

Approved by Resolution of the Board of  
Directors of PJSC RusHydro  
(Minutes No. 225 of October 30, 2015)

**Regulations on the Committee  
for Development of the Far Eastern Energy Sector  
at the Board of Directors of PJSC RusHydro**

**2015**

## **1. General provisions**

1.1. These Regulations on the Committee for Development of the Far Eastern Energy Sector at the Board of Directors of PJSC RusHydro (hereinafter referred to as “the Regulations”) have been developed in accordance with the legislation of the Russian Federation, Articles of Association of PJSC RusHydro (hereinafter referred to as “the Company”), Regulations on Procedure for Convening and Holding Meetings of the Company's Board of Directors and the Company's Code of Corporate Governance.

1.2. The Committee for Development of the Far Eastern Energy Sector at the Company's Board of Directors (hereinafter referred to as “the Committee”) shall be established by the resolution of the Company's Board of Directors and shall be an advisory and consultative body ensuring that the Board of Directors effectively performs its functions related to control over the Company's activities.

1.3. The Committee shall not be a governing body of the Company and may not act on behalf of the Company. The Committee's resolutions shall be of advisory nature.

1.4. The Committee shall act in accordance with these Regulations determining the Committee's legal status, purpose and objectives, as well as rights and obligations of the Committee's members.

1.5. The Committee shall be governed in its activities by the legislation of the Russian Federation, the Company's Articles of Association, Regulations on Procedure for Convening and Holding Meetings of the Company's Board of Directors, resolutions of the Company's Board of Directors.

## **2. Purposes of establishment and the objectives of the Committee**

2.1. The Committee shall be primarily established for the purposes of ensuring the effective functioning of the Board of Directors in resolving the issues within its competence.

2.2. The Committee's objectives shall be as follows: to develop the proposals for development of the Far Eastern Energy Service within the area of the Company and its subsidiaries' responsibility, as well as to prepare and submit recommendations (conclusions) on the issues of development of the Far Eastern Energy Sector falling within the Board of Directors' competence or examined by the Board of Directors while organizing the activities of the Company's executive bodies.

## **3. The Committee's competence**

3.1. The following shall fall within the Committee's competence:

3.1.1. Review, analysis and development of recommendations (conclusions) for the Company's executive bodies and the Board of Directors on the following issues:

3.1.1.1. Determination of the Company's priority activities in the Far Eastern Federal District, including:

- consideration of the issues related to consolidation of energy assets in the Far Eastern Federal District;

- review of the status of implementation of investment projects in the Far East, including projects implemented pursuant to Decree of the President of the Russian Federation No. 1564 of November 22, 2012;

- consideration of the issues related to development of electricity export to the countries of the Asia-Pacific region;

- consideration of development programs, issues of increasing shareholder value and investment appeal of PJSC RAO ES of the East and its subsidiaries;

- consideration of the issues related to ensuring energy supply to the consumers in the Far Eastern Federal District;

- other issues related to the Company's priority activities in the Far Eastern Federal District.

3.1.1.2. Approval of transactions, as well as determination of the position on the subsidiaries' transactions related to the development of the Far Eastern Energy Sector;

3.1.1.3. Determination of the strategic goals, development and updating of the strategy of Holding PJSC RAO ES of the East.

3.1.1.4. Approval of the Company's internal documents related to development of the Far Eastern Energy Sector;

3.1.1.5. Approval of the Regulations on Committee for Development of the Far Eastern Energy Sector at the Company's Board of Directors;

3.1.2. Other issues falling within the Committee's competence by separate resolutions of the Company's Board of Directors or presented for the Committee's consideration according to the resolution of the Chairman of the Company's Board of Directors.

#### **4. The Committee's rights**

4.1. For the purposes of exercising the powers, the Committee shall be vested with the following rights:

4.1.1. To investigate the issues falling within its competence.

4.1.2. To request and obtain information and documents required for its activities from the Company's officials, as well as to request information from the third parties through the Chairman of the Board of Directors or the Chairman of the Company's Management Board.

4.1.3. To invite employees, officials of the Company, members of other Committees at the Board of Directors, as well as other persons to attend the Committee's meetings.

4.1.4. Other rights specified herein.

#### **5. The Committee's obligations**

5.1. The Committee shall be obliged:

5.1.1. To perform the functions entrusted to the Committee in accordance herewith, the requirements of the legislation of the Russian Federation, the Articles of Association and internal documents of the Company.

5.1.2. To submit the conclusions on economic efficiency and legally justified recommendations on the issues falling within its competence to the Company's Board of Directors.

5.1.3. To promptly inform the Board of Directors of the risks to which the Company is exposed.

5.1.4. Not to disclose information about the Company, which constitutes a trade and / or business secret of the Company.

## **6. The Committee's composition and procedure for its election, rights and obligations of the Committee's members**

6.1. The size of the Committee shall be determined by the decision of the Board of Directors in a number not less than 3 (three) people and not more than 14 (fourteen) people.

6.2. The Committee's members shall be elected by the Company's Board of Directors from among the candidates recommended by the members of the Company's Board of Directors by a majority vote of the Board members attending the meeting.

6.3. Candidates for election to the Committee shall be nominated by the Company's Board members and presented to the Company's Corporate Secretary in writing within 5 (five) working days before the date of holding the Board of Directors' meeting (deadline for acceptance of questionnaires for absentee voting) an agenda of which includes the issue of electing the Committee's members.

6.4. A nomination of a candidate (candidates) for a member (members) of the Committee shall contain the following information about a candidate:

candidate's full name;

candidate's place of employment and position as of the date of sending a nomination;

information about candidate's professional experience for the last five (5) years.

A nomination of a candidate (candidates) for a member (members) of the Committee shall be signed by a member of the Company's Board of Directors who submitted such nomination.

6.5. Education, professional training, work experience in the field of the Committee's activities and other special knowledge required for exercising the powers shall be taken into account when electing the Committee's members.

6.6. A candidate for a member of the Committee shall give his / her written consent to the work within the Committee.

6.7. The Committee's members shall be elected for a term before holding of the General Meeting of the Company's Shareholders at which a new composition of the Company's Board of Directors is elected. The powers of the Committee and any member of the Committee may be terminated ahead of schedule by resolution of the Company's Board of Directors.

6.8. The Chairman of the Committee, as well as members of the Committee, may resign by sending the relevant notice to the Chairman of the Company's Board of Directors and the Chairman of the Committee within 15 (fifteen) consecutive days before the expected date of termination of the powers within the Committee.

6.9. If the number of the Committee's members is less than the quorum required for holding meetings of the Committee, the Chairman of the Board of Directors shall include the issue related to election of the Committee's members into the agenda of the next meeting of the Company's Board of Directors.

6.10. The Committee's members, within the Committee's competence, shall be entitled:

6.10.1. To request documents and information required for resolving the issues falling within the Committee's competence in writing from the Company's Management Board, Chairman of the Company's Management Board and heads of the Company's structural subdivisions through the Chairman of the Committee.

6.10.2. To put forward written proposals on development of the Committee's work plan.

6.10.3. To include the items into the agendas of the Committee's meetings in accordance with the procedure prescribed hereby.

6.10.4. To request convening of the Committee's meeting.

6.10.5. To exercise other rights provided for hereby.

6.11. When exercising their rights and fulfilling their obligations, the members of the Committee shall act for the benefit of the Company.

The members of the Committee shall exercise their rights and fulfil their obligations in respect of the Company in good faith and in reasonable manner.

6.12. If necessary, the committees may involve experts and consultants (on a temporary or permanent basis), including for preparation of materials and recommendations on the agenda items, who are not entitled to vote in resolving the issues falling within the Committee's competence.

The proceedings and tasks of the experts (Expert Groups) and consultants shall be determined by the Committee's resolution. The Expert Groups shall include the Committee's members.

The nominees to the Committee's Expert Groups shall be elected in an impartial and independent manner and shall be approved by the Committee from among candidates proposed by the Chairman of the Committee.

The amount of remuneration of the Committee's experts and consultants shall be determined by the Committee's resolution (within the Committee's budget approved by the Company's Board of Directors) as proposed by the Chairman of the Committee.

The members of the Committee, experts (members of the Expert Groups) as well as consultants may hold offsite meetings on the issues falling within the Committee's competence by order of the Chairman of the Committee. The Company shall ensure organization of offsite meetings, including, *inter alia*, issues related to the preparation of the premises at the place of holding offsite meetings, issues related to transport, moving and hotel accommodation of experts (members of the Expert Groups) and consultants.

## **7. Chairman, Deputy Chairman of the Committee, procedure for their election**

7.1. The management of the Committee and organization of its activities shall be carried out by the Chairman of the Committee, who shall be elected by the Board of Directors from among the elected members of the Committee by a majority vote of the Board of Directors attending the meeting of the Company's Board of Directors.

7.2. If the Chairman of the Committee is absent, his / her obligations shall be fulfilled by the Deputy Chairman of the Committee. The Deputy Chairman of the Committee shall be elected by members of the Committee from among themselves by a majority vote of the members of the Committee attending the Committee's meeting.

7.3. The Chairman of the Committee shall:

7.3.1. Convene the meetings of the Committee and chair them.

7.3.2. Determine the date, time, place, form of the meetings and approve the agendas of the Committee's meetings.

7.3.3. Determine the list of persons to be invited to attend the Committee's meeting.

7.3.4. Organize keeping of minutes of the Committee's meetings and sign minutes of the Committee's meetings.

7.3.5. Represent the Committee in the course of interaction with the Company's Board of Directors, other Committees at the Board of Directors, executive bodies of the Company, heads of the Company's subdivisions and other bodies and persons.

7.3.6. Maintain official correspondence of the Committee, sign requests, letters and documents on behalf of the Committee.

7.3.7. Develop the Committee's work plan and submit the plan to the Committee for approval; control implementation of resolutions and the Committee's work plans.

7.3.8. Ensure compliance with the requirements of the legislation of the Russian Federation, the Company's Articles of Association, other internal documents of the Company and these Regulations in the course of the Committee's activities.

7.3.9. Perform other functions provided for by the legislation of the Russian Federation, the Company's Articles of Association, these Regulations and other internal documents of the Company.

## **8. Secretary of the Committee**

8.1. The Secretary of the Committee shall be elected by a majority vote of the Committee's members, as proposed by the Chairman of the Committee.

The powers of the Committee's Secretary shall expire on the date of holding a meeting of the Committee in a new composition. The powers of the Committee's Secretary may be terminated ahead of schedule by resolution of the Committee.

8.2. The Secretary of the Committee shall perform the following functions:

8.2.1. Ensures preparation and holding of the Committee's meetings;

8.2.2. Collects and arranges the materials for meetings;

8.2.3. Ensures timely submission of notices of meetings, agendas of the meetings, materials on the agenda items and questionnaires to the Committee's members and persons invited.

8.2.4. Maintains keeping records of meetings, preparation of the Committee's draft resolutions.

8.2.5. Ensures sending of the minutes of the Committee's meetings to the Committee's members and persons invited.

8.2.6. Records correspondence addressed to the Committee and/or the Committee's members (including requests, claims and petitions) ensuring receipt of all required information by the Committee's members;

8.2.7. Ensures storage of the minutes of the Committee's meetings and other documents and materials regarding the Committee's activities in accordance with the documentation storage procedures of the Company;

8.2.8. Fulfils instructions of the Chairman of the Committee related to organizational and technical maintenance of the Committee's activities.

8.2.9. Performs other functions in accordance herewith.

## **9. Organization of the Committee's activities**

9.1. The Committee's meetings shall be held when the need arises but no less than once per a quarter (scheduled meetings).

9.2. The Committee's meetings shall be convened by the Chairman of the Committee in accordance with the work plan approved at the Committee's meeting (scheduled meetings), as well as in other cases stipulated hereby.

9.3. The Committee's work plan shall be developed by the Chairman of the Committee for the relevant corporate year taking into account the approved work plan of the Company's Board of Directors for the same period and proposals of the Chairman of the Company's Board of Directors, the Committee's members and resolutions of the Company's Board of Directors.

9.4. The Committee's work plan shall be approved at the Committee's meeting not later than 30 (thirty) days after holding the meeting of the Company's Board of Directors at which the work plan of the Company's Board of Directors was approved.

9.5. When convening the Committee's meeting, the Chairman of the Committee shall determine the date, time, place and form of holding the meeting, the agenda, as well as the list of persons invited to participate in the Committee's meeting.

9.6. A notice of the Committee's meeting, including the agenda, shall be shaped and signed by the Chairman of the Committee in accordance with the approved Committee's work plan, resolutions of the Company's Board of Directors and proposals of the Chairman of the Company's Board of Directors.

9.7. The Committee's members may put forward proposals on shaping the agenda of the Committee's scheduled meeting.

9.8. The above-mentioned proposals shall be received by the Chairman of the Committee not later than 7 (seven) consecutive days prior to the date of holding the meeting and shall contain a brief statement of the issue and substantiation of the need to consider the issue at the meeting, the Committee's draft resolution, as well as supporting materials and information.

The Chairman of the Committee shall be entitled to include the proposals into the agenda of the scheduled meeting or to convene an extraordinary meeting of the Committee.

9.9. Extraordinary meetings of the Committee shall be held:

- in case of including an issue (issues) within the Committee's competence into the agenda of the meeting of the Company's Board of Directors (according to the notice of meeting signed);
- at the initiative of the Chairman of the Committee;
- by order of the Board of Directors or the Chairman of the Company's Board of Directors.

9.10. The notice of meeting as well as materials (information) on the agenda issues shall be sent by the Secretary of the Committee to the Committee's members, the Company's corporate Secretary and other persons attending the meeting, not later than 5 (five) working days prior to the date of holding the meeting.

Materials (information) on the agenda items may be submitted to the Committee's members in person, by fax or by e-mail.

If the issues brought for consideration at the Committee's extraordinary meeting are urgent in nature, the term for convening an extraordinary meeting and submitting materials related to the agenda items of such meeting may be reduced by resolution of the Committee's Chairman.

The issues not included into the agenda of the meeting may be considered with the unanimous consent of all the Committee's members present at the Committee's meetings held in the form of joint presence.

9.11. Upon receipt of a notice of the Board of Directors' meeting, the agenda of which includes the issues within the Committee's competence, from the Company's Corporate Secretary, the Chairman of the Committee shall take all measures to ensure the timely holding of the Committee's meetings for the purposes of elaborating recommendations (decisions) on such agenda items of the Board of Directors' meeting and sending them of the Company's Board of Directors in accordance with the approved Regulations on Procedure for Convening and Holding Meetings of the Company's Board of Directors.

## **10. Procedure for Holding the Committee's Meetings**

10.1. The Committee's meeting shall be opened by the Chairman of the Committee, and in case of his/her absence — by the Deputy Chairman of the Committee.

10.2. The Committee's members, Secretary as well as persons invited shall participate in the Committee's meeting.

10.3. The Secretary of the Committee shall determine the presence of a quorum to hold the Committee's meeting. The written opinions of the Committee's



members on the agenda items brought for consideration before the beginning of the meeting shall be taken into account when determining the presence of a quorum. The Chairman shall inform the members that a quorum is present to hold the Committee's meeting and announce the meeting agenda. The Committee's meeting shall be considered as duly constituted (as having a quorum) if not less than a half of elected members of the Committee participate therein.

10.4. Resolutions shall be adopted at the Committee's meeting by a majority vote of the Committee's members participating in the meeting of the Committee's members. When resolving the issues put to voting, each Committee's member shall have one vote. In case of a tie vote, the Chairman's vote shall be deciding. It is not permitted for one member of the Committee to assign his/her right to vote to another Committee's member or other person.

10.5. The Committee's meetings may be held, by resolution of the Committee's Chairman, in the form of joint attendance, in particular the Committee's offsite meetings may be held in the form of joint attendance, or the Committee's meetings may be held in the form of absentee voting. The Company shall assist and ensure organization of offsite meetings, including, *inter alia*, issues related to the preparation of the premises at the place of holding offsite meetings, issues related to transport, moving and hotel accommodation of the Committee's members and persons invited. The information on the form of holding the Committee's meeting shall be specified in the Notice of Meeting.

10.6. In case of holding a meeting in the form of joint attendance, the written opinions of the Committee's members who are absent shall be taken into account when determining the results of voting on the agenda items.

10.7. In case of holding a meeting in the form of absentee voting, the Committee's members shall vote by filling the questionnaire (Appendix 1 hereto).

10.8. The Committee's members shall be entitled to submit their proposals and (or) comments on the proposed draft resolutions of the Committee on the issues put to absentee voting, no later than 2 (two) working days before the deadline for acceptance of questionnaires for absentee voting specified in the notice of absentee voting.

The Secretary of the Committee shall draw up the questionnaire for absentee voting taking into account the received proposals (new wordings) and/or comments on the proposed draft resolutions of the Committee on the agenda items.

While completing the questionnaire for absentee voting, the Committee's member shall leave only one possible voting option ("for", "against" or "abstained") on each draft resolution on each item uncrossed. The completed questionnaire shall be signed by the Committee's member who shall specify his/her name and initials.

The completed and signed questionnaire shall be submitted by the Committee's member not later than the date specified therein to the Secretary of the Committee in original or by fax or e-mail.

The results of voting on the agenda items of the meeting held *in absentia* shall be counted on the basis of the questionnaires completed and signed by Committee's members, and received by the Secretary of the Committee.

If a questionnaire received by the Secretary of the Committee violates the requirements and terms specified in this paragraph, it shall not be taken into account when determining a quorum and counting the voting results.

10.9. If the agenda items which require compliance with the requirements of regulatory legal acts regulating the issues of managing the federally-owned shares of joint-stock companies, in particular the issues which require the issue of the Russian Government directives for voting by the representatives of the Russian Federation are submitted for the Committee's consideration, the Committee's members shall vote on these agenda items and decide on submission of the relevant recommendations to the Board of Directors. The Committee's recommendations on these items shall be submitted to the Board of Directors.

10.10. The Secretary of the Committee shall draw up the minutes of the meeting not later than 3 (three) working days after the Committee's meeting (deadline for acceptance of questionnaires) to be signed by the Chairman of the meeting and Secretary of the Committee.

The following shall be specified in the minutes of the Committee's meeting:

- date, place and time of holding the meeting (or date of holding the meeting *in absentia*);

- list of the Committee's members that have participated in considering the agenda items specifying the form of voting (in person or *in absentia*) and information on the presence of a quorum, as well as the list of attendees;

- agenda;

- proposals of the Committee's members on the agenda items and specification of their written opinions on the agenda items;

items put to voting and voting results; - resolutions adopted. The minutes shall be drawn up in one original. A copy of the minutes shall be sent to all members of the Committee and the Company's Corporate Secretary within 1 (one) working day after signing the minutes. The Chairman of the meeting and the Secretary of the Committee shall be responsible for accuracy of the minutes. The Secretary of the Committee shall be responsible for storage of the minutes, questionnaires, materials and recommendations of the Committee.

## **11. Interaction with the Company and other persons**

11.1. While fulfilling its obligations, the Committee shall interact with the Company's governing bodies, other committees at the Company's Board of Directors, structural subdivisions of the Company, other organizations and persons.

11.2. The Chairman and Secretary of the Committee shall ensure informational, technical and coordinated interaction of the Committee with the Company's Board of Directors, governing bodies and structural subdivisions of the Company as well as with other Committees at the Company's Board of Directors.

11.3. The Company's governing bodies, heads of the Company's structural subdivisions shall submit information and materials required by the Committee's members for resolving the issues falling within Committee's competence upon a written request of the Committee's Chairman.

The specified information and materials shall be submitted within a period of not later than 5 (five) working days from the date of receiving a request unless a longer period is not established in such request.

When the incomplete or unreliable information (materials) is (are) submitted, the Committee's members shall be entitled to request additional information (materials).

## **12. Confidentiality**

12.1. During fulfilment of obligations by the Committee's members and within one year after termination of their powers within the Committee, the persons who are (or were) members of the Committee, the Secretary of the Committee and the third parties engaged to work within the Committee shall observe the confidentiality requirements in relation to confidential information obtained in the course of their work within the Committee.

12.2. Confidentiality Agreement (according to the form established by the Company's local regulatory acts) may be concluded with the Committee's members, the Secretary of the Committee and third parties engaged to work within the Committee by resolution of the Company's Board of Directors / Committee.

12.3. All documents related to the Committee's activities shall be stored at the Company's location in accordance with the documentation storage procedures of the Company. The Secretary of the Committee shall be responsible for storage of the above-mentioned documents.

## **13. Ensuring of the Committee's activities; procedure for remuneration of the Committee's members**

13.1. A separate expenditure item – the Committee's expenses including the expenses related to involvement of outside consultants / independent experts, organizational, transport and other expenses shall be provided for in order to ensure the Committee's work while preparing the expenditure items of the Company's overall budget.

13.2. Remuneration shall be paid on a non-recurring basis following the results of the Committee's work for the period from election until termination of powers of the Committee's member only if the latter has participated in more than 50 (fifty) per cent of the Committee's meetings held.

13.3. The amount of remuneration for participation in a meeting shall be equivalent to double minimum monthly wage rate of a first category worker (hereinafter referred to as "MMWR") established by the sectoral tariff agreement in the electric energy sector of the Russian Federation for the quarter in which remunerations are paid.

13.4. No remuneration shall be accrued and paid to the Committee's member who simultaneously is a Chairman of the Board or a member of the Board, the Company's employee, as well as a person in respect of whom restriction or ban on the receipt of any payments from commercial organizations is provided for by the legislation of the Russian Federation.

Remuneration shall be paid to the Committee's members who are members of the Company's Board of Directors in accordance with the procedure prescribed by the Regulations on Payment of Remuneration to the Members of the Board of Directors.

#### **14. The Committee's accountability**

14.1. The Committee shall regularly submit reports, not less than twice a year.

14.2. The Chairman of the Committee shall prepare the report on the Committee's activities for consideration by the Company's Board of Directors, in particular directly before the annual General Meeting of the Company's shareholders.

The Committee's report shall be subject to preliminary approval by the Committee and shall be signed by the Chairman of the Committee.

14.3. The Committee's report shall contain information for the period from election of a new composition of the Committee until the date of approval of the report.

The Committee's report shall contain the following information:

- number of meetings held;
- list of issues considered;
- results of implementation of the Committee's budget;
- other material facts at the Committee's discretion.

14.4. The Company's Board of Directors shall be entitled (at any time) to request a report on the Committee's activities from the Chairman of the Committee. The Chairman of the Committee shall be entitled to submit separate reports to the Company's Board of Directors on the issues falling within the Committee's competence.

14.5. Information on separate resolutions of the Committee shall be disclosed on the Company's website in accordance with the Company's Regulations on Information Policy approved by the Company's Board of Directors.

14.6. Information on the Committee's activities shall be included into the Company's Annual Report.

#### **15. Final provisions**

15.1. The issues not covered hereby shall be regulated by the Company's Articles of Association, Regulations on Procedure for Convening and Holding Meetings of the Company's Board of Directors and other internal documents of the Company, legislation of the Russian Federation as well as resolutions adopted by the Company's Board of Directors.

15.2. If some articles hereof come into conflict with amendments to the legislation of the Russian Federation, such articles shall become void, and the Committee's members shall be governed by the legislation of the Russian Federation until the date of amending these Regulations.

15.3. These Regulations and the composition of the Committee shall be disclosed on the Company's website.

LETTERHEAD OF THE COMPANY  
COMMITTEE FOR DEVELOPMENT OF  
THE FAR EASTERN ENERGY SECTOR  
AT THE BOARD OF DIRECTORS OF PJSC RUSHYDRO

QUESTIONNAIRE  
for voting *in absentia* on the agenda items of the meeting  
on \_\_\_\_\_ “ \_\_\_\_\_ ”, 20\_\_\_\_

ITEM:

\_\_\_\_\_

RESOLUTION:

\_\_\_\_\_

FOR

AGAINST

ABSTAINED

*(leave your option uncrossed)*

The completed and signed questionnaire for voting shall be sent by fax \_\_\_\_\_ or by e-mail \_\_\_\_\_, or in the original on or before \_\_\_\_\_ (date, time).

A questionnaire submitted to the Company after the expiry of the above-mentioned deadline shall not be taken into account when counting votes and determining the results of voting *in absentia*.

**Please send the original questionnaire to the address:**

\_\_\_\_\_

Member of the Committee

\_\_\_\_\_/\_\_\_\_\_  
(signature) (full name)

A QUESTIONNAIRE SHALL BE INVALID WITHOUT THE SIGNATURE OF A MEMBER OF THE COMMITTEE FOR

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