

Material fact notice on resolutions adopted by the Issuer's Board of Directors
Insider information notice

1. General information	
1.1. Full corporate name of the issuer	Public Joint-Stock Company Federal Hydro-Generating Company – RusHydro
1.2. Abbreviated corporate name of the issuer	PJSC RusHydro
1.3 Issuer's location	Krasnoyarsk, Krasnoyarsk Krai
1.4. Issuer's PSRN (Primary State Registration Number)	1 042 401 810 494
1.5 Issuer's TIN (Taxpayer Identification Number)	2 460 066 195
1.6 Issuer's unique code assigned by the registration body	55038-E
1.7 Address of the web page used by the issuer to disclose information	http://www.e-disclosure.ru/portal/company.aspx?id=8580 , http://www.rushydro.ru

2. Content of the notice
<p>2.1 Quorum of the meeting of the issuer's Board of Directors and results of voting on the agenda items: <i>Quorum of the meeting of the issuer's Board of Directors is present.</i> <i>Voting results:</i> <i>Item 1.1.: For — 12, Against — 0, Abstain — 0.</i> <i>Item 1.2.: For — 12, Against — 0, Abstain — 0.</i> <i>Item 1.3.: For — 12, Against — 0, Abstain — 0.</i> <i>Item 2: For — 11, Against — 0, Abstain — 1.</i> <i>Item 3: For — 12, Against — 0, Abstain — 0.</i> <i>Item 4.1.: For — 12, Against — 0, Abstain — 0.</i> <i>Item 4.2.: For — 12, Against — 0, Abstain — 0.</i> <i>Item 4.3.: For — 12, Against — 0, Abstain — 0.</i> <i>Item 4.4.: For — 11, Against — 0, Abstain — 1.</i> <i>Item 5.1.: For — 12, Against — 0, Abstain — 0.</i> <i>Item 5.2.: For — 12, Against — 0, Abstain — 0.</i> <i>Item 6: For — 12, Against — 0, Abstain — 0.</i> <i>Item 7: For — 12, Against — 0, Abstain — 0.</i> <i>Item 8.1: For — 11, Against — 0, Abstain — 1.</i></p> <p>2.2 Content of resolutions adopted by the issuer's Board of Directors:</p> <p>Item 1: On the issues of Corporate Governance of PJSC RusHydro. Item 1.1.: On the recognition members of the Board of Directors of PJSC RusHydro as independent directors.</p> <p>Draft resolution: In accordance with the recommendations of the HR and Remunerations (Nominations) Committee adopted on 21.12.2017 (Minutes No. 63 of 21.12.2017):</p> <p>1. To take note of the information on the results of the assessment of the compliance of the member of Board of Directors Maxim Sergeyevich Bystrov with the independence criteria provided for in Annex 4.1 to the Rules of Listing of the PJSC Moscow Stock Exchange (valid since 01.10.2017). There is no connection between M.S. Bystrov and the Company, a substantial shareholder, competitors of the Company, the state. M.S. Bystrov satisfies formal criteria of connection with the Company's substantial counterparties - JSC ATS, JSC SO UES, JSC CFS and ANCO TC Market Council, since the amount of obligations between the Company and each of the counterparties executed in the last year exceeds 2 % of the book value of assets and 2% of the proceeds of each of the counterparties. To note that the connection between M.S. Bystrov and substantial counterparties of the Company - JSC ATS, JSC SO UES, JSC CFS and ANCO TC Market Council is of a formal nature and does not affect the ability of M.S. Bystrov to act on the Board of Directors for the benefit of the Company and all its shareholders due to the following reasons: - JSC ATS (Joint Stock Company Administrator of the Trading System of the Wholesale Electricity Market) renders to the Company services of a commercial operator of the wholesale electricity and capacity market in the manner provided for in para. 7 of Art. 33 of the Federal Law of 26.03.2003 No. 35-FZ "On Electric Power Industry" (hereinafter referred to as the Federal Law on Electric Power Industry), under the Agreement on accession to the wholesale market trading system. Commercial relations between the Company and JSC ATS are based on the principle of non-discriminatory access to the services of wholesale market commercial infrastructure organizations (Article 20 of the Federal Law on Electric Power Industry, Government Decree No. 861 of 27.12.2004) and the principle of state regulation of tariffs for services of commercial operators of the wholesale electricity and capacity market (Art. 23.1 of the Federal Law on Electric Power Industry);</p>

- JSC SO UES (Joint Stock Company System Operator of the Unified Energy System) provides the Company with operational dispatch management services in the power industry due to the status of the system operator fixed by paragraph 1 of Article 12 of the Federal Law on Electric Power Industry, under the Agreement on accession to the wholesale market trading system. Commercial relations between the Company and JSC SO UES are based on the principle of non-discriminatory access to the operational dispatch management services in the power industry (Articles 6, 20 of the Federal Law on Electric Power Industry, Government Decree No. 861 of 27.12.2004) and the principle of state regulation of tariffs for operational dispatch management services (Art. 23.1 of the Federal Law on Electric Power Industry);

- JSC CFS (Joint Stock Company Centre for Financial Settlements) belongs to the organizations of commercial infrastructure of the Wholesale market for electricity and capacity (hereinafter referred to as the WMEC) of the Russian Federation, ensuring the functioning of the contractual design of the wholesale market and the system of financial settlements between its entities, it provides JSC RusHydro with services under the Agreement on accession to the wholesale market trading system. The Agreement was concluded in accordance with para. 1 of Art. 32 of the Federal Law on Electric Power Industry, para. 40 of the Rules of the Wholesale market for electricity and power approved by the Decree of the RF Government of 27 December 2010 No. 1172.

Commercial relations between the Company and JSC CFS are based on the principle of non-discriminatory access to the services of wholesale market commercial infrastructure organizations (Article 20 of the Federal Law on Electric Power Industry, Government Decree No. 861 of 27.12.2004). A unified payment amount for the complex service of JSC CFS is approved by the Supervisory Board of the Association NP Market Council for all counterparties.

ANCO TC Market Council (Autonomous non-commercial organization of additional professional education Training Centre of NP Market Council), established under the Association NP Market Council - infrastructure organization for wholesale and retail trading in electric energy and capacity, renders services to the Company in the field of education and training the specialists in organizing an effective system of wholesale and retail trading in electricity and capacity.

Due to the fact that the Rules of the WMEC adopted by the Supervisory Board of the Association NP Market Council change on a monthly basis in order to maintain a high level of knowledge in the procedures of the WMEC and to receive information on current and planned changes in the WMEC, employees of PJSC RusHydro shall pass the training at the source - in ANCO TC Market Council. The training agreements between JSC RusHydro and ANCO TC Market Council shall be concluded on market terms.

Track record of M.S. Bystrov in the Board of Directors of the Company demonstrates his ability to make independent, objective and conscientious judgements, since the position of M.S. Bystrov on the agenda items of meetings of the Board of Directors and Committees under the Board of Directors is based on his professionalism and experience, is discretionary and independent, and decisions taken by M.S. Bystrov make it possible to conclude that his formal connection with substantial counterparties of the Company - JSC ATS, JSC SO UES, JSC CFS and ANCO TC Market Council does not affect adoption thereof, as M.S. Bystrov acts in the interests of the Company and all its shareholders.

Guided by paragraph 2 of Section 2.18 of Annex 2, as well as the Annex 4.1 to the Rules of listing of PJSC Moscow Exchange, entered into force on 01.10.2017, to recognize Maxim Sergeyevich Bystrov as an independent director.

2. To take note of the information on the results of the compliance of the member of Board of Directors Sergey Nikolaevich Ivanov with the independence criteria provided for in Annex 4.1 to the Rules of Listing of the PJSC Moscow Stock Exchange (valid since 01.10.2017).

There is no connection between S.N. Ivanov and the Company, substantial counterparties of the Company, competitors of the Company.

S.N. Ivanov satisfies formal criteria of connection with:

- a substantial shareholder of the Company - the Russian Federation, since S.N. Ivanov is a member of the Board of Directors of more than two organizations under the control of the Russian Federation - LLC RT-Capital, JSC RT - Construction Technologies and PJSC RusHydro;

- the state since S.N. Ivanov is the General Director of LLC RT-Capital, an organization controlled by the Russian Federation.

To note that the connection between S.N. Ivanov with a substantial shareholder of the Company and the state is of a formal nature and does not affect the ability of S.N. Ivanov to act on the Board of Directors for the benefit of the Company and all its shareholders due to the following reasons:

- in accordance with the Order of the Government of the Russian Federation No. 513-r of 22.03.2017, S.N. Ivanov was nominated by the Russian Federation as an independent director, in this regard, S.N. Ivanov has no obligation to vote on the directives of the Government of the Russian Federation (para. 16 of the Decree of the Government of the Russian Federation No. 738 of 03.12.2004);

- the control of the Russian Federation over LLC RT-Capital is indirect and is carried out through the Rostec State Corporation, managed through governance bodies, common for the commercial organization, which neutralizes the ability of the Russian Federation to influence the adoption by S.N. Ivanov of objective and independent decisions.

- Track record of S.N. Ivanov in the Board of Directors of the Company demonstrates his ability to make independent, objective and conscientious judgements, since the position of S.N. Ivanov on the agenda items of meetings of the Board of Directors and Committees under the Board of Directors is based on his professionalism and

experience, is discretionary and independent, and decisions taken by S.N. Ivanov make it possible to conclude that his formal connection with a substantial shareholder of the Company and the state does not affect adoption thereof, as S.N. Ivanov acts in the interests of the Company and all its shareholders.

Guided by paragraph 2 of Section 2.18 of Annex 2, as well as the Annex 4.1 to the Rules of listing of PJSC Moscow Exchange, entered into force on 01.10.2017, to recognize Sergey Nikolaevich Ivanov as an independent director.

Item 1.2.: On approval of the Company's internal documents.

Draft resolution:

1. In order to implement the norms of the Corporate Governance Code approved by the Board of Directors of the Bank of Russia on 21.03.2014 and recommended for application by letter of Bank of Russia No. 06-52/2463 of 10.04.2014:

1.1. To approve the inclusion into the internal documents of the Company of the provisions (norms) provided for in the Annex (Annex 1 to the Minutes) and aimed at:

- formation of an introductory course program for the members of the Board of Directors elected for the first time;
- prevention and resolution of conflict of interests of members of the Board of Directors;
- creation of an opportunity for the Board of Directors to attract external independent experts (consultants) to examine issues that are the subject of its consideration;
- creation of an opportunity to increase the efficiency of the work of the members of the Board of Directors through training and upgrading their skills.

1.2. To instruct the Chairman of the Management Board - the General Director of the Company - to ensure preparation and submission for preliminary approval by the Board of Directors of the Company and subsequent approval by the annual General Meeting of Shareholders of the Company under the results of the year 2017 of the new versions of the Regulations on the Procedure for Convening and Holding Meetings of the Board of Directors of the Company and the Regulations on Payment of Remuneration and Compensation to the Members of the Board Directors of the Company, taking into account the provisions (norms) specified in para.1.1 of this resolution.

2. In order to bring the Company's Corporate Governance Code into line with the Listing Rules of the PJSC Moscow Exchange approved by the Supervisory Board of the PJSC Moscow Exchange on 26.06.2017 (Minutes No. 3), to amend indent 3 of the paragraph 6.2 of the Corporate Governance Code of the Company as follows:

“In exceptional cases, the Board of Directors may recognize an independent candidate (a member of the Board of Directors) as a result of the assessment conducted by the Committee on Human Resources and Remuneration (nominations), despite applicability of any formal criteria of connection with the Company, a substantial shareholder of the Company, a substantial counterparty or competitor of the Company, the state (the Russian Federation, a constituent of the Russian Federation) or a municipal entity, if such the connection does not affect the ability of the relevant person to make independent, objective and conscientious judgements”.

Item 1.3.: On consideration of the Report on the Observance of the Information Policy of PJSC RusHydro.

Draft resolution:

To take note of the Report on the Observance of the Information Policy of the Company (Annex 2 to the Minutes).

Item 2: On the Non-Core Assets of PJSC RusHydro.

Draft resolution:

1. To approve the Programme for Disposal of Non-Core Assets of PJSC RusHydro as amended (Annex 3 to the Minutes).

2. To approve the Register of Non-Core Assets of PJSC RusHydro as amended under the Annex (Annex 4 to the Minutes).

3. To approve the Action Plan for the sale of non-core assets of PJSC RusHydro for 2017 (Q4) - 2018 (Annex 5 to the Minutes).

Item 3: On conclusion of the transaction, related to gratuitous transfer of property of PJSC RusHydro.

Draft resolution:

To approve conclusion of the Agreement on Gratuitous Transfer of Property by the Company as a transaction related to gratuitous transfer of the Company's property constituting its fixed assets on the following material terms:

The parties to the Agreement:

Party-1 - the Company;

Party-2 - the Russian Federation.

Subject of the Agreement:

Party-1 undertakes to transfer to the ownership of Party-2 a share of 1/6 of the title to 78 facilities of the railway infrastructure of the line Izvestkovaya-Chegdomyn in the Khabarovsk Krai with a length of 30 km, specified in

Annex 6 to the Minutes (hereinafter referred to as the Property), and the Party- 2 undertakes to accept the Property. Balance (depreciated) cost of the Property transferred as of 30.09.2017: 607 103 151 (six hundred seven million one hundred three thousand one hundred and fifty one) roubles 67 kopecks.

Item 4: On the priority activities of PJSC RusHydro:

Item 4.1: On consideration of the report on the progress of the implementation of the Plan for set of measures (list of measures) for the introduction of professional standards in the activities of the Company.

Draft resolution:

To approve the report on the implementation of the Plan for set of measures (list of measures) for the implementation of professional standards in the activities of the PJSC RusHydro for the 2 and the 3 quarter of 2017 (Annex 7 to the Minutes).

Item 4.2: On the status of the implementation of the project for construction of approaches to the substation for 220 kV "Maya".

Draft resolution:

To take into consideration the information on the status of the implementation of the project for construction of approaches to the substation for 220 kV "Maya" (Annex 8 to the Minutes).

Item 4.3.: On the progress of the technological connection of the 220 kV overhead line Orotukan-Palatka-Centralnaya.

Draft resolution:

To take into consideration the information on the progress of the technological connection of the 220 kV overhead line Orotukan-Palatka-Centralnaya (Annex 9 to the Minutes).

Item 4.4.: On consideration of proposals to improve the quality of preparation and implementation of the IDP of the RusHydro Group for 2016-2020 with a prospect up to 2025.

Draft resolution:

Chairman of the Board - General Director of the Company N.G. Shulginov shall ensure:

1. Conducting work on comparing the level of technological development and the values of the constituent indicators of the integral key indicator of innovation activity and KPI of the Innovative Development Programme of the RusHydro Group with the level of development and indicators of the leading peer companies (hereinafter referred to as the Works) with the involvement of an external consultant in the prescribed manner until 30.06.2018.
2. Submission for the consideration by the Company's Board of Directors of proposals for improving the quality of preparation and implementation of the Innovative Development Programme of the RusHydro Group for 2016-2020 with a prospect up to 2025, developed following the results of the Works until 30.09.2018.

Item 5: On approval of the internal documents of the PJSC RusHydro.

Item 5.1: On approval of the Anti-Corruption Policy of PJSC RusHydro in a new version.

Draft resolution:

1. To approve the Anti-Corruption Policy of PJSC RusHydro, as amended (Annex 10 to the Minutes).
2. To recognize the Policy on the management of the conflict of interests of the Company, approved by the decision of the Board of Directors of the Company of 07.04.2016 (Minutes No. 235 of 08.04.2016) as expired.

Item 5.2. On approval of the Internal Audit Policy of PJSC RusHydro, as amended.

Draft resolution:

To approve the Internal Audit Policy of PJSC RusHydro, as amended (Annex 11 to the Minutes).

Item 6: On interim results of implementation of the PJSC RusHydro Business Plan for 2017 taking into account actual figures for 9 months of 2017 (including reports on implementation of the Investment Programme (in particular, the Comprehensive Modernization Programme for Generating Facilities) and the Annual Comprehensive Procurement Plan for 9 months of 2017).

Draft resolution:

To approve the report on interim results of implementation of Business Plan for 2017 taking into account actual figures for 9 months of 2017 (including reports on implementation of the Investment Program (in particular, the Comprehensive Modernization Programme for Generating Facilities) and the Annual Comprehensive Procurement Plan for 9 months of 2017) (Annex 12 to the Minutes).

Item 7: On approval of the Insurance Protection Programme of PJSC RusHydro for 2018.

Draft resolution:

To approve the Insurance Protection Programme of PJSC RusHydro for 2018 (Annex 13 to the Minutes).

Item 8: On determination of the position of PJSC RusHydro (representatives of PJSC RusHydro) within the governance bodies of the subsidiaries.

Item 8.1: On defining the position of PJSC RusHydro (representatives of PJSC RusHydro) on the issue of the agenda of the General Meeting of Shareholders of JSC Yakutsk HEPS-2 "On approval of a major transaction - Supplementary agreement No. 1 of 01.12.2017 to the Property Lease Agreement of 29.04.2016 No. YAGRES-2/2016/19.

Draft resolution:

To instruct the representatives of the Company at the General Meeting of Shareholders of Yakutsk HEPS-2 on the issue "On approval of a major transaction - Supplementary agreement No. 1 of 01.12.2017 to the Property Lease Agreement of 29.04.2016 No. YAGRES-2/2016/19" to vote "FOR" the following decision:

To approve the Supplementary Agreement No. 1 of 01.12.2017 to the Property Lease Agreement of 29.04.2016 No. YAGRES-2/2016/19 (hereinafter - the Supplementary Agreement, the Agreement) as a major transaction the value of that exceeds 50 per cent of the book value of the assets of JSC "Yakutsk HEPS- 2 ", on the following material conditions:

Parties to the Supplementary Agreement:

Customer: JSC Yakutsk HEPS-2;

Lessee — PJSC Yakutskenergo.

Subject of the Supplementary Agreement:

1. Change in the list of property transferred into lease under the Agreement.

The list of property transferred into lease is specified in Annex 14 to the Minutes.

2. Change in the procedure for calculating rent under the Agreement.

Limit price of the Supplementary Agreement:

2 164 752 472 (Two billion one hundred sixty four million seven hundred fifty two thousand four hundred seventy two) roubles 38 kopecks, including VAT (18%).

Term of the Supplementary Agreement:

The Supplementary agreement shall enter into force from the date of its signing by the Parties and shall be valid until complete fulfilment of the obligations by the Parties.

In accordance with para. 2 of Art. 425 of the Civil Code of the RF provisions of the Supplementary agreement are applicable to the relations between the Parties effective since 01.11.2017.

2.3. The date of holding the Meeting of the Issuer's Board of Directors, at which the relevant resolutions were adopted: **25 December 2017**

2. 4 Date of drawing up the Minutes of the Meeting of the issuer's Board of Directors, at which the relevant resolutions were adopted, and its number: **28 December 2017 No. 263**

3. Signature

3. 1 **Director of Department Corporate management;
and property management of PJSC RusHydro**
(by virtue of Power of Attorney No. 3878 of 10.02.2017)

S.S. Koptyakov

(signature)

3. 2 Date “ 28 ” December 2017.

L.S.

The information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of RusHydro. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might," the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially from these statements. We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industries, as well as many other risks specifically related to RusHydro and its operations.