

## **Results of the Board of Directors Meeting on December 06, 2018**

PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on December 06, 2018.

### **Resolutions passed on Items of the agenda:**

#### **Item No. 1: Participation of the Company in other organizations:**

##### **1.1. On termination of the Company's participation in JSC Small HPPs of Altai.**

###### **The resolution adopted:**

To terminate the Company's participation in the authorized capital of JSC Small HPPs of Altai in accordance with the Program for the Alienation of Non-Core Assets of RusHydro.

##### **1.2. On termination of the Company's participation in CJSC Verkhne-Narynskie HPPs.**

###### **The resolution adopted:**

To approve the termination of the Company's participation in CJSC Verkhne-Narynskie HPPs by selling 2,500,000 ordinary registered shares or 50% of its authorized capital, to OJSC Electric Power Plants (Kyrgyz Republic) in accordance with the terms of the agreement concluded between the Government of the Russian Federation and the Government of the Kyrgyz Republic on the construction and operation of the Verkhne-Narynsky cascade of hydroelectric power plants, at a price determined by the Board of Directors of the Company based on the appraiser's report.

##### **1.3. Termination of participation of the Company in VolgaHydro LLC.**

###### **The resolution adopted:**

To supplement the resolution of the Board of Directors of the Company of October 3, 2018, on item No. 4 "On participation of RusHydro in other organizations: On termination of participation in VolgaHydro LLC (Minutes No. 277 dated October 4, 2018) with clause 2 as follows:

"2. To determine that if VH Auslandsbeteiligungen GmbH (a participant of VolgaHydro) declines to purchase the Stake (including under the pre-emptive right), the Company shall have the right to sell the Stake to VHG Auslandsbeteiligungen GmbH on the same conditions."

#### **Item No. 2: Execution of transactions**

##### **2.1. On preliminary approval of transactions with shares of organizations in which the Company participates.**

###### **The resolution adopted:**

To approve the transaction for the sale of shares of CJSC Verkhne-Narynskie HPPs (hereinafter referred to as the Agreement) on the following conditions:

Parties to the Agreement:

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The Seller is RusHydro;

The Buyer is OJSC Electric Power Plants.

Subject of the Agreement:

The Seller shall transfer ordinary registered shares of Verkhne-Narynskie HPPs with a nominal value of 1 (one) Kyrgyzstani som each in the amount of 2,500,000 (two million five hundred thousand) shares (hereinafter referred to as the Shares) to the Buyer, and the Buyer undertakes to accept and pay for the Shares in the manner, in the time frames and on conditions specified by the Agreement.

The size of the stake in the authorized capital of Verkhne-Narynskie HPPs owned by the Seller is 50 (Fifty)%, with a nominal value of 2,500,000 (Two million five hundred thousand) Kyrgyzstani soms.

The size of the stake in the authorized capital of Verkhne-Narynskie HPPs to be alienated by the Seller is 50 (Fifty)%, with a nominal value of 2,500,000 (Two million five hundred thousand) Kyrgyzstani soms.

The size of the stake in the authorized capital of Verkhne-Narynskie HPPs owned by the Seller after the alienation of the Shares in accordance with this decision is 0 (Zero)%.

Price of the Agreement:

The value of the Shares is determined based on valuation report No. 18-22027 dated September 10, 2018, prepared by Swiss Appraisal Russia LLC and amounts to the equivalent of 2,500,000 (Two million five hundred thousand) Kyrgyzstani soms in Russian rubles at the exchange rate set by the Central Bank of the Russian Federation on the date of payment.

## **2.2. On preliminary approval of transactions with shares of organizations in which the Company participates.**

### **The resolution adopted:**

In order to optimize the corporate governance process of the Company's controlled organizations in which RusHydro Group holds 100% of the authorized capital, to preliminarily approve the conclusion by the Company of trust management agreements (hereinafter referred to as the Agreements) under the following material conditions:

Parties to the Agreements:

The Trust Manager is the Company;

The Trustors are JSC ESC RusHydro, JSC RAO ES of the East, JSC Hydroinvest, and PJSC Kolymaenergo.

Subject of the Agreements:

The trustors shall transfer the rights certified by the following shares belonging to them on the basis of the right of ownership to the Company in trust management:

- 3,036,387,330 ordinary shares of JSC Hydroinvest (state registration number of the issue: 1-01-04339-D-003D);
  - 1,709,801,779 ordinary shares of JSC Hydroinvest (state registration number of the issue: 1-01-04339-D-004D);
  - 1 ordinary share of JSC ESC RusHydro (state registration number of the issue: 1-01-55437-E);
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- 166,460,049 ordinary shares of JSC ChirkeyGESstroy (state registration number of the issue: 1-01-35249-E);
- 8,923,739,178 ordinary shares of Ust-Srednekanskaya HPP named after A.F. Dyakov (state registration number of the issue: 1-01-55315-E).

The Trust Manager undertakes, for a remuneration, to manage the rights in respect of the shares transferred in trust management in the interests of the Trustors during the term of the Agreements.

The scope of rights under the shares to be transferred:

The entire set of rights under the shares, with the exception of the right to receive dividends.

The amount of remuneration of the Trust Manager:

1,000 rubles per year (including VAT) under each trust management agreement.

Effective term of the Agreements:

5 years.

### **2.3. Approval of a transaction for the gratuitous transfer of the Company's property to third parties.**

#### **The resolution adopted:**

1. To approve the conclusion of an Agreement on the Gratuitous Transfer (Donation) of Property (hereinafter referred to as the Agreement) under the following material terms and conditions:

Parties to the Agreement:

The Donor is the Company.

The Donee is the municipal formation of the workers' settlement (urban settlement) of Talakan, Bureysky District, Amur region, represented by the Municipal Public Institution of the administration of the workers' settlement of Talakan, Bureysky District, Amur region.

Subject of the Agreement:

The Donor gratuitously transfers, and the Donee accepts in ownership for use as an object of public transport infrastructure, the installation "Access road to the solid waste landfill", cadastral number: 28:11:000000:2663, length 3,173 m, address: Talakan, Bureysky District, Amur region (record of the right in the Unified State Register of Real Estate No. 28:11:000000:2663-28/012/2018-1 dated January 24, 2018) (hereinafter referred to as the "Property").

Price (book value) of the transferred Property (as of October 31, 2018):

66,104,713 (sixty-six million one hundred four thousand seven hundred thirteen) rubles 37 kopecks.

2. To amend the Register of non-core assets of the Company, approved by the decision of the Board of Directors of the Company dated December 28, 2017, (Minutes No. 263) to include the real estate site "Access road to the solid waste landfill", with a length of 3,173 m, located at: Talakan, Bureysky District, Amur region, with the method of disposal "gratuitous transfer."

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## **2.4. Approval of a transaction for the gratuitous transfer of the Company's property to third parties.**

### **The resolution adopted:**

To approve the conclusion of an Agreement on the Gratuitous Transfer (Donation) of Property under the following material terms and conditions:

#### Parties to the Agreement:

The Donor is the Company.

The Donee is the Russian Federation represented by the Interregional Territorial Administration of the Federal Agency for State Property Management in the Krasnoyarsk Territory, the Republic of Khakassia and the Republic of Tyva.

#### Subject of the Agreement:

The Donor gratuitously transfers, and the Donee takes into ownership, non-residential buildings in accordance with Appendix No. 1 to the Minutes (hereinafter, the Property).

The purpose of the transferred Property is to accommodate the Federal State Autonomous Educational Institution of Higher Education "Siberian Federal University".

#### Price (book value) of the transferred Property (as of September 30, 2018):

1,276,053 (One million two hundred seventy-six thousand fifty-three) rubles 88 kopecks.

## **Item No. 3: Determining the position of the Company (representatives of the Company) on the agenda items of the management bodies of subsidiary economic entities:**

**3.1. On determining the position of the Company (the delegates of the Company) regarding the agenda of the management bodies of JSC Sulaksky HydroCascade: On consent to a transaction related to the alienation of the property of a subsidiary company constituting fixed assets whose purpose is the production, transmission, dispatching and distribution of electrical power, which is a major transaction.**

### **The resolution adopted:**

To instruct representatives of PJSC RusHydro at the General Meeting of Shareholders of JSC Sulaksky HydroCascade, with regard to the item: "On consent to a transaction related to the alienation of the property of a subsidiary company constituting fixed assets whose purpose is the production, transmission, dispatching and distribution of electrical power, which is a major transaction", to vote "FOR" the following resolution:

"To coordinate the conclusion of a contract for the sale and purchase of the property complex of the Gotsatlinskaya HPP, owned by JSC Sulaksky HydroCascade, on the following material conditions:

#### Parties to the agreement:

The Seller is JSC Sulaksky HydroCascade;

The Buyer is RusHydro.

#### Subject of the agreement:

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The Seller undertakes to transfer the property complex of the Gotsatlinskaya HPP (hereinafter referred to as the Property) specified in Appendix No. 2 to the Minutes to the Buyer's ownership, and the Buyer undertakes to accept and pay for the Property.

Price of the Property:

10,100,000,000 (ten billion one hundred million) rubles without VAT; furthermore, VAT shall be calculated additionally at the rate established by Art. 164 of the Tax Code of the Russian Federation.

**3.2. On determining the position of the Company (the delegates of the Company) regarding the agenda of the management bodies of JSC Small HPPs of Altai: On the winding up of JSC Small HPPs of Altai.**

**The resolution adopted:**

1. To direct the Company's representatives to vote "FOR" the resolution on the winding up of JSC Small HPPs of Altai in the management bodies of JSC Small HPPs of Altai.

2. To direct the Company's representatives in the management bodies of JSC Small HPPs of Altai to vote "FOR" resolutions related to the winding up of JSC Small HPPs of Altai which are to be reviewed in accordance with Articles 61–64 of the Civil Code of the Russian Federation and Articles 21–24 of Federal Law No. 208-FZ dated December 26, 1995, "On Joint-Stock Companies."

**3.3. On determining the position of the Company (the delegates of the Company) regarding the item on the agenda of the General Meeting of Shareholders of Sakhalin GRES-2 JSC: On consent to perform a major transaction—the conclusion of the Supplementary agreement to the General Contract Agreement for the construction of the facility "Construction of the Sakhalinskaya SDPP-2. Main production complex. On-site facilities (1st stage of construction)" dated January 23, 2015, No. SGRES-15/0002.**

**The resolution adopted:**

To instruct representatives of the Company to vote at the General Meeting of Shareholders of Sakhalin GRES-2 JSC on item: "On consent to perform a major transaction—the conclusion of the Supplementary agreement to the General Contract Agreement for the construction of the facility 'Construction of the Sakhalinskaya SDPP-2. Main production complex. On-site facilities (1st stage of construction)' dated January 23, 2015, No. SGRES-15/0002," to vote "FOR" the adoption of the following resolution:

"To consent to perform a major transaction—the conclusion of the Supplementary agreement to the General Contract Agreement for the construction of the facility 'Construction of the Sakhalinskaya SDPP-2. Main production complex. On-site facilities (1st stage of construction)'" dated January 23, 2015, No. SGRES-15/0002 (the Supplementary Agreement, the Agreement), which is a major transaction, the value of which exceeds 50 percent of the book value of the assets of JSC Sakhalinskaya SDPP-2, on the following material terms:

Parties to the Supplementary Agreement:

The Customer is JSC Sakhalinskaya SDPP-2;

The General Contractor is JSC TEK Mosenergo.

Subject of the Supplementary Agreement:

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increase of the price of the Agreement by 3,512,170,090 (Three billion five hundred twelve million one hundred seventy thousand ninety) rubles 00 kopecks, including VAT (18%).

The maximum price of the Agreement (including Supplementary Agreements):

33,511,170,090 rubles (Thirty three billion five hundred eleven million one hundred seventy thousand ninety rubles) 00 kopecks, including VAT (18%).

**Item No. 4: Approval of the interim results of the fulfillment of the Company's Business Plan for 2018 with regard to the actual results for 9 months of 2018 (including the report on the fulfillment of the Investment Program, inter alia, the Complex Modernization Program for Generating Facilities, for 9 months of 2018).**

**The resolution adopted:**

To confirm the interim results of the fulfillment of the Company's Business Plan for 2018 with regard to the actual results of 9 months of 2018 (including reports on the fulfillment of the Investment Program (including the Complex Modernization Program for Generating Facilities) for 9 months of 2018) (Appendix 3 to the Minutes).

**Item No. 5: Considering matters of significance to the Company:**

**5.1. Approval of the report on the fulfillment of the Annual Complex Procurement Program of the Company for 9 months of 2018.**

**The resolution adopted:**

To approve the Report on the Achievement of the Key Performance Indicators of the Company for 9 months of 2018 (Appendix 4 to the Minutes).

**5.2. Approval of a new version of the Company's Charity and Sponsorship Policy.**

**The resolution adopted:**

To approve the new version of the Company's Charity and Sponsorship Policy (Appendix 5 to the Minutes).

**5.3. On the progress of implementation of the investment project "Construction of two single-circuit OHLs 110 kV Pevek-Bilibino (construction phase No. 1)."**

**The resolution adopted:**

To take note of the information on the implementation of the investment project "Construction of two single-circuit 110 kV overhead lines Pevek-Bilibino" (construction stage No. 1) (Appendix 6 to the Minutes).

**5.4. On consideration of the report on the progress of the Action Plan (the list of measures) for the implementation of occupational standards in the Company's operations.**

**The resolution adopted:**

To approve the report on the progress of the implementation of the Action Plan (the list of measures) for the introduction of occupational standards in the operations of the Company in Q2 and Q3 2018 (Appendix 7 to the Minutes).

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## **5.5. The Committee for Far East Energy Development under the Board of Directors of the Company.**

### **The resolution adopted:**

1. To word clause 6.1. of article 6 of the Regulation on the Committee for Far East Energy Development under the Board of Directors of RusHydro as follows: "The size of the Committee shall be determined by the decision of the Board of Directors in a number not less than 3 (three) people and not more than 14 (fourteen) people."

2. To determine the size of the Committee for Far East Energy Development under the Board of Directors as 14 people.

3. To terminate the powers of the member of the Committee for Far East Energy Development under the Company's Board of Directors Vladimir Vladimirovich Tupikin early.

4. To elect the following persons to the composition of the Committee for Far East Energy Development under the Board of Directors of the Company:

- Sergey Yurievich Lebedev, Deputy Chairman of the Management Board, Association NP Market Council;

- Leonid Gennadyevich Petukhov, General Director of ANCO Agency of the Far East for Attracting Investments and Supporting Exports.

## **5.6. Confidential.**

**The resolution adopted:** Confidential.

### **About RusHydro**

RusHydro Group is one of Russia's largest generating companies. RusHydro is the leading producer of renewable energy in Russia with over 400 generating facilities in Russia and abroad. The company also manages a number of R&D, engineering and electricity retail companies. Group's thermal assets are operated by subsidiary – RAO Energy System of East in the Far East of Russia. Total electricity generation capacity of the Group is 39 GW, heat capacity – 18.5 thousand GCal/h. Russian Federation owns 60.56% in RusHydro, the rest is held by other institutional and individual shareholders (over 360,000). The company's stock is traded on Moscow Exchange (MOEX), and included in MSCI EM и MSCI Russia indexes. Company's GDRs in the IOB section of LSE, ADRs – in OTCQX.

### **For more information:**

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*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 and political conditions, our competitive environment, risks associated with operating in Russia and rapid technological and market changes in our industries, as well as many other risks specifically related to RusHydro and its operations.*

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