

<i>Suggestion</i>	<i>Event*</i>	<i>Reaction of the Company</i>
TVEL FC should consider the creation of a vertical structure similar to that of Rosenergoatom Concern JSC where interregional public veterans organization (MOOVK) functions successfully	Dialogue 3	Please keep in mind that all enterprises of the Fuel Company, unlike the NPP of Rosenergoatom Concern JSC, are stand-alone business entities with their own trade unions which usually have veterans organizations. At this time, TVEL FC is not thinking about the establishment of a public organization that would coordinate the activities of veterans organizations at the enterprises. This process may be started under the RPRAEP
Please send presentations to participants in advance, this would make the Dialogue more effective	Dialogue 3	This will be done whenever possible, subject to the terms of revision of the materials by the Permanent Technical Commission
Please note that execution of a collective agreement for each specific enterprise is a unique process, because the said agreement cannot be executed in a standard form that suits everyone. Locally, one often has a better insight into how to proceed with each specific social program. If we want to keep social harmony, put more trust in people locally	Dialogue 3	Draft collective agreements are examined by experts in accordance with recommendations of ROSATOM State Corporation. Fundamental principles of collective agreements have been repeatedly discussed at the meetings where chairmen of primary trade union cells have been delegated

\* Dialogue 1 held on December 12, 2013 was dedicated to the concept of public annual report of TVEL JSC for the year of 2013. Dialogue 2 and Dialogue 3 aimed to discuss with the stakeholders disclosure of priority topics in the public annual report («Innovative Potential as Development Basis of TVEL FC» and « Social Capital Management of TVEL FC»). Dialogue 4 –public consultations on the draft public annual report of TVEL JSC for the year of 2013.

## Appendix No. 4. Corporate Governance Code Compliance Report

<i>No.</i>	<i>Provision of the Corporate Governance Code</i>	<i>Observed or not observed</i>
<b>General Meeting of Shareholders</b>		
1.	Notification of shareholders about the General Meeting at least 30 days before the date when it is scheduled to convene regardless of the issues in its agenda, unless a longer term is envisaged by applicable laws	Not applicable because the Company has only the Sole Shareholder
2.	Ability of shareholders to study the list of persons entitled to participate in the General Meeting of Shareholders, starting from the day of notification on its holding and up to the ending of such meeting in person, and in case of an extra-mural General Meeting of Shareholders – and through the date of termination of voting bulletins acceptance term	Not applicable because the Company has only the Sole Shareholder
3.	Ability of shareholders to study the information (materials) that is to be presented in the course of preparation for the General Meeting of Shareholders, using the electronic means of communication, including the Internet	Compliant
4.	Ability of shareholders to suggest an issue to the agenda of the General Meeting of Shareholders or demand that the General Meeting of Shareholders is convened without provision of an excerpt from the Register of Shareholders, if its rights to the shares are recorded in the Register of Shareholders System, and if its rights to the shares are recorded by means of its deposit account, an excerpt from any such account shall be sufficient for exercising of any such rights	Not applicable because the Company has only the Sole Shareholder
5.	Provisions in the Articles of Association or any other internal regulations of the Joint-Stock Company requiring physical presence of the General Director, members of the board, members of the Board of Directors, members of the Audit Commission and the Auditor of the Joint-Stock Company at the general meeting of Shareholders	Not applicable because the Company has only the Sole Shareholder
6.	Mandatory presence of candidates at the General Meeting of Shareholders to consider the issues on the election of the members of the Board of Directors, the General Director, members of the board, members of the Audit Commission and approval of the Auditor of the Joint-Stock Company	Not applicable because the Company has only the Sole Shareholder
7.	Provisions in the internal regulations of the Joint-Stock Company that envisage any registration procedure for the participants of the general Meeting of Shareholders	Not applicable because the Company has only the Sole Shareholder
<b>Board of Directors</b>		
8.	Provision in the Articles of Association of the Joint-Stock Company authorizing the Board of Directors to approve the annual financial and economic plan of the Joint-Stock Company	Compliant
9.	Risk management procedure approved by the Board of Directors of the Joint-Stock Company	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
10.	Provision in the Articles of Association of the Joint-Stock Company authorizing the Board of Directors to suspend the authority of the General Director appointed by the general Meeting of Shareholders	Compliant
11.	Provision in the Articles of Association of the Joint-Stock Company authorizing the Board of Directors to outline requirements to qualification of and establish the amount of remuneration due to the general Director, members of the board and managers of the main structural divisions of the Joint-Stock Company	Compliant
12.	Provision in the Articles of Association of the Joint-Stock Company authorizing the Board of Directors to approve terms and conditions of agreements with the General Director and members of the board	Compliant
13.	Provisions in the Articles of Association or any other internal regulations of the Joint-Stock Company stipulating that the votes of members of the Board of Directors represented by the General Director and members of the board are to be disregarded at the time of approval of terms and conditions of the agreements with the General Director (Managing Company, Executive Manager)	Compliant
14.	At least three independent directors in the Board of Directors of the Joint-Stock Company who qualify under the Corporate Code of Conduct	Not compliant
15.	No individuals in the Board of Directors of the Joint-Stock Company who have been found guilty of economic crimes or crimes against the state authorities, interests of public service and service in the bodies of local self-government, or those who have been subject to administrative charges for violations committed in the course of entrepreneurial activities or in the sphere of finance, taxes and charges, or securities market	Compliant
16.	No individuals in the Board of Directors of the Joint-Stock Company who happen to be a participant, General Director (Executive Manager), member of the management body or employee of a legal entity competing with the Joint-Stock Company	Compliant
17.	Provision in the Articles of Association of the Joint-Stock Company about the election of the Board of Directors by cumulative voting	Not applicable because the Company has only the Sole Shareholder
18.	Provision in internal documents of the Joint-Stock Company obliging members of the Board of Directors to eschew activities which will or may cause conflict of interests between any such members and the Joint-Stock Company, and in the event of any such conflict – obligation to disclose any pertinent information to the Board of Directors	Compliant
19.	Provision in internal documents of the Joint-Stock Company obliging members of the Board of Directors to notify the said Council in writing of their intention to perform any transaction that involves securities of the Joint-Stock Company wherein they hold a position of a member of the Council of Director, including its subsidiaries and/or affiliates, and to disclose information about any such transactions involving any such securities	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
20.	Provision in internal documents of the Joint-Stock Company about meetings of the Board of Directors to be held at least once every six weeks	Compliant
21.	Meetings of the Board of Directors of the Joint-Stock Company to be held during the year covered in the annual report at least once in every six weeks	Compliant
22.	Provision in internal documents of the Joint-Stock Company outlining the procedure of the meeting of the Board of Directors	Compliant
23.	Provision in internal documents of the Joint-Stock Company about the Board of Directors to approve transactions of the Joint-Stock Company to the amount exceeding 10% of the value of corporate assets, excluding however transactions consummated in a normal course of business	Compliant
24.	Provision in internal documents of the Joint-Stock Company about the right of the Board of Directors to receive information from the executive bodies and managers of key structural divisions of the Joint-Stock Company necessary for performance of their functions and setting liability for failure to provide any such information	Compliant
25.	Availability of a committee of the Board of Directors for strategic planning or assignment of functions of the said committee to another committee (excluding however the committee for audit and committee for human resources and remuneration)	Atomenergoprom JSC performs the functions of the sole shareholder of TVEL JSC. The Sole Shareholder appoints the Board of Directors out of professionals and considering the ability thereof to perform the assignment. The Board of Directors comprises mostly of the external directors who are not employed by the Company and are represented by professionals sufficiently experienced and savvy to the specifics of the industry and business of the Company. Sector-specific divisions of Atomenergoprom JSC perform functions of committees with the Board of Directors of the Company
26.	Availability of a committee of the Board of Directors (committee for audit) that gives recommendations to the Board of Directors regarding auditor of the joint stock company and interacts with the Council and the Audit Commission of the Joint-Stock Company	
27.	The committee for audit comprising of independent and non-executive directors only	
28.	An independent director in charge of the committee for audit	
29.	Provision in internal documents of the Joint-Stock Company that provides to all members of the committee for audit open access to any documents and information of the Joint-Stock Company subject to compliance with confidentiality clause	
30.	Creation of a committee of the Board of Directors (committee for human resources and remuneration), the function of which is to identify the criteria of selection of candidates to members of the Board of Directors and outline the policy of the Joint-Stock Company in the field of remuneration	
31.	An independent director to run the committee for human resources and remuneration	
32.	No executives of the Joint-Stock Company among members of the committee for human resources and remuneration	

No.	Provision of the Corporate Governance Code	Observed or not observed
33.	Creation of a risk management committee with the Board of Directors or assigning the functions of the said committee to another committee (excluding however the committee for audit and the committee for human resources and remuneration)	Atomenergoprom JSC performs the functions of the sole shareholder of TVEL JSC. The Sole Shareholder appoints the Board of Directors out of professionals and considering the ability thereof to perform the assignment. The Board of Directors comprises mostly of the external directors who are not employed by the Company and are represented by professionals sufficiently experienced and savvy to the specifics of the industry and business of the Company. Sector-specific divisions of Atomenergoprom JSC perform functions of committees with the Board of Directors of the Company
34.	Establishment of a committee with the Board of Directors for settlement of corporate conflicts or assigning the functions of the said committee to another committee (excluding however the committee for audit and the committee for human resources and remuneration)	
35.	No executives of the Joint-Stock Company among members of the committee for settlement of corporate conflicts	
36.	An independent director to run the committee for settlement of corporate conflicts	
37.	Internal documents of the Joint-Stock Company approved by the Board of Directors that regulate the formation and functioning of the committees with the Board of Directors	
38.	Provision in the Articles of Association of the Joint-Stock Company outlining the procedure of establishment of a quorum at the Board of Directors that permits mandatory participation of independent directors in the meetings of the Board of Directors	

#### Executive Bodies

39.	Availability of a collegiate executive body (board) in the Joint-Stock Company	No collegiate executive body is envisaged by the Articles of Association of the Company
40.	Provision in the Articles of Association or internal documents of the Joint-Stock Company that requires the board to approve transactions with immovable property and acquisition of loans, if the aforementioned does not constitute major transactions and the performance thereof is beyond the scope of normal business activity of the Joint-Stock Company	
41.	Provision in internal documents of the Joint-Stock Company concerning the procedure of coordination of transactions beyond the scope of financial and business plan of the Joint-Stock Company	Compliant
42.	No individuals in the executive bodies of the Joint-Stock Company who happen to be a participant, General Director (Executive Manager), member of the management body or employee of a legal entity competing with the Joint-Stock Company	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
43.	No individuals in the executive bodies of the Joint-Stock Company who have been found guilty of economic crimes or crimes against the state authorities, interests of public service and service in the bodies of local self-government, or those who have been subject to administrative charges for violations committed in the course of entrepreneurial activities or in the sphere of finance, taxes and charges, or securities market. If an Managing company (Executive Manager) performs functions of the sole executive body – compliance of the General Director and members of the board of the Managing company or the Executive Manager with requirements to the General Director and members of the board of the Joint-Stock Company	Compliant
44.	Provision in the Articles of Association or internal documents of the Joint-Stock Company that prohibits the Managing company (Executive Manager) to perform similar functions at a rival company and have any property relationship with the Joint-Stock Company beyond the scope of provision of services of the Managing Company (Executive Manager)	Atomenergoprom JSC performs the functions of the sole shareholder of TVEL JSC. No provision is made for the transfer of functions of the executive body to the Managing Company (Executive Manager)
45.	Provision in internal documents of the Joint-Stock Company obliging the executive bodies to eschew activities which will or may cause conflict of interests between any such bodies and the Joint-Stock Company, and in the event of any such conflict – obligation to notify the Board of Directors accordingly	No collegiate executive body is envisaged by the Articles of Association of the Company
46.	Provision in the Articles of Association or internal documents of the Joint-Stock Company outlining the criteria for selection of an Managing Company (Executive Manager)	Atomenergoprom JSC performs the functions of the sole shareholder of TVEL JSC. No provision is made for the transfer of functions of the executive body to the Managing Company (Executive Manager)
47.	Executive bodies of the Joint-Stock Company to report on a monthly basis to the Board of Directors	Compliant
48.	Liability for breach of confidentiality and abuse of proprietary information envisaged by agreements entered into by and among the Joint-Stock Company and the General Director (Managing Company, Executive Manager) and members of the Board	Compliant

#### Secretary of the Company

49.	Availability of a special executive (secretary) whose objective is to ensure compliance with procedures by the bodies and executive officers of the Joint-Stock Company to guarantee the exercise of rights and lawful interests of the shareholders	Secretary of the Board of Directors performs functions of the corporate secretary of the Joint-Stock Company
50.	Provision in the Articles of Association or internal documents of the Joint-Stock Company outlining the procedure of appointment (election) of the secretary and its duties and obligations	Compliant
51.	Provision in the Articles of Association outlining requirements to the secretary of the Company	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
<b>Essential Corporate Actions</b>		
52.	Provision in the Articles of Association or internal documents of the Joint-Stock Company outlining requirements to approval of a major transaction before it is consummated	Compliant
53.	Mandatory engagement of an independent professional to estimate market value of property that is the subject matter of a major transaction	Compliant
54.	The Articles of Association prohibiting any actions in the course of acquisition of major minority shareholding (takeover) aiming to protect the interests of executive bodies (members thereof) and members of the Board of Directors of the Joint-Stock Company as well as actions that make the position of shareholders worse (specifically, prohibiting the Board of Directors to approve before the expiry date of the expected purchase of the shares any additional issue of the shares or securities that may be converted into shares, or securities that give the right to purchase the shares of the Company, even if the Board of Directors has any such right under the Articles of Association)	Articles of Association have no provisions prohibiting any actions in the course of acquisition of major minority shareholding (takeover) aiming to protect the interests of executive bodies (members thereof) and members of the Board of Directors of the Joint-Stock Company as well as actions that make the position of shareholders worse
55.	Provision in the Articles of Association that envisages mandatory contracting of an independent appraiser for the establishment of current market value of the shares and potential changes in the said value resulting from takeover	Articles of Association have no provision that envisages mandatory contracting of an independent appraiser for the establishment of current market value of the shares and potential changes in the said value resulting from takeover
56.	No provision in the Articles of Association of the Joint-Stock Company that exempts the buyer from obligation to suggest to the shareholders that they should sell their ordinary shares (equity securities that can be converted into ordinary shares) at the time of takeover	Compliant
57.	Provision in the Articles of Association or internal documents of the joint-stock that envisages mandatory contracting of an independent appraiser to estimate the share conversion rates at the time of reorganization	Articles of Association or internal documents of the joint-stock have no provisions that envisage mandatory contracting of an independent appraiser to estimate the share conversion rates at the time of re-organization
<b>Disclosure of Information</b>		
58.	Availability of internal document approved by the Board of Directors that sets the disclosure rules and procedures for the Joint-Stock Company (Provisions on Information Policy)	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
59.	Provision in internal documents of the Joint-Stock Company that requires to disclose information about the purpose of placement of the shares and about the individuals who intend to purchase any such shares, including a big package thereof, and about participation (if any) of chief executive officers of the Joint-Stock Company in the purchase of the said shares	Internal documents of the Joint-Stock Company contain no provision that requires to disclose information about the purpose of placement of the shares and about the individuals who intend to purchase any such shares, including a big package thereof, and about participation (if any) of chief executive officers of the Joint-Stock Company in the purchase of the said shares
60.	Provision in internal documents of the Joint-Stock Company that identifies the list of information, documents and materials that shall be made available to the shareholders for decision-making on the issues considered at the General Meeting of Shareholders	Atomenergoprom JSC performs the functions of the sole shareholder of TVEL JSC. Pursuant to the cooperation Regulations, the Company shall provide to Atomenergoprom JSC any information in addition to the scope envisaged by the federal Law "On Joint-Stock Companies"
61.	Availability of a Website and provision of information about the Joint-Stock Company therein on a regular basis	Compliant
62.	Provision in internal documents of the Joint-Stock Company that requires disclosure of information about transactions between the Joint-Stock Company and individuals who are chief executive officers of the same Joint-Stock Company as defined by the Articles of Association, and about any transactions between the Joint-Stock Company and other companies wherein chief executive officers of the Joint-Stock Company own, directly or otherwise, at least 20% of the authorized capital, or the companies that may be subject to considerable influence of any such individuals	Not applicable.
63.	Provision in internal documents of the Joint-Stock Company that requires disclosure of information about all and any transactions that are capable of affecting the market value of the shares of the Joint-Stock Company	Not applicable because shares of the Company are not floated on equity markets
64.	Availability of internal document approved by the Board of Directors that regulates the use of essential information about the activities of the Joint-Stock Company, its shares and other securities and transactions with the same, which is not public domain and, if disclosed, may considerably affect the market value of the shares and other securities of the Joint-Stock Company	Not applicable because shares of the Company are not floated on equity markets
<b>Control of Financial and Economic Activities</b>		
65.	Availability of procedures approved by the Board of Directors that regulate the internal control of financial and economic activities of the Joint-Stock Company	Compliant
66.	Availability of a special division (supervision and auditing service) that supervises the compliance with the internal control procedures of the Joint-Stock Company	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
67.	Provision in internal documents of the Joint-Stock Company that requires the Board of Directors to identify the structure and composition of the supervision and auditing service of the Joint-Stock Company	Compliant
68.	No individuals in the supervision and auditing service of the Joint-Stock Company who have been found guilty of economic crimes or crimes against the state authorities, interests of public service and service in the bodies of local self-government, or those who have been subject to administrative charges for violations committed in the course of entrepreneurial activities or in the sphere of finance, taxes and charges, or securities market	Compliant
69.	No individuals in the supervision and auditing service of the Joint-Stock Company who are members of executive bodies of the Joint-Stock Company and participants, General Director (Executive Manager), members of the management bodies or employees of a legal entity that is rival to the Joint-Stock Company	Compliant
70.	Provision in internal documents of the Joint-Stock Company that sets deadlines for submission of documents and materials to the supervision and auditing service for the assessment of a consummated financial and business transaction, and liability of executives and employees of the Joint-Stock Company for failure to submit the said documents and materials within the established terms	Compliant
71.	Provision in internal documents of the Joint-Stock Company that obliges the supervision and auditing service to report any violations it detects to the committee for audit (and in the absence thereof – to the Board of Directors of the Joint-Stock Company)	Compliant
72.	Provision in the Articles of Association of the Joint-Stock Company that requires the supervision and auditing service to conduct preliminary assessment of feasibility of transactions beyond the scope of the financial and economic plan of the Joint-Stock Company (unconventional transactions)	Articles of Association of the Joint-Stock Company contain no provision that requires the supervision and auditing service to conduct preliminary assessment of feasibility of transactions beyond the scope of the financial and economic plan of the Joint-Stock Company (unconventional transactions). These requirements are set by the internal documents of the Company.
73.	Provision in internal documents of the Joint-Stock Company that sets the procedure of coordination of the unconventional transaction with the Board of Directors	Compliant
74.	Availability of an internal document approved by the Board of Directors that outlines the procedure of audit of financial and business activities of the Joint-Stock Company by the Audit Commission	Compliant

No.	Provision of the Corporate Governance Code	Observed or not observed
75.	The Audit Committee to appraise the audit report prior to presentation thereof to the shareholders at the general meeting	Atomenergoprom JSC performs the functions of the sole shareholder of TVEL JSC. The Sole Shareholder appoints the Board of Directors out of professionals and considering the ability thereof to perform the assignment. The Board of Directors comprises mostly of the external directors who are not employed by the Company and are represented by professionals sufficiently experienced and savvy to the specifics of the industry and business of the Company. Sector-specific divisions of Atomenergoprom JSC perform functions of committees with the Board of Directors of the Company

#### Dividends

76.	Availability of an internal document approved by the Board of Directors and used by the same upon the approval of recommendations regarding the amount of dividends (Dividends Policy Regulations)	Atomenergoprom JSC regulates the Dividends Policy of the Company on the basis of financial performance, investment plans of the Company and industry
77.	Provision in the Dividends Policy Regulations that outlines the procedure of estimating the minimum share of net profit that the Joint-Stock Company shall use for payment of dividends, as well as terms and conditions when dividends are to be paid out partially or no dividends are payable under the preferred shares, the amount of which is set in the Articles of Association of the Joint-Stock Company	
78.	Publication of information about the Dividends Policy of the Joint-Stock Company and amendments thereto in a periodical edition envisaged by the Articles of Association of the Joint-Stock Company for announcement of General Meetings of Shareholders, and publication of the said data on the official Website of the Joint-Stock Company	