

Governing bodies [102-22][102-23]

General Meeting of Shareholders

The General Meeting of Shareholders is the supreme governing body of the Company, which operates in accordance with the laws of the Russian Federation, the Company's Charter and the Regulations on the Procedure for Convening and Holding General Meetings of Shareholders of RusHydro.

On June 28, 2019, an Annual General Meeting of Shareholders took place in Moscow (Minutes No. 18 of July 2, 2019) and was attended by 400 shareholders, as well as media representatives, nominees to the governing and supervisory bodies of the Company, and other invitees.

The Meeting reviewed an agenda of 15 items, having approved, among other things, the annual report, annual accounting (financial) statements and

dividends for 2018 and having elected new members of the Board of Directors and the Internal Audit Commission. In addition, the Meeting approved new versions of the Charter, Regulations on the Procedure for Convocation and Holding of General Meetings of Shareholders, Regulations on the Procedure for Convening and Holding Meetings of the Board of Directors, Regulations on the Management Board, Regulations on the Internal Audit Commission, and Regulations on Payment of



All information on the Annual General Meeting of Shareholders, including Meeting materials and minutes, is available on the Company's website at www.eng.rushydro.ru

Remuneration and Compensation to Members of the Board of Directors.

There were no Extraordinary General Meetings of Shareholders in 2019.

Board of Directors [102-24]

The Board of Directors is a governing body that sets the priority areas of the Company's operations, approves its strategy and defines the core principles and approaches to the organization of the Company's internal control and risk management functions. The Board of Directors also makes decisions on corporate governance improvements along with investment and business planning matters, manages performance, innovations

and sustainable development. The Board of Directors is also involved in some of the most important or regularly supervised operational matters, such as reliability and security of the Company's facilities, monitoring of progress against major projects, approval of the certain types of transactions, and management of subsidiaries.

The Board of Directors consists of 13 directors and operates on the

basis of the Charter and the Regulations on the Procedure for Convening and Holding Meetings of the Board of Directors of PJSC RusHydro. Candidates to the Board of Directors must show proof of relevant experience in energy, financial (including analysis, assessment and audit of financial statements), management, production and other areas irrespective of their gender.



To improve the quality of decision-making, matters submitted for consideration by the Company's Board of Directors are previewed by meetings of the Management Board and committees of the Board of Directors.



Regulations on the Procedure for Convening and Holding Meetings of the Board of Directors of PJSC RusHydro www.eng.rushydro.ru

Independent directors

Independent directors are required to have an efficient and highly professional Board of Directors exercising an unbiased and independent judgement and adopting resolutions that respect the interests of the Company and its shareholders.

Candidates to the Board of Directors are assessed for compliance with the independence criteria set out in the Corporate Governance Code recommended for implementation by the Bank of Russia and the Listing Rules of the Moscow Exchange.

RusHydro meets the Moscow Exchange requirements setting out the number of independent directors that should serve on the Board of Directors. There are four independent directors serving on the Company's Board of Directors: Maxim Bystrov, Pavel Grachev, Aleksei Chekunkov and Vyacheslav Pivovarov¹. Independent directors monitor the Company's statement of financial results and analyze its financial performance and delivery against targets.

Each year, in the run-up to the General Meeting of Shareholders the Nomination and Compensation Committee of RusHydro's Board of Directors reviews compliance of potential candidates to the Board of Directors with independence criteria and submits an opinion on their independence to the shareholders as part of the meeting materials.

The compliance of the existing independent directors is assessed by the Nomination and Compensation Committee on a quarterly basis throughout their tenure as part of the procedure for confirming compliance with the Moscow Exchange listing requirements, with their details

and regularly updated personal information used as the basis for the assessment.

Independent directors bring in well-balanced opinions and exercise unbiased judgment based solely on their experience and expertise. Independent directors and their input to the work of the Board of Directors enhance the trust and confidence of shareholders and a wide range of investors, improve the quality of management decisions, and promote compliance with corporate governance principles.

Composition of the Board of Directors

The Board of Directors consists of 13 members. In 2019, there were two line-ups of the Board of Directors: one elected by the Annual General Meeting of Shareholders on June 27, 2018 and the other elected on June 28, 2019, with the mandates of 10 out of 13 directors extended for another term.

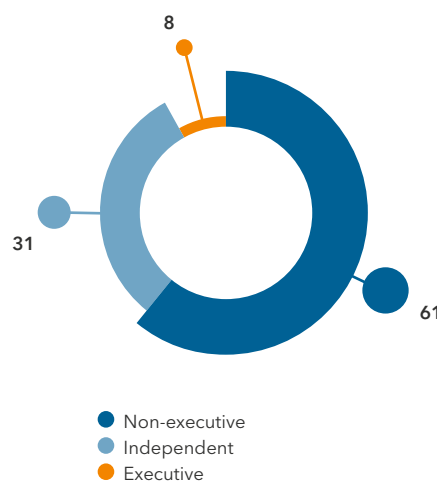
All candidates nominated for election to the Company's Board of Directors at the Annual

General Meeting of Shareholders held on June 28, 2019 have higher education and are highly professional and qualified, and:

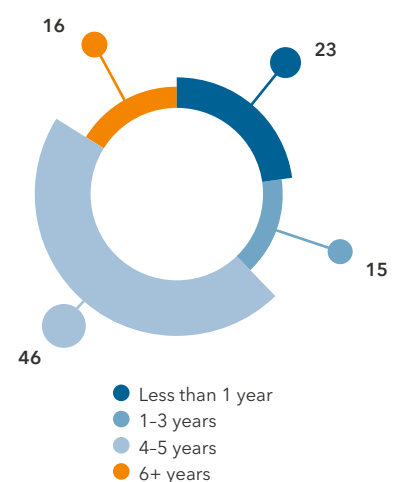
- are recognized experts in energy, finance, law, strategic and corporate governance, audit, risk management, HR, innovation and investment, as well as production and R&D;
- have a track record of serving on boards of directors or in senior positions at other joint-stock companies listed on organized exchanges;
- have impeccable business and personal reputation, sufficient skills, expertise and experience to make decisions falling within the Board of Directors' remit and perform their responsibilities efficiently.

The current composition of RusHydro's Board of Directors is well-balanced in terms of necessary competencies and professional experience. The balance of the Board of Directors is achieved through a high level of professional knowledge and expertise, sufficient time for performing the duties of a member of the Board of Directors, and absence of a conflict of interest, all of which contribute to effective decision-making.

Director status, %



Years served on the Board of Directors, %



¹ In the reporting year, none of the directors reported being stripped of his status as an independent director.

Composition of the Board of Directors

Full name	Year of appointment	Status	Nominated by	Committee membership						
				AC	NCC	SC	CEDFE	CREEI	IC	
Artem Avetisyan	2015	Non-executive	Russian Federation							
Maxim Bystrov	2013	Independent	Russian Federation	V	V					V
Pavel Grachev	2016	Independent	Russian Federation	V	V	V	V			
Lev Kuznetsov	2019	Non-executive	Russian Federation			V				V
Yury Manevich	2019	Non-executive (public officer)	Russian Federation							
Pavel Livinsky	2018	Non-executive	Russian Federation							
Vyacheslav Pivovarov	2013	Independent	Russian Federation	V	V	V				V
Mikhail Rasstrigin	2018	Non-executive (public officer)	Russian Federation							
Nikolay Rogalev ¹	2016	Non-executive	Russian Federation			V		V		V
Yury Trutnev ²	2015	Non-executive (public officer)	Russian Federation				V			
Alexei Chekunkov	2016 ³	Independent	Russian Federation		V		V			
Andrey Shishkin	2014	Non-executive	LLC Avitrans							
Nikolay Shulginov	2016	Executive	Russian Federation							

AC – Audit Committee

NCC - Nomination and Compensation Committee

SC - Strategy Committee

CEDFE - Committee on Energy Development of the Far East

CREEI - Committee on Reliability, Energy Efficiency and Innovation

IC - Investment Committee

Experience and competencies of the Board of Directors⁴

Full name / area of expertise	Area of expertise					
	Energy	Finance (including the analysis, assessment, and audit of financial statements)	Management	Production	R&D	Other competencies
Artem Avetisyan		+	+			Promotion of entrepreneurship
Maxim Bystrov	+	+	+	+		Global economics
Pavel Grachev		+	+			Law, Doctor of Law
Lev Kuznetsov		+		+		
Yury Manevich	+	+	+	+		
Pavel Livinsky		+	+			Economics
Vyacheslav Pivovarov		+	+			Global Economics, Applied Economics, MBA

¹ Deputy Chairman of the Company's Board of Directors, Dean of Moscow Power Engineering Institute.

² Chairman of the Company's Board of Directors, Deputy Prime Minister of the Russian Federation and Presidential Plenipotentiary Envoy to the Far Eastern Federal District.

³ Was a member of the Board of Directors in 2016-2018 and since 2019.

⁴ Relevant experience of the candidates to the Board of Directors in various areas of activity, based on the data received from candidates to the Board of Directors, including education, professional track record and other publicly available information.

Full name / area of expertise	Area of expertise					
	Energy	Finance (including the analysis, assessment, and audit of financial statements)	Management	Production	R&D	Other competencies
Mikhail Rasstrigin	+	+	+			Economics
Nikolay Rogalev	+		+	+	+	Doctoral Degree in Technical Sciences, Professor
Yury Trutnev	+	+	+	+	+	
Alexei Chekunkov		+	+			Economics
Andrey Shishkin	+	+	+	+		
Nikolay Shulginov	+	+	+	+	+	PhD in Technical Sciences
Total	7	12	12	7	3	

Induction program

A newly elected member of the Board of Directors takes an induction program, including introduction to the members of the Management Board and familiarizing with:

- the Company's internal regulations;
- the Company's key performance indicators;
- RusHydro Group Development Strategy and RusHydro Group's Long-term Development Program;
- the Company's specifics as a joint-stock company with a majority government stake and other specific aspects;
- the software and technical facilities used in the work of the Board of Directors.

Independent directors also acquaint themselves with additional rights and obligations of independent directors,

their functions and roles in the Company's corporate practice.

In addition, Corporate Secretary assists newly elected members of the Company's Board of Directors with answers to their questions and sets up meetings with the Company's officers.

Education and further professional training

To improve its overall performance, the Board of Directors may decide to send its individual members for training and further professional development programs at the Company's expense within the limits of the Company's budget allocated for these purposes.

The training and further professional development programs for Board of Directors members are subject to approval by the Nomination and Compensation Committee.



In over 15 years, RusHydro has gone a great distance in its formation and development. The company, originally created as part of RAO UES of Russia's hydroelectric power plants, has grown into the largest electricity holding in Russia. It combines under one roof hydropower plants, thermal power plants, renewable energy generation, and power grid assets in the Far East, as well as energy, construction, and service companies, and a unique research and planning complex. One of RusHydro's priorities is the Far East's advanced development of electric power. By building new energy facilities and modernization of existing ones, the company is creating a solid foundation for developing other sectors and society as it contributes to economic growth in the Far East.

Yury Trutnev,

*Deputy Prime Minister of Russia
and Presidential Envoy to the Far Eastern
Federal District, Chairman of the Board
of Directors RusHydro*

Short biographies of directors¹



Yury Trutnev

Chairman of the Board of Directors, non-executive director, representative of the Russian Federation, public officer

Born in 1956

Education, academic degree, academic rank:

Graduated from the Perm National Research Polytechnic University with a degree in Mining Engineering

Experience over the last 5 years:

2013–present: Deputy Prime Minister of the Russian Federation and Presidential Plenipotentiary Envoy to the Far Eastern Federal District

For more details on members of the Board of Directors, including the full list of positions held by them previously in collective governing bodies, see the Quarterly Reports of PJSC RusHydro.



Nikolay Shulginov

Executive director, representative of the Russian Federation

Born in 1951

Education, academic degree, academic rank:

Sergo Ordzhonikidze Novocherkassk Polytechnic Institute awarded the Order of the Red Banner of Labor; holds a PhD degree in Technology

Experience over the last 5 years:

- 2015–present: Chairman of the Management Board - General Director of RusHydro
- 2009–2015: First Deputy Chairman of the Management Board of JSC SO UES



Artem Avetisyan

Non-executive director, representative of the Russian Federation

Born in 1976

Education, academic degree, academic rank:

Graduated from the Financial University under the Government of the Russian Federation with a degree in Finance and Lending Postgraduate studies at the Financial University under the Government of the Russian Federation Audit retraining program at Moscow State University

Experience over the last 5 years:

- 2011–present: Head of New Business at the Agency for Strategic Initiatives
- 2014–2016: Vice President of the NEO Center

¹ As at December 31, 2019



**Maxim
Bystrov**

Independent director

Born in 1964

**Education, academic degree,
academic rank:**

Graduated from the National Research Moscow State University of Civil Engineering with a degree in Hydraulic Engineering and Power Plant Construction
Graduated from the Russian Foreign Trade Academy with a degree in International Economics

Experience over the last 5 years:

- 2013–present: Chairman of the Management Board of NP Market Council
- 2013–present: Chairman of the Management Board of JSC ATS



**Pavel
Grachev**

Independent director

Born in 1973

**Education, academic degree,
academic rank:**

Graduated from the Saint Petersburg State University and the University of Trieste (Italy) with degrees in law, Doctor of Law

Experience over the last 5 years:

- 2016–present: General Director of MC Polyus LLC
- 2014–present: Chief Executive Officer of PJSC Polyus
- 2014–2016: President of JSC Polyus Krasnoyarsk
- 2014–2016: Chief Executive Officer of Polyus Gold International Limited



**Lev
Kuznetsov**

*Non-executive director,
representative of the Russian
Federation*

Born in 1965

**Education, academic degree,
academic rank:**

Graduated from Moscow Financial Institute with a degree in Economics

Experience over the last 5 years:

- 2019–present: Advisor to the General Director of New Pipe Technologies
- 2014–2018: Russian Minister of North Caucasus Affairs

Short biographies of directors



Pavel Livinsky

*Non-executive director,
representative of the Russian
Federation*

Born in 1980

Education, academic degree, academic rank:

Graduated from the Moscow
State University with a degree
in Economics;
holds a Master's degree in
Management

Experience over the last 5 years:

- 2017–present: General Director,
Chairman of the Management
Board at Rosseti
- 2017: Head of the Moscow
Department of Housing, Utilities
and Amenities
- 2015–present: President of the
Sport Federation of Firefighters and
Rescuers
- 2013–2017: Head of the Moscow
Department of Fuel and Energy



Yury Manevich

*Non-executive director,
representative of the Russian
Federation, public officer*

Born in 1972

Education, academic degree, academic rank:

Graduated from Saint Petersburg
University of Economics and Finance
with a degree in Economics and
Production Management

Experience over the last 5 years:

- 2019–present: Deputy Minister
Energy of the Russian Federation
- 2010–2019: General Director and
President at CJSC ROSPROJECT



Vyacheslav Pivovarov

Independent director

Born in 1972

Education, academic degree, academic rank:

Graduated from the Sergo
Ordzhonikidze State Academy
of Management with a degree
in International Economics
Graduated from the American
University of Paris with a degree
in Applied Economics
Received MBA from Stanford
University

Experience over the last 5 years:

- 2017–present: President of Altera
Capital¹
- 2011–2017: President of Altera
Capital²

¹ INN: 7714961556.

² INN: 7703741291.



Mikhail
Rasstrigin

*Non-executive director,
representative of the Russian
Federation, public officer*

Born in 1983

**Education, academic degree,
academic rank:**

Graduated from Ivanovo State Power Engineering University with a degree in Heat Power Station Engineering; Bachelor of Economics

Experience over the last 5 years:

- 2017-present: Deputy Minister of Economic Development
- 2017: Assistant Minister of Economic Development
- 2011-2017: Head of Electric Power, Natural Resources Directorate, Research Department, VTB Capital



Nikolay
Rogalev

*Non-executive director,
representative of the Russian
Federation*

Born in 1962

**Education, academic degree,
academic rank:**

Graduated from the Moscow Power Engineering Institute (heat power stations), Doctoral Degree in Technical Sciences, Professor

Experience over the last 5 years:

- 2016-present: President of NP Scientific and Technical Council of the Unified Energy System
- 2015-present: Head of Department at the Moscow Power Engineering Institute (part-time)
- 2013-present: Dean of the Moscow Power Engineering Institute



Alexei
Chekunkov

Independent director

Born in 1980

**Education, academic degree,
academic rank:**

Graduated from Moscow State Institute of International Relations with a degree in Economics)

Experience over the last 5 years:

- 2014-present: Chief Executive Officer of the Far East and Baikal Region Development Fund

Short biographies of directors prior to June 28, 2019



Andrey Shishkin

*Non-executive director,
representative of the Russian
Federation*

Born in 1959

Education, academic degree, academic rank:

Graduated from the Gubkin Moscow
Institute of Petrochemical and Gas
Industry with a degree in Industrial
Heat and Power Engineering

Experience over the last 5 years:

- 2015–present: General Director
at RN-Assets
- 2012–present: Vice President
for Energy, Health, Safety and
Environment at Rosneft; from
2014: Vice President for Energy
and Localization at Rosneft; from
2016: Vice President for Energy,
Localization and Innovation at
Rosneft
- 2016–2019: President, Chairman
of the Management Board
at Bashneft



Sergey Ivanov

Independent director

Born in 1961

Education, academic degree, academic rank:

Graduated from the National
Research Nuclear University with
a degree in Theoretical Nuclear
Physics, PhD degree in Economics,
Professor, Corresponding member
of the Russian Academy of Natural
Sciences

Experience over the last 5 years:

- 2016–2018: General Director
at RT-Capital
- 2015–2016: General Director
of Nechernozemagropromstroy
Corporation
- 2012–2015: General Director
of LENSENT
- 2011–2016: General Director of
Energetic Russian Company (ERCO)
- 2007–2014: Chairman of the
Presidium of the National Institute
of Energy Security



Vyacheslav Kravchenko

*Non-executive director,
representative of the Russian
Federation*

Born in 1967

Education, academic degree, academic rank:

Graduated from the Moscow State
University with a degree in Law)

Experience over the last 5 years:

- 2013–2018: Deputy Minister
of Energy of the Russian Federation



Sergey Shishin

*Non-executive director,
representative of the Russian
Federation*

Born in 1963

Education, academic degree, academic rank:

Graduated from the KGB Moscow
Higher Frontier Guards Command
Academy

Russian Presidential Academy
of National Economy and Public
Administration, degree in Public and
Municipal Administration, PhD in
Economics

Experience over the last 5 years:

— 2007–present: Senior Vice
President at VTB Bank

Additional information on directors

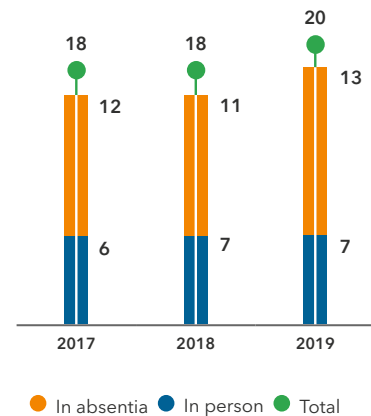
As at December 31, 2019, the directors held (directly or indirectly) no shares of the Company or shares/ stakes Company's subsidiaries. In the reporting year, members of the Board of Directors did not buy or sell the Company's shares.

No loans were issued by the Company or RusHydro Group to any members of the Board of Directors.

Duties of officials representing the Russian Federation are set forth in Resolution No. 738 of the Russian Government dated December 3, 2004.

The independence of the members of the Board of Directors is defined in line with the independence

Number of Board of Directors meetings



criteria of the Moscow Exchange and the Corporate Governance Code recommended by the Bank of Russia¹.

Attendance in 2019 by director

Full name	Meetings attended/total	Attendance, %
Artem Avetisyan	12/20	60
Maxim Bystrov	17/20	85
Pavel Grachev	20/20	100
Lev Kuznetsov (starting June 28, 2019)	10/10	100
Yury Manevich (starting June 28, 2019)	10/10	100
Pavel Livinsky	19/20	95
Vyacheslav Pivovarov	19/20	95
Mikhail Rasstrigin	19/20	95
Nikolay Rogalev	20/20	100
Yury Trutnev	20/20	100
Alexei Chekunkov (starting June 28, 2019)	9/10	90
Andrey Shishkin	18/20	90
Nikolay Shulginov	20/20	100
Sergey Ivanov (member until June 28, 2019)	5/10	50
Vyacheslav Kravchenko (member until June 28, 2019)	8/10	80
Sergey Shishin (member until June 28, 2019)	10/10	100

¹ Recognition of director independence is fully in line with the criteria set out in the Listing Rules of the Moscow Exchange and the Company's Corporate Governance Code, but partially contravenes the Corporate Governance Code recommended by the Bank of Russia as the latter does not allow for a director who has formal ties with the Government to be recognised as independent (Alexei Chekunkov).

As at the date of appointment and during 2019, no conflicts of interest (including participation in the governing bodies of the Company's competitors) of any member of the Board of Directors was reported.

Board of Directors' report

In 2019, the Board of Directors held 20 meetings and reviewed a total of 165 items. The average attendance rate stood at 90% of all meetings held during the year.

In 2019, in addition to resolutions on the convocation of the Annual General Meeting of Shareholders, approval of transactions, development of a transparent procurement management framework, enhancement of the control and audit system and subsidiary management matters, the Board of Directors made a number of important decisions related to the Company's development (see the key matters reviewed by the Board in 2018 in the table below).

Key agenda items reviewed by the Board of Directors in the reporting year:

- progress and financing under the investment project to construct two single-circuit 110 kV Pevek-Bilibino power lines (construction stage No. 1);
- approval of PJSC RusHydro's Regulations on the Dividend Policy;
- extension of grace period for the loan given to JSC DGK under a forward transaction with VTB Bank (PJSC);
- review of the program to develop the energy system in the Far Eastern Federal District with a view to accelerating local economic growth;
- consolidation of RusHydro Group's energy companies across the Kamchatka Territory;
- RusHydro Group's initiatives to streamline operations and improve financial stability of JSC DGK and



Minutes of the meetings held by PJSC RusHydro's Board of Directors are available on the Company's website at www.eng.rushydro.ru

to change the ownership structure of PJSC DEK;

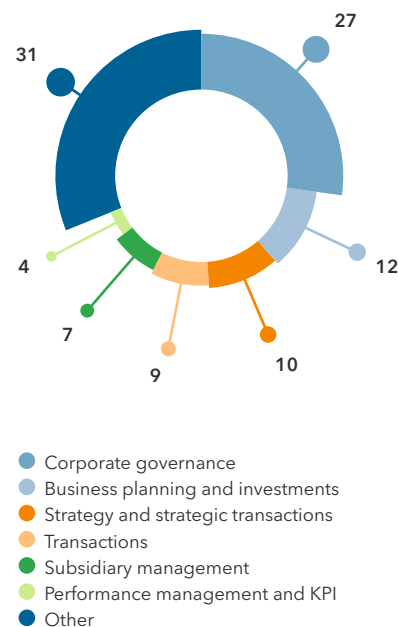
- initiatives to refinance the debt of JSC RAO ES East Subgroup's companies;
- creation of PJSC RusHydro branches to modernize CHPPs;
- performance under the Company's Business Plan in 2018 (including the report on progress against the Investment Program in 2018 covering, among other things, the Comprehensive Modernization Program for RusHydro's generating facilities);
- approval of the report on progress against the Company's Consolidated Business Plan (including the Consolidated Investment Program) in 2018;
- approval of the report on achievement of key performance indicators (for the Management Board);
- approval of the Company's Business Plan (including the Investment Program) and RusHydro Group's Consolidated Business Plan for 2020-2024;
- approval of the annual KPIs for the Management Board and their target values for 2020.

In 2019, the Company did not face the most complicated issues that would need to be discussed by the Board of Directors.

Assessment of the Board of Directors performance [103-3] [102-28]

Independent assessment
Performance of the Company's Board of Directors is assessed in

Breakdown of items considered by the Board of Directors, %



accordance with the Regulation on the Assessment of the Activities of the Board of Directors and the Board of Director Committees of PJSC RusHydro¹ approved by the Board of Directors and developed in line with the applicable Russian laws, the Company's Charter, the Corporate Governance Code of the Bank of Russia, the UK Corporate Governance Code, and the G20/OECD Principles of Corporate Governance.

Pursuant to the Corporate Governance Code of RusHydro, assessment is performed as follows:

- internal assessment (annually);
- external independent assessment by an independent consultant (once every three years).

For more information on resolutions adopted by the Board of Directors in 2019, see [Appendix No. 4](#).

¹ Minutes No. 283 of February 21, 2019.

The last independent assessment was completed by LLC Pricewaterhouse Coopers Advisory in 2018, with the results reviewed by a meeting of the Company's Board of Directors held in person in June 2018.

Self-assessment

In 2019, the Board of Directors assessed its performance by surveying individual directors and reviewing internal documents governing the activities of the Board of Directors and its committees, the meeting minutes of the Board of Directors and its committees, and other relevant materials. The scope of the assessment included:

- overall assessment of the Board of Directors' performance;
- assessment of each committee's performance;
- performance assessment for the Chairman of the Board of Directors and Senior Independent Director;
- individual assessment of the Board members.

The results of the self-assessment demonstrate that the Company largely complies with the principles and recommendations of both the Russian and British corporate governance codes and also highlight some key strengths of RusHydro's Board of Directors:

- collectively, the members of the Board of Directors possess a strong set of competencies, expertise, skills and leadership qualities that contribute to their efficient performance;
- the Board of Directors and the Audit Committee include a director with experience and expertise in preparation, analysis, assessment and audit of accounting (financial) statements;
- the Board of Directors represents the main stakeholders of the Company, while also

maintaining a balance between ensuring succession and systematically bringing in new members;

- meetings of the Board of Directors are characterized by active discussions of the agenda items and resolutions, with new ideas and a diversity of opinions always welcome;
- the most important matters pertaining to the operations of the Company and its subsidiaries are normally discussed at the meetings of the Board of Directors that are held in person;
- directors do not refrain from asking the management team uncomfortable questions and provide constructive criticism on proposed resolutions to ensure well-informed decision-making;
- independent directors play an important and active role in the work of the Board of Directors and its committees;
- the committees of the Board of Directors review the agenda items in greater depth and contribute to the overall efficiency of the Board of Directors.

Also, to evaluate individual contributions of each director elected as a representative of the Russian Federation, RusHydro introduced a special procedure for the performance of the Board of Directors to be assessed automatically based on information sourced from dedicated director questionnaires available in the Company's personal account on Rosimushchestvo's inter-agency portal.

This procedure helps assess individual efficiency of the Company's directors against the following criteria:

- Objective assessment provides a baseline to evaluate individual contributions from directors

elected as representatives of the Russian Federation as regards their participation in corporate events, voting on items included in agendas of such corporate events, submission of performance reports to the Company's Board of Directors, etc.

- Subjective assessment provides a baseline to evaluate individual contributions from directors elected as representatives of the Russian Federation as regards their involvement at meetings of the Board of Directors, offer of advice and support to the Company's management team, protection of shareholder interests, possession of the necessary professional skills to work as a director, etc.

The assessment results are taken into consideration by the Government when it decides on candidates to be nominated to the Board of Directors at the next Annual General Meeting of Shareholders.

Areas for the development of the Board's activities

In order to continue improving its efficiency, the Board of Directors is going to take the following key actions based on the assessment results:

- hold a strategic session with external experts to discuss the strategy, its implementation and possible updates (in light of systematic renewal of the Board of Directors, as well as changes in the business landscape since the approval of the strategy);
- expand the list of speakers invited to the meetings of the Board of Directors with members of the Company's management and external experts;
- hold comprehensive Board of Directors discussions addressing the matters of risk

¹ The assessment is based on the methodology for individual assessment of directors in joint-stock companies partially owned by the Government, as approved by the Federal Agency for State Property Management (Rosimushchestvo).

appetite and key risk management as they pertain

to the Company's operations;
 – maintain and expand the practice of the Board of Directors members and independent directors in particular attending the most important investor and analyst engagement events.

Liability insurance

Since 2007, RusHydro has provided liability insurance for the members of the Board of Directors and the Management Board, as well as for the persons in the capacity of sole executive bodies at the Company's

subsidiaries and branches and for those managing the Company's units and subsidiaries.

In a tender to select a provider of directors and officers (D&O) civil liability insurance for 2019, JSC SOGAZ was chosen based on its ability to provide the most reliable and comprehensive coverage when it comes to this type of insurance¹.

The amount of coverage is RUB 12.1 bn. In addition, the independent directors' liability is insured for RUB 156.6 mn. The insurance premium amounted to RUB 15,0 mn.

The insurance policy covers:

- property interests of the insured related to other persons' claims for damages arising from the insured person's claimed (alleged, supposed) wrongdoing (error, omission, improper performance, etc.);
- property interests of the Company and/or any subsidiary related to any claims made by other persons that were initially brought against the insured;
- property interests of the Company and/or any subsidiary related to any claims in respect of securities brought against the Company and/ or any subsidiary.

Committees of the Board of Directors

The committees are advisory bodies helping the Board of Directors to effectively perform its general management duties.

RusHydro's Board of Directors has six committees:

- Audit Committee;
- Nomination and Compensation Committee;
- Strategy Committee;
- Investment Committee;
- Committee on Energy Development of the Far East;
- Committee on Reliability, Energy Efficiency and Innovation.



Regulations on the committees, including meeting minutes, are available on the Company's website at <http://www.eng.rushydro.ru/>

For more information on meetings held by committees of the Board of Directors, see [Appendix No. 5](#)

¹ The insurer selection process complied with the requirements of the Company's internal regulations and Federal Law of the Russian Federation No. 223-FZ On Procurement of Goods, Works, Services by Certain Types of Legal Entities dated July 18, 2011.

Audit Committee

Members of the Committee		Competencies	Key performance results and recommendations issued to the Board of Directors
<p>In 2019, the Audit Committee held 21 meetings, including:</p> <ul style="list-style-type: none"> 8 meetings before June 21, 2019; 13 meetings on or after June 21, 2019. 		<p>The Committee is designed to assist the Board of Directors in exercising control over the Company's financial and business operations, with its key responsibilities including oversight of the financial statements, internal controls, risk management, corporate governance, and misconduct reporting systems, and ensuring independence and impartiality of the internal and external audit functions.</p>	<p>The Audit Committee recommended that the Company's Board of Directors:</p> <ul style="list-style-type: none"> approve the Company's annual financial statements and annual report; approve the report on the operation and internal assessment of the internal control and risk management system. <p>In addition, the Audit Committee:</p> <ul style="list-style-type: none"> reviewed corporate governance assessment results with a focus on internal audit review; reviewed the results of control activities of internal auditors and assessed the efficiency of the internal audit system; assessed the efficiency of external audit; reviewed a report on progress against the Action Plan for Implementing the Company's Comprehensive Program of Anti-Corruption Activities; reviewed an interim report on the results of diagnostics and preliminary independent assessment of the internal audit function.
Full name	Attendance		
Independent members of the Board of Directors			
Maxim Bystrov (Chairman of the Committee)	21/21		
Pavel Grachev (after June 21, 2019)	12/13		
Vyacheslav Pivovarov	19/21		
Sergey Ivanov (before June 21, 2019)	5/8		

Nomination and Compensation Committee

Members of the Committee		Competencies	Key performance results and recommendations issued to the Board of Directors
<p>In 2019, the Nomination and Compensation Committee held 15 meetings, including:</p> <ul style="list-style-type: none"> 8 meetings before June 21, 2019; 7 meetings on or after June 21, 2019. 		<p>The Committee is designed to provide recommendations on composition and set of skills of the Company's governing bodies, and recommend tools to enhance efficiency and transparency of the remuneration system. Its primary objective is to review relevant items on a preliminary basis and draft recommendations on matters reserved to the remit of the Board of Directors.</p>	<p>The Nomination and Compensation Committee recommended that the Company's Board of Directors:</p> <ul style="list-style-type: none"> approve the report on achievement of the Management Board's annual KPIs for 2018; recommend the Annual General Meeting of Shareholders to approve a new version of the Regulations on Payment of Remuneration and Compensation to Members of RusHydro's Board of Directors; acknowledge Maxim Bystrov and Aleksei Chekunkov as independent directors pursuant to the Moscow Exchange's Listing Rules; approve Pavel Grachev, an independent member of the Company's Board of Directors, as the Senior Independent Director; approve the annual KPIs for the Company's Management Board and their target values for 2020, a new version of the Calculation and Evaluation Methodology for the Annual KPI of RusHydro's Management Board, target values for the KPI of under RusHydro's Long-term Incentive Plan, and amendments to the Calculation and Evaluation Methodology for the KPI of RusHydro's Long-term Incentive Plan. <p>In addition, the Nomination and Compensation Committee:</p> <ul style="list-style-type: none"> analyzed qualifications of nominees to the Board of Directors and vetted them for potential conflicts of interest; assessed nominees to the Board of Directors and independent directors for compliance with the independence criteria.
Full name	Attendance		
Independent members of the Board of Directors			
Vyacheslav Pivovarov (Chairman of the Committee)	15/15		
Maxim Bystrov (before July 26, 2019)	9/15		
Sergey Ivanov (before June 21, 2019)	3/8		
Pavel Grachev (after June 21, 2019)	7/7		
Aleksei Chekunkov (on or after July 26, 2019)	6/7		

Strategy Committee

Members of the Committee		Competencies	Key performance results and recommendations issued to the Board of Directors
<p>In 2019, the Strategy Committee held 12 meetings, including:</p> <ul style="list-style-type: none"> 6 meetings before July 26, 2019; 6 meetings on or after July 26, 2019. 		<p>The Committee is designed to ensure efficient performance of the Board of Directors in strategic areas. The Committee determines the Group's strategic development priorities, approves the Company's development strategy and long-term development program (including review of the strategy implementation reports), provides recommendations on the dividend policy, makes decisions on the Company's investments in and divestments from other organizations, considers authorized capital increases and other share offering and purchase matters, and reviews the Group's financial and valuation models.</p>	<p>The Strategy Committee recommended that the Company's Board of Directors:</p> <ul style="list-style-type: none"> approve a new version of the Company's Regulations on the Dividend Policy; approve changes to the Decision to Issue Additional Shares and to the Prospectus (for ordinary shares); adopt a resolution on initiatives to refinance the debt of JSC RAO ES East companies; take note of the program to develop the energy system in the Far Eastern Federal District with a view to accelerating local economic growth; approve amendments to the Group's Long-term Development Program for 2018-2022; approve changes to the KPI list, targets, and calculation and evaluation methodology for the KPI of RusHydro Group's Long-term Development Program; adopt a resolution on the update of the Group's Innovative Development Program; adopt a resolution on matters related to the consolidation of RusHydro Group's energy companies across the Kamchatka Territory; divest from Bank of Cyprus Holdings Public Limited Company; approve Hydroinvest's divestment from MEK; approve the establishment at HydroEngineering Siberia of a Shared Services Center responsible for Group-wide financial and tax accounting and reporting.
Full name	Attendance		
Independent members of the Board of Directors			
Pavel Grachev	12/12		
Sergey Ivanov (before July 26, 2019)	5/6		
Vyacheslav Pivovarov	12/12		
Members of the Board of Directors			
Lev Kuznetsov (on or after July 26, 2019)	6/6		
Nikolay Rogalev	12/12		
Sergey Shishin (before July 26, 2019)	6/6		
Members of the executive bodies			
George Rizhinashvili	12/12		
Andrey Kazachenkov	12/12		
Committee members			
Igor Zadvornov (Chairman of the Committee)	8/12		
Aleksandr Bogashov (before July 26, 2019)	5/6		
Dmitriy Denisov	11/12		
Boris Livshits	10/12		
Vasily Nikonov	9/12		
Yevgeniy Olkhovich	8/12		
Pavel Snikkars	8/12		

Investment Committee

Members of the Committee		Competencies	Key performance results and recommendations issued to the Board of Directors
<p>In 2019, the Investment Committee held 9 meetings, including:</p> <ul style="list-style-type: none"> — 4 meetings before July 26, 2019; — 5 meetings on or after July 26, 2019. 		<p>The Committee is designed to preview new investment projects and programs, and contribute to the enhancement of the Company's investment policy.</p>	<p>The Investment Committee recommended that the Company's Board of Directors:</p> <ul style="list-style-type: none"> — recommend the Annual General Meeting of Shareholders to approve distribution of the Company's profit (loss) for 2018; — recommend the Annual General Meeting of Shareholders to pay dividends for 2018 at RUB 0.0367388 per ordinary share; — approve KPI targets for Earnings per Share (EPS) in the first (2017–2019), second (2018–2020) and third (2019–2021) LTIP cycles; — approve adjusted 2019 targets for the annual KPIs of RusHydro's Management Board; — approve the annual KPIs for the Management Board and their target values for 2020; — approve the updated version of the consolidated business plan (including consolidated investment program) of RusHydro Group for 2019; — approve the updated version of the Company's business plan for 2019–2023 as regards PJSC RusHydro's Investment Program for 2019; — approve RusHydro's business plan and Consolidated Business Plan for 2020, including the investment program of PJSC RusHydro and the consolidated investment program of RusHydro Group for 2020–2024; — pre-approve RusHydro's draft investment program for 2020–2029 and draft amendments to RusHydro's investment program for 2019–2028.
Full name	Attendance		
Independent members of the Board of Directors			
Maxim Bystrov	6/9		
Vyacheslav Pivovarov	8/9		
Sergey Ivanov (before July 26, 2019)	1/4		
Members of the Board of Directors			
Lev Kuznetsov (Chairman of the Committee) (on or after July 26, 2019)	5/5		
Nikolay Rogalev	9/9		
Members of the executive bodies			
Andrey Kazachenkov	9/9		
Sergey Kirov	9/9		
Victor Khmarin	9/9		
Committee members			
Mikhail Bychko	9/9		
Andrey Gabov (before July 26, 2019)	3/4		
Sergey Zhuravlev	9/9		
Denis Milyutin	9/9		
Alexei Kulagin (on or after July 26, 2019)	5/5		
Mikhail Sonin (on or after July 26, 2019)	4/5		
Pavel Snikkars (before July 26, 2019)	3/4		
Alexander Ilyenko (on or after July 26, 2019)	5/5		

Committee on Energy Development of the Far East

Members of the Committee		Competencies	Key performance results and recommendations issued to the Board of Directors
<p>In 2019, the Committee on Energy Development of the Far East held 7 meetings, including:</p> <ul style="list-style-type: none"> — 4 meetings before July 26, 2019; — 3 meetings on or after July 26, 2019. 		<p>The Committee is designed to ensure efficient performance of the Board of Directors in developing the power industry of the Far Eastern Federal District of Russia within the scope of responsibility of the Company and its subsidiaries. Among other things, the Committee is responsible for determining the Company's priority areas in the Far East, including by considering matters related to the consolidation of power assets in the Far East, growth of energy exports to the Asia-Pacific, and power supply to the consumers in the Far East.</p>	<p>The Committee on Energy Development of the Far East recommended that the Company's Board of Directors:</p> <ul style="list-style-type: none"> — approve the acquisition of a stake in Sakhalinskaya GRES-2; — approve the acquisition of a stake in CHPP at Sovetskaya Gavan; — approve the acquisition of a stake in Yakutskaya GRES-2; — with a view to supporting construction and modernization of generating facilities (thermal power plants) in the non-price zone of the WECM in line with the Russian Government's Decree No. 1544-r dated July 15, 2019, establish: <ul style="list-style-type: none"> • RusHydro's Yakutsk branch in the city of Yakutsk; • RusHydro's Khabarovsk branch in the city of Khabarovsk; • RusHydro's Primorye branch in the city of Vladivostok. <p>In addition, the Committee on Energy Development of the Far East regularly submitted updates on the construction of key energy facilities in the Far Eastern Federal District for review by the Board of Directors.</p>
Full name	Attendance		
Independent member of the Board of Directors			
Pavel Grachev	7/7		
Alexei Chekunkov	7/7		
Members of the Board of Directors			
Yury Trutnev (Chairman of the Committee)	0/7		
Vyacheslav Kravchenko (before July 26, 2019)	1/4		
Members of the executive bodies			
Sergey Vasilyev	7/7		
Andrey Kazachenkov	7/7		
Committee members			
Dmitry Bulgakov (on or after July 26, 2019)	3/3		
Igor Zadvornov	7/7		
Denis Konstantinov (before July 26, 2019)	3/4		
Sergey Lebedev	6/7		
Leonid Petukhov	0/7		
Denis Pileniyeks	4/7		
Aleksandr Pyatigor	3/7		
Aleksey Molskiy	2/7		
Sergey Tyrtsev	5/7		

Committee on Reliability, Energy Efficiency and Innovation

Members of the Committee		Competencies	Key performance results and recommendations issued to the Board of Directors
<p>In 2019, the Committee held 6 meetings, including:</p> <ul style="list-style-type: none"> 4 meetings before July 29, 2019; 2 meetings on or after July 29, 2019. 		<p>The Committee is designed to ensure efficient performance of the Board of Directors in the realms of the Company's Technical Policy, reliable and safe operation of hydraulic facilities, energy efficiency, innovation and environmental policies, and other areas reserved to the remit of the Committee.</p>	<p>The Committee on Reliability, Energy Efficiency and Innovation recommended that the Company's Board of Directors:</p> <ul style="list-style-type: none"> approve the 2018 report on progress against the Innovative Development Program of RusHydro Group for 2016–2020 with a Prospect up to 2025; update the Innovative Development Program of RusHydro Group; review progress against the action plan developed for Zagorskaya PSPP-2.
Full name	Attendance		
Members of the Board of Directors			
Nikolay Rogalev (Chairman of the Committee)	6/6		
Vyacheslav Kravchenko (before July 29, 2019)	0/4		
Members of the executive bodies			
Boris Bogush	5/6		
George Rizhinashvili	5/6		
Kirill Frolov (before July 29, 2019)	3/4		
Viktor Gvozdev (before July 29, 2019)	3/4		
Committee members			
Igor Baikov (on or after July 29, 2019)	1/2		
Oleg Barkin	6/6		
Yuriy Vishnevskiy	5/6		
Dmitriy Gvozdev (before March 29, 2019)	1/1		
Sergey Zhuravlev	6/6		
Andrey Mayorov (after March 29, 2019)	1/5		
Mikhail Fedorov	5/6		

Corporate Secretary

Natalya Kovaleva

Born in 1972

Education, academic degree:

In 1996, graduated from Irkutsk State University with a degree in Law

Professional experience over the last five years:

- 2016–present: Corporate Secretary, RusHydro
- 2016–present: Deputy Head of Corporate Governance and Property Management, RusHydro
- 2010–2015: Head of Corporate Governance, PJSC MO ESK

Positions held in collective governing bodies as at December 31, 2019:

- member of the Board of Directors at Blagoveshchenskaya CHPP
- member of the Board of Directors at Boguchanskiy Aluminum Smelter
- member of the Board of Directors at PJSC DEK
- member of the Board of Directors at Malaya Dmitrovka
- member of the Board of Directors at SNRG
- member of the Board of Directors at JSC Chuvashskaya Electricity Sales Company.

Natalya Kovaleva has no stake in RusHydro's authorized capital. She does not hold, whether directly or indirectly, any ordinary shares of RusHydro and did not acquire or dispose of such shares during the reporting year, the Corporate Secretary holds no shares of RusHydro's subsidiaries.

No loans were issued by PJSC RusHydro or RusHydro Group companies to Natalya Kovaleva, Corporate Secretary of RusHydro.

The Corporate Secretary has no conflict of interest (including participation in the governing bodies of the Company's competitors).

Executive bodies

Management Board

The Management Board is a collective executive body responsible for the day-to-day management of the Company as prescribed by the scope of responsibilities set out in the Charter, Regulations on the Management Board, and resolutions adopted by the Company's General Meeting of Shareholders and Board of Directors.



Regulations on the Management Board of PJSC RusHydro
<http://www.eng.rushydro.ru>

The number of the Management Board members is determined by the Board of Directors. Pursuant to the resolution adopted by the Board of Directors on December 12, 2018¹, the Management Board consisted of seven members, including Victor Khmarin, a newly elected member who assumed his responsibilities on January 16, 2019. On February 19, 2019², the Board of Directors resolved to terminate the powers of Vladimir Markin as a Management Board member, with the Management Board restructured to consist of six members from February 24, 2019. On December 24, 2019³, the Board of Directors resolved to terminate the powers of George Rizhinashvili as a Management Board member, with the Management Board restructured to consist of five members.

¹ Minutes No. 281 of December 27, 2018

² Minutes No. 283 of February 21, 2019.

³ Minutes No. 302 of December 26, 2019.

⁴ As at December 31, 2019.

Information on Management Board members¹



Nikolay Shulginov

Chairman of the Management Board – General Director

Born in 1951

Education, academic degree, academic rank:

Sergo Ordzhonikidze Novocherkassk Polytechnic Institute awarded the Order of the Red Banner of Labor; holds a PhD degree in Technology

Professional experience over the last five years:

– 2015–present: Chairman of the Management Board – General Director of RusHydro

– 2009–2015: First Deputy Chairman of the Management Board of JSC SO UES

Year of the first election to the Management Board: 2015



Boris Bogush

Member of the Management Board, First Deputy General Director – Chief Engineer

Supervised units:

Production unit

Born in 1952

Education, academic degree, academic rank:

Graduated from Saratov State Technical University with a degree in Mechanical Engineering;

Graduated from Russian Presidential Academy of National Economy and Public Administration with a degree in Management of Business / Organization Development

Professional experience over the last five years:

– 2009–present: Managing Director, Head of Business Unit "Production"; member of the Management Board; member of the Management Board – Chief Engineer; member of the Management Board, First Deputy General Director – Chief Engineer

Year of the first election to the Management Board: 2010



**Andrey
Kazachenkov**

*Member of the Management Board,
First Deputy General Director*

Supervised units:

Unit of financial and corporate law management

Born in 1980

**Education, academic degree,
academic rank:**

Graduated from Saint Petersburg State University of Engineering and Economics with a degree in Economics and Management at Mechanical Engineering Enterprises;

Has an MBA from the University of Wisconsin-Madison, USA

Professional experience over the last five years:

— 2015–present: Advisor for the Chairman of the Management Board – General Director; member of the Management Board and First Deputy General Director of RusHydro

— 2012–2015: First Deputy Chairman of the Management Board, Deputy Chairman of the Management Board of PJSC FGC UES

Year of the first election to the Management Board: 2016



**Sergey
Kirov**

*Member of the Management Board,
First Deputy General Director*

Supervised units:

Unit of sales, economic planning and investments

Born in 1976

**Education, academic degree,
academic rank:**

Graduated from Perm State Agro-Technological University with a degree in Economics and Agricultural Production Management;

Graduated from the Regional Interdisciplinary Retraining Center of Perm National Research Polytechnic University with a degree in Economics and Management

Professional experience over the last five years:

— 2010–present: Director of Economic Affairs; Deputy General Director on Economics, Investment and Procurement, member of the Management Board and First Deputy General Director

Year of the first election to the Management Board: 2015



**Victor
Khmarin**

*Member of the Management Board,
Deputy General Director*

Supervised units:

Resources and future development unit

Born in 1978

**Education, academic degree,
academic rank:**

Graduated from Saint Petersburg State University with a degree in Law

Professional experience over the last five years:

— 2015–present: Deputy General Director on Economics, Investment and Procurement, Deputy General Director for Resources and Prospective Development, member of the Management Board, Deputy General Director at RusHydro

— 2014–2015: Advisor to the First Deputy President – Chairman of the Management Board – Vice President, Department for work with clients of market sectors, PJSC VTB Bank

Year of the first election to the Management Board: 2019

In accordance with the Company's Charter, members of the Management Board are elected by the Board of Directors. Candidates to the Management Board proposed by its Chairman for consideration by the Board of Directors must meet the following criteria:

- a university degree in technical, engineering, economic, legal or other sciences;
- track record as a manager of at least five years;
- compliance with the other criteria set forth in the Company's internal regulations.

The Management Board's powers include developing the Company's business priorities and respective implementation plans and submitting them to the Board of Directors for review, reporting on KPI achievement and business plan implementation, approving budget parameters as regards income and expenditures, deciding on matters reserved to supreme governing bodies of the subsidiaries where the Company exercises the rights of the sole shareholder (participant), as well as approving (adjusting) KPI of the Company's employees, and reviewing relevant implementation reports.

Powers of the Chairman of the Management Board - General Director include managing the Company's day-to-day operations, approving internal regulations that are mandatory for all the Company's employees, exercising employer functions, approving regulations on the Company's branches and representative offices and appointing heads thereof, making transactions on behalf of the Company within the scope set out in laws and the Charter, arranging for accounting and reporting, arranging operations of the Management Board, as well as addressing other matters of the Company's day-to-day operations that do not fall within the remit of the General Meeting of Shareholders, Board of Directors or Management Board.

Additional information on Management Board members

In 2019, RusHydro's executive bodies had no conflict of interest (including participation in the governing bodies of the Company's competitors).

On September 15, 2015, Nikolay Shulginov was elected for a term of five years to act as the Company's sole executive body.



For more details on positions held over the past five years in the collective governing bodies of other organizations, see the Quarterly Report of PJSC RusHydro for Q4 2019.
<http://www.eng.rushydro.ru/>

Newly elected Management Board members sign employment contracts. The terms of such employment contracts are determined by the Company's sole executive body. Their effective period may not exceed three years.

In the reporting period, members of the Management Board received no loans from the Company or RusHydro Group.

Boris Bogush (a Management Board member) holds 0.003781% of RusHydro's ordinary shares.

Members of the Management Board do not indirectly hold any of RusHydro shares or own shares in any of RusHydro's subsidiaries.

In the reporting period, Management Board members entered into no deals to acquire or dispose of the Company's shares.

Report on the Management Board's performance

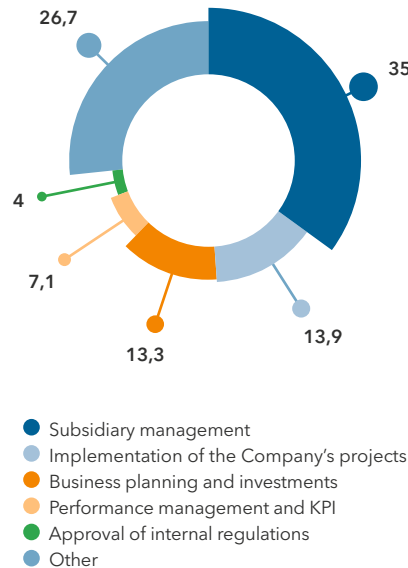
In 2019, the Management Board held 75 meetings, including 13 in person, and reviewed 420 items on the day-to-day operations of the Company, including preliminary consideration of recommendations submitted for review by the Board of Directors.

To protect the rights of investors and shareholders, the Company continued to implement its key strategic goals, including safe operation of the Company's production facilities, value growth and investment returns to the shareholders, as well as the enhancement of corporate governance and social and environmental responsibility mechanisms.

In the reporting period, meetings of the Management Board reviewed such items as:

- implementation of a project to develop charging stations for electric vehicles in the Far Eastern Federal District;
- progress against the Long-term Development Program in 2018;
- review of the Group's strategic risk register for 2020;
- concept of the Group's positioning in the global market;

Items reviewed by RusHydro's Management Board in 2019, %



- report on progress against the Strategy Implementation Plan in 2018;
- approval of loans to RusHydro's subsidiaries.

In addition, the Management Board reviews on a quarterly basis the performance of HQ (excluding members of the Management

Board) and branch employees against their KPIs.

In 2019, the Management Board also approved a number of internal regulations, including:

- Annual Program of Strategic and Other Material Transactions of RusHydro Group for 2019;
- Implementation Program for the Environmental Policy for 2019-2021.

Management Board's performance [102-28]

The Board of Directors evaluates the performance of the Management Board and its Chairman by reviewing the following matters:

- the Company's business plan implementation;
- the Group's Consolidated Business Plan implementation;
- RusHydro's KPI achievement;
- corporate governance assessment;
- the report on the Management Board's performance.

In 2019, RusHydro's corporate governance system was assessed, including the executive bodies' performance. A report was drafted based on the assessment findings, with a relevant corrective action plan developed and approved.