

Approved
by the Decision
of the Management Board
of RusHydro on March 18, 2016
(minutes 967/pr dated March 18, 2016)

COMPREHENSIVE PROGRAM OF ANTI-CORRUPTION ACTIVITY

1. Introduction

1.1. The basis for the development of the Comprehensive Anti-Corruption Program of RusHydro (hereinafter, the Program) is the regulatory legal acts of the Russian Federation and internal bylaws (acts) of RusHydro (hereinafter, the Company), including:

- Federal Law No. 273-FZ dated December 25, 2008, "On Combating Corruption";
- Decree of the Government of the Russian Federation No. 1405 dated December 18, 2014, "On Some Anti-Corruption Issues";
- Decree of the President of the Russian Federation No. 460 dated April 13, 2010, "On the National Anti-Corruption Strategy and the National Anti-Corruption Plan for 2010-2011";
- Decree of the President of the Russian Federation No. 309 dated April 2, 2013, "On the Implementation of Certain Provisions of the Federal Law 'On Combatting Corruption'";
- Decree of the President of the Russian Federation No. 226 dated April 11, 2014, "On the National Anti-Corruption Plan for 2014-2015";
- The policy on managing conflicts of interest, approved by the Board of Directors of the Company (Minutes No. 221 dated September 11, 2015);
- The anti-corruption policy of the Company, approved by the Board of Directors of the Company (Minutes No. 225 dated October 28, 2015).

1.2. This Program shall be implemented in the Company in 2016-2019; the results achieved during its implementation shall be subsequently used continuously in the activities of the Company, and the developed measures aimed at preventing the commission of unlawful actions by the Company's employees shall be applied.

2. Aims of the program

2.1. The aims of the Program are:

- to prevent and reduce the risk of damage to the interests of the Company as a result of unlawful actions committed by employees of the Company;
- to ensure the protection of the rights and legitimate interests of the Company's shareholders and increase the transparency of the Company's activities and the level of trust on the part of shareholders and investors;

- formation of intolerance toward illegal actions in the employees of the Company.

3. Objectives of the Program

3.1. The aims of the Program shall be attained by achieving the following objectives:

- prevention of the commission of unlawful actions by employees of the Company by identifying and subsequently eliminating the conditions for their commission;
- formation of consciousness among the Company's employees aimed at preventing the commission of unlawful acts;
- detection, suppression, investigation and disclosure of unlawful acts committed by the Company's employees;
- accountability of the Company's employees for unlawful acts they have committed in cases stipulated by the regulatory legal acts of the Russian Federation;
- minimization and/or liquidation of the consequences of unlawful acts committed by the Company's employees;
- monitoring the effectiveness of measures aimed at preventing the commission of unlawful acts by the Company's employees;
- informing the management bodies of the Company of revealed instances of unlawful acts committed by the Company's employees and measures carried out in accordance with this Program.

4. The main areas of the Program

4.1. Measures for improving the base of bylaws (acts) of the Company.

4.1.1. Analysis of the current bylaws (acts) of the Company aimed at preventing the commission of unlawful acts by the Company's employees:

- expert review of the bylaws (acts) of the Company for compliance with the requirements of the legislation of the Russian Federation and for the adequacy and effectiveness of the requirements contained therein;
- development of changes to bylaws (acts) of the Company in order to comply with the requirements of the legislation of the Russian Federation and eliminate identified deficiencies leading to the creation of the conditions or an increase in the risk of commission of unlawful acts by the Company's employees.

4.1.2. Based on the results of the analysis conducted, the initialization of submission of matters regarding the updating of bylaws (acts) in terms of ensuring countermeasures against the unlawful acts of the Company's employees for consideration by the Chairman of the Management Board and General Director, and the Board of Directors of the Company (if necessary).

4.1.3. Conducting systematic inspections of the execution of bylaws (acts) of the Company aimed at preventing the commission of unlawful acts by the Company's employees.

4.2. Preventive measures in the field of anti-corruption activities.

4.2.1. Provision of information on the official website of the Company about measures taken in the field of anti-corruption activities.

4.2.2. Development and implementation of measures for the formation of anti-corruption consciousness and behavior among the Company's employees.

4.2.3. Development and implementation of a set of measures to minimize the risk of corrupt, unlawful relations with contractors.

4.2.3. Improving the means of informing the management of the Company (the Hotline) about facts or signs of corrupt practices.

4.2.4. Assessment of risks of the possible commission of unlawful acts by the Company's employees in various activities (business processes) of the Company. Ranking of the areas of the Company's activities most at risk for the commission of such actions.

4.2.5. Increasing employee awareness of the requirements of anti-corruption legislation.

4.3. Organization of work on verifying reports of illegal actions.

4.3.1. Compilation and implementation of a set of measures for verifying information about possible instances of corruption and eliminating (minimizing) their consequences and contributing causes if they are confirmed.

4.3.2. Analysis of citizens' appeals about instances of the commission of unlawful acts by the Company's employees and organization of inspections of these instances.

4.3.3. Collection and analysis of information on instances of the commission of unlawful acts by the Company's employees and assessment and development of measures for preventing them.

4.3.4. Implementation of measures for analyzing identified illegal acts in order to assess the effectiveness of the measures taken in the Company for preventing such violations in the future.

4.3.5. Promotion of the Hotline operating in the Company and organization of provision of information to the employees and contractors of the Company on the procedure for access and rules of operation of the Hotline. Regular preparation of reference information on the operation of the Company's Hotline for the Chairman of the Management Board and General Director of the Company and members of the Audit Committee of the Company's Board of Directors.

4.4. Improvement of the internal control system.

4.4.1. Inspections in the main fields of the Company's activities in accordance with the requirements of the bylaws of the Company governing inspections, including inspections of the procurement procedures conducted (their justifiability, the expediency of expenses for the contracts concluded, and confirmation of the performance of contracts with primary accounting documents).

4.4.2. Inspection by the Internal Audit Service of financial and economic activities, control of the completeness and correctness of the reflection of information in accounting records and compliance with the requirements of the legislation of the Russian Federation and the bylaws (acts) of the Company.

4.4.3. Systematic analysis and improvement of the internal control system of the fields of activity (business processes) of the Company that are at risk of possible commission of unlawful acts by the Company's employees.

4.4.4. Monitoring the implementation of decisions (orders) aimed at improving the internal control system in the Company.

4.5. Interaction with government regulatory bodies and law enforcement authorities in the anti-corruption field.

4.5.1. Organization of work aimed at avoiding the imposition of administrative sanctions upon the Company under Art. 19.28 of the Code of Administrative Offenses of the Russian Federation, including prohibition of:

- the transfer, offer or promise, for and on behalf of the Company, to any state or civil officer of money, securities, or other property, rendering to such officer of property-related services, or granting of any property rights in return for any action (omission) related to such official's position and made for her/his benefit;

- the offer and attempts to transfer to state and civil inspection officers of any gifts prohibited by the legislation of the Russian Federation.

4.5.2. Compliance with the procedure for reporting violations of requirements for the conduct of state and civil officers during oversight actions in the Company to law enforcement agencies, as well as the pre-action protocol for an appeal against their actions.

4.5.3. Assisting law enforcement authorities, including the preservation of documents and information containing data on corruption offenses and their transfer to law enforcement authorities during the investigation of corrupt acts, during their inspections of the Company's activities on anti-corruption issues, and when taking measures for the suppression or investigation of corruption crimes.

4.6. Measures for preventing the commission of unlawful acts by the Company's employees.

4.6.1. Improvement and development of training programs for the Company's personnel on the Company's ethical values, explaining how to act in various situations related to the possibility of the commission of unlawful acts by the Company's employees.

4.6.2. Improving the mechanism for identifying and preventing conflicts of interests of the Company's employees. Taking measures to eliminate identified conflicts of interest.

4.6.3. Verification of the property status of the Company's employees and their close relatives based on the analysis of information on income and assets belonging to the Company's employees and their close relatives by right of ownership provided by them in the prescribed manner.

4.6.4. Monitoring of the timely provision by the Company's employees of information on their income, assets, and property-related liabilities.

4.6.5. Improving the system of personnel records in terms of ensuring countermeasures to the commission of unlawful acts by the Company's employees.

5. The Program Management System and oversight of its implementation

5.1. General management and oversight of the implementation of this Program shall be carried out by the Chairman of the Management Board and General Director of the Company.

5.2. The coordinator of the implementation of the Program shall be the Risk Control and Management Department.

5.3. The Program is implemented through the annual creation and execution of the "Action Plan for the Implementation of the Comprehensive Anti-Corruption Program" (hereinafter, the Plan).

5.3.1. The officers responsible for the implementation of certain measures in this Program (hereinafter referred to as the responsible officers) are defined in the developed plan for the implementation of program measures. The deadlines for the implementation of the measures in question are specified in the Plan.

5.3.2. The format of the Plan is a Schedule to this Program.

5.4. The plan is annually subject to review by the Audit Committee under the Board of Directors of the Company and approval by the order of the Chairman of the Management Board and General Director of the Company.

5.4.1. The Risk Control and Management Department is responsible for developing the Plan.

5.4.2. The Plan shall be formed on the basis of proposals of the Company's structural divisions submitted to the Risk Control and Management Department before February 25 of the year following the reporting period.

5.4.3. The Risk Control and Management Department shall submit the developed draft Plan for approval by the Chairman of the Management Board and General Director of the Company before March 30 of the year following the reporting period.

5.4.4. The responsible officers shall submit reports on the results of their execution of the planned activities to the Risk Control and Management Department before March 1 of the year following the reporting period.

5.4.5. Based on the results of the implementation of the planned measures, an annual report on the execution of the Program (hereinafter referred to as the Report) shall be compiled.

5.4.6. The Risk Control and Management Department shall be responsible for compiling the Report.

5.4.7. The Report shall be submitted by the Risk Control and Management Department for approval by the Company's Management Board annually before April 1 of the year following the reporting period.

5.4.8. The approved Report shall be submitted by the Chairman of the Management Board and General Director of the Company for consideration at the meeting of the Audit Committee of the Board of Directors of the Company annually before April 30 of the year following the reporting period.

5.4.9. After consideration by the Audit Committee under the Board of Directors of the Company, the Report shall be posted on the official website of the Company.