

Approved
by the Resolution of the Board of Directors
of RusHydro dated December 25, 2017
(Minutes No. 263 dated December 28, 2017)

**ANTI-CORRUPTION POLICY
OF RUSHYDRO
(revised version)**

**Moscow
2017**

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Glossary

Company	RusHydro
CCs	Companies with the participation (indirect participation) of RusHydro ¹
Employee	An individual who is in an employment relationship with the Company/a CC.
Ethics Commission	A permanent collegial body of the Company/a CC whose purpose is to ensure that employees comply with corporate ethics and to minimize/eliminate risks associated with the possible occurrence of a conflict of interest in the Company/CC.
Anti-corruption clause	A section of contracts and agreements entered into by the Company declaring the Company's implementation of this Anti-Corruption Policy and prohibiting acts of corruption and other offenses.
Business process	A regular sequence of functions (operations, works) aimed at creating a result of value to the Company.
Bribe	Receipt by an official, personally or through an intermediary, of money, securities or other property or unlawful provision to them of property-related services or other property rights for performing actions (inaction) in favor of the bribe giver or persons represented by the bribe giver, if such actions (inaction) are within the official powers of the official or if, by virtue of their official position, such official can facilitate such actions (inaction), as well as for general protection or connivance in the way of their service (Article 290 of the Criminal Code of the Russian Federation).
Income information filer	An employee holding a position/candidate applying for a position that imposes an obligation on the employee/candidate to submit information on their income, property and property-related liabilities, as well as on income, property and property-related liabilities of family members and close relatives, in accordance with the legislation of the Russian Federation and/or bylaws (regulations) of the Company.
Abuse of authority	Use of authority by a person performing managerial functions in a commercial or other organization contrary to the legitimate interests of the organization and in order to extract benefits and advantages for himself/herself or others

¹ For the purposes of this Policy, hereinafter Controlled Companies shall mean companies in which the share of RusHydro's participation (indirect participation) amounts to 50 percent or more.

	or to harm others, if such use resulted in substantial harm to the rights and legitimate interests of individuals, organizations or the legally protected interests of the Company or the state (Article 201 of the Criminal Code of the Russian Federation).
Candidate	An individual applying for a position that imposes an obligation to submit information on income, property and property-related liabilities, as well as on the income, property and property-related liabilities of family members and close relatives in accordance with the legislation of the Russian Federation and/or bylaws (regulations) of the Company.
Commercial bribery	Illegal transfer to a person performing managerial functions in a commercial or other organization of money, securities or other property or unlawful provision to such person of property-related services and other property rights for actions (inaction) in favor of the bribe giver or other persons, if the said actions (inaction) are within the official powers of such person or if, by virtue of their official position, they can facilitate specified actions (inaction) (Article 204 of the Criminal Code of the Russian Federation).
Counterparty	Any Russian or foreign legal entity or individual with which the Company/a Controlled Company enters into contractual relations, with the exception of labor relations.
Conflict of interests	A situation where an employee's personal interests (direct or indirect) affect or may affect the due objective and impartial performance of his/her job duties and which results or may result in a conflict between the employee's personal interests and the rights or legitimate interests of the Company/CC which could lead to the violation of the rights or legitimate interests of the latter.
Corruption	Abuse of an official position, giving a bribe, accepting a bribe, abuse of authority, commercial bribery or other unlawful use by an individual of his/her official position against the legitimate interests of the Company/CC in order to obtain benefits in the form of money, valuables, other property or property-related services, or other property rights for themselves or for third parties, or the unlawful provision of such benefits to the said person by other individuals. Corruption also includes the commission of the listed acts on behalf of or in the interests of the Company/CC (clause 1 of Article 1 of Federal Law of the Russian Federation No. 273-FZ dated December 25, 2008, "On Combating Corruption" (hereinafter, the Law on Combating Corruption)).

Corruption offense	An illegal culpable offence (action or inaction) possessing the signs of corruption for which the law establishes responsibility.
Anti-Corruption Hotline	Specialized communication channels for feedback with employees and third parties (counterparties) established for receiving information on corruption offenses committed by employees and on improvement of the Company's/the Controlled Company's activities.
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 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 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.
Persons who have close affinity (with an employee)	Spouse's siblings, spouse's parents, spouse's children, and spouses of children.
Personal gain²	The interest of an employee and/or persons closely related to him/her or having a close affinity with him/her in obtaining intangible gains and other intangible benefits.
Material benefit	Economic benefit in cash or in kind which can be assessed and defined as income in accordance with the tax laws of the Russian Federation.
Bribery mediation	Direct transfer of a bribe on behalf of a bribe giver or a bribe taker, or other assistance to a bribe giver and/or a bribe taker in reaching or implementing an agreement on receiving and giving a bribe of a significant value (Article 291.1 of the Criminal Code of the Russian Federation).
Prevention of corrupt practices	The Company's activities aimed at introducing elements of corporate culture, organizational structure, rules and procedures regulated by bylaws (acts) that ensure prevention of corruption offenses.
Anti-corruption practices	The activities of federal governmental authorities, governmental authorities of the subjects of the Russian Federation, local authorities, civic institutions, organizations and individuals within their powers (Clause 2, Article 1 of the Law on Combating Corruption): – for the prevention of corruption, including the

² Promotion and announcement of gratitude are not considered personal gains

	<p>identification and subsequent elimination of the causes of corruption (prevention of corruption);</p> <ul style="list-style-type: none"> – for the identification, prevention, suppression, disclosure and investigation of corruption offenses (combating corruption); – for the minimization and/or elimination of the consequences of corruption offenses.
Executives	<p>The sole executive body regardless of the title of the position, the director/executive director, deputies of the sole executive body, deputy directors/deputy executive directors, the chief accountant, executives directly subordinate to the sole executive body/director/executive director, and the heads of structural units and deputy heads of structural units of the Company/the Controlled Company.</p>
Income Information	<p>Information on income, property and property-related liabilities, as well as income, property and property-related liabilities of family members and close relatives, submitted by income information filers.</p>
Family members and close relatives (closely related persons)	<p>Spouses, children (adults and minors), parents, and siblings.</p>

1. GENERAL PROVISIONS

1.1. The Anti-Corruption Policy of RusHydro (hereinafter referred to as the Policy) is a document defining the main goals, objectives, principles and areas of activities aimed at preventing and combating corruption in the Company, as well as ensuring compliance with the anti-corruption legislation of the Russian Federation.

1.2. This Policy reflects the commitment of the Company and its employees to high ethical standards of open and honest business practices aimed at improving the corporate culture, following the best examples of corporate governance and maintaining proper business reputation.

1.3. This Policy is binding for all employees and members of the Board of Directors of the Company.

1.4. The Company recommends and supports the implementation of this Policy in Controlled Companies.

1.5. The Company's counterparties are obliged to comply with the provisions of this Policy, if this is expressly stated in the Company's contract with the counterparty.

1.6. The Company displays this Policy on its corporate website and openly declares its commitment to anti-corruption practices.

1.7. This Policy shall be approved and, if necessary, updated by the Board of Directors of the Company.

1.8. Before approval/update by the Board of Directors of the Company, this Policy shall be subject to preliminary consideration by the Audit Committee under the Board of Directors of the Company.

1.9. The development of this Policy and the amendments thereto shall be carried out by the Company's Risk Control and Management Department.

2. LEGAL FRAMEWORK

2.1. The legal framework for the prevention of corrupt practices and anti-corruption activities at the Company is comprised by:

- The Constitution of the Russian Federation;
- Federal Law of the Russian Federation No. 40-FZ dated March 8, 2006, "On Ratification of the United Nations Convention against Corruption";
- Federal Law of the Russian Federation No. 125-FZ dated July 25, 2006, "On Ratification of the Criminal Law Convention on Corruption";
- Federal Law No. 273-FZ dated December 25, 2008, "On Combating Corruption";
- Federal Law of the Russian Federation No. 224-FZ dated July 27, 2010, "On Countering the Wrongful Use of Insider Information and Market Manipulation and on Amending Certain Legislative Acts of the Russian Federation";
- Federal Law of the Russian Federation No. 3-FZ dated February 1, 2012, "On the Accession of the Russian Federation to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions";

- 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 Combating Corruption";
- Decree of the President of the Russian Federation No. 613 dated July 8, 2013, "On Anti-Corruption Issues";
- Decree of the President of the Russian Federation No. 147 dated April 1, 2016, "On the National Anti-Corruption Plan for 2016-2017";
- Regulation of the Government of the Russian Federation No. 568 dated July 5, 2013, "On the Extension to Certain Categories of Individuals of Restrictions, Prohibitions and Responsibilities Established by the Federal Law 'On Combating Corruption' and other Federal Laws to Combat Corruption";
- Regulation of the Government of the Russian Federation No. 613 dated July 22, 2013, "On Submission by Individuals Applying for Positions in Organizations Performing Tasks Assigned to the Government of the Russian Federation and Employees Holding Positions in these Organizations of Information on Income, Expenses, Property and Property-Related Liabilities and on Verification of the Accuracy and Completeness of Information Submitted and Employee Compliance with Ethics Requirements";
- Regulation of the Government of the Russian Federation No. 10 dated January 9, 2014, "On the Procedure for Certain Categories of Persons Submitting Information on Receiving Gifts in Connection with Protocol Events, Official Business Trips and Other Official Events Related to the Performance of Official Duties, the Procedure for Submission and Assessment of Gifts, Sale (Buying Out) and Crediting of the Sale Proceeds";
- Regulation of the Government of the Russian Federation No. 29 dated January 21, 2015, "On Approval of the Rules for Reporting by Employers of the Conclusion of Labor Contracts or Civil Law Contracts for the Performance of Works (Provision of Services) with Individuals Holding State or Municipal Service Positions in accordance with the List Established by the Regulatory Acts of the Russian Federation";
- Order of the Government of the Russian Federation No. 511-r dated April 3, 2013, "On Approval of the Strategy for the Development of the Electric Grid Complex of the Russian Federation";
- Minutes of the Commission on the Strategy of the Development of the Fuel and Energy Complex and Environmental Safety under the President of the Russian Federation No. A-60-26-8 dated July 10, 2012;
- Orders of the Government of the Russian Federation No. DM-P17-2666 dated April 30, 2016, on the implementation of Decree of the President of the Russian Federation No. 147 dated April 1, 2016, "On the National Anti-Corruption Plan for 2016-2017";
- Orders of the Government of the Russian Federation No. RD-P17-7398 dated October 1, 2014, on the development and adoption of regulatory acts by the pension fund of the Russian Federation, the social insurance fund of the Russian Federation, the federal fund for mandatory health insurance, public corporations (companies), organizations established

under federal laws, and other organizations included in the list of organizations performing tasks assigned to the government of the Russian Federation;

- 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 Anti-Corruption Charter of Russian Business approved by the Chamber of Commerce and Industry of the Russian Federation, the Russian Union of Industrialists and Entrepreneurs, the All-Russian Public Organization "Delovaya Rossia" and the All-Russian Public Organization "OPORA Rossii" on September 21, 2012.

2.2. Employees and members of the Board of Directors of the Company shall comply with the requirements of this Policy, the requirements of the anti-corruption legislation of the Russian Federation established by the Criminal Code of the Russian Federation, the Code of Administrative Offenses of the Russian Federation, and the Law on Combating Corruption that prohibit/restrict the following actions:

- abuse of authority;
- giving a bribe;
- taking a bribe;
- bribery mediation;
- commercial bribery;
- unlawful remuneration on behalf of a legal entity;
- unlawful employment or unlawful engagement in performance of works or provision of services of a state or municipal employee or a former state or municipal employee.

2.3. Employees and members of the Board of Directors of the Company shall comply with the principles and standards of international law provided for in conventions ratified by the Russian Federation and international treaties signed by the Russian Federation, including those ratified by:

- Federal Law of the Russian Federation No. 40-FZ dated March 8, 2006, "On Ratification of the United Nations Convention against Corruption";

- Federal Law of the Russian Federation No. 125-FZ dated July 25, 2006, "On Ratification of the Criminal Law Convention on Corruption";

- Federal Law of the Russian Federation No. 3-FZ dated February 1, 2012, "On the Accession of the Russian Federation to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions".

3. AIMS, OBJECTIVES, AND PRINCIPLES OF THE POLICY

3.1. The **aim** of this Policy is to form a unified approach to the development and implementation of versatile and consistent measures for preventing and eliminating (minimizing) the reasons and conditions for corruption, and creating an anti-corruption spirit characterized by zero tolerance of corruption by employees, counterparties, and management bodies of the Company.

3.2. The **objectives** of this Policy are:

- to form a uniform understanding of the Company's anti-corruption policy among shareholders, employees, counterparties, and other persons;
- to define the main areas of development and implementation of measures aimed at preventing corrupt practices in the Company;
- to reduce the risks of employees and members of the Board of Directors of the Company being involved in corrupt activities;
- to establish the obligation of employees and members of the Board of Directors of the Company to know and comply with the basic requirements of the anti-corruption legislation of the Russian Federation;
- to ensure prevention of corrupt practices and to determine responsibility for them;
- to ensure compensation for harm caused to the Company by corruption;
- to form a corporate anti-corruption spirit in the Company.

3.3. The **principles** of this Policy are:

- **The principle of compliance of the Policy with the legislation of the Russian Federation and generally accepted standards:**

Compliance of the implemented anti-corruption measures with the Constitution of the Russian Federation, international treaties entered into by the Russian Federation, legislation of the Russian Federation, and the bylaws of the Company.

- **The principle of leading by example:**

The key role of the Company's management in forming a culture of zero tolerance of corruption and in creating an intra-organizational system for preventing and combating corruption.

- **The principle of engagement of the Company's employees:**

Awareness of the Company's employees of the provisions of the anti-corruption legislation of the Russian Federation and their active participation in the formation and implementation of anti-corruption standards and procedures.

- **The principle of anti-corruption procedures being proportionate to the corruption risk of the Company:**

Development and implementation of a set of measures to reduce the likelihood of the Company, its managers and employees being involved in corruption activities taking into account the existing corruption risks in the Company's activities.

- **The principle of the effectiveness of anti-corruption measures in the Company:**

Using anti-corruption measures that are low-cost, easy to implement, and have significant and effective results.

- **The principle of responsibility and inevitability of punishment:**

The inevitability of punishment for employees of the Company regardless of their position, work experience and other conditions for corruption offenses in connection with their official duties, as well as the personal responsibility of the managers of the Company for the implementation of the Policy.

Prohibition of privileges and immunities that limit liability or complicate the procedure for prosecution of a certain group and/or individual employees of the Company for committing or failing to prevent corruption offenses.

– **The principle of open business:**

Informing the Company's counterparties and the public about the anti-corruption standards adopted by the Company.

– **The principle of continuous and regular monitoring:**

Regular monitoring of the effectiveness of the implemented anti-corruption standards and procedures, as well as monitoring of their implementation.

4. LIST OF PERSONS RESPONSIBLE FOR THE IMPLEMENTATION OF THE POLICY AND DISTRIBUTION OF FUNCTIONS

4.1. The implementation of this Policy in the Company pertains to the scope of responsibilities of:

- the Board of Directors of the Company (the Audit Committee under the Board of Directors of the Company);
- the Chairman of the Management Board and General Director of the Company;
- the Company's Risk Control and Management Department;
- the Analysis and Economic Security Department;
- the HR and Structural Development Department;
- the Corporate Accounting and Reporting Department;
- the Corporate Governance and Property Management Department;
- the Ethics Commission.

4.2. The Board of Directors of the Company (the Audit Committee under the Board of Directors of the Company) shall:

- determine the aims, objectives, and principles of this Policy;
- monitor the overall results of the implementation and application of the Policy in the Company and the Controlled Companies.

4.3. The Chairman of the Management Board and General Director of the Company shall:

- be responsible for the organization of activities aimed at achieving the aims and objectives and implementing the principles of this Policy, including the determination of the structural units responsible for the development of anti-corruption procedures and their implementation and monitoring;
- ensure the submission of reports on the implementation of measures for compliance with this Policy for consideration by the Board of Directors of the Company.

4.4. In accordance with the Company's bylaws, the Risk Control and Management Department of the Company shall:

- familiarize the Company's employees with this Policy through the corporate document management system;
- develop a program of anti-corruption measures and organize and ensure the implementation of measures aimed at realization of the principles and requirements of this Policy;
- monitor the compliance of anti-corruption activities of the Company and the Controlled Companies with the requirements of the legislation of the Russian Federation and other mandatory regulatory documents (through corporate procedures);

- conduct monitoring and analytical procedures aimed at identifying and assessing the risks of corruption offenses;
- develop oversight measures/recommendations aimed at reducing the risks of corruption offenses;
- organize the Company's Anti-Corruption Hotline;
- organize the review and, together with the Analysis and Economic Security Department, check reports of employees being induced to commit corruption and other offenses on behalf of or in favor of another organization, as well as possible facts of corruption and other offenses by employees and/or counterparties of the Company and Controlled Companies received via the Company's Anti-Corruption Hotline, as well as by other means;
- check Income Information for signs of an existing and/or potential conflict of interest;
- organize training and consulting for the Company's employees on the implementation of anti-corruption measures;
- assist authorized representatives of supervisory and law enforcement bodies during inspections of the anti-corruption practices of the Company and Controlled Companies;
- assess the results of anti-corruption measures and prepare relevant reporting materials for the Chairman of the Management Board and General Director of the Company, and the Board of Directors of the Company (the Audit Committee under the Board of Directors of the Company);
- coordinate the activities of the Company's structural units and its branches in the implementation of this Policy;
- take part in summits, scientific seminars and workshops, and Russian and international conferences on anti-corruption issues;
- participate in interaction with government and local authorities and scientific and educational institutions on anti-corruption issues;
- monitor Russian and applicable foreign and international anti-corruption legislation and judicial practice and changes made therein;
- carry out scheduled and unscheduled inspections of compliance with the principles of the Policy and prepare reports on the results of such inspections;
- develop anti-corruption bylaws of the Company and initiate their updating as necessary;
- ensure the submission of reports on the implementation of measures for compliance with this Policy for consideration by the Audit Committee under the Board of Directors of the Company.

4.5. In accordance with the Company's bylaws, the Analysis and Economic Security Department of the Company shall:

- check candidates upon hiring at the Company in order to identify and prevent attempts by persons representing a threat to the internal security of the Company to seek employment;
- check the accuracy of the Income Information submitted by income information filers;

- interact with law enforcement and other government bodies, legal entities and individuals, and security departments of other organizations on anti-corruption matters, as well as on matters of ensuring the internal security of the Company and its branches;
- implement preventive measures and carry out targeted internal inspections to identify and suppress unlawful, fraudulent or incompetent activities of certain employees of the Company and its branches;
- organize internal investigations into non-technological incidents in the Company;
- independently or together with the Risk Control and Management Department, check reports of employees being induced to commit corruption and other offenses on behalf of or in favor of another organization, as well as possible facts of corruption and other offenses by employees, counterparties or affiliates of the Company or other persons;
- take part in summits, scientific seminars and workshops, and Russian and international conferences on anti-corruption issues.

4.6. In accordance with the Company's bylaws, the HR and Structural Development Department of the Company shall:

- familiarize new employees with this Policy against signature;
- prepare and approve schedules for testing employees' knowledge of the anti-corruption legislation of the Russian Federation;
- together with the Company's Risk Control and Management Department, develop tests to assess the knowledge of the Company's employees holding positions included in the List of Positions in RusHydro Exposed to Corruption Risks (schedule to this Policy) of the anti-corruption legislation of the Russian Federation;
- organize regular testing to assess the knowledge of the Company's employees holding positions included in the List of Positions in RusHydro Exposed to Corruption Risks (schedule to this Policy) of the anti-corruption legislation of the Russian Federation;
- collect the Income Information submitted by candidates and check it for completeness;
- create and update lists of Income Information filers (including family members and close relatives) that must submit Income Information;
- if necessary, communicate with the Office of the Government of the Russian Federation regarding the list of the Company's employees³ that must submit Income Information in accordance with anti-corruption legislation.

4.7. In accordance with the Company's bylaws, the Corporate Accounting and Reporting Department shall:

- organize the collection of Income Information submitted by officials and employees of the Company and Controlled Companies that must submit Income Information and check it for completeness;
- monitor the compliance of the Company's employees⁴ with the requirements for submitting Income Information to the Office of the Government of the Russian Federation and, if necessary, organize interaction with the Office of the Government of the Russian Federation;

³ The list is specified in RF Government Regulation No. 613 dated July 22, 2013.

⁴ The list is specified in RF Government Regulation No. 613 dated July 22, 2013.

– ensure the provision of Income Information by the employees of the Company and Controlled Companies that must provide such information to the authorized bodies of the Russian Federation (the Ministry of Energy of the Russian Federation, the Inspectorate of the Federal Tax Service, etc.) according to the legislation of the Russian Federation.

4.8. The Corporate Governance and Property Management Department shall:

– ensure the preparation and updating of lists of members of Controlled Companies' Boards of Directors (including family members and close relatives) that submit Income Information and their timely communication to the HR and Structural Development Department.

4.9. In accordance with the Company's bylaws, the Ethics Commission shall consider and make decisions on inspections (internal investigations, additional inspections, etc.), develop and issue recommendations on matters related to the compliance of employees with corporate ethics, requirements for the prevention/resolution of conflicts of interest, and the legislation of the Russian Federation and bylaws of the Company in the area of combating corruption, etc.

5. MEASURES AIMED AT IMPLEMENTING THE AIMS, OBJECTIVES, AND PRINCIPLES OF THE POLICY

5.1. Development and implementation of standards and procedures

5.1.1. The Company shall implement anti-corruption standards in the corporate culture through the approval of the Code of Corporate Ethics, which defines:

– the general ethical principles and rules of the Company's activities;
– ethical principles and rules of conduct aimed at forming a culture of integrity among the employees of the Company.

5.1.2. The Company shall take measures to form an anti-corruption culture among its employees and counterparties by increasing the awareness of all stakeholders and systematically educating employees.

5.1.3. The Company shall make reasonable efforts to minimize the risk of business interactions with counterparties that may be involved in corrupt activities. To this end, counterparties shall be checked for whether they have their own anti-corruption measures or policies and whether they are willing to include anti-corruption clauses in contracts and provide mutual assistance for the promotion of ethical business practices and anti-corruption measures.

5.1.4. The Company shall implement a charity policy with a view to establishing the image of a socially responsible business based on the principle of transparency, not pursuing the goal of obtaining or maintaining an advantage in commercial activities, in accordance with the requirements of the legislation of the Russian Federation and bylaws of the Company.

5.1.5. The Company shall organize safe, confidential and accessible means of informing the Company's management (the Anti-Corruption Hotline) about facts or signs of corrupt practices. The Anti-Corruption Hotline shall also accept proposals for improving anti-corruption procedures and controls in the Company.

5.1.6. In accordance with the legislation of the Russian Federation and/or the bylaws of the Company, the Company shall audit the Income Information to identify conflicts of interest, facts of affiliation and other abuse;

5.1.7. Employees specified in the List of Positions in RusHydro Exposed to Corruption Risks (schedule to this Policy) shall notify the Company and/or other bodies stipulated by the legislation of the Russian Federation (the Ministry of Energy of Russia, the Government of the Russian Federation, etc.) in a timely manner (in accordance with the procedure and terms provided for by the bylaws of the Company) of:

- sources of income of the employee and any subsequent changes to them;
- legal entities in which the employee owns shares independently or jointly with affiliate(s);
- changes in the ownership of shares in legal entities, with the exception of changes in the ownership of listed securities;
- executed or proposed transactions with signs of a conflict of interest known to the employee.

5.1.8. The Company recognizes the exchange of gifts with business partners as an integral part of business ethics, if these actions are open, comply with generally accepted standards of business etiquette, the requirements of the legislation of the Russian Federation and bylaws and do not create a business reputation risk for the Company and its employees.

5.1.9 The Company's accounting records shall reflect all financial transactions with a sufficient level of detail; the transactions shall be documented and available for audit. Misrepresentation or falsification of the managerial and/or financial statements of the Company shall be strictly prohibited. The Company prohibits the registration of false or fictitious accounting items in accounting registers, as well as the maintenance of accounts outside the accounting registers used by the Company.

5.1.10 The Company requires employees to comply with this Policy, informing them of the requirements of this Policy and sanctions for their violation by displaying this Policy on the corporate website, as well as by including them in the employment contracts of the Company's employees.

5.2. Consulting and training of the Company's employees.

The Company shall train and inform the Company's employees on anti-corruption issues, including:

- introductory distance training for new employees of the Company that includes information on this Policy;
- periodic training events on anti-corruption issues in the Company;
- individual consultations for the Company's employees on the application (observation) of anti-corruption standards and procedures;
- assessment of knowledge (testing) of the anti-corruption legislation of the Russian Federation of the Company's employees holding positions included in the List of Positions in RusHydro Exposed to Corruption Risks (schedule to this Policy).

5.3. Internal Control and Audit

5.3.1. Internal and external audit of financial and business activity, as well as control of the complete and correct presentation of data in accounting and of compliance with the legislation of the Russian Federation and the Company's bylaws (acts), including principles and requirements prescribed hereby, shall be performed in the Company on a regular basis.

5.3.2. The Company's internal control procedures shall involve inspections of the key areas of activity, including selective inspections of payments made for legitimacy and economic feasibility, as well as of the expediency of expenses, particularly for their confirmation by source accounting documents and compliance with the requirements hereof.

5.4. Corruption Risk Assessment.

5.4.1. The Company shall periodically identify, consider, and assess the probability of corruption risks specific to its activity.

5.4.2. Corruption risks shall be assessed to determine specific business processes and operations in the Company's activity associated with the highest probability of the commission of corruption offenses by employees both for personal and the Company's benefit.

5.5. Review and Verification of Reports of Possible Corruption Instances.

5.5.1. The Company shall accept appeals made by employees, counterparties, and other persons (individuals and legal entities) about possible instances of corruption using the channel for interaction with applicants via the Hotline. In addition, the Company's employees shall notify the Company in a timely manner about known instances of conflict of interest in the Company and CCs, as prescribed by the Company's bylaws (acts).

5.5.2. The Company shall form a set of efficient measures to verify information about the possible instances of corruption and to eliminate (minimize) their consequences and contributing causes in the case of their confirmation.

5.6. Conflict of Interest Management.

5.6.1. To restrict the influence of employees' personal interests on their work functions and business decisions, the Company shall organize measures for conflict of interest management, and namely for conflict of interest prevention, identification, and resolution.

5.6.2. The Company shall implement measures to avoid any conflict of interest directed at ruling out the possibility, inter alia, of receiving, whether directly or indirectly, any financial and/or personal benefit as a result of the possession by the Company's employees, their family members, and close relatives of rights conferring such possibility through their appropriation of corporate opportunities.

5.6.3. The Company is committed to the avoidance and timely resolution of pre-conflict situations between employees.

5.6.4. The Company shall thoroughly verify all received information about the evidence of any actual and/or potential conflict of interests to receive an objective and

well-grounded confirmation or rebuttal of the information about any conflict of interest or threat thereof.

5.6.5. The Company identifies a conflict of interest as:

- performance by employees of operations with financial instruments, currency, or commodities using insider or any other confidential information received during their job duties;
- concurrent performance by employees of executive and oversight functions, which enables them to use their job duties for personal benefit;
- use by employees of any confidential information that is not required for performance of their job duties for personal benefit;
- excess by employees of their job duties for personal benefit;
- employment or change in job duties of the Company's employees having a direct relationship with their immediate superiors or persons performing related functions;
- preventing by any employee of any other employee from due and timely performance of the job duties, including for personal benefit;
- involvement of any employees and/or their close relatives or affined persons in the activity of the Company's counterparties which implies such employees' preference for one counterparty's interests to the detriment of other counterparties for the purpose of personal benefit and/or such employees' preference for his or her own interests to the detriment of a counterparty for the purpose of personal benefit;
- contradiction between the Company's interests and the interests of other legal entities/individual entrepreneurs, if the Company's employee is an employee/ultimate beneficiary/official of the other legal entity/individual entrepreneur and performance by the Company's employee of the duties in good faith is impossible as a result of her/his engagement in the activity of, participation in, or ownership of such legal entity;
- other situations where employees' personal interests (whether direct or indirect) affect or may affect the due performance of their job duties and which result or may result in a contradiction between employees' personal interests and rights or legitimate interests of the Company and CCs and the violation thereof.

5.6.6. For the purpose of conflict management, the Company shall:

5.6.6.1. Approve the Regulation on the Procedure for Conflict of Interest Prevention and Resolution (hereinafter, the "Conflict of Interest Regulation").

The Conflict of Interest Regulation shall establish:

- the basic principles for conflict of interest management in the organization;
- the requirements for the Company's employees as to conflict of interest prevention and/or resolution, including employees' obligations to disclose information about any conflict and to take measures for conflict of interest prevention and/or resolution;
- the procedure for conflict of interest disclosure by employees and the procedure for conflict of interest prevention and/or resolution, including possible methods for conflict of interest resolution;
- the definition of persons responsible for accepting and reviewing information about conflicts of interest that arise;

- methods for receiving the information/providing information about a conflict of interest and/or the threat thereof;
- the employees' liability for non-compliance with the Conflict of Interest Regulation.

5.6.6.2. Create an ad hoc collegiate body (the Ethics Commission) whose functions include assisting the Company in conflict of interest resolution, settlement of pre-conflict situations, implementation of measures for preventing corruption, and building non-acceptance of corrupt conduct.

5.7. Interaction with Oversight Bodies, Including Law Enforcement Agencies

5.7.1. The Company is committed to avoiding the imposition of administrative sanctions upon it under Art. 19.28 of the Code of Administrative Offenses of the Russian Federation, and particularly establishes a prohibition on:

- 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 (inaction) 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;

5.7.2. The Company shall prescribe 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.

5.7.3. The Company shall provide support in the identification and investigation of corruption instances by law enforcement agencies, take the necessary measures to retain documents and information containing data on corruption offences and transfer them to law enforcement agencies, and cooperate with law enforcement agencies by assisting their authorized representatives in preventing and countering corruption during their inspections of the Company's activity.

6. OBLIGATIONS OF THE COMPANY AND EMPLOYEES TO PREVENT AND COUNTER CORRUPTION

6.1. The Company's employees may not engage or use any counterparties, intermediaries, agents, joint ventures, and/or other persons for anything contrary to the principles and requirements hereof or provisions of the anti-corruption legislation of the Russian Federation.

6.2. When performing their job duties, the Company's employees may not, whether directly or indirectly, personally or through mediation of any third parties, participate in corrupt practices, offer, give, promise, ask or receive bribes, or make any kind of payments to simplify administrative, bureaucratic and other formalities, and particularly payments in the form of cash, assets, services, or other benefit to any persons including business entities, state and local authorities, state officers, private companies, and their representatives.

6.3. The Company's senior management shall maintain high ethical norms, form an ethical standard of zero tolerance to any forms and manifestations of corruption at all

levels, lead by example, and implement measures to communicate the principles hereof to the Company's employees.

6.4. If any Company employees or other persons doubt whether their actions (inaction) or the actions (inaction) or suggestions of other employees, counterparties, or other persons interacting with the Company are lawful and comply with the goals, principles, and requirements hereof, they shall report the same to the Company's Hotline, their immediate superior, and/or the Company's Director for Internal Control and Risk Management and Chief Auditor, who shall provide recommendations and explanations in regard to the situation, if necessary.

6.5. No gifts in cash may be given on behalf of the Company.

6.6. Gifts that employees may present on behalf of the Company to other persons and entities (counterparties) or receive in relation to their work in the Company from other persons and entities (counterparties), as well as entertainment allowance, including expenses for business hospitality and promotion of the Company, that may be incurred on its behalf, shall meet all of the following criteria, and namely shall:

- be directly related to legitimate aims of the activity of the Company and CCs or to national holidays, memorable dates, anniversaries;
- be reasonably justified;
- not represent a hidden consideration for any service, action, omission, acquiescence, favoritism, granting of any rights, or a specific decision on any transaction, agreement, license, permit, etc., or an attempt to influence the receiver for any other illegal or unethical purpose;
- not create any reputation risks to the Company, its employees, and other persons in the event of disclosure of the information about the gifts or entertainment allowance;
- not be contrary to the principles and requirements of the legislation of the Russian Federation, this Policy, the Code of Corporate Ethics, or the Company's other bylaws (acts).

6.7. The Company shall not fund any charitable or sponsorship projects for the purpose of gaining any commercial advantages in specific projects of the Company and/or CCs. The Company shall not fund any political parties, organizations, or movements for the purpose of gaining any commercial advantages in specific projects of the Company and/or CCs.

6.8. The Company shall refrain from paying any expenses incurred by state officers (except as provided for in the Company's bylaws (acts)), their family members and close relatives (or for their benefit) for the purpose of gaining any commercial advantages in specific projects of the Company and/or CCs, including expenses for transport, accommodation, meals, entertainment, PR campaigns, etc., or for any other benefit.

6.9. No employees of the Company may be subject to any sanctions (including dismissal, demotion, bonus revocation), if they have reported an alleged corruption instance and refused to give or receive a bribe, or serve as intermediary in bribery, inter alia, if as a result of such refusal the Company has incurred loss of profit or failed to receive any commercial or competitive advantages.

7. SYSTEMIC ANTI-CORRUPTION WORK

7.1. The Company shall periodically identify, consider, and assess corruption risks specific to its activity in general and to the individual areas of activity, and particularly shall:

- develop and implement adequate control procedures for preventing corruption that are reasonably appropriate to the identified risks, control compliance with such procedures, and analyze and adjust them;
- in connection with any possible change in corruption risks and other factors affecting business activity over time, monitor the implemented corruption prevention procedures, oversee compliance with them, and review and improve them.

7.2. The Audit Committee of the Company's Board of Directors shall annually review the Report on the Execution of Measures Under the Comprehensive Program of Anti-Corruption Activity, which shall include information on compliance with the requirements hereof.

7.3. The Company's Management Board shall annually approve the Report on the Execution of Measures Under the Comprehensive Program of Anti-Corruption Activity that shall include the information on the compliance with the requirements hereof.

8. LIABILITY FOR NON-COMPLIANCE WITH THE POLICY

8.1. Irrespective of the position held, the Company's employees shall be liable for compliance with the principles and requirements hereof, as well as for actions (inaction) of their subordinates violating such principles and requirements.

8.2. Persons guilty of violating the requirements hereof may be held liable in the manner and on the grounds provided for in the legislation of the Russian Federation, the Articles of Association, the Company's bylaws (acts), and employment contracts with the Company's employees.

8.3. The Company shall be entitled to perform internal inspections on each reasonably suspected or identified corruption instance to the extent permissible by the legislation of the Russian Federation.

List of Positions in RusHydro
that Are Exposed to Corruption Risks

- the Chairman of the Management Board and General Director of the Company;
- Members of the Board, First Deputy General Directors of the Company;
- Member of the Board, First Deputy General Director – Chief Engineer;
- Deputy General Directors of different areas;
- heads of executive departments of the Company and their deputies;
- advisors to the Chairman of the Management Board and General Director;
- directors of the Company's branches and their deputies;
- candidates to the Company's management bodies (except candidates to the Company's Board of Directors);
 - candidates employed/transferred to vacant positions in the Company and its branches, as specified herein;
 - members of the Central Buying Committee of the Company and its branches and Level 1 and 2 buying committees.