

**REGULATIONS  
ON THE RELIABILITY COMMITTEE OF THE BOARD OF DIRECTORS  
OF THE OPEN JOINT-STOCK COMPANY  
Federal Hydrogenerating Company**

**1. General provisions**

- 1.1. The Regulations on the Reliability Committee of the Board of Directors of the Open Joint-Stock Company Federal Hydrogenerating Company (hereinafter referred to as the Company) were developed in accordance with the legislation of the Russian Federation, the Articles of Association, and Regulations on the Procedure for Convening and Holding Meetings of the Company Board of Directors.
- 1.2. The Reliability Committee of the Board of Directors of the JSC RusHydro (hereinafter referred to as the Committee) is established by a resolution of the Board of Directors of the Company and serves as an advisory and consultative body designed to help the Company Board of Directors in effectively fulfilling its functions regarding the general management of the Company's operation.

The Committee is not a management body of the Company and may not act on behalf of the Company.

Decisions of the Committee are nonbinding for the Board of Directors of the Company.

- 1.3. In its activity the Committee is governed by federal laws, other regulatory legal acts of the Russian Federation, the Articles of Association, and Regulations on the Procedure for Convening and Holding Meetings of the Company Board of Directors, resolutions of the Company Board of Directors, and these Regulations.

**2. The objectives and tasks of the Committee**

- 2.1. The Committee was created primarily with the aim to ensure efficient addressing by the Company Board of Directors of problems within its competence.
- 2.2. The tasks of the Committee shall be:
  - 2.2.1. The development and presentation of recommendations (conclusions) to the Board of Directors of the Company concerning the following lines of activity of the Company Board of Directors:
    - (1) expert assessment of investment programs and plans of electric power facilities rehabilitation and the analysis of their implementation in terms of meeting the requirements of system reliability;
    - (2) the assessment of completeness and sufficiency of actions taken in connection with accidents and serious process violations and their execution control;
    - (3) control and assessment of the activity of Company engineering services in terms of:

- ensuring the system reliability of the equipment and structures operation;
  - ensuring the normal condition of fixed assets and informing about the anticipated risks to their functioning reliability;
- (4) analysis of measures to implement the contractual and economic mechanisms for reliability control.

2.2.2. Providing the Board of Directors of the Company with information about the condition of the fixed assets of the Company's power facilities and drawing up of appropriate reports on a quarterly basis.

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

The Committee's competence covers the preliminary consideration, analysis, and drawing up of recommendations (conclusions) regarding the following priority lines of activity of the Company Board of Directors:

- (1) Analysis of the production activity including the assessment of:
- the preparedness of the Company and its subsidiaries and dependent companies (hereinafter referred to as SDCs) to the autumn and winter period;
  - organization of labor protection system;
  - organization of the production safety management system;
  - the level of operational maintenance of the Company's power facilities and its SDCs;
  - organization of operational dispatching service;
  - the compliance with the orders of the controlling and inspecting organizations;
  - the state of the contractual (economic) mechanisms for reliability control.
- (2) Assessment of the technical conditions, the operation and maintenance level of power facilities in terms of:
- the implementation of rehabilitation schedules for power facilities of the Company and its SDCs;
  - the implementation of measures for the enhancement of the Company and its SDCs' power facilities operation.
- (3) Planning and analysis of the activity for upgrading of power facilities of the Company and its SDCs.
- (4) Assessment of the activity of engineering services of the Company and its SDCs, and that of their managers.
- (5) Other issues associated with those listed above (except for those coming within the terms of reference of other Committees of the Company Board of Directors).

#### **4. Rights of the Committee**

4.1. To perform its functions, the Committee shall be authorized to:

- carry out studies on the issues within its competence;
- request and receive information and documents, as required for its activity, from the Company officers, and request information from outside organizations via the Chairman of the Board of Directors or the Chief Executive Officer of the Company;
- receive professional services from outside organizations or engage third persons under contracts within the budget of the Committee as experts (consultants), having expertise in the issues coming within the competence of the Committee;
- engage personnel, managers of the Company, members of other Committees of the Company Board of Directors, as well as other persons, for participation in the Committee meetings;
- if necessary, to develop and submit for approval to the Company Board of Directors drafts of changes and amendments hereto.

4.2. The Committee also has other rights as specified herein.

#### **5. Obligations of the Committee**

5.1. The Committee shall be obliged to:

- (1) perform its functions in accordance with these Regulations, the requirements of Russian Federation legislation, the Articles of Association, and in-house Company documents;
- (2) provide the Board of Directors with economically and lawfully efficient recommendations (conclusions) regarding the issues placed on the agenda of meetings of the Company Board of Directors and lying within the Committee competence;
- (3) timely inform the Company Board of Directors about the technical risks the Company faces;
- (4) never disclose information about the Company containing commercial and/or official secrets.

#### **6. Support of the Committee activity**

- 6.1. The Committee shall be financed in accordance with the Committee's budget for the appropriate year, which shall be approved by the Company Board of Directors as advised by the Committee Chairman. The draft budget shall be supplemented by a conclusion of the Chairman of the Company Management Board regarding the feasibility of financing the proposed budget within the planned volumes.
- 6.2. A special item of expenditure shall be envisaged in the expenditure budget to support the Committee activity. The Committee expenditure shall include, in particular, the remuneration for the Committee Chairman, the Committee members, the Committee Secretary, including those that are not members of the Company Board of Directors.
- 6.3. For the purpose of convening the Committee meetings the Chairman of the Company Management Board shall, on application of the Committee Chairman, provide the Committee

with premises and ensure the persons listed in the application an unhindered access to these premises, as well as take other measures for the convening of Committee meetings.

### **7. Composition and procedure for the formation of the Committee, the rights of the Committee members**

- 7.1. The number of Committee members shall be determined by a resolution of the Company Board of Directors and shall be no less than 3 (three) and no more than 9 (nine) persons.
- 7.2. The Committee members shall be elected by the Company Board of Directors from among candidates proposed by members of the Company Board of Directors.
- 7.3. Any member of the Company Board of Directors may propose no more than 3 (three) candidates to Committee members.
- 7.4. The Committee members shall be elected for the term up to the first meeting of the newly elected Board of Directors.
- 7.5. Only physical persons may be the Committee members. A Committee member may not be a member of the Company Board of Directors.
- 7.6. The powers of any member or all members of the Committee may be early terminated by a resolution of the Company Board of Directors.

The Committee Chairman, as well as the Committee members may give up their powers by submitting an application to the Chairman of Company Board of Directors and the Chairman of the Management Board of the Committee not later than 15 (fifteen) calendar days before the supposed termination of powers in the Committee.

The powers of a member of the Committee shall be considered terminated, and the vote of this member shall not be taken into account in the quorum determination and vote counting from the date specified in the application, and if this date is not specified, from the date when the Chairman of Company Board of Directors received this application.

- 7.7. If the number of the Committee members becomes less than that established by the resolution of the Company Board of Directors, the Company Board of Directors shall elect the required additional number of the Committee members.
- 7.8. The members of the Committee, within the competence of the Committee, may:
  - (1) with an obligatory notification of Committee Chairman, request in writing documents and information, as required for making decisions within the Committee's competence, either directly from the Management Board and its Chairman and heads of the Company structural subdivisions or via the Committee Secretary;
  - (2) make proposals regarding the formation of the Committee work plan;
  - (3) introduce items on the agenda of Committee meetings in accordance with the procedure established hereby;
  - (4) require the convening of the Committee meeting.
- 7.9. When exercising their rights and fulfilling their obligations, the Committee members shall act in the interests of the Company and in good faith and reasonably exercise their rights and fulfill their obligations with respect to the Company.

## **8. Chairman of the Committee**

- 8.1. The Committee Chairman shall direct the Committee and organize its activity.
- 8.2. The Committee Chairman shall be elected by the Company Board of Directors from among the elected Committee members by majority of votes of members of the Company Board of Directors taking part in voting.
- 8.3. The Chairman of Company Management Board, members of the Management Board, or any person holding office in a management body of a management organization (when the powers of a sole executive body of the Company is delegated to the management organization) may not be elected Chairman of the Committee.
- 8.4. The Company Board of Directors may re-elect the Committee Chairman in any time.
- 8.5. In the absence of the Committee Chairman, his duties shall be performed by the Deputy Chairman of the Committee. The Committee members shall elect one of them as the Deputy Chairman by the majority of votes out of the total number of the elected Committee members. The candidacy for the post of Committee Deputy Chairman shall be subject to all restrictions envisaged by clause 8.3 hereof.
- 8.6. Chairman of the Committee shall:
  - 8.6.1. Convene ordinary and extraordinary meetings of the Committee, in particular, ensure the notification of Committee members about the next meeting in accordance with the procedure established by these Regulations; determine the agenda and the form of the meeting (voting in person or absentee voting), if the form of the meeting was not determined earlier by a resolution of the Committee or by its work plan; supervise the holding of the meeting in the form of absentee voting.
  - 8.6.2. Preside the Committee meetings:
    - (1) in accordance with the information obtained from Committee Secretary, determine the quorum or its absence in the meeting, including for taking a decision on an appropriate issue;
    - (2) if quorum is not met, take measures to adjourn the meeting and to notify the absent Committee members about the decision taken;
    - (3) put draft decisions proposed by the Committee members at the meeting and/or during its preparation to vote on a first-come basis; organize voting for the proposed draft decision;
    - (4) at in-person Committee meetings, announce the decision taken by the Committee (according to the voting results);
    - (5) organize the preparation of the minutes of the Committee meeting;
    - (6) organize the activity of the Committee Secretary;
    - (7) sign the minutes of the Committee meeting as its Chairman.
  - 8.6.3. Supervise the implementation of the Committee work plan.
  - 8.6.4. Represent the Committee in the relationships with the Company Board of Directors, the Company executive bodies, other bodies, organizations, and persons.

8.6.5. Organize the official correspondence of the Committee; sign the letters, information requests, and other documents on behalf of the Committee, taking into account the powers of the Committee members.

8.6.6. Control the fulfillment of the requirements hereof.

8.6.7. Take decisions regarding the engagement of outside organizations for receiving professional services or third persons as experts (consultants) having expertise in issues within the Committee's competence and budget.

These powers may be exercised by the Committee Chairman only on the basis of a Power of Attorney executed in accordance with effective legislation of the Russian Federation.

8.6.8. Exercise other powers in accordance with these Regulations.

### **9. Secretary of the Committee**

9.1. The Committee Secretary shall be appointed by the Committee at the suggestion of the Committee Chairman. The Committee Secretary shall be accountable to the Committee Chairman, shall not be a Committee member, and shall perform the following functions:

9.1.1. Provide organizational, informational, and documentary support for the Committee's activities both in connection with the preparation and holding of meetings and between the Committee meetings, including the following:

- (1) on the instruction of the Committee Chairman, inform all the Committee members about the forthcoming ordinary and extraordinary meetings;
- (2) send documents and materials to the Committee members as required for holding the Committee meetings;
- (3) keep record of the correspondence sent to the Committee and/or its members (including requests, orders, and applications) and organize preparation of appropriate answers, explanations, as well as the Committee's response to the incoming correspondence in other form; forward to the Committee members correspondence addressed to them and, when required, help the Committee members to prepare answers to letters, requests, applications, etc.;
- (4) organize recording of statements (in the form of minutes or shorthand notes) at the Committee meetings;
- (5) give technical and organizational support to the Committee members that are responsible for the preparation of individual items for ordinary and extraordinary meetings of the Committee;
- (6) ensure printing, replication, and translation of documents and materials (including editing drafts of the Committee's documents) and sending these to appropriate persons;
- (7) ensure the appearance of persons invited to Committee meetings and control the compliance of the actual contribution of the invited person with the item of agenda considered;
- (8) ensure the preparation for in-person Committee meetings (premises, materials, unhindered access for Committee members and invitees into the premises, distribution of newly received materials, secretarial services, etc.).

- 9.1.2. Organize the preparation and sending of ballot sheets to Committee members and the generalization and processing thereof.
- 9.1.3. Provide organizational support to voting at Committee meetings.
- 9.1.4. Organize the preparation of the minutes of a Committee meeting within 2 (two) working days after the meeting.
- 9.1.5. Organize the interaction with the Chairman of the Management Board and other officers of the Company with the aim to archive and safekeep all documents and materials relating to the activity of the Committee.
- 9.1.6. Execute orders of the Committee Chairman within the competence of the Committee Chairman.
- 9.1.7. Exercise other powers in accordance herewith.

## **10. Meetings of the Committee**

- 10.1. Meetings of the Committee shall be convened by the Committee Chairman in accordance with the work plan approved at a Committee meeting (ordinary meetings), as well as in other cases envisaged hereby.
- 10.2. The work plan of the Committee shall be formed by the Committee Chairman, taking into account the approved work plan of the Company Board of Directors and proposals of the Chairman of the Company Board of Directors, Committee members and decisions of the Company Board of Directors.
- 10.3. The Committee's work plan shall be approved at a Committee meeting, which shall be held not later than 20 (twenty) days after the meeting of the Company Board of Directors at which the work plan of the Company Board of Directors was approved or within a month after the creation of the Committee.
- 10.4. When convening a Committee meeting, the Committee Chairman shall determine the date, time, place, and form of the meeting, its agenda, as well as the list of persons invited to participate in the Committee meeting.
- 10.5. The agenda of an ordinary meeting shall be formed by the Committee Chairman in accordance with the approved Committee work plan, decisions of the Company Board of Directors, and proposals of the Chairman of the Company Board of Directors.
- 10.6. Extraordinary meetings of the Committee shall be convened:
  - in accordance with a notification about convening of a meeting of the Company Board of Directors, the agenda of which includes an item (items) hereby referred to the Committee's competence;
  - on the Committee Chairman's own initiative;
  - by decision of the Company Board of Directors or by a Committee decision;
  - by request of the Chairman of the Company Board of Directors, members of the Committee, the Chairman of the Management Board.
- 10.7. A request of the Chairman of the Company Board of Directors, members of the Committee, the Chairman of the Management Board regarding the convening of a Committee meeting shall be submitted to the Committee Chairman in writing not later than 7 (seven) working

days before the date when the meeting is to be held and shall contain the wording of the item, case for considering the item at the meeting, a draft resolution of the Committee, as well as accompanying documents and information.

The request to convene a Committee meeting shall be signed by a person who submitted this request. A copy of the request to convene a Committee meeting with all addenda shall be submitted to the Committee Secretary.

- 10.8. Within 1 (one) working day after the submission of the request to convene an extraordinary meeting of the Committee, the Committee Chairman shall take a decision on convening of the meeting, determine the date, time, and place of the meeting (the closing date for the acceptance of ballot sheets, in the case of absentee voting), or take a decision to deny the convening of the extraordinary meeting of the Committee. A motivated decision to deny the convening of an extraordinary meeting of the Committee shall be sent to the person or the Company body who requested the convening of such meeting not later than the next day after the Committee Chairman has taken the decision to deny the convening of the meeting.
- 10.9. The Committee Chairman may take the decision to deny the convening of an extraordinary meeting of the Committee in the following cases:
  - (1) an item (items) proposed for the introduction on a Committee meeting agenda is (are) not hereby referred to the Committee's competence;
  - (2) the agenda item contained in the request to convene an extraordinary Committee meeting has already been introduced on the agenda of the nearest ordinary meeting, convened in accordance with the Committee Chairman's decision, taken before the request was received, or this item has been already considered by the Committee;
  - (3) the form, order, and timeline of the submission of the request to convene a meeting do not satisfy the requirements established by clause 10.8 hereof.
- 10.10. The Committee Chairman may introduce the items contained in the request to convene an extraordinary Committee meeting on the agenda of the nearest ordinary Committee meeting.
- 10.11. Items proposed by Committee members may be introduced on the agenda of an ordinary or extraordinary Committee meeting by a decision of the Committee Chairman.
- 10.12. Notification about the convening of a Committee meeting along with its agenda shall be drawn up by the Committee Secretary and sent to meeting participants not later than 5 (five) days before the date of the meeting. Materials and information regarding the agenda items shall be sent to the meeting participants not later than 3 (three) working days before the date of the meeting.
- 10.13. Materials (information) regarding the agenda may be presented to Committee members in person or by fax or e-mail; however, the notification about the convening of a Committee meeting shall be presented to the Committee members by fax or in the original.
- 10.14. When the items proposed for an extraordinary Committee meeting are of urgent character, the timeline of the convening of such extraordinary meeting and the distribution of materials on the items of the agenda of such meeting may be reduced by decision of the Committee Chairman.

Items not introduced on the agenda may be considered at a Committee meeting held in the form of the presence of Committee members, by unanimous agreement of all Committee members participating in the meeting.



- 10.15. Upon receipt from the Secretary of the Company Board of Directors of a notification about the Company Board of Directors meeting with an agenda including items hereby referred to the competence of the Committee, the Committee Chairman shall do everything possible to ensure the timely convening of a Committee meeting to develop recommendations (decisions) regarding these items on the agenda of the meeting of the Company Board of Directors and send these recommendations to the Board of Directors in accordance with the approved Regulations on the Procedure for Convening and Holding Meetings of the Company Board of Directors.

## **11. Procedure for Committee meetings**

- 11.1. A Committee meeting shall be opened by the Committee Chairman or the Deputy Committee Chairman, if the Committee Chairman is absent.
- 11.2. The Committee meeting shall be attended by the Committee members as well as by persons invited to the meeting in accordance with a list approved by the Committee Chairman.
- 11.3. The Committee Secretary shall ascertain that there is a quorum for holding the Committee meeting.

Meeting Chairperson shall inform the participants that there is a quorum for holding the Committee meeting and announce its agenda.

- 11.4. The Committee meeting shall be effective (have a quorum) if not less than half of elected Committee members took part in it.

When there is no quorum, the meeting shall be declared ineffective. In such case, the chair of the meeting shall either:

- (1) determine a new time for the meeting by consulting with the attending persons;
- (2) determine the date of a repeat meeting with the same agenda;
- (3) introduce the items to be discussed at the abortive meeting of the Committee on the agenda of the next ordinary Committee meeting.

- 11.5. Decisions at Committee meetings shall be taken by a majority of votes out of the total number of elected Committee members.

Each member of the Committee shall have one vote in taking decisions at Committee meetings. The Committee Chairman's vote shall be decisive in the case of equality of votes.

No transfer of votes from a Committee member to another member or other person shall be permitted.

- 11.6. Committee meetings may be held in the form of presence of Committee members or by absentee voting.

Information about the form chosen for convening a Committee meeting shall be contained in the notification about this meeting.

- 11.7. At meetings held in the form of the presence in person, provided that no less than half of the Committee members are present, the results of voting of agenda items may be determined taking into account written opinions of the Committee members that were absent at the meeting, in accordance with the procedure determined hereby.

11.7.1. The day the Committee meeting is convened, the Committee Secretary shall draw up a ballot sheet, which shall be signed by the Committee Chairman and sent, in the original or by fax, to the Committee members that were absent at this meeting.

11.7.2. When filling in the ballot sheet, a Committee member shall leave uncrossed only one of the available voting options ("For," "Against," or "Abstained"). The filled-in ballot sheet shall be signed by the Committee member with indication of his/her surname and initials.

The Committee member shall present the filled-in and signed ballot sheet to the Committee Secretary not later than the next day after the meeting, either in original or by fax, which shall be followed by sending the original to the address specified in the ballot sheet.

11.7.3. A ballot sheet that was filled in and presented with violations of the requirements or timelines specified in clause 11.7.2 hereof shall be considered invalid and shall not be taken into account in vote count and voting results.

11.7.4. The results of voting on the meeting agenda items shall be determined based on the results of voting in person at the meeting and the ballot sheets filled in and signed by the Committee members and received by the Committee Secretary at the stated time.

11.8. The decision to convene a Committee meeting in the form of absentee voting shall be taken by the Committee Chairman.

11.8.1. When the Committee meeting is convened in the form of absentee voting, Committee members may present their proposals and/or remarks on the items put to the absentee voting not later than 2 (two) working days before the end of the term for the receipt of ballot sheets for voting, as specified in the notification about absentee voting.

11.8.2. The Committee Secretary shall draw up the ballot sheet for absentee voting taking into account the proposals (new wordings) and/or remarks regarding the proposed draft Committee resolutions on agenda items.

Changes in the wording of draft resolution included in a ballot sheet shall be agreed upon with all Committee members.

11.8.3. Ballot sheets for absentee voting shall be sent to Committee members not later than 1 (one) working day before the end of the term for the receipt of ballot sheets as specified in the notification about absentee voting.

11.8.4. When filling in a ballot sheet for absentee voting, a Committee member shall leave uncrossed only one of the available options ("For," "Against," or "Abstained"). The filled-in ballot sheet shall be signed by the Committee member with indication of his/her surname and initials.

The filled-in and signed ballot sheet shall be presented by the Committee member to the Committee Secretary within the term specified in the ballot sheet, either in original or by fax, which shall be followed by sending the original to the address specified in the ballot sheet.

11.8.5. The results of absentee voting on agenda items shall be determined based on the ballot sheets filled in and signed by the Committee members and received by the Committee Secretary. The ballot sheets that were received by the Secretary with violations of the requirements or timelines specified in clause 11.8.4 hereof shall not be taken into account in quorum determination and in vote counting.

- 11.9. The Committee Secretary shall execute minutes of the meeting not later than 2 (two) working days after the Committee meeting conducted either in the form of presence in person or in the form of absentee voting.
- 11.10. Minutes of the Committee meeting shall be signed by the Committee Chairman and the Committee Secretary. The Minutes shall be made in two copies, one of which shall be sent by the Committee Secretary within 1 (one) working day after its signing to the Company Board of Directors, supplemented by the materials and recommendations prepared for it, while the other shall be kept in Committee archives. Copies of the Minutes, prepared materials and recommendations shall be sent to all Committee members.
- 11.11. The Chairman and the Secretary of the Committee shall be responsible for the correctness of the Minutes. The Committee Secretary shall be responsible for keeping the Minutes, ballot sheets, materials, and recommendations of the Committee.
- 11.12. Minutes of the Committee meeting shall contain
- (1) the date, place, and time of the meeting (or the date of absentee voting);
  - (2) a list of Committee members who took part in the discussion of agenda items with specification of the voting form (in person or by sending a ballot sheet), as well as a list of other persons who attended the meeting;
  - (3) agenda;
  - (4) proposals of Committee members on agenda items;
  - (5) items put to the vote and their voting results, with specification of the voting option for each Committee member;
  - (6) decisions taken.

## **12. Confidentiality**

- 12.1. During the period in office and as long as 1 (one) year after the termination of their powers in the Committee, Committee Chairman, Committee Secretary, Committee members, and third persons involved in Committee activity shall comply with the confidentiality requirements regarding the nonpublic information they receive in connection with their work in the Committee.

The definition and contents of nonpublic information as applied to the activity of the Company shall be established by the Company Board of Directors.

## **13. Safekeeping and use of Committee documents**

- 13.1. Minutes of Committee meetings shall be available for familiarization to any Committee member and any member of the Company Board of Directors.
- 13.2. A Committee dossier shall be formed as the result of activity of the Committee.
- 13.3. The Committee dossier shall include:
- (1) minutes of Committee meetings;
  - (2) supplements to Committee meeting minutes;
  - (3) other information materials for Committee meetings;

- (4) ballot sheets;
- (5) notifications about meetings;
- (6) other materials and documents.

- 13.4. The documents included in the Committee dossier shall be kept in Committee premises (at the location of the Chairman of the Company Management Board) together with documents of the Company Board of Directors. The documents shall be kept at the expense of the Company.
- 13.5. The systematization and archiving of documents and materials of the Committee shall be carried out by the Committee Secretary under the supervision of the Committee Chairman. The Committee Secretary shall make (keep) a record of all documents and materials of the Committee dossier in hard copy and on electronic media.
- 13.6. Committee members shall have unlimited access to the materials and documents of the Committee dossier and may make copies.
- 13.7. In cases not provided for hereby, the access to information about issues discussed by the Committee may be granted only by authority of the Committee, Committee Chairman, or a person acting for him.