4.1.3	The Company's remuneration policy should provide for transparent mechanisms to be used to determine the amount of remuneration due to members of the Board of Directors, the executive bodies and other key managers of the Company, as well as to regulate any and all types of payments, benefits and privileges provided to any of the above persons.	1. The remuneration policy (policies) of the Company contains (contain) transparent mechanisms to be used to determine the amount of remuneration due to members of the Board of Directors, executive bodies and other key managers of the Company and regulates (regulate) all types of payments, benefits and privileges provided to any of the indicated persons.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1, the Company provides the following explanations:</p> <p>Since the category of "other key managers" was not defined and not approved by the Board of Directors, the Remuneration and Compensation Policy was not approved by the Board of Directors for this category of employees.</p> <p>The Remuneration and Compensation Policy of all employees of the Company has been determined with due account to the principles of the Remuneration and Compensation Policy for members of the Company's executive bodies approved by the Board of Directors and contains transparent mechanisms for determining the amount of remuneration, as well as regulates all types of payments and benefits.</p>
4.1.4	The Company develops a policy on reimbursement of expenses which would contain a list of reimbursable expenses and specify service levels provided to members of the Board of Directors, the executive bodies, and other key managers of the Company. Such policy can form a part of the	1. In the remuneration policy (policies) of the Company or in other internal documents of the Company the rules of reimbursement of expenses of the Board members, members of executive bodies and other key managers of the Company are set forth.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1, the Company provides the following explanations: Since the category of "key managers" was not defined and not approved by the Board of Directors, the Remuneration and Compensation Policy was not approved by the Board of Directors for this category of employees.</p> <p>The Remuneration and Compensation Policy of all employees of the Company has been determined with due account to the principles of the Remuneration and Compensation Policy for the members of the Company's executive bodies approved by the Board of Directors.</p>

	Company's policy on compensations.			
4.2.	The system of remuneration of the Board members should ensure harmony between the financial interests of the directors and the long-term financial interests of the shareholders.			
4.2.1	<p>A fixed annual remuneration is paid out to the Board members by the Company. The Company does not pay remuneration for participation in individual meetings of the Board of Directors or its committees.</p> <p>The Company does not use any form of short-term incentives or additional financial incentives in respect of the Board members.</p>	1. A fixed annual remuneration has been the only form of monetary remuneration of the Board members for their services in the Board of Directors in the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
4.2.2	Long-term ownership of shares in the Company contributes most to aligning the financial interests of the Board members with the long-term interests of the	1. If internal document (documents) - policy (policies) on remuneration of the Company stipulate provision of shares of the Company to the Board members clear rules regulating the ownership of	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1, the Company shall provide the following explanations:</p> <p>Not applicable. The Company does not use remuneration by equities.</p>

	Company's shareholders. However, the Company does not stipulate the right to dispose of shares dependent on the achievement, nor the Board members take part in the Company's option plans.	shares by the Board members should be set out, aimed at stimulation of long-term ownership of such shares.		
4.2.3	The Company does not provide any additional allowance or compensation in the event of early dismissal of the Board members in connection with a change of control over the Company or other circumstances.	1. The Company does not provide any additional allowance or compensation in the event of early dismissal of Board members in connection with a change of control over the Company or other circumstances.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
4.3.	The system of remuneration of the members of executive bodies and other key managers of the Company provides that their remuneration is dependent on the Company's performance results and their personal contributions to the achievement thereof.			
4.3.1	Remuneration of members of the executive bodies and other key managers of the Company is set out in such a way as to procure a reasonable and justified ratio between its fixed portion and its variable portion	1. In the reporting period, annual key performance indicators approved by the Board of Directors were used to determine the amount of variable remuneration of members of executive bodies	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1-3, the Company shall provide the following explanations:</p> <p>Since the category of "other key managers" was not defined and not approved by the Board of Directors, the Remuneration and Compensation Policy was not approved by the Board of Directors for this category of employees. Annual performance indicators established by the Board of Directors for the members of the</p>

	that is dependent on the Company's performance results and employees' personal (individual) contributions to the achievement thereof.	<p>and other key managers of the Company.</p> <p>2. During the last evaluation of the system of remuneration of the members of executive bodies and other key managers of the Company the Board of Directors (Remuneration Committee) made sure that the Company used an effective ratio between the fixed and variable remuneration.</p> <p>3. The Company has a procedure ensuring that any bonus funds wrongfully obtained by the members of executive bodies or managers are repaid to the Company.</p>		<p>Company's executive bodies are used in determining the size of the variable remuneration of all Company's employees.</p> <p>Regarding para. 3, the Company shall provide the following explanations:</p> <p>All bonus payments to members of executive bodies are made in accordance with the Remuneration Policy approved by the Company's Board of Directors.</p> <p>The Regulations on Remuneration and Labor Contracts of the executive bodies contain provisions stipulating the possibility to offset the losses incurred by the Company.</p> <p>Moreover, in the context of the existing provisions of the labor legislation, the establishment of formal mechanisms for the return of bonus payments illegally received by the members of the executive bodies is difficult to implement.</p>
4.3.2	The Company put in place a long-term incentive program for the Company's executive bodies and other key managers involving the Company's shares (options or other	1. The Company has put in place a long-term incentive program for the Company's executive bodies and other key managers of the Company involving the Company's shares (financial instruments for which	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1, the Company shall provide the following explanations:</p> <p>Since the category of "other key managers" was not defined and not approved by the Board of Directors, the Remuneration and Compensation Policy was not approved by the Board of Directors for this category of employees.</p>

	<p>derivative financial instruments the underlying assets for which are the Company's shares).</p>	<p>the Company's shares are the underlying assets).</p> <p>2. The long-term incentive program of the members of executive bodies and other key managers provides that the right to dispose of shares or exercise options shall arise no earlier than in three years from the date when such shares were provided. In addition, the right to dispose of the same should be made conditional on the achievement of certain targets by the Company.</p>		<p>The Company's managers may be included into this Program by a separate decision of the Board of Directors regarding the recommendations of the Nomination and Compensation Committee.</p>
4.3.3	<p>The amount of severance pay (so-called "golden parachute") payable by the Company in the event of early dismissal of an executive body or other key managers at the initiative of the Company, provided that there have been no bad faith actions on the part of such person, should not exceed double the fixed portion</p>	<p>1. The amount of severance pay (golden parachute) payable by the Company in the event of early dismissal of an executive or other key manager at the initiative of the Company, provided that there have been no bad faith actions in the reporting period on the part of such persons, did not exceed double size of the fixed part of the portion of his/her annual remuneration.</p>	<p><input checked="" type="checkbox"/> observed</p> <p><input type="checkbox"/> partially -observed</p> <p><input type="checkbox"/> not observed</p>	<p>Regarding para. 1, the Company shall provide the following explanations:</p> <p>Since the category of "other key managers" was not defined and not approved by the Board of Directors, the Remuneration and Compensation Policy was not approved by the Board of Directors for this category of employees.</p> <p>"Golden parachutes" in the Company are provided not for all categories of workers.</p>

	of his/her annual remuneration.			
5.1.	The Company created an efficiently functioning risk management and internal control system designed to provide reasonable confidence that the Company's goals will be achieved.			
5.1.1	The Board of Directors determined the principles of and approaches to the creation of the risk management and internal control system in the Company.	1. The functions of various governance bodies and divisions of the Company in the risk management and internal control system are clearly determined in the internal documents/correspondent policy of the Company approved by the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
5.1.2	The Company's executive bodies ensure the establishment and continuing operation of the efficient risk management and internal control system in the Company.	1. The Company's executive bodies ensured the distribution of functions and powers in relation to risk management and internal control among managers (heads) of divisions and departments subordinate to them.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
5.1.3	The Company's risk management and internal control system provides objective, fair and clear view of the current	1. The Company has a corruption prevention policy in place.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	condition and prospects of the Company, integrity and transparency of its accounts and reports, reasonableness and acceptability of risks being assumed by the Company.	2. The Company has developed a procedure of informing the Board of Directors or the Audit Committee of the Board of Directors of violations of the law, internal procedures and the ethics code of the Company.		
5.1.4	The Board of Directors is recommended to take required and sufficient measures to guarantee that the existing risk management and internal control system of the Company is consistent with the principles of and approaches to its creation as set forth by the Board of Directors and that it operates efficiently.	1. During the reporting period, the Board of Directors or the Audit Committee of the Board reviewed the efficiency of the risk management and internal control system of the Company. The results of such review were included as a part of the annual report of the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
5.2.	For systematic and independent evaluation of reliability and efficiency of the risk management and internal control system and corporate governance practices, the Company arranges internal audits.			
5.2.1	For conduction of internal audits in the Company a separate structural division was created or independent third-party	1. A separate structural division of internal audit was created in the Company that reports directly to the Board of Directors or the Audit	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	entity was engaged. Functional and administrative reporting of the internal audit department are separate. Functionally, the internal audit department is subordinate to the Board of Directors.	Committee or an external independent organization with the same reporting status was engaged.		
5.2.2	Structural division of internal audit carries out evaluation of the efficiency of the internal control system, evaluation of the risk management system, as well as corporate governance system. The Company applies generally accepted standards of internal auditing.	1. In the reporting period, within the framework of internal audit procedures, the efficiency of the internal control system and the risk management system was evaluated. 2. The Company uses generally accepted approaches to internal control and risk management.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
6.1.	The Company and its activities should be transparent to its shareholders, investors, and other stakeholders.			
6.1.1	The Company developed and implemented an information policy enabling the Company to efficiently exchange information with its	1. The Board of Directors of the Company approved the information policy developed in compliance with the recommendations of the Code.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	shareholders, investors, and other stakeholders.	2. The Board of Directors (or one of its committees) reviewed the Company's compliance with the information policy at least once in the reporting period.		
6.1.2	The Company discloses information on its corporate governance system and practices, including detailed information on compliance with the principles and recommendations of the Code.	<p>1. The Company discloses information on its corporate governance system and the general corporate governance principles applied in the Company, including on its official website.</p> <p>2. The Company discloses information regarding the composition of its executive bodies and the Board of Directors, independence of the Board members and their membership in the Board committees (in compliance with the Code).</p> <p>3. If there is a person who controls the Company, the Company publishes the</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 3, the Company shall provide the following explanations:</p> <p>According to the information provided by the Federal Agency for State Property Management (Rosimushchestvo), the Company's controlling entity, the Russian Federation represented by the Federal Agency for State Property Management (Rosimushchestvo), did not prepare a separate memorandum on the plans for the Company.</p> <p>Information about this, along with the information about the inclusion of the Company into certain program documents of the Russian Federation, is disclosed on the Company's website at http://www.rushydro.ru/investors/stockmarket/capital/svedeniya-o-nalichii-memoranduma-o-planakh-kontroliruyushchego-obshchestvo-litsa-v-otnoshenie-obshch/</p>

		memorandum of the controlling entity with regard to his/her plans concerning corporate governance in the Company.		
6.2.	The Company discloses, on a timely basis, full, updated and reliable information about itself so as to enable its shareholders and investors to make informed decisions.			
6.2.1	The Company discloses information in accordance with the principles of regularity, consistency and timeliness, as well as accessibility, reliability, completeness and comparability of the disclosed data.	<p>1. The information policy of the Company determines the approaches and criteria of identifying information which may substantially affect the standing of the Company and the value of its securities and procedures which ensure that such information is disclosed in a timely manner.</p> <p>2. If the Company's securities are traded on international organized markets, material information is disclosed both in the Russian Federation and on such markets in the same amount and at the same time within the reporting period.</p> <p>3. If foreign shareholders own a substantial number of shares</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

		in the Company, the Company discloses information not only in Russian, but in one of the most commonly-used foreign languages as well.		
6.2.2	The Company is advised against using a formalistic approach to information disclosure and discloses material information on its activities, even if disclosure of such information is not required by law.	<p>1. During the course of the reporting period, the Company disclosed annual and semiannual financial statements prepared in compliance with IFRS. The annual report of the Company for the reporting period contains annual financial IFRS statements and the relevant audit report.</p> <p>2. The Company discloses full information about the structure of the capital of the Company in compliance with Recommendation 290 of the Code in the annual report and on the website of the Company in the Internet.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
6.2.3	The Company's annual report, as one of the most important tools of its information exchange	1. The annual report of the Company contains information about the key aspects of the	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed	

	with its shareholders and other stakeholders, contains information enabling one to evaluate the Company's performance results for the year.	Company's operational activities and financial results. 2. The annual report of the Company contains information about the environmental and social aspects of the Company's activities.	<input type="checkbox"/> not observed	
6.3.	The Company should provide information and documents requested by its shareholders in accordance with the principle of equal and unhindered accessibility.			
6.3.1	Provision of information and documents by the Company upon the request of the shareholders is carried out in accordance with the principles of equal availability and easiness.	1. Informational policy of the Company defines unburdensome procedure of information provision to shareholders, including information about the entities controlled by the Company, upon their request.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
6.3.2	When providing information to its shareholders, the Company should maintain a reasonable balance between the interests of individual shareholders and its own interests related to the fact that the Company is interested	1. During the reporting period, the Company did not deny shareholders' requests to provide information or such refusals were justified. 2. In cases specified in the information policy of the Company, the shareholders are	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	in keeping confidential sensitive business information that might have a material impact on its competitiveness.	warned of the confidential nature of the information and undertake to protect its confidentiality.		
7.1.	Any actions, which will or may materially affect the Company's share capital structure and its financial position and, accordingly, the position of its shareholders (material corporate actions) should be taken on fair terms and conditions ensuring that the rights and interests of the shareholders, as well as other stakeholders, are observed.			
7.1.1	Material corporate actions are deemed to include reorganization of the Company, acquisition of 30 or more percent of its voting shares (takeover), entering by the Company into any material transactions, increase or decrease of its authorized capital, listing and de-listing of its shares, as well as other actions which might result in material changes in the rights of its shareholders or violation of their interests. The Charter of the Company defines the list (criteria) of transactions or other actions falling within the	<p>1. The Company's Charter defines a list of transactions or other actions falling within the category of material corporate actions and criteria for their definition. Making decisions on any such material corporate actions falls within the competence of the Company's Board of Directors. In cases when the indicated actions are within the purview of the general meeting of shareholders in compliance with the requirements of the law, the Board of Directors issues recommendations to the shareholders.</p> <p>2. The Charter of the Company determines the following</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	category of material corporate actions, and such actions fall within the competence of the Company's Board of Directors.	actions as material corporate actions: reorganization of the Company, acquisition of 30 or more percent of voting shares (takeover), major transactions made by the Company, increase or decrease of the authorized capital of the Company, as well as listing or de-listing of the Company's shares.		
7.1.2	The Board of Directors plays a key role in passing resolutions or making recommendations relating to material corporate actions, the Board of Directors relies on the position of the Company's independent directors.	1. The Company has a procedure in place whereby independent directors state their position on material corporate actions prior to their approval.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
7.1.3	When material corporate actions affecting the rights or legitimate interests of the Company's shareholders are performed, equal terms and conditions are ensured for all of the shareholders and if statutory mechanisms	1. The Company's Charter, taking into account peculiarities of its activities, establishes lower criteria than those specified under the law for the categorization of the Company's transactions as material corporate actions.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	designed to protect the shareholder rights prove to be insufficient for that purpose, additional measures are taken with a view to protect the rights and legitimate interests of the Company's shareholders. In such instances, the Company is guided not only by compliance with the formal requirements of law but also by the principles of corporate governance set out in this Code.	2. During the reporting period, all material corporate actions were subject to approval prior to their execution.		
7.2.	The Company provides such a procedure for performing any material corporate actions that enables its shareholders to receive full information about such actions in due course and thus be in a position to influence them, and guarantees that the shareholders' rights are observed and duly protected in the event of performing such actions.			
7.2.1	Information about execution of material corporate actions is disclosed with explanations concerning reasons for, conditions and consequences of such actions.	1. Within the reporting period, the Company disclosed information about its material corporate actions in a timely manner and in detail, including foundations and terms of such actions.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	Regarding para. 1, the Company shall provide the following explanations: During the reporting period, there were no extraordinary significant corporate actions that required, in the opinion of the Company, additional disclosure.
7.2.2	Rules and procedures in relation to material	1. The Company's internal documents specify a procedure	<input type="checkbox"/> observed	Paras. 1 and 2 are fully observed.

	<p>corporate actions performed by the Company are set out in its internal documents.</p>	<p>for the engagement of services of an independent appraiser to determine the value of the property being transferred or acquired under a major transaction or an interested-party transaction.</p> <p>2. The Company's internal documents specify a procedure for the engagement of the independent appraiser to determine the purchase or buyback value of the shares of the Company.</p> <p>3. Internal documents of the Company provide an extended list of grounds on which members of the Board of Directors and other parties stipulated by the legislation are considered interested in the transactions of the Company.</p>	<p><input checked="" type="checkbox"/> partially -observed</p> <p><input type="checkbox"/> not observed</p>	<p>Para. 3 is partially observed.</p> <p>Regarding para. 3, the Company shall provide the following explanations:</p> <p>Since January 1, 2017, amendments to the legislation regarding interested-party transactions have come into force, that completely revise the approaches to the approval of interested-party transactions. The indicated changes tend to liberalize the regulation of interested-party transactions.</p> <p>Accordingly, it is impossible to include in the Company's Charter an extended list of grounds (different from that prescribed in the Law On Joint-Stock Companies), on which members of the Board of Directors and other individuals provided for by the law, are deemed to be interested in the Company's transactions.</p> <p>To implement this recommendation, at the General Meeting in 2020, shareholders will be proposed not to expand the list of grounds for being deemed an interested party, but rather to add a separate ground to the Charter for approving transactions in which the party or beneficiary is a legal entity where members of the Company's Board of Directors or Management Board hold positions vested with management authority (except for positions in governing bodies).</p>
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