

**APPROVED BY**

Resolution of the Board of  
Directors  
JSC RusHydro  
(minutes No. 158 of 10.08.2012)

**STATEMENT  
ON INSIDER INFORMATION  
of Open Joint-Stock Company  
Federal Hydro-Generating Company – RusHydro**

2012

## **1. General provisions**

1.1. The present Statement on insider information of the Open Joint-Stock Company Federal Hydro-generating Company – RusHydro (hereinafter referred to as Statement) regulates relationship arising in the Open Joint-Stock Company Federal Hydro-generating Company – RusHydro (hereinafter referred to as Company) in connection with the use of information qualified as insider information.

1.2. This Statement is developed pursuant to the requirements of Russian law on insider information, including the Federal law of July 27th 2010 No. 224-FZ “On counteraction to illegal use of insider information and market manipulation and on the amendments to individual legislative acts of the Russian Federation”, regulatory legal acts of the federal executive body in the field of financial markets (hereinafter – FFMS of Russia), Company’s Articles of Association, Company’s Corporate Code of Conduct and other local regulatory documents (acts) of the Company.

1.3. This Statement accounts for international practice of corporate management, including the requirements of Disclosure and Transparency Rules of the UK Financial Services Authority (hereinafter – FSA).

1.4. This Statement is adopted for the purposes of further improvement of the Company’s corporate management practice, bringing it to conformity with international standards and codes of corporate management, with recommendations of FFMS of Russia.

1.5. The principal tasks of this Statement are in prevention and suppression of incidents of illegal use of the Company’s insider information, which is not publicly available and disclosure of which may influence the market cost of the Company’s financial instruments, which are permitted for trade in the organized tenders, or in which respect an application for permit of trade in the mentioned tenders has been filed.

1.6. This Statement is a local regulatory document (act) of the Company defining the procedure and criteria for attribution of information to insider information, procedure of access to the Company’s insider information, rules for protection of its confidentiality and limitation of its use, responsibility for unlawful use of the Company’s insider information, control over compliance with requirements of the Russian law on the Company’s insider information.

1.7. The approval of the List of the Company’s insider information, procedure for maintaining the list of persons having access to insider information (hereinafter – List of the Company’s insiders), appointment of an officer who is responsible for exercising control over compliance with the requirements of the Russian law on insider information and the Company’s local regulatory documents (acts) adopted pursuant to it, and who is accountable to the Company’s Board of Directors, is to be carried out by the Company’s Management Board Chairman.

## **2. Purposes of this Statement**

2.1. The purposes of this Statement are:

2.1.1. Execution by Company of requirements of the Russian law on the issues of counteraction to illegal use of insider information and market manipulation.

2.1.2. Protection of rights and proprietary interests of the Company’s shareholders and other owners of Company’s securities.

2.1.3. Assurance of the Company’s economic security.

2.1.4. Control over activity of persons allowed access to the Company’s insider information (hereinafter referred to as Insiders).

2.1.5. Establishment of general codes for protection of data constituting the Company’s insider information.

2.1.6. Disallowance of manipulation with prices for the Company’s financial instruments.

2.1.7. Protection of Company’s reputation and increasing the level of trust towards Company on the part of shareholders, creditors, potential investors of the Company, stock market professionals, governmental authorities, participants of the international insurance and reinsurance markets, and other interested parties.

### **3. Company's insider information**

3.1. For the purposes of this Statement, insider information is recognized as accurate and specific information which was not distributed or disclosed (including the data constituting commercial, official and other secret protected by law), in case such distribution or disclosure may have material influence on the prices of the Company's financial instruments, and which relates to the information included in the relevant insider information list.

3.2. The Company shall make a List of the Company's insider information which, apart from the information approved by regulatory legal acts of FFMS of Russia, may include any other information which distribution or disclosure, in the Company's opinion, may have material influence on the price of the Company's financial instruments.

3.3. List of the Company's insider information is made in Russian and English languages.

3.4. List of the Company's insider information is published on the Company's official web-site at [www.rushydro.ru](http://www.rushydro.ru) (information in Russian) and [www.eng.rushydro.ru](http://www.eng.rushydro.ru) (information in English) (hereinafter – Company's Official web-site).

### **4. Company's Insiders**

4.1. For the purposes of this Statement, insiders are natural and legal entities having the right of access to insider information as stipulated by law of the Russian Federation, employment and civil agreements with the Company, local regulatory documents (acts) of the Company and job descriptions.

4.2. The Company shall make a List of the Company's insiders which shall include:

4.2.1. Members of the Company's Board of directors.

4.2.2. Members of the Company's Management Board.

4.2.3. Chairman of the Company's Management Board.

4.2.4. Members of the Company's Audit Commission.

4.2.5. Company's employees having the right of access to insider information due to exercise of their official duties.

4.2.6. The Company's auditor (auditor organizations), assessors, stock market professionals, credit institutions, insurance organizations and other legal entities, with which the above-mentioned parties have executed agreements, and any other parties which received access to insider information on the basis of the agreements entered into with the Company.

4.2.7. Information agencies which disclose or furnish information to the Company from time to time.

4.2.8. Persons who assign credit ratings to the Company and the Company's securities (hereinafter referred to as the Rating agencies).

4.2.9. Other persons which are included in the List of the Company's insiders in accordance with the requirements of Russian law.

4.3. Insiders may not:

4.3.1. Use the Company's insider information for performing operations with the Company's financial instruments which are concerned by the Company's insider information, at their own expense or at the expense of a third party, except for the operations performed for the purposes of executing an obligation of purchase or sale of the Company's financial instruments, which falls due for execution if such obligation arose as the result of an operation performed before such person became aware of the relevant insider information.

4.3.2. Transfer Company's insider information to any other person, except for transfer of this information to a person included in the List of the Company's insiders, relating to performance of obligations as established by federal laws or in connection with execution of the official duties or of an agreement.

4.3.3. Give recommendations to third parties, bind or otherwise incite them towards acquirement or sale of the Company's financial instruments.

4.3.4. It is forbidden to perform any actions relating to market manipulation, pursuant to Article 5 of the Federal law of July 27th 2010 No. 224-FZ "On counteraction to illegal use of insider information and market manipulation and on the amendments to individual legislative acts of the Russian Federation".

4.4. Insiders shall:

4.4.1. Notify the Company and FFMS of Russia on the operations with the Company's securities performed by them and (or) on execution of agreements constituting derivative financial instruments, with these securities as the basic asset thereof, within 10 working days from the date of performance of the relevant operation, according to the form of a recommended type (Appendix 2 to the present Statement).

Notices contemplated by this clause shall be forwarded in such a way which ensures confirmation of receipt thereof, including by way of delivery to mailroom of the Company or by certified mail.

4.4.2. Not disclose, distribute or use insider information without the Company's consent.

4.4.3. Upon exclusion from the List of the Company's insiders, transfer to the Company the available material carriers of information containing insider information, and destroy the insider information furnished to Insider in electronic format.

4.5. The Insiders specified in clauses 4.2.1.–4.2.3. of this Statement, apart from their obligations stipulated by clause 4.4 hereunder, shall notify the Company on holding of the Company's securities.

4.6. Obligations of Insiders in respect of the Company's insider information shall terminate on the date of disclosure of the Company's relevant insider information, under the procedure contemplated by this Statement and other local regulatory documents (acts) of the Company.

## **5. Maintenance, disclosure and furnishing of the List of the Company's insiders**

5.1. Maintenance, disclosure and furnishing of the List of the Company's insiders shall be carried out by the Company's structural subdivision specified in accordance with the local regulatory documents (acts) of the Company.

5.2. The List of the Company's insiders may contain the following information:

5.2.1. Surname, first name, patronymic, number of the principal identity document, data on the date of issue and the issuing authority of the specified document, TIN (if any), postal address – for natural persons included in the List of the Company's insiders.

5.2.2. Full business name, TIN, information on the state incorporation (OGRN, date of assignment of OGRN, name of registration authority), postal address – for legal persons included in the List of the Company's insiders.

5.2.3. Date upon which the List of the Company's insiders was created or changed.

5.2.4. Date of Insider inclusion in the List of the Company's insiders.

5.2.5. Reason for Insider inclusion in the List of the Company's insiders.

5.3. List of the Company's insiders is made in Russian and English languages.

5.4. The List of the Company's insiders shall be amended within the terms established by the regulatory legal acts of FFMS of Russia.

5.5. Legal and natural persons included in/excluded from the List of the Company's insiders shall be notified on entry (deletion) of a relevant record in terms established by the regulatory legal acts of FFMS of Russia. Notice on inclusion or exclusion of a person in or from the List of the Company's insiders, (Appendix 1 to the present Statement), shall be personally handed to the Insider against signature or forwarded to the last-mentioned address of such person known to the Company, in a way allowing to confirm the fact of receipt of this notice by such person.

5.6. The Company, under the procedure and in terms established by the regulatory legal acts of FFMS of Russia and internal documents of trade organizers, through which operations with the Company's financial instruments are performed (hereinafter – Trade organizers), shall forward the List of the Company's insiders and changes thereto to Trade organizers.

The Company shall also forward the List of the Company's insiders to FFMS of Russia and FSA, subject to their demand, in order stipulated by the Company's Articles of Association and regulatory legal acts of FFMS of Russia and FSA.

## **6. Procedure of access to insider information**

6.1. The Company discloses and furnishes information relating to insider information in accordance with the requirements established by regulatory legal acts of FFMS of Russia and FSA.

6.2. The Company implements disclosure of information relating to insider information in the following ways:

6.2.1. Publication through newswires of authorized information agencies, Interfax (information in Russian) and RNS (information in English) at: (hereinafter – the Newswire). [www.e-disclosure.ru](http://www.e-disclosure.ru) and <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html> (hereinafter – the Newswire). Herewith, the Company shall endeavour towards synchronous disclosure of insider information in both Newswires. In case if one of the Newswires is not working by reason of the official week-end or public holiday, the Company shall disclose information on the next working day for both Newswires.

6.2.2. Publication at the Company's Official web-site.

6.3. If a longer period is not contemplated by regulatory legal acts of FFMS of Russia, access to the texts of messages on insider information at the Company's Official web-site shall be provided during at least one year from the date of publication thereof.

6.4. The texts of messages on insider information and copies of documents containing insider information are provided by request of an interested party, within 7 days at the latest from the date on which the Company received a corresponding request, unless other terms are stipulated by law of the Russian Federation, and for a fee not exceeding the costs for making thereof.

## **7. Rules for protection of the insider information confidentiality and control over compliance with the requirements of the Russian law**

7.1. The Company may introduce special procedures with the purpose of protection of insider information from illegitimate use, including but not limited to:

7.1.1. Restrict the rights of access to Company's insider information for Company's employees.

7.1.2. Specify places and sources for storage of the Company's insider information and permit access to Company's insider information in certain places, from certain carriers or in certain access sources.

7.1.3. Use the systems for protection of information and technical systems which prevent the loss of insider information and unauthorized access to such information.

7.2. Members of the Company's Board of Directors, members of the Company's Management Board, the Company's Management Board Chairman, members of the Company's Audit Commission (hereinafter – members of the Company's management and control bodies) have unrestricted right of access to insider information.

7.3. The Insiders, not mentioned in clause 8.2 of this Statement, have the right of access to Company's insider information as may be necessary for fulfillment of their obligations stipulated by law of the Russian Federation, the employment or civil agreements with the Company, local regulatory documents (acts) of the Company and job descriptions.

7.4. Members of the Company's management and control bodies and Company's employees having, due to exercise of their official duties, the right of access to insider information, within the scope of their authority and powers provided under established procedure, shall take all measures within their control for protection and disallowance of illegal use of insider information.

7.5. In case of conclusion of any employment or civil agreements stipulating the right of access to insider information for a Company's employee or counterparty, such agreement shall include:

7.5.1. Covenant on non-disclosure and prohibition of illegal use of the Company's insider information.

7.5.2. Covenant on provision by counterparty of a list of persons who will receive access to insider information by virtue of the agreement performance, on provision of Consents, as well as confirmation of the fact that the mentioned persons have undertaken the obligation of compliance with the Russian law on counteraction to illegal use of insider information and market manipulation, and with this Statement.

7.5.3. Covenant on obligation of notification on transactions performed by Insiders, pursuant to the requirements of law of the Russian Federation and this Statement.

7.6. Non-compliance, by a Company's employee or counterparty, with the requirements of clause 8.5 hereunder may be a reason for non-execution and (or) early termination of employment or civil agreements entered into with them, and for indemnification to the Company.

## **8. The Company's Officer responsible for the Company's compliance with the requirements of law of the Russian Federation on insider information**

8.1. By prior agreement with the Company's Board of Directors, an Officer specified by the Company's Management Board Chairman, whose official duties shall include performance of control over compliance with requirements of the Russian law on insider information and with this Statement (hereinafter – Company's Officer), shall exercise his / her activities relating to:

8.1.1. Counteraction to illegal use, by the Company's Insiders, of insider information and manipulation of the Company's securities market.

8.1.2. Control over the Company's compliance with requirements of the Russian law on insider information and this Statement.

8.1.3. Organization and conduction of control, expert and analytical and other measures with the purpose of checking the Company's compliance with requirements of law of the Russian Federation on insider information and this Statement.

8.1.4. Detection and informing of the Audit Committee under the Company's Board of Directors about violations of requirements of law of the Russian Federation and this Statement on insider information.

8.1.5. Other functions provided for by job description of the Company's Officer.

8.2. Company's Officer may:

8.2.1. Require, from the Company's employees, submission of any documents related with the activity in respect of exercising control over compliance with requirements of the Russian law on insider information and this Statement, and examine their contents.

8.2.2. Require that the Company's Insiders and employees submit information necessary for performance of duties by the Company's Officer.

8.2.3. Require that the Company's Insiders and employees submit written explanations on the issues arising in the course of fulfillment by them of their duties.

8.2.4. Interact with other officers of the Company regarding the issues within his / her capacity.

8.2.5. Inform the Audit Committee under the Company's Board of Directors about compliance and (or) non-compliance by Company with requirements of law of the Russian Federation on insider information and this Statement.

8.3. Requirements of Company's Officer, within the scope of rights granted to him / her by this Statement, are binding for all Insiders.

8.4. Company's Officer shall:

8.4.1. Exercise efficient control over the Company's compliance with the requirements of law of the Russian Federation on insider information and this Statement.

8.4.2. Comply with the requirements of law of the Russian Federation on insider information, including regulatory legal acts of the federal executive body in securities market.

8.4.3. Observe requirements of this Statement and Company's local regulatory documents (acts).

8.4.4. Appropriately fulfill his / her official duties contemplated by clause 9.1 of this Statement.

8.4.5. Keep official secret in respect of the insider information received.

8.5. The Company's Officer may have rights and bear obligations not contemplated by clauses 9.2. and 9.3. of this Statement but established by his / her job description and not contradicting with the legislative requirements of Russian Federation.

8.6. Company's Officer shall prepare and present, for consideration of the Audit Committee under the Company's Board of Directors, a quarterly report on execution by Company of the legislative requirements of the Russian Federation on counteraction to illegal use of insider information and market manipulation and of this Statement, within not later than 45 days from completion of the reporting quarter.

8.7. The Audit Committee under the Company's Board of Directors shall include, in its annual report on its activities to Company's Board of Directors, information about execution by Company of the legislative requirements of the Russian Federation in respect of counteraction to illegal use of insider information and market manipulation, and of this Statement.

8.8. The Audit Committee under the Company's Board of Directors may request from Insiders and stock market professionals any additional information about transactions consummated with the Company's financial instruments.

## **9. Responsibility**

9.1. Company's Insiders bear responsibility for illegitimate use of insider information pursuant to the law of the Russian Federation.

9.2. Any person which illegitimately used the insider information or distributed deliberately false information shall not be liable for illegitimate use of insider information and (or) manipulation in the market of financial instruments of the Company if the mentioned person did not know or wasn't supposed to know that such information was the insider information, or that such distributed information was deliberately false.

9.3. Any persons which incurred losses, as the result of illegal use of the Company's insider information and (or) manipulation in the market of the Company's financial instruments, may claim indemnification from those parties whose actions caused the incurrence of such losses.

9.4. Performance of operations accompanied with the use of Company's insider information and (or) representing manipulation on the market of Company's financial instruments shall not be a reason for cancellation thereof.

## **10. Final Provisions**

10.1. This Statement, with any amendments thereto, shall be approved by Company's Board of Directors as advised by the Company's Management Board.

10.2. The matters unregulated by this Statement shall be regulated by Russian law, Company's Articles of Association and other local regulatory documents (acts) of the Company.

10.3. In case if, as the result of a change in the Russian law, some clauses of this Statement should come into contradiction with the Russian law, they become void and, until the date of amendments to the present Statement, the Company shall be governed by laws and subordinate regulatory legal acts of the Russian Federation.

**NOTICE**  
**on inclusion of a person into the List of the Company's Insiders**  
**(on exclusion of a person from the List of the Company's insiders)**

No.	I. Information on the Company	
1.1	The Company's full business name	
1.2	The Company's TIN	
1.3	The Company's OGRN	
1.4	Registered office of the Company	
1.5	The Company's postal address	
1.6	The Company's contact phone	
1.7	The Company's fax	
1.8	The Company's e-mail address	

No.	II. Information on the person included in the List of the Company's insiders (excluded from the List of the Company's insiders)	
	For insider who is a legal entity	
2.1	The insider's full business name	
2.2	Insider's TIN	
2.3	Insider's OGRN	
	For insider who is a natural person	
2.1	Insider's surname, name, patronymic	
2.2	Insider's birth date	
2.3	Insider's birthplace	

No.	III. Information about the reason for filing a notice	
3.1	The reason of notice filing ("inclusion in the List of the Company's insiders" or "exclusion from the List of the Company's insiders")	
3.2	Date of inclusion in the List of the Company's insiders (exclusion from the List of the Company's insiders)	
3.3	The reason for inclusion of a person in the List of the Company's insiders (for exclusion from the List of the Company's insiders)	

Please note that, from the moment of inclusion of a person in the List of the Company's insiders, such person as an insider is subject to:

1. restrictions, as contemplated by clause 4.3 of the Statement on the Company's insider information and Article 6 of the Federal law from July 27<sup>th</sup> 2010 No. 224-FZ "On counteraction

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<sup>1</sup> You may find the Statement on insider information of JSC RusHydro at the official web-site of JSC RusHydro at [www.rushydro.ru](http://www.rushydro.ru)



to illegal use of insider information and market manipulation and on the amendments to individual legislative acts of the Russian Federation” (hereinafter – Federal Law):

**Insiders may not:**

- Use the Company’s insider information for performing operations with the Company’s financial instruments which are concerned by the Company’s insider information, at their own expense or at the expense of a third party, except for the operations performed for the purposes of executing an obligation of purchase or sale of the Company’s financial instruments, which falls due for execution if such obligation arose as the result of an operation performed before such person became aware of the relevant insider information.

- Transfer insider information to any other person, except for transfer of this information to a person included in the List of the Company’s insiders, in relation to performance of duties established by federal laws, or in connection with execution of the official duties or of an agreement.

- Give recommendations to third parties, bind or otherwise incite them towards acquirement or sale of the Company’s financial instruments.

**Insiders are forbidden to perform any actions relating to market manipulation, according to Article 5 of the Federal Law.**

2. liability, in accordance with clause 10 of the Statement on the Company’s insider information, Article 7 of the Federal Law and clause 15.21<sup>1</sup> of the Russian Code of Administrative Offences of Dec 30<sup>th</sup> 2001 No. 195-FZ and Article 185.3.<sup>2</sup> of the Russian Criminal Code of June 13<sup>th</sup> 1996 No. 63-FZ.

3. obligations vested in it as stipulated by Article 6 of the Statement on insider information of the Company and Article 10 of the Federal Law related to notification of JSC RusHydro and FFMS of Russia on transactions with securities of the Company and (or) on execution of agreements representing derivative financial instruments, with these securities as the basic asset thereof, within 10 working days from the date of performance of the relevant operation specified in Appendix 2 to the Statement on insider information of the Company.

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<sup>1</sup> “Illegal use of insider information, if this action does not involve a criminally punishable act, – entails imposition of administrative fine on citizens in the amount from three thousand to five thousand rubles; on the officials – from thirty thousand to fifty thousand rubles, or disqualification for a period from one year to two years; on legal entities – in the amount of the excessive income or in the amount of losses avoided by a citizen, an official or a legal entity as the result of illegal use of insider information but not less than seven hundred thousand rubles.”

<sup>2</sup> “Market manipulation i. e. willful distribution through mass media, including electronic and information / telecommunication networks of common use (including “Internet” network), of deliberately false information or performance of operations with financial instruments, foreign currency and (or) goods, or other willful acts prohibited by law of Russian Federation on counteraction to illegal use of insider information and market manipulation, if, resulting from such illegal acts, the price, demand, offer or volume of trade in respect of financial instruments, foreign currency and (or) goods deviate from the level or balance at a level considerably different from that level which would have formed without account for the above-mentioned illegal acts, and such acts incurred heavy damage to citizens, organizations or the state, or are associated with derivation of excessive income or avoidance of losses at large scale, –

are punished by fine in the amount from three hundred thousand to five hundred thousand rubles or in the amount of wage or other income of the convict for the period from one year to three years, or by imprisonment for the period up to four years with fine in the amount up to fifty thousand rubles or in the amount of wage or other income of the convict for the period of up to three months, or without such fine, with deprivation of the right to hold certain job positions or engage in certain activities for up to three years, or without such deprivation.

2. Acts contemplated by part one of this clause and performed by organized group or which incurred especially heavy damage to citizens, organizations or the state, or associated with derivation of excessive income or avoidance of losses on especially large scale, –

are punished by fine in the amount from five hundred thousand to one million rubles or in the amount of wage or other income of the convict for the period from two to five years, or by imprisonment for the period of up to seven years with fine in the amount up to one hundred thousand rubles or in the amount of wage or other income of the convict for the period of up to two years or without such fine, with deprivation of the right to hold certain job positions or engage in certain activities for up to five years, or without such deprivation.”

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(position held by the Company's  
authorized person)

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(signature)

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(initials, last name)

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**NOTICE**  
**on transaction with a financial instrument made by insider**

1. Full name of insider – natural person / Full business name of insider – legal entity	
2. Type and requisites of the document certifying the identity of insider – natural person / TIN, OGRN of insider – legal entity	
3. Place of registration of insider – natural person / Location of insider – legal entity	
4. Full business name of the entity which list of insiders contains the insider	
5. Date of operation	
6. Type of transaction (operation)	
7. Amount of transaction (operation)	
8. Place of transaction closing (name of trade organizer or over-the-counter market)	
9. Class, category (type) and series of security (to be specified for transactions with securities)	
10. Full business name of security issuer (to be specified for transactions with securities)	
11. State registration number of security issue (to be specified for transactions with securities)	
12. Price per security (to be specified for all transactions with securities, except repurchase agreements)	
13. Purchasing and selling price per security under repurchase agreement (for repurchase agreements)	
14. Quantity of securities (to be specified for transactions with securities)	
15. Type of agreement constituting a derivative financial instrument (to be specified for transactions with derivative financial instruments)	
16. Name (identification) of the agreement constituting a derivative financial instrument as adopted by trade organizer in securities market (to be specified for transactions with derivative financial instruments)	
17. Price of one agreement representing a derivative financial instrument (option price amount) (to be specified for transactions with derivative financial instruments)	
18. Quantity of agreements representing derivative financial instruments (to be specified for transactions with derivative financial instruments)	
19. Price for execution of an agreement representing a derivative financial instrument (to be specified for transactions with derivative financial instruments)	

For insider representing a natural person:

\_\_\_\_\_

(date)

\_\_\_\_\_

(signature)

\_\_\_\_\_

(initials, last name)

For insider representing a legal entity:

\_\_\_\_\_

(position held by the Company's  
authorized person)

\_\_\_\_\_

(signature)

\_\_\_\_\_

(initials, last name)

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