

Approved
by the Resolution
of the Board of Directors
of RusHydro
dated April 7, 2016
(Minutes No. 235 dated April 8, 2016)

**CODE
OF CORPORATE ETHICS
OF RUSHYDRO**
(with amendments approved by the resolution of the Board of Directors of
RusHydro (Minutes No. 281 dated December 27, 2018))

**Moscow
2016**

Definitions and Interpretation

The following terms and definitions are used in the Code of Corporate Ethics:

The Company - RusHydro.

Employees - individuals in an employment relationship with the Company.

Family members and close relatives - spouses, children (adults and minors), parents and siblings.

Conflict of interests - a situation where an employee's personal interest (direct or indirect) affects or may affect the proper and impartial performance of his/her job duties.

Personal interest - the possibility of the receipt of income in the form of money, other property, including property rights, property-related services, work results or any benefits (advantages) by an employee of the Company and/or persons closely related to him/her or having a close affinity with him/her (parents, spouses, children, siblings, as well as spouses' siblings, parents and children and spouses of children) or by citizens or organizations with which the employee of the Company and/or persons closely related to him/her or having a close affinity with him/her are interlinked by property, corporate or other close relationships.

Labor dynasty - professional succession among persons closely related to each other or having a close affinity with each other (parents, spouses, children, siblings, as well as spouses' siblings, parents and children and spouses of children) excluding direct subordination between persons closely related to each other or having a close affinity with each other and characterized by the transfer of professional skills from the older generation to the younger.

Insider information - accurate and specific information that has not been distributed or disclosed, the distribution or provision of which may have a significant impact on the market value of the Company's securities, and which is information included in the List of Insider Information of the Company.

Confidentiality - the mandatory requirement for a person with access to certain information not to transfer such information to third parties without the consent of its owner.

Trade secret - a mode of confidentiality of information that allows its owner to increase income, avoid unnecessary expenses, maintain a position in the market for goods, works or services or obtain other commercial benefits under existing or possible circumstances.

1. GENERAL PROVISIONS

1.1. The Code of Corporate Ethics of RusHydro (hereinafter, the "Code") was developed in accordance with Federal Law No. 273-FZ dated December 25, 2008, "On Combating Corruption", the Corporate Governance Code approved by the Board of Directors of the Bank of Russia on March 21, 2014 (Letter No. 06-52/2463 dated April 10, 2014), the Methodological Recommendations on the Development and Adoption

of Measures for Preventing and Combating Corruption by Organizations approved by the Ministry of Labor and Social Protection of the Russian Federation on November 8, 2013, the Corporate Governance Code of RusHydro and other bylaws of the Company.

1.2. The Code is a set of general principles of professional ethics and basic rules of ethics that employees of the Company, as well as members of the Board of Directors of the Company, must comply with regardless of their position.

1.3. Employees and members of the Board of Directors of the Company shall take all necessary measures to comply with the provisions of this Code.

1.4. The purpose of this Code is to establish ethical standards and rules of conduct for employees and members of the Board of Directors of the Company for:

1.4.1. Proper execution by employees and members of the Board of Directors of the Company of their duties.

1.4.2. Promotion of the Company's reputation and strengthening of the confidence of shareholders, investors, creditors, and other stakeholders in the Company.

1.5. This Code aims to increase the effectiveness of the Company's employees in performing their duties.

2. CORPORATE VALUES, BASIC PRINCIPLES AND RULES OF ETHICS

2.1. The basic principles of ethics of the Company's employees shall be the basis of their behavior in exercising their official duties.

2.2. The Company's employees shall:

2.2.1. Perform their duties in good faith and at a high professional level in order to ensure the efficient operation of the Company.

2.2.2. Perform their professional activities exclusively within the framework of their authority established by official instructions or other bylaws (orders) of the Company.

2.2.3. Give no preference to any contractors of the Company or organizations and be independent of their influence.

2.2.4. Exclude actions related to the influence of any personal, property/financial and other interests that impede the faithful performance of their work duties.

2.2.5. Comply with the restrictions and prohibitions established by this Code and other bylaws of the Company in the performance of their work duties.

2.2.6. Maintain impartiality, which excludes the possibility of the influence of the decisions of political parties and public associations on their work activity.

2.2.7. Strictly comply with the standards of work and professional ethics and the rules of business conduct.

2.2.8. Show courtesy, goodwill, politeness, attentiveness and tolerance in dealing with their colleagues, counterparties, and other stakeholders of the Company.

2.2.9. Show tolerance and respect for the customs and traditions of their colleagues and counterparties, and take cultural and other differences into account, including various ethnic, social and religious backgrounds.

2.2.10. Not use their official position to influence the activities of state bodies, local government bodies, organizations, officials, state (municipal) employees and citizens when resolving personal matters.

2.2.11. Refrain from public statements (including on the Internet), judgments and assessments in relation to the Company's activities, except for as part of their official duties.

2.2.12. Comply with the rules for public speaking and the provision of official information established by the Company.

2.2.13. Effectively manage resources that belong to the area of responsibility of the Company's employee.

2.3. Employees of the Company shall comply with the Constitution of the Russian Federation, federal constitutional and federal laws, other regulatory acts of the Russian Federation, and the bylaws of the Company.

2.4. Employees of the Company shall not commit unlawful acts.

2.5. Employees of the Company are prohibited from giving gifts not provided for by the legislation of the Russian Federation in connection with the performance of official duties to persons in positions of authority in the government bodies of the Russian Federation, persons in positions of authority in the public bodies of the subjects of the Russian Federation, or positions in municipal bodies and exercising their authority on an ongoing basis.

2.6. Employees of the Company are prohibited from receiving remuneration (loans, cash and other remuneration, services, entertainment, leisure, transportation costs) and gifts from individuals and legal entities in connection with the performance of official duties. Gifts received by employees in connection with protocol events, official business trips and other official events worth up to three thousand rubles shall constitute an exception to this rule.

2.7. In order to ensure proper engagement in the performance of work duties, employees of the Company are prohibited from using the Internet for personal purposes during business hours.

2.8. Employees of the Company are prohibited from using corporate e-mail and other corporate services for personal purposes.

2.9. Information about gifts received by employees of the Company in connection with protocol events, business trips and other official events shall be disclosed in the manner prescribed by the Regulation on the Procedure for Notification about Gifts Received by RusHydro Employees in Connection with Protocol Events, Business Trips and Other Official Events.

2.10. Employees of the Company may process and transfer restricted information, including trade secrets and insider information, only in accordance with the applicable rules and requirements established by the bylaws of the Company for restricted information.

2.11. An employee of the Company must comply with measures established to ensure the security and confidentiality of restricted information that has become known to him/her in connection with the performance of official duties and for unauthorized disclosure of which he/she may incur disciplinary, administrative or criminal liability in accordance with the legislation of the Russian Federation.

2.12. The Company's executives shall:

2.12.1. Serve as an example of professionalism and impeccable reputation for their subordinates and promote a moral and psychological climate favorable for the effective work of the Company or its unit.

2.12.2. Take all necessary measures to prevent and resolve conflicts of interest.

2.12.3. Take all necessary measures to prevent their subordinates from committing unlawful acts that may be aimed at violating the interests of the Company.

2.12.4. Not force employees of the Company to participate in the activities of political parties or public associations.

2.12.5. Serve as an example of honesty, fairness and impartiality.

2.13. The executives of the Company shall be liable in accordance with the bylaws of the Company for the actions or inaction of their subordinates that violate the principles of ethics and the rules of ethics if they have not taken all the necessary measures to prevent such actions or inaction.

2.14. The corporate values of the Company are:

2.14.1. **A prosperous society**, i.e. reliability and infrastructural development, rational use of water resources, development of hydro-potential and expansion of the use of renewable energy sources contributing to the development of territories, economic growth, and improvement of the welfare and prosperity of society;

2.14.2. **A leading company**, i.e. ensuring the success and leadership of the Company by combining the efforts of employees, resources and business components in the pursuit of excellence in every aspect of activities;

2.14.3. **Responsible business**, i.e. a social policy supporting staff and the residents of the regions of the company's presence;

2.14.4. **Clean energy**, i.e. environmental safety and respect for natural resources;

2.14.5. **A unified team**, i.e. team spirit, self-expression and realization of each person's potential, and fair remuneration and development opportunities for employees in order to achieve competitive advantages in various areas of the Company's activities;

2.14.6. **Engineering culture**, i.e. safe and reliable operation of assets;

2.14.7. **Environment for development**, i.e. new technologies and unlimited opportunities for development;

2.14.8. **Young energy**, i.e. professional development of Russian youth starting from school.

3. CONFLICT OF INTERESTS

3.1. Employees and members of the Board of Directors of the Company shall act in the interests of the Company and avoid conflicts of interests. Employees and members of the Board of Directors of the Company shall put the interests of the Company above their personal interests and the interests of their affiliates.

3.2. Employees shall:

3.2.1. Refrain from behavior that could give a reason to doubt the proper fulfillment of their work duties and avoid conflict situations that could damage their reputation or the reputation of the Company.

3.2.2. Take measures provided for by the relevant bylaws of the Company to prevent conflict of interests and to resolve cases of conflict of interests that have already arisen.

3.2.3. Refrain from part-time work at enterprises/in organizations that are not members of the RusHydro Group, with the exception of teaching, creative and scholarly activities, if this does not lead to a conflict of interest.

3.2.4. Not resort directly or indirectly to any personal loan or service from any person or legal entity having business relations with the Company or seeking such relations. This does not apply to organizations offering such loans or services as part of their normal course of business.

3.2.5. Declare the presence or the possibility of personal interest which affects or may affect the proper performance of official duties.

3.3. The Company expects Employees to do business with suppliers, customers, contractors and other persons having business relations with the Company based solely on the interests of the Company and its shareholders, without any favors or preferences to third parties based on personal considerations of the Employees.

When a conflict of interest cannot be avoided, the Employees shall report it to their immediate supervisor and the Director for Internal Control and Risk Management/Chief Auditor of the Company and, by agreement with them, take steps to resolve this conflict.

3.4. Each member of the Board of Directors shall refrain from actions that lead or potentially may lead to a conflict between their interests and the interests of the Company, and in the event of such a conflict, such member of the Board of Directors shall notify the Company through the Chairman of the Board of Directors or the Corporate Secretary of the Company of the conflict of interest and the reasons for its occurrence.

3.5. The members of the Board of Directors shall:

3.5.1. Never use information that constitutes confidential and/or insider information in operations with securities of the Company and/or its subsidiaries.

3.5.2. Upon election to the Board of Directors of the Company and while fulfilling the duties of a member of the Board of Directors of the Company, declare the presence or possibility of their personal interest that affects or may affect the performance of their duties and their decision-making.

3.6. As part of the annual campaign in the Company, the persons submitting information shall provide information on income, property and property-related liabilities in the manner prescribed by the Regulation on the Procedure for Submitting and Checking Information on Income, Property And Property-Related Liabilities. The list of persons submitting information and the definition of "information on income, property and property-related liabilities" are given in the Regulation on the Procedure for Submitting and Checking Information on Income, Property And Property-Related Liabilities.

3.7. The list of situations that may be considered concealment of information or a conflict of interest for which an employee of the Company shall be subject to disciplinary action is given in the Regulation on the Procedure for Preventing and Resolving Conflicts of Interest in RusHydro.

3.8. The Company welcomes labor dynasties.

3.9. The Company shall take the necessary measures to prevent fraudulent actions of significant shareholders related to transactions of the Company with a conflict of interest¹ and to minimize the consequences of such actions.

3.9.1. In order to prevent conflicts of interest, the Audit Committee under the Board of Directors shall carry out a preliminary review of transactions by the Company with persons affiliated (connected²) with significant shareholders (except for the Russian Federation) of the Company for the presence or absence of a conflict of interest with the Company's significant shareholders in these transactions.

Transactions shall not be subject to review in accordance with this clause if their price does not exceed the amount determined by sub-clause 12 of clause 2 of Article 81 of the Federal Law "On Joint Stock Companies" taking into account accepted Bank of Russia regulations or if such transactions are carried out in the ordinary course of business of the company, provided that the Company has repeatedly performed similar transactions over a long period of time on similar conditions with persons other than affiliates of significant shareholders.

4. ADVISORY ETHICAL STANDARDS FOR EMPLOYEES AND MEMBERS OF THE BOARD OF DIRECTORS

4.1. When performing their duties, Employees and members of the Board of Directors shall be guided by the principles of honesty, objectivity, and constructiveness.

4.2. Employees and members of the Board of Directors of the Company should proceed from the constitutional provisions that people and their rights and freedoms comprise the highest value, and every individual has the right to protect his or her honor, dignity, and good name.

4.3. Employees and members of the Board of Directors should refrain from:

4.3.1. Any statements and actions of a discriminatory nature based on gender, age, race, nationality, language, citizenship, social, property or family status or political or religious preferences.

4.3.2. Rudeness, disparaging comments, arrogance, biased remarks and unjustified, undeserved accusations.

4.3.3. Threats, abusive language or remarks and actions that interfere with normal communication or provoke unlawful behavior.

4.3.4. Participation in the activities of nationalist, ultra-radical parties, movements and organizations.

¹ Transactions with a conflict of interest mean the Company's transactions with persons affiliated (associated) with significant shareholders (with the exception of the Russian Federation) of the Company for the purpose of obtaining unjustified profits (income) at the Company's expense.

² Persons connected with a significant shareholder of the Company means the persons referred to in Appendix 3 of the Corporate Governance Code of the Company approved by the Resolution of the Board of Directors of the Company dated June 19, 2015 (Minutes No. 218 dated June 22, 2015).

4.4. Employees and members of the Board of Directors of the Company are advised to adhere to the basic principles and rules of ethics established by this Code even outside of their working hours.

4.5. Employees of the Company are called upon to contribute through their behavior to the establishment within the team of good working relationships and constructive cooperation with each other, as well as with contractors and other stakeholders of the Company.

4.6. The appearance of employees of the Company when performing their work duties, depending on the working conditions and format of the official event, shall comply with the generally accepted business style standards characterized by formality, restraint, conservativeness and neatness.

4.7. Members of the Board of Directors shall carry out their activities with due regard for the following provisions:

4.7.1. Members of the Board of Directors shall not use their official position to the detriment of the Company or its shareholders, nor for the purpose of directly or indirectly deriving benefits for themselves or any dependent person, except for receiving remuneration for their work on the Board of Directors and the committees of the Board of Directors.

4.7.2. Members of the Board of Directors shall be aware of their responsibility to shareholders and shall consider their main goal to be conscientious and competent performance of the duties of managing the Company, ensuring the maintenance and sustainable long-term growth of the value of its shares, protecting and enabling shareholders to exercise their rights and striving for the sustainable and successful development of the Company.

4.7.3. Members of the Board of Directors shall do their best to actively participate in the work of the Board of Directors and committees of the Board of Directors, and shall assist in the implementation of the best corporate governance and information transparency practices in the Company.

4.7.4. Within the framework of their authority, members of the Board of Directors shall help to protect the legitimate interests of the Company and its shareholders from unlawful actions of third parties.

4.7.5. Members of the Board of Directors shall be familiar with the legislation of the Russian Federation for a clear understanding of their responsibilities as a member of the Board of Directors. If the Company's securities are listed on foreign markets, members of the Board of Directors are also advised to familiarize themselves with liability arising in accordance with the legislation of these countries.

4.7.6. In relations with third parties, members of the Board of Directors shall show loyalty to the Company and protect the interests of the Company and its shareholders.

4.7.7. Members of the Board of Directors shall not have relations with third parties, including competitors of the Company and persons affiliated with them, if they know that such relations directly or indirectly damage the reputation, business or legitimate interests of the Company and its shareholders. It makes no difference whether such a relationship involves benefit to the member of the Board of Directors personally and/or to their affiliated persons.

4.7.8. Members of the Board of Directors shall not disclose confidential information (information containing a trade secret) the disclosure of which to third parties is prohibited by current legislation or the Company's internal documents, if the disclosure of this information is not approved directly by the Board of Directors.

5. FINAL PROVISIONS

5.1. When joining the Company, employees shall familiarize themselves with the provisions of this Code.

5.2. Any violations of this Code by a member of the Board of Directors shall be subject to consideration by the Board of Directors of the Company. Violations of this Code by employees of the Company shall be considered in the manner provided for by the bylaws of the Company.

5.3. The Company may use specialized technical tools for protecting information and monitoring the activities of employees, as well as organizational measures aimed at preventing the unauthorized dissemination of restricted information.

5.4. Reports on violations of the provisions of this Code should be sent by the Company's employees to the Director for Internal Control and Risk Management/Chief Auditor of the Company through specialized communication feedback channels for the Company's employees (the Anti-Corruption Hotline of RusHydro)³.

5.5. This Code, as well as all amendments and additions thereto, shall be approved by the Company's Board of Directors.

5.6. If this Code (or individual clauses thereof) becomes non-compliant with the legislation of the Russian Federation, this Code (or individual clauses thereof) shall become invalid, and until the date of introduction of amendments to this Code, the Company's employees and members of the Company's Board of Directors shall be guided by the legislation of the Russian Federation.

5.7. This Code shall be published on the Company's website.

³ The rules for operation of the Anti-Corruption Hotline of RusHydro were approved by the Company's Order No. 385 dated April 27, 2011.