

Regulations on the Investment Committee under the Board of Directors of JSC RusHydro

1. General provisions

1.1. The Regulations on the Investment Committee under the Board of Directors of Open Joint-Stock Company RusHydro (JSC RusHydro) have been developed in accordance with Russian Federation law, the Articles of Association of JSC RusHydro, and the Regulations on convening and holding meetings of the Board of Directors of JSC RusHydro.

1.2. The Investment Committee under the Board of Directors of JSC RusHydro (hereinafter referred to as the Committee) is set up by resolution of the Board of Directors of JSC RusHydro (hereinafter referred to as the Company) dated _____, Minutes No. ____ and is an advisory body providing for efficient fulfilment by the Board of Directors of the Company of its functions in exercising general management of the Company's activities.

1.3. The Committee is not a body of the Company and is not entitled to act in the name of the Company.

1.4. Resolutions of the Committee are recommendatory in nature for the Board of Directors and executive bodies of the Company.

1.5. In its activities, the Committee is governed by federal laws, other regulatory and legal acts of the Russian Federation, the Articles of Association of the Company, the Regulations on the Board of Directors of the Company, resolutions of the Board of Directors of the Company, and these Regulations.

2. Goals and tasks of the Committee

2.1. The main goals of the Committee's activities are preliminary consideration of new investment projects and investment programmes and other issues, as well as improvement and development of the Company's investment policy.

2.2. The Committee's tasks are:

1. consideration and expert examination of new investment projects and investment programmes presented for consideration by the Board of Directors of the Company;
2. provision of timely information to the Board of Directors of the Company about risks in the sphere of investment activities to which the Company and its SDCs are subject;
3. development and presentation of recommendations to the Board of Directors of the Company on matters considered thereby in accordance with the terms of reference of the Committee.

3. Functions of the Committee

The functions of the Committee include:

1. consideration of new investment projects of Companies;
2. consideration of investment programmes of the Company;
3. other matters assigned by the Board of Directors of the Company.

4. Rights of the Committee

4.1. For the purpose of fulfilling its functions, the Committee is granted the following rights:

- to analyze documents and information on matters falling within its terms of reference;
- to request and receive the documents and information required for its activities from Company officials (in accordance with clause 11.4 of these Regulations) and to request information from outside organizations through the Chairman of the Board of Directors or the Chairman of the Management Board of the Company;
- to have Company employees and officials, members of other committees and commissions under the Board of Directors of the Company, as well as other persons, participate in meetings of the Committee;
- to set up working groups for working up in detail specific matters falling within the terms of reference of the Committee;
- if necessary, to develop draft amendments and addenda to these Regulations and present them for approval by the Board of Directors of the Company;
- to exercise other rights indicated in these Regulations.

4.2. The Committee, represented by its Chairman or Deputy Chairman or, in their absence, a person appointed by the Chairman, shall have the right to participate in meetings of the Board of Directors of the Company concerning matters falling within the terms of reference of the Committee.

5. Members of the Committee and its formation procedure, the rights of members of the Committee

5.1. The numerical strength of the Committee and its members shall be determined by resolution of the Board of Directors of the Company. The members of the Committee shall not number more than 13.

5.2. The number of representatives of minority shareholders in the Company on the Committee shall make up at least 50% of the total number of elected members of the Committee.

5.3. Members of the Committee may include representatives of members of the Board of Directors, shareholders and other persons.

5.4. Members of the Committee are elected for the period up until the first meeting of a newly elected Board of Directors.

5.5. Only individuals may be members of the Committee.

5.6. The powers of any member of the Committee or of all members of the Committee may be terminated early by resolution of the Board of Directors of the Company.

The Chairman of the Committee, as well as members of the Committee, may withdraw from the Committee by submitting an application to the Chairman of the Board of Directors of the Company and the Chairman of the Committee to this effect at least 15 (fifteen) calendar days before the proposed withdrawal from the Committee.

The member shall be deemed to have withdrawn from the Committee and the Committee member's vote shall not be counted in determining a quorum and tallying the results of voting from the date indicated in the application and, if no date is included therein, from the date on which the application is received by the Chairman of the Board of Directors of the Company.

5.7. Members of the Committee shall be entitled, within the scope of the terms of reference of the Committee:

- to receive and analyze documents required for decision-making on matters falling within the terms of reference of the Committee;
- to request documents and information required for decision-making on matters falling within the terms of reference of the Committee. The request shall be executed in writing and be signed by the Chairman of the Committee;
- to make written proposals for compiling the plan of action of the Committee;
- to introduce items on to the agenda for meetings of the Committee in the manner established by these Regulations;
- to demand that a meeting of the Committee be convened.

5.10. Members of the Committee shall, in exercising their rights and fulfilling their obligations, act in the interests of the Company, and exercise their rights and fulfil their obligations in relation to the Company conscientiously and reasonably.

6. Obligations of the Committee and its members

6.1. The Committee and its members shall:

1. fulfil the functions entrusted to the Committee in accordance with these Regulations;
2. furnish the Board of Directors with recommendations (opinions) on matters included on the agenda for meetings of the Board of Directors of the Company and falling within the terms of reference of the Committee;
3. inform the Board of Directors of the Company in a timely manner about any risks to which the Company is subject;
4. observe the requirements of confidentiality and not disclose information about the Company constituting trade and/or official secrets.

7. Chairman of the Committee

7.1. The Committee and organization of its activities shall be managed by the Chairman of the Committee.

7.2. The Chairman of the Committee is elected by the Board of Directors of the Company from among the members of the Committee. The Chairman of the Committee shall be a member of the Board of Directors.

7.3. In the absence of the Chairman of the Committee, his duties shall be fulfilled by the Deputy Chairman of the Committee. The Deputy Chairman of the Committee is elected by the members of the Committee from among their number by a simple majority of the votes of all the elected members of the Committee.

7.4. The Chairman (Deputy Chairman) of the Committee may not be the person fulfilling the functions of the sole executive body of the Company or a member of the collegial executive body of the Company.

7.5. The Board of Directors of the Company shall have the right, at any time, to terminate the powers of the Chairman of the Committee.

7.6. The Chairman of the Committee:

1. convenes meetings of the Committee and chairs them;
2. determines the format in which meetings of the Committee are to be held and approves the agenda therefore;
3. determines the list of persons invited to attend an in presentio meeting of the Committee;
4. puts to the vote draft resolutions proposed by members of the Committee at a meeting and/or in the process of the preparations therefore; organizes voting on a proposed draft resolution;
5. organizes compiling of the minutes of meetings of the Committee and signs the minutes of meetings of the Committee;
6. represents the Committee in interaction with the Board of Directors of the Company, commissions and committees under the Board of Directors, executive bodies and officials of the Company, other bodies and persons;
7. carries out official correspondence of the Committee, signs requests, letters and documents on behalf of the Committee, in consideration of the rights granted to the members of the Committee;
8. distributes duties among the members of the Committee;
9. draws up the Committee's plan of action and presents this plan for approval by the Committee, monitors fulfilment of the Committee's plan of action;
10. ensures observance, in the activities of the Committee, of Russian Federation law, the Articles of Association of the Company, other by-laws of the Company and of these Regulations;
11. organizes the activities of the Secretary of the Committee;

12. organizes, on behalf of the Committee, control over fulfilment of resolutions adopted by the Committee, in particular, establishing control over fulfilment of resolutions and lifting control from fulfilled resolutions of the Committee;
13. fulfils other functions envisaged by these Regulations;
14. bears liability for appropriate use of funds envisaged by the budget for the Committee, as approved by the Board of Directors of the Company.

8. Secretary of the Committee

8.1. The Secretary of the Committee shall be elected by a simple majority of the votes of all the elected members of the Committee on presentation by the Chairman of the Committee.

8.2. The Secretary of the Committee provides technical (informational, documentary, minutes and secretarial) support for the current activities of the Committee, including by:

1. preparing and holding meetings of the Committee;
2. gathering and systematizing materials for meetings;
3. sending, in a timely manner, to the members of the Committee and persons invited to participate in a meeting of the Committee, notifications about the holding of meetings of the Committee, the agenda for meetings, materials relevant to items on the agenda and ballot sheets;
4. keeping the minutes of meetings, organizing preparation of draft resolutions of the Committee;
5. recording correspondence addressed to the Committee and/or members of the Committee (including requests, demands and applications), providing the members of the Committee with requisite information;
6. storing minutes of meetings of the Committee and other documents and materials relating to the activities of the Committee in accordance with the document storage procedures adopted within the Company;
7. fulfilling assignments from the Chairman of the Committee;
8. fulfilling other functions in accordance with these Regulations.

9. Meetings of the Committee

9.1. Meetings of the Committee are convened by the Chairman of the Committee in accordance with the approved plan of action of the Committee (scheduled meetings), and in other cases envisaged by these Regulations (extraordinary meetings).

9.2. The draft plan of action of the Committee is drawn up by the Chairman of the Committee in consideration of the approved plan of action of the Board of Directors of the Company and proposals from the Chairman of the Board of Directors of the Company, members of the Committee and resolutions of the Board of Directors of the Company. The plan of action of the Committee shall be approved by the Committee.

9.3. When a meeting of the Committee is convened, the Chairman of the Committee determines the time, date, venue and format of the meeting, the agenda and the list of persons invited to attend an in presentio meeting of the Committee.

9.4. An extraordinary meeting of the Committee shall be held:

- in accordance with a notification received from the Secretary of the Board of Directors of the Company about the holding of a meeting of the Board of Directors of the Company the agenda for which contains matter(s) included by these Regulations in the terms of reference of the Committee;
- on the initiative of the Chairman of the Committee;
- by resolution of the Board of Directors of the Company or by resolution of the Committee;
- by demand of the Chairman of the Board of Directors of the Company;
- by demand of a member of the Board of Directors and/or of members of the Committee.

9.5. A demand to convene a meeting of the Committee shall be sent to the Chairman of the Committee in writing at least 10 calendar days before the proposed date of the meeting and shall contain the wording of the issue, the grounds for considering the matter at the meeting and accompanying materials and information.

9.6. Within a period of 5 calendar days of the demand being submitted for an extraordinary meeting to be held, the Chairman of the Committee shall have the right to decide whether to hold the extraordinary meeting of the Committee, or to include a matter on the agenda for a scheduled meeting of the Committee, or to refuse to convene an extraordinary meeting of the Committee.

9.7. If a decision is taken to refuse to convene an extraordinary meeting, at the next scheduled in presentio meeting of the Committee, its Chairman shall inform the members about receipt of the relevant demand and the reasons for refusing it. In the event that the demand was signed by half or more of the members of the Committee, the Chairman of the Committee shall not have the right to refuse the demand.

In the event that a decision is taken to refuse to convene a Committee at the demand of the Chairman of the Board of Directors/a member of the Board of Directors of the Company, the Chairman of the Committee shall, within a period of 5 days, notify the Chairman of the Board of Directors/member of the Board of Directors in writing of receipt of the demand and the reasons for refusing it.

9.8. The notice of the convening of a meeting of the Committee shall contain the agenda for the meeting, the format in which the meeting is to be held, the time, date and venue for the meeting (final date for submission of ballot sheets on meeting agenda items).

The notice of the holding of a meeting shall be executed by the Secretary of the Committee and signed by the Chairman of the Committee or the Deputy Chairman of the Committee (in cases envisaged by these Regulations).

The notice of the holding of a meeting shall be sent to the members of the Committee and persons invited to attend an in presentio meeting of the Committee at least 5 (five) business days before the date on which the meeting of the Committee is to be held (final acceptance date for ballot sheets). Materials and information on agenda issues shall be forwarded to the members of the Committee

and persons invited to attend an in presentio meeting of the Committee at least 3 (three) business days before the date on which the meeting of the Committee is to be held (final acceptance date for ballot sheets in the event of a meeting held in absentia).

Materials on agenda issues for a Committee meeting in the discussion on which persons invited to attend an in presentio meeting of the Committee are expected to participate shall be sent to the said persons.

9.9. Materials (information) on agenda issues may be presented (sent) to members of the Committee and persons invited to attend an in presentio meeting of the Committee personally, by fax or by email.

9.10. In the event that matters raised for an extraordinary meeting of the Committee are urgent in character, the time schedule for convening an extraordinary meeting and the procedure for presenting materials on the agenda issues for the said meeting may be shortened by resolution of the Chairman of the Committee.

9.11. A meeting of the Committee held in the format of joint presence may, with the consent of a majority of the members of the Committee present, consider matters not included on the agenda for the meeting.

10. Procedure for holding meetings of the Committee

10.1. Meetings of the Committee may be held in the format of joint presence of the members of the Committee (in presentio) or in the format of external voting on the agenda items for the meeting (in absentia).

10.2. If a member of the Committee is unable to attend a meeting of the Committee, he shall have the right to submit (personally, by fax or email), before the beginning of the meeting, his written opinion on the agenda items to the Chairman of the Committee. The attending members of the Committee shall be apprised of the said written opinion and it shall be taken into consideration in determining a quorum and the results of the voting on the agenda items.

10.3. An in presentio meeting of the Committee shall be opened by the Chairman of the Committee or, in his absence, by the Deputy Chairman.

10.3.1. Members of the Committee and invited persons take part in an in presentio meeting of the Committee.

10.3.2. An in presentio meeting of the Committee is legally competent (has a quorum) if attended by at least half the elected members of the Committee.

10.3.3. The Secretary of the Committee determines the existence of a quorum for holding an in presentio meeting of the Committee. The person chairing an in presentio meeting announces to those present the existence of a quorum for holding the meeting of the Committee and the agenda for the meeting.

10.3.4. In the absence of a quorum, the person chairing the meeting takes one of the following decisions:

1. to determine a time until which the meeting is adjourned;
2. to determine the date of another meeting with the same agenda;

3. to include the questions that were to be considered at the meeting of the Committee that did not take place on the agenda for the next scheduled meeting of the Committee.

10.4. A decision to hold a meeting of the Committee in absentia shall be taken by the Chairman of the Committee.

10.4.1. For the holding of an in absentia meeting of the Committee, together with the materials (information) on the agenda issues for the in absentia meeting, ballot sheets for voting on the agenda items, drawn up in conformity with Appendix 1 to these Regulations, shall be forwarded to the members of the Committee.

10.4.2. When filling in a ballot sheet, the member of the Committee shall leave undeleted only one of the possible voting variants (“for”, “against”, “abstained”) for each draft resolution on each of the items.

The filled-in ballot sheet shall be signed by the member of the Committee, indicating his surname and initials.

10.4.3. The filled-in and signed ballot sheet shall be presented by the member of the Committee to the Secretary of the Committee no later than the time and date for final acceptance of ballot sheets, in the original or by fax or email, with the original being forwarded subsequently to the address indicated on the ballot sheet.

10.4.4. Participants in an in absentia meeting shall be members of the Committee whose ballot sheets are received by the Secretary of the Committee no later than the time and date for final acceptance of ballot sheets.

10.4.5. An in absentia meeting of the Committee shall be recognized as legally competent (having a quorum) if at least half the elected members of the Committee participate therein.

10.4.6. The existence of a quorum for decision-making at an in absentia meeting of the Committee and the results of the voting on the agenda items shall be determined with respect to each agenda item separately, on the basis of the ballot sheets filled in and signed by members of the Committee.

10.4.7. A ballot sheet filled in in violation of the requirements indicated in paragraph one, clause 10.4.2. of these Regulations shall not be taken into account in tallying the votes with respect to the relevant issue.

An unsigned ballot sheet and a ballot sheet received by the Secretary of the Committee after expiry of the deadline indicated therein shall not be taken into account in determining a quorum and tallying the votes.

10.5. In the event that a demand from a member of the Committee submitted in accordance with clause 9.5 of these Regulations contains a proposal to consider an issue in the format of joint presence, the said demand regarding the format of the meeting shall be taken into account by the Chairman of the Committee.

In the event that 3 (three) or more members of the Committee support in presentio consideration of an issue put to the vote in absentia by submitting a relevant application to the Chairman of the Committee before the date for final acceptance of ballot sheets, the matter shall be considered at the next in presentio regular or extraordinary meeting of the Committee.

10.6. Resolutions shall be adopted at meetings of the Committee by a simple majority of the votes of the members of the Committee participating in the meeting.

When questions are being decided at a meeting, each member of the Committee has a single vote. In the event of equal votes, the Chairman of the Committee shall have the deciding vote.

Transfer of the voting right of one member of the Committee to another member of the Committee or other person shall be prohibited.

10.7. Within 3 (three) business days of a Committee meeting being held (ballot sheets received), the Secretary of the Committee shall compile the minutes of the meeting, to be signed by the Chairman and the Secretary of the Committee. The Chairman and the Secretary of the Committee shall be responsible for the accuracy of the Minutes.

The Minutes of a meeting of the Committee shall indicate:

1. the format in which the meeting was held;
2. the time, date and venue of the meeting (time and date of final acceptance of ballot sheets);
3. the list of members of the Committee who participated in consideration of the agenda items and the list of other persons attending the meeting;
4. the agenda;
5. the questions put to the vote, the results of the voting thereon, indicating the way in which each member of the Committee voted;
6. the resolutions adopted.

10.8. The Secretary of the Committee shall be responsible for storing the documentation on the Committee.

11. Interaction with bodies of the Company and other persons

11.1. In fulfilling its obligations, the Committee shall maintain effective working relations with management and control bodies and structural subdivisions of the Company, other organizations and persons.

11.2. The Chairman and the Secretary of the Committee shall ensure coordinated informational and technical interaction between the Committee and the Board of Directors, executive bodies, control bodies and structural subdivisions of the Company, committees and commissions under the Board of Directors of the Company.

11.3. Officials of the Company shall, in response to an enquiry signed by the Chairman of the Committee (including on the basis of a resolution adopted by the Committee), furnish information and materials required by members of the Committee for decision-making on matters falling within the terms of reference of the Committee. The given information and materials shall be provided within a maximum of 10 calendar days of receipt of the enquiry, unless a different term is indicated in the request.

At meetings of the Committee, the Chairman shall inform the members of the Committee about enquiries submitted to the Company.

11.4. In submitting information enquiries, the Committee shall take into account the formats approved within the Company for information exchange between the Company and its SDCs. If it necessary for the Committee to obtain separate information not envisaged by the formats approved within the Company, such information shall be furnished by Company officials on an individual basis. In the event that these requirements become systematic in nature, the Committee shall, in conjunction with officials of the Company, develop proposals for introducing amendments into the formats approved within the Company for information exchange between the Company and its SDCs or for approval of new formats.

11.5. The Committee shall strive for effective interaction with the committees and commissions under the Board of Directors of the Company. On individual matters considered by the Strategy and Reform Committee under the Board of Directors of the Company, the Committee shall present its own opinions.

12. Confidentiality

12.1. During the period when members of the Committee fulfil their obligations, and for one year after termination of their powers on the Committee, members and former members of the Committee, the Secretary of the Committee and third persons involved in the work of the Committee shall observe the requirements of confidentiality in relation to information received thereby in connection with their activities on the Committee and not in the public domain. The concept of information not in the public domain as applied to the activities of the Company and the content thereof shall be determined by the by-laws of the Company approved by the Board of Directors of the Company.

13. Support for the activities of the Committee

13.1. The Committee shall be financed in accordance with the budget for the Committee, as approved by the Board of Directors of the Company on presentation by the Chairman of the Committee. Attached to the budget for the Committee shall be a conclusion from the sole executive body of the Company concerning the possibility of financing the proposed budget with respect to the planned volumes and articles within the scope of the Company's activities during the relevant planning period.

13.2. By resolution of the Board of Directors, members of the Committee may be paid a remuneration.

13.3. To provide for the work of the Committee, when setting the expenditure part of the Company's budget, a separate cost item is envisaged. The costs of the Committee include, in particular, the remuneration of the Chairman of the Committee, the Deputy Chairman of the Committee and the members of the Committee.

13.4. No remuneration shall be paid to the Chairman of the Committee, the Deputy Chairman of the Committee and the members of the Committee if they participate in less than 50% of the total number of meetings of the Committee.

13.5. At the request of the Chairman of the Committee, the Company shall provide the Committee with premises for holding meetings, ensure unhindered access thereto for persons named in this application, and perform other measures necessary for holding a meeting of the Committee.

14. Final provisions

14.1. The Board of Directors of the Company shall have the right, at any time, to demand a report from the Committee on the activities of the Committee. The timeline for preparing and submitting such a report shall be determined by resolution of the Board of Directors.

14.2. The Chairman of the Committee shall have the right to furnish the Board of Directors of the Company with separate reports on matters falling within the terms of reference of the Committee.

14.3. Information about resolutions adopted by the Committee may be published on the Company website in accordance with the Regulations on the Information Policy of the Company and the Regulations on Insider Information.

14.4. Information about the work of the Committee is subject to inclusion in the Annual Report of the Company.

14.5. These Regulations and all addenda and amendments hereto shall be approved by the Board of Directors of the Company.

14.6. Matters not regulated by these Regulations shall be governed by the Articles of Association of the Company, the Regulations on the Board of Directors of the Company and individual resolutions of the Board of Directors of the Company.