

APPROVED
by resolution of the Board of Directors
of RusHydro on April 04, 2022
(Minutes No. 342 dated April 05, 2022)

POLICY
OF HOLDING SHARES OF RUSHYDRO AND SHARES
(STAKES) IN ORGANIZATIONS CONTROLLED BY
RUSHYDRO BY MEMBERS OF THE BOARD OF
DIRECTORS AND MEMBERS OF THE MANAGEMENT
BOARD
(new edition)

2022

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GLOSSARY

- Company's Shares - ordinary shares of RusHydro, as well as securities placed in accordance with foreign law that certify rights to ordinary shares of RusHydro (depository receipts).
- Shares in Controlled Organizations - shares in organizations controlled by the Company including those not recognized as shares by the Russian law, but recognized as shares by the law of the country of registration (incorporation) of the relevant controlled organization.
- Stakes in Controlled Organizations - stakes in the authorized capital of controlled organizations, including those not recognized as stakes by the Russian law, but recognized as stakes by the law of the country of registration (incorporation) of the relevant controlled organization, as well as similar stakes in the authorized capital in accordance with the law of the country of registration (incorporation) of the relevant controlled organization.
- Closed Period - a period of time equal to 30 calendar days prior to publication of the Company's annual report, annual and interim accounting (financial) statements of the Company, consolidated financial statements of the Company for the year and for the 6 months of the reporting year.
The up-to-date schedule of disclosure of the Company's financial results is published on the Company's corporate website.
Pursuant to the rules of the London Stock Exchange, the Company's annual report shall be published on the Internet no later than 4 months after the end of the financial year and before the date of its approval at the Annual General Meeting of Shareholders of the Company.
- Control over Organization - the right, directly or indirectly (through controlled persons) to dispose, by virtue of participation in the controlled organization and (or) on the basis of property trust agreements, and (or) simple partnership, and (or) assignment, and (or) shareholder agreement, and (or) other agreement, the subject of which is the exercise of rights, certified by shares (stakes) of the controlled organization, more than 50 percent of the votes in the supreme executive body of the controlled organization or the right to appoint (elect) the sole executive body and (or) more than 50 percent of the collegial management body of the controlled organization.
- Independent Director - a member of the RusHydro Board of Directors who meets the independence criteria (including being recognized as an Independent Director by resolution of the Company's Board of Directors) set forth in the RusHydro Corporate Governance Code, the Listing Rules of PJSC Moscow Exchange, and other external requirements applied by the Company.
- Company - RusHydro.

- Policy - the restated Policy of Holding Shares of Rushydro and Shares (Stakes) in Organizations Controlled by Rushydro by Members of the Board of Directors and Members of the Management Board.
- Controlled Organizations - pursuant to the terminology of Federal Law of 22.04.1996 No. 39-FZ “On the Securities Market.”
- Derivative Financial Instrument - pursuant to the terminology of Federal Law of 22.04.1996 No. 39-FZ “On the Securities Market.”
- Person Connected with a Member of the Board of Directors or a Member of the Management Board -
 - (a) the spouse or partner of a member of the Board of Directors or a member of the Management Board who is considered equivalent to the spouse under the personal law of the member of the Board of Directors or the Management Board;
 - (b) children of a member of the Board of Directors or a member of the Management Board, including adopted children under 18 years of age;
 - (c) a relative of a member of the Board of Directors or a member of the Management Board who has lived with him/her for at least 1 year as of the date of the relevant transaction with the Company’s securities specified in this Policy;
 - (d) a legal entity managerial functions of which are exercised by a member of the Board of Directors or a member of the Management Board or a person referred to in paragraphs a), b) or c), or an entity which is directly or indirectly (through controlled organizations) controlled by one of such persons or jointly, or which is established in the interests of such persons or whose economic interests are substantially equivalent to the economic interests of such persons;
 - (e) parents, adoptive parents, full and half brothers and sisters, grandparents, and any other person living together with a member of the Board of Directors or a member of the Management Board and keeping a common household with him/her.
- Hedging - transactions (a set of transactions) with derivative financial instruments (including different types) performed in order to reduce (compensate) unfavorable consequences for the hedger (fully or partially) caused by the occurrence of loss, loss of profit, decrease in revenue, decrease in market value of property, including property rights (claims), increase in liabilities of the hedger due to changes in price, interest rate, currency exchange rate, including the foreign exchange rate to the currency of the Russian Federation, or other indicator (set of indicators) of the hedged item (items).

1. General Provisions

1.1. This Policy is an internal document of the Company which defines the rules and restrictions imposed by the Company on the ownership of shares and stakes in controlled organizations by members of the Board of Directors and members of the Management Board.

1.2. This Policy is aimed at:

- achievement and maintenance of a high level of corporate governance by the Company;
- the Company's compliance with the liabilities arising from the listing of shares and depositary receipts;
- increasing the efficiency and transparency of the Company's Board of Directors and Management Board.

1.3. To achieve the goals specified in clause 1.2 of this Policy, the following tasks are addressed:

- Establishing rules and regulations concerning ownership of the Company's shares, shares and stakes in controlled organizations that are understandable and clear to members of the Board of Directors, members of the Management Board and third parties;
- establishing procedures for informing on transactions with shares/stakes;
- establishing procedures for monitoring the implementation of this Policy;
- applying the best corporate governance practices.

1.4. The requirements of this Policy are mandatory for members of the Company's Board of Directors and members of the Management Board.

Candidates to members of the Board of Directors shall, in case they are elected to the Board of Directors of the Company, comply with this Policy, thus they undertake the liabilities stipulated by this Policy by signing the respective consent.

1.5. The rules and restrictions set forth in this Policy shall extend to persons connected with members of the Board of Directors and members of the Management Board.

Members of the Board of Directors and members of the Management Board shall independently ensure compliance with the requirements of this Policy by the persons connected with them.

1.6. This Policy and all amendments to it shall be approved by the Board of Directors of the Company.

1.7. This Policy incorporates and applies the principles and requirements of:

- Federal Law of 26.12.1995 No. 208-FZ "On Joint Stock Companies";
- Federal Law of 22.04.1996 No. 39-FZ "On the Securities Market";
- Federal Law of 27.07.2010 No. 224-FZ "On Counteracting the Illegitimate Use of Insider Information and Manipulation of the Market, and on Making Amendments to Separate Legislative Acts of the Russian Federation";
- the Corporate Governance Code recommended by the Bank of Russia for applying by joint stock companies, whose securities are admitted to organized trading (Letter of the Central Bank of the Russian Federation of 10.04.2014 No. 06-52/2463 "On the Corporate Governance Code");
- the UK Corporate Governance Code;
- (EU) Regulation of 16.04.2014 No. 596/2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC;
- the Regulation on the Convening and Holding Meetings of the RusHydro Board of Directors;
- the RusHydro Corporate Governance Code;
- the RusHydro Regulation on the Insider Information.

1.8. This Policy shall be published on the Company's corporate site on the Internet.

2. Ownership of Company's Shares

2.1. The Company is interested in reconciling the long-term interests of members of the Board of Directors with the long-term interests of shareholders, and in this regard, ownership of the Company's shares by members of the Board of Directors is generally welcomed by the Company, provided that the provisions of this Policy are complied with.

2.2. The Regulation on the Payment of Remuneration and Allowance to Members of the RusHydro Board of Directors does not stipulate payment of remuneration in the form of the Company's shares however it does not prevent members of the Board of Directors from allocating part of their remuneration to purchase the Company's shares.

2.3. Members of the Board of Directors and members of the Management Board are prohibited from applying hedging instruments in respect of the Company's shares upon their acquisition and for the period of holding the Company's shares.

2.4. The Company advises members of the Board of Directors and members of the Management Board against entering into transactions and holding derivative financial instruments in which the Company's shares are the basic asset.

2.5. The Company deems it appropriate for a member of the Board of Directors and a member of the Management Board to buy and sell shares in an organized auction.

In case a member of the Board of Directors or a member of the Management Board performs over-the-counter transactions of purchase and sale of shares, the terms of such transactions must be market-based – the price must correspond to stock exchange quotations, other terms must correspond to generally accepted terms of purchase and sale of shares.

The terms, timing and circumstances of over-the-counter transactions must not harm the reputation of either a member of the Board of Directors or a member of the Management Board, or the reputation of the Company.

2.6. Members of the Board of Directors and members of the Management Board holding Company's shares shall exercise voting rights, pre-emptive rights, rights to demand redemption, rights to receive dividends on a common basis.

The transfer of voting rights to third parties during the period of holding the shares and the receipt of voting rights from third parties are undesirable.

2.7. The Company is neutral towards entering by a member of the Board of Directors or a member of the Management Board into shareholder agreements with other shareholders, provided that this does not harm the interests of shareholders and the interests of the Company, and does not entail corporate conflicts or conflicts of interest.

Joint actions of a member of the Board of Directors or a member of the Management Board and persons with whom he/she has entered into shareholder agreements to make transactions with Company's shares must comply with this Policy.

A member of the Board of Directors and a member of the Management Board shall independently ensure compliance with the requirements of this Policy by such persons.

2.8. Ownership of the Company's shares by members of the Board of Directors shall not create a conflict of interest for members of the Board of Directors in performing their functions as members of the Board of Directors.

In the event of a conflict of interest, a member of the Board of Directors shall be guided by the interests of the Company and shall comply with the requirements for conflict of interest situations stipulated in the Regulation on the Convening and Holding Meetings of the RusHydro Board of Directors.

2.9. Independent Directors shall be entitled to own shares equally with other members of the Board of Directors, but insofar as such ownership does not affect the objectivity and independence of their judgment and decision-making.

An Independent Director and (or) persons connected with him/her who intend to become owners of the Company's shares, or beneficiaries¹ of the Company's shares which constitute more than 1 percent of the share capital or the total number of the Company's voting shares or the market value of which exceeds 20 times the annual fixed (base) remuneration of a Board member, must be aware that this leads to the loss of the Independent Director's status.

Such acquisition is possible only after the Company has prevented possible negative consequences for the Company (non-compliance with listing rules, rating decrease, etc.).

The Company shall, within 15 calendar days as of receipt of a notice from an Independent Director of his/her intention to acquire shares in the Company, notify the Independent Director of possible negative consequences for the Company caused by the loss of the Independent Director's status by one of members of the Board of Directors and of the time frame necessary for the Company to prevent such consequences.

2.10. Members of the Board of Directors, members of the Management Board and persons connected with them are prohibited from performing transactions with the Company's shares during the Closed Period.

The Company may permit members of the Board of Directors, members of the Management Board and persons connected with them to make transactions with the Company's shares during the Closed Period on an individual basis due to exceptional circumstances, such as serious financial difficulties which require an immediate sale of shares.

3. Ownership of Shares and Stakes in Organizations Controlled by Company

3.1. The Company admits that a member of the Board of Directors or a member of the Management Board may become an owner of shares or stakes in the controlled organizations before being elected as a member of the Board of Directors or a member of the Management Board respectively, or acquire them against his/her will (conversion, etc.), or acquire them before the relevant legal entity is recognized as a controlled organization or before this Policy is approved.

3.2. Whereas the value of shares and stakes in controlled organizations owned by the Company affects the value of shares of the Company itself, ownership of shares by a member of the Board of Directors is sufficient to motivate him/her to act in the interests of the Company, and in contrast, ownership of shares and stakes of certain controlled organizations may motivate him/her to act only in the interests of such a controlled organization.

In this regard, the acquisition by members of the Board of Directors of shares and stakes in controlled organizations, as well as derivative financial instruments in which shares and stakes in controlled organizations are the basic assets, is considered by the Company as undesirable, despite the absence of a prohibition.

The acquisition by members of the Management Board of shares and stakes in controlled organizations, as well as derivative financial instruments in which shares and stakes in controlled organizations are the basic assets, is undesirable.

3.3. In the event of a conflict of interest due to the ownership by a member of the Board of Directors of shares and stakes in controlled organizations, such member of the Board of Directors shall be guided by the interests of the Company and shall comply with the requirements for conflict of interest situations stipulated in the Regulation on the Convening and Holding Meetings of the RusHydro Board of Directors.

¹ A beneficiary of the Company's shares means an individual who, by virtue of participation in the Company, on the basis of an agreement or otherwise, derives economic benefits from holding shares and (or) disposing of votes attributable to the shares comprising the Company's authorized capital

4. Notices and Monitoring

4.1. Members of the Board of Directors and members of the Management Board shall notify the Company of transactions with the Company's shares performed by them and (or) signing agreements which are derivative financial instruments and the price of which depends on such securities in the manner and within the time frame stipulated by law.

4.2. Members of the Board of Directors, members of the Management Board and persons connected with them must notify the Financial Conduct Authority (FCA)¹ and the Company² of all transactions with the Company's shares performed by them after the total amount of previously performed transactions has reached 5,000 Euro³ for a calendar year.

The threshold of 5,000 Euro is calculated by way of summing up all transactions with the Company's shares made by a member of the Board of Directors, a member of the Management Board or persons connected with them during a calendar year. This notification must be sent to the FCA and the Company within Three (3) business days from the date of the relevant transaction.

4.3. Members of the Board of Directors and members of the Management Board must notify their Connected Persons of the obligations and restrictions set forth in clauses 2.10 and 4.2 of this Policy and notify the Company via the Corporate Secretary of the Company of such notification within the following terms:

- not later than 15 days from the date of approval of this Policy;
- not later than 15 days from the date of appearance of Connected Persons who have not been notified of these obligations and restrictions;
- not later than 15 days from the date of election of a new Board of Directors, save for cases where a member of the Board of Directors has notified his/her Connected Persons prior to that date;
- not later than 15 days from the date of election of a member of the Management Board to the Company's Management Board.

4.4. Members of the Board of Directors shall notify, through the Corporate Secretary of the Company, the Audit Committee under the Board of Directors of the Company and the Board of Directors of the Company of their intent to make transactions involving shares in the Company, shares and stakes in controlled organizations within 10 business days (20 calendar days – for Independent Directors in cases provided for in clause 2.9 of this Policy) before the intended date of the transaction and immediately after such transactions are performed.

4.5. The Audit Committee under the Board of Directors of the Company is entitled to give recommendations to a member of the Board of Directors regarding planned transactions with shares and stakes, aimed at eliminating potential conflicts of interest, violations of internal documents, violations of the interests of the Company or shareholders.

4.6. Members of the Board of Directors and members of the Management Board, as well as candidates to members of the Board of Directors shall, not later than 5 business days from the date of receipt of the Company's request, unless another period is specified in such request, to provide information on direct or indirect ownership of the Company's shares, shares and stakes in controlled organizations by them and/or persons connected with them.

4.7. Compliance with this Policy is monitored annually by reviewing compliance with this Policy by the Audit Committee under the Board of Directors of the Company.

5. Final Provisions

¹ Through the website at https://marketoversight.fca.org.uk/electronicssubmissionsystem/MaPo_PDMMR_Introduction

² The form of notification on transactions with the Company's shares is set forth in the Company's Regulation on the Insider Information.

³ In case the settlements under the transaction are made in another currency, the amount of such transaction at the Euro exchange rate is determined on the date of the relevant transaction.

5.1. Members of the Board of Directors and members of the Management Board shall, in addition to this Policy, consider the requirements of the RusHydro's Regulation on Insider Information when making transactions with shares.