

4. REPORT ON COMPLIANCE WITH THE PRINCIPLES AND RECOMMENDATIONS OF THE CORPORATE GOVERNANCE CODE¹

Statement of the Company Board of Directors on compliance with the corporate governance principles as stipulated in the Corporate Governance Code, and if such principles are not complied with by the company to any extent, a description of such principles and brief explanations of why they are not complied with.

The Board of Directors confirms that the information in this Report is complete and true.

The Company fully observes 74 principles (93,7%), partially observes 3 principles and does not observe only 2 principles, out of total 79 principles stipulated below².

Therefore, it can be said that the Company complies with more than 77% or 97,4% corporate governance principles to a certain extent, and as compared to 2017, has improved the indicator of complete compliance with the recommendations of the Corporate Governance Code by 0,4% (from 97% to 97,4%).

Level 2 principles that are not complied with

1.3.2. The Company takes no action that will or may lead to an artificial redistribution of corporate control as concerns the recommendation on the absence of quasi-treasury shares or their nonparticipation in voting.

4.3.2. The Company has implemented a key long-term incentive plan for the members of executive bodies and other key management personnel with Company shares (options or other derivative financial instruments with Company shares as a basic asset)

Level 2 principles that are complied with in part

2.1.1. The Board of Directors is responsible for decisions related to the appointment and dismissal of executive bodies, in particular, for the reason of improper fulfillment of their duties. The Board of Directors also controls that the executive bodies of the Company act in accordance with the adopted development strategy and main directions of the operations of the Company as concerns the power of the Board of Directors to appoint and dismiss the single member executive body.

2.8.5. The composition of the Committees has been determined so that it enables comprehensive discussion of matters that are reviewed preliminarily with respect to different opinions as concerns independent Directors heading the committees (namely, the Strategy and Investment Committee).

7.2.2. The rules and procedures associated with the performance of major corporate actions by the Company are enshrined in the Company's internal documents regarding recommendations on the hiring of an appraiser when approving related-party transactions and transaction to acquire and buy back shares as well as on the existence of an expanded list of grounds based on which members of the Company's Board of Directors and other entities envisaged by law are deemed to have an interest in the Company's transactions.

Summary of the most significant aspects of the model and practice of corporate governance at the joint-stock company

PJSC Inter RAO uses a governance model (hereinafter referred to as the Model) that meets the requirements of Russian law and regulations for issuers of securities whose shares are included in the Level One section of the list of securities allowed for trading at the MICEX Stock Exchange. The Company's governance model ensures the efficiency of the corporate governance system (in respect of the best interests of the shareholders) and high disclosure standards. The Model also includes development and maintenance of an effective risk management and Internal Control Framework, clear distinction between the authorities and responsibilities of each management body of the Company, and a system for evaluation of their functions and duties.

¹ Using the form recommended by the Bank of Russia in Letter No. IN-06-52/8 dated February 17, 2016.

² Hereinafter, the "principles" mean the level 2 principles of corporate governance set forth in the Corporate Governance Code with numbers having three digits, like 1.1.1 or 1.2.3, etc.

Pursuant to the Articles of Association of PJSC Inter RAO, the Company's management bodies are as follows:

- General Meeting of Shareholders;
- Board of Directors;
- Management Board;
- Chairman of the Management Board.

Committees of the Board of Directors that are established by resolution of the Board of Directors develop recommendations on the most important competencies of the Board of Directors, evaluate the efficiency of corporate governance procedures and perform other functions for maintaining the high standards of the work of the Board of Directors. All the Committees are subordinate to the Company Board of Directors. Management of everyday Company business is performed by a single-member executive body, namely, the chairman of the management board, and the collegial executive body, namely, the Management Board of the Company. The chairman of the management board and the Management Board are subordinate to the General Meeting of Shareholders and the Company Board of Directors. The Revision Commission is elected by the General Meeting of Shareholders and controls financial and business operations of the Company. If serious violations are discovered, the Revision Commission is entitled to demand an extraordinary General Meeting of Shareholders to be convened. Read more about Company corporate governance in section "Corporate governance" in the PJSC Inter RAO Annual Report.

Description of the methodology, according to which the joint-stock company conducted an assessment of compliance with the principles of corporate governance, stipulated by the Corporate Governance Code:

Evaluation of compliance with the corporate governance principles as stipulated in the Corporate Governance Code was performed in accordance with the Recommendations on Reporting on Compliance with the Principles and Recommendations of the Corporate Governance Code (letter of the Central Bank of Russia of February 17, 2016 No. IN-06-52/8).

Explanation of the key reasons, factors or/and circumstances due to which the joint-stock company does not fully comply with the corporate governance principles as stipulated in the Corporate Governance Code, and description of the algorithms and tools of corporate governance that the joint-stock company uses instead of the ones that are recommended by the Corporate Governance Code, and activities and events planned (expected) by the joint-stock company to improve the model and practice of corporate governance with statement of the timing of such activities and events:

See the attached table.

#	#	Principles of Corporate Governance	Criteria for evaluation of compliance with corporate governance principles	Status of compliance with the corporate governance principle in 2018	Explanation of the deviation from Criteria for evaluation of compliance with the corporate governance principle	Change in compliance with the principle as compared to 2017
	1.1	The Company shall provide an equal and fair attitude to all shareholders to exercise their right to participate in the management of the Company				
1.	1.1.1	The Company provides the best possible conditions for shareholders to participate in the General Meeting, conditions for the development of a justifiable attitude towards the agenda items at the General Meeting, coordination of their acts, and ability to express their opinions on the items discussed.	<p>1. An internal Company document adopted by the General Meeting of Shareholders and governing the procedures of the General Meeting is publicly available.</p> <p>2. The Company provides available means of communication, such as a hotline, email or Internet forum enabling shareholders to express their opinion and send questions about the agenda in the course of preparation for the General Meeting. That was done by the Company prior to each General Meeting in the reported period.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
2.	1.1.2	The notification procedure of the General Meeting and delivery of materials for it enables the shareholders to properly prepare for participation in the General Meeting.	<p>1. Notice of the General Meeting of Shareholders is published on the Internet at least 30 days before the General Meeting date.</p> <p>2. The meeting notification states its place and the required identification for entrance to the room.</p> <p>3. The shareholders were provided access to information on who proposed the agenda items and who nominated candidates for the Board of Directors and the Revision Commission of the Company.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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3.	1.1.3	In the course of preparation and holding of the General Meeting of Shareholders, the shareholders were able to obtain information about and materials for the meeting, to ask executive bodies and members of the Board of Directors their questions, and to communicate with each other, all freely and in due time.	1. In the reported period, the shareholders were able to ask members of executive bodies and members of the Board of Directors their questions on the eve and at the time of the Annual General Meeting. 2. The attitude of the Board of Directors (including special opinions included in the minutes) on each agenda item of the General Meetings in the reported period was included in the materials for the General Meeting of Shareholders. 3. The Company provided the shareholders entitled thereto with access to the list of persons authorized to participate in the General Meeting starting from the date of its receipt by the Company, in all cases when General Meetings were held in the reported period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
4.	1.1.4	An exercise of the shareholder's right to demand that a General Meeting is convened, to nominate candidates to management bodies, and to make proposals for inclusion on the General Meeting agenda was not related to unjustified difficulties.	1. In the reported period, the shareholders were able to make proposals for inclusion on the agenda of the Annual General Meeting for at least 60 days after the end of the relevant calendar year. 2. In the reported period, the Company did not refuse to accept proposals for the agenda or candidates to the bodies of the Company for the reason of misprints or other immaterial flaws in the shareholder's proposal.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
5.	1.1.5	Every shareholder was able to exercise their voting right using the easiest and most convenient method.	The Company internal document (internal policy) contains regulations according to which, every participant of the General Meeting may demand a copy of their completed ballot certified by the counting commission before the end of the Meeting	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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6.	1.1.6	The Company General Meeting procedure enables all persons who are present at the meeting to express equally their opinions and to ask questions.	<p>1. At in presentio General Meetings of Shareholders within the reported period, there was time for reports and discussion on the agenda items.</p> <p>2. Candidates to Company management and control bodies were available to answer shareholders' questions at the meeting where their nominations were put to a vote.</p> <p>3. When making decisions related to preparation and holding of the General Meeting of Shareholders in the reported period, the Board of Directors considered the issue of using telecommunications to enable shareholder remote access for participation in the General Meeting.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
	1.2	The shareholders have an equal and fair opportunity to participate in the profits of the Company by receiving dividends.				
7.	1.2.1	The Company has designed and implemented a transparent and clear mechanism for determination of the amount and payment procedure of the dividends.	<p>1. The Company has a dividend policy that has been developed, approved and disclosed by the Board of Directors.</p> <p>2. If the dividend policy uses numbers from the Company's statements to determine the dividend amount, then the relevant regulations of the dividend policy are based on the consolidated numbers of the financial statements.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
8.	1.2.2	The Company shall make no decision on dividend payment if such a decision is economically unreasonable and may lead to false assumptions about the business of the Company even though it does not formally violate the legal restrictions	The Company's dividend policy contains clear indications on the financial/business circumstances, in the case of which the Company should pay no dividends.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
9.	1.2.3	The Company allows no impairment of dividend rights of existing shareholders.	1. In the reported period, the Company did not do anything leading to impairment of dividend rights of existing shareholders	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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10.	1.2.4	The Company aims to exclude any other methods for the shareholders to receive income (profit) from the Company's account except dividends and liquidation value	1. In order to exclude any other methods for the shareholders to receive income (profit) from the Company's account except for dividends and liquidation value, the Company internal documents stipulate control algorithms, which provide for timely identification and approval of deals of affiliates with material shareholders (persons authorized to dispose of votes vested in voting shares) in cases when the law does not formally regard such deals as interested party deals.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
	1.3	The system and practice of corporate governance provide equal conditions for all shareholders who hold shares of the same category (type) including minor shareholders and foreign shareholders and equal attitude to them from the side of the Company.				
11.	1.3.1	The Company has developed conditions for a fair attitude to each shareholder from the side of Company management bodies and controlling entities, including conditions disabling any abuse of major shareholders in relation to minor shareholders.	In the reported period, the procedures of handling potential conflicts of interest of existing shareholders are effective, and the Board of Directors has paid due attention to conflicts between shareholders (if any).	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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12.	1.3.2	The Company takes no action that will or may lead to an artificial redistribution of corporate control.	1. Quasi-treasury shares do not exist or did not participate in a voting in the reported period.	<input type="checkbox"/> observed <input type="checkbox"/> observed partially <input checked="" type="checkbox"/> not observed	<p>The recommendation regarding absence and non-participation in voting of treasury shares during the reporting period is not observed.</p> <p>On the balance sheet of the subsidiary JSC Inter RAO Capital, there was a significant number (18.98%) of quasi-treasury shares as a result of the consolidation of the electricity assets in the Company according to the Decree of the President of Russia No. 1190 of September 30, 2010 for the further asset restructuring (reorganization).</p> <p>In 2018, the number of quasi-treasury shares increased to 29.39% due to the acquisition of said shares from PJSC FGC UES and PJSC RusHydro.</p> <p>Based on the Company's Strategy, up to 25% of its charter capital can be used to be sold to a major strategic investor or a group of financial investors with a potential increase in the number of shares in free-float. The timeframe for selling shares has not yet been determined.</p> <p>The quasi-treasury shares have been used since 2018 to nominate independent candidates to the Company's Board of Directors and vote for them as well as to vote on other items on the meeting's agenda provided there is no conflict of interest.</p> <p>Starting from 2017, as an alternative mechanism for limiting management using quasi-treasury votes, the Board of Directors, when preparing for the Annual General Meeting of Shareholders, considers the issue of voting recommendations using quasi-treasury shares simultaneously with recommendations to all the Company's shareholders on voting on each agenda item when they are raised at the General Meeting of Shareholders. Consequently, when voting in accordance with these recommendations, a subordinate entity will act according to the decisions of the Board of Directors and not the decisions of Company management, which eliminates a conflict of interest and related risks.</p> <p>Federal Law No. 209-FZ dated July 19, 2018 amended the Federal Law "On Joint-Stock Companies" to grant the Board of Directors the right to include candidates in the list of candidates for election to management bodies at its discretion. Consequently, in 2019 the Company does not plan to use quasi-treasury shares for nominations to management bodies or vote with them to make decisions on meeting agenda items in accordance with a resolution of the Company's Board of Directors.</p>	No change

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	1.4	The shareholders have reliable and efficient methods for accounting of their share rights and are able to dispose freely and easily of their shares.				
13.	1.4	The shareholders have reliable and efficient methods for accounting of their share rights and are able to dispose freely and easily of their shares.	1. The quality and reliability of maintenance of the security holder by the Company registrar match the needs of the Company and its shareholders.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
	2.1	1 The Board of Directors performs the strategic management of the Company, determines the basic principles of and approaches to the organization of risk management and the Internal Control Framework at the Company, controls the operation of the executive bodies of the Company, and performs other key functions.				
14.	2.1.1	The Board of Directors is responsible for decisions related to the appointment and dismissal of executive bodies, in particular, for the reason of improper fulfillment of their duties. The Board of Directors also controls the actions of Company executive bodies in accordance with the adopted development strategy and main directions of Company operations.	1. Pursuant to the Articles of Association, the Board of Directors has the power to appoint and dismiss members of executive bodies and to determine the terms and conditions of their contracts. 2. The Board of Directors has reviewed the report(s) of the single-member executive body and members of the collegial executive body on the fulfillment of the Company strategy	<input type="checkbox"/> observed <input checked="" type="checkbox"/> observed partially <input type="checkbox"/> not observed	The recommendation of clause 1 is not observed insofar as the Board of Directors is authorized to appoint and dismiss the Chairman of the Management Board. Pursuant to the Articles of Association of the Company, the matter of election and early dismissal of the Chairman of the Management Board is a competency of the General Meeting of Shareholders. Article 13.1.18 of the Company's Charter envisages the right of the Board of Directors to suspend the powers of the Chairman of the Management Board and appoint a temporary acting Chairman of the Management Board. In addition, in practice, the Board of Directors makes recommendations to the General Meeting of Shareholders on each agenda item while expressing its opinion on a resolution. Prior to July 19, 2018, amendments to the Charter to limit the purview of the General Meeting of Shareholders in this regard could have entailed the right of shareholders to demand that shares be bought back from them in accordance with Article 75 of the Federal Law "On Joint-Stock Companies" (this approach was supported by judicial practice), which resulted in additional expenses for the Company. On July 19, 2018, Federal Law No. 209-FZ dated July 19, 2018 took effect and stipulates that when issues that fall within the purview of the General Meeting of Shareholders are referred to the purview of the Board of Directors, the shareholders do not have the right to demand the buyback of shares as envisaged by Article 75 of the Federal Law "On Joint-Stock Companies." Amendments to the Charter that envisage the powers of the Board of Directors to appoint a sole executive body will be submitted to the General Meeting of Shareholders for a decision in 2019.	It is observed at the same level

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15.	2.1.2	The Board of Directors sets the main guidelines for the Company's business in the long term, evaluates and approves the key parameters of the operation and main business goals of the Company, evaluates and approves the strategy and business plans on the main types of Company business.	1. During the reported period, issues related to the progress of implementation and updating of the strategy, approval of the Company financial and business plan (budget), and review of criteria and parameters (including intermediate ones) of the fulfillment of Company strategy and business plans were reviewed by the Board of Directors meetings.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
16.	2.1.3	The Board of Directors determines the principles of and approaches to the organization of the risk management and Internal Control Framework in the Company.	1. The Board of Directors has determined the principles of and approaches to the organization of the risk management and Internal Control Frameworks in the Company. 2. In the reported period, the Board of Directors has evaluated the risk management and Internal Control Framework in the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
17.	2.1.4	The Board of Directors determines the Company's policy on remuneration or/ and compensation of costs for members of the Board of Directors, executive bodies and other Company key officials.	1. A policy (policies) for remuneration and compensation of costs for members of the Board of Directors, executive bodies and other key Company officials has been developed, implemented and approved by the Company Board of Directors. 2. During the reported period, matters related to such policy (policies) were reviewed by the Board of Directors meetings	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
18.	2.1.5	The Board of Directors plays a key role in prevention, identification and settlement of internal conflicts between bodies of the Company, shareholders of the Company and employees of the Company.	1. The Board of Directors plays a key role in prevention, identification and settlement of internal conflicts. 2. The Company has implemented a system for identification of transactions that involve a conflict of interest and a system of measures for resolving such conflicts.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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19.	2.1.6	The Board of Directors plays a key role in enforcing transparency of the Company, timely and full disclosure by the Company and easy access for shareholders to the Company documents	1. The Board of Directors has adopted Regulations on the information policy. 2. The company has determined persons who are responsible for the implementation of the information policy	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
20.	2.1.7	The Board of Directors controls the corporate governance practice of the Company and plays a key role in significant corporate events of the Company	1. In the reported period, the Board of Directors reviewed the matter of the Company corporate governance practice	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
2.2 The Board of Directors is reporting to the shareholders of the Company						
21.	2.2.1	Information on the operation of the Board of Directors is disclosed and provided to the shareholders	1. The Company Annual Report for the reported period contains information on the attendance of meetings by the Board of Directors and Committees, by individual Directors. 2. The Annual Report contains information on the main results of evaluation of the work of the Board of Directors that was performed during the reported period	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
22.	2.2.2	The Chairman of the Board of Directors is available for communications with the shareholders of the Company	1. The Company has a transparent procedure enabling shareholders to send their questions and state attitude to the Chairman of the Board of Directors	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
2.3 The Board of Directors is an efficient and professional management body of the Company that is able to make objective and independent judgments and make resolutions in the best interest of the Company and its shareholders						
23.	2.3.1	Only persons with an impeccable business and personal reputation and with the knowledge, skills, and experience that are necessary for making resolutions in the competency of the Board of Directors and for efficient implementation of its functions are elected members of the Board of Directors	1. The Company's procedure of evaluation of the efficiency of the Board of Directors includes the evaluation of professional qualifications of the members of the Board of Directors. 2. During the reported period, the Board of Directors (or its Nomination Committee) evaluated the candidates for the Board of Directors from the viewpoint of the necessary experience, knowledge, business reputation, absence of conflict of interest, etc.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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24.	2.3.2	Members of the Board of Directors are elected using a transparent procedure enabling the shareholders to be informed about the candidates in a sufficient scope to establish an idea of their personal and professional qualities.	1. In all cases of General Meetings of Shareholders in the reported period, the agenda of which includes matters of election of the Board of Directors, the Company provided biographical data of all the candidates to the shareholders, results of evaluation of such candidates by the Board of Directors (or its Nomination Committee) and information on the candidate's compliance with the independence criteria as per recommendations 102–107 of the Code, as well as the candidates' written consent for election to the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
25.	2.3.3	The composition of the Board of Directors is balanced in terms of the qualifications, experience, knowledge and business qualities of its members, and is trusted by the shareholders	1. Within the framework of the Board of Directors evaluation procedure in the reported period, the Board of Directors analyzed its own needs as regards professional qualifications, experience and business skills.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
26.	2.3.4	The number of members of the Board of Directors enables the most efficient organization of its work, including the establishment of Committees of the Board of Directors and enables material minor shareholders to elect a candidate to the Board of Directors for whom they vote.	1. Within the framework of the Board of Directors evaluation procedure in the reported period, the Board of Directors analyzed its own needs as regards professional qualifications, experience and business skills.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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	2.4	The Board of Directors includes a sufficient number of independent Directors				
27.	2.4.1	An independent Director is a person with sufficient professionalism, experience, and independence to establish an independent attitude, and who is able to make objective and fair judgments independent from the influence of executive bodies of the Company, individual shareholder groups or other stakeholders. It must be taken into account that a candidate (an elected member of the Board of Directors) who is affiliated with the Company, its significant shareholder, significant counterparty or competitor of the Company or is affiliated with the state may not be regarded as independent under ordinary conditions.	1. In the reported period, all the independent members of the Board of Directors met all the criteria of independence as per the recommendations 102-107 of the Code or were declared independent by resolution of the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
28.	2.4.2	An evaluation of compliance of candidates for members of the Board of Directors with the independence criteria is performed as well as a regular analysis of compliance of independent members of the Board of Directors with the independence criteria. In such evaluation, the content shall take priority over the form	1. During the reported period, the Board of Directors (or its Nomination Committee) made an evaluation of the independence of each candidate to the Board of Directors and presented the relevant opinion to the shareholders. 2. During the reported period, the Board of Directors (or its Nomination Committee) reviewed the independence of existing members of the Board of Directors, which the Company states in the Annual Report as independent Directors, at least once. 3. The Company has procedures determining the necessary acts of a member of the Board of Directors if he/ she is no longer independent including the duty to inform the Board of Directors of such fact in due time	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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29.	2.4.3	Independent Directors account for less than one third of the elected members of the Board of Directors	1. Independent Directors account for at least one third of the elected members of the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
30.	2.4.4	Independent Directors play a key role in the prevention of internal conflicts in the Company and performance of significant corporate actions by the Company	Independent Directors (having no conflict of interest) make a preliminary evaluation of significant corporate actions that may involve a conflict of interest, and the results of such evaluation are delivered to the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
	2.5	The Chairman of the Board of Directors promotes the most effective implementation of the functions assigned to the Board of Directors				
31.	2.5.1	An independent Director has been elected the Chairman of the Board of Directors or a senior independent Director has been appointed from the elected independent Directors and he/she coordinates the work of the independent Directors and cooperates with the Chairman of the Board of Directors.	1. The Chairman of the Board of Directors is an Independent Director or a Senior Independent Director has been appointed from among the Independent Directors. 2. The role, rights and liabilities of the Chairman of the Board of Directors (and, if applicable, the senior independent Director) are duly defined in the internal Company documents.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Improvement. The senior independent director was elected by a resolution of the Company's Board of Directors adopted at an in-person meeting on May 21, 2017 (Minutes No. 225 dated May 21, 2018)
32.	2.5.2	The Chairman of the Board of Directors provides a constructive atmosphere for the meetings, free discussion of the agenda items, and control over fulfillment of the resolutions of the Board of Directors.	1. The efficiency of the work of the Chairman of the Board of Directors was evaluated in the framework of the Board of Directors' efficiency evaluation during the reported period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
33.	2.5.3	The Chairman of the Board of Directors takes the necessary action for timely delivery of all the information that is necessary for resolving on the agenda items to the members of the Board of Directors.	1. The duty of the Chairman of the Board of Directors to take the necessary action for timely delivery of all the information on the agenda items is stipulated by the internal Company documents.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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	2.6	Members of the Board of Directors act fairly and reasonably in the best interest of the Company and its shareholders based on sufficient awareness and with due care and prudence.				
34.	2.6.1	Members of the Board of Directors make resolutions in consideration of all the available information, in the absence of a conflict of interest, with equal attitude to the shareholders of the Company, in the framework of ordinary entrepreneurial risk.	1. It is stipulated by internal Company documents that a member of the Board of Directors must notify the Board of Directors if he/she has a conflict of interest in relation to any agenda item for the meeting of the Board of Directors or its Committee before the beginning of the discussion of the relevant agenda item. 2. It is stipulated by internal Company documents that a member of the Board of Directors must refrain from voting on any matter where he/she has a conflict of interest. 3. There is a Company procedure, which enables the Board of Directors to obtain professional advice on matters within its competency at the Company's expense	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
35.	2.6.2	The rights and duties of the Board of Directors members are clearly worded and stated in internal Company documents	The internal Company document clearly stating the rights and duties of the Board of Directors members is adopted and published.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
36.	2.6.3	Members of the Board of Directors have enough time to fulfill their duties.	1. Individual attendance of the Board of Directors and Committee meetings and the time spent on preparation for the meetings were accounted for in the framework of the Board of Directors evaluation procedure in the reported period. 2. Pursuant to the internal documents, members of the Board of Directors must notify the Board of Directors of their intention to become members of the management bodies of other organizations (save for the ones controlled or affiliated with the Company) and of the fact of such appointment.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partiall <input type="checkbox"/> not observed		Continues to be observed

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37.	2.6.4	All the members of the Board of Directors are equally able to access Company documents and data. Newly elected members of the Board of Directors are provided sufficient information about the Company and the operation of the Board of Directors as soon as possible.	1. Pursuant to internal Company documents, members of the Board of Directors are entitled to access documents and make inquiries concerning the Company and the organizations that it controls, and the executive bodies of the Company must deliver such data and documents. 2. The Company has a formal program of introductory events for newly elected members of the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
	2.7	Meetings of the Board of Directors, preparation for them and participation of members of the Board of Directors provide for efficient operation of the Board of Directors.				
38.	2.7.1	Meetings of the Board of Directors are held as necessary subject to the scale of business and objectives of the Company at a given period of time.	1. In the reporting year, the Board of Directors held at least six meetings..	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
39.	2.7.2	The internal Company documents stipulate a procedure for preparation and holding of meetings of the Board of Directors, which enables the members of the Board of Directors to prepare for them properly.	1. The Company has adopted an internal document stipulating the procedure of preparation for and holding of meetings of the Board of Directors, which stipulates, in particular, that notification of the meeting shall be made at least five days before the meeting.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
40.	2.7.3	The form of a meeting of the Board of Directors is determined in view of the importance of the agenda items. The most important business is done at meetings in presentio.	1. It is stipulated by the Articles of Association or an internal document of the Company that the most important business (as per the list in recommendation 168 of the Code) shall be done at meetings in presentio	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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41.	2.7.4	Resolutions on the most important issues of the Company's business shall be made at the meeting of the Board of Directors by a qualified majority or a majority of votes of all the elected members of the Board of Directors	1. It is stipulated by the Articles of Association that the resolutions on the most important issues (as stated in recommendation 170 of the Code) shall be made at the Board of Directors meeting by a qualified majority of at least three quarters or a majority of votes of all the elected members of the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
	2.8	The Board of Directors establishes Committees for preliminary review of the most important matters of the Company's business.				
42.	2.8.1	For a preliminary review of matters related to control over the financial and business operations of the Company, there is an Audit Committee consisting of independent Directors.	1. The Board of Directors has established an Audit Committee consisting solely of independent Directors. 2. Internal Company documents define the objectives of the Audit Committee, including objectives as per the recommendation 172 of the Code. 3. At least one member of the Audit Committee, who is an independent Director, has experience and knowledge in preparation, analysis, evaluation and audit of financial (accounting) statements. 4. In the reported period, meetings of the Audit Committee were held at least once a quarter			Continues to be observed
43.	2.8.2	For a preliminary review of matters related to the establishment of an efficient and transparent remuneration policy, there is a Remuneration Committee consisting of independent Directors and headed by an independent Director who is not the Chairman of the Board of Directors.	1. The Board of Directors has established a Remuneration Committee consisting solely of independent Directors. 2. The Chairman of the Remuneration Committee is an independent Director who is not the Chairman of the Board of Directors. 3. Internal Company documents define the objectives of the Remuneration Committee including objectives as per the recommendation 180 of the Code			Continues to be observed
44.	2.8.3	For a preliminary review of matters related to human resource planning (succession planning), professionalism and efficiency of the Board of Directors, there is a Nominations Committee (Appointment Committee, Human Resource Committee), most members of which are Independent Directors	1. The Board of Directors has established a Nominations Committee (or its objectives as per the recommendation 186 of the Code are resolved in the framework of another Committee), most members of which are Independent Directors. 2. Internal documents of the Company determine the objectives of the Nominations Committee (or a different Committee with combined functionality) including objectives as per the recommendation 186 of the Code.		The objectives of the Nominations Committee are resolved in the framework of the Nominations and Remuneration Committee.	Continues to be observed

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45.	2.8.4	In view of the scale of business and risk, the Company Board of Directors assured that the composition of its Committees fully matches the goals of the Company's operation. Additional Committees were either established or recognized unnecessary (Strategy Committee, Corporate Governance Committee, Ethics Committee, Risk Management Committee, Budget Committee, Health, Safety and Environment Committee, etc.).	1. In the reported period, the Board of Directors addressed the issue of whether the composition of its Committees matches the objectives of the Board of Directors and the goals of the Company's operation. Additional Committees were either established or recognized as unnecessary.			Continues to be observed
46.	2.8.5	The composition of the Committees has been determined so that it enables comprehensive discussion of matters that are reviewed preliminarily with respect to different opinions.	1. Committees of the Board of Directors are headed by independent directors. 2. Internal documents (policies) of the Company provide for regulations under which persons not included in the audit committee, the nomination committee, and remuneration committee may attend committee meetings only by invitation of the Chairman of the respective committee.		There is partial compliance with the recommendation of clause 1 in the section on the guidelines of the Strategy of the Committee of the Board of Directors with an independent director. Initially, the formation of such committee was not mandatory, and the requirements for its composition were and are absent in legislation The Strategy and Investment Committee has historically been elected not only from among members of the Board of Directors, including the Chairman of the Committee. However, as an alternative mechanism, the Regulation on the Strategy and Investment Committee establishes the procedure for forming the Committee based on which members of the Board of Directors and representatives of independent directors take priority in elections. Based on the results of the assessment and self-assessment of the Board of Directors and its committees, the Company considers this practice to be feasible and effective. The issue of the Chairman of the Strategy and Investment Committee was considered during a self-assessment of the activities of the Board of Directors in 2018. The issue of the Chairman of the Committee will once again be considered by the new Board of Directors after the AGMS, which will be held in 2019.	No change

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47.	2.8.6	The chairpersons of the committees regularly inform the Board of Directors and its Chairman of the work of their committees.	During the reporting period, the chairpersons of the committees regularly reported on the work of the committees to the Board of Directors.			Continues to be observed
	2.9	The Board of Directors ensures the assessment of the performance of the Board of Directors, its committees and members of the Board of Directors.				
48.	2.9.1	Assessment of the performance of the Board of Directors aims at the determination of the efficiency of the Board of Directors, its committees and members of the Board of Directors, compliance of their performance to the development needs of the Company, activation of the performance of the Board of Directors and identification of areas where such performance may be improved.	1. Self-assessment and external assessment of the performance of the Board of Directors carried out during the reporting period included assessment of the performance of committees, individual members of the Board of Directors and the Board of Directors in general. 2. The results of self-assessment or external assessment of the Board of Directors carried out during the reporting period were considered at a physical meeting of the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
49.	2.9.2	The work of the Board of Directors, committees and members of the Board of Directors is assessed on a regular basis at least once a year. At least once in three years, the Company engages an external entity (advisor) to carry out an independent assessment of the performance of the Board of Directors.	1. At least once during the last three reporting periods, the Company engaged an external entity (advisor) to carry out an independent assessment of the performance of the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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	3.1	The Corporate Secretary of the Company shall efficiently interact with shareholders, coordinate the Company's activities as regards the protection of shareholders' rights and interests, support efficient operation of the Board of Directors				
50.	3.1.1	The Corporate Secretary has the knowledge, experience, and qualifications sufficient for his/her duties, an impeccable reputation and the trust of shareholders.	1. The Company adopted and disclosed an internal document – Regulation on Corporate Secretary. 2. The Company's website in the Internet network contains the biographic information on the Corporate Secretary, as does the annual report, which is as detailed as that on the members of the Board of Directors and the executive management of the Company	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
51.	3.1.2	The Corporate Secretary has enough independence from Company executive bodies and has the necessary power and resources for his/her objectives.	1. The Board of Directors approves the appointment, dismissal, and additional remuneration of the Corporate Secretary	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
	4.1	The remuneration paid by the Company is sufficient to attract, motivate and retain individuals possessing the competence and expertise the Company needs. Payment of remuneration to the members of the Board of Directors, executive bodies and other key management personnel of the Company is performed in accordance with the remuneration policy adopted by the Company.				
52.	4.1.1	The remuneration to the members of the Board of Directors, executive bodies and other key management personnel ensures sufficient motivation for their efficient work making it possible for the Company to engage and retain competent qualified specialists. The Company refrains from granting remuneration above the necessary level and an unjustified large gap between the remuneration levels of the said individuals and the Company's employees.	1. The Company has adopted an internal document(s) – a policy (policies) for remuneration of members of the Board of Directors, executive bodies and other key management personnel which clearly determines the approaches to the remuneration of the aforesaid individuals	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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53.	4.1.2	The remuneration policy of the Company has been developed by the Remuneration Committee and approved by the Board of Directors of the Company. The Board of Directors supported by the Remuneration Committee ensures control over implementation of the remuneration policy of the Company and revises and adjusts it, if necessary	1. During the reporting period, the Remuneration Committee considered the remuneration policy (policies) and its (their) implementation practice and, when necessary, provided respective recommendations to the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
54.	4.1.3	The Company's remuneration policy includes transparent mechanisms for determination of the remuneration of the members of the Board of Directors, executive bodies and other key management personnel and also regulates all kinds of payments, benefits and preferences provided to those individuals	The Company's remuneration policy (policies) includes (include) transparent mechanisms for determination of the remuneration for the members of the Board of Directors, executive bodies and other key management personnel and also regulates (regulate) all kinds of payments, benefits and preferences provided to those individuals.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
55.	4.1.4	The Company determines a policy for compensation of expenses specifying the expenses subject to compensation and the level of service members of the Board of Directors, executive bodies and other key management personnel of the Company may demand. Such policy may be a constituent part of the Company's remuneration policy	1. The remuneration policy (policies) or other internal documents establish rules for compensation of costs for members of the Board of Directors, executive bodies and other key management personnel of the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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	4.2	The system of remuneration for the members of the Board of Directors ensures alignment of the financial interests of the directors and those of the shareholders.				
56.	4.2.1	The Company pays fixed annual remuneration to members of the Board of Directors. The Company does not pay remuneration for participation in particular meetings of the Board or of the Committees of the Board of Directors. The Company does not use any short-term incentives or additional financial incentives in relation to members of the Board of Directors	1. Fixed annual remuneration is the only financial remuneration for the members of the Board of Directors for their work during the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
57.	4.2.2	Long-term holding of the shares of the Company largely facilitates alignment of the financial interests of the members of the Board of Directors and long-term shareholder interests. The Company does not make the right of share disposition dependent on the achievement of any specific performance indicators and the members of the Board of Directors do not participate in option programs.	1. If the internal document (documents), i.e. the Company's remuneration policy (policies) provides for granting shares of the Company to the members of the Board of Directors, clear rules of holding such shares by the members of the Board of Directors should be provided for and disclosed which would be aimed at stimulation of long-term holding of such shares.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
58.	4.2.3	The Company does not provide for any additional payments or compensations in the event of early termination of office of the members of the Board of Directors due to change of control over the Company or other circumstances.	1. The Company does not provide for any additional payments or compensations in the event of early termination of office of the members of the Board of Directors due to change of control over the Company or other circumstances.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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	4.3	The system of remuneration for members of executive bodies and other key management personnel of the Company provides for a dependence of the remuneration on the Company's performance and their personal contribution to it.				
59.	4.3.1	The remuneration of members of executive bodies and other key management personnel of the Company is determined so as to ensure reasonable correlation between the fixed part of the remuneration and the variable part depending on the company's performance and employees' personal contribution to it.	1. During the reporting period, annual performance indicators approved by the Board of Directors were used to determine the amount of the variable part of the remuneration of members of executive bodies and other key management personnel of the Company. 2. During the last assessment of the system of remuneration of members of executive bodies and other key management personnel of the Company, the Board of Directors (the Remuneration Committee) made sure that the Company used an efficient correlation between the fixed part of the remuneration and the variable part. 3. The Company has a procedure ensuring repayment to the Company of premium payments unjustly received by members of executive bodies and other key management personnel of the Company	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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60.	4.3.2	The Company has implemented a key long-term incentive plan for the members of executive bodies and other key management personnel with Company shares (options or other derivative financial instruments with Company shares as a basic asset)	<p>1. The Company has implemented a key long-term incentive plan for the members of executive bodies and other key management personnel with Company shares (financial instruments based on Company shares).</p> <p>2. The long-term incentive plan for members of executive bodies and other key management personnel of the Company provides that the right of disposal of shares or other financial instruments shall arise not earlier than three years after they are granted. The right of their disposal is determined by achievement of certain performance indicators of the Company.</p>	<input type="checkbox"/> observed <input type="checkbox"/> observed partially <input checked="" type="checkbox"/> not observed	<p>Clauses 1 and 2 not observed.</p> <p>The Long-Term Incentive Program for members of the Company's executive bodies and other key executives was approved by the Board of Directors on January 29, 2016 and did not envisage any restrictions in accordance with clause 2 of the recommendations of the Code.</p> <p>The option program was calculated for four years, while the right to sell shares as part of the Program took effect two years after the start of its implementation and remained in effect for two consecutive years, taking into account the benchmarks for growth in the Company's capitalization defined by the Company's Strategy.</p> <p>Participants' right to sell shares was not tied to achieving Company's performance indicators so as not to replicate other incentive tools used by management, specifically the variable part of management's annual remuneration, which is directly dependent on the performance of key performance indicators approved by the Board of Directors and the achievement of the goals and objectives of the Company's Long-Term Development Program.</p> <p>This discrepancy is limited in time by the duration of the Option Program, i.e. until 2018. At the time of the approval of this Report, the Option Program has been completed.</p> <p>The introduction of a Long-Term Incentive Program for the next time horizon should be considered after the Company's Strategy/Long-Term Development Program is updated, which is scheduled for 2019. When developing a new Long-Term Incentive Program, the Company will consider the recommendations of the Corporate Governance Code.</p>	Deterioration due to the implementation of the Long-Term Incentive Program and the fact that the new one is in the development stage

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61.	4.3.3	The compensation amount ("golden parachute") paid by the Company in the event of early termination of office of members of executive bodies or key management personnel at the initiative of the Company and in the event of an absence of any unscrupulous practices on their part shall not exceed twofold fixed part of their annual remuneration	1. The compensation amount (golden parachute) paid by the Company in the event of early termination of office of members of executive bodies or key management personnel at the initiative of the Company and in the event of absence of any unscrupulous practices on their part did not exceed twofold fixed part of their annual remuneration during the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
5.1 The Company established an efficient risk management and Internal Control Framework aimed at providing reasonable assurance of achievement of objectives set by the Company.						
62.	5.1.1	The Board of Directors has determined the principles of and approaches to the organization of the risk management and Internal Control Frameworks in the Company	1. The functions of different governing bodies and units of the Company in the risk management and Internal Control Framework are clearly determined in internal documents/a respective policy of the Company approved by the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
63.	5.1.2	The executive bodies of the Company ensure the creation and sustaining performance of an effective risk management and Internal Control Framework in the company	1. The executive bodies of the Company ensured allocation of functions and powers in respect of risk management and internal control to managers of units and departments subordinate to them.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
64.	5.1.3	The risk management and Internal Control Framework in the Company ensures objective, firm and clear understanding of the current state and prospects of the Company, integrity and transparency of the Company's reporting, reasonableness, and acceptability of risks taken by the Company.	1. The Company approved a policy combating corruption. 2. The Company developed an accessible channel to inform the Board of Directors or the Audit Committee of the Board of Directors on cases of breach of the legislation, internal procedures, and the code of conduct of the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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65.	5.1.4	The Board of Directors of the Company takes necessary measures to make sure that the risk management and Internal Control Frameworks in the Company conforms to the principles of and approaches to its organization and is applied effectively	1. In the reporting period, the Board of Directors or the Audit Committee of the Board of Directors evaluated the efficiency of the risk management and Internal Control Framework of the Company. Information on the basic results of such assessment was included in the Company's annual report.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
	5.2	The Company shall arrange for an internal audit for systematic and independent evaluation of reliability and efficiency of the risk management and Internal Control Framework and the practice of corporate management.				
66.	5.2.1	To conduct an internal audit, the Company established a separate unit or engaged an independent external entity. Functional and administrative accountability of the internal audit unit are delimited. The internal audit unit reports functionally to the Board of Directors.	1. To conduct an internal audit, the Company established a separate internal audit unit accountable functionally to the Board of Directors or engaged an independent external entity with similar accountability	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
67.	5.2.2	The internal audit unit assesses the efficiency of the Internal Control Framework, the efficiency of the risk management system and the corporate management system. The Company uses common standards of activity in the field of internal audit	1. During the reporting period, an assessment of the efficiency of the internal control and risk management system was performed as part of an internal audit. 2. The Company uses common approaches to internal control and risk management.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
	6.1	The Company and its operations are transparent to shareholders, investors, and other stakeholders.				
68.	6.1.1	The Company developed and implemented an informational policy ensuring efficient informational interaction of the Company, shareholders, investors and other stakeholders.	1. The Board of Directors of the Company approved the informational policy of the Company developed taking into account recommendations of the Code. 2. The Board of Directors (or one of its Committees) considered the issues regarding compliance of the Company with its informational policy at least once within the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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69.	6.1.2	The Company discloses information about the system and practices of corporate management, including detailed information on the observance of the principles and recommendations of the Code.	1. The Company discloses information about the system of corporate management in the Company and the general principles of corporate management used in the Company, including on the Company's website in the Internet. 2. The Company discloses information on the composition of executive bodies and the Board of Directors, independence of the members of the Board and their membership in the Committees of the Board of Directors (as defined in the Code). 3. If there is a person controlling the Company, the Company shall publish a memorandum of the controlling person in respect of the intentions of such person regarding corporate governance in the Company	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
	6.2	The Company shall disclose in a timely manner complete, up-to-date and fair information on the Company to enable making a grounded decision by shareholders of the Company and by investors.				
70.	6.2.1	The Company shall disclose information in accordance with the principles of regularity, consistency and promptness as well as accessibility, fairness, completeness, and comparability of disclosed information.	The information policy of the Company determines approaches to and criteria for determination of information which can affect materially the assessment of the Company and the value of its securities as well as procedures ensuring prompt disclosure of such information. If the Company's securities are traded on foreign exchanges, the disclosure of material information in the Russian Federation and in such markets shall be performed synchronously and equally during the reporting year. If foreign shareholders own a significant amount of the Company shares, the disclosure of information during the reporting year was performed both in Russian and in a widespread foreign language	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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71.	6.2.2	The Company avoids a formal approach to information disclosure and discloses material information about its activities, even if publication of such information is not required by law	1. During the reporting period, the Company disclosed the annual and semi-annual financial statements prepared in accordance with IFRS. The Annual report of the Company for the reporting period includes annual financial reporting prepared in accordance with IFRS and the auditor's opinion. 2. The Company discloses full information about the capital structure of the Company in accordance with Recommendation 290 of the Code in the Annual report and at the Company's website in the Internet network.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
72.	6.2.3	The annual report which is a most important tool of informational interaction with shareholders and other stakeholders contains information, which makes it possible to assess the Company's performance results during the year.	1. The annual report contains information on the key aspects of the Company's operation and its financial performance. 2. The Company's annual report contains information on the environmental and social aspects of the Company's activities.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
	6.3	The Company provides information and documents upon shareholders' requests in accordance with the principles of equal and unhindered access.				
73.	6.3.1	Provision by the Company of information and documents upon shareholders' requests is performed in accordance with the principles of equal and unhindered access	1. The informational policy of the Company determines the unhindered access by shareholders to information, including information on entities controlled by the Company, upon shareholders' request.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
74.	6.3.2	By provision by the Company of information to shareholders, a reasonable balance is ensured between the interests of particular shareholders and the interests of the Company which is interested in keeping important commercial information which may impact materially its competitiveness confidential.	1. During the reporting period, the Company did not reject any shareholders' requests for information or such requests were reasonable. 2. In cases determined by the informational policy of the Company, shareholders are warned about the confidential nature of information and assume the obligation of keeping it confidential.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

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	7.1	Actions that significantly affect or may affect the shareholding structure and financial standing of the Company and, subsequently, the interests of its shareholders (material corporate actions) are performed on fair terms ensuring observance of the rights and interests of shareholders and other stakeholders.				
75.	7.1.1	Material corporate actions are reorganization of the Company, the acquisition of 30 or more percent of the Company's voting stock (merger), performance by the Company of material transactions, increase or reduction of the registered capital of the Company, listing and delisting of the Company's shares and other activities that may result in a material change of shareholders' rights or violation of their interests. The Articles of Association of the Company determine the list (criteria) of transactions and other actions which are material corporate actions and such actions are attributed to the competence of the Board of Directors of the Company	1. The Articles of Association of the Company determine the list of transactions and other actions which are material corporate actions and criteria for their determination. Resolutions in regard of material corporate actions are attributed to the competence of the Board of Directors. In cases where a performance of such corporate actions is directly attributed by law to the competence of the General Shareholder Meeting, the Board of Directors provides relevant recommendations to the shareholders. 2. The Article of Association of the Company includes at least the following as material corporate actions: reorganization of the Company, the acquisition of 30 or more percent of the Company's voting stock (merger), a performance by the Company of material transactions, increase or reduction of the authorized capital of the Company, listing, and delisting of the Company's shares..	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
76.	7.1.2	The Board of Directors plays a key role in decisionmaking and development of recommendations regarding material corporate actions; the Board of Directors is guided by the position of independent Directors of the Company	1. The Company has a procedure under which independent directors state their position on material corporate actions before they are approved.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

#	#	Principles of Corporate Governance	Criteria for evaluation of compliance with corporate governance principles	Status of compliance with the corporate governance principle in 2018	Explanation of the deviation from Criteria for evaluation of compliance with the corporate governance principle	Change in compliance with the principle as compared to 2017
77.	7.1.3	In material corporate actions that affect the rights and legitimate interests of shareholders, there are equal conditions provided to all the shareholders of the Company and, if the legal remedies for the protection of the rights and legitimate interests of shareholders are insufficient, also additional measures protecting the rights and legitimate interests of shareholders of the Company. The Company is guided not only by compliance with formal legal requirements, but also by the corporate governance principles as stated in the Code.	1. The Articles of Association of the Company establish lower minimal criteria of classifying transactions as material corporate actions than those provided by the law, taken into account the specific nature of its operations. 2. During the reporting period, all material corporate actions underwent the approval procedure before their performance.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed
	7.2	The Company provides a procedure for taking any material corporate actions that would enable its shareholders to promptly receive full information about such actions in due time and influence them, and that would also guarantee that the shareholder rights are observed and duly protected in the course of taking such actions				
78.	7.2.1	Information about material corporate actions is disclosed providing explanations concerning the reasons for, conditions, and consequences of such actions.	1. During the reporting period, the Company disclosed in a timely and detailed manner the information on significant corporate actions of the company, including the grounds and timing of such actions.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> observed partially <input type="checkbox"/> not observed		Continues to be observed

#	#	Principles of Corporate Governance	Criteria for evaluation of compliance with corporate governance principles	Status of compliance with the corporate governance principle in 2018	Explanation of the deviation from Criteria for evaluation of compliance with the corporate governance principle	Change in compliance with the principle as compared to 2017
79.	7.2.2	Rules and procedures in relation to material corporate actions taken by the company are set out in its internal documents.	<p>1. The internal documents of the Company provide for a procedure of engaging an independent appraiser to appraise the value of property disposed of or acquired in a major transaction or a related party transaction.</p> <p>2. The internal documents of the Company provide for a procedure of engaging an independent appraiser to appraise the value of the acquisition and reacquisition of shares of the Company.</p> <p>3. The internal documents of the Company provide for an extended list of the grounds on which members of the Board of Directors of the Company and other eligible persons are recognized to be interested in the Company's transactions.</p>	<input type="checkbox"/> observed <input checked="" type="checkbox"/> observed partially <input type="checkbox"/> not observed		Improvement. The main approaches to hiring an independent appraiser when PJSC Inter RAO concludes major transactions and related-party transactions were approved by a resolution of the Company's Board of Directors on August 29, 2017 (Minutes No. 230 dated August 31, 2018). This document also regulates the hiring of an independent appraiser to value the acquisition and repurchase of shares.



Information about the compliance with the Corporate Governance Code is also disclosed on the website of the Company at http://www.interrao.ru/investors/disclosure/corporate_behavior/