

QUARTERLY REPORT

Public Joint-Stock Company Federal Hydrogeneration Company RusHydro

Issuer code: 55038-E

for Q2 2018

Address of the issuer: 43/1 Dubrovinskogo St., Krasnoyarsk, Krasnoyarsk Krai 660017

**The information contained herein is subject to disclosure pursuant to the securities
legislation of the Russian Federation**

Chairman of the Management Board – General Director

_____ N. G. Shulginov

Date: August 14, 2018

Deputy Director of the Accounting and Tax Department – Deputy
Chief Accountant

_____ K. V. Permyakov

Date: August 14, 2018

Contact Person: **Anna Aleksandrovna Shamne, Chief Expert of the Equity and Information Disclosure
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The address of the internet site(s) where the information contained herein is to be disclosed:

<http://www.e-disclosure.ru/portal/company.aspx?id=8580>, www.rushydro.ru

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Introduction

Grounds for the Issuer's obligation to disclose information in the form of a quarterly report:

The securities prospectus with regard to the Issuer's securities has been registered.

State registration of at least one issue (additional issue) of securities of the issuer was accompanied by the registration of the securities prospectus for securities in the course of placement through open subscription.

The Issuer's exchange-traded bonds have been admitted to the organized stock trading alongside the presentation of the prospectus of the exchange-traded bonds to the stock exchange for such admission.

This Quarterly Report contains the estimates and forecasts made by the Issuer's competent management bodies with regard to future events and/or actions, prospects of the industry where the Issuer is carrying out its primary activities, and results of the Issuer's activities, including the Issuer's plans, the likelihood of certain events, and performance of certain actions. Investors should not rely entirely upon the estimates and forecasts made by the Issuer's management bodies, as the actual results of the Issuer's activities in the future may differ from the forecasted results for many reasons. The acquisition of the Issuer's securities is connected with the risks described herein.

Other information: *In this Quarterly Report, the Issuer, the Society, and the Company are understood to be the same person—RusHydro.*

I. Information on Bank Accounts, the Auditor (Audit Organization), Appraiser, and Financial Adviser of the Issuer and on Persons Who Signed the Quarterly Report

1.1. Information on the Issuer's Bank Accounts

This information was specified in the Quarterly Report for Q1 2018; no changes were made to this information during Q2 2018.

1.2. Information on the Issuer's Auditor (Audit Organization)

Information on the audit organization that performed an independent audit of the Issuer's accounting (financial) statements and the Issuer's consolidated financial statements included in the quarterly report as well as information on the audit organization approved for the audit of the annual accounting (financial) statements of the Issuer and annual consolidated financial statements of the Issuer for the current and the last completed reporting year:

Full corporate name: *JSC PricewaterhouseCoopers Audit*

Short corporate name: *JSC PwC Audit*

Location: *10 Butyrskiy Val St., Moscow 125047, Russia*

INN: *7705051102*

OGRN: *1027700148431*

Telephone: *+7 495 967 6000*

Fax: *+ 7 495 967 6001*

Email: business.development@ru.pwc.com

Information on the self-regulatory organization of auditors of which the auditor (audit organization) of the Issuer is a member:

Full name: *self-regulatory organization of auditors Russian Union of Auditors (Association) (SRO RUA)*

Location: *Moscow, Russia*

Additional information: *Principal Registration Number of Entry (ORNZ) in the registry of auditors and audit organizations: 11603050547*

Reporting years from the last five completed reporting years and the current year for which JSC PwC Audit conducted (will conduct) an independent audit of the Issuer's accounts:

Accounting (financial) statements, year	Consolidated financial statements, year
2013	2013
2014	2014
2015	2015
2016	2016
2017	2017
2018	2018

In the event that an independent audit of the interim financial statements and/or the interim consolidated financial statements of the issuer was conducted (will be conducted) by the auditor (audit organization), this circumstance shall be additionally indicated, as shall the period (periods) of the last five completed reporting years and the current year for which the Issuer's reporting was audited (will be audited) by the auditor (audit organization): *an independent audit of the Issuer's interim consolidated financial statements is not being performed by PwC Audit JSC; PwC Audit JSC shall perform an overview audit of the Issuer's interim consolidated financial statements. Following the said overview audits, PwC JSC shall submit a report on the overview audit of the interim consolidated financial statements for the corresponding period.*

The reporting years out of the last five completed reporting years and the current year for which PwC Audit JSC conducted (will conduct) an overview audit of the Issuer's interim consolidated financial statements:

Interim consolidated financial statements, period:
six months ending June 30, 2013
six months ending June 30, 2014
three and six months ending June 30, 2015
three and six months ending June 30, 2016
three and six months ending June 30, 2017
three and nine months ending September 30, 2017
three and six months ending June 30, 2018

Factors that may influence the auditor's (auditing organization's) independence from the Issuer, including information on the existence of any material interests that connect the auditor (persons holding posts in the management entities or the entities that supervise financial and economic activities of the auditing organization) with the Issuer (persons holding posts in the management entities or the entities that supervise financial and economic activities of the Issuer): ***the auditor is independent from the Issuer. There are no factors that could influence the Auditor's independence from the Issuer, nor any material interests that connect the Auditor (persons holding posts in the management bodies or bodies that supervise the financial and economic activities of the Auditor) with the Issuer (persons holding posts in the management bodies or bodies that supervise the financial and economic activities of the Issuer).***

Information on whether the auditor (persons holding positions in the management bodies or bodies that supervise the financial and business activities of the audit organization) holds shares in the Issuer's authorized capital: ***the Auditor (persons holding positions in the management bodies or bodies that supervise the financial and economic activities of the Auditor) does not have any shares in the Issuer's authorized capital.***

Information on whether the issuer provided borrowed funds to the auditor (persons holding positions in the management bodies or bodies that supervise the financial and economic activities of the audit organization): ***the Issuer did not provide borrowed funds to the Auditor (persons holding positions in the management bodies or bodies that supervise the financial and economic activities of the Auditor).***

Information on the existence of close business relationships (participation in the promotion of the Issuer's products (services), participation in joint business activities, etc.) or kinship: ***the Issuer does not have close business relationships or family relationships with the Auditor.***

Information on persons holding positions in management bodies and/or bodies that supervise the financial and economic activities of the issuer who simultaneously hold positions in the management bodies and/or bodies that supervise the financial and economic activities of the audit organization: ***persons holding positions in management bodies and/or bodies that supervise the financial and economic activities of the Issuer are not simultaneously persons holding positions in management bodies and/or bodies that supervise the financial and economic activities of the Auditor.***

Measures taken by the Issuer and the Auditor (the Audit Organization) to reduce the impact of these factors:

The Issuer and the Auditor have operated and will continue to operate under the laws of the Russian Federation, in particular, in accordance with Federal Law No. 307-FZ dated December 30, 2008, "On Auditing," according to Article 8 of which auditing may not be carried out by:

1) Audit organizations whose managers or other officials are founders (participants) of the audited entity, its head, chief accountant, or other official responsible for maintaining accounting records, including the preparation of accounting (financial) statements

2) Audit organizations whose managers or other officials are close relatives (parents, brothers, sisters, children), spouses, parents-in-law, or stepchildren of the founders (participants) of the audited entity, its head, or its chief accountant, or other official who is entrusted with the maintenance of accounting, including the preparation of accounting (financial) statements

3) Audit organizations with regard to audited entities that are their founders (participants), with regard to audited entities for which these audit organizations are founders (participants), with regard to subsidiaries, branches, and representative offices of the said audited entities, or with regard to organizations that have founders (participants) in common with this audit organization

4) Audit organizations or individual auditors that rendered services for restoring or maintaining accounting records or for preparing accounting (financial) statements to individuals or legal entities during the three years immediately preceding the audit, with regard to these entities

5) Auditors that are founders (participants) of the audited entity, its head, chief accountant, or other official responsible for accounting, including the preparation of accounting (financial) statements

6) Auditors that are founders (participants) of the audited entity, its head, its chief accountant, or other official responsible for accounting, including the preparation of accounting (financial) statements, close relatives (parents, brothers, sisters, children), spouses, parents-in-law, or stepchildren

7) *Audit organizations with regard to audited entities that are insurance organizations with which liability insurance contracts for these audit organizations have been concluded*

8) *Audit organizations or individual auditors with respect to the accounting (financial) reporting of audited entities that are credit institutions with which they have entered into loan agreements or suretyship agreements, or by which they have been given a bank guarantee, or with which such contracts have been concluded by the heads of these audit organizations, or with which such contracts have been concluded, on terms substantially different from the conditions for the performance of similar transactions, by persons who are close relatives (parents, brothers, sisters, children), spouses, parents-in-law, or stepchildren of the heads of these audit organizations or individual auditors, or if these persons are beneficiaries under such contracts*

9) *Employees of audit organizations who are members of audit groups whose audited entities are credit institutions with which they have entered into loan agreements or surety agreements on terms significantly different from the conditions for the performance of similar transactions or received bank guarantees from these credit institutions, or with which such contracts have been concluded by persons who are close relatives (parents, brothers, sisters, children), spouses, parents-in-law, or stepchildren of auditors, or if these persons are beneficiaries under such contracts*

The main measure taken by the Issuer to reduce dependence on each other is the process of careful consideration of the candidacy of an Auditor with regard to its independence from the Issuer. The auditor is completely independent from the Issuer's management bodies in accordance with the requirements of Article 8 of Federal Law No. 307-FZ dated December 30, 2008, "On Auditing"; the amount of the Auditor's remuneration was not dependent on the results of the audit.

The procedure for the selection of the Issuer's auditor (audit organization)

Existence of a tender procedure connected with the selection of the auditor (audit organization) and its key conditions:

RAS for 2012–2014

In accordance with Federal Law No. 307-FZ dated December 30, 2008, "On Auditing," competitive selection of the Company's Auditor for 2012–2014 was performed on the basis of Federal Law No. 94-FZ dated July 21, 2005, "On the Placement of Orders for Supplies of Goods, Performance of Works, and Rendering of Services for State and Municipal Needs."

Tender documentation of the open tender concerning entry into a services agreement for the audit of RusHydro's accounting statements prepared in accordance with RAS for 2012–2014 was prepared on the basis of Federal Law No. 94-FZ dated July 21, 2005, "On the Placement of Orders for Supplies of Goods, Performance of Work, and Rendering of Services for State and Municipal Requirements."

The Tender Documentation of the open tender concerning entry into a services agreement for the audit of RusHydro's accounting statements prepared in accordance with RAS for 2012–2014 was approved by a decision of the Audit Procurement Committee dated December 9, 2011.

On the basis of the approved Tender Documentation, the Tender Committee carried out the appropriate procedure for selection of the Company's auditor for 2012–2014 from January to February 2012. In accordance with the minutes of the meeting of the Tender Committee on assessment and comparison of bids concerning entry into a services agreement for the audit of RusHydro's accounting (financial) statements prepared in accordance with RAS for 2012–2014 (Minutes No. 3 dated February 3, 2012 (041900000011100002)), JSC PwC Audit won the open tender.

IFRS for 2012–2014

For the effective and economical expenditure of the funds of RusHydro and in accordance with the Regulation on the Procedure for Regulated Procurements of Products approved by the decision of the Board of Directors of the Company on the basis of resolution of the Central Procurement Commission of RusHydro No. 241 dated August 30, 2011, a regulated procurement for the right to conclude an agreement for the provision of services for the audit (review) of the consolidated financial statements of RusHydro Group, RAO Energy Systems of the East Group, Yakutskenergo Group, FEEC Group and the separate financial statements of JSC DRSC, JSC FEGC, and CJSC NCO Interbank Settlement Center prepared in accordance with IFRS for 2012–2014 was organized and conducted through an open one-stage multilot Request for Proposals without preliminary qualifying selection of participants.

The Procurement Documentation for the open one-stage multilot Request for Proposals without preliminary qualifying selection of participants for the right to conclude an agreement for the provision of services for the audit (review) of the consolidated financial statements of RusHydro Group, RAO Energy Systems of the East Group, Yakutskenergo Group, and FEEC Group and the separate financial statements of JSC DRSC, JSC FEGC, and CJSC NCO Interbank Settlement Center prepared in accordance with IFRS for 2012–2014 was approved by a decision of the Audit Procurement Commission dated November 16, 2011.

In accordance with the minutes of the Procurement Committee (No. 2 dated December 22, 2011), JSC PwC Audit won the open single-stage multilot request for proposals without prequalification of bidders.

RAS, IFRS for 2015–2017

In accordance with Federal Law No. 307-FZ dated December 30, 2008, "On Auditing," competitive selection of the Company's Auditor for 2015–2017 was performed on the basis of Federal Law No. 44-FZ dated April 5, 2013, "On the Contract System in the Sphere of the Procurement of Goods, Works, and Services for State and Municipal Needs."

For the effective and economical expenditure of the funds of RusHydro and in accordance with the Regulation on the Procurement of Products approved by the decision of the Board of Directors of the Company on the basis of resolution of the Central Procurement Commission of RusHydro No. 470 dated December 4, 2014, a regulated procurement for the right to conclude an agreement for the provision of services for the audit of the financial statements of RusHydro prepared in accordance with RAS and the audit (review) of the consolidated financial statements of RusHydro Group prepared in accordance with IFRS for 2015, 2016, and 2017 was organized and conducted by open tender.

The Tender Documentation of the open tender concerning entry into a services agreement for the audit of RusHydro's accounting statements prepared in accordance with RAS and the audit of the consolidated financial statements of RusHydro Group prepared in accordance with IFRS for 2015–2017 was developed in accordance with Federal Law No. 44-FZ dated April 5, 2013, "On the Contract System in the Sphere of the Procurement of Goods, Works, and Services for State and Municipal Needs."

On February 27, 2015, the Tender Documentation of the open tender concerning entry into a services agreement for the audit of RusHydro's accounting statements prepared in accordance with RAS and the audit (review) of the consolidated financial statements of RusHydro Group prepared in accordance with IFRS for 2015–2017 was approved.

In accordance with the minutes of the meeting of the Procurement Commission (No. 2 dated April 8, 2015), PwC Audit JSC was chosen the winner of the open tender.

RAS, IFRS for 2018–2020

In accordance with Federal Law No. 307-FZ dated December 30, 2008, "On Auditing," competitive selection of the Company's Auditor for 2018–2020 was performed on the basis of Federal Law No. 44-FZ dated April 5, 2013, "On the Contract System in the Sphere of the Procurement of Goods, Works, and Services for State and Municipal Needs."

For the effective and economical expenditure of the funds of RusHydro and in accordance with the Regulation on the Procurement of Products for the Needs of RusHydro approved by the decision of the Board of Directors of the Company on the basis of resolution of the Central Procurement Commission of RusHydro No. 1040 dated November 21, 2017, a regulated procurement for the right to conclude an agreement for the audit of the financial statements of RusHydro prepared in accordance with the Russian Accounting Standards (RAS) and the audit (review) of the consolidated financial statements of RusHydro Group prepared in accordance with the International Financial Reporting Standards (IFRS) for 2018, 2019, and 2020 was organized and conducted by open tender.

The tender documents for the open tender held to award the agreement for the audit of RusHydro's accounting statements prepared in accordance with the Russian Accounting Standards and the audit (review) of the RusHydro Group's consolidated financial statements prepared in accordance with the IFRS for 2018, 2019, and 2020 were developed in accordance with Federal Law No. 44-FZ dated April 5, 2013, "On the System of Contracts in the Field of Procurement of Goods, Works, Services for Public and Municipal Needs," agreed upon with the Federal Agency for State Property Management (Rosimushchestvo) and the Audit Committee of the Board of Directors (Minutes No. 110 dated February 26, 2018), and approved by the Chairman of the Procurement Commission.

In accordance with minutes of the meeting of the Procurement Commission No. 2 dated April 11, 2018, PwC Audit JSC was chosen the winner of the open tender.

The procedure for nominating an auditor (audit organization) for approval by the general meeting of shareholders (participants), including the management body that makes the respective decision:

The Board of Directors of the Issuer recommends an auditor for approval by the General Meeting of Shareholders of the Company.

In accordance with the requirements of the law of the Russian Federation, the Issuer must have its financial statements audited on an annual basis. For the audit and confirmation of the annual financial statements, the General Meeting of Shareholders shall approve the auditor of the Company annually.

JSC PwC Audit was approved as the auditor of the Issuer for 2014 by the decision of the General Meeting of Shareholders of the Company (Minutes No. 12 dated June 27, 2014).

JSC PwC Audit was approved as the auditor of the Issuer for 2015 by the decision of the General Meeting of Shareholders of the Company (Minutes No. 13 dated June 26, 2015).

JSC PwC Audit was approved as the auditor of the Issuer for 2016 by the decision of the General Meeting of Shareholders of the Company (Minutes No. 15 dated June 29, 2016).

JSC PwC Audit was approved as the auditor of the Issuer for 2017 by the decision of the General Meeting of Shareholders of the Company (Minutes No. 16 dated June 27, 2017).

JSC PwC Audit was approved as the auditor of the Issuer for 2018 by the decision of the General Meeting of Shareholders of the Company (Minutes No. 17 dated June 28, 2018).

The Issuer's auditor shall audit the Issuer's financial and business activity in accordance with the legislation of the Russian Federation under an agreement concluded with such auditor.

Information on work performed by the auditor (audit organization) as part of special audit assignments:
No work was performed by the Auditor as part of special audit assignments.

The procedure for determining the auditor's (auditing organization's) remuneration, actual amount of remuneration paid by the Issuer to the auditor (auditing organization), according to the results of the last completed reporting year for which the auditor (auditing organization) performed an independent audit of annual accounting (financial) statements and/or annual consolidated financial statements of the Issuer, information on deferred and outstanding payments for services rendered by the auditor (auditing organization):

The procedure for payment and the amount of remuneration of audit organizations and individual auditors for conducting an audit (including a mandatory audit) and performing associated services shall be specified in audit services agreements and may not depend on any requirements of the audited entities as to the content of conclusions that may be made as a result of the audit.

The amount of remuneration for the Issuer's Auditor approved by the Annual General Meeting of Shareholders of the Issuer for mandatory annual auditing and confirmation of the Issuer's annual financial statements shall be determined by the Board of Directors of the Issuer.

The Auditor's remuneration shall be determined on the basis of the results of the bidding for selecting the Company's auditor.

The actual amount of remuneration to be paid by the Issuer to JSC PwC Audit following the results of 2017, during which JSC PwC Audit conducted an independent audit of the annual accounting (financial) statements and the annual consolidated financial statements of the Issuer, amounts to RUB 136,055,180 (including VAT), including the cost of services for the review of the Issuer's consolidated interim financial statements for six months ending June 30, 2017, which is RUB 24,142,210 (including VAT); the cost of the services for the overview audit of the Issuer's condensed interim consolidated financial statements for nine months ending September 30, 2017, amounts to RUB 17,228,000 (including VAT).

In accordance with the payment schedule under agreements with PwC Audit JSC, the amount of RUB 50,838,707 (including VAT) was paid by the Issuer in 2017, and the amount of RUB 85,216,473 (including VAT) was paid by the Issuer in April 2018.

The actual amount of remuneration to be paid by the Issuer to JSC PwC Audit at the end of 2018, during which JSC PwC Audit will conduct an independent audit of the annual accounting (financial) statements and the annual consolidated financial statements of the Issuer, amounts to RUB 83,074,655 (including VAT), including the cost of services for the review of the consolidated interim financial statements of the Issuer for six months ending June 30, 2018, which is RUB 18,664,650 (including VAT). No payments have been made under this contract.

There are no deferred or overdue payments for services rendered by the Auditor.

1.3. Information on the Issuer's Appraiser(s)

No Appraiser(s) was (were) commissioned.

1.4. Information on the Issuer's Consultants

No financial consultants were engaged to sign the securities prospectus or the Issuer's quarterly report during the 12 months prior to the ending date of the reporting quarter.

1.5. Information on the Persons Who Signed the Quarterly Report

Full name: ***Nikolay Grigoryevich Shulginov***

Year of birth: ***1951***

Primary place of employment:

Organization: ***RusHydro***

Title: ***Chairman of the Management Board – General Director***

Full name: ***Kirill Vladimirovich Permyakov***

Year of birth: ***1977***

Primary place of employment:

Organization: ***RusHydro***

Title: ***Deputy Director of the Accounting and Tax Department – Deputy Chief Accountant¹***

¹ In accordance with the Regulation on the Department of Corporate Accounting and Reporting of RusHydro, he temporarily performs the duties of the Director of the Department of Corporate Accounting and Reporting and Chief Accountant of RusHydro Yu. G. Medvedeva because of her absence on leave.

II. Key Information on the Financial and Economic Performance of the Issuer

2.1. The Issuer's Financial and Economic Performance Indicators

The trend of indicators characterizing the Issuer's financial and economic activities.

The standard (rule) in accordance with which the accounting (financial) statements on the basis of which indicators are calculated are prepared: *RAS*

Unit of measurement for calculating the labor productivity indicator: *RUB thousand/person*

Indicator description	2017, six months	2018, six months
Operational efficiency	10,886	15,576
Debt-to-equity ratio	0.23	0.20
Long-term debt/capitalization ratio	0.11	0.12
Debt coverage ratio	0.62	-0.07
Overdue debt rate, %	0.27	0.09

All indicators are calculated on the basis of recommended calculation procedures.

Analysis of the Issuer's financial and economic activity on the basis of economic analysis of change in the given indicators:

The significant increase in the Labor Productivity indicator in 2018 (six months) compared to 2017 (six months) is due to the inclusion in revenue of the markup to the price for capacity of the Far Eastern Federal District (FEFD) in accordance with Federal Law No. 508-FZ dated December 26, 2016, and Regulation of the Government of the Russian Federation No. 895 dated July 28, 2017, and to a 4.9% increase in generation and a 0.6% reduction in staff size (business process optimization).

Debt-to-equity ratio characterizes the correlation between external and internal sources of financing. The decrease in the indicator in 2018 (six months) against 2017 (six months) results from an increase in the authorized capital in Q3 2017 and the reclassification of loans by their maturity.

The increase in the long-term debt/capitalization ratio in 2018 (six months) against 2017 (six months) is due to an increase in the volume of long-term borrowed funds.

The debt coverage ratio shows the extent of current liabilities that can be covered by funds that are available or expected in the nearest future. The negative value of the indicator for 2018 (six months) is explained by the excess of cash funds over short-term liabilities. The decline of this indicator for 2018 (six months) to -0.07 against 0.62 for 2017 (six months) is due to the absence of debt on the additional issue of RusHydro shares in the amount of RUB 40 billion in short-term liabilities (changes to the authorized capital were registered in Q3 2017).

In general, the analysis of creditworthiness indicators makes it possible to confirm that the Issuer's financial status in the period reviewed was stable.

2.2. The Issuer's Market Capitalization

Market capitalization is calculated as the number of shares of the relevant category (type) multiplied by the market value of one share disclosed by the trading organizer.

Unit of measurement: *RUB*

Issue 1-01-55038-E

Information on the securities trading organizer that provided the data for the calculation of market capitalization as well as any other additional information on the public trading of securities at the Issuer's discretion: *the Issuer's ordinary shares are eligible for on-exchange trading at JSC Moscow Exchange.*

Indicator description	December 31, 2017	30.06.2018
Market capitalization	309,656,194,163.45	290,771,599,723.14

Source of information: *JSC Moscow Exchange bulletin at the close of securities trading*
<https://www.moex.com/a4377>.

2.3. The Issuer's Liabilities

2.3.1. Borrowed Funds and Accounts Payable

For six months of 2018

Structure of borrowings

Unit of measurement: **RUB**

Indicator description	Value
Long-term borrowed funds	94,574,959,700.57
including:	
loans	24,719,390,301.43
loans, except for bond loans	41,643,306,399.14
bond loans	28,212,263,000.00
Short-term borrowed funds	21,216,161,778.02
including:	
loans	920,818,254.06
loans, except for bond loans	4,012,651,136.26
bond loans	16,282,692,387.70
Total overdue debt on borrowed funds	0.00
including:	
on credit	0.00
on loans, except for bond loans	0.00
on bond loans	0.00

Structure of accounts payable

Unit of measurement: **RUB**

Indicator description	Value
Total accounts payable	30,393,240,880.35
including overdue	147,695,885.92
including	
to the budget and state extrabudgetary funds	7,186,334,981.16
including overdue	0.00
to suppliers and contractors	6,433,739,639.12
including overdue	89,847,401.60
to employees of the organization	233,912,123.26
including overdue	0.00
Other	16,539,254,136.81
including overdue	57,848,484.32

If there are any overdue accounts payable, inter alia, on borrowed funds, the reasons for payment default and the consequences that have occurred or may occur in future for the issuer as a result of default on the corresponding obligations, including sanctions imposed on the issuer, and the time period (expected term) of repayment of overdue accounts payable or overdue debt on borrowed funds shall be specified:

The main reasons for the default on the respective obligations are as follows:

- *Commercial disputes of the Issuer related to the breach of contractual schedules for the performance of works, the rendering of services, or the supply of goods by the Company's counterparties*
- *The inability of the Company to discharge its obligations in due time because of the creditors' failure to provide correct payment details*

The consequences that the Issuer has faced or may face in future as a result of a default on the respective obligations, including sanctions imposed on the Issuer: *there have been no financial consequences or sanctions related to accounts payable, and the Issuer does not expect any financial or administrative consequences with respect to the said payables. If an arbitration court passes judgments that oblige the Issuer to pay the corresponding amount of debt (with respect to the debt that is the subject of the Issuer's commercial disputes), the Issuer will repay such debt. Upon receipt of the correct payment details from the counterparties (with respect to the debt that cannot be repaid because of the absence of payment details), such debt will be repaid by the Issuer.*

The term (estimated term) of repayment of overdue payables: *according to the Issuer's duly approved local regulations (acts) on the management of accounts payable, overdue payables, depending on the causes of their occurrence, shall either be repaid by the Company within a quarter following their discovery, or a claim review shall be initiated.*

Creditors accounting for at least 10% of the total accounts payable or at least 10% of the total borrowed (long-term and short-term) funds:

Name: *The Russian Federation represented by the Federal Agency for State Property Management.*

Location: *9 Nikolskiy Pereulok, Moscow 109012*

INN: *7710723134*

OGRN: *1087746829994*

Amount of debt: *RUB 6,798,296,797.88²*

Amount and conditions of the overdue debt (interest rate, penalties, late payment charges): *none.*

The creditor is an affiliate of the Issuer: *none.*

Name: *Nonbank Credit Organization National Settlement Depository JSC*

Location: *12 Spartakovskaya St., Moscow 105066*

INN: *7702165310*

OGRN: *1027739132563*

Amount of debt: *RUB 4,156,257,969.31³*

Amount and conditions of the overdue debt (interest rate, penalties, late payment charges): *none.*

The creditor is an affiliate of the Issuer: *none.*

2.3.2. Credit History of the Issuer

Performance by the Issuer of its commitments under the facility agreements and/or loan agreements that were in force within the last completed reporting year and current year, including those concluded due to the issue and sale of bonds, the principal debt under which amounted to 5% or more of the Issuer's balance sheet assets as of the end of the last completed reporting period consisting of 3, 6, 9, or 12 months preceding the conclusion of the relevant agreement, as well as other facility agreements and/or loan agreements that the Issuer deems material for it.

² The amount of debt was determined as of the date the list of persons entitled to receive dividends was drawn up—July 7, 2018.

³ The amount of debt was determined as of the date the list of persons entitled to receive dividends was drawn up—July 7, 2018.

Type and Identifying Characteristics of Liabilities	
1. Bonds of series 01 State registration number and registration date: 4-01-55038-E dated September 23, 2010	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Purchasers of securities of the issue
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 10,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 89.179 million
Credit (loan) period, years	10
Average interest on credit or loan, % per annum	8.75
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 12, 2021*
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	* Maturity of bonds of series 01 is 10 years. An offer to acquire the bonds at their owners' request with a term of five years from the starting date of the offering is possible with respect to said securities. On April 8, 2016, the Issuer decided to set a new interest rate for the eleventh and twelfth coupon periods. On April 22, 2016, acquisition of bonds at the owner's request took place.

Type and Identifying Characteristics of Liabilities	
2. Bonds of series 02 State registration number and registration date: 4-02-55038-E dated September 23, 2010	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Purchasers of securities of the issue
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 5,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 160.76 million
Credit (loan) period, years	10
Average interest on credit or loan, % per annum	8.75
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 12, 2021*
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	* Maturity of bonds of series 02 is 10 years. An offer to acquire the bonds at their owners' request with a term of five years from the starting date of the offering is possible with respect to said securities. On April 8, 2016, the Issuer decided to set a new interest rate for the eleventh and twelfth coupon periods. On April 22, 2016, acquisition of bonds at the owner's request took place.

Type and Identifying Characteristics of Liabilities	
3. Credit, Sberbank of Russia, Credit Agreement No. 5486 dated November 18, 2011	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Sberbank of Russia, Moscow, Russia
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 40,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 20,000 million
Credit (loan) period, years	9
Average interest on credit or loan, % per annum	8.28
Number of interest (coupon) periods	36
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	November 17, 2020
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identifying Characteristics of Liabilities	
4. Credit, Unicredit Bank Austria AG, Credit Agreement dated December 12, 2011	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Unicredit Bank Austria AG, 1010 Wien, Schottengasse 6–8, Austria
Principal debt as of the date the liability arose, rubles/foreign currency	EUR 127,796,550
Principal debt as of the end of the reporting quarter, rubles/foreign currency	EUR 73,277,003.15
Credit (loan) period, years	15
Average interest on credit or loan, % per annum	3.12
Number of interest (coupon) periods	60
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	August 28, 2026
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	Drawdown took place from 2012 to 2017

Type and Identifying Characteristics of Liabilities	
5. Bonds of series 07 State registration number and registration date: 4-07-55038-E dated December 27, 2012	
Terms and conditions of liability and information on its performance	

Name and location or full name of the creditor (lender)	Purchasers of securities of the issue
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 10,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 1,897.051 million
Credit (loan) period, years	10
Average interest on credit or loan, % per annum	4.30
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	February 2, 2023*
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	* Maturity of bonds of series 07 is 10 years. A tender offer for a period of five years is possible with respect to the securities. On January 31, 2018, the issuer decided to set a new interest rate for the eleventh–twentieth coupon periods. On February 13, 2018, bonds were acquired upon the demand of their holders.

Type and Identifying Characteristics of Liabilities	
6. Bonds of series 08 State registration number and registration date: 4-08-55038-E dated December 27, 2012	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Purchasers of securities of the issue
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 10,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 298.586 million
Credit (loan) period, years	10
Average interest on credit or loan, % per annum	4.30
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	February 2, 2023*
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	* Maturity of bonds of series 08 is 10 years. A tender offer for a period of five years is possible with respect to the securities. On January 31, 2018, the issuer decided to set a new interest rate for the eleventh–twentieth coupon periods. On February 13, 2018, bonds were acquired upon the demand of their holders.

Type and Identifying Characteristics of Liabilities	
7. Bonds of series 09 State registration number and registration date: 4-09-55038-E dated December 27, 2012	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Purchasers of securities of the issue
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 10,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 766.687 million

Credit (loan) period, years	10
Average interest on credit or loan, % per annum	10.125
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 15, 2025
Actual credit (loan) payment period (date)	Existing*
Other information on liabilities specified at the Issuer's discretion	* Maturity of bonds of series 09 is 10 years. Tender offer for a period of 2.5 years is possible with respect to the securities. On October 16, 2017, the issuer decided to set a new interest rate for the sixth–sixteenth coupon periods. On October 27, 2017, acquisition of bonds presented by their holders for early repayment was held under a tender offer.

Type and Identifying Characteristics of Liabilities	
8. Credit, Sberbank of Russia, Credit Agreement No. 5685 dated December 4, 2013	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Sberbank of Russia, Moscow, Russia
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 10,612.754 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	—
Credit (loan) period, years	5
Average interest on credit or loan, % per annum	7.99
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 12, 2018
Actual credit (loan) payment period (date)	March 23, 2018
Other information on liabilities specified at the Issuer's discretion	None

Type and Identifying Characteristics of Liabilities	
9. Credit, Crédit Agricole Corporate and Investment Bank Deutschland/ING BANK, a Branch of ING-DiBa AG, Credit Agreement dated March 4, 2014	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Crédit Agricole Corporate and Investment Bank, France, Taunusanlage 14, 60325 Frankfurt am Main, Federal Republic of Germany/ING BANK, a Branch of ING-DiBa AG, Hamburger Allee 1, 60486 Frankfurt am Main, Federal Republic of Germany
Principal debt as of the date the liability arose, rubles/foreign currency	EUR 190,284,359
Principal debt as of the end of the reporting quarter, rubles/foreign currency	—

Credit (loan) period, years	15
Average interest on credit or loan, % per annum	0.73
Number of interest (coupon) periods	30
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	July 4, 2029
Actual credit (loan) payment period (date)	June 6, 2017
Other information on liabilities specified at the Issuer's discretion	None

Type and Identifying Characteristics of Liabilities	
10. Credit, Sberbank of Russia, Credit Agreement No. 5724 dated April 8, 2014	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Sberbank of Russia, Moscow, Russia
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 2,776.364 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	—
Credit (loan) period, years	8
Average interest on credit or loan, % per annum	14.31
Number of interest (coupon) periods	32
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 7, 2022
Actual credit (loan) payment period (date)	May 10, 2017
Other information on liabilities specified at the Issuer's discretion	None

Type and Identifying Characteristics of Liabilities	
11. Bonds of series BO-P01 State registration number and registration date: 4B02-01-55038-E-001P dated July 3, 2015	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Purchasers of securities of the issue
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 5,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 5,000 million
Credit (loan) period, years	3
Average interest on credit or loan, % per annum	11.85
Number of interest (coupon) periods	6
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None

Scheduled credit (loan) payment period (date)	July 4, 2018
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identifying Characteristics of Liabilities	
12. Bonds of series BO-P02 State registration number and registration date: 4B02-02-55038-E-001P dated July 3, 2015	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Purchasers of securities of the issue
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 5,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 5,000 million
Credit (loan) period, years	3
Average interest on credit or loan, % per annum	11.85
Number of interest (coupon) periods	6
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	July 4, 2018
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identifying Characteristics of Liabilities	
13. Bonds of series BO-P03 State registration number and registration date: 4B02-03-55038-E-001P dated July 3, 2015	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Purchasers of securities of the issue
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 5,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 5,000 million
Credit (loan) period, years	3
Average interest on credit or loan, % per annum	11.85
Number of interest (coupon) periods	6
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	July 4, 2018
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identifying Characteristics of Liabilities	
14. Bonds of series BO-P04 State registration number and registration date: 4B02-04-55038-E-001P dated April 1, 2016	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Purchasers of securities of the issue

Principal debt as of the date the liability arose, rubles/foreign currency	RUB 15,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 15,000 million
Credit (loan) period, years	3
Average interest on credit or loan, % per annum	10.35
Number of interest (coupon) periods	6
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 4, 2019
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identifying Characteristics of Liabilities	
15. Bonds of series BO-P05 State registration number and registration date: 4B02-05-55038-E-001P dated June 9, 2017	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Purchasers of securities of the issue
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 10,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 10,000 million
Credit (loan) period, years	3
Average interest on credit or loan, % per annum	8.2
Number of interest (coupon) periods	6
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	June 12, 2020
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identifying Characteristics of Liabilities	
16. Loan, RusHydro Capital Markets DAC, Loan Agreement dated September 26, 2017	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	RusHydro Capital Markets DAC 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1 Ireland
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 20,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 20,000 million
Credit (loan) period, years	5
Average interest on credit or loan, % per annum	8.125
Number of interest (coupon) periods	10
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	September 28, 2022

Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identifying Characteristics of Liabilities	
17. Loan, RusHydro Capital Markets DAC, Loan Agreement dated February 13, 2018	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	RusHydro Capital Markets DAC 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1 Ireland
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 20,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 20,000 million
Credit (loan) period, years	3
Average interest on credit or loan, % per annum	7.4
Number of interest (coupon) periods	6
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	February 15, 2021
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identifying Characteristics of Liabilities	
18. Loan, Joint-Stock Company Far East and Baikal Region Development Fund, Financing (Special-Purpose Loan) Agreement No. 1010-252-14-2018 dated April 4, 2018	
Terms and conditions of liability and information on its performance	
Name and location or full name of the creditor (lender)	Joint-Stock Company Far East and Baikal Region Development Fund, 10 Presnenskaya Naberezhnaya, Moscow 123112, Russia
Principal debt as of the date the liability arose, rubles/foreign currency	RUB 5,000 million
Principal debt as of the end of the reporting quarter, rubles/foreign currency	RUB 1,643.31 million
Credit (loan) period, years	8
Average interest on credit or loan, % per annum	5.0
Number of interest (coupon) periods	32
Delays in payment of interest on credit (loan) or total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	June 25, 2026
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

2.3.3. Liabilities of the Issuer under Security It Has Provided

Unit of measurement: **RUB**

Indicator description	as of June 30, 2018
Total amount of security provided by the Issuer (amount of outstanding commitments for which the Issuer provided security if in accordance with conditions of the security provided performance of the relevant commitments is secured in full)	56,673,128,859.53
Amount of security provided by the Issuer for liabilities of third parties	56,673,128,859.53
Amount of security provided by the issuer in the form of a pledge	25,642,903,370.59
Including for third-party obligations	25,642,903,370.59
Amount of security provided by the issuer in the form of sureties	31,030,225,488.94
Including for third-party obligations	31,030,225,488.94

Information on each case of providing security in an amount equal to or exceeding 5% of the balance sheet value of the Issuer's assets as of the end of the relevant reporting period: **there are no such liabilities as at the reporting date.**

Issuer's exposure to risk associated with nonperformance or improper performance of secured liabilities by third parties shall be evaluated as negligible.

2.3.4. Other Liabilities of the Issuer

Other liabilities (including any agreements of the Issuer, including forward transactions) not recognized in the accounting (financial) statements that could materially affect the Issuer's financial status, liquidity, sources of financing, terms and conditions of use thereof, performance results, or expenses: **none.**

2.4. Risks Inherent to the Acquisition of the Equity Securities Being Placed (Placed)

The Issuer's risk management policy:

Detailed analysis of risk factors related to the acquisition of the equity securities being offered, in particular:

- Industry risks
- Country and regional risks
- Financial risks
- Legal risks
- Risk of loss of reputation (reputational risk)
- Strategic risk
- Risks related to the Issuer's activities.

Emerging wholesale and retail markets for electricity and power have a higher risk level than developed markets of other products and services and include significant legal, economic, and—due to their high social significance for the country—political risks. The dynamic development of these markets allows us to suppose with a high degree of certainty that the information contained herein may become outdated rather quickly. The current information uncertainty due to the dynamic change of factors may influence the Issuer's future activity, the possibility of the sale of its assets, and compliance with the terms of payment on its liabilities. Investors should take this uncertainty into account when assessing their own risks and making a decision on the expediency of investments. In addition, some risks that are not material at the moment may become material in future.

To optimize risks, the Issuer continually works to detect, assess, monitor them, develop and apply risk response measures, and manage business continuity and aspires to comply with international and national risk management standards and best practices (National State Standard R ISO 31000-2010, ISO 31000-2018, COSO ERM 2004, COSO ERM 2017, the Corporate Governance Code of the Central Bank of the Russian Federation, the guidelines of the Federal Agency for State Property Management and the Ministry of Finance in the field of risk management and internal control, etc.).

External assessment of the effectiveness of the corporate system of internal control and risk management is conducted regularly in the course of the audit of the implementation of RusHydro Group's Long-Term Development Program, external auditing of financial statements, surveying of RusHydro Group

facilities, obligatory due diligence within the framework of the assessment of merger and acquisition transaction risks, and comprehensive assessments of the effectiveness of the internal control and risk management system of the Company by independent invited experts.

The quality of the Issuer's risk management system is regularly confirmed by the independent jury of international competitions. In particular, the Issuer was previously pronounced the winner in such categories as Best Comprehensive Risk Management Program and Best Risk Manager of Russia by the Russian Risk Management Society RusRisk, a Russian national association of risk managers that is a member of the Federation of European Risk Management Associations (FERMA). In June 2015, at the 13th international professional forum Risk Management in Russia and the CIS, RusHydro's risk management program won the annual competition Best Risk Management 2015 in the category Production Organizations. In November 2015, the Company participated in the KPMG study "Risk Management Practices in Russia: Strengths and Areas for Development." The results of the study are presented at <https://assets.kpmg.com/content/dam/kpmg/pdf/2015/11/S.CG.10r.pdf>. As this study demonstrated, many of the best practices of corporate risk management applied at major Russian companies are used at RusHydro (the integration of risk management into the company's development strategy, collection and accumulation of statistical data, interaction between departments, involvement and active participation of key stakeholders, and improved quality of information on key risks).

By the Decision of the Management Board of the Company dated November 28, 2014 (Minutes No. 884pr), the Development Program for the Corporate Internal Control and Risk Management System of RusHydro Group was approved.

The Issuer's risk management activities are associated with the need to reconstruct operating generating facilities and construct new ones, including:

- Improving the reliability, safety, and cost-effectiveness of equipment by means of full renovation of worn-out main or auxiliary equipment
- Increasing the technical and economic characteristics of HPPs for operating on a competitive electric power market, reducing repair costs, and increasing operational efficiency by implementing programs to reduce production costs and increase cost-effectiveness
- Implementing a balanced financial policy
- Continuous analysis of the electricity market environment
- Creation of a competitive environment in the procurement of works and services

The Issuer's risk management policy:

The Issuer's risk management policy involves the timely recognition and prevention of potential risks to minimize losses. In October 2015, the Audit Committee of the Board of Directors of RusHydro approved a new version of the Internal Control and Risk Management Policy of RusHydro that was approved by the Board of Directors of RusHydro on November 13, 2015 (Minutes No. 227 dated November 16, 2015). The Issuer's activities for managing specific risks are indicated in clauses 2.4.1–2.4.7 hereof.

2.4.1. Industry Risks

The influence of a possible deterioration of the situation in the Issuer's industry on its activities and performance of liabilities under securities. The most significant possible changes in the industry (separately in the domestic and foreign markets) according to the Issuer shall be given, as shall the prospective actions of the Issuer in this case.

Foreign markets:

The Issuer is exposed to comparatively moderate external industry risks. According to the international rating agency Moody's, the annual default frequency in the electricity sector in 2017 was 5.4%, and it has not exceeded 8% over the last ten years (see Moody's Investors Service, Special comment: Annual Default Study: Corporate Default and Recovery Rates, 1920–2017).

In 2017, RusHydro took 91st place (compared to 127th in 2016) in the ranking of the 250 leading energy companies of the world according to Platts (2017 Platts Top 250 Global Energy Company Rankings).

In composing the ranking, the financial performance of public enterprises of the energy sector with total assets of more than USD 5 billion is used. The assessment is based on the following financial metrics: value of assets, earnings, profit, and return on invested capital for the last financial year.

Domestic markets:

The Issuer is exposed to industry risks mainly due to possible changes in the electric power industry.

On the one hand, a decrease in the uncertainty of the Issuer's operation on the wholesale power market associated with the 2015 transition to a long-term capacity auction model required by the Rules of the Wholesale Electricity and Power Market (Approved by Regulation of the Government of the Russian

Federation No. 1172 dated December 27, 2010) is to be noted. As a result of the capacity auction held in 2015–2016, the price of power for the period through 2020 (inclusive) was defined. The increased predictability of prices for future periods reduces the level of industry risk.

Within the framework of continuous reforms of the electricity industry, the norms regulating the Russian capacity market, including the norms applied to market liberalization, specification of electricity tariffs, the functioning of the capacity market, and relationships between power manufacturers and offtakers, are subject to continuous material changes. Since the official beginning of the reform in July 2001, the implementation term of the reform's stages and the scope of these stages have changed several times.

As part of risk management operations, the Issuer undertakes the necessary measures to create a legal framework for the electricity and power market that is favorable to the Issuer. To attain this goal, the Issuer is involved as an expert in the process of drafting legal acts in the field of electricity at the sites of governmental authorities, including the Ministry of Energy of the Russian Federation, the Federal Antimonopoly Service, the State Duma of the Federal Assembly of the Russian Federation, the Association NP Market Council, etc.

Along with the existing risks inherent to the Russian electricity and power market, a large number of operational, commercial, engineering, management, regulatory, and other risks may arise that are difficult or impossible to foresee at present and that are beyond the control of the Issuer. Such changes and the associated uncertainty may have an adverse material effect on the Issuer's business activity, its income, and the results of its operations.

The Issuer is exposed to the risk of increased competition on the retail market due to the increased activity of power supply companies aspiring to render services to large offtakers. To manage that risk, the Issuer is focused on work with its customer base. Measures for eliminating risk connected with the loss of offtakers include:

- Building individual relationships with large offtakers*
- Promotion of the Company on key offtaker markets*
- Transition to new relationships with customers: improving the quality of service, consideration of the needs and expectations of offtakers, and strict observance of commitments*
- The Issuer's retail companies retaining the status of a guaranteeing supplier for concentration of the customer base and reduction of costs per energy unit*

According to the Issuer's assessment, a deterioration in the situation in the industry may be associated with the following risk groups:

1. Operational (production) risks related to wear and tear, violation of operating conditions, and critical changes in the operating parameters of equipment. Materialization of such risks may result in equipment breakdown (emergencies) and destruction of facilities. Systemic emergencies may result in division of the power system, rolling blackouts of offtakers, and operation of the main equipment under critical conditions.

Hydroelectric power plants are essential for ensuring the required quality of power supply, covering uneven sections of daily load curves and acting as a short-term operative and emergency power reserve.

The unsatisfactory condition of equipment due to wear and tear is one of the main causes of operational risks, the most important of which are:

- A decrease in the operational and economic indicators of the HPP*
- The risk of breakdowns resulting in underproduction of electric power and grave environmental and social effects*
- Operation of technical equipment at hazardous production facilities (operation of pressurized lifting devices and equipment) of the branches of RusHydro beyond the normative term, which significantly increases the risk of breakdowns and accidents occurring at the hazardous production facilities*
- Risk of personnel injury and death*

Moreover, the Issuer's equipment is to a large degree susceptible to natural disasters, technical failures, etc. These factors may lead to a decrease in the reliability of equipment and an increase in the likelihood of failures and the cost of maintenance.

Actions for managing these risks:

Management of the industrial operational risk of RusHydro's branches forms the basis for the Issuer's decision making on feasibility matters when planning programs for technical work on equipment (as part of prospective technical reconstruction and modernization, repair, and maintenance programs).

To manage the risks related to production assets' reliability more effectively, RusHydro actively implements various methods of risk management, including implementation of technical policy requirements.

The probability of equipment failure is assessed as average for the industry. All the Issuer's main production facilities are insured. In addition, a set of measures is being implemented to maintain the reliability of the equipment and facilities at an adequate level, namely:

- *Planned repair works are being carried out in full.*
- *The Technical Policy approved by a decision of the Board of Directors (Minutes No. 133 dated September 5, 2011) and based on the principle of achieving the Issuer's strategic aims, integrated management of the Issuer's engineering system, and the transparency and economic feasibility of adopted engineering decisions is applied in the Company. In 2011, the Board of Directors approved the Program of Complex Modernization ("PCM") for Generating Facilities for 2012–2025. Its aim is to maintain the long-term reliability and safety of the generating facilities of RusHydro. In 2017, capacity gain due to the implementation of the PCM was 42.5 MW. In 2017, RusHydro upgraded ten hydraulic facilities with a total capacity of 956 MW at six HPPs. Modernization of equipment is accompanied by improvement of operational and environmental performance. As a result of the aforesaid measures, the electricity generation of the power plants of RusHydro Group increased in 2017 (by 1.7% against 2016) to 126.96 billion kW•h (net of PJSC Boguchanskaya HPP (a joint venture of RusHydro and RUSAL)). The new turbines and generators, designed and manufactured in accordance with the current level of power engineering, have higher efficiency, a longer run, require lower repair costs, and are more reliable and secure.*
- *Modern methods of diagnostics without equipment shutdown are being implemented.*
- *The structure and volumes of spare parts are being optimized.*
- *Competitive selection of service and supply organizations is carried out to improve the quality of services and materials provided, increase contractors' responsibility, and reduce the cost per unit.*

Risk management in the area of compliance with industrial safety requirements in the overall structure of the management of production risk of RusHydro branches is ensured on the basis of an effective system of in-process monitoring of compliance with industrial safety requirements at hazardous production facilities in the branches of RusHydro developed on the basis of the industrial safety requirements of federal legislation.

2. Environmental risks that consist in the possibility of oil leakage into bodies of water from the hydroelectric generating set of HPPs and the possibility of exceeding dam (reservoir) benchmarks in the upstream and downstream pools

Fines for possible oil leakages will not affect the creditworthiness of the Issuer, so this risk may be considered to be insignificant. Furthermore, during the implementation of actions called for by the prospective technical reconstruction and modernization program, the Issuer is replacing the elements and nodes of hydraulic turbines with modern ones whose design ensures the high environmental performance of the production process. An example of this is the modernization of hydraulic turbines at the Zhigulevskaya and Miatlinskaya HPPs in 2017–2018. The modernization of the equipment prevents even the hypothetical possibility of oil entering the water.

The rising of the storage reservoir water level in the upper or lower benchmarks could result in the flooding of riparian zones where production/residential facilities and natural complexes are located.

Actions for managing these risks:

Regulation of the reservoir level is carried out in strict compliance with the schedule issued by the Interdepartment Operation Group. To prevent minor flooding, protective dikes and installations are used. It is the owners' responsibility to maintain them in proper condition and fortify deteriorating sections of dikes in a timely manner. The Issuer shall, for its part, inform water consumers in a timely manner, on the basis of meteorological forecasts for the flood period, of possible river levels to allow them to adopt the necessary protection measures.

To further improve the environmental protection management process that RusHydro implements based on experience gained at various RusHydro Group facilities through implementation of the provisions of international standard ISO 14001, the Environmental policy of RusHydro was updated in April 2016.

Due to the integration of JSC RusHydro and JSC RAO Energy Systems of the East, RusHydro Group's production operations have changed, which in turn has led to the development of a new version of the Environmental Policy that takes into account not only modern challenges and trends in the field of environmental protection but also the specifics of the Company's hydropower and heat assets. In October 2017, public hearings of the new version of the RusHydro Group Environmental Policy took place. The hearings were attended by delegates from the environmental community, expert and scientific organizations, and the business community, including WWF-Russia, RUIE, UC RUSAL, JSC EuroSibEnergo, PJSC Rosseti, Lomonosov Moscow State University, and others. Participants in the public hearings highly appreciated the open nature of the conduct of public dialog by the Company and the involvement of stakeholders in the processes of discussing significant strategic documents in the field of environmental protection and ecology.

The introduction of the new version of the policy will allow the Issuer to increase the level of environmental safety of existing generation facilities and those being created by minimizing the negative impact on the environment and ensuring the preservation of a favorable environment for present and future generations.

Environmental audits of Company branches are performed on a regular basis. Recommendations issued as a result of environmental audits are implemented in accordance with the Nonconformity Elimination Action Plan.

In October 2017, RusHydro was the winner of the Third All-Russian MediaTEK competition in the category "Social and Environmental Initiative."

RusHydro has won the MediaTEK competition for three years in a row. In past years, the Information Coverage Project of All-Russian Competitions of Operation Personnel of Hydroelectric Power Stations, the Bureya Compromise, and charitable ecological projects were honored.

RusHydro is among the top five leaders of the rating "Environmental Initiatives of Russian Companies in the Media. Mining and Metallurgy" prepared by the Modern Media Research Institute in collaboration with the TV channel "Living Planet" at the end of H2 2017.

3. Risks related to construction of proprietary power supply facilities by large offtakers

One of the objectives of the reform of the Russian power industry is to create competition within the Russian electric power generation and energy services sectors. Construction of proprietary power supply facilities by large offtakers may result in increased competition and reduction of the Issuer's future power production and sales volumes.

To reduce this risk, the Issuer is working actively with its offtakers to establish mutually advantageous and long-term relations.

Additional actions taken by the Issuer for the mitigation of said risks:

- Increasing operating performance through implementation of a program to reduce operating costs and save money*
- Working to increase the share of long-term contracts for energy services in the total volume of executed contracts*
- Implementation of a balanced financial policy by the Issuer*

4. Risks related to the uncertainty of power generation ("water content" risk) and the demand forecast

The risk of power generation uncertainty for the Issuer consists in the impossibility of precisely forecasting the volumes of power that will be generated in the mid-term and long-term. This risk mainly affects the Issuer's fulfillment of its commitments for electricity supply on the wholesale electricity and power market. The Issuer may face the inability to supply the electricity required by contracts and, as a consequence, may have to buy additional volumes at higher prices on the wholesale market.

The Issuer may also face the risk of annual, seasonal, and daily fluctuations of energy demand owing to weather conditions and other factors. Demand for electricity is usually higher from October to March because of longer nights and colder weather, and when considering a 24-hour period demand is higher during working hours. Taking into account the flexibility of HPP production capacity, this leads to maximum involvement of the Issuer's production capacity in adjustment during the periods indicated. In connection with this, the Issuer may face the risk of economically inefficient capacity utilization during periods of high demand for electricity and the inability to compensate for lost revenue over a period of decreased demand for electricity due to the limited amount of drawdown of reservoirs.

The Issuer's actions for managing these risks:

This risk is mitigated as part of the production and sales activities of RusHydro through the following:

- Protection of the HPP's interests at the Interdepartment Operation Groups of the Federal Water Resources Agency*
- Execution of hedging bilateral agreements on the day-ahead market (including for the purchase of electric power to secure liabilities)*

In light of the foregoing, the Issuer believes that a possible decline in the Issuer's industry, adverse changes in the operation and production process, and construction of proprietary power supply facilities by large offtakers may affect the Issuer but should not substantially affect the fulfillment of its commitments under its securities.

5. Risks related to possible changes in prices for raw materials and services used by the Issuer (separately on domestic and foreign markets) and their influence on the Issuer's activities and fulfillment of commitments under securities

Foreign markets:

The risks inherent in the volatility of global prices for raw materials and services used by the Issuer in its activity have no impact on the Issuer's activity, as the share of import deliveries is insignificant for the Issuer.

Domestic markets:

Since the main raw material for the Issuer in the production of electricity is water resources, and an excess of the water tax rate over the price of electricity is not foreseen, the risks associated with a possible change in the prices of raw materials are insignificant.

6. Risks related to a rise in prices for equipment and other material and technical resources used by the Issuer in its activity

Foreign markets:

Risks related to the volatility of global prices for equipment and other material and technical resources used by the Issuer in its activity have no impact on the Issuer's activity, as the share of imports in equipment cost is insignificant.

Domestic markets:

These risks are principally due to inflationary processes in the national economy and may be minimized by the following measures:

- *Improvement of operational efficiency through the implementation of programs for reducing production costs (creation of competition in the works and services procurement sector, conclusion of fixed-price contracts, optimization of costs for repair and maintenance, capital construction, etc.)*
- *Implementation of a balanced financial policy as regards compliance with repayment discipline to mitigate insolvency risks and maintenance of the financial stability of the Issuer and compliance with standards of business planning*

This risk should not materially influence the performance of the Issuer's liabilities under securities.

7. Risks related to possible changes in prices for the Issuer's products and/or services (separately on the domestic and foreign markets), their influence on the Issuer's activities, and the fulfillment of liabilities under securities

Foreign markets:

The Issuer does not export electricity to foreign markets; consequently, there are no risks related to possible changes in prices for products and/or services on foreign markets.

Domestic markets:

The most significant risks for the Issuer are those related to a possible decrease in sales prices for electricity and power on the wholesale market. Materialization of these risks leads to a decrease in revenue for the Issuer.

At present, the abovementioned risk is assessed as insignificant.

8. The influence of a possible deterioration of the situation in the Issuer's industry on its activities and performance of commitments under securities

Foreign markets:

The Issuer does not export electricity to the foreign market; therefore, no risks associated with a possible deterioration of the situation in the global power industry that do not affect the Russian market exist for the Issuer.

Domestic markets:

The Issuer is the largest hydropower company in Russia. The Issuer believes that a possible decline in the Issuer's industry, adverse changes in the operation and production process, and construction of proprietary power supply facilities by large offtakers may affect the Issuer, but should not substantially affect the fulfillment of its commitments under securities.

2.4.2. Country and Regional Risks

Risks related to the political and economic situation in the country(s) and the region where the Issuer is registered as a taxpayer and/or performs its primary activity, provided that the primary activity of the Issuer in such country (region) brings in 10% or more of income for the last complete reporting period

Country risks

The economy of the Russian Federation is not protected against market recessions or slowdowns in global economic development. A decrease in the volume of foreign investments in the Russian economy and the vulnerability of the Russian economy to changes in international prices for energy carriers may lead to material restrictions on the Company's access to capital and adversely affect the purchasing ability of the Company's offtakers.

Furthermore, due to the global financial market crisis and a slump in industrial production, there is a risk of a drop in demand for power, which may lead to a reduction in sales volumes and in the Issuer's revenue, as well as a risk of the growth of accounts receivable due to nonpayment by power off-takers.

Exposure to country risk may be indirectly assessed by credit rating, with some assumptions (notwithstanding political risks for business).

The long-term rating of Russia with regard to liabilities in foreign currency as of the end of Q2 2018 is at the level of BBB- (Standard & Poor's), Ba1 (Moody's), and BBB- (Fitch). The last change in the credit rating of the Russian Federation took place in February 2018 when the international rating agency Standard & Poor's increased the sovereign credit rating of the Russian Federation from junk (BB+) to investment (BBB-) level.

In the opinion of analysts, the Russian economy has adjusted to new conditions. A downgrade of ratings may occur if geopolitical developments lead to a tightening of sanctions by foreign states against the Russian Federation.

Political risks

Due to the tightening of control on the part of the power industry regulatory agencies, the Issuer is taking necessary steps to avoid the detrimental effect of the abovementioned risks on its activity. In particular, key attention is being paid to ensuring the transparency and reliability of procedures for controlling the expenditure of budgetary funds during the implementation of the Issuer's investment program, as well as implementing the risk management measures described in this section.

Regional risks

The Issuer is registered as a taxpayer in the Krasnoyarsk Krai; however, its production assets are located, and its activities are carried out in a number of regions of the Russian Federation. There are specific risks associated with two of these: risks associated with possible terrorist activity are relevant for the North Caucasus, and the Far East region is characterized by seismic activity and difficulties with the accessibility of a number of territories. Measures are being taken with regard to these risks; these measures are described in later sections. Overall, the risk is assessed as insignificant.

The planned actions of the Issuer in the event of the adverse effect of changes in the situation in the country (countries) and the region (regions) on its activities

In the event of a significant restriction of the Issuer's access to capital, the Issuer intends to carry out all actions aimed at reducing the impact of such events on its activities by optimizing the use of leverage.

To diversify the country risk, cooperation with European, Asian, and Latin American affiliates is developing in accordance with previously-signed intercompany agreements.

It is also worth noting the growing volume of interaction of the Russian Federation with affiliates in the SCO and BRICS, the establishment of new financial institutions, and the inflow of capital of the given affiliates into the country, which reduce country risk.

To ensure maximum transparency of expenditure of budgetary funds allocated by the state for the development of the power industry of the Far East, RusHydro has formed a conduit to the Ministry of Economic Development, the Ministry of Energy, and the Accounts Chamber of the Russian Federation to continuously assess and analyze the progress of the project, check the effectiveness of capital investments, and monitor targeted use of funds. Transparency of the use of funds is ensured by Sberbank through a system of separate bank accounts opened for each participant of construction. Independent pricing and technological audit of the design and estimate documentation for each facility are carried out by engineering companies selected by Sberbank on a competitive basis. More information on the parameters of the target budget spending control system can be found in the special "Development of the Power Industry of the Far East" section of RusHydro's website at the following link: http://www.rushydro.ru/activity/razvitie_energetiki_dalnego_vostoka/.

In May 2018, during the Saint Petersburg International Economic Forum, RusHydro and VTB Bank (PJSC) signed a cooperation development agreement aimed at extending the application of banking control instruments for RusHydro investment projects. VTB Bank (PJSC) will assist RusHydro in developing and expanding the applicable instruments for organizing the monitoring and control of cash flows of the participants of investment projects implemented by RusHydro Group and will participate in the development of a system for information exchange with Federal Treasury bodies with regard to projects co-financed from the federal budget. In particular, the first stage of construction of two high-voltage power lines 110 kV Pevek-Bilibino will become one of the first projects in which the enhanced monitoring and control instruments will be used. Construction financing is to be provided from budget sources and from the company's own funds.

Changes in the situation in the country and regions of the Issuer's activities, the nature and frequency of such changes, and risks inherent thereto are difficult to predict, as is their effect on the future activities of the Issuer. Most of these risks are beyond the control of the Issuer due to their global scale. In the case of the

destabilization of the situation in the Russian Federation or the regions that could adversely affect the Issuer's activities, the Issuer's management will undertake a set of measures for crisis management to mitigate the adverse effect of the situation on the Company to the greatest possible extent.

Risks related to possible military conflicts, declaration of a state of emergency, or strikes in the country (countries) and region where the Issuer is a tax resident and/or carries out its principal activities

In the case of possible military conflicts, as well as the threat of terrorist attacks on the Issuer's facilities (including under the conditions of an aggravated international situation), there are risks of danger to the lives of personnel and breakdown of capital assets. The Issuer's region of registration and most regions of the Issuer's activities are characterized by a peaceful political situation. The probability of military conflicts and the declaration of a state of emergency or strikes in these regions is minimal, except for constituent entities of the Russian Federation located on the border with Ukraine and in the North Caucasian Federal District. In connection with the possible escalation of the Georgian-Ossetian conflict, the said risk may arise in a region of the Issuer's activities, the Republic of North Ossetia-Alania.

As a result of sabotage at the Baksanskaya HPP (July 21, 2010) and detection of an explosive device at the Irganayskaya HPP (September 7, 2010), the Issuer carried out a comprehensive reassessment of safety systems at each facility. Based on the results, a comprehensive plan for enhancing the protection of the Issuer's facilities has been implemented, as a part of which changes in the security program at the Issuer's plants, including those under construction, have been introduced.

In the case of materialization of this risk, the Issuer will take measures to mitigate the consequences thereof, including:

- *Evacuation of personnel and construction machinery located in close proximity*
- *Enhancement of the security of the Issuer's facilities by engaging additional resources, including units of the National Guard of the Russian Federation, in order to prevent risks*

Risks related to geographic features of the country(s) and region where the Issuer is registered as a tax resident and/or carries out its principal activities, including heightened danger of natural disasters, possible cessation of transportation due to remoteness and/or inaccessibility, etc.

Generally, the regions of the Issuer's activity are characterized by a well-developed transport infrastructure and are not exposed to risks connected with interruption of transportation. However, some generating assets of the Issuer are located in remote areas with a severe, harsh climate, including in Krasnoyarsk Krai and some areas of the Far Eastern Federal District. The Issuer is constantly working to improve technologies for access to and work in the severe climatic conditions of these areas. However, there is no guarantee that the Issuer will not incur additional expenses in overcoming technical difficulties associated with the climate and accessibility of these areas, which may exert a negative influence on the Issuer's business, income, financial standing, performance, and prospects. For the foreseeable future, these risks are assessed by the Issuer as insignificant.

Risks related to geographic features of regions also include risk of losses (for instance, those caused by the breakdown of capital assets) in connection with seismic activity, avalanches, and mudslides, possible landslides and rain-caused floods, and other adverse weather conditions (tornadoes, heavy snowfalls and frost, etc.). The majority of the Company's facilities are located in seismically quiet regions; however, such facilities as the Pauzhetskaya GeoPC and the Verkhne-Mutnovskaya GeoPC are located in an earthquake zone with potential magnitude of up to 9 on the Richter Scale. An emergency action plan in the event of earthquakes has been developed, with continuous monitoring of the situation. Transport issues are being elaborated in advance with a focus on the aforesaid risk, and the cargo and personnel delivery scheme is being optimized.

2.4.3. Financial Risks

Exposure of the Issuer to risks related to change in interest rates and foreign currency exchange rates due to the activity of the Issuer or due to hedging performed by the Issuer with a view to reducing the adverse effects of the above risks

Exposure of the Issuer's financial standing, its liquidity, sources of financing, performance, etc., to change in the currency exchange rate (exchange risks)

The financial status of the Issuer, its liquidity, sources of financing, and performance results do not depend heavily on foreign exchange differences and interest rate changes.

The Issuer sells power on the domestic market of the Russian Federation. Settlements with suppliers of resources and accrual and receipt of payments from power offtakers are performed mostly in the currency of the Russian Federation (rubles). The influence of the volatility of the exchange rate of the national currency of the Russian Federation on the Issuer's financial status is assessed as insignificant.

The Issuer's liabilities are also primarily denominated in rubles. For this reason, the exposure of the Issuer to the risk of foreign exchange fluctuations is assessed by the Issuer as immaterial.

Expected actions of the Issuer in the event of the negative impact of changes in the currency exchange rate and interest rates on the Issuer's activity

The credit portfolio of RusHydro features loans with a fixed interest rate.

Due to aggravation of the international situation, economic sanctions, and other force majeure events, there is a possibility of increased risks connected with the Issuer's difficulties in gaining access to loan funds of foreign contracting parties, an increase in the value of the Issuer's debt liabilities, and losses due to an increase in the foreign exchange rate and interest rates. Control of these risks consists of decreasing limits for counterparty banks with reduced ratings, stress testing of possible losses due to the growth in the euro exchange rate under the currency and interest risk management methodology approved by the Issuer, and legal support of the contract base.

Influence of inflation on payments under securities.

The inflation rate directly depends on the political and economic situation in the country. Inflation rate dynamics are connected with the general dynamics of change in interest rates.

The adverse effect of inflation on the financial and economic activities of the Issuer may be expressed in the following risks:

- *Risk of loss related to a decrease in the actual value of accounts receivable in the case of significant deferral or delay in payment*
- *Risk of increase in the value of the Issuer's liabilities*
- *Risk of increase in the cost of products, works, and services due to an increase in prices for energy carriers, transport expenses, salaries, etc.*
- *Risk of reduction of the actual value of funds raised for financing the investment program*

Inflation growth may lead to an increase in the Issuer's costs as a consequence of a drop in earnings and in the profitability of the Issuer's activities. Moreover, inflation growth is associated with an increase in the cost of borrowed funds for the Issuer, which is characterized by a risk of shortage of current assets of the Company.

The critical value of inflation, in the opinion of the Issuer, as well as the proposed actions of the Issuer to reduce the abovementioned risk.

Taking into account the level of potential earnings of the Issuer's activity, the critical inflation level under which the Issuer would have difficulties is equal to at least 20% per annum.

According to the data of the Federal Statistics Service of Russia (Rosstat), the annual inflation rate in the Russian Federation (CPI) reached its lowest level since 1991 in 2017: 2.5%, vs. 5.4% in 2016 and 12.9% in 2015. According to the forecast of the socioeconomic development of the Russian Federation for 2018 and the planning period of 2019 and 2020 published by the Russian Ministry of Economic Development, the annual inflation rate is estimated at no higher than 4.3% in 2018 for all forecast variants.

Based on the results of Q2 2018, inflation in Russia amounted to 2.4% year on year.

In the event of an increase in inflation, the Issuer plans to raise current asset turnover by amending contractual relations with its offtakers.

Indices of the Issuer's financial statements most subject to change as a result of the aforesaid financial risks. Risks, the probability of their occurrence, and the nature of changes in statements

Risk	Probability	Indices of financial statements most subject to change as a result of the said financial risks	Nature of changes in statements
Increase in loan rates of banks	Low	Balance sheet (form No. 1): 1) Accounts payable (other creditors) Statement of Financial Performance (form No. 2): 1) Interest payable 2) Net earnings	Decrease in earnings, increase in debt service costs
Exchange risk	Medium	Balance sheet (form No. 1): 1) Accounts receivable 2) Accounts payable 3) Cash Statement of Financial Performance (form	Growth of investment costs, increase in accounts payable, growth of other expenses, increase in

		No. 2): 1) Other income and expenses 2) Net earnings 3) Interest payable	expenditures connected with interest and reduction of net earnings
Inflation risks	Low	Statement of Financial Performance (form No. 2): 1) Other expenses 2) Cost of goods, products, works, and services sold 3) Net earnings	Earnings decrease

2.4.4. Legal Risks

This information was specified in the Quarterly Report for Q1 2018; no changes were made to this information during Q2 2018.

2.4.5. Risk of Loss of Reputation (Reputational Risk)

This information was specified in the Quarterly Report for Q1 2018; no changes were made to this information during Q2 2018.

2.4.6. Strategic Risk

This information was specified in the Quarterly Report for Q1 2018; no changes were made to this information during Q2 2018.

2.4.7. Risks Related to the Issuer's Activities

Description of intrinsic risks exclusive to the Issuer or related to the Issuer's main financial and economic activities

Risks related to current litigations in which the Issuer is involved:

There are no litigations in which involvement may materially affect the financial and economic activities of the Issuer.

Risks of the inability to renew any of the Issuer's licenses for any specific type of activity or to use any resources subject to commercialization restrictions (including natural resources):

The Issuer's activity does not require the receipt of licenses.

The Issuer does not use resources subject to commercialization restrictions (including natural resources) in its activity, does not engage in banking or insurance activities, and is not a securities market professional or an investment fund. The Issuer likewise does not extract commercial minerals and does not render communication services.

After the replacement of licensing of construction activities with obligatory membership in self-regulatory organizations (SROs), the subsidiaries of RusHydro carrying out the construction, reconstruction, and capital repair of objects of capital construction, the preparation of design documentation for objects of capital construction, and engineering surveys of facilities joined ENERGOPROJECT (a self-regulatory organization in the field of project activities), EnergoStroyAlyans (a self-regulatory organization in the field of construction activities), and AIIS (a self-regulatory organization in the field of engineering surveys).

The Issuer fulfills all license requirements in due time and in full, and no difficulties in the extension of the existing licenses by the Issuer are predicted.

These risks are assessed by the Issuer as insignificant.

Risks related to the potential liability of the Issuer for the debts of third parties, including subsidiaries of the Issuer:

The Issuer acted as a surety for the obligations of PJSC Boguchanskaya HPP under loans extended by Vnesheconombank. On February 7, 2018, an Agreement on the termination of the suretyship agreement was signed between RusHydro and Vnesheconombank. Termination of the suretyship of RusHydro was supported by the lending bank in connection with the completion of construction and attainment of the designed capacity of the HPP and the stable positive results of the financial and economic activities of PJSC Boguchanskaya HPP, which demonstrated the ability to service and repay the loan on its own.

Liability for the debts of entities controlled by the Issuer may arise in cases stipulated by the applicable legislation of the Russian Federation—namely, if the Issuer's instructions that are binding for the entities it controls result in losses or the bankruptcy of such entities. The probability of these risks materializing is low.

In connection with the acquisition of shares of JSC RAO Energy Systems of the East by the Issuer in 2011–2013 during the course of issuance, the Issuer has integrated all business processes of the two companies to detect and manage new risks. As a result, a project to create a corporate risk management system for JSC RAO Energy Systems of the East and its controlled entities (the "Holding") in accordance with the requirements of the Issuer's Risk Management Policy was implemented.

Risks related to the possible loss of offtakers accounting for turnover amounting to at least 10% of the total proceeds from sales of the Issuer's products (works, services):

Due to the fact that the Issuer sells practically all produced electricity on the wholesale market, this risk is insignificant.

Risks related to the existence of covenants in loan agreements:

In accordance with the terms and conditions of certain credit agreements, the Issuer is obliged to comply with financial and other restrictions imposed on it and its controlled organizations, limiting the ability of the Issuer and its controlled organizations, among other things, to pledge property or otherwise encumber it; acquire assets or invest; sell (alienate), transfer, or otherwise dispose of its assets or accounts receivable; carry out mergers or acquisitions; or make changes to its business or dividend payment policy. The terms of the loan agreements also require the Issuer to achieve certain financial ratios calculated on a consolidated basis according to RusHydro's financial statements under IFRS. The need to adhere to financial ratios and other restrictions may prevent the Issuer from performing a number of major transactions and executing its business strategies. In addition, such a violation by the Issuer and/or entities controlled by the Issuer of the restrictions specified in existing loan agreements may lead to default on this type of commitment, which in turn may create cross-default risks for other financial liabilities of the Issuer and/or its controlled organizations as regards the emergence for a number of creditors of the right to demand early repayment of debts to them. A consequence thereof may be a significant adverse effect on the business, income, financial standing, and performance of the Issuer and its ability to fulfill its liabilities, as well as to pay dividends.

The Issuer has formalized the process for monitoring compliance with covenants (a relevant local regulation is in force); when management decisions are made, these risks are assessed on an ongoing basis. The Issuer considers the likelihood of the materialization of these risks to be insignificant.

Other risks related to the Issuer's activities.

The Issuer takes active steps on an ongoing basis to prevent and counter corrupt practices and to mitigate corruption risks in the Company.

In June 2013, in pursuance of Order of the President of the Russian Union of Industrialists and Entrepreneurs No. RP-36, the Company was included in the register of members of the Anticorruption Charter of Russian Business (registration No. 11) adopted by the business community in 2012 for the purpose of implementing the National Plan for Countering Corruption (the "Charter").

The Charter was initiated by the Chamber of Commerce and Industry of the Russian Federation, the Russian Union of Industrialists and Entrepreneurs, the All-Russian Public Organization Delovaya Rossiya, and the All-Russian Nongovernmental Organization for Small and Medium Entrepreneurship OPORA ROSSII.

The Company has fully accepted and complies with the following underlying principles of the Charter:

- *Implementation of anticorruption programs in corporate policy*
- *Monitoring and evaluation of their implementation*
- *Effective financial control*
- *The principle of publicity of anticorruption measures*
- *Renunciation of illegal advantages*
- *Participation in tenders based on the principles of transparency and competition*
- *Information countermeasures against corruption*
- *Cooperation with the state*
- *Facilitation of justice and observance of lawfulness and other measures*

For the purpose of confirming its conformity to the requirements of the Charter, the Company carries out regular (once every two years) evaluation of anticorruption measures in accordance with the Guideline for the Methodology of Evaluating the Anticorruption Measures for the Purpose of Declaration and Public Confirmation of the Implementation of the Charter's Provisions in Organizations (approved by the United Committee on Implementing the Charter, Minutes No. 2 dated September 30, 2015) by submitting a Declaration of Compliance with the Charter to the Russian Union of Industrialists and Entrepreneurs.

In 2017, the Company once again confirmed the conformity of its anticorruption measures to the Charter's requirements, as a result of which the Issuer's participation in the Charter was prolonged for two years.

The Company also participates in the Companies Circle (the "Circle") set up by PJSC Moscow Exchange and the Organization for Economic Cooperation and Development (OECD) in the framework of the OECD Russia Corporate Governance Roundtable.

As a Circle member, the Company participates on an annual basis in studies on current issues of the organization of an internal control system and measures to counter corruption (compliance) in Circle member companies.

The anticorruption system of the Company is built in accordance with the legal regulations of the Russian Federation, applicable international laws, Russian and international standards, and best practices for the purpose of implementing the governmental policy for countering corruption in the Company, mitigating corruption risks, and supporting open and honest conduct of business by the Issuer.

The Company has approved a number of bylaws that set out the main goals, objectives, principles, and areas of activity for preventing and countering corruption and updates them on a regular basis, including: the Code of Corporate Ethics, an Anticorruption Policy, a Regulation on the Procedure for Preventing and Resolving Conflict of Interest, and a Regulation on the Procedure for Providing Notification on Gifts Received by RusHydro Employees in Connection with Protocol Activities, Business Trips, and Other Official Events.

For the purpose of countering corruption more effectively, RusHydro has developed and approved the Comprehensive Program of Anticorruption Activity for 2016–2019 (the "Program") that sets out the key lines of the Issuer's activity aimed at preventing and countering corruption.

Within the framework of the Program, the Company annually implements a complex of measures aimed at reducing corruption risks in the Company and ensuring the conformity of the Company's activity to the requirements of Russian and international laws in the field of countering corruption, including:

- Development and updating of the database of bylaws of the Company on countering corruption*
- Ensuring the openness and availability of information on the anticorruption policy implemented in the Company as well as employees' awareness of the requirements of anticorruption laws*
- Organization of work on verifying reports of illegal actions*
- Improvement and development of personnel training programs and conducting the training and testing of employees*
- Identification and prevention of conflict of interest in RusHydro Group. Taking measures to eliminate identified conflict of interest, including annual collection and analysis of information about the income, property, and property liabilities of chief executives of RusHydro Group (and their relatives) who hold the positions exposed to corruption risks (declaration)*
- Improvement of the internal control system.*

In Q1 2018, in the course of activities under the Program, the Company has introduced a number of bylaws developed and updated in December 2017:

1. In place of the RusHydro Anticorruption Policy approved by a decision of the Board of Directors of the Company dated April 7, 2016 (Minutes No. 235 dated April 8, 2016), and the RusHydro Policy for the Management of Conflict of Interest approved by a decision of the Board of Directors of the Company dated April 7, 2016 (Minutes No. 235 dated April 8, 2016), a new revision of the unified RusHydro Anticorruption Policy was put into effect (Minutes of the Board of Directors No. 263 dated December 28, 2017). It sets out the key principles, requirements, and areas of activity for preventing corruption and ensuring compliance with the anticorruption laws of the Russian Federation and includes provisions on the resolution of conflict of interest as one of the anticorruption measures.

2. A new revision of the Rules of Operation of the RusHydro Group Hotline (Company Order No. 898 dated December 21, 2017) that set out the uniform approach for the reception, review, and recording of reports received to the Hotline in RusHydro Group.

3. The RusHydro Regulation on Commissions for Compliance with the Rules of Corporate Ethics and Settlement of Conflict of Interest (Order No. 934 dated December 29, 2017) that sets out the objectives, powers, types, and the procedure for the formation and operation of Ethics Commissions and the procedure for their interaction.

In 2018, the activity of the RusHydro Central Commission for Compliance with the Rules of Corporate Ethics and Settlement of Conflict of Interest and of the commissions of its branches was started. Their main goal is to assist the Company:

- In enforcing the Company's compliance with Article 13.3 of Federal Law of the Russian Federation No. 273-FZ dated December 25, 2008, "On Countering Corruption" ("Law No. 273-FZ") concerning the Company's duty to take measures to prevent corruption and to prevent and resolve conflict of interest*

- In ensuring employees' observance of limitations, prohibitions, and requirements for the prevention and/or settlement of conflict of interest and in ensuring their performance of the duties set forth in Law No. 273-FZ

- In ensuring employee's compliance with the code of corporate ethics

The Company has organized and maintains continuous operation of the Hotline (<http://www.rushydro.ru/form/>), an accessible communication channel for reports of employees and third parties (including anonymous ones) on matters related to countering fraud and corruption, suppressing illegal actions and conflicts of interest, and improving the Issuer's activity.

Measures to promote (popularize) the Hotline among the Company employees and counterparties are taken on a regular basis:

- Information on the Hotline is updated on the official website on a regular basis. (In January 2018, a new revision of the RusHydro Group Hotline Rules of Operation and the updated criteria for the review of incoming reports were also published.)

- Information on the Hotline is included in the anticorruption clauses in agreements with the Company's counterparties.

Every six months, the Issuer publishes reports on the Hotline's operation on its external website (number of reports received/reviewed/confirmed, their subject matter, and measures taken). In March 2018, a report on the results of the operation of the Hotline for 2017 was published.

RusHydro provides comprehensive assistance on an ongoing basis to law enforcement and controlling and supervisory agencies during inspections and requests for information on RusHydro's compliance with anticorruption laws, inter alia, by keeping documents and information containing data on corruption offenses and transferring them to the said agencies; during the investigation of instances of corruption; and during their inspections of the Company's activity aimed at preventing and countering corruption.

Furthermore, for the purpose of ensuring a uniform approach toward the organization of anticorruption activity, RusHydro Group organized the implementation of bylaws in the Company's controlled entities in the field of countering corruption and resolving conflict of interest that are similar to the Issuer's bylaws.

Risks related to the actions of third parties.

1. Nonfulfillment of commitments by the Issuer's counterparties within the term stipulated by a contract may result in power generating equipment not being commissioned on time, and that may affect power generation.

2. If defaults of the counterparties of the Issuer under contracts as regards the term of completion of works become widespread, this may cause an extension of the term for completion of repair works and lead to wear and tear on the plant and equipment, which could adversely affect the reliability of power plant equipment.

3. As a result of improper management and performance of works, counterparties may cause harm to plant equipment, which could result in emergency shutdowns of equipment, potentially affecting power generation.

4. Risks related to trade unions and the retention of qualified managerial personnel.

These risks are assessed as being immaterial due to significant efforts undertaken by the Issuer to retain and develop personnel, in particular, creation of a targeted order for specialist training, rebuilding of the human resources of the hydropower industry with secondary technical education, creation of "Young Hydropower Industry Worker" interest groups based on technical creativity centers for youth in the regions where the Issuer operates, and enhancement of interaction with specialized universities and scientific institutes.

In May 2018, during the Saint Petersburg International Economic Forum, RusHydro signed a Cooperation Agreement with the Association of Citizens and Organizations for the facilitation of corporate education development MAKO. The cooperation of RusHydro and MAKO is aimed at developing the necessary HR potential and professional competences for the development of the power engineering sector. The Agreement provides for interaction for the improvement of the national qualification system, the formation of professional expert communities, and participation in the implementation of development programs for young power engineering specialists.

The Issuer pays special attention to increasing motivation, material and moral incentives, and social protection of staff.

RusHydro's policy regarding employees is based on the following principles:

- Increasing the qualification of employees through implementation of training programs
- Offering its employees the best social packages in the electric power industry
- Development of an employee motivation/incentive system for increasing the operational efficiency of the staff and the Issuer as a whole

Due to the need for staffing for the commissioning of capacities of the main facilities of new construction as part of the implementation of the Issuer's investment program and the accomplishment of key objectives of the Issuer's production plan, such as maintaining the reliable and uninterrupted operation of facilities and increasing operating performance, and the mitigation of human factor risks by means of better professional training and staff accountability at all levels, in September 2010, the Company approved the Concept for the Early Development of the Company's Human Resources "From the New School to the Workplace" and a program for its implementation. The primary objective of the Program is to develop technical education, increase the prestige of technical professions, create the conditions for satisfying RusHydro's need for highly trained professionals to operate the capacities of RusHydro, both current and planned for commissioning, and maintain their reliable and uninterrupted operation.

The risk of the impossibility of concluding a labor agreement on conditions acceptable for employees is assessed by the Issuer as insignificant in the medium term. The risk of the inability to select qualified managerial personnel is minimized by the Issuer's measures for the creation of a candidate pool and the training of newcomers in specialized professions, for which a number of partner agreements with specialized universities have been concluded.

5. Occupational health and safety

Powers, responsibilities, and accountability in the occupational health and safety management system at facilities are distributed from the site manager to employees in accordance with administrative and functional subordination under local administrative and regulatory documents (acts) of the facilities (orders, regulations, procedures).

At RusHydro, occupational safety standards for all employees performing work at the Issuer's facilities are strictly observed.

Monitoring of the observance of labor protection standards by the branches of RusHydro is entrusted to labor protection and industrial control services, and monitoring of compliance with labor protection standards during the performance of specific works is entrusted to the responsible managers of the work.

The facilities are provided with the entire necessary regulatory technical and legal base, and local documents (acts) (occupational safety regulations, industrial instructions) have been developed for all professions and types of work.

Blue-collar employees have monthly briefings on 3–4 health and safety matters, both general and for the profession and types of work being performed.

Blue-collar employees undergo an annual test of their knowledge of occupational health and safety standards.

Management of all levels involved in production is also briefed and their competence is tested annually.

Certification of workplace conditions has been carried out at all facilities of the Issuer.

Independent specialized organizations are engaged for special assessment of working conditions (attestation of workplaces).

Specialized medical institutions are engaged for mandatory periodic professional medical examinations.

Independent specialized organizations are engaged to assess the safety of hydropower plants and equipment.

An alert system that records and immediately informs about all undesirable events (incidents) is successfully operating at RusHydro.

Each and every incident is subject to investigation.

Operation of hazardous production facilities of the Issuer is carried out in accordance with the requirements of legislation in the field of industrial safety: a system of in-process monitoring of compliance with industrial safety requirements is in operation, the necessary permits for the operation of hazardous facilities ("HF") have been acquired, the public liability risk when operating hazardous facilities is insured, and the personnel of the Issuer's facilities are certified in the field of industrial safety.

Fire safety declarations have been developed. The Issuer's activities in the field of fire safety at production facilities are carried out strictly in accordance with the requirements of legislation in the field of fire safety.

Safety declarations and hydropower plant safety declarations have been developed and updated at all facilities of the Issuer.

The Issuer's actions for managing these risks:

- Enhanced control over the activities of counterparties (contractors and subcontractors) at the Issuer's facilities*
- Insuring power plant equipment against damage by third parties*
- Granting work permits to qualified personnel only*

- *Claims work with contractors who have violated the term of works performance as regards payment of penalties for defaults under a contract*
- *Monitoring of the progress of works at the plants on a monthly basis*

This section indicates only risks that the Issuer considers significant. Other risks not mentioned in this section may also exist. Other risks unknown to or insignificant for the Issuer at present may also negatively affect the Issuer's business activities and the fulfillment of its commitments, as well as dividend payments.

III. Detailed Information on the Issuer

3.1. History of the Issuer's Foundation and Development

3.1.1. Information on the Issuer's Corporate Name (Name)

Full corporate name of the Issuer:

- in Russian: *Публичное акционерное общество «Федеральная гидрогенерирующая компания – РусГидро»*

- in English: *Public Joint-Stock Company Federal Hydro-Generating Company – RusHydro*

Effective date of the current full corporate name: *July 6, 2015*

Short corporate name of the Issuer:

- in Russian: *ПАО «РусГидро»*

- in English: *RusHydro*

Effective date of the current short corporate name: *July 6, 2015*

Neither the full nor the short corporate name of the Issuer is similar to the name of another legal entity.

The Issuer will use the full and/or short corporate name, location, INN, and/or assigned OGRN for its identification in formal contracts and documents.

The corporate name of the Issuer (for a nonprofit organization, the name) is registered as a trademark or service mark.

Information on registration of the specified trademarks:

Certificate of trademark (service mark):

No. 454339 registered with the Public Register of Trademarks and Service Marks of the Russian Federation on February 20, 2012, the registration will expire on July 2, 2019.

No. 454053 registered with the Public Register of Trademarks and Service Marks of the Russian Federation on February 16, 2012, the registration will expire on February 16, 2021.

No. 440951 registered with the Public Register of Trademarks and Service Marks of the Russian Federation on July 13, 2011, the registration will expire on February 16, 2021.

No. 453894 registered with the Public Register of Trademarks and Service Marks of the Russian Federation on February 15, 2012, the registration will expire on February 16, 2021.

The Issuer's corporate name has changed during the period of its existence.

There were no changes in the organizational and legal form of the Issuer.

The list of all previous full and short corporate names of the issuer indicating the date and grounds for the change:

Full corporate name: *Open Joint-Stock Company Federal Hydrogeneration Company RusHydro*

Short corporate name: *JSC RusHydro*

Effective date of the name: *July 13, 2011*

Reason for registration of the name: *state registration of the new version of the Issuer's Articles of Association on July 13, 2011, approved by the decision of the Annual General Meeting of Shareholders of the Issuer dated June 30, 2011 (Minutes No. 7 dated July 4, 2011), and Order No. 1322-r of the Ministry of Justice of the Russian Federation dated June 17, 2011.*

Full corporate name: *Open Joint-Stock Company Federal Hydrogeneration Company*

Short corporate name: *JSC RusHydro*

Effective date of the name: *July 14, 2010*

Reason for registration of the name: *state registration of the new version of the Issuer's Articles of Association on July 14, 2010, approved by the decision of the Annual General Meeting of Shareholders of the Issuer dated June 30, 2010 (Minutes No. 5 dated June 30, 2010), and Resolution No. 5006-r of the Ministry of Justice of the Russian Federation dated June 28, 2010.*

Full corporate name: *Open Joint-Stock Company RusHydro*

Short corporate name: *JSC RusHydro*

Effective date of the name: **July 4, 2008**

Reason for registration of the name: *state registration of the new version of the Issuer's Articles of Association on July 4, 2008, approved by the decision of the Annual General Meeting of Shareholders of the Issuer dated June 25, 2008 (Minutes No. 1 dated June 26, 2008).*

Full corporate name: **Open Joint-Stock Company Federal Hydrogeneration Company**

Short corporate name: **OJSC HidroOGK**

Effective date of the name: **December 26, 2004**

Reason for registration of the name: *state registration of a legal entity on December 26, 2004.*

3.1.2. Information on State Registration of the Issuer

Primary state registration number of the legal entity: **1042401810494.**

Date of state registration (date an entry was made on the establishment of the legal entity in the Unified State Register of Legal Entities): **December 26, 2004.**

Name of the registering authority that made the entry on the establishment of the Issuer in the Unified State Register of Legal Entities: *Inspectorate of the Ministry of Taxation of the Russian Federation for Zheleznodorozhnyy District of Krasnoyarsk, Krasnoyarsk Krai.*

3.1.3. Information on the Foundation and Development of the Issuer

The Issuer has been established for an indefinite period.

Brief history of the Issuer's establishment and development. The purposes of the Issuer's establishment, the Issuer's mission (if any), and other information on the Issuer's business that is important for making a decision on the acquisition of the Issuer's securities:

RusHydro was established in accordance with Resolution of the Russian Federation Government No. 526 dated July 11, 2001, "Main Areas of Electrical Power Industry Reform in the Russian Federation" and Directive of the Russian Federation Government No. 1254-r (as amended on October 25, 2004, No. 1367-r) as a wholly-owned subsidiary of OJSC RAO UES of Russia.

State registration of the Issuer took place on December 26, 2004.

In 2005, the Board of Directors of RAO UES of Russia approved a target model of RusHydro in the form of an Operating Company managing its branches established on the basis of JSC HPPs during reorganization of subsidiaries and affiliates (S&A) in the form of affiliation with RusHydro (Minutes No. 2005 dated September 30–October 4, 2005).

On April 27, 2007, the Board of Directors of RAO UES of Russia approved a plan of accelerated consolidation of the Issuer into a unified Operating Company, providing for affiliation of subsidiary JSC HPPs (without construction sites and infrastructure subsidiaries) and other JSC HPPs with RusHydro as well as OJSC State Holding HidroOGK and OJSC Minority Holding HidroOGK established as a result of reorganization of RAO UES of Russia in the form of split-off (Minutes No. 250 dated April 27, 2007). An Operating Company of the Issuer with the direct participation of shareholders of subsidiaries and affiliates (S&A) as well as shareholders of RAO UES of Russia (through OJSC Minority Holding HidroOGK and OJSC State Holding HidroOGK) in the Issuer's authorized capital was formed during 2007–2008 through reorganization in the form of the merger of the following joint-stock companies (the "Merging Companies") with RusHydro:

OJSC Bureyskaya HPP, OJSC Volzhskaya HPP, OJSC Votkinskaya HPP, OJSC Dagestan Regional Generation Company, OJSC Zhigulevskaya HPP, OJSC Zagorskaya PSHPP, OJSC Zeyskaya HPP, OJSC Zelenchukskiye HPPs, OJSC Kabardino-Balkarian Hydrogeneration Company, OJSC KabbalkHPP, OJSC Kamskaya HPP, OJSC Cascade of VV HPPs, OJSC Cascade of NChHPPs, OJSC Nizhegorodskaya HPP, OJSC Saratovskaya HPP, OJSC Northern Ossetian HGC, OJSC Stavropol Electricity Generating Company, OJSC Sulakenergo, OJSC Cheboksarskaya HPP, OJSC Neporozhny SShHPP, CJSC EOZ, OJSC Irganayskaya HPP, OJSC State Holding HidroOGK, and OJSC Minority Holding HidroOGK.

Thus, in July 2008, the Company's target model was implemented. In the same year, the Company's shares were brought to the Russian stock market. To raise liquidity, increase market capitalization, attract new investors, and observe the interests of former holders of depositary receipts of OJSC RAO UES of Russia, the Company launched a program of depositary receipts, with Bank of New York Mellon as the depositary bank.

As a result of consolidation, the Company consolidated over 50 HPPs in 18 regions of the Russian Federation.

In 2011, a controlling block of shares of JSC RAO Energy Systems of the East was contributed to the authorized capital of RusHydro by the Russian Federation, as a result of which the installed capacity of RusHydro Group increased from 26.1 GW to 35.2 GW.

During 2015–2016, in accordance with the decision of the Board of Directors of RusHydro (Minutes No. 223 dated October 7, 2015), measures were taken to consolidate up to 100% of the shares of PJSC RAO Energy Systems of the East owned by RusHydro Group.

In 2012, the first aggregate of Boguchanskaya HPP was put into operation, and in 2014 the HPP reached full capacity. In 2012, the Ust-Srednekanskaya HPP start-up facility was put into operation. In 2015, the Gotsatinskaya HPP was put into operation; in 2016, Zelenchukskaya HPP-PSHPP and Zaragizhskaya HPP were put into operation. In 2017, RusHydro completed the construction of the Boguchanskaya HPP and completed all works on the comprehensive restoration of the Sayano-Shushenskaya HPP.

In accordance with Decree of the President of the Russian Federation No. 1564 dated November 22, 2012, on the development of the Far Eastern energy sector, RusHydro Group started implementing four priority projects in the Far Eastern Federal District: HPP in Sovetskaya Gavan in Khabarovsk Krai, the first stage of Sakhalinskaya SDPP-2, the first stage of Yakutskaya SDPP-2, and the second stage of Blagoveshchenskaya HPP. The second stage of Blagoveshchenskaya HPP was put into operation in 2015, and in Q4 2017 the construction of the first stage of Yakutskaya SDPP-2 was completed. Civil works are in progress on the HPP in Sovetskaya Gavan in Khabarovsk Krai and the first stage of Sakhalinskaya SDPP.

The installed capacity of RusHydro Group's power plants as of June 30, 2018, is 39.04 GW (including the Holding Company RAO Energy Systems of the East and Boguchanskaya HPP).

The Issuer's mission: Efficient use of water resources and creation of conditions for ensuring the reliability of Russia's Unified Energy System as well as the creation of conditions for the socioeconomic development of the Far Eastern regions by providing access to the energy infrastructure for existing and prospective offtakers.

In June 2016, the Company's Board of Directors approved the RusHydro Group development strategy for the period up to 2020 with an outlook up to 2025 (Minutes No. 238 dated June 8, 2016), according to which the strategic objectives of the Company are:

- Ensuring the reliable and safe operation of the Company's facilities
- Sustainable development of power generation
- Development of the Far East power industry
- Growth of the Company's value

In October 2017, the Board of Directors of RusHydro (Minutes No. 259 dated October 30, 2017) approved RusHydro Group's Value Increase Plan for the period up to 2021 (the "Plan"). The key objective of the Plan is to maximize RusHydro Group's value and increase its investment attractiveness for shareholders and investors.

Other information on the Issuer's activities that is important when making decisions on the acquisition of the Issuer's securities: *none*.

3.1.4. Contact Information

Issuer's location: *Krasnoyarsk, Krasnoyarsk Krai*

Issuer's address indicated in the Unified State Register of Legal Entities: *43/1 Dubrovinskogo St., Krasnoyarsk, Krasnoyarsk Krai 660017*

Other address for correspondence: *7 Malaya Dmitrovka St., Moscow 127006, Russia*

Telephone: *+7 800 333 8000*

Fax: *+7 495 225 3737*

Email: office@rushydro.ru

Address of website(s) where information on the Issuer and its issued securities or those being issued is available: www.rushydro.ru, <http://www.e-disclosure.ru/portal/company.aspx?id=8580>

Name of the Issuer's special division for relations with shareholders and investors of the issuer: **Strategy and IR Department**

Location of the unit: *7 Malaya Dmitrovka St., Moscow 127006, Russia*

Telephone: *+7 800 333 8000*

Fax: *+7 (495) 225-37-37*

Email: ir@rushydro.ru

Website: www.rushydro.ru

Name of the Issuer's special division for relations with shareholders and investors of the issuer: **Corporate Governance and Property Management Department**

Location of the unit: *7 Malaya Dmitrovka St., Moscow 127006, Russia*
 Telephone: +7 800 333 8000
 Fax: +7 495 225 3737
 Email: office@rushydro.ru
 Website: www.rushydro.ru

3.1.5. Taxpayer Identification Number

INN assigned to the issuer by tax authorities: *2460066195*

3.1.6. Branches and Representative Offices of the Issuer

This information was specified in the Quarterly Report for Q1 2018; no changes were made to this information during Q2 2018.

3.2. Core Business Activity of the Issuer

3.2.1. Main Economic Activities of the Issuer

Codes of major economic sectors of the Issuer according to OKVED (All-Russian Classifier of Economic Activities): *35.11.2*

Other All-Russian Classifier of Economic Activities codes assigned to the Issuer: *35.11.4, 35.14, 70.22, 71.12.53, 77.39, 85.42*

3.2.2. Core Business Activity of the Issuer

Core business activities (types of activity, types of products (works, services)) that provided for at least 10% of the Issuer's sale revenues (sales volume) for each of the reporting periods:

Unit of measurement: *RUB*

Type of business activity — electricity (capacity) generation and sale

Indicator description	2017, six months	2018, six months
Proceeds from sales (sales volume) under this type of business activity, RUB	58,031,382,972	82,609,691,806
The share of proceeds from sales (sales volume) under this type of business activity in the total proceeds from sales (sales volume) of the Issuer, %	99.7%	99.7%

Changes in the sales revenue (sales volume) of the Issuer from its core business activity by 10 or more percent as compared with the same reporting period of the previous year and the reasons for such changes: *a 42.35% increase in revenue based on the results of 2018 (six months) compared to 2017 (six months) is caused by including a markup to the price for capacity in the Far Eastern Federal Okrug in revenue in accordance with Federal Law No. 508-FZ dated December 28, 2016, and Decree of the Government of the Russian Federation No. 895 dated July 28, 2017, and by a 4.9% increase in generation.*

General structure of net cost of the issuer

Name of cost items	2017, six months	2018, six months
Raw and other materials, %	0.7	0.4
Acquired components, semifinished goods, %	—	—
Outsourced production-related works and services, %	6.2	4.1
Fuel, %	—	—

Energy, %	12.2	8.1
Labor costs, %	12.2	6.8
Interest on loans, %	—	—
Lease payment, %	2.7	1.9
Social contributions, %	3.2	1.9
Depreciation of fixed assets, %	29.5	17.1
Taxes included in production cost, %	15.4	9.9
Other costs	17.9	49.8
depreciation of intangible assets, %	0.7	0.4
remuneration for rationalization proposals, %	—	—
mandatory insurance payments, %	2.8	1.7
entertainment allowance, %	0.02	0.01
Other (describe), % *	14.4	47.8
Total: costs for the production and sale of products (works, services) (net cost), %	100.0	100.0
For reference: Proceeds from the sale of products (works, services), % of net cost	212.5	174.9

* Including Expenses for supporting the functioning of the electricity market in 2017 (six months): 5.4%, in 2018 (six months): 3.1%; security costs in 2017 (six months): 3.1%, in 2018 (six months): 1.8%; markup to the price for capacity in the FEFD in 2018 (six months): 40.3%.

Materially significant new types of products (works, services) offered by the Issuer on the market of its core business, to the extent this corresponds with public information on such types of products (works, services). Specify the state of development of such types of products (works, services): **there are no materially significant new types of products (works, services).**

Standards (rules) in accordance with which the Issuer's accounting (financial) statements were prepared and the calculations reflected in this subclause were made: **the Issuer's accounting statements are prepared in accordance with the accounting and reporting rules currently effective in the Russian Federation stipulated by Federal Law No. 402-FZ dated December 6, 2011, "On Accounting," the Regulation on Accounting and Reporting in the Russian Federation approved by Order No. 34n of the Ministry of Finance of Russia dated July 29, 1998, and other regulations included in the system of accounting regulation and preparation of statements by companies in the Russian Federation.**

3.2.3. Materials, Goods (Raw Materials), and Suppliers of the Issuer

Name, location, INN (if any), and OGRN (if any) of the Issuer's suppliers accounting for at least 10% of all supplies of materials and goods and their shares in the total supply for the reporting period consisting of six months of the current year

For six months of 2018

Suppliers of the Issuer that account for at least 10% of all deliveries of materials and goods (raw materials)

Full corporate name: **Joint-Stock Company Financial Settlement Center**

Short corporate name: **FSC JSC**

Location: **12 Krasnopresnenskaya Naberezhnaya, Entrance 7, Floors 7 and 8, Moscow, Russia**

INN: **7705620038**

OGRN: **1047796723534**

Share in total supplies, %: **83.30**

Information on changes in prices for basic materials and goods (raw materials) by more than 10% within the relevant reporting period as compared with the reporting period for the previous financial year or on the absence of such changes: *the price for basic materials and goods (raw materials) did not change by more than 10% during the relevant reporting period.*

The share of imports in supplies of materials and goods, the forecast for availability of sources of import, and possible alternative sources: *there are no import supplies.*

3.2.4. Sales Markets for Products (Works, Services) of the Issuer

Description of key markets where the Issuer conducts its business.

Possible factors that may have a negative impact on the sale of the Issuer's products (works, services) and possible actions of the Issuer for reducing such impact.

Key markets where the Issuer conducts its business:

1. Wholesale Market for Electricity and Power

The Issuer operates within several constituent entities of the Russian Federation. The Issuer's current core business is electricity (capacity) production and sale.

In accordance with Regulation of the Russian Federation Government No. 1172 dated December 27, 2010, "On Approval of Regulations for Wholesale Electricity and Capacity Market and Introduction of Amendments to Certain Acts of the Government of the Russian Federation Regarding Functioning of the Wholesale Electricity and Capacity Market" (the "Wholesale Market Regulations"), the Issuer carries out its activities connected with sale of electricity (capacity) in the following segments of the wholesale market:

Regulated Contracts (RC):

Trade in electricity (capacity) is carried out under the terms and conditions of regulated contracts concluded on the wholesale electricity (capacity) market at regulated prices (rates) approved by the Federal Tariff Service of Russia. The cumulative volume of electricity and the cumulative volume of capacity supplied under RCs in the relevant calendar year by the Issuer shall not exceed 35% of the overall electricity and capacity production specified in the budgeted balance sheet for the regulatory period for the Issuer.

Competitive trade in generating capacity, capacity auction (CA):

There are several mechanisms for selling capacity on the wholesale market:

- *Purchase/sale of capacity taken off based on the results of a capacity auction or under capacity purchase and sale agreements concluded based on the results of a capacity auction*
- *Purchase/sale of capacity under nonregulated capacity purchase and sale agreements*
- *Purchase/sale of capacity under capacity supply agreements and under capacity purchase and sale agreements with new nuclear power plants and hydropower plants (CSA HPP/NPP)*
- *Purchase/sale of capacity of generating facilities classified as must-run generating facilities*
- *Purchase/sale of capacity under regulated contracts (in the volumes of supply to the population and equated categories)*
- *Purchase/sale of the capacity produced by qualified generating facilities that operate through the use of renewable energy sources ("RES") under contracts for supply of capacity concluded as a result of competitive selection of investment projects for the construction of generating facilities operating on the basis of RES*

A capacity auction (CA) conducted by the system operator is the basis of the capacity market and determines how much capacity will be paid for on the wholesale market.

Until 2015, CAs were conducted only 1 year in advance (for the next year). Under Regulation of the Government of the Russian Federation No. 893 dated August 27, 2015, the new Rules of the CA and the improvement of principles of capacity trade on the wholesale market were approved. Beginning in 2016, as part of the CA, each year power is taken off for the year that is three calendar years after the year of the CA. In 2015, the CA for 2016–2019 took place. In 2017, the CA for 2021 took place.

The CA is conducted by price zones without division into free power transfer zones (FTZ). Prices are indexed when the CA was conducted for more than 1 year in advance. The price of a CA is indexed for the period from January 1 of the year following the year of the CA to January 1 of the year of delivery in accordance with the CPI minus 0.1%.

In the long-term capacity market, demand volume in the capacity auction is set by the dependency of the volume of demand on the price of power: at a lower price, buyers are willing to purchase a larger amount of power, while at a higher price they are willing to purchase a smaller amount. The graph of the demand function is a straight line segment passing through two points, the values of which are set separately for each price zone and for each CA. The first point of the volume of demand is determined by the procedure of Minenergo on the basis of the forecast peak demand in the price zone and the planned reserve ratio. For the 2018 CA, the price is set at 150,000 rubles/MW for the first price zone and 210,000 rubles/MW for the second price zone. The second point of the demand volume is increased by 12% relative to the value of the first point.

For the 2018 CA, the price is set at 110,000 rubles/MW for the first price zone and 150,000 rubles/MW for the second price zone.

The price of the CA corresponds to the maximum of the prices in selected bids and the price at which the demand function is equal to the total volume of the selected power (including power to be paid for regardless of the results of the CA). The CA price for each zone is the same for all the selected generating facilities. Capacity that has not been auctioned is not paid for.

As the year of delivery approaches, if the adjusted demand for power exceeds the payable amount of generating capacity, a corrective capacity auction is possible. A mandatory fee that does not depend on the results of the CA is imposed on the power introduced by CDAs and similar agreements with new nuclear power plants and hydropower plants as well as generating facilities whose work is essential for maintaining the technological modes of operation of power or heat supply (must-run generators).

Payment for power delivered by must-run generators is made at the price established by the authorized federal agency (or the Government of the Russian Federation) and shall not be higher than the price of power in the previous year when sold as a result of capacity auction or in must-run mode. The decision to classify a generator as must-run is made prior to the CA. The only exception is generating facilities for which intent to decommission after the CA has been stated, and for which Minenergo also has demanded the postponement of such decommissioning due to the threat of the onset of an energy services deficit. The capacity of generators operating in must-run mode and capacity introduced by CDAs and similar contracts with new nuclear power plants and hydropower plants is included in the price acceptance part of the offer during the CA.

Payment for capacity is distributed as follows: the financial burden to pay for the capacity of generating facilities selected by the CA and the capacity of facilities receiving payment under a CDA is distributed among all offtakers of the price zone. The capacity of facilities designated as must-run generators in connection with the threat of the onset of an energy services deficit is paid for by offtakers of the corresponding FTZ. The capacity of facilities designated as must-run generators in connection with the threat of the onset of a heat deficit is paid for by offtakers of the corresponding subject of the Russian Federation.

Federal Law No. 508-FZ dated December 28, 2016, "On Amendments to the Federal Law 'On the Electric Power Industry'" introduced an increase in the price of power in price zones I and II, as a result of which prices in the Far East will be reduced to the average level for the country. This law is a law of indirect action. On July 31, 2017, Resolution of the Government of the Russian Federation No. 895 dated July 28, 2017, "On the Achievement of Base Levels of Prices (Tariffs) for Electricity (Capacity) in Territories of the Far Eastern Federal District" came into force (and was applied to relations that had arisen since July 1, 2017) to implement this support mechanism. On July 28, 2017, Order of the Government of the Russian Federation No. 1614-r, according to which RusHydro is recognized as a recipient of a price markup on the power delivered in price zones of the wholesale market established for the purpose of achieving the base levels of prices (tariffs) for electricity (capacity) planned for the next period of regulation in territories of the Far Eastern Federal District, was issued.

Day-Ahead Market (DAM):

The volume of electricity generated above the RC volumes is sold at nonregulated prices on the day-ahead market, and shortages are purchased on the DAM as security for RCs. The rules of the wholesale market provide for the possibility of electricity sale/purchase under nonregulated bilateral contracts (NBCs). Under nonregulated bilateral contracts, participants in the wholesale market independently determine the counterparties under contracts as well as prices and volumes of deliveries.

Balancing Market (BM):

Deviations of the actual electricity production volume from the planned production volume are traded on the balancing market at prices formed on the basis of competitive selection of the bids of participants.

The Issuer sells part of the electricity produced on the retail market at nonregulated prices.

2. Renewable energy sources (RES)

Regulation No. 449 and Decree of the Government of the Russian Federation No. 861-P dated May 28, 2013, define the mechanism and parameters of support for generation based on RES in the Russian Federation for wind, solar energy, and SHPPs, which creates new opportunities for the company to implement cost-effective projects in those areas on the wholesale market.

Based on the results of the selection of projects for construction of generating facilities functioning on the basis of using renewable energy sources, in 2014 and 2017 agreements with offtakers were concluded on the provision of the capacity of qualified generating facilities operating on the basis of renewable energy sources in relation to 5 SHPPs of RusHydro.

Retail electricity markets.

On the electricity retail markets, electricity acquired on the wholesale electricity and power market is sold, as is electricity of generating companies that are not participants in the wholesale market.

The main provisions of the functioning of retail electricity markets are confirmed by Regulation of the Government of the Russian Federation No. 442 dated May 4, 2012, "On the Operation of Retail Electricity Markets and Complete and/or Partial Restrictions of Electricity Consumption."

3. System services market

The market for system reliability maintenance services (system services) is one of the tools for maintaining the quality and reliability of operation of the Unified Energy System of Russia at the desired level under the conditions of full deregulation of the electricity and capacity market. The system services market has been operating in the UES of Russia since 2011.

Types of services for maintenance of system reliability, procedures for selection of electric power industry entities and electric power off-takers rendering such services, and the rules for their rendering and pricing models are defined by Regulation of the Government of the Russian Federation No. 117 dated March 3, 2010, "On the Procedure for Selection of Electric Power Industry Entities and Electric Power Off-takers Rendering Services for System Reliability Maintenance and for the Rendering of Such Service and on the Approval of Changes in Acts of the Government of the Russian Federation Regarding the Rendering of Services for System Reliability Maintenance."

As of 2018, RusHydro and JSC SO UPS had concluded a Services Contract for Reactive Power Control without Electricity Generation. According to such Contract, RusHydro shall render services to JSC SO UPS connected with reactive power control.

Factors that may adversely affect the sale by the issuer of its products (works, services):

Change in the regulatory and legal framework in the electric power industry associated with the liberalization of the electricity and capacity market.

The Issuer's measures for the mitigation of negative factors:

Formation of a regulatory and legal framework for the functioning of the electricity and capacity market that is favorable to the Issuer. To achieve this objective, the Issuer is fully engaged in processes for the development of laws and regulations in the electric power industry performed by Minenergo of the Russian Federation, the Nonprofit Partnership Market Council, and the Federal Tariffs Service of the Russian Federation.

3.2.5. Information on the Issuer's Authorizations (Licenses) or Permits for Separate Types of Works

This information was specified in the Quarterly Report for Q1 2018; no changes were made to this information during Q2 2018.

3.2.6. Information on the Activities of Separate Categories of Issuers

The Issuer is not a joint-stock investment fund, an insurance or credit organization, a mortgage agent, or a specialized company.

3.2.7. Additional Information on Issuers Whose Primary Line of Business Is Mining Operations

The primary line of business of the Issuer is not mining operations.

On September 1, 2015, a controlled entity of the Issuer, LUR JSC, was registered. Its core activity is extraction of mineral resources.

a) Mineral reserves

The list of mineral deposits that are of material financial and economic importance for the Issuer, the usage rights to which belong to the Issuer or organizations under its control.

1. Name of the deposit: Bikin Brown Coal Deposit, Luchegorskiy-1 strip mine

Owner of the deposit

Full corporate name: *Joint-Stock Company Luchegorskiy Coal Mine*

Short corporate name: **JSC LCM**

Location: *the settlement of Luchegorsk, Pozharskiy District, Primorskiy Krai, Russia*

INN: 2526006224

OGRN: 1152721004963

Type of mineral: ***brown coal grade B1***
Amount of proven reserves: ***225,383,000 tons***
Production rate for the relevant reporting period(s): ***for six months of 2018: 1,087,928.40 tons***

2. Name of the deposit: Bikin Brown Coal Deposit, Luchegorskiy-2 strip mine

Owner of the deposit
Full corporate name: ***Joint-Stock Company Luchegorskiy Coal Mine***
Short corporate name: ***JSC LCM***
Location: ***the settlement of Luchegorsk, Pozharskiy District, Primorskiy Krai, Russia***
INN: ***2526006224***
OGRN: ***1152721004963***
Type of mineral: ***brown coal grade B1***
Amount of proven reserves: ***270,183,000 tons***
Production rate for the relevant reporting period(s): ***for six months of 2018: 1,388,120.77 tons***

3. Name of the deposit: Luchegorskiy deposit of andesite porphyrites (building stone), Yuzhnyy quarry

Owner of the deposit
Full corporate name: ***Joint-Stock Company Luchegorskiy Coal Mine***
Short corporate name: ***JSC LCM***
Location: ***The settlement of Luchegorsk, Pozharskiy District, Primorskiy Krai, Russia***
INN: ***2526006224***
OGRN: ***1152721004963***
Type of mineral: ***Andesite porphyrite***
Amount of proven reserves: ***2,687,000 m3***
Production rate for the relevant reporting period(s): ***for six months of 2018: 10,940.29 m3 (in solid form).***

Licenses for subsoil use obtained by the Issuer or its controlled organizations for the use of deposits of material financial and economic value to the Issuer

1. License: VLV No. 02503 TE

Subsoil resource: ***Luchegorskiy-1 strip mine***
Legal entity that obtained the license: ***JSC LCM***
License issue date: ***January 14, 2016 (as amended on June 20, 2016)***
Effective period of the license: ***December 31, 2034***

If the license conditions are fulfilled, the license will be extended in accordance with the current legislation.

Reason for issuance of the license: ***the right to use the subsoil resources of the field of the Luchegorskiy-1 strip mine of the Bikin Brown Coal Deposit was granted to JSC LCM in accordance with Clause 7 of Article 10.1, Paragraph 5 of Part 1 of Section 17.1 of Law of the Russian Federation No. 2395-1 dated February 21, 1992, "On Subsoil Resources" in connection with the reorganization of the legal entity/subsoil user (JSC Far East Generating Company ("JSC FEGC")) by spinning it off from another entity (JSC LCM) based on the decision of the Commission of the Federal Agency for Subsoil Use for the consideration of applications for amendments and additions to the license and renewal of licenses for subsoil areas within the competence of the Federal Agency for Subsoil Use (Minutes No. 470 dated November 19, 2015) by way of renewal of license VLV No. 14549 TE (Order of Dalnedra No. 2 dated January 12, 2016).***

Description of the subsurface site allotted for use: ***Field of the Luchegorskiy-1 strip mine of the Bikin Brown Coal Deposit. The subsurface site is located in the territory of Primorskiy Krai, Pozharskiy Municipal District.***

Type of license: ***for exploration and mining of mineral deposits, including the use of waste from mining and related processing plants.***

Main provisions of the license concerning subsoil user commitments indicating the period of performance of these commitments:

- ***Geological information concerning subsoil resources is subject to submission to federal and territorial geological information banks according to established procedure.***

- *The subsoil user is obliged to ensure the protection of the primary geological information obtained in the course of works on the subsoil site.*
- *The subsoil user is obliged annually, not later than February 15 of the following reporting year, to present an information report to the proper local agency of the Federal Subsurface Management Agency on conducted works on subsoil sites provided for use in accordance with the procedure determined by the Federal Subsurface Management Agency and its local agencies.*
- *The subsoil user is obliged to fulfill requirements established by legislation on conservation of subsoil resources and the environment and safe work practices related to subsoil resource use.*
- *The production level of raw mineral materials and the deadline for reaching project capacity shall be determined by a detailed mineral deposit development plan.*

All commitments shall be satisfied by the Subsoil User within the established time.

Obligatory payments to be made by the user of subsoil resources under the terms of the license: *the Subsoil User is obliged to pay payments, taxes, and fees for the use of subsoil resources, land, and water established by legislation.*

Description of the degree of execution of the specified commitments of the subsoil user, indicating any factors that may adversely affect the fulfillment of license commitments and the probability of their occurrence: *the commitments provided for by the license are being fulfilled. There are no factors that may have an adverse effect on the performance of commitments under the license.*

2. License: VLV No. 02502 TE

Subsoil resource: *Plot No. 4 of the Bikinskiy Brown Coal Deposit (Luchegorskiy-2 strip mine)*

Legal entity that obtained the license: *JSC LCM*

License issue date: *January 14, 2016 (as amended on June 20, 2016)*

Effective period of the license: *December 31, 2034*

If the license conditions are fulfilled, the license will be extended in accordance with the current legislation.

Reason for issuance of the license: *the right to use the subsoil resources of the field in plot No. 4 of the Bikin Brown Coal Deposit (field of Luchegorskiy-2 strip mine) was granted to JSC LCM in accordance with Clause 7 of Article 10.1, Paragraph 5 of Part 1 of Section 17.1 of Law of the Russian Federation No. 2395-1 dated February 21, 1992, "On Subsoil Resources" in connection with the reorganization of the legal entity/subsoil user (JSC FEGC) by spinning it off from another entity (JSC LCM) based on the decision of the Commission of the Federal Agency for Subsoil Use for the consideration of applications for amendments and additions to the license and renewal of licenses for subsoil areas within the competence of the Federal Agency for Subsoil Use (Minutes No. 470 dated November 19, 2015) by way of renewal of license VLV No. 14514 TE (Order of Dalnedra No. 3 dated January 12, 2016).*

Description of the subsurface site allotted for use: *Area No. 4 of Bikin Brown Coal Deposit, Pozharskiy Municipal District. The subsurface site is located in the territory of Primorskiy Krai.*

Type of license: *for exploration and mining of mineral deposits, including the use of waste from mining and related processing plants.*

Main provisions of the license concerning subsoil user commitments indicating the period of performance of these commitments:

- *Geological information concerning subsoil resources is subject to submission to federal and territorial geological information banks according to established procedure.*
- *The subsoil user is obliged to ensure the protection of the primary geological information obtained in the course of works on the subsoil site.*
- *The subsoil user is obliged annually, not later than February 15 of the following reporting year, to present an information report to the proper local agency of the Federal Subsurface Management Agency on conducted works on subsoil sites provided for use in accordance with the procedure determined by the Federal Subsurface Management Agency and its local agencies.*
- *The subsoil user is obliged to fulfill requirements established by legislation on conservation of subsoil resources and the environment and safe work practices related to subsoil resource use.*
- *The production level of raw mineral materials and the deadline for reaching project capacity shall be determined by a detailed mineral deposit development plan.*

All commitments shall be satisfied by the Subsoil User within the established time.

Obligatory payments to be made by the user of subsoil resources under the terms of the license: *the Subsoil User is obliged to pay payments, taxes, and fees for the use of subsoil resources, land, and water established by the legislation of the Russian Federation.*

Description of the degree of execution of the specified commitments of the subsoil user, indicating any factors that may adversely affect the fulfillment of license commitments and the probability of their occurrence: *the commitments provided for by the license are being fulfilled. There are no factors that may have an adverse effect on the performance of commitments under the license.*

3. License: POZh 00787 OShch

Subsoil resource: *Luchegorskiy Deposit (Yuzhnyy Section)*

Legal entity that obtained the license: *JSC LCM*

License issue date: *October 7, 2015*

Effective period of the license: *September 15, 2024*

If the license conditions are fulfilled, the license will be extended in accordance with the current legislation.

Reason for issuance of the license: *Order of the Department of Natural Resources and Environmental Protection of Primorskiy Krai No. 114 dated October 7, 2015*

Description of the subsurface site allotted for use: *the site is located in the territory of Pozharskiy Municipal Region, six km to the south of the village of Luchegorsk.*

Type of license: *for subsoil use with the purpose and types of work: mining andesite porphyrites (building stone) at the Luchegorskiy Deposit (Yuzhnyy Section).*

Main provisions of the license concerning subsoil user commitments indicating the period of performance of these commitments: *to provide annual production of up to 500 thousand m3. The production quota shall be agreed upon annually.*

All commitments shall be satisfied by the Subsoil User within the established time.

Obligatory payments to be made by the user of subsoil resources under the terms of the license: *the subsoil user is obliged to pay tax on the extraction of minerals (the tax rate shall be determined in accordance with the Tax Code) as well as other charges and fees, a fee for the land and payment for the negative impact on the environment in the amount and time frames established by the legislation of the Russian Federation.*

Description of the degree of execution of the specified commitments of the subsoil user, indicating any factors that may adversely affect the fulfillment of license commitments and the probability of their occurrence: *the commitments provided for by the license are being fulfilled. There are no factors that could have an adverse effect on the performance of commitments under the license.*

b) Mineral processing

If the Issuer or entities under its control conduct complete or partial processing of minerals prior to their sale, the fixed assets used for processing and/or the contractors involved for processing shall be described in any form.

If counterparties are engaged for the processing of minerals, the cost of processing for the last completed reporting period shall be indicated.

The issuer and its subsidiaries or affiliates do not conduct complete or partial processing of mineral resources before their sale.

c) Product sales

Information on whether the Issuer has permits from authorized state bodies for the sale of minerals and products of their processing and quotas, including for export: *permits from authorized state bodies for the sale of minerals and products of their processing and quotas, including for export, are not required by federal law.*

3.2.8. Additional Information on Issuers Whose Primary Line of Business Is Rendering Communication Services

The primary line of business of the Issuer is not rendering communication services.

3.3. Plans for the Issuer's Future Activities

In accordance with the Articles of Association, the purposes of the Issuer's activities are as follows:

- *Creating conditions for maintaining the reliability and safety of generating facilities*
- *Implementing state policy in the field of the hydropower industry*
- *Creating conditions for the efficient functioning of the wholesale electricity (capacity) market*
- *Ensuring the effective operation and centralized process management of hydropower facilities*
- *Implementing a single investment and capital raising strategy for solution of systemic objectives of hydropower industry development*

- *Developing and implementing the science and technology policy and introducing new, advanced facilities and technologies, including development of renewable electrical energy sources*
- *Generating earnings*

Sources of future income:

In the future, the Issuer plans to generate earnings from its core business: the production and sale of electricity and power on the wholesale and retail electricity and power markets.

Plans for organizing new production, expanding or reducing production, developing new types of products, upgrading and reconstructing fixed assets:

According to the RusHydro Group Consolidated Investment Program for 2018–2022 approved by RusHydro Board of Directors as part of the RusHydro Group Consolidated Business Plan on April 3, 2018 (Minutes No. 267 dated April 4, 2018), in 2018, the Company plans the commissioning of additional capacities in the amount of 790.5 MW and 750.2 Gcal/hr, including commissioning of capacity under the following investment projects:

- *Construction of Sakhalin SDPP-2 (1st stage): 120 MW and 18.2 Gcal/hr*
- *Construction of GTU-HPP in Vladivostok at the site of the Central Steam-Water Boiler House: 139.5 MW and 432 Gcal/hr*
- *Construction of a peak water boiler within the territory of Yakutskaya SDPP-2: 300 Gcal/hr*
- *Ust-Srednekanskaya HPP: 142.5 MW*
- *Zaramagskiye HPPs: 342 MW*
- *Technical reconstruction and modernization: 46.5 MW*

For these purposes, it is planned to finance the Company's investment projects in 2018 in the amount of RUB 86,043.33 million, including the following:

- *Technical retrofitting and upgrading: RUB 21,773.69 million*
- *Construction of priority projects in the Far East (TPP in Sovetskaya Gavan, Sakhalinskaya SDPP-2 (1st stage)) being implemented in pursuance of Russian Federation Presidential Decree No. 1564 dated November 22, 2012, "On Further Development of Public Joint-Stock Company Federal Hydrogeneration Company RusHydro": RUB 19,290.52 million*
- *New construction facilities being implemented by subsidiaries as well as R&D: RUB 44,431.16 million*
- *Other projects: RUB 547.96 million*
- *Actual fulfillment of the investment program of the Company in H1 2018 amounted to RUB 22,205.54 million. Investment expenses were allocated to finance the following investment areas:*
- *Technical retrofitting and upgrading: RUB 7,881.17 million*
- *Construction of priority projects in the Far East (TPP in Sovetskaya Gavan, Sakhalinskaya SDPP-2 (1st stage), Yakutskaya SDPP-2 (1st stage)) being implemented in pursuance of Russian Federation Presidential Decree No. 1564 dated November 22, 2012, "On Further Development of Public Joint-Stock Company Federal Hydrogeneration Company RusHydro": RUB 4,641.86 million*
- *New construction facilities being implemented by subsidiaries as well as R&D: RUB 9,480.7 million*
- *Other projects: RUB 201.81 million*

Information on possible change in core activities:

The Issuer does not plan to change its core activities.

3.4. The Issuer's Participation in Banking Groups, Banking Holdings, Holdings, and Associations

The Issuer does not participate in banking groups, banking holdings, or holdings.

The Issuer participates in associations and noncommercial partnerships, which are also categorized by civil legislation as associations.

#	Name of noncommercial organization/association	Role and functions of the Issuer in organization	Company's field of activity/Issuer's functions in the company	Period of Issuer's participation
Nonresidents of the Russian Federation				

1	International Hydropower Association, IHA	Member of Association	Support and dissemination of knowledge on issues of hydropower under the aegis of the International Hydrological Program of UNESCO	since 2006
2	Global Sustainable Electricity Partnership (GSEP)	associate	Elaboration and implementation of joint initiatives in the field of hydropower and other renewable energy sources, both in the domestic markets and worldwide	since 2008
Residents of the Russian Federation				
3	NP Market Council Association	Member of Association	Organization of buying and selling of electricity in the wholesale electricity market	since 2008
4	Proprietors and Investors of Land and Property Association Noncommercial Partnership	associate	Dialog with governmental authorities on issues of improvement of land and property legislation	since 2012
5	Hydropower Industry of Russia Association	Member of Association	Enhancement of the effectiveness of the functioning of hydropower facilities and the use of the hydropower resources of Russia	since 2008
6	All-Russian Association of Employers Russian Union of Industrialists and Entrepreneurs	associate	Protection of general economic and social interests and statutory rights for associates that are necessary for sustainable development of companies and the market economy in general	since 2006
7	Noncommercial Partnership Council of Energy Veterans	associate	Carrying out of activities aimed at all-around assistance to energy veterans	since 2008
8	Russian Chinese Business Council Noncommercial Partnership	associate	Promotion of joint economic projects of Russia and China, protection of mutual investments and settlement of corporate disputes, as well as assistance to development of cooperation between Russian and Chinese business groups	since 2015
9	Science and Innovations Directors Club Noncommercial Partnership	associate	Research, development, and innovations	Since 2013
10	Scientific and Technical Council of the Unified Energy System Noncommercial Partnership	associate	Assisting in forming scientific, technical, and economic policy in the Unified Energy System of Russia	since 2008

11	All-Russian sectoral union of employers of power industry	associate	Assistance to business development in the power industry through representation and protection of employers' interests in social-labor, economic, and other spheres in relations with employee associations, governmental authorities, and local governmental authorities; and the formulation and adoption of an agreed-upon socially responsible policy of the member organizations of the Association	since 2006
12	Self-regulating Corporation of Builders of Krasnoyarsk Krai Association	Member of Association	Prevention of infliction of harm to the life or health of natural persons, the property of natural or legal entities, state or municipal property, the environment, the life or health of animals and plants, or objects of cultural heritage (historical and cultural monuments) of the peoples of the Russian Federation owing to shortcomings of construction works that exert an impact on the safety of capital construction projects and are carried out by individual entrepreneurs and/or legal entities that are members of the Association	since 2017

3.5. Companies Controlled by the Issuer and Having Substantial Significance for It

1. Full corporate name: *Joint-Stock Company Zagorskaya PSHP-2*

Short corporate name: *JSC Zagorskaya PSHP-2*

Issuer's location: *Bogorodskoye Industrial Community, Sergiyev-Posadskiy District, Moscow Region, Russian Federation*

INN: *5042086312*

OGRN: *1065042071137*

Type of control over the organization in relation to which the Issuer is a controlling entity (direct control, indirect control): *direct control*

Nature of control over the organization in relation to which it is a controlling entity (the right to control over 50% of votes in the supreme management entity of the company controlled by the Issuer, the right to appoint (elect) the sole executive body of the company controlled by the Issuer, or the right to appoint (elect) over 50% of the collective management entity of the company controlled by the Issuer): *the right to control over 50% of votes in the supreme management entity of the company controlled by the Issuer*

Share of the Issuer in the authorized capital of the controlled company: *100%*

Percentage of the ordinary shares of the controlled company held by the Issuer: *100%*

Share of the controlled company in the Issuer's authorized capital: *0%*

Share of the Issuer's ordinary shares held by the controlled company: *0%*

Description of the controlled company's core business: *control of delegated works in projects for the reconstruction of electric power facilities and new construction of power industry facilities, as well as of other industrial and civilian facilities.*

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %	Share of the Issuer's ordinary shares held by the person, %
Olga Stanislavovna Zotova (Chairperson)	0	0
Galina Viktorovna Gorina	0.000023	0.000023
Andrey Vladimirovich Plesyak	0	0
Olga Leonidovna Bulanova	0	0
Yuriy Valentinovich Mironov	0	0

Members of the Collective Executive Body: *A collective executive body is not provided for by the Articles of Association.*

The powers of the Company's sole executive body have been transferred to a management company

Full corporate name: *Joint-Stock Company Managing Company HydroOGK*

Short corporate name: *JSC MC HydroOGK*

Location: *Moscow*

INN: *5260096381*

OGRN: *1025203040136*

Share of the issuer in the authorized capital of the management company, %: *100*

Percentage of the management company's ordinary shares held by the issuer, %: *100*

Share of the management company (manager) in the Issuer's authorized (reserve) capital (unit fund), %: *0*

Percentage of the Issuer's ordinary shares held by the management company, %: *0*

2. Full corporate name: *Joint-Stock Company RAO Energy Systems of the East*

Short corporate name: *JSC RAO Energy Systems of the East*

Location: *Khabarovsk, Khabarovsk Krai*

INN: *2801133630*

OGRN: *1087760000052*

Type of control over the organization in relation to which the Issuer is a controlling entity (direct control, indirect control): *direct control*

Nature of control over the organization in relation to which it is a controlling entity (the right to control over 50% of votes in the supreme management entity of the company controlled by the Issuer, the right to appoint (elect) the sole executive body of the company controlled by the Issuer, or the right to appoint (elect) over 50% of the collective management entity of the company controlled by the Issuer): *the right to control over 50% of votes in the supreme management entity of the company controlled by the Issuer*

Share of the Issuer in the authorized capital of the controlled company: *84.39%*

Percentage of the ordinary shares of the controlled company held by the Issuer: *85.16%*

Share of the controlled company in the Issuer's authorized capital: *0.01%*

Share of the Issuer's ordinary shares held by the controlled company: *0.01%*

Description of the controlled company's core business: *management of generating companies to satisfy demand for electricity and heat in the Far Eastern Federal District and in the neighboring territories effectively and to a high standard of quality; agency activities; investment activities.*

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %	Share of the Issuer's ordinary shares held by the person, %
Andrey Valentinovich Kazachenkov (Chairman)	0	0
Viktor Sergeyeovich Gvozdev	0.0000016	0.0000016
Dmitriy Vitalyevich Perminov	0	0
Lada Aleksandrovna Linker	0	0
Viktor Viktorovich Khmarin	0	0

Members of the controlled company's collective executive body: *a collective executive body is not provided for by the Articles of Association.*

The powers of the Company's sole executive body have been transferred to a management company.

Full corporate name: *Public Joint-Stock Company Federal Hydrogeneration Company RusHydro*

Short corporate name: *RusHydro*

Location: *Krasnoyarsk, Krasnoyarsk Krai*

INN: *2460066195*

OGRN: **1042401810494**

Share of the issuer in the authorized capital of the management company, %: **0**

Percentage of the management company's ordinary shares held by the issuer, %: **0**

Share of the management company (manager) in the Issuer's authorized (reserve) capital (unit fund), %: **0**

Percentage of the Issuer's ordinary shares held by the management company, %: **0**

3. Full corporate name: **Public Joint-Stock Company Far East Energy Company**

Short corporate name: **PJSC FEEC**

Location: **Vladivostok, Russia**

INN: **2723088770**

OGRN: **1072721001660**

Type of control over the organization in relation to which the Issuer is a controlling entity (direct control, indirect control): **indirect control**

Nature of control over the organization in relation to which it is a controlling entity (the right to control over 50% of votes in the supreme management entity of the company controlled by the Issuer, the right to appoint (elect) the sole executive body of the company controlled by the Issuer, or the right to appoint (elect) over 50% of the collective management entity of the company controlled by the Issuer): **the right to control over 50% of votes in the supreme management entity of the company controlled by the Issuer**

Share of the Issuer in the authorized capital of the controlled company: **1.04%**

Percentage of the ordinary shares of the controlled company held by the Issuer: **1.04%**

In the case of indirect control, all the Issuer's controlled companies successively (the chain of companies under direct or indirect control of the Issuer) through which the Issuer controls the company in relation to which it is a controlling entity. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

Joint-Stock Company RAO Energy Systems of the East, Khabarovsk, Khabarovsk Krai, INN 2801133630, OGRN 1087760000052

Joint-Stock Company RAO Energy Systems of the East is a company controlled by the Issuer (direct control). Public Joint-Stock Company Far East Energy Company is a controlled company of Joint-Stock Company RAO Energy Systems of the East (direct control).

Share of Joint-Stock Company RAO Energy Systems of the East in the authorized capital of the controlled company PJSC FEEC, %: **51.03**

Percentage of ordinary shares of PJSC FEEC held by RAO Energy Systems of the East, %: **51.03**

Share of the controlled company in the authorized capital of the issuer, %: **0.02**

Percentage of the Issuer's ordinary shares held by the controlled company, %: **0.02**

Description of the controlled company's core business:

- **Acquisition of electricity on wholesale and retail electricity (capacity) markets**
- **Sale of electricity on wholesale and retail electricity (capacity) markets to off-takers (including citizens)**
- **Rendering services to third parties, including for the collection of payments for sold goods and rendered services**
- **Diagnostics, operation, repair, replacement, and verification of electricity and heat metering devices**

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %	Share of the Issuer's ordinary shares held by the person, %
Aleksey Valeryevich Vlasov (Chairman)	0	0
Viktor Vladimirovich Milush	0	0
Andrey Nikolayevich Bolshakov	0	0
Sergey Konstantinovich Storozhuk	0	0
Yevgeniya Aleksandrovna Kozlova	0	0
Natalya Gennadyevna Kovaleva	0	0
Dmitriy Vitalyevich Perminov	0	0
Aleksey Vladimirovich Chibisov	0	0
Anton Leonidovich Belchenko	0	0

Aleksandr Aleksandrovich Negomedzyanov	0	0
Vladimir Grigoryevich Akulshin	0	0
Aleksey Yevgenyevich Bay	0	0
Sergey Anatolyevich Tverdokhle	0	0
Kirill Andreyevich Trubitsyn	0	0
Aleksey Aleksandrovich Kovalenko	0	0

Members of the controlled company's collective executive body

Full name	Share of the person in the authorized capital of the Issuer, %	Share of the Issuer's ordinary shares held by the person, %
Vladimir Anatolyevich Kimerin (Chairman)	0	0
Viktor Vladimirovich Milush	0	0
Aleksandr Sergeyevich Yefremov	0	0
Yelena Yuryevna Tyurina	0	0
Sergey Andreyevich Khitun	0.000011	0.000011
Vitaliy Ivanovich Pravilo	0	0

The powers of the Company's sole executive body have been transferred to a management company

Full corporate name: ***Joint-Stock Company Energy Retailing Company RusHydro***

Short corporate name: ***ESC RusHydro***

Location: ***Moscow***

INN: ***7804403972***

OGRN: ***1089848039973***

Share of the issuer in the authorized capital of the management company, %: ***99.99***

Percentage of the management company's ordinary shares held by the issuer, %: ***99.99***

Share of the management company (manager) in the Issuer's authorized (reserve) capital (unit fund), %: ***0***

Percentage of the Issuer's ordinary shares held by the management company, %: ***0***

4. Full corporate name: ***JSC Far East Generating Company***

Short corporate name: ***JSC FEGC***

Location: ***Khabarovsk, Russia***

INN: ***1434031363***

OGRN: ***1051401746769***

Type of control over the organization in relation to which the Issuer is a controlling entity (direct control, indirect control): ***indirect control***

Nature of control over the organization in relation to which it is a controlling entity (the right to control over 50% of votes in the supreme management entity of the company controlled by the Issuer, the right to appoint (elect) the sole executive body of the company controlled by the Issuer, or the right to appoint (elect) over 50% of the collective management entity of the company controlled by the Issuer): ***the right to control over 50% of votes in the supreme management entity of the company controlled by the Issuer***

Share of the Issuer in the authorized capital of the controlled company: ***0%***

Percentage of the ordinary shares of the controlled company held by the Issuer: ***0%***

In the case of indirect control, all the Issuer's controlled companies successively (the chain of companies under direct or indirect control of the Issuer) through which the Issuer controls the company in relation to which it is a controlling entity. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

Joint-Stock Company RAO Energy Systems of the East, Khabarovsk, Khabarovsk Krai, INN 2801133630, OGRN 1087760000052

JSC Far East Generating Company, Vladivostok, Russia, INN 2723088770, OGRN 1072721001660

Joint-Stock Company RAO Energy Systems of the East is a company controlled by the Issuer (direct control).

Public Joint-Stock Company Far East Energy Company is a controlled company of the Issuer (indirect control).

Share of Public Joint-Stock Company Far East Energy Company in the authorized capital of the controlled company JSC FEGC: **100% – 1 share**

percentage of ordinary shares of JSC FEGC held by PJSC FEEC: **100% – 1 share.**

Share of the controlled company in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the controlled company, %: **0**

Description of the controlled company's core business:

- **Supply (sale) of electricity and heat at established rates and in accordance with electrical and heat load dispatch schedules**
- **Electricity and heat generation**
- **Arrangement of power-saving mode of equipment operation at power plants, and energy delivery according to agreements;**
- **Sale of heat at retail heat markets to offtakers (including citizens)**

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %	Share of the Issuer's ordinary shares held by the person, %
Sergey Vyacheslavovich Vasilyev (Chairman)	0	0
Viktor Sergeyeovich Gvozdev	0.0000016	0.0000016
Larisa Vladimirovna Kabanova	0	0
Stanislav Sergeyeovich Koptyakov	0	0
Viktor Viktorovich Khmarin	0	0
Dmitriy Viktorovich Churilov	0	0
Mikhail Innokentyevich Shukaylov	0.000002	0.000002

Members of the controlled company's collective executive body: **a collective executive body is not provided for by the Articles of Association.**

Sole executive body of the controlled company

Full name	Share of the person in the authorized capital of the Issuer, %	Percentage of the Issuer's held by the person, %
Mikhail Innokentyevich Shukaylov	0.000002	0.000002

5. Full corporate name: **Public Joint-Stock Company Krasnoyarskenergosbyt**

Short corporate name: **PJSC Krasnoyarskenergosbyt**

Location: **Krasnoyarsk**

INN: **2466132221**

OGRN: **1052460078692**

Type of control over the organization in relation to which the Issuer is a controlling entity (direct control, indirect control): **indirect control**

Nature of control over the organization in relation to which it is a controlling entity (the right to control over 50% of votes in the supreme management entity of the company controlled by the Issuer, the right to appoint (elect) the sole executive body of the company controlled by the Issuer, or the right to appoint (elect) over 50% of the collective management entity of the company controlled by the Issuer): **the right to control over 50% of votes in the supreme management body of the company controlled by the issuer**

Share of the Issuer in the authorized capital of the controlled company: **0%**

Percentage of the ordinary shares of the controlled company held by the Issuer: **0%**

In the case of indirect control, all the Issuer's controlled companies successively (the chain of companies under direct or indirect control of the Issuer) through which the Issuer controls the company in relation to which it is a controlling entity. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

Joint-Stock Company ESC RusHydro, Moscow, INN 7804403972, OGRN 1089848039973

Joint-Stock Company ESC RusHydro is a company controlled by the Issuer (direct control).

Share of Joint-Stock Company ESC RusHydro in the authorized capital of the controlled company PJSC Krasnoyarskenergosbyt, %: **51.75**

Percentage of ordinary shares of PJSC Krasnoyarskenergosbyt held by JSC ESC RusHydro, %: **66.33**
Joint-Stock Company Hydroinvest, Russia, Sakha Republic (Yakutia) INN 7814382859, OGRN 1077847558381

Joint-Stock Company Hydroinvest is a company controlled by the Issuer (direct control).

Share of Joint-Stock Company Hydroinvest in the authorized capital of the controlled company PJSC Krasnoyarskenergosbyt, %: **14.06**

Percentage of ordinary shares of PJSC Krasnoyarskenergosbyt held by JSC Hydroinvest, %: **3.07**

Share of the controlled company in the Issuer's authorized capital: **0%**

Share of the Issuer's ordinary shares held by the controlled company: **0%**

Description of the controlled company's core business:

- **Sale of electricity in Krasnoyarsk Krai**
- **Acquisition and/or sale (supply) of electricity on the wholesale electricity and capacity market**
- **Acquisition and/or sale (supply) of capacity on the wholesale electricity and capacity market**
- **Sale (supply) of electricity (capacity) on the retail electricity and capacity market to electricity (capacity) purchasers, including energy services to electricity (capacity) offtakers, including conclusion of service agreements for power transfer to offtakers with network organizations on behalf of the electricity (capacity) offtaker or on its own behalf, but in the interests of the electricity (capacity) offtaker**
- **Acquisition of electricity (capacity) on retail electricity (capacity) markets**

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %	Share of the Issuer's ordinary shares held by the person, %
Aleksandr Olegovich Muravyev (Chairman)	0	0
Aleksandr Yuryevich Arkhipchenko	0	0
Galina Viktorovna Gorina	0.000023	0.000023
Marina Aleksandrovna Morozova	0	0
Anton Leonidovich Belchenko	0	0
Vadim Vladislavovich Nedotko	0	0
Anatoliy Vladimirovich Slyusar	0	0
Oleg Vladimirovich Dyachenko	0	0
Mikhail Yuryevich Khardikov	0	0

Members of the controlled company's collective executive body: **a collective executive body is not provided for by the Articles of Association.**

The powers of the Company's sole executive body have been transferred to a management company

Full corporate name: **Joint-Stock Company Energy Retailing Company RusHydro**

Short corporate name: **ESC RusHydro**

Location: **Moscow**

INN: **7804403972**

OGRN: **1089848039973**

share of the issuer in the authorized capital of the management company, %: **99.99**

percentage of the management company's ordinary shares held by the issuer, %: **99.99**

share of the management company (manager) in the Issuer's authorized (reserve) capital (unit fund), %: **0**

percentage of the Issuer's ordinary shares held by the management company, %: **0**

6. Full corporate name: **Public Joint-Stock Company Yakutskenergo**

Short corporate name: **Yakutskenergo**

Location: **Yakutsk, Russia**

INN: **1435028701**

OGRN: **1021401047260**

Type of control over the organization in relation to which the Issuer is a controlling entity (direct control, indirect control): **indirect control**

Nature of control over the organization in relation to which it is a controlling entity (the right to control over 50% of votes in the supreme management entity of the company controlled by the Issuer, the right to appoint (elect) the sole executive body of the company controlled by the Issuer, or the right to appoint (elect) over 50% of the collective management entity of the company controlled by the Issuer): ***the right to control over 50% of votes in the supreme management body of the company controlled by the issuer.***

Share of the Issuer in the authorized capital of the controlled company: **29.80%**

Percentage of the ordinary shares of the controlled company held by the Issuer: **29.00%**

In the case of indirect control, all the Issuer's controlled companies successively (the chain of companies under direct or indirect control of the Issuer) through which the Issuer controls the company in relation to which it is a controlling entity. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

Joint-Stock Company RAO Energy Systems of the East, Khabarovsk, Khabarovsk Krai, INN 2801133630, OGRN 1087760000052

Joint-Stock Company RAO Energy Systems of the East is a company controlled by the Issuer (direct control).

Share of Joint-Stock Company RAO Energy Systems of the East in the authorized capital of the controlled company PJSC Yakutskenergo, %: **49.37**

Percentage of ordinary shares of PJSC Yakutskenergo held by RAO Energy Systems of the East, %: **57.63.**

Share of the controlled company in the authorized capital of the issuer, %: **0.000013**

Percentage of the Issuer's ordinary shares held by the controlled company, %: **0.000013**

Description of the controlled company's core business: ***electricity and heat generation, transportation, and sale.***

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %	Share of the Issuer's ordinary shares held by the person, %
Sergey Vyacheslavovich Vasilyev (Chairman)	0	0
Aleksandr Stepanovich Sloik	0	0
Nikolay Nikiforovich Durayev	0	0
Yevgeniya Aleksandrovna Kozlova	0	0
Viktor Sergeevich Gvozdev	0.0000016	0.0000016
Stanislav Sergeevich Koptyakov	0	0
Aleksey Dmitriyevich Yakovlev	0.0000095	0.0000095
Denis Vladimirovich Toropov	0	0
Dmitriy Viktorovich Churilov	0	0

Members of the controlled company's collective executive body

Full name	Share of the person in the authorized capital of the Issuer, %	Share of the Issuer's ordinary shares held by the person, %
Aleksandr Stepanovich Sloik (Chairman)	0	0
Irina Petrovna Sysolyatina	0.0000032	0.0000032
Sergey Yuryevich Gavrilov	0	0
Oksana Leonidovna Sologub	0	0
Yuriy Stepanovich Savchuk	0	0
Petr Mikhaylovich Dyakonov	0	0
Andrey Fedorovich Sanachev	0.00016	0.00016

Sole executive body of the controlled company

Full name	Share of the person in the authorized capital of the issuer, %	Share of the Issuer's ordinary shares held by of the issuer, %
Aleksandr Stepanovich Sloik	0	0

3.6. Composition, Structure, and Value of the Issuer's Fixed Assets and Information on Plans for the Acquisition, Replacement, and Retirement of Fixed Assets as Well as on All Encumbrances on the Issuer's Fixed Assets

As of June 30, 2018

Unit of measurement: RUB

Group of fixed asset items	Initial (replacement) cost	Amortization accrued
Buildings	45,567,538,099.10	6,977,200,051.73
Facilities	228,274,561,147.50	40,612,723,409.81
Machinery and equipment	232,842,393,519.06	74,082,996,051.20
Other	1,520,009,577.86	1,148,661,279.03
TOTAL	508,204,502,343.52	122,821,580,791.77

Information on methods of computing depreciation allowances for groups of fixed asset facilities: *depreciation for groups of fixed asset facilities is carried out using the straight-line method based on the useful lives of these facilities.*

Information on the results of the last revaluation of fixed assets and long-term leased fixed assets performed within the last complete financial year, indicating the revaluation date, the total and residual (net of depreciation) balance value of fixed assets before revaluation, and the total and residual replacement value (net of depreciation) of fixed assets subject to this revaluation. The specified information is given for groups of fixed asset facilities. Information on methods of computing depreciation allowances for groups of fixed asset facilities: *fixed assets were not revalued during the abovementioned period.*

Information on plans for the acquisition, replacement, and retirement of fixed assets whose value amounts to 10% or more of the Issuer's fixed assets and other fixed assets at the Issuer's discretion as well as information about all encumbrances on the Issuer's fixed assets (indicating the nature of the encumbrance, the date of its occurrence, its validity period and other conditions at the Issuer's discretion): *the acquisition, replacement, or retirement of fixed assets whose value amounts to 10% or more of the value of the Issuer's fixed assets is not planned.*

IV. Information on the Financial and Economic Activities of the Issuer

4.1. Financial and Economic Performance of the Issuer

Dynamics of indicators characterizing the financial and economic performance of the Issuer, including profits and losses, calculated on the basis of accounting (financial) statements.

The standard (rule) in accordance with which the accounting (financial) statements on the basis of which indicators are calculated are prepared: **RAS**

Unit of measure for the uncovered loss: **RUB thous.**

Indicator description	2017, six months	2018, six months
Net profit margin, %	40.8	32.1
Asset turnover ratio, times	0.06	0.08
Return on assets, %	2.43	2.64
Return on equity, %	3.00	3.16
Amount of uncovered losses as of the reporting date, RUB	0.00	0.00
Ratio of uncovered loss as of the reporting date to the book value of assets, %	0.00	0.00

The figures above were calculated using the method recommended in the Regulation on Information Disclosure by Issuers of Equity Securities approved by Bank of Russia Regulation No. 454-P dated December 30, 2014.

Economic analysis of the Issuer's profitability/unprofitability on the basis of the dynamics of the given indicators.

The net earnings margin characterizes the rate of return from the company's business activities. This indicator was 40.8% in 2017 (six months) and 32.1% in 2018 (six months). After adjusting the data of 2018 (six months) to 2017 (six months) and excluding the markup to the price for capacity of the FEFD from revenue, the net profit margin in 2018 (six months) is 41.8%, which is above the actual figure for 2017 (six months).

The asset turnover ratio shows how often over a period, usually over one year, the complete cycle of production and circulation, which brings an effect in the form of earnings, takes place. It characterizes the effectiveness of the Issuer's utilization of all available resources, irrespective of their sources. This indicator remained almost unchanged in the periods being compared and equaled 0.06 times in 2017 (six months) and 0.08 times in 2018 (six months).

Profitability ratios—that is, the relation between earnings (net income) and the means of their receipt—characterize the operating efficiency of the company—productivity or return on financial resources.

Return on assets is the effectiveness of the use of funds belonging to the owners of an enterprise. It serves as a key criterion when assessing the level of shares on a stock exchange. Return on assets in terms of net earnings must guarantee the payback of funds invested in the enterprise by its shareholders. This ratio shows what earnings the company receives from every Russian ruble invested in assets. Return on assets, which characterizes the effectiveness of the use of corporate property, was 2.43% and 2.64% for 2017 (six months) and 2018 (six months), respectively.

Return on equity shows the effectiveness of the utilization of the Issuer's equity. Return on equity was 3.00% for 2017 (six months) and 3.16% for 2018 (six months).

4.2. Liquidity of the Issuer, Capital and Current Asset Adequacy

Dynamics of indicators characterizing the liquidity of the Issuer, calculated on the basis of accounting (financial) statements

The standard (rule) in accordance with which the accounting (financial) statements on the basis of which indicators are calculated are prepared: **RAS**

Indicator description	2017, six months	2018, six months
Net working capital, RUB million	87,604	154,792
Current liquidity ratio	2.01	4.15
Quick liquidity ratio	1.95	4.04

The figures above were calculated using the method recommended in the Regulation on Information Disclosure by Issuers of Equity Securities approved by Bank of Russia Regulation No. 454-P dated December 30, 2014.

Economic analysis of the liquidity and financial solvency of the Issuer and the capital adequacy of the Issuer for performance of short-term liabilities and coverage of current operating costs on the basis of economic analysis of dynamics of the given indicators, with a description of factors which, according to the management entities of the Issuer, have the most significant impact on the liquidity and financial solvency of the Issuer:

Net working capital shows the amount of current assets financed with the company's equity and the amount financed at the expense of bank loans. Net working capital is needed to maintain the financial stability of the company, as an excess of current assets over short-term liabilities means that the company may not only redeem its short-term liabilities, but has reserves for business expansion. The increase in 2018 (six months) is caused by a decrease in short-term liabilities associated with the additional issuance of RusHydro shares in the amount of RUB 40 billion (changes in the authorized capital were registered in Q3 2017).

The current liquidity ratio enables the assessment of current assets per one Russian rouble of current liabilities. This ratio exceeded the statutory value for the period under review (1.5); as of June 30, 2018, it amounted to 4.15.

The quick liquidity ratio is similar to the current liquidity ratio. It assesses the liquidity of assets. But it is calculated on the basis of a narrower range of current assets, where inventories, the least liquid part, are excluded from calculations. This ratio exceeded the statutory value for the period under review (0.95); as of June 30, 2018, it amounted to 4.04.

On the whole, liquidity ratios show that the company's position is stable.

4.3. Financial Investments of the Issuer

The list of the Issuer's financial investments making up 5 percent or more of its financial investments as of the expiry date of the reporting period:

As of June 30, 2018

Form of securities: **registered ordinary shares**

Full corporate name of the issuer: **Joint-Stock Company Zagorskaya PSHPP-2**

Short corporate name of the issuer: **JSC Zagorskaya PSHPP-2**

Issuer's location: **Bogorodskoye Industrial Community, Sergiyev-Posadskiy District, Moscow Region, Russia**

INN: **5042086312**

OGRN: **1065042071137**

State registration numbers of the equity securities issues: **1-01-11397-A, 1-01-11397-A-003D**

State registration date: **January 18, 2007, June 25, 2015**

Registering authorities that carried out state registration of the equity securities issues: **Federal Financial Markets Service of Russia, Bank of Russia**

Number of securities owned by the Issuer: **62,681,508,646 shares**

Total face value of the securities owned by the issuer: **RUB 62,681,508,646**

Total book value of the securities owned by the Issuer (the book value of securities of the Issuer's subsidiaries and affiliates shall be specified separately): **RUB 69,690,958,886.76**

The amount of dividend on preferred shares or the procedure for the determination thereof, if it is specified in the Articles of Association of an Issuer which is a joint-stock company, and the term for payment: **the shares are not preferred shares.**

The amount of the declared dividend on ordinary shares (if there is no available information on declared dividend on ordinary shares for the current year, dividend for the previous year shall be specified) and the term for payment: **in 2017 and 2018, no decisions to pay dividends were made.**

If the amount of the Issuer's investments in shares of joint-stock companies increased due to an increase in the authorized capital of a joint-stock company at the expense of the property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none.**

Form of securities: **ordinary shares, preferred shares**

Full corporate name of the issuer: **Joint-Stock Company RAO Energy Systems of the East**

Short corporate name of the issuer: **JSC RAO Energy Systems of the East**

Issuer's location: **Khabarovsk, Khabarovsk Krai**

INN: **2801133630**

OGRN: **1087760000052**

State registration numbers of the equity securities issues: **1-01-55384-E dated July 29, 2008; 2-02-55384-E dated December 8, 2009**

Registering authorities that carried out state registration of the equity securities issues: **Federal Financial Markets Service of Russia**

Number of securities owned by the Issuer: **ordinary shares: 36,926,003,431, preferred shares: 1,416,245,040**

Total face value of the securities owned by the Issuer: **ordinary shares: RUB 18,463,001,715.5, preferred shares: RUB 708,122,520**

Total book value of the securities owned by the Issuer (the book value of securities of the Issuer's subsidiaries and affiliates shall be specified separately): **RUB 18,495,246,562.12**

The amount of dividend on preferred shares or the procedure for the determination thereof, if it is specified in the Articles of Association of an Issuer which is a joint-stock company, and the term for payment: **in 2017 and 2018, no decisions to pay dividends were made.**

The amount of the declared dividend on ordinary shares (if there is no available information on declared dividend on ordinary shares for the current year, dividend for the previous year shall be specified) and the term for payment: **in 2017 and 2018, no decisions to pay dividends were made.**

If the amount of the Issuer's investments in shares of joint-stock companies increased due to an increase in the authorized capital of a joint-stock company at the expense of the property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none.**

Form of securities: **registered ordinary shares**

Full corporate name of the issuer: **Joint-Stock Company Dyakov Ust-Srednekanskaya HPP**

Short corporate name of the issuer: **JSC Dyakov Ust-Srednekanskaya HPP**

Issuer's location: **Magadan, Magadan Region, Russia**

INN: **4909095293**

OGRN: **1074910002310**

State registration numbers of the equity securities issues: **1-01-55315-E**

state registration date: **September 11, 2007**

Registering authorities that carried out state registration of the equity securities issues: **Federal Financial Markets Service of Russia**

Number of securities owned by the Issuer: **18,809,586,927**

Total face value of the securities owned by the Issuer: **RUB 18,809,586,927**

Total book value of the securities owned by the Issuer (the book value of securities of the Issuer's subsidiaries and affiliates shall be specified separately): **RUB 23,111,468,131.08**

The amount of dividend on preferred shares or the procedure for the determination thereof, if it is specified in the Articles of Association of an Issuer which is a joint-stock company, and the term for payment: **the shares are not preferred shares.**

The amount of the declared dividend on ordinary shares (if there is no available information on declared dividend on ordinary shares for the current year, dividend for the previous year shall be specified) and the term for payment: **in 2017 and 2018, no decisions to pay dividends were made.**

if the amount of the Issuer's investments in shares of joint-stock companies increased due to an increase in the authorized capital of a joint-stock company at the expense of the property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**.

Form of securities: **registered ordinary shares**

Full corporate name of the issuer: **Joint-Stock Company Zaramagskiye HPPs**

Short corporate name of the issuer: **JSC Zaramagskiye HPPs**

Issuer's location: **Moscow**

INN: **1505008701**

OGRN: **151301001**

State registration numbers of the equity securities issues: **1-01-32047-E**

State registration date: **February 27, 2013**

Registering authorities that carried out state registration of the equity securities issues: **Federal Financial Markets Service of Russia**

Number of securities owned by the Issuer: **17,933,142**

Total face value of the securities owned by the Issuer: **RUB 17,933,142**

Total book value of the securities owned by the Issuer (the book value of securities of the Issuer's subsidiaries and affiliates shall be specified separately): **RUB 17,216,207,775.52**

The amount of dividend on preferred shares or the procedure for the determination thereof, if it is specified in the Articles of Association of an Issuer which is a joint-stock company, and the term for payment: **the shares are not preferred shares.**

The amount of the declared dividend on ordinary shares (if there is no available information on declared dividend on ordinary shares for the current year, dividend for the previous year shall be specified) and the term for payment: **in 2017 and 2018, no decisions to pay dividends were made.**

if the amount of the Issuer's investments in shares of joint-stock companies increased due to an increase in the authorized capital of a joint-stock company at the expense of the property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**.

Information on the provisions created for the impairment of securities, RUB thousand:

January 1, 2017	June 30, 2018
17,854,922	25,183,647

Other financial investments of the issuer amounting to 5% or more of all its financial investments as of June 30, 2018:

Type of investment: **interest-bearing loan**

Object of financial investment:

Full corporate name: **JSC Far East Generating Company**

Short corporate name: **JSC FEGC**

Location: **Khabarovsk, Russia**

INN: **1434031363**

OGRN: **1051401746769**

Investment amount in monetary terms: **RUB 4,537,544,121.00**

Income from the object of financial investment or the procedure for its calculation, maturity: **the interest rate during the interest period is 7.997% per annum. Interest is paid according to the payment schedule. Loan repayment term: December 3, 2018.**

Type of investment: **interest-bearing loan**

Object of financial investment:

Full corporate name: **JSC Far East Generating Company**

Short corporate name: **JSC FEGC**

Location: **Khabarovsk, Russia**

INN: **1434031363**

OGRN: **1051401746769**

Investment amount in monetary terms: **RUB 35,608,124,811.00**

Income from the object of financial investment or the procedure for calculating it, maturity: **the interest rate during the interest period is 4.65% per annum. Interest is paid according to the payment schedule. Loan repayment term: March 27, 2022.**

Type of investment: *interest-bearing loan*
 Object of financial investment:
 Full corporate name: *JSC Far East Generating Company*
 Short corporate name: *JSC FEGC*
 Location: *Khabarovsk, Russia*
 INN: *1434031363*
 OGRN: *1051401746769*
 Investment amount in monetary terms: *RUB 192,950,000.00*

Income from the object of financial investment or the procedure for its calculation, maturity: *the interest rate during the interest period is 7.25% per annum. Interest is paid according to the payment schedule. Loan repayment term: December 1, 2022.*

Information on the amount of potential losses related to the bankruptcy of organizations (entities) in which investments were made, for each type of such investments: *the amount of potential losses related to the bankruptcy of organizations (entities) in which investments were made for each type of said investments is limited to the amount of the funds invested.*

If the Issuer's funds are placed on deposit or other accounts with banks or other credit organizations whose licenses have been suspended or withdrawn, as well as if a decision has been made on the reorganization or liquidation of such credit organizations, initiation of bankruptcy proceedings, or recognition of such organizations as insolvent (bankrupt), information on losses (potential losses) connected with such events shall be specified: *none.*

Standards (rules) of financial reporting in accordance with which the Issuer has made the calculations specified in this clause of the securities prospectus: *PBU 19/02 "Accounting Regulation 'Accounting of Financial Investments'" approved by Order of the Ministry of Finance of Russia No. 126n dated December 10, 2002.*

4.4. Intangible Assets of the Issuer

As of June 30, 2018

Unit of measurement: *RUB*

Group of intangible asset items	Initial (replacement) cost	Amortization accrued
Intangible assets of the company	2,594,826,617.57	1,869,788,778.54
R&D expenses	364,459,095.35	—
Patents	146,249,080.57	42,054,020.96
TOTAL	3,105,534,793.49	1,911,842,799.50

The accounting standards (rules) according to which the Issuer provides information on its intangible assets: *PBU 4/99 "Corporate Accounting Reporting" (approved by Order of the Ministry of Finance of Russia No. 43n dated July 6, 1999); Russian Accounting Regulation "Accounting of Intangible Assets" (PBU 14/2007) (approved by Order of the Ministry of Finance of Russia No. 153n dated December 27, 2007).*

4.5. Information on the Issuer's Policy and Expenses in the Area of Scientific and Technical Development and in Relation to Licenses and Patents, New Developments, and Research

The Issuer regularly carries out research and development works to improve technological processes (to examine the properties of materials, the condition of equipment, testing, etc.) to enhance the reliability, safety, and effectiveness of HPPs' operation.

Information on the Issuer's policy in the area of scientific and technical development for the corresponding reporting period preceding the expiry date of the last reporting quarter, including disclosure of expenses on research and development activity financed using the Issuer's equity in the said reporting period:

In six months of 2018, the Issuer announced tender procedures for the following research and development works:

"Evaluation of changes in the impacts of railway infrastructure on an HPP GTS"

"Mitigation of risks when creating (reconstructing) RusHydro production facilities and development of a standard for preserving cultural heritage sites"

In Q2 2018, the Issuer accepted the final results on the following R&D work:

"Research and development of methods for remote monitoring of the state of structures and operating modes at HPPs" "Development of a method for assessing the state of hydraulic facilities and HPP hydraulic units based on the results of monitoring the frequency response of their oscillations together with the earth foundation"

Research and technological activity expenses covered at the Issuer's own cost for six months of 2018 amounted to RUB 46.97 million (including VAT).

Information on the creation of major intellectual property and the obtaining of legal protection thereof by the Issuer (including information on the date of issue and the validity periods of patents for an invention, a useful model or an industrial design, state registration of trade and service marks, or the name of the place of origin of commodities) and on the main areas and results of the use of the Issuer's major intellectual property: *the Issuer has not received any legal protection of major intellectual property objects during six months of 2018.*

Principal areas and results of the use of the Issuer's major intellectual property: *intellectual property items are used to increase the effectiveness of principal processes at all life cycle stages of the RusHydro engineering system.*

Due to the uniqueness of the items and the narrow focus of the research, development, and engineering works conducted, intellectual property items are not currently used commercially.

Risk factors connected with the possible expiry of the validity period of patents and licenses to use trademarks essential for the Issuer: *none.*

4.6. Analysis of Development Trends in the Area of the Issuer's Core Business

Basic development trends of the sector in which the Issuer carries out its core activities:

1. Strategic developments of the sector

Regulation of the Government of the Russian Federation No. 1715-r dated November 13, 2009, approved the Energy Strategy of the Russian Federation until 2030. The main goal of the document is the creation of priority areas for long-term development of the power industry until 2030.

Currently, the Ministry of Energy of the Russian Federation has prepared and is now discussing a draft of the Energy Strategy of the Russian Federation up to 2035. The draft strategy was developed in accordance with Federal Law No. 172-FZ dated June 28, 2014, "On Strategic Planning in the Russian Federation" and is an interindustry document for the power-generating sector (oil, gas, coal, electricity, and heat industry) and for energy as a sphere of government control.

The Development Program and Scheme of the Unified Energy System of Russia for 2018–2024 (Order of Minenergo of the Russian Federation No. 121 dated February 28, 2018) was approved as part of the implementation of tools of the mid-term planning period. The main objective of the plan and program is to facilitate the development of networked infrastructure and generating capacities and to ensure the satisfaction of long-term and mid-term demand for electric power and capacity.

Decree of the Government of the Russian Federation No. 1634-r dated August 1, 2016, approved the Area Planning Scheme of the Russian Federation applicable to the power industry. The document includes new power engineering facilities planned to be constructed by 2030 and expandable power engineering facilities in respect of which the need for additional land allotment has not been determined, as well as maps of the scheduled allocation of objects of federal significance for the period up to 2030.

The Plan of Power Industry Facilities Allocation until 2035 was approved by Decree of the Government of the Russian Federation No. 1209-r dated June 9, 2017. The general placement scheme of electricity industry facilities is directed in particular toward the formation of the structure of generating capacities and feeders to ensure a promising balance of production and consumption of electricity and capacity in the Unified Energy System of Russia and technologically isolated territorial power systems and prevent projected deficits of electricity and power as effectively as possible, taking into account the projected operating modes of operation of energy systems, the necessary technological reserve, and basic technological restrictions.

A number of regulatory legal acts were adopted to support the Russian economy, including the energy sector. The Issuer is included in the list of national systemic enterprises, which makes it possible to count on the implementation of the governmental support measures.

Federal Laws No. 508-FZ dated December 28, 2016, and No. 129-FZ dated June 30, 2017, "On Amendments to the Federal Law 'On the Electric Power Industry'" were introduced to increase the price of power in price zones I and II, due to which the prices in the Far East will be reduced to the average level; also, the scheme of transfer of funds to the budgets of subjects of the Far Eastern Federal District was defined.

By Decree No. 895 of the Government of the Russian Federation dated July 28, 2017, "On the Achievement of Base Levels of Prices (Tariffs) for Electricity (Capacity) in Territories of the Far Eastern Federal District," the following is confirmed:

- The rules for determining and applying a markup to the price of capacity delivered in price zones of the wholesale market by wholesale market participants/producers of electricity (capacity) to achieve the base levels of the prices (tariffs) for electricity (capacity) planned for the next period of regulation in territories of the Far Eastern Federal District

- The rules for bringing prices (tariffs) for electricity (capacity) for territories of the Far Eastern Federal District to the base levels of the prices (tariffs) for electricity (capacity) planned for the next period of regulation

- The rules for targeted use of the funds received from the application of a markup on the price of capacity delivered in price zones of the wholesale market by wholesale market participants/producers of electricity (capacity) to achieve the base levels of prices (tariffs) for electricity (capacity) planned for the next period of regulation in territories of the Far Eastern Federal District, monitoring of the targeted use of such funds, transfer of gratuitous targeted contributions to the budgets of the territorial subjects of the Russian Federation which are a part of the Far Eastern Federal District, and conclusion of an agreement (contract) on gratuitous targeted contributions

Order of the Government of the Russian Federation No. 1614-r dated July 28, 2017, defines RusHydro as a wholesale market participant/producer of electricity (capacity) to whose capacity a price markup on the capacity delivered in price zones of the wholesale market established for achievement in territories of the Far Eastern Federal District of the base levels of the prices (tariffs) for electricity (capacity) planned for the next period of regulation is applied.

Order of the Government of the Russian Federation No. N1615-r dated July 28, 2017, established a base level of the prices (tariffs) for electricity (capacity) for 2017 for the territorial subjects of the Russian Federation that are a part of the Far Eastern Federal District of RUB 4 per kW•h (without value added tax). The amount of funds (RUB 23,995 million) considered when determining the markup on the price of the power delivered in price zones of the wholesale market by wholesale market participants/producers of electricity (capacity) established to achieve, in the territorial subjects of the Russian Federation that are a part of the Far Eastern Federal District, basic levels of the prices (tariffs) for electricity (capacity) for the territorial subjects of the Russian Federation that are a part of the Far Eastern Federal District has also been approved, and the formula for calculating the said markup to the price of power has been defined.

Order of the Government of the Russian Federation No. 2527-r dated November 15, 2017, established a base level of the prices (tariffs) for electricity (capacity) for 2018 for the territorial subjects of the Russian Federation that are a part of the Far Eastern Federal District of RUB 4.3 per kW•h (without value added tax). The amount of funds (RUB 35,032 million) considered when determining the markup on the price of the power delivered in price zones of the wholesale market by wholesale market participants/producers of electricity (capacity) established to achieve, in the territorial subjects of the Russian Federation that are a part of the Far Eastern Federal District, basic levels of the prices (tariffs) for electricity (capacity) for the territorial subjects of the Russian Federation that are a part of the Far Eastern Federal District has also been approved, and the formula for calculating the said markup to the price of power has been defined.

2. Electricity and capacity consumption and production

As reported by JSC SO UPS, electricity consumption for six months of 2018 for all of Russia amounted to 542.3 billion kW•h, which is 1.8% more than for the same period of 2017. In UES of Russia, electricity consumption from the beginning of the year amounted to 531.6 billion kW•h, which was 1.7% more than in January–June 2017.

From the beginning of 2018, the total electricity generation in Russia amounted to 547.1 billion kW•h, which was 1.5% more than the volume generated in January–June 2017. Electricity generation in UES of Russia for six months of 2018 amounted to 536.4 billion kW•h, which was 1.4% above the figure for the same period of the previous year.

3. Innovative development of the power industry and energy efficiency

In accordance with the instructions of the Prime Minister of the Russian Federation D. A. Medvedev (list of instructions No. DM-P36-6057 dated July 25, 2014), the Company developed an Innovative Development Program for 2016–2020 with a perspective up to 2025 (the "Program") in 2016. The Program was approved by the Board of Directors of RusHydro (Minutes No. 244 dated November 23, 2016).

The Program was formed in accordance with the Methodological Guidelines for the Development and Adjustment of Innovative Development Programs for Joint-Stock Companies with State Participation, State-Owned Corporations, State-Owned Companies, and Federal State Unitary Enterprises approved by Instruction of the Government of the Russian Federation No. DM-P36-7563 dated November 7, 2015, based on the results of an independent technological audit.

The program includes, as a schedule, the Program for Innovative Development of the Holding Company RAO Energy Systems of the East for 2016–2020 with a perspective up to 2025 approved by the Board of Directors of RAO Energy Systems of the East (Minutes No. 145 dated July 1, 2016) and is synchronized with it as concerns the list and values of key performance indicators.

The quality of the development of the Program has been assessed by the Interdepartmental Commission for Technological Development of the Presidium of the Council under the President of the Russian Federation for the Modernization of Economics and Innovative Development of Russia (Minutes No. 23-DO1 dated December 26, 2014). The rating is 95.2%, which is one of the highest assessments of the quality of Program development among fuel and energy companies.

The assessment was approved by the Interdepartmental Working Group on the Implementation of Innovation Development Priorities at the Presidium of the Council under the President of the Russian Federation on Modernization of the Economy and the Innovative Development of Russia (Minutes No. 1 dated April 14, 2017).

Decree of the Government No. 47 dated January 23, 2015, "On Amending Certain Acts of the Government of the Russian Federation Regarding Stimulation of the Use of Renewable Energy Sources in the Retail Electricity Markets" established the criterion of nonexceedance of the aggregate predicted volume of electricity (capacity) generation by qualified generating facilities operating based on the use of renewable energy sources in the retail electricity market of the level of 5% of the aggregate predicted electricity (capacity) loss in the nonprice zones in the territories of the constituents of the Russian Federation.

For the territories of the constituents of the Russian Federation included in the list of technologically isolated territorial power systems and for territories that are not technologically connected with the Unified Energy System of Russia or with the technologically isolated territorial power systems, the main criterion for reducing the cost of electricity (capacity) in the corresponding territory as a result of implementing the investment project based on renewable energy sources has been established.

The procedure and conditions for holding capacity auctions for including generating facilities functioning based on the use of renewable energy sources whose electricity (capacity) is to be sold in the retail markets in the development plan of the regional power engineering sector as well as the requirements for the corresponding investment projects and the criteria for their offtaking shall be established by the executive authorities of the constituents of the Russian Federation in compliance with the aforesaid principles.

In 2017, the Energy Saving and Enhanced Energy Efficiency Program was approved and agreed upon by the Ministry of Energy of Russia. The Program was drawn up following the energy inspections held in 2010–2016.

According to the schedule of energy inspections of branches in RusHydro Group (not including the Holding RAO Energy Systems of the East), in 2017, twenty facilities of the following Company branches underwent energy audits: Dagestan branch, Kabardino-Balkaria branch, Karachay-Cherkessia branch; three facilities of PJSC Kolymaenergo. In all branches and controlled entities where an energy audit was conducted, energy certificates and energy saving and enhanced energy efficiency programs were developed, and reports with recommendations were drawn up.

The overall assessment of the Issuer's results in the given sector is positive.

The results of the Issuer's activities correspond to the trends of the sector's development.

Reasons justifying the results of operations (satisfactory and unsatisfactory results, in the Issuer's opinion):

The main reasons for the obtained results are effective performance of the Issuer on the wholesale electricity and power market, efficient management of expenses, and appropriate labor management.

In the annual rating of NP Market Council Association for 2017 "Results of Generating Equipment Functioning in the Wholesale Market," RusHydro took fifth place.

The opinions of the Issuer's management entities on the information provided are the same.

The members of the management entities of the Issuer do not have a special opinion on the information provided reflected in the minutes of the meeting of the Issuer's management entities where the relevant issues were considered and do not insist on reflecting such (different) opinions in this Quarterly Report.

4.7. Analysis of Factors and Conditions Influencing the Issuer's Activities

Main factors influencing the sector:

- *GDP growth rates that influence the demand for electricity and the level of investment in the creation of new capacities*
- *The legislative base determining the payback period for projects in the electrical power sector, sources and structure of the investment portfolio of energy companies, the level of competition, etc.*
- *The level of state stimulation of the development of specific types of electrical power generation*
- *The condition of fixed production assets used by enterprises in the sector*
- *The socioeconomic situation in the country*
- *Accessibility of capital markets, including credit resources*
- *The level of payment discipline of electrical power off-takers.*

Factors and conditions influencing the Issuer's activities and the results of its activities include:

1. Reliability and safety of equipment and hydropower facilities.

Physical wear and technological aging of fixed assets, enhanced requirements for the reliable and accident-free operation of the UES of Russia, the growing need for regulating capacity of daily electricity consumption in the European part of the UES of Russia, the increasing threat of man-made accidents with grave consequences as a result of deterioration of hydropower facilities and generating equipment, and increased standards of seismic safety at the location of the Issuer's HPPs require special attention to the reliability and safety of assets and funds.

2. Seasonal fluctuation.

The Issuer's core business activity is not influenced by seasonal fluctuation.

The Issuer's electricity generation volume depends to a considerable extent on the available inflow in the river basins where its generating facilities are located and is distributed irregularly throughout the year depending on the season. Furthermore, the generation volume is affected by forecasting ability and by the decisions of the bodies governing water economy relations in the Russian Federation.

3. Mechanisms for tariff setting.

An important factor that affects the Issuer's activity is its functioning in the Far East region, in the territory of nonprice zones and isolated systems without free prices for electricity and thermal power. The activity is conducted at the tariffs established by a federal executive body (FAS of Russia) and by the executive bodies of the constituent entities of the Russian Federation in the field of state regulation of tariffs (regional regulatory bodies = RRBs).

Prices (tariffs) for electricity (capacity):

- *Supplied in nonprice zones of the wholesale market: to be established using the indexation method*
- *Supplied in isolated systems: to be established using the method of economically justified costs*

Prices (tariffs) in the field of heat supply are established using the indexation method.

The existing system of tariff regulation in nonprice zones and isolated systems does not provide for the return of capital and income earning, nor does it allow the raising of additional private investments in the construction of new necessary capacities. These tariff formation mechanisms do not provide for the profitability of the Issuer's work in the Far Eastern region. At the same time, the liberalization of the wholesale market in other regions of Russia may fail to guarantee the Issuer earnings sufficient for cross-subsidization of the Far Eastern region.

At the present time, work is being conducted with the FAS of Russia to change tariff regulation and to implement long-term regulation methods with regard to electricity (capacity) regulation. This regulation method will enable energy companies to retain the effect from the optimization of expenses and increased efficiency of activities and return of capital and yield on it during the implementation of new investment projects.

The said activities will enable the Issuer to improve its performance owing to the approval of tariffs that fully reflect the Issuer's real costs by the governmental regulatory bodies (high probability of materialization of the factor).

4. The pace of development of Russia's hydropotential.

Russia's undeveloped hydropotential is concentrated in the areas where there are currently no large off-takers or the required infrastructure, while the tariff-setting model does not ensure the necessary rate of return on investment. At the same time, development of these territories is a key area of Russia's regional policy.

5. State support of the Issuer.

The specific character of the Issuer's activities is determined and will be determined in the future by the presence of two main vectors: the need to achieve state objectives with the concurrent requirement to ensure the growth of the Issuer's business value.

6. Participation in securities market formation.

Inclusion of the Issuer's securities in the listing of leading markets imposes strict requirements in terms of disclosure of information in accordance with requirements of stock exchanges and market regulators, both Russian and international.

7. Development of electricity generation based on RES.

The focus on development of electrical power generation based on renewable energy sources (wind, geothermal energy, small hydropower engineering, etc.) in the world and the need to diversify energy sources and reduce the load on the environment along with the availability of considerable undeveloped potential of renewable energy sources under the conditions of adopted legislation supporting generation in pricing zones of the wholesale market in Russia are opening up fresh opportunities for the development of electrical power generation based on renewable energy sources both at the wholesale and retail markets. The Issuer prepares projects for participation in the competitive selection in the wholesale market.

8. Possibilities of the adjacent sectors. *The research and development, design and survey, engineering and construction sectors have sustained considerable losses in the past few decades due to the low demand for their products and services. Restrictions caused by the shortage of goods and services in these markets may considerably affect the rate of the Issuer's development.*

9. Staffing *The lack of engineering and technical staff is one of the most pressing problems in the way of extensive hydropower development.*

10. Global climate change.

The problem of climate change is having an increasingly greater direct influence on the Issuer's activities, which is expressed in the complication of forecasting water regimes due to the growth in deviations of water inflow hydrographs and weather records.

Forecast concerning the duration of the specified factors and conditions: *the given factors and conditions will have a great impact on the Issuer's activity over the next several years.*

Steps taken or planned to be taken by the Issuer in the future for the effective use of these factors and conditions:

- *Overcoming the trends of growing obsolescence and physical deterioration of equipment and increasing the reliability and safety of hydropower plants through the implementation of the Complex Modernization Program for Generating Facilities*

- *Balanced development meeting the interests of all groups of shareholders and new schemes of financing and property distribution, including efforts to determine the forms and procedure for the state's participation in the Issuer's projects*

- *Presenting opportunities and submitting projects to the state and regions for industrial, infrastructural, and social development requiring the operation of hydropower plants and constant demand for their output*

- *Assistance in forming a model of markets ensuring the efficiency of RES construction and ensuring adequate compensation for the Issuer's contribution to system reliability*

- *Development of competencies with regard to work in public conditions, meeting the requirements of the investment community and minority shareholders, and also using the best corporate management practices*

- *Developing an effective system of interaction with key participants of resource markets, reduction of risks through business diversification, and support for sectoral science and innovative technologies*

- *Creating an effective system of engineering personnel training, including a system of interaction with specialized educational institutions, and also mechanisms stimulating the inflow of personnel into the sector as well as development of professional knowledge and skills*

- *Creating a system for forecasting and observation of water regimes*

Methods used and planned to be used in the future by the Issuer to reduce the negative effect of factors and conditions affecting the Issuer's activities, including:

- *Strategic planning*

- *Investment planning*

- *Business planning*

- *Budget planning*

- *Tax planning*

- *Corporate governance*

- *Applying modern motivation systems*

- *Enhancing financial control and introducing a cost-cutting program*

Material events/factors that may have the greatest negative effect on the ability of the Issuer to achieve the same or higher results in the future, as compared with the results achieved in the latest accounting period.

Material events/factors that may have the greatest negative effect on the possibility for the Issuer to achieve high results in the future are:

- *Unfavorable tariff decisions, including the establishment of tariff levels insufficient for the financing of necessary expenditures on technical reconstruction, modernization, and further construction of the Issuer's facilities.*

- *High capital intensity and long implementation periods for HPP construction projects. The projects for hydropower plant construction form the basis for the Issuer's development. However, they are capital-intensive and are characterized by long implementation terms; in addition, expenses for the construction of electricity grids for the supply of electrical power generated by HPPs are in many cases also extremely large.*

- *Uncertainty of the demand for electrical power, both due to a decrease in investment in construction of new production facilities and due to closure of ineffective operating hydropower facilities on which the existing generating capacities were oriented.*

- *Failure to adopt necessary regulatory acts in the field of tariff formation in the electricity and capacity market. The hydropower industry can currently be viewed as one of the means of controlling the growth of electricity tariffs and prices in crisis conditions.*

The Issuer assesses the probability of the occurrence of these factors as average.

Material events/factors that may improve the results of the Issuer's activities, the probability of their occurrence and their duration:

Material events/factors that may improve the Issuer's activities include factors influencing the sector as a whole. In order to function more effectively in new conditions, the Issuer must:

- *Implement the developed long-term Program of Complex Modernization of the Issuer, including programs providing for an increase in the installed capacity, maneuverability and controllability of equipment operational modes, technological process automation, and the use of new technologies, which will make it possible to avoid dangers connected with the wear and aging of equipment, reducing the threat of accidents and increasing the efficiency of the operation of existing facilities*

- *Accomplish objectives of the Issuer's management with regard to increasing operating performance and the quality of corporate management in view of the need to meet the requirements of the investment community for public companies*

- *Stimulate the demand of large offtakers for electrical power generated by HPPs, joining strategic alliances with federal companies interested in the implementation of cluster development projects*

- *Assist in the development of organizational schemes for regional development management — corporations for regional development*

- *Assist in the modification of the tariff regulation system for the purpose of implementing long-term tariff regulation based on long-term regulation parameters and ensuring payback of the invested capital and its profitability*

- *Assist in the practical application of the procedure for conclusion of bilateral agreements between new generating facilities and offtakers at a price not exceeding the threshold level of regulated prices/tariffs within the approved Rules for Retail Electricity and Capacity Markets*

- *Assist in adopting rules for capacity markets and system services that ensure adequate compensation for the contribution of pumped storage hydropower plants to system reliability and safety*

- *Facilitate the adoption of legislation focused on ensuring state support of RES use and payback of RES projects in nonprice and isolated zones of the electricity and capacity market*

The likelihood of the first two events/factors is assessed by the Issuer as high, and that of the remaining ones as medium.

4.8. Competitors of the Issuer

This information was specified in the Quarterly Report for Q1 2018; no changes were made to this information during Q2 2018.

V. Detailed Information on Members of the Issuer's Management Entities, the Issuer's Bodies Monitoring Financial and Economic Activities, and Backgrounds of the Issuer's Employees (Workers)

5.1. Information on the Structure and Competencies of the Issuer's Management Bodies

A full description of the structure and competencies of the Issuer's management bodies pursuant to the Issuer's Articles of Association (constituent documents):

The Issuer's management bodies are as follows:

- *The General Meeting of Shareholders*
- *The Board of Directors*
- *The Management Board (collective executive body)*
- *The Chairman of the Management Board – General Director (sole executive body)*

The competence of the General Meeting of Shareholders is specified in Article 10 of the Issuer's Articles of Association:

"10.2. The following matters shall fall within the competence of the General Meeting of Shareholders:

- 1) Amending or supplementing the Articles of Association, or approving a new version of the Articles of Association*
- 2) Reorganizing the Company*
- 3) Liquidating the Company, appointing a Liquidation Commission, and approving the interim and final liquidation balance sheets*
- 4) Determining the number, par value, and category (class) of unissued shares and the rights conferred by these shares*
- 5) Increasing the Company's authorized capital by increasing the par value of shares or by offering additional shares as specified in the Federal Law "On Joint-Stock Companies"*
- 6) Decreasing the Company's authorized capital by reducing the par value of shares through the acquisition by the Company of a part of the shares in order to reduce their total number or by redemption of the shares acquired or bought out by the Company*
- 7) Splitting and consolidating shares in the Company*
- 8) Passing a resolution on the offering by the Company of bonds convertible into shares or other equity securities convertible into shares*
- 9) Electing members of the Company's Board of Directors and terminating their powers*
- 10) Electing members of the Company's Internal Audit Commission and terminating their powers*
- 11) Approving the Company's Auditor*
- 12) Approving the annual report and the annual accounting (financial) statements of the Company*
 - 12.1) Distribution of profit (including payment (declaration) of dividends, except for payment (declaration) of dividends based on the results of the first quarter, half-year, or nine months of the reporting year) and loss of the Company based on the results of the reporting year*
- 13) Paying (declaring) dividends for the first three, six, or nine months of the reporting year*
- 14) Making decisions on the approval or subsequent approval of major transactions in the cases provided for by Article 79 of the Federal Law "On Joint-Stock Companies"*
- 15) Making decisions on the approval or subsequent approval of transactions in the cases provided for by Article 83 of the Federal Law "On Joint-Stock Companies"*
- 16) Making decisions to participate in financial and industrial groups, associations, and other groups of commercial organizations*
- 17) Approving internal documents governing the activities of the Company's management and supervisory bodies*
- 18) Passing resolutions on the payment of remuneration and/or compensation to members of the Internal Audit Commission*
- 19) Passing resolutions on payment of remuneration and/or compensation to the Board of Directors*
- 20) Adopting decisions on the application for delisting of the Company's shares and/or equity securities of the Company convertible into its shares*
- 21) Resolving other matters as provided for by the Federal Law "On Joint-Stock Companies"*

10.3. Matters falling within the competence of the General Meeting of Shareholders may not be delegated to the Board of Directors, the Management Board, or the sole executive body of the Company.

The General Meeting of Shareholders may not discuss or decide on any issues outside its competence under the Federal Law "On Joint-Stock Companies."

The competence of the Board of Directors is specified in Article 12 of the Issuer's Articles of Association:

"12.1. The Board of Directors shall exercise general management of the Company's activities, except for the matters falling under the competence of the General Meeting of Shareholders pursuant to the Federal Law "On Joint-Stock Companies" and these Articles of Association.

The following matters are reserved to the competence of the Board of Directors:

- 1) Determining the priority areas of the Company's activities**
- 2) Approving the development strategy and the long-term development program of RusHydro Group (including review of the reports on their accomplishment)**
- 3) Convening annual and extraordinary General Meetings of Shareholders and passing resolutions on matters related to the calling, preparing, and holding of the General Meetings of Shareholders**
- 4) Offering the Company's bonds and other equity securities, unless otherwise provided for by the Federal Law "On Joint-Stock Companies" and by these Articles of Association**
- 5) Approving decisions on the issue (additional issue) of securities, prospectuses of securities, reports on the acquisition of shares from the Company's shareholders, reports on the redemption of shares, and reports on the results of requests by the Company's shareholders for the buyout of shares held by them**
- 6) Determining the price (monetary value) of property, the price of offering or the procedure for determining the price of offering of equity securities, and the price of repurchase of the Company's equity securities, as provided for by the Federal Law "On Joint-Stock Companies" and when resolving the matters stated in Subclauses 8, 23, 24 of Clause 12.1 of these Articles of Association**
- 7) Acquisition of shares, bonds, and other securities issued by the Company, as provided for by the Federal Law "On Joint-Stock Companies" or other federal laws**
- 8) Alienation (sale) of the Company's shares acquired by the Company as a result of acquisition or buyout of shares from the Company's shareholders or otherwise in accordance with the laws and regulations of the Russian Federation**
- 9) Determining the number of members in the Company's Management Board, electing the Members of the Board, and terminating their powers, including decision making on early termination of their employment agreements**
- 10) Determining the remuneration and compensation policy for the members of the Board of Directors and executive bodies of the Company and approving documents within the framework of the said policy, except for the documents to be approved by the General Meeting of Shareholders of the Company**
- 11) Electing the Chairman of the Management Board – General Director and terminating their powers, including passing a resolution terminating their employment contract, applying disciplinary penalties and incentives in accordance with labor laws of the Russian Federation, and adopting decisions on nominating them for national and industry awards**
- 12) Authorizing the individual acting as the sole executive body and the Members of the Board to hold posts in management bodies of other companies, as well as other paid positions in other companies**
- 13) Electing the Chairman and Deputy Chairman of the Board of Directors and terminating their powers**
- 14) Creating the committees of the Company Board of Directors, electing committee members of the Company Board of Directors, approving the regulations on the committees of the Company Board of Directors, and approving reports on the performance results of the committees of the Company Board of Directors**
- 15) Electing the Corporate Secretary of the Company and terminating their powers, approving the regulation on the Corporate Secretary, evaluation of the work of the Corporate Secretary, and review of the reports on the Corporate Secretary's work, and decision making on the payment of remuneration to the Corporate Secretary**
- 16) Approving (adjusting) the Company's (Management Board members') key performance indicators and approving the reports on their accomplishment**
- 17) Approving the investment program (including preliminary approval of the draft investment program) and the business plan of the Company and approving the reports on their accomplishment**
- 18) Determining the amount of remuneration payable to the Company Auditor**
- 19) Giving recommendations to the General Meeting of Shareholders on the size of dividend on shares, the procedure for dividend payment, and the date when persons entitled to dividends are determined**

- 20) Approving internal documents of the Company establishing the procedure for the formation and use of the Company's funds and adopting decisions on the use of the Company's funds
- 21) Approving internal documents of the Company other than internal documents to be approved by the General Meeting of Shareholders or by the executive bodies of the Company and approving internal documents drafted for the purpose of compliance with the requirements of laws and regulations of the Russian Federation and the securities market organizer's regulations for issuers whose shares are traded on the securities market
- 22) Opening branches and representative offices of the Company, their liquidation, and making decisions on the change of their names and addresses
- 23) Pass resolutions on the participation and termination of the participation of the Company in other companies (except for the companies specified in Subclause 16 of Clause 10.2 of these Articles of Association)
- 24) Giving prior approval of decisions on the Company's entering into:
- a) Transactions with noncurrent assets of the Company in excess of 10% of the balance sheet value of such assets of the Company as of the date of the decision to enter into such transaction
- b) Transactions (a series of associated transactions) involving disposal or potential disposal of the Company's property comprised of fixed assets, intangible assets, and construction facilities in progress in cases (amounts) and in a manner subject to individual resolutions to be passed by the Company's Board of Directors
- c) Transactions with shares and stakes in companies in which the Company has a share in the cases (amounts) and in the manner specified by the Company's Board of Directors or in other cases when the procedure for making such decisions by the Company's Board of Directors is not defined
- 25) Determining the Company's lending policy as regards the issue of loans by the Company, entering into credit agreements and loan agreements, issue of guarantees, and assumption of liabilities under a bill (issue of promissory notes or bills of exchange), adopting decisions on the Company's performance of the said transactions where the procedure for making decisions thereon is not defined in the lending policy of the Company, or adopting decisions in accordance with the accepted lending policy
- 26) Making decisions on the Company's transactions associated with transferring the Company's property or property rights (claims) without compensation to itself or to third parties; transactions associated with release from property liabilities to itself or to third parties; or transactions associated with the rendering of services (performance of works) by the Company to third parties without compensation, in cases (amounts) determined by a separate decision of the Board of Directors
- 27) Approval or subsequent approval of major transactions in the cases stipulated by Chapter X of the Federal Law "On Joint-Stock Companies" and approval of an opinion on the major transaction
- 28) Approval or subsequent approval of transactions stipulated by Chapter XI of the Federal Law "On Joint-Stock Companies"
- 29) Approving the Company's registrar and the terms and conditions of its contract and making a decision to terminate the contract with the registrar
- 30) Approving recommendations for a voluntary or mandatory offer received by the Company to acquire Company shares or other equity securities convertible into Company shares, including evaluation of the suggested price of the securities to be purchased and possible change in their market value after the acquisition and evaluation of the plans of the entity sending such voluntary or mandatory offer regarding the Company, including its employees
- 31) Defining the position of the Company (representatives of the Company), including instructions to participate or not to participate in voting on items on the agenda or to vote for or against or abstain from voting with respect to the following items on the agenda of the management bodies of subsidiaries, unless otherwise determined by special resolutions of the Board of Directors of the Company:
- a) On the reorganization or liquidation of a subsidiary company
- b) On determining of the quantity, par value, and category (class) of the authorized shares of the subsidiary and the rights provided by the said shares
- c) On increasing the authorized capital of the subsidiary through an increase in the par value of shares or the placement of additional shares
- d) On placing securities of the subsidiary convertible into ordinary shares
- e) On splitting and consolidation of shares of the subsidiary
- f) On acquisition of shares (stakes in the authorized capital) of other business companies by the subsidiary, including in the case of incorporation of companies, if the price of such transaction totals 15% or more of the book value of assets of the subsidiary determined based on accounting (financial) statements of the latter as of the last reporting date
- g) On consent to or on subsequent approval of major transactions performed by the subsidiary
- h) On the performance of transactions by the subsidiary (including several associated transactions) that involve disposal or potential disposal of the property of the subsidiary comprising fixed assets, intangible assets, and construction in progress designated for production, transfer, dispatching, and distribution of

electricity and heat in cases (amounts) determined by a special resolution of the Company's Board of Directors

i) On the performance of transactions by the subsidiary for the disposal, pledge, or other encumbrance (by making one or more related transactions) of shares and stakes in secondary subsidiaries that produce, transfer, dispatch, distribute, and sell electric power and heat

32) Determining the Company policy in the field of its insurance protection

33) Defining the procurement policy of the Company, including approval of the Regulation on the Procurement of Products for the Company Needs, and making decisions in accordance with the approved Regulation

34) Approving the procedure for choosing appraisers and/or the candidacy of an appraiser(s) to determine the value of buyback and acquisition of the Company's shares or property to be disposed of or acquired under a major transaction or a interested-party transaction, if the price of that transaction (related transactions) amounts to 10% or more of the book value of the Company's assets at the last reporting date and in other cases stipulated by the Federal Law "On Joint-Stock Companies," these Articles of Association, and specific resolutions of the Board of Directors of the Company

35) Reviewing the Company's corporate structure

36) Approving a standard collective agreement of a Company branch and introducing amendments thereto

37) Increasing the Company's authorized capital through the offering of additional shares within the number of authorized shares, subject to restrictions under the Federal Law "On Joint-Stock Companies" and these Articles of Association

38) Making a decision on the filing of an application for the listing of the Company's shares and/or the Company's equity securities convertible into its shares in the cases set forth in the Federal Law "On Joint-Stock Companies" and other regulations of the Russian Federation

39) Approving the internal control and risk management policy to determine the key principles and approaches toward the organization of the internal control and risk management system and approving the reports on the evaluation of the internal control and risk management system functioning in the Company

40) Approving the internal audit policy, approving decisions on the appointment and dismissal of the Head of the Internal Audit Service, and reviewing the main restrictions on the powers of the Internal Audit Service or other restrictions that may negatively affect the internal audit

41) Declaring a candidate to the Company Board of Directors (member of the Company Board of Directors) independent

42) Studying the results of self-evaluation of the Board of Directors or the results of independent performance evaluation of the Board of Directors of the Company

43) Studying the results of evaluation of corporate governance practice

44) Approving (updating) the Register of Noncore Assets of the Company and approving the reports on its accomplishment

45) Approving the annual reports in the field of corporate social responsibility and sustainable development

46) Giving recommendations to the executive bodies of the Company on any issues relating to the Company's activities

47) Passing resolutions on matters of material significance for the Company in the cases determined by specific resolutions of the Board of Directors of the Company

48) Passing resolutions on other matters reserved to the competence of the Board of Directors by the Federal Law "On Joint-Stock Companies" and these Articles of Association

12.2. Matters falling within the competence of the Company's Board of Directors may not be delegated to the Management Board of the Company or to the Company's sole executive body."

The competence of the Issuer's Management Board is specified in Article 18 of the Issuer's Articles of Association:

"18.2. The following matters shall fall within the competence of the Management Board of the Company:

1) Developing the priority areas of the Company's activities and their long-term implementation plans and submitting them to the Board of Directors

2) Preparing reports on the implementation of decisions made by the General Meeting of Shareholders and the Board of Directors

3) Submitting reports to the Board of Directors on the achievement of the Company's (Management Board members') key performance indicators and the Company's business plan

4) Approving the main parameters of the Company's income and expenses budget

5) Defining the position of the Company (representatives of the Company), including instructing

them to participate or not participate in voting on agenda items or to vote for, against, or abstain from voting on draft resolutions on the following items on the agenda of the management bodies of any subsidiaries:

a) On approval (adjustment) of the key performance indicators (KPIs) of the subsidiary and on the review of reports on their achievement

b) On the participation of the subsidiary in other entities (joining an existing entity or establishing a new one), on the acquisition, alienation, or encumbrance of shares and stakes in the authorized capital of entities in which the subsidiary participates, on changes in the stakes in the authorized capital of the relevant entity, and on termination of participation in other entities, except for any matters falling within the competence of the Board of Directors

c) On determining the opinion of subsidiary company representatives on items on the agenda of management bodies of the subsidiaries of such subsidiary company concerning the execution (approval) of transactions (including a series of associated transactions) that involve the disposal or potential disposal of property comprising fixed assets, intangible assets, or construction facilities in progress and designated for the production, transmission, dispatching, or distribution of electric power and heat

d) On determining the opinion of the subsidiary company's representatives on items on the agenda of the management bodies of the subsidiaries of such subsidiary company which are engaged in production, transmission, dispatching, distribution, and sale of electric power and heat, relating to the reorganization, liquidation, or increase of the authorized capital of such companies through an increase in the par value of shares or by offering of additional shares, and the issue of securities convertible into ordinary shares

6) Nomination of candidates by the Company to be elected as the sole executive body or to other management bodies or supervisory bodies of the entities the Company participates in

7) Making decisions on matters falling within the competence of the superior management bodies of the subsidiaries in which the Company exercises the rights of a sole shareholder (member)

8) Addressing the Board of Directors for recommendations in relation to the adoption of resolutions on any aspect of the Company's activity

9) Approving (adjusting) the Company employees' (other than Management Board members') key performance indicators and approving the reports on their accomplishment

10) Resolving other matters concerning the management of the Company's day-to-day operations pursuant to resolutions of the General Meeting of Shareholders and the Board of Directors, as well as matters delegated to the Management Board by the sole executive body"

The competence of the Chairman of the Management Board – General Director of the Issuer is specified in Article 19 of the Issuer's Articles of Association:

"19.1. All matters related to management of the Company's day-to-day operations, except for any matters falling within the competence of the General Meeting of Shareholders, the Board of Directors, and the Management Board of the Company, shall be reserved to the competence of the sole executive body.

The sole executive body shall act on behalf of the Company without a power of attorney, inter alia:

1) Enter into transactions on behalf of the Company, issue powers of attorney, and open the Company's current and other accounts with banks

2) Dispose of the Company's property at their discretion, subject to restrictions stipulated by effective laws and these Articles of Association

3) Hire and dismiss employees of the Company and apply incentives and disciplinary penalties to them

4) Organize the work of the Company's Management Board and chair its meetings

5) Bring proposals to elect Management Board members and to terminate their powers to the Board of Directors for review, including early termination of employment agreements with them

6) Approve the staff list of the Company and the salaries of the Company's employees

7) Provide for implementation of the Company's action plans necessary to reach its objectives

8) Approve Regulations on the Company's branches and representative offices and appoint directors of the Company's branches and representative offices

9) Make arrangements for the keeping of the Company's records and accounting (financial) statements

10) Issue orders, approve regulations and other local documents of the Company on matters falling within the competence of the sole executive body, and give instructions binding upon all employees of the Company

11) Resolve other problems in the day-to-day operations of the Company, excluding the matters that fall within the competence of the General Meeting of Shareholders, the Board of Directors, and the Management Board of the Company"

Information on whether the Issuer has a code of corporate governance or other similar document: *The Code of Corporate Governance of RusHydro was approved by the Issuer's Board of Directors on June 19, 2015 (Minutes No. 218 dated June 22, 2015) (with amendments approved by decisions of the RusHydro Board of Directors (Minutes No. 239 dated June 23, 2016; No. 263 dated December 28, 2017).*

Information on changes in the Issuer's Articles of Association, as well as internal documents governing the activities of its management bodies, for the last reporting period: *On June 27, 2018, the annual General Meeting of Shareholders of the Company approved a new revision of the Company's Articles of Association, a new revision of the Regulation on the Procedure for Convening and Holding the General Meeting of Shareholders of the Company, a new revision of the Regulation on the Procedure for Convening and Holding Meetings of the Board of Directors of the Company, and a new revision of the Regulation on the Management Board of the Company (Minutes No. 17 dated June 28, 2018). State registration of the new version of the Company's Charter was performed on July 12, 2018.*

5.2. Information on Members of the Issuer's Management Entities

5.2.1. Composition of the Board of Directors (Supervisory Board) of the Issuer

(the Board of Directors was elected at the annual General Meeting of Shareholders on June 27, 2018, Minutes No. 17)

Full name: *Artem Davidovich Avetisyan*

Year of birth: *1976*

Education: *Higher education, Finance Academy under the Government of the Russian Federation, speciality: Appraisal activity Finance and Credit, year of graduation: 1998, Postgraduate education, Finance Academy under the Government of the Russian Federation, Audit Course, Lomonosov Moscow State University, year of graduation: 2001.*

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Employment:			
from	to	Name of the company	Position
2011	present	Agency for Strategic Initiatives to Promote New Projects Autonomous Nonprofit Organization	Director of the New Business area
2012	present	Nonprofit partnership Club of Leaders for the Promotion of Business Initiatives	Chairman (Moderator)
2014	2016	NEO Center LLC	Vice President
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2017	present	Modulbank CB JSC	Member of the Board of Directors (Chairman)
November 2017	present	Vostochnyy CB PJSC	Member of the Board of Directors (Chairman)
2016	April 2017	Vostochnyy CB PJSC	Member of the Board of Directors
2015	2017	Uniastrum Commercial Bank LLC	Member of the Board of Directors
2015	present	RusHydro	Member of the Board of Directors
2013	2015	Rosagroleasing OJSC	Member of the Board of Directors
2013	2014	Russian Racetracks OJSC	Member of the Board of Directors
2013	2014	Russian Railways OJSC	Member of the Board of Directors
2012	2016	MSP Bank JSC	Member of the Supervisory Board
2012	2015	Rosselkhozbank OJSC	Member of the Supervisory Board
2010	2015	Regional Credit Commercial Bank OJSC	Member of the Board of Directors (Chairman)

Share of the person in the authorized capital of the issuer, %: *none*.

Percentage of the Issuer's ordinary shares held by the person, %: *none*.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: *no issuer options have been placed*.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: *none*.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: *none*.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: *no options of subsidiaries and affiliated companies of the issuer have been placed*.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: *there is no such kinship*.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: *no such sanctions have been imposed upon the person*.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: *the person has not held such positions*.

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): *the person is not a member of any Committees of the Board of Directors of RusHydro*.

Full name: *Maksim Sergeevich Bystrov*

Year of birth: *1964*

Education: *higher education, Kuybyshev Moscow Civil Engineering Institute, Hydraulic Engineering of River Installations and Hydropower Plants, graduation year: 1986; Russian Academy for Foreign Trade, Global Economics, graduation year: 1998*.

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2013	present	JSC ATS	Chairman of the Management Board
2013	present	NP Market Council Association	Chairman of the Management Board
2010	2013	The Administration of the President of the Russian Federation	Deputy Plenipotentiary of the President of the Russian Federation in the North Caucasian Federal District
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2014	present	SO UES JSC	Member of the Board of Directors (Chairman)
2014	2016	FGC UES PJSC	Member of the Board of Directors
2013	present	RusHydro	Member of the Board of Directors
2013	present	JSC ATS	Member of the Board of Directors
2013	present	NP Market Council Association	Member of the Supervisory Board
2013	2017	Northern Caucasus Resorts JSC	Member of the Board of Directors
2012	2017	Management Company Mineralnyye Vody Airport OJSC	Member of the Board of Directors (Chairman)

Share of the person in the authorized capital of the issuer, %: *none*.

Percentage of the Issuer's ordinary shares held by the person, %: *none*.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: *no issuer options have been placed*.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: *none*.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: *none*.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: *no options of subsidiaries and affiliated companies of the issuer have been placed*.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: *there is no such kinship*.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: *no such sanctions have been imposed upon the person*.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: *the person has not held such positions*.

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): *the person is a member of the Audit Committee and the HR and Remunerations (Nominations) Committee of the Board of Directors of RusHydro*.

Full name: *Pavel Sergeevich Grachev*

Year of birth: *1973*

Education: *Higher education, Saint Petersburg State University, jurisprudence, legal studies, graduation year: 1998, University of Trieste, jurisprudence, Doctor of Law, graduation year: 1997*.

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2014	present.	Polyus PJSC	General Director
2016	present .	Polyus Managing Company LLC	General Director
2014	2016	Polyus Krasnoyarsk JSC	President
2014	2016	Polyus Gold International Limited	Chief Executive Director
2013	2014	Polyus Gold International Limited	Temporary Chief Executive Director
2013	2013	Far East and Baikal Region Development Fund JSC	General Director
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2017	present	SL Zoloto LLC	Member of the Board of Directors (Chairman)
2016	present	RusHydro	Member of the Board of Directors
2015	present.	FGC UES PJSC	Member of the Board of Directors
2015	present.	Polyus PJSC	Member of the Board of Directors
2013	2016	Polyus Gold International Limited	Member of the Board of Directors
2013	2014	FGC UES PJSC	Member of the Board of Directors

Share of the person in the authorized capital of the issuer, %: *none*.

Percentage of the Issuer's ordinary shares held by the person, %: *none*.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: *no issuer options have been placed*.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: *none*.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: *none*.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: ***no options of subsidiaries and affiliated companies of the issuer have been placed.***

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: ***there is no such kinship.***

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: ***no such sanctions have been imposed upon the person.***

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: ***the person has not held such positions.***

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): ***the person is not a member of any Committees of the Board of Directors of RusHydro.***

Full name: ***Sergey Nikolayevich Ivanov***

Year of birth: ***1961***

Education: ***higher, MEPhI, faculty: theoretical nuclear physics, graduation year: 1984; Doctor of Economics, 2007; professor, 2010; Corresponding Member of the Russian Academy of Natural Sciences, 1999.***

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2016	2018	RT Capital LLC	General Director
2015	2016	Nechernozemagropromstroy Corporation OJSC	General Director
2012	2015	LENSENT LLC	General Director
2011	2016	ERKO OJSC	General Director
2007	2014	National Institute of Energy Security ANO	Chairman of the Presidium
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2017	2018	RT Stroytech JSC	Member of the Board of Directors
2016	2018	RT Capital LLC	Member of the Board of Directors
2015	present	RusHydro	Member of the Board of Directors
2015	2016	ERKO OJSC	Member of the Board of Directors
2014	2015	Novoyeniseyskiy Wood-Chemical Complex CJSC	Member of the Board of Directors
2012	2013	Sberkredbank CJSC	Member of the Board of Directors
2012	2013	Electrification Exhibition Pavilion OJSC	Member of the Board of Directors
2011	2016	Nechernozemagropromstroy Corporation OJSC	Member of the Board of Directors
2007	2013	Malaya Energetika OJSC	Member of the Board of Directors
2002	2015	Investment Scientific and Production Company Russian Energy Technologies (RET) CJSC	Member of the Board of Directors

Share of the person in the authorized capital of the issuer, %: ***none.***

Percentage of the Issuer's ordinary shares held by the person, %: ***none.***

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: ***no issuer options have been placed.***

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): **the person is the Chairman of the Audit Committee and a member of the HR and Remunerations (Nominations) Committee of the Board of Directors of RusHydro**.

Full name: **Vyacheslav Mikhaylovich Kravchenko**

Year of birth: **1967**

Education: **higher, Lomonosov Moscow State University, major: legal studies, graduation year: 1995**.

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2013	present	Ministry of Energy of the Russian Federation	Deputy Minister of Energy of the Russian Federation
2012	2013	JSC ATS	Chairman of the Management Board
2012	2013	NP Market Council Association	Chairman of the Management Board
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2016	present	Rosseti PJSC	Member of the Board of Directors
2015	2017	Interregional Distribution Grid Company of Siberia PJSC	Member of the Board of Directors
2014	present	Moscow Power Engineering Institute National Research University Federal State Budgetary Educational Institution of Higher Education	Member of the Board of Trustees
2014	present	RusHydro	Member of the Board of Directors
2014	2018	MOESK PJSC	Member of the Board of Directors
2013	2014	Russian Regional Development Bank (RRDB) JSC	Member of the Supervisory Board
2012	present	SO UES JSC	Member of the Board of Directors (Chairman)

2012	2016	FGC UES PJSC	Member of the Board of Directors
2012	2014	JSC ATS	Member of the Board of Directors
2011	present	NP Market Council Association	Representative of the state on the Supervisory Board
2011	2015	Financial Settlement Center CJSC	Member of the Board of Directors (Chairman)
2011	2015	Rosseti PJSC	Member of the Board of Directors

Share of the person in the authorized capital of the issuer, %: *none*.

Percentage of the Issuer's ordinary shares held by the person, %: *none*.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: *no issuer options have been placed*.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: *none*.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: *none*.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: *no options of subsidiaries and affiliated companies of the issuer have been placed*.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: *there is no such kinship*.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: *no such sanctions have been imposed upon the person*.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: *the person has not held such positions*.

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): *the person is not a member of any Committees of the Board of Directors of RusHydro*.

Full name: *Pavel Anatolyevich Livinskiy*

Year of birth: *1980*

Education: *higher, Lomonosov Moscow State University, major: economics, year of graduation: 2001; Lomonosov Moscow State University, Master of Management, year of graduation: 2003*.

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2017	present	Rosseti PJSC	General Director
2017	2017	The Department of Housing, Utilities, and Amenities of Moscow	Department Head
2015	present	Sport Federation of Firefighters and Rescuers Regional Nongovernment Organization	President
2013	2017	Department of Fuel and Energy Economy of Moscow	Department Head
2011	2013	OEK OJSC	General Director
Positions held at collegiate management bodies			
from	to	Name of the company	Position

2018	present	Scientific and Technical Council of the Unified Energy System Noncommercial Partnership	Member of the Supervisory Board
2018	present	RusHydro	Member of the Board of Directors
2018	present	FGC UES PJSC	Member of the Board of Directors
2018	present	Rosseti PJSC	Member of the Board of Directors
2018	present	SO UES JSC	Member of the Board of Directors
2018	present	Lenenergo PJSC	Member of the Board of Directors (Chairman)
2018	present	Russian Union of Industrialists and Entrepreneurs All-Russia Association of Employers	Member of the Management Board
2017	present	Cathedral of Christ the Savior Foundation	Member of the Board of Trustees
2017	present	Russian National Committee of the World Energy Council Nonprofit Partnership	Member of the Presidium
2017	2017	Mosvodokanal JSC	Member of the Board of Directors
2015	present	Sport Federation of Firefighters and Rescuers Regional Nongovernment Organization	Member of the Presidium
2014	present	Moscow Power Engineering Institute National Research University Federal State Budgetary Educational Institution of Higher Education	Member of the Board of Trustees
2014	2017	MOSGAZ OJSC	Member of the Board of Directors (Chairman)
2013	present	MOESK PJSC	Member of the Board of Directors (Chairman)
2013	2018	Mosenergo PJSC	Member of the Board of Directors
2013	2018	Mosenergosbyt PJSC	Member of the Board of Directors
2013	2017	OEK JSC	Member of the Board of Directors (Chairman)
2013	2016	Mosgorsvet JSC	Member of the Board of Directors
2013	2015	BESK OJSC	Member of the Board of Directors
2013	2014	MOSGAZ OJSC	Member of the Board of Directors
2013	2013	MOEK OJSC	Member of the Board of Directors

Share of the person in the authorized capital of the issuer, %: *none*.

Percentage of the Issuer's ordinary shares held by the person, %: *none*.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: *no issuer options have been placed*.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: *none*.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: *none*.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: *no options of subsidiaries and affiliated companies of the issuer have been placed*.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: *there is no such kinship*.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: *no such sanctions have been imposed upon the person*.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: *the person has not held such positions*.

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): ***the person is not a member of any Committees of the Board of Directors of RusHydro.***

Full name: ***Vyacheslav Viktorovich Pivovarov***

Year of birth: ***1972***

Education: ***higher, Sergo Ordzhonikidze State University of Management, major: global economics, graduation year: 1995; American University of Paris, major: applied economics, graduation year: 1995; Stanford University, MBA, graduation year: 2002.***

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2017	present	Altera Capital LLC ⁴	President
2011	2017	Altera Capital LLC ⁵	President
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2014	present	GeoProMining Investment, Ltd	Member of the Board of Directors
2013	present	RusHydro	Member of the Board of Directors
2012	2013	Quadra PJSC	Member of the Board of Directors

Share of the person in the authorized capital of the issuer, %: ***none.***

Percentage of the Issuer's ordinary shares held by the person, %: ***none.***

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: ***no issuer options have been placed.***

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: ***none.***

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: ***none.***

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: ***no options of subsidiaries and affiliated companies of the issuer have been placed.***

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: ***there is no such kinship.***

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: ***no such sanctions have been imposed upon the person.***

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: ***the person has not held such positions.***

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): ***the person is the Chairman of the HR and Remunerations (Nominations) Committee and a member of the Audit Committee of the Board of Directors of RusHydro.***

Full name: ***Mikhail Alekseyevich Rasstrigin***

Year of birth: ***1983***

Education: ***higher, Lenin Ivanovo State Power University: engineer (thermal power plants), year of graduation: 2005; Bachelor of Economics, year of graduation: 2005***

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

⁴ INN 7714961556

⁵ INN 7703741291

Employment:			
from	to	Name of the company	Position
2017	present	Ministry of the Economic Development of the Russian Federation	Deputy Minister
2017	2017	Ministry of the Economic Development of the Russian Federation	Assistant to the Minister
2011	2017	VTB Capital JSC	Head of Electric Power Division of the Directorate of Natural Resources of the Analytics Department
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2018	present	NP Market Council Association	Member of the Supervisory Board
2018	present	Russian Railways OJSC	Member of the Board of Directors
2018	present	RusHydro	Member of the Board of Directors
2018	present	Rosseti PJSC	Member of the Board of Directors
2018	present	Rosgeo JSC	Member of the Board of Directors
2018	present	OAK PJSC	Member of the Board of Directors
2018	present	SO UES JSC	Member of the Board of Directors
2017	present	The Federal Antimonopoly Service of Russia	Member of the Management Board

Share of the person in the authorized capital of the issuer, %: **none**.

Percentage of the Issuer's ordinary shares held by the person, %: **none**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): **the person is not a member of any Committees of the Board of Directors of RusHydro**.

Full name: **Nikolay Dmitriyevich Rogalev**

Year of birth: **1962**

Education: **higher, Moscow Power Engineering Institute, thermal power plants, graduation year: 1985; professor**.

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2013	present	Moscow Power Engineering Institute National Research University Federal State Budgetary Educational Institution of Higher Education	Rector
2016	present	Scientific and Technical Council of the Unified Energy System Noncommercial Partnership	President
2015	present	Moscow Power Engineering Institute National Research University Federal State Budgetary Educational Institution of Higher Education	Head of Department (part-time)
2013	2013	Moscow Power Engineering Institute National Research University Federal State Budgetary Educational Institution of Higher Education	Acting Rector
2001	2013	Moscow Power Engineering Institute National Research University Federal State Budgetary Educational Institution of Higher Education	Head of Department (part-time)
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2016	present	RusHydro	Member of the Board of Directors
2016	present	Rosseti PJSC	Member of the Board of Directors
2015	present	Energy without Borders Foundation	Member of the Board of Trustees
2015	2017	Energy Without Borders Foundation	Member of the Supervisory Board (Chairman)
2015	2016	PJSC INTER RAO	Independent Director
2014	2015	Gas Turbine Technologies Engineering Center LLC	Member of the Board of Directors

Share of the person in the authorized capital of the issuer, %: **none**.

Percentage of the Issuer's ordinary shares held by the person, %: **none**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): ***the person is not a member of any Committees of the Board of Directors of RusHydro.***

Full name: ***Yuriy Petrovich Trutnev***

Year of birth: ***1956***

Education: ***higher, Perm National Research Polytechnic University, major: mining engineering, graduation year: 1978.***

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2013	present	The Government of the Russian Federation	Deputy Head of the Government of the Russian Federation – Russian Presidential Plenipotentiary Envoy to the Far Eastern Federal District
2012	2013	The Administration of the President of the Russian Federation	Assistant to the President of the Russian Federation
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2015	present	Far Eastern Federal University	Member of the Supervisory Board (Chairman)
2015	present	RusHydro	Member of the Board of Directors (Chairman)
2012	present	Rosatom State Atomic Energy Corporation	Member of the Supervisory Board
2005	present	Russian Union of Martial Arts	Cochairman

Share of the person in the authorized capital of the issuer, %: ***none.***

Percentage of the issuer's ordinary shares held by the person, %: ***none.***

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: ***no issuer options have been placed.***

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: ***none.***

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: ***none.***

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: ***no options of subsidiaries and affiliated companies of the issuer have been placed.***

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: ***there is no such kinship.***

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: ***no such sanctions have been imposed upon the person.***

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: ***the person has not held such positions.***

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): ***the person is not a member of any Committees of the Board of Directors of RusHydro.***

Full name: ***Sergey Vladimirovich Shishin***

Year of birth: ***1963***

Education: ***higher, USSR KGB Higher Border Guard School, graduation year: 1984; USSR KGB***

Higher School, graduation year: 1990; the Russian Presidential Academy of National Economy and Public Administration, state and municipal administration, graduation year: 1999, Doctor of Economic Science, graduated in 2009.

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2007	present	VTB Bank (PJSC)	Senior Vice President
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2011	present	RusHydro	Member of the Board of Directors
2011	2017	Russian Regional Development Bank (RRDB) JSC	Member of the Supervisory Board
2011	2013	Rosneft Oil Company PJSC	Member of the Board of Directors, (Deputy Chairman)

Share of the person in the authorized capital of the issuer, %: **none**.

Percentage of the Issuer's ordinary shares held by the person, %: **none**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): **the person is not a member of any Committees of the Board of Directors of RusHydro**.

Full name: **Andrey Nikolayevich Shishkin**

Year of birth: **1959**

Education: **higher, Gubkin Russian State University of Oil and Gas, major: industrial heat-and-power engineering, graduation year: 1985**.

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2016	present	Joint-Stock Oil Company Bashneft PJSC	President, Chairman of the Management Board
2015	present	RN-Aktiv LLC	General Director
2012	present	Rosneft Oil Company PJSC	Vice President for Energy, Health, and Safety and Ecology (until August 17, 2014), Vice President for Energy

			and Localization (since August 18, 2014), Vice President for Energy, Localization, and Innovations (since April 18, 2016)
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2018	present	The National Association for Technology Transfer of Gubkin Russian State University of Oil and Gas	Member of the Supervisory Board
2017	present	TomskNIPIneft OJSC	Member of the Board of Directors
2017	present	RN-Aktiv LLC	Member of the Board of Directors
2017	present	SNGT LLC	Member of the Board of Directors
2017	present	Burovaya Tekhnika SPA JSC	Member of the Board of Directors
2017	present	Zvezda-Hyundai LLC	Member of the Board of Directors (Chairman)
2017	present	RN-Razvedka i Dobycha LLC	Member of the Board of Directors
2017	present	RN-Commerce LLC	Member of the Board of Directors
2017	present	RN-Pererabotka LLC	Member of the Board of Directors
2016	present	82 Ship-Repair Plant JSC	Member of the Board of Directors (Chairman)
2016	present	Zvezda Morskiye Tekhnologii LLC	Member of the Board of Directors
2016	present	Antares Singapore Pte. Lte	Member of the Board of Directors
2016	present	Lazurit Central Design Bureau OJSC	Member of the Board of Directors (Chairman)
2016	present	PJSC Bashneft Joint-Stock Oil Company	Member of the Board of Directors (Deputy Chairman)
2016	present	Okha CHPP JSC	Member of the Board of Directors (Chairman)
2016	2018	Arctic Scientific Center LLC	Member of the Board of Directors (Chairman)
2016	2018	VNIPIneft OJSC	Member of the Board of Directors (Chairman)
2016	2018	Giprotyumenneftegaz PJSC	Member of the Board of Directors
2016	2017	Saras S.p.A.	Member of the Board of Directors
2015	present	Rosneft Oil Company PJSC	Member of the Management Board
2015	present	Far Eastern Shipbuilding and Ship Repair Center OJSC	Member of the Board of Directors (Chairman)
2014	present	RusHydro	Member of the Board of Directors
2014	present	RIG Research Pte. Ltd,	Member of the Board of Directors (Chairman)
2014	2017	National Oil Consortium LLC	Member of the Board of Directors
2013	2017	Nonprofit Partnership Russian National Committee of the World Energy Council	Member of the Presidium
2013	2017	United Shipbuilding Corporation JSC	Member of the Board of Directors
2013	2016	NP Market Council Association	Member of the Supervisory Board
2013	2016	Rosseti PJSC	Member of the Board of Directors
2013	2015	Okha CHPP JSC	Member of the Board of Directors (Chairman)
2012	2017	RN-R&D Center LLC	Member of the Board of Directors

2012	2015	Rusenergo Foundation	Member of the Board of Directors
2006	2016	Tyumen Energy Retail Company OJSC	Member of the Board of Directors

Share of the person in the authorized capital of the issuer, %: **none**.

Percentage of the Issuer's ordinary shares held by the person, %: **none**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): **the person is not a member of any Committees of the Board of Directors of RusHydro**.

Full name: **Nikolay Grigoryevich Shulginov**

Year of birth: **1951**

Education: **higher, Order of the Red Banner of Labor Sergo Ordzhonikidze Novocheerkassk Polytechnic Institute, major: industrial enterprise and city electrical supply, graduation year: 1973; Candidate of Technical Sciences**.

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2015	present	RusHydro	Chairman of the Management Board – General Director
2009	2015	SO UES JSC	First Deputy Chairman of the Management Board
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2018	present	Hydroproject Institute JSC	Member of the Board of Directors (Chairman)
2017	present	Global Sustainable Energy Partnership	Member of the Board of Directors
2016	present	Rosseti PJSC	Member of the Board of Directors
2016	present	Hydropower Industry of Russia Association	Member of the Supervisory Board (Chairman)
2016	present	NP Market Council Association	Member of the Supervisory Board
2016	present	Russian Union of Industrialists and Entrepreneurs All-Russia Association of Employers	Member of the Management Board

2016	present	RusHydro	Member of the Board of Directors
2016	present	Siberian Federal University (SFU)	Member of the Board of Trustees
2016	2017	JSC RAO Energy Systems of the East	Member of the Board of Directors (Chairman)
2015	present	Moscow Power Engineering Institute National Research University Federal State Budgetary Educational Institution of Higher Education	Member of the Board of Trustees
2013	2016	FGC UES PJSC	Member of the Board of Directors
2008	present	NP SEB of UES	Member of the Supervisory Board (Deputy Chairman)

Share of the person in the authorized capital of the issuer, %: **none**.

Percentage of the Issuer's ordinary shares held by the person, %: **none**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): **the person is not a member of any Committees of the Board of Directors of RusHydro**.

Information on the members of the Board of Directors (the Supervisory Board) the issuer considers independent:

1. **Maksim Sergeyeovich Bystrov, Chairman of the Management Board of NP Market Council Association, ATS JSC.**
2. **Pavel Sergeyeovich Grachev, General Director, Polyus Management Company LLC and Polyus PJSC.**
3. **Sergey Nikolayevich Ivanov, Senior Independent Director, Board of Directors of RusHydro.**
4. **Vyacheslav Viktorovich Pivovarov – President, Altera Capital LLC.**

5.2.2. Information on the Issuer's Sole Executive Body

Full name: **Nikolay Grigoryevich Shulginov**

Year of birth: **1951**

Education: **higher, Order of the Red Banner of Labor Sergo Ordzhonikidze Novochoerkassk Polytechnic Institute, major: industrial enterprise and city electrical supply, graduation year: 1973; Candidate of Technical Sciences.**

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2015	present	RusHydro	Chairman of the Management Board – General Director
2009	2015	SO UES JSC	First Deputy Chairman of the Management Board
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2018	present	Hydroproject Institute JSC	Member of the Board of Directors (Chairman)
2017	present	Global Sustainable Energy Partnership	Member of the Board of Directors
2016	present	Rosseti PJSC	Member of the Board of Directors
2016	present	Hydropower Industry of Russia Association	Member of the Supervisory Board (Chairman)
2016	present	NP Market Council Association	Member of the Supervisory Board
2016	present	Russian Union of Industrialists and Entrepreneurs All-Russia Association of Employers	Member of the Management Board
2016	present	RusHydro	Member of the Board of Directors
2016	present	Siberian Federal University (SFU)	Member of the Board of Trustees
2016	2017	JSC RAO Energy Systems of the East	Member of the Board of Directors (Chairman)
2015	present	Moscow Power Engineering Institute National Research University Federal State Budgetary Educational Institution of Higher Education	Member of the Board of Trustees
2013	2016	FGC UES PJSC	Member of the Board of Directors
2008	present	NP SEB of UES	Member of the Supervisory Board (Deputy Chairman)

Share of the person in the authorized capital of the issuer, %: **none**.

Percentage of the Issuer's ordinary shares held by the person, %: **none**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): **the person is not a member of any Committees of the Board of Directors of RusHydro**.

5.2.3. Composition of the Issuer's Collective Executive Body

Full name: *Nikolay Grigoryevich Shulginov*

Year of birth: *1951*

Education: *higher, Order of the Red Banner of Labor Sergo Ordzhonikidze Novocherkassk Polytechnic Institute, major: industrial enterprise and city electrical supply, graduation year: 1973; Candidate of Technical Sciences.*

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2015	present	RusHydro	Chairman of the Management Board – General Director
2009	2015	SO UES JSC	First Deputy Chairman of the Management Board
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2018	present	Hydroproject Institute JSC	Member of the Board of Directors (Chairman)
2017	present	Global Sustainable Energy Partnership	Member of the Board of Directors
2016	present	Rosseti PJSC	Member of the Board of Directors
2016	present	Hydropower Industry of Russia Association	Member of the Supervisory Board (Chairman)
2016	present	NP Market Council Association	Member of the Supervisory Board
2016	present	Russian Union of Industrialists and Entrepreneurs All-Russia Association of Employers	Member of the Management Board
2016	present	RusHydro	Member of the Board of Directors
2016	present	Siberian Federal University (SFU)	Member of the Board of Trustees
2016	2017	JSC RAO Energy Systems of the East	Member of the Board of Directors (Chairman)
2015	present	Moscow Power Engineering Institute National Research University Federal State Budgetary Educational Institution of Higher Education	Member of the Board of Trustees
2013	2016	FGC UES PJSC	Member of the Board of Directors
2008	present	NP SEB of UES	Member of the Supervisory Board (Deputy Chairman)

Share of the person in the authorized capital of the issuer, %: *none*.

Percentage of the Issuer's ordinary shares held by the person, %: *none*.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: *no issuer options have been placed*.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: *none*.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: *none*.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: *no options of subsidiaries and affiliated companies of the issuer have been placed*.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: *there is no such kinship*.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions)

due to economic violations or wrongful acts against state authorities: ***no such sanctions have been imposed upon the person.***

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: ***the person has not held such positions.***

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): ***the person is not a member of any Committees of the Board of Directors of RusHydro.***

Full name: ***Boris Borisovich Bogush***

Year of birth: ***1952***

Education: ***higher, Saratov Polytechnic Institute, graduation year: 1975, major: mechanical engineering; Academy of National Economy under the Government of the Russian Federation, major: company development management, graduation year: 2004***

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Employment:			
Period		Name of the company	Position
from	to		
2009	present	RusHydro	Chief Operating Officer, Head of the Production business unit, member of the Management Board, member of the Board – Chief Engineer; member of the Board, First Deputy General Director – Chief Engineer
Positions held at collegiate management bodies			
2018	present	Hydroproject Institute JSC	Member of the Board of Directors
2013	present	NP Hydraulic Power of Russia	Member of the Supervisory Board
2013	present	Nonprofit Charitable Fund Soprichastnost	Member of the Board of Trustees
2013	2016	LLC VOLGAHYDRO	Member of the Board of Directors

Share of the person in the authorized capital of the issuer, %: ***0.003843.***

Percentage of the Issuer's ordinary shares held by the person, %: ***0.003843.***

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: ***no issuer options have been placed.***

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: ***none.***

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: ***none.***

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: ***no options of subsidiaries and affiliated companies of the issuer have been placed.***

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: ***there is no such kinship.***

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: ***no such sanctions have been imposed upon the person.***

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: ***the person has not held such positions.***

Full name: ***Sergey Anatolyevich Kirov***

Year of birth: **1976**

Education: **higher, Pryanishnikov Perm State Agro-Technological University, major: economics and agricultural enterprise management, graduation year: 1998; Regional Interindustry Staff Retraining Center Perm Technical University, the Economics and Management program, graduation year: 2004.**

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Employment:			
Period		Name of the company	Position
from	to		
2010	present	RusHydro	Chief Operating Officer for Economy, Director for Economy, Chief Operating Officer for Procurement Activity, Deputy General Director for Economy, Investments, and Procurement Activity, member of the Management Board, First Deputy General Director
2010	2014	LLC RusHydro IT Service	General Director
Positions held at collegiate management bodies			
2018	present	Hydroproject Institute JSC	Member of the Board of Directors
2015	2015	JSC ESKO UES	Member of the Board of Directors
2015	2015	JSC Zaramagskiye HPPs	Member of the Board of Directors
2014	2015	JSC Mosoblhydroproject	Member of the Board of Directors
2014	2015	JSC Malaya Dmitrovka	Member of the Board of Directors
2014	2015	Hydroproject Institute JSC	Member of the Board of Directors
2014	2015	Chuvash Energy Retail Company JSC	Member of the Board of Directors
2013	2015	PJSC Kolymaenergo	Member of the Board of Directors
2013	2015	JSC SShHPP SSC	Member of the Board of Directors
2013	2015	JSC Vedeneyev VNIIG	Member of the Board of Directors
2013	2015	JSC Hydroremont-VCC	Member of the Board of Directors
2013	2015	JSC Geotherm	Member of the Board of Directors
2013	2015	ESC RusHydro	Member of the Board of Directors
2013	2014	JSC Boguchanskiy Aluminum Smelter	Member of the Board of Directors
2013	2014	ENEX LLC	Member of the Board of Directors
2013	2014	JSC Zagorskaya PSHPP-2	Member of the Board of Directors
2013	2014	SNRG LLC	Member of the Board of Directors
2012	2015	JSC Verkhne-Narynskiye HPPs	Member of the Board of Directors
2012	2015	JSC RAO Energy Systems of the East	Member of the Board of Directors
2012	2014	Ust-Srednekanskaya HPP JSC	Member of the Board of Directors
2012	2014	RusHydro Bashkortostan Efficiency JSC	Member of the Board of Directors
2011	2015	JSC Scientific and Research Institute of Energy Structures	Member of the Board of Directors
2011	2015	PJSC Krasnoyarskenergosbyt	Member of the Board of Directors
2011	2015	MEK CJSC	Member of the Board of Directors
2011	2015	RESK PJSC	Member of the Board of Directors
2011	2015	ESKB LLC	Member of the Board of Directors
2011	2014	JSC Nizhne-Bureyskaya HPP	Member of the Board of Directors
2010	2015	JSC MC HydroOGK	Member of the Board of Directors
2010	2014	LLC RusHydro IT Service	Member of the Board of Directors

Share of the person in the authorized capital of the issuer, %: **none**.

Percentage of the Issuer's ordinary shares held by the person, %: **none**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

Full name: **George Ilich Rizhinashvili**

Year of birth: **1981**

Education: **higher, Lomonosov Moscow State University, major: economics, graduation year: 2004, Candidate of Economic Sciences (2011)**.

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Employment:			
Period		Name of the company	Position
from	to		
2009	present	RusHydro	member of the Management Board, Deputy Chairman of the Management Board; member of the Management Board, First Deputy General Director
2016	present	The Economics Faculty Development Assistance Fund of Lomonosov MSU	Chairman of the Management Board
Positions held at collegiate management bodies			
2017	present	Lomonosov MSU	Member of the Board of Trustees of the Economics Faculty
2013	present	Nonprofit Charitable Fund Soprichastnost	Member of the Board of Trustees
2010	2014	NP KONTs UES	Member of the Supervisory Board

Share of the person in the authorized capital of the issuer, %: **0.01286**.

Percentage of the Issuer's ordinary shares held by the person, %: **0.01286**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's

management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship.**

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person.**

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions.**

Full name: **Andrey Valentinovich Kazachenkov**

Year of birth: **1980**

Education: **higher, Saint Petersburg State University of Engineering and Economics, major: economics and management in machine building enterprises, Management; MBA degree from the University of Wisconsin–Madison (USA).**

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Employment:			
Period		Name of the company	Position
from	to		
2015	present	RusHydro	Chairman's and General Director's Advisor; First Deputy General Director; Member of the Management Board, First Deputy General Director;
Positions held at collegiate management bodies			
2018	present	Far Eastern Energy Management Company JSC	Member of the Board of Directors
2018	present	NPF LUKOIL-GARANT JSC	Member of the Board of Directors
2018	present	Hydroproject Institute JSC	Member of the Board of Directors
2016	present	JSC RAO Energy Systems of the East	Member of the Board of Directors (Chairman)
2015	2016	NP Market Council Association	Member of the Supervisory Board
2013	2014	MOESK PJSC	Member of the Board of Directors (Deputy Chairman)
2012	2015	NPF of Power Engineering JSC	Member of the Fund Board
2012	2014	Lenenergo PJSC	Member of the Board of Directors (Chairman)
2012	2013	IDGC of Centre PJSC	Member of the Board of Directors
2012	2013	Engineering Center UES Real Estate OJSC	Member of the Board of Directors (Chairman)
2009	2015	FGC UES PJSC	Member of the Board; Deputy Chairman of the Management Board, First Deputy Chairman of the Management Board.

Share of the person in the authorized capital of the issuer, %: **none.**

Percentage of the Issuer's ordinary shares held by the person, %: **none.**

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed.**

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none.**

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: **none.**

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed.**

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship.**

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person.**

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions.**

Full name: **Vladimir Ivanovich Markin**

Year of birth: **1956**

Education: **higher, Lomonosov Moscow State University, graduation year: 1985, major: journalism; Nonstate Educational Institution of Higher Professional Education Institute of Economics and Culture, graduation year: 2009, major: law.**

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Employment:			
Period		Name of the company	Position
from	to		
2016	present	RusHydro	First Deputy General Director; Member of the Management Board, First Deputy General Director
2011	2016	the Investigative Committee of the Russian Federation	Head of Media Relations Directorate
Positions held at collegiate management bodies			
2016	present	The Football Union of Russia	Chairman of the Security and Supporter Affairs Committee

Share of the person in the authorized capital of the issuer, %: **none.**

Percentage of the Issuer's ordinary shares held by the person, %: **none.**

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed.**

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none.**

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: **none.**

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed.**

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship.**

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person.**

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions.**

5.3. Information on Remuneration, Benefits, and/or Compensation for each of the Issuer's Management Entities

Information on remuneration for each management entity (excluding the individual performing the functions of

the Issuer's sole executive body). All types of remuneration, including salaries, bonuses, commission remuneration, benefits, and/or compensation, as well as other types of remuneration:

Board of Directors

Unit of measurement: **RUB**

Indicator description	six months of 2018
Remuneration for participation in management bodies	0
Salary	0
Bonuses	0
Commission	0
Other types of remuneration	0
TOTAL	0
Expenses resulting from fulfillment of functions of a member of the Management Entity repaid by the Issuer	0

Information on decisions made by the authorized Management Entities of the issuer and/or existing agreements concerning the amount of such remuneration to be paid and/or the amount of such expenses to be repaid:

On June 27, 2017, the General Meeting of Shareholders of RusHydro (Minutes No. 16 dated June 27, 2017) approved a new revision of the Regulation on Remunerations and Compensations to the Members of the Board of Directors of RusHydro (<http://www.rushydro.ru/upload/iblock/3dc/2.6.-Pr-6.-Polozhenie-o-voznagrazhdenii-chlenov-SD-2017-novaya-redaktsiya.pdf>).

The Regulation on Payment of Remunerations and Compensations to the Members of the Board of Directors of RusHydro approved on June 27, 2017, does not extend to the members of the Board of Directors of the Company who are members of the collective executive body of the Company or exercising the functions of the sole executive body of the Company (during a full or partial term of office of a Member of the Board of the Company).

No remuneration will be accrued or paid to a Chairman or members of the Board of Directors of the Company who are (during the full or partial term of office of a member of the Board of Directors) prohibited or restricted by the legislation of the Russian Federation from receiving any payments from commercial organizations.

To a Member of the Board of Directors of the Company:

- Remuneration to be paid within 60 days after the annual General Meeting of Shareholders of the Company at which a decision on the election of a new composition of the Board of Directors of the Company was made.

- Basic remuneration to each member of the Board of Directors is established as: RUB 3.51 million.

- Remuneration depends upon the number of meetings in which the member of the Board of Directors participated.

- Remuneration is increased if the member of the Board of Directors is Chairman of the Board of Directors (by 30%), Chairman of the Board of Directors' committee (by 20%), Senior Independent Director (by 15%), or a member of the Board of Directors' committee (by 10%).

On June 27, 2018, the General Meeting of Shareholders of RusHydro (Minutes No. 17 dated June 28, 2018) adopted a decision to pay remuneration to the members of the Board of Directors based on their work in the Board of Directors during the period from June 26, 2017, to June 27, 2018, in the amount, in the manner, and within the period specified by the Resolutions on Payment of Remuneration and Compensation to the Members of the Board of Directors of RusHydro approved by the decision of the annual General Meeting of Shareholders of the Company dated June 26, 2017 (Minutes No. 16 dated June 27, 2017).

Management Board

Unit of measurement: **RUB**

Indicator description	six months of 2018
Remuneration for participation in management bodies	0

Salary	80,320,826.94
Bonuses	210,768,628.00
Commission	0
Other types of remuneration	0
TOTAL	291,089,454.94
Expenses resulting from fulfillment of functions of a member of the Management Entity repaid by the Issuer	365,831.79

Information on decisions made by the authorized Management Entities of the issuer and/or existing agreements concerning the amount of such remuneration to be paid and/or the amount of such expenses to be repaid:

Remunerations shall be paid to the members of the Management Board, including the Chairman of the Management Board – General Director, subject to the conditions of labor agreements and the Regulations on Remunerations and Compensations to Members of the Management Board of RusHydro JSC approved by the Resolution of the Company's Board of Directors dated November 11, 2016 (Minutes No. 243 dated November 14, 2016).

In 2016, the Company engaged world-famous consulting company Ernst & Young (CIS) B.V. (Moscow branch) that developed recommendations for the system of remunerations for the collective and sole executive bodies in accordance with the best Russian market practice. Comparison and determination of market benchmarks by structure and amount of remuneration were performed among large companies with commensurable business size. Based on the results of the analysis, the system of incentives for the members of the Management Board of the Company was revised.

Starting January 1, 2017, the remuneration model has become more transparent and has been fully linked to the achievement of the short-term and long-term KPIs of the Company approved by the Company's Board of Directors upon the recommendation of the Nominations and Remunerations Committee under the Company's Board of Directors.

The new motivation system is based on the following principles: transparency, balance (maintenance of the balance between the interests of the Company's shareholders and the interest of the management in achieving the long-term and short-term goals of the Company), and objectivity (the amount of remuneration directly depends on the Company's performance results and implementation of significant projects).

The existing remuneration structure provides for a Program of Long-Term Motivation of the Management Board with reference to the growth of the value of shares and achievement of the Program's key performance indicators established by the Company Board of Directors. The Program was developed for the purpose of more closely linking the interests of the Company management and shareholders in the sustainable growth of the Company's capitalization and business development. Key goals and principles of the Program: motivation of the Company management for the implementation of strategic tasks and transparency for shareholders; the remuneration amount is determined with regard to the level of achievement of the Program KPIs, the unified mechanism for remuneration calculation, and equal conditions for its receipt.

The amount and conditions of remuneration payment to the Management Board members in connection with the early termination of the contract are defined in a document approved by the Board of Directors that governs payment of remunerations and compensations to the RusHydro Management Board members. The Company does not provide for "golden parachutes" for early termination of the contract. The maximum amount of compensation paid for early dismissal of a Management Board member is limited in accordance with the legislation of the Russian Federation to three average monthly salaries of the Management Board member.

5.4. Information on the Structure and Terms of Reference of the Issuer's Financial and Economic Supervisory Bodies and on the Organization of the Risk Management and Internal Control Systems

Full description of the structure of the Issuer's financial and economic supervisory bodies and their competences in accordance with the Issuer's Articles of Association (constituent documents) and internal documents:

In accordance with Clause 20.1 of Article 20 of the Company's Articles of Association, the General Meeting of Shareholders shall elect the Internal Audit Commission of the Company annually to supervise the financial and economic activities of the Company. There shall be five members in the Internal Audit Committee.

The Internal Audit Commission of the Company shall make decisions by a majority vote of its members.

The Internal Audit Commission of the Company acts within its terms of reference established by Federal Law No. 208-FZ dated December 26, 1995, "On Joint-Stock Companies," the Articles of Association of the Company, and the Regulation "On the Internal Audit Commission of the Company" approved at the annual General Meeting of Shareholders of the Company (Minutes No. 15 dated June 29, 2016).

Pursuant to Clause 20.3 of Article 20 of the Articles of Association of the Company, the following issues fall within the competence of the Internal Audit Commission:

1) Confirm the reliability of information contained in the annual report, balance sheet, and income statement of the Company

2) Analyze the financial condition of the Company, identify existing reserves for improvement of the financial condition of the Company, and develop recommendations for the management bodies of the Company

3) Organize and conduct audits (reviews) of the financial and economic activities of the Company, in particular:

- Audit financial, accounting, payment-and-settlement, and other documents of the Company related to its financial and economic activities with respect to its compliance with the laws of the Russian Federation, the Articles of Association, and internal documents of the Company

- Monitor the preservation and use of fixed assets

- Monitor compliance with the established procedure for charging insolvent debtors' liabilities to the losses of the Company

- Oversee the Company's expenditures in accordance with the approved financial documents of the Company

- Oversee the establishment and use of the reserve fund and other specialized funds of the Company

- Verify the correct and timely calculation and payment of dividends on the Company's shares, interest on bonds, and returns on other securities

- Verify fulfillment of earlier prescriptions to remedy violations and defects revealed by previous audits

- Take other actions (measures) related to the audit of the financial and economic activities of the Company

In accordance with Clause 20.9. of Article 20 of the Company's Articles of Association, the auditor shall audit the Company's financial and economic activities in accordance with the legislation of the Russian Federation and pursuant to the agreement concluded with it.

The General Meeting of Shareholders shall approve a Company auditor with no financial interest in the Company or its shareholders on an annual basis. The remuneration for the auditor's services shall be determined by the Company's Board of Directors.

Information on the auditor of RusHydro is given in Clause 1.2 of the Quarterly Report.

In accordance with Article 16 of RusHydro's Articles of Association, the committees of the Board of Directors are formed by decision of the Board of Directors and created to examine issues within the terms of reference of the Board of Directors or being examined by the Board of Directors in order to monitor the activity of the executive bodies of the Company and to develop necessary recommendations for the Board of Directors and executive bodies of the Company.

Information on the organization of risk management and internal control systems in relation to the financial and economic activities of the Issuer, including:

information on the existence of an audit committee of the Board of Directors (Supervisory Board) of the Issuer, its functions, its makeup and the number of members:

The Audit Committee of the Board of Directors of the Company, elected by the Company's Board of Directors on August 10, 2017 (Minutes No. 255 dated August 11, 2017), consists of three members of the Company's Board of Directors:

- Sergey Nikolayevich Ivanov (Chairman of the Audit Committee)

- Maksim Sergeevich Bystrov

- Vyacheslav Viktorovich Pivovarov

The Audit Committee acts on the basis of the Regulation on the Audit Committee of the Board of Directors (approved by the Board of Directors of RusHydro on June 23, 2016 (Minutes No. 239), with amendments introduced following the meeting of the Board of Directors on June 21, 2017 (Minutes No. 254)).

According to Clause 6.8 of the Regulation on the Audit Committee of the Board of Directors, Committee members are elected for a term until the date of the General Meeting of Shareholders where new members of the Board of Directors of the Company will be elected. If all Committee members are elected to

the new composition of the Board of Directors, such members shall work until new Committee members are elected.

The purpose of establishment of the Audit Committee is to facilitate effective performance of functions by the Board of Directors regarding control over the financial and economic activities of the Company.

The competence of the Audit Committee includes:

- *Oversight of assurance of the integrity, accuracy, and reliability of the Company's financial statements*
- *Oversight of the functioning of the internal control, risk management, and corporate governance system*
- *Assurance of the independent and unbiased performance of internal audit functions*
- *Assurance of the independent and unbiased performance of external audit functions*
- *Oversight of the functioning of the system of notification on potential cases of unscrupulous actions of Company employees (including unfair use of insider or confidential information) and third parties and oversight of the implementation of measures taken by the Company within such system*

Information on the Issuer's separate structural division(s) for risk management and internal control (the body (structural division) other than the Internal Audit Commission (auditor) that exercises internal control over the Issuer's financial and economic activities), its tasks and functions:

The Risk Control and Management Department operates in the Company.

The Department is a structural division of the Company accountable to the Chairman of the Management Board – General Director of the Company.

The tasks and functions of the Department include:

- *Organization of the functioning of an effective corporate system of risk management and internal control and the anticorruption system of the Company*
- *Development and monitoring of the fulfillment of plans and programs aimed at improving the corporate system of risk management and internal control of the Company and the companies it participates in (including indirect participation) (the "subsidiaries")*
- *Interaction with the territorial executive authorities of the Russian Federation, the Accounts Chamber of the Russian Federation, the Internal Audit Commission of the Company, and other supervisory bodies in terms of internal control and in the course of their auditing of the Company and its subsidiaries*
- *Oversight of the disclosure of information about the risks of the Company and its subsidiaries*

Information on the Issuer's individual structural division (service) for internal audit, its tasks and functions:

An Internal Audit Service operates in the Company. This Service is a structural division of the Company. The head of the Internal Audit Service is functionally accountable to the Audit Committee of the Board of Directors and administratively accountable to the Chairman of the Management Board – General Director of the Company.

The tasks and functions of the Internal Audit Service include:

- *Organizing and conducting internal audits of the Company and its subsidiaries*
- *Evaluation of the effectiveness of the internal control system, risk management system, and corporate governance of the Company and its subsidiaries*
- *Interaction with the Audit Committee of the Company's Board of Directors.*

Information on the Issuer's policy in the field of risk management and internal control and on the Issuer's internal document that establishes the rules for preventing illegal use of confidential and insider information:

The systems of internal control and risk management and of internal audit are arranged in the Company with due regard to international standards and to the regulatory requirements and recommendations applicable in the Russian Federation, the general principles and approaches of which are recorded in the Internal Control and Risk Management Policy and in the Internal Audit Policy:

1. Internal Control and Risk Management Policy of RusHydro

URL of the web page where the full text is published:

http://www.rushydro.ru/corporate/regulations_and_docs/documents/board/

2. Internal Audit Policy of RusHydro

URL of the web page where the full text is published:

http://www.rushydro.ru/corporate/regulations_and_docs/documents/board/

3. The procedure for the interaction between the Audit Committee of the Company's Board of Directors and the Issuer's executive management bodies is described in the Regulation on the Audit Committee of the Board of Directors of RusHydro

URL of the web page where the full text is published:

http://www.rushydro.ru/corporate/regulations_and_docs/documents/board/

4. *The Regulation on Insider Information has been approved by decision of the Board of Directors of RusHydro*

URL for free access to the full text: <http://www.rushydro.ru/investors/disclosure/inside/>

The Regulation governs the practice of the fulfillment by the Company of the requirements of Russian laws in the field of countering the illegal use of insider information and market manipulation. The Regulation was prepared with regard to the international practice of corporate governance, including the requirements of the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

The Regulation establishes the categories of persons that RusHydro includes in the list of insiders and the procedure for access to and the rules for protecting the confidentiality of insider information, as well as restrictions on the use of information by insiders for transactions with the Company's financial instruments and on the transfer of information about it to other persons. This list shall also include RusHydro employees who have access to information and documents containing insider information for the purposes of performing their work functions.

The list of insider information is drawn up in Russian and English and is published on the corporate website of RusHydro (www.rushydro.ru and www.eng.rushydro.ru). Information relating to insider information is published by the Company in Russian in the news feed of the authorized information agency Interfax (www.e-disclosure.ru), and in English in the news feed of RNS (<http://www.londonstockexchange.com/home/homepage.htm>).

The up-to-date list of insider information of RusHydro was approved by order of RusHydro No. 236 dated April 18, 2018.

URL for free access to the full text: <http://www.rushydro.ru/investors/disclosure/inside/>

5.5. Information on the Members of the Issuer's Bodies Monitoring Financial and Economic Activities

The Issuer's Internal Audit Commission

(the Internal Audit Commission was elected at the annual General Meeting of Shareholders on June 27, 2018, Minutes No. 17)

Full name: *Nataliya Nikolayevna Annikova*

Year of birth: *1955*

Education: *higher*

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Period		Name of the company	Position
from	to		
2017	2018	Ortus MC	Economic Director
2013	2017	Construction Department No. 308 OJSC	First Deputy General Director for Economics and Finance
2010	2013	RZDstroy OJSC	Advisor to the General Director
2015	present	RusHydro	Member of the Internal Audit Commission

Share of the person in the authorized capital of the issuer, %: *none*.

Percentage of the Issuer's ordinary shares held by the person, %: *none*.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: *no issuer options have been placed*.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: *none*.

The stake of ordinary shares in the subsidiaries and affiliated companies of the issuer held by the person: *none*.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: *no options of subsidiaries and affiliated companies of the issuer have been placed*.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: *there is no such kinship*.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: ***no such sanctions have been imposed upon the person.***

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: ***the person has not held such positions.***

Full name: ***Tatyana Valentinovna Zobkova***

Year of birth: ***1976***

Education: ***higher***

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Period		Name of the company	Position
from	to		
2014	present	Ministry of Energy of Russia	Lead Advisor; Deputy Head of the Division and Head of Division of the Department; Deputy Director of the Corporate Governance, Price Environment, and Control and Audit Department
2014	2014	Uglichkhleb OJSC	Development Director
2013	2014	Administration of Voskresensk Municipal District, Moscow Region	Chief Specialist of the Financial Control Department; head of the Economic Planning Department
2013	2013	Telemontazh LLC	Deputy General Economy and Finance Director
2012	2013	KAM-STROY LLC	Development Director
2017	present	RusHydro	Member of the Internal Audit Commission

Share of the person in the authorized capital of the issuer, %: ***none.***

Percentage of the Issuer's ordinary shares held by the person, %: ***none.***

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: ***no issuer options have been placed.***

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: ***none.***

The stake of ordinary shares in the subsidiaries and affiliated companies of the issuer held by the person: ***none.***

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: ***no options of subsidiaries and affiliated companies of the issuer have been placed.***

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: ***there is no such kinship.***

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: ***no such sanctions have been imposed upon the person.***

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: ***the person has not held such positions.***

Full name: ***Igor Nikolayevich Repin***

Year of birth: **1966**

Education: **higher**

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Period		Name of the company	Position
from	to		
2003	present	Investor Rights Protection Association Nonprofit Organization	Deputy Executive Director
2014	present	RusHydro	Member of the Internal Audit Commission

Share of the person in the authorized capital of the issuer, %: **none**.

Percentage of the Issuer's ordinary shares held by the person, %: **none**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

Full name: **Marina Aleksandrovna Kostina**

Year of birth: **1980**

Education: **higher**

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Period		Name of the company	Position
from	to		
2015	present	Ministry of the Economic Development of the Russian Federation	Deputy Director of the Corporate Management Department
2015	2015	Ministry of the Economic Development of the Russian Federation	Deputy Director of the Foreign Economic Activity Coordination, Development, and Regulation Department
2008	2015	Federal Agency for State Property Management	Deputy Head of the Department of Social and Cultural Organizations and Foreign Property of the Federal Property Management Agency
2017	present	RusHydro	Member of the Internal Audit Commission

Share of the person in the authorized capital of the issuer, %: **none**.

Percentage of the Issuer's ordinary shares held by the person, %: **none**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

Full name: **Dmitriy Igorevich Simochkin**

Year of birth: **1992**

Education: **higher**

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Period		Name of the company	Position
from	to		
2015	present	Federal Agency for State Property Management	1st Class Specialist, Chief Specialist, Adviser, Deputy Head, Head of the Department
2017	present	RusHydro	Member of the Internal Audit Commission

Share of the person in the authorized capital of the issuer, %: **none**.

Percentage of the Issuer's ordinary shares held by the person, %: **none**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

Audit Committee under the Issuer's Board of Directors

Full name: *Sergey Nikolayevich Ivanov*

Year of birth: *1961*

Education: *higher, MPhI, faculty: theoretical nuclear physics, graduation year: 1984; Doctor of Economics, 2007; professor, 2010; Corresponding Member of the Russian Academy of Natural Sciences, 1999.*

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2016	2018	RT Capital LLC	General Director
2015	2016	Nechernozemagropromstroy Corporation OJSC	General Director
2012	2015	LENSENT LLC	General Director
2011	2016	ERKO OJSC	General Director
2007	2014	National Institute of Energy Security ANO	Chairman of the Presidium
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2017	2018	RT Stroytech JSC	Member of the Board of Directors
2016	2018	RT Capital LLC	Member of the Board of Directors
2015	present	RusHydro	Member of the Board of Directors
2015	2016	ERKO OJSC	Member of the Board of Directors
2014	2015	Novoyeniseyskiy Wood-Chemical Complex CJSC	Member of the Board of Directors
2012	2013	Sberkredbank CJSC	Member of the Board of Directors
2012	2013	Electrification Exhibition Pavilion OJSC	Member of the Board of Directors
2011	2016	Nechernozemagropromstroy Corporation OJSC	Member of the Board of Directors
2007	2013	Malaya Energetika OJSC	Member of the Board of Directors
2002	2015	Investment Scientific and Production Company Russian Energy Technologies (RET) CJSC	Member of the Board of Directors

Share of the person in the authorized capital of the issuer, %: *none.*

Percentage of the Issuer's ordinary shares held by the person, %: *none.*

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: *no issuer options have been placed.*

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: *none.*

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: *none.*

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: *no options of subsidiaries and affiliated companies of the issuer have been placed.*

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: *there is no such kinship.*

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: *no such sanctions have been imposed upon the person.*

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: ***the person has not held such positions.***

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): ***the person is the Chairman of the Audit Committee and a member of the HR and Remunerations (Nominations) Committee of the Board of Directors of RusHydro.***

Full name: ***Maksim Sergeevich Bystrov***

Year of birth: ***1964***

Education: ***higher education, Kuybyshev Moscow Civil Engineering Institute, Hydraulic Engineering of River Installations and Hydropower Plants, graduation year: 1986; Russian Academy for Foreign Trade, Global Economics, graduation year: 1998.***

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2013	present	JSC ATS	Chairman of the Management Board
2013	present	NP Market Council Association	Chairman of the Management Board
2010	2013	The Administration of the President of the Russian Federation	Deputy Plenipotentiary of the President of the Russian Federation in the North Caucasian Federal District
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2014	present	SO UES JSC	Member of the Board of Directors (Chairman)
2014	2016	FGC UES PJSC	Member of the Board of Directors
2013	present	RusHydro	Member of the Board of Directors
2013	present	JSC ATS	Member of the Board of Directors
2013	present	NP Market Council Association	Member of the Supervisory Board
2013	2017	Northern Caucasus Resorts JSC	Member of the Board of Directors
2012	2017	Management Company Mineralnyye Vody Airport OJSC	Member of the Board of Directors (Chairman)

Share of the person in the authorized capital of the issuer, %: ***none.***

Percentage of the Issuer's ordinary shares held by the person, %: ***none.***

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: ***no issuer options have been placed.***

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: ***none.***

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: ***none.***

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: ***no options of subsidiaries and affiliated companies of the issuer have been placed.***

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: ***there is no such kinship.***

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: ***no such sanctions have been imposed upon the person.***

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: ***the person has not held such positions.***

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): ***the person is a member of the Audit Committee and the HR and Remunerations (Nominations) Committee of the Board of Directors of RusHydro.***

Full name: ***Vyacheslav Viktorovich Pivovarov***

Year of birth: ***1972***

Education: ***higher, Sergo Ordzhonikidze State University of Management, major: global economics, graduation year: 1995; American University of Paris, major: applied economics, graduation year: 1995; Stanford University, MBA, graduation year: 2002.***

Positions held by this person at the Issuer and other organizations in the past five years and currently, in chronological order, including part-time positions

Employment:			
from	to	Name of the company	Position
2017	present	Altera Capital LLC ⁶	President
2011	2017	Altera Capital LLC ⁷	President
Positions held at collegiate management bodies			
from	to	Name of the company	Position
2014	present	GeoProMining Investment, Ltd	Member of the Board of Directors
2013	present	RusHydro	Member of the Board of Directors
2012	2013	Quadra PJSC	Member of the Board of Directors

Share of the person in the authorized capital of the issuer, %: ***none.***

Percentage of the Issuer's ordinary shares held by the person, %: ***none.***

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: ***no issuer options have been placed.***

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: ***none.***

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: ***none.***

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: ***no options of subsidiaries and affiliated companies of the issuer have been placed.***

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: ***there is no such kinship.***

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: ***no such sanctions have been imposed upon the person.***

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: ***the person has not held such positions.***

Information on participation (as a member of a committee or Chairman of a committee) in the operation of a Committee of the Board of Directors (the Supervisory Board), including the name of the committee(s): ***the person is the Chairman of the HR and Remunerations (Nominations) Committee and a member of the Audit Committee of the Board of Directors of RusHydro.***

The Issuer's Risk Control and Management Department

Director of Internal Control and Risk Management – Chief Auditor

Full name: ***Yelena Aleksandrovna Shchyogoleva***

Year of birth: ***1976***

Education: ***higher***

⁶ INN 7714961556

⁷ INN 7703741291

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Period		Name of the company	Position
from	to		
2016	present	RusHydro	Director of Internal Control and Risk Management – Chief Auditor
2012	2016	MOESK PJSC	Deputy Director of the Internal Audit and Risk Management Department, Deputy Director of the Internal Audit Department, Director of the Internal Audit and Risk Management Department, Control Director – Head of Internal Audit and Risk Management Department, Audit Director of the Audit Division

Share of the person in the authorized capital of the issuer, %: **none**.

Percentage of the Issuer's ordinary shares held by the person, %: **none**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

The Issuer's Internal Audit Service

Head of Internal Audit Service

Full name: **Oleg Yevgenyevich Azhimov**

Year of birth: **1977**

Education: **higher**

Positions held by this person at the issuer and other organizations in the past five years and currently, in chronological order, including part-time positions:

Period		Name of the company	Position
from	to		
2010	present	RusHydro	Head of the Internal Audit Service; Deputy Audit Director of the Internal Audit, Risk Control, and Management Department; Head of the Internal Audit Department

Share of the person in the authorized capital of the issuer, %: **none**.

Percentage of the Issuer's ordinary shares held by the person, %: **none**.

Number of the Issuer's shares of each category (class) that such person may acquire as a result of the exercise of rights under the Issuer's options in their possession: **no issuer options have been placed**.

Share of the person in the authorized capital of the Issuer's subsidiaries and affiliates: **none**.

The stake of ordinary shares in the subsidiaries and affiliated companies of the Issuer held by the person: **none**.

The number of shares of each category (class) that such person may acquire as a result of the exercise of rights under the options of the Issuer's subsidiaries or affiliated companies in their possession: **no options of subsidiaries and affiliated companies of the issuer have been placed**.

Information on the nature of any kinship with other individuals who are members of the Issuer's management bodies and/or bodies monitoring the financial and economic activities of the issuer: **there is no such kinship**.

Information on the imposition of administrative sanctions upon the person due to violations in the areas of finance, taxes and levies, or the securities market or imposition of penal sanctions (previous convictions) due to economic violations or wrongful acts against state authorities: **no such sanctions have been imposed upon the person**.

Information on the person holding any position in the management bodies of commercial organizations during any period when an action of bankruptcy was brought against the said organizations, and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations: **the person has not held such positions**.

5.6. Information on Remuneration, Benefits, and/or Compensation as to the Issuer's Bodies Monitoring Financial and Economic Activities

Information on remuneration as to the Issuer's financial and economic monitoring bodies. All types of remuneration, including salaries, bonuses, commission remunerations, benefits and/or compensation, as well as other types of remuneration paid by the Issuer for the respective reporting period:

Internal Audit Commission

Unit of measurement: **RUB**

Indicator description	six months of 2018
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0
Salary	0
Bonuses	0
Commission	0
Other types of remuneration	0
TOTAL	0
Expenses resulting from fulfilling the functions of members of bodies controlling the financial and operational activities of the issuer that are repaid by the issuer	0

Information on decisions made by the Issuer's competent management bodies and/or existing agreements concerning the amount of such remuneration to be paid and/or the amount of such expenses to be repaid:

The payment of remunerations to the members of the Internal Audit Commission shall be made in accordance with documents approved by the General Meeting of Shareholders and separate decisions of the General Meeting of Shareholders.

On June 27, 2017, the General Meeting of Shareholders of RusHydro (Minutes No. 16 dated June 27, 2017) approved a new revision of the Regulation on Payment of Remunerations and Compensations to the Members of the RusHydro Internal Audit Commission (<http://www.rushydro.ru/upload/iblock/acf/2.7.-Pr-7.-Polozhenie-o-voznagrazhdeniyah-chlenov-RK-2017-Nov.redaktsiya.pdf>), which updated the methodology for calculating remuneration to the members of the Internal Audit Commission.

No agreements on the amounts of remuneration have been entered into with the members of the Internal Audit Commission.

On June 27, 2018, the General Meeting of Shareholders of RusHydro (the Minutes No. 17 dated June 28, 2018) has taken a decision to pay remuneration to the members of the Internal Audit Commission of the Company based on their work in the Internal Audit Commission during the period from June 26, 2017, to June 27, 2018, in the amount, in the manner, and within the period specified by the Regulation on Remunerations and Compensations to the Members of the Internal Audit Commission of RusHydro approved by the decision of the annual General Meeting of Shareholders of the Company (Minutes No. 16 dated June 27, 2017).

Audit Committee under the Board of Directors

Unit of measurement: **RUB**

Indicator description	six months of 2018
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0
Salary	0
Bonuses	0
Commission	0
Other types of remuneration	0
TOTAL	0
Expenses resulting from fulfilling the functions of members of bodies controlling the financial and operational activities of the issuer that are repaid by the issuer	0

Information on decisions made by the Issuer's competent management bodies and/or existing agreements concerning the amount of such remuneration to be paid and/or the amount of such expenses to be repaid:

The payment of remunerations to the members of the Audit Committee shall be performed in accordance with the documents approved by the General Meeting of Shareholders.

The payment of remunerations to the members of the Audit Committee of the Board of Directors is performed in accordance with the Regulation on the Payment of Remunerations and Compensation to the members of the Board of Directors of RusHydro approved on June 26, 2017, by the General Meeting of Shareholders of RusHydro (Minutes No. 16 dated June 27, 2017) <http://www.rushydro.ru/upload/iblock/3dc/2.6.-Pr-6.-Polozhenie-o-voznagrazhdenii-chlenov-SD-2017-novaya-redaktsiya.pdf>.

The Resolution on the Payment of Remunerations and Compensations to the Members of the Board of Directors of RusHydro approved on June 26, 2017, does not extend to the members of the Board of Directors of the Company who are members of the collective executive body of the Company or exercising the functions of the sole executive body of the Company (during a full or partial term of office of a Member of the Board of the Company).

No remuneration will be accrued or paid to a Chairman or members of the Board of Directors of the Company who are (during the full or partial term of office of a member of the Board of Directors) prohibited or restricted by the legislation of the Russian Federation from receiving any payments from commercial organizations.

On June 27, 2018, the General Meeting of Shareholders of RusHydro (Minutes No. 17 dated June 28, 2018) adopted a decision to pay remuneration to the members of the Board of Directors based on their work in the Board of Directors during the period from June 26, 2017, to June 27, 2018, in the amount, in the manner, and within the period specified by the Resolutions on Payment of Remuneration and Compensation to the Members of the Board of Directors of RusHydro approved by the decision of the annual General Meeting of Shareholders of the Company dated June 26, 2017 (Minutes No. 16 dated June 27, 2017).

No agreements on the amounts of remuneration have been entered into with the members of the Audit Committee of the Board of Directors.

Risk Control and Management Department

Unit of measurement: **RUB**

Indicator description	six months of 2018
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0
Salary	22,418,649.18
Bonuses	13,188,800.00
Commission	0
Other types of remuneration	0
TOTAL	35,607,449.18
Expenses resulting from fulfilling the functions of members of bodies controlling the financial and operational activities of the issuer that are repaid by the issuer	34,830.00

Internal Audit Service

Unit of measurement: **RUB**

Indicator description	six months of 2018
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0
Salary	7,044,875.87
Bonuses	4,000,240.00
Compensation of expenses	0
Other types of remuneration	0
TOTAL	11,045,115.87
Expenses resulting from fulfilling the functions of members of bodies controlling the financial and operational activities of the issuer that are repaid by the issuer	25,938.47

Information on decisions made by the Issuer's competent management bodies and/or existing agreements concerning the amount of such remuneration to be paid and/or the amount of such expenses to be repaid:

Remuneration is paid to the employees in accordance with the terms and conditions of their labor agreements.

5.7. Information on the Number and General Information on the Composition of the Issuer's Employees (Workers) and Changes in the Number of the Issuer's Employees (Workers)

The average number of employees (workers) of the Issuer, including employees (workers) working at its branches and representative offices, as well as the amount of wages accrued and social benefits paid

Indicator description	six months of 2018
Average number of employees, persons	5,367.1
Total payroll for the reporting period, RUB	4,492,867,800.00
Social payments to the employees for the reporting period, RUB	145,060,920.00

Workers of the Issuer include workers who have a significant impact on the financial and economic activities of the Issuer (key management personnel), namely:

- Chairman of the Management Board – General Director, member of the Board of Directors Nikolay Grigoryevich Shulginov*
- Members of the Management Board*
- Deputy General Directors of the Issuer*
- Heads of the Issuer's Departments and their Deputies*

Workers of the Issuer did not create a trade union committee. As a result of the absorption of the joint-stock companies mentioned in Clause 3.1.3 hereof by the Company (Companies to be absorbed), the employees of the given companies who currently participate in trade union organizations established in the companies to be absorbed before their absorption by the Issuer became workers of the Issuer as a result of Issuer restructuring.

5.8. Information on Any Liabilities of the Issuer to its Employees (Workers) Concerning Their Possible Participation in the Issuer's Authorized Capital

The Issuer has no liabilities to its employees as to the possibility of their participation in its authorized capital.

VI. Information on the Issuer's Participants (Shareholders) and Interested-Party Transactions Made by the Issuer

6.1. Information on the Total Number of the Issuer's Participants (Shareholders)

Total number of persons with nonzero balances on their personal accounts recorded in the Issuer's register of shareholders as of the end of the latest reporting quarter: **304,729**

The persons registered in the Shareholder Register include the nominal shareholders of the Issuer. Total number of the Issuer's nominee shareholders: **15**

Total number of persons included in the final list of persons that had (have) the right to participate in the General Meeting of Shareholders of the Issuer (other list of persons composed for the purposes of execution of rights attached to the Issuer's shares and for the composition of which the Issuer's nominee shareholders presented data on the persons in whose interests they hold the Issuer's shares): **351,340**

Categories (classes) of the Issuer's shares whose holders were subject to inclusion in such list: **ordinary shares**

Date of such list: **June 5, 2018**

Number of treasury shares on the balance of the Issuer as of the date of the end of the reporting quarter: **There are no treasury shares on the balance of the Issuer**

Number of the Issuer's ordinary shares held by controlled entities: **3,852,260,628 shares**

6.2. Information on the Issuer's Participants (Shareholders) Holding at Least 5% of the Authorized Capital or at Least 5% of Its Equity Shares as Well as Information on Persons Controlling Such Participants (Shareholders) and, in the Absence thereof, on Such Participants (Shareholders) Holding at Least 20% of the Authorized (Reserve) Capital (Unit Fund) or at Least 20% of Their Equity Shares

The Issuer's participants (shareholders) holding at least 5% of its authorized capital or at least 5% of its equity shares:

1.

Full name: **Russian Federation represented by the Federal Agency for State Property Management**

Short name: **Russian Federation, represented by Rosimushchestvo**

Location: **9 Nikolskiy Pereulok, Moscow 109012**

INN: **7710723134**

OGRN: **1087746829994**

Share of the Issuer's participant (shareholder) in the Issuer's authorized capital, %: **60.56**

Percentage of the Issuer's ordinary shares held by the participant (shareholder), %: **60.56**

Persons controlling the Issuer's participant (shareholder): **there are no such persons.**

Participants (shareholders) of such entity holding at least 20% of its authorized capital or at least 20% of its ordinary shares: **there are no such persons.**

2.

Full corporate name: **VTB Bank (Public Joint-Stock Company)**

Short corporate name: **VTB Bank (PJSC)**

Location: **29 Bolshaya Morskaya St., Saint Petersburg**

INN: **7702070139**

OGRN: **1027739609391**

Shareholder's stake in the authorized capital of the Issuer, %: **13.34⁸**
Percentage of the Issuer's ordinary shares held by the shareholder, %: **13.34**

Persons controlling the Issuer's shareholder:

2.1.

Name: ***Russian Federation represented by the Federal Agency for State Property Management***

Location: ***9 Nikolskiy Pereulok, Moscow 109012***

INN: ***7710723134***

OGRN: ***1087746829994***

Type of control: ***direct control***

Grounds for such control by the person controlling the participant (shareholder) of the Issuer: ***participation in a legal entity that is a shareholder of the Issuer***

Sign of exercise of such control by the person controlling the Issuer's participant (shareholder): ***the right to control over 50% of votes in the supreme management body of a legal entity that is a shareholder of the Issuer***

Such person's share in the authorized capital of the Issuer's shareholder, %: ***12.13***

Percentage of the ordinary shares of the Issuer's shareholder belonging to such person, %: ***60.93***

Such person's share in the authorized capital of the Issuer, %: ***60.56***

Share of the Issuer's ordinary shares belonging to such person, %: ***60.56***

3.

Full corporate name: ***Avitrans Limited Liability Company***

Short corporate name: ***Avitrans LLC***

Location: ***31 Zagorodnaya St., Berezniki, Perm Krai, Russia***

INN: ***5911010108***

OGRN: ***1025901706698***

Shareholder's stake in the authorized capital of the Issuer, %: ***6.05⁹***

Percentage of the Issuer's ordinary shares held by the shareholder, %: ***6.05***

Persons controlling the Issuer's shareholder:

3.1.

Full name of the individual: ***Mikhail Yevgenyevich Shelkov***

Type of control: ***indirect control***

Grounds for such control by the person controlling the shareholder of the Issuer: ***participation in a legal entity that is a shareholder of the Issuer***

Sign of exercise of such control by the person controlling the Issuer's shareholder: ***the right to control over 50% of votes in the supreme management body of a legal entity that is a shareholder of the Issuer***

All entities (a chain of entities under direct or indirect control of the person controlling the Issuer's shareholder) controlled by the person controlling the Issuer's shareholder through which the person controlling the Issuer's shareholder exercises indirect control. Full and short corporate name, location, INN (if applicable), and OGRN (if applicable) are specified for each such company:

Mikhail Yevgenyevich Shelkov exercises indirect control through the controlled entities:

1. Full name: Business Alliance Company Closed Joint-Stock Company

Short name: Business Alliance Company CJSC

Location: 9/28 Pyatnitskaya St., Bldg. 1, Premises 2, Offices 1, 2, 3, Moscow, Russia

INN: 7715926924

OGRN: 1127746525697

2. Full name: Industrial Investments Limited Liability Company

Short name: Industrial Investments LLC

Location: 7/1 Fadeyeva St., Office 2, Moscow, Russia

INN: 7710634886

OGRN: 1067746762710

3. Full name: CADOR ENTERPRISES LIMITED

⁸ The size of the share is indicated based on the data submitted by the Issuer's registrar (VTB Registrar JSC) as of June 30, 2018.

⁹ The size of the share is indicated based on the data submitted by the Issuer's registrar (VTB Registrar JSC) as of June 30, 2018.

Short name: CADOR ENTERPRISES LIMITED
Location: Foti Pitta 9, 4th floor, Office 401, P.C.1065, Nicosia, Cyprus
INN: not applicable
OGRN: not applicable

4. Full name: JIVANTA VENTURES LIMITED
Short name: JIVANTA VENTURES LIMITED
Location: Foti Pitta 9, 4th floor, Office 401, P.C.1065, Nicosia, Cyprus
INN: not applicable
OGRN: not applicable

5. Full name: VSMPO-AVISMA Corporation Public Joint-Stock Company
Short name: VSMPO-AVISMA Corporation PJSC
Location: 1 Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia
INN: 6607000556
OGRN: 1026600784011

Other details provided by the Issuer at its sole discretion: *Mikhail Yevgenyevich Shelkov is the controlling person in relation to Business Alliance Company Closed Joint-Stock Company; Business Alliance Company Closed Joint-Stock Company is the controlling person in relation to Industrial Investments Limited Liability Company; Industrial Investments Limited Liability Company is the controlling person of CADOR ENTERPRISES LIMITED and JIVANTA VENTURES LIMITED, which in turn are shareholders of VSMPO-AVISMA Corporation Public Joint-Stock Company and have the same participation shares: each in the amount of 30% minus 1 share; VSMPO-AVISMA Corporation Public Joint-Stock Company owns 100% of the votes in Avitrans Limited Liability Company.*

3.2.

Full corporate name: *Business Alliance Company Closed Joint-Stock Company*

Short corporate name: *Business Alliance Company CJSC*

Location: *9/28 Pyatnitskaya St., Bldg. 1, Premises 2, Offices 1, 2, 3, Moscow, Russia*

INN: *7715926924*

OGRN: *1127746525697*

Type of control: *indirect control*

Grounds for such control by the person controlling the shareholder of the Issuer: *participation in a legal entity that is a shareholder of the Issuer*

Sign of exercise of such control by the person controlling the Issuer's shareholder: *the right to control over 50% of votes in the supreme management body of a legal entity that is a shareholder of the Issuer*

All entities (a chain of entities under direct or indirect control of the person controlling the Issuer's shareholder) controlled by the person controlling the Issuer's shareholder through which the person controlling the Issuer's shareholder exercises indirect control. Full and short corporate name, location, INN (if applicable), and OGRN (if applicable) are specified for each such company:

Business Alliance Company Closed Joint-Stock Company exercises indirect control through the controlled entities:

1. Full name: Industrial Investments Limited Liability Company

Short name: Industrial Investments LLC

Location: 7/1 Fadeyeva St., Office 2, Moscow, Russia

INN: 7710634886

OGRN: 1067746762710

2. Full name: CADOR ENTERPRISES LIMITED

Short name: CADOR ENTERPRISES LIMITED

Location: Foti Pitta 9, 4th floor, Office 401, P.C.1065, Nicosia, Cyprus

INN: not applicable

OGRN: not applicable

3. Full name: JIVANTA VENTURES LIMITED

Short name: JIVANTA VENTURES LIMITED

Location: Foti Pitta 9, 4th floor, Office 401, P.C.1065, Nicosia, Cyprus

INN: not applicable
OGRN: not applicable

4. Full name: VSMPO-AVISMA Corporation Public Joint-Stock Company
Short name: VSMPO-AVISMA Corporation PJSC
Location: 1 Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia
INN: 6607000556
OGRN: 1026600784011

3.3.

Full corporate name: *Industrial Investments Limited Liability Company*
Short corporate name: *Industrial Investments LLC*
Location: *7/1 Fadeyeva St., Office 2, Moscow, Russia*
INN: *7710634886*
OGRN: *1067746762710*

Type of control: *indirect control*

Grounds for such control by the person controlling the shareholder of the Issuer: *participation in a legal entity that is a shareholder of the Issuer*

Sign of exercise of such control by the person controlling the Issuer's shareholder: *the right to control over 50% of votes in the supreme management body of a legal entity that is a shareholder of the Issuer*

All entities (a chain of entities under direct or indirect control of the person controlling the Issuer's shareholder) controlled by the person controlling the Issuer's shareholder through which the person controlling the Issuer's shareholder exercises indirect control. Full and short corporate name, location, INN (if applicable), and OGRN (if applicable) are specified for each such company:

Industrial Investments Limited Liability Company exercises indirect control through the controlled entities:

1. Full name: CADOR ENTERPRISES LIMITED
Short name: CADOR ENTERPRISES LIMITED
Location: Foti Pitta 9, 4th floor, Office 401, P.C.1065, Nicosia, Cyprus
INN: not applicable
OGRN: not applicable

2. Full name: JIVANTA VENTURES LIMITED
Short name: JIVANTA VENTURES LIMITED
Location: Foti Pitta 9, 4th floor, Office 401, P.C.1065, Nicosia, Cyprus
INN: not applicable
OGRN: not applicable

3. Full name: VSMPO-AVISMA Corporation Public Joint-Stock Company
Short name: VSMPO-AVISMA Corporation PJSC
Location: 1 Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia
INN: 6607000556
OGRN: 1026600784011

3.3.1.

Full corporate name: *CADOR ENTERPRISES LIMITED*
Short corporate name: *CADOR ENTERPRISES LIMITED*
Location: *Foti Pitta 9, 4th floor, Office 401, P.C.1065, Nicosia, Cyprus*
INN: *not applicable*
OGRN: *not applicable*

Other information provided by the issuer at its sole discretion:

CADOR ENTERPRISES LIMITED and JIVANTA VENTURES LIMITED are under the direct control of Promyshlennyye Investitsii LLC and together are entitled to dispose of more than 50% of votes in the supreme management body of the controlling entity of the Issuer's shareholder.

Full name: VSMPO-AVISMA Corporation Public Joint-Stock Company
Short name: VSMPO-AVISMA Corporation PJSC
Location: 1 Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia
INN: 6607000556

OGRN: 1026600784011

3.3.2.

Full corporate name: **JIVANTA VENTURES LIMITED**

Short corporate name: **JIVANTA VENTURES LIMITED**

Location: **Foti Pitta 9, 4th floor, Office 401, P.C.1065, Nicosia, Cyprus**

INN: **not applicable**

OGRN: **not applicable**

Other information provided by the issuer at its sole discretion:

JIVANTA VENTURES LIMITED and CADOR ENTERPRISES LIMITED are under the direct control of Promyshlennyye Investitsii LLC and together are entitled to dispose of more than 50% of votes in the supreme management body of the controlling entity of the Issuer's shareholder.

Full name: VSMPO-AVISMA Corporation Public Joint-Stock Company

Short name: VSMPO-AVISMA Corporation PJSC

Location: 1 Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia

INN: 6607000556

OGRN: 1026600784011

3.4.

Full corporate name: **VSMPO-AVISMA Corporation Public Joint-Stock Company**

Short corporate name: **VSMPO-AVISMA Corporation PJSC**

Location: **1 Parkovaya St., Verkhnyaya Salda, Sverdlovsk Region, Russia**

INN: 6607000556

OGRN: 1026600784011

Type of control: **direct control**

Grounds for such control by the person controlling the shareholder of the Issuer: **participation in a legal entity that is a shareholder of the Issuer**

Sign of exercise of such control by the person controlling the Issuer's shareholder: **the right to control over 50% of votes in the supreme management body of a legal entity that is a shareholder of the Issuer**

Such person's share in the authorized capital of the Issuer's shareholder, %: **100**

Percentage of the ordinary shares of the Issuer's shareholder belonging to such person, %: **0 (organizational-legal form of the Issuer's shareholder: limited liability company)**

Such person's share in the authorized capital of the Issuer, %: **0**

Share of the Issuer's ordinary shares belonging to such person, %: **0**

Shares of the Issuer amounting to at least 5% of the authorized capital or at least 5% of ordinary shares registered in the Issuer's shareholder register in the name of a nominee shareholder.

Information on the nominee holder:

Full corporate name: **Nonbank Credit Organization National Settlement Depository JSC**

Short corporate name: **NBCI NSD JSC**

Location: **12 Spartakovskaya St., Moscow 105066**

INN: 7702165310

OGRN: 1027739132563

Telephone: **(495) 234-4827**

Fax: **(495) 956-0938**

Email: **info@ndc.ru**

Information on the license of the securities market professional

Number: **045-12042-000100**

Date of issue: **February 19, 2009**

Expiry date: **unlimited**

Issuing body: **Federal Financial Markets Service of Russia**

Number of the Issuer's ordinary shares registered in the Issuer's register of shareholders in the name of a nominee shareholder: **157,831,165,688**

Number of the Issuer's preferred shares registered in the Issuer's register of shareholders in the name of a nominee shareholder: **0 (the Issuer has not issued preferred shares).**

6.3. Information on the Share of the State or a Municipal Entity in the Authorized Capital of the Issuer and whether There Is a Special Right ("Golden Share")

Information on the share of the state or a municipality in the authorized capital of the issuer and special rights:

Share of the Issuer's authorized capital in state (federal, Russian Federation constituent entities) or municipal ownership: **60.6434%**¹⁰

Information on managers of state or municipal blocks of shares: **there are no such persons.**

Information about persons acting as the Issuer's participant (shareholder) on behalf of the Russian Federation, a constituent entity of the Russian Federation or a municipal entity

1) State ownership (federal):

1. Name: **Federal Agency for State Property Management**

Location: **9 Nikolskiy Pereulok, Moscow 109012**

Share of the Issuer's authorized capital in state (federal) ownership: **60.5602%**

2. Full corporate name: **Federal State Unitary Enterprise Information Telegraph Agency of Russia (ITAR-TASS)**

Location: **10–12 Tverskoy Boulevard, Moscow 125993**

Share of the Issuer's authorized capital in state (federal) ownership: **0.000058%**

2) State ownership (ownership of Russian Federation constituents):

1. Name: **Rostov Region, represented by the State Public Institution of the Rostov Region Property Fund of the Rostov Region**

Location: **112 Sotsialisticheskaya St., Rostov-on-Don, Rostov Region 344050**

Share of the Issuer's authorized capital in state (Russian Federation constituent entities) ownership: **0.000020%**

2. Name: **Financial Department of the Administration of the Orenburg Region**

Location: **54 Sovetskaya St., Orenburg 460311**

Share of the Issuer's authorized capital in state (Russian Federation constituent entities) ownership: **0.00000008%**

3) Municipal ownership:

1. Name: **Bureyskiy District Administration of the Amur Region**

Location: **49 Sovetskaya St., Novobureysk, Amur Region 676701**

Share of the Issuer's authorized capital in municipal ownership: **0.000357%**

2. Name: **Administration of the Municipality Selsovet Zubutli-Miatlinskiy of Kizilyurtovskiy District of the Republic of Dagestan**

Location: **Lenina St., Zubutli-Miatli Rural Community, Kizilyurtovskiy District, Republic of Dagestan, Russia**

Share of the Issuer's authorized capital in municipal ownership: **0.002571%**

3. Name: **Administration of the Municipality Rural Settlement "Gelbakh Village," Kizilyurtovskiy District, Republic of Dagestan**

Location: **15 Zashchitnikov Respubliki St., Gelbakh, Kizilyurtovskiy District, Republic of Dagestan 368101**

Share of the Issuer's authorized capital in municipal ownership: **0.009172%**

4. Name: **Municipality "Gergebil Village," Gergebilskiy District of the Republic of Dagestan, represented by the Administration of the Rural Settlement**

Location: **Gergebil Rural Community, Gergebilskiy District, Republic of Dagestan 368250**

¹⁰ Information provided by JSC VTB Registrar, RusHydro's Registrar

Share of the Issuer's authorized capital in municipal ownership: **0.005031%**

5. Name: **Administration of Untsukul Rural Community**

Location: **Untsukul Rural Community, Untsukul'skiy District, Republic of Dagestan 368240**

Share of the Issuer's authorized capital in municipal ownership: **0.002629%**

6. Name: **Municipality of Rural Settlement Chirkata Rural Community of Gumbetovskiy District of the Republic of Dagestan**

Location: **Chirkata Rural Community, Gumbetovskiy District, Republic of Dagestan 368933**

Share of the Issuer's authorized capital in municipal ownership: **0.01061%**

7. Name: **Municipality Chirkei Rural Community represented by the Administration of the Municipality Chirkei Rural Community**

Location: **Chirkei Rural Community, Buynak'skiy District, Republic of Dagestan 368114**

Share of the Issuer's authorized capital in municipal ownership: **0.046117%**

8. Name: **Municipality Khvartikuninskiy Rural Council of Gergebil'skiy District of the Republic of Dagestan represented by the Administration of the Rural Settlement**

Location: **Khvartikuni, Gergebil'skiy District, Republic of Dagestan 368258**

Share of the Issuer's authorized capital in municipal ownership: **0.005031%**

9. Name: **Municipal Property Management Committee of Zeya**

Location: **217 Mukhina St., Zeya, Amur Region 676246**

Share of the Issuer's authorized capital in municipal ownership: **0.000322%**

10. Name: **MIXED TYPE MUNICIPAL EDUCATIONAL INSTITUTION CHILDREN'S HOME**

Location: **32 Chkalova St., Partizansk, Primorskiy Krai**

Share of the Issuer's authorized capital in municipal ownership: **0.00000001%**

11. Name: **Administration of the Municipality Selsovet Miatlinskiy of Kizilyurtovskiy District of the Republic of Dagestan**

Location: **Miatli Rural Community, Kizilyurtovskiy District, Republic of Dagestan, Russia**

Share of the Issuer's authorized capital in municipal ownership: **0,001274 %**.

Existence of a special right of the Russian Federation, constituent entities of the Russian Federation, or municipalities to participate in the management of an Issuer that is a joint-stock company (a "golden share") and the validity period of the special right ("golden share"): **there is no such right**.

6.4. Information on Restrictions on Participation in the Issuer's Authorized Capital

There are no restrictions on participation in the Issuer's authorized capital.

6.5. Information on Changes in the Structure and Interests of the Issuer's Shareholders (Participants) Holding at Least 5% of Its Authorized Capital or at Least 5% of Its Equity Shares

Structure of the Issuer's shareholders (participants) holding at least 5% of the Issuer's authorized capital (unit fund) and, for Issuers that are joint-stock companies, at least 5% of the Issuer's equity shares determined as of the date of the list of persons that had the right to participate in each General Meeting of Shareholders (Participants) of the Issuer held for the last complete financial year preceding the end date of the reporting quarter as well as for the period after the start date of the current year and up to the end date of the reporting quarter according to the list of persons who had the right to participate in each such meeting.

Date of execution of the list of persons entitled to take part in the General Meeting of Shareholders (Participants) of the issuer: **June 2, 2017**

List of shareholders (participants)

Name: **Russian Federation represented by the Federal Agency for State Property Management**

Location: **9 Nikolskiy Pereulok, Moscow 109012**

INN: **7710723134**

OGRN: **1087746829994**

Share of the person in the authorized capital of the issuer, %: **60.56**
Share of the Issuer's ordinary shares held by the person: %: **60.56**

Full corporate name: **VTB Bank (Public Joint-Stock Company)**
Short corporate name: **VTB Bank (PJSC)**
Location: **29 Bolshaya Morskaya St., Saint Petersburg 190000**
INN: **7702070139**
OGRN: **1027739609391**

Share of the person in the authorized capital of the issuer, %: **13.51**
Share of the Issuer's ordinary shares held by the person: %: **13.51**

Date of execution of the list of persons entitled to take part in the General Meeting of Shareholders (Participants) of the issuer: **June 5, 2018**

List of shareholders (participants)

Name: **Russian Federation represented by the Federal Agency for State Property Management**
Location: **9 Nikolskiy Pereulok, Moscow 109012**
INN: **7710723134**
OGRN: **1087746829994**
Share of the person in the authorized capital of the issuer, %: **60.56**
Share of the Issuer's ordinary shares held by the person: %: **60.56**

Full corporate name: **VTB Bank (Public Joint-Stock Company)**
Short corporate name: **VTB Bank (PJSC)**
Location: **29 Bolshaya Morskaya St., Saint Petersburg 190000**
INN: **7702070139**
OGRN: **1027739609391**
Share of the person in the authorized capital of the issuer, %: **13.34**
Share of the Issuer's ordinary shares held by the person: %: **13.34**

Full corporate name: **Avitrans Limited Liability Company**
Short corporate name: **Avitrans LLC**
Location: **31 Zagorodnaya St., Berezniki, Perm Krai, Russia**
INN: **5911010108**
OGRN: **1025901706698**
Share of the person in the authorized capital of the issuer, %: **6.05**
Percentage of the Issuer's ordinary shares belonging to the person, %: **6.05**

6.6. Information on Interested-Party Transactions Made by the Issuer

Information on the number and volume in monetary terms of transactions made by the Issuer that in accordance with the laws of the Russian Federation are considered interested-party transactions based on the results of the last reporting quarter:

Unit of measurement: **RUB**

<i>Indicator description</i>	<i>Indicator value for Q2 2018</i>
Total number and total amount in monetary terms of interested-party transactions performed by the Issuer during the reporting period, transactions/RUB	1 transaction / RUB 10,150,000,000
Number and amount in monetary terms of interested-party transactions performed by the Issuer during the reporting period with respect to which the General Meeting of Participants (Shareholders) of the Issuer made a decision on consent to them or on their subsequent approval, transactions/RUB	0/0
Number and amount in monetary terms of interested-party transactions performed by the Issuer during the reporting period with respect to which the Board of Directors (Supervisory Board) of the Issuer made a decision on consent to them or on their subsequent approval, transactions/RUB	1 transaction / RUB 10,150,000,000

Transaction (group of related transactions) the price (amount) of which comprises 5% or more of the book value of Issuer's assets, as determined based on its accounting (financial) reporting data as of the closing date of the last completed reporting period of 3, 6, 9, or 12 months preceding the date of the transaction, performed by the issuer during the last reporting quarter: *none*.

6.7. Information on Accounts Receivable

As of June 30, 2018

Unit of measurement: **RUB**

Indicator description	Value
Accounts receivable of buyers and customers	9,846,166,013.84
including overdue	37,639,423.35
Accounts receivable for notes receivable	32,604,618,959.68
including overdue	0
Accounts receivable of members (founders) for contributions to the authorized capital	0
including overdue	0
Other accounts receivable	141,490,462,142.72
including overdue	911,865,834.86
Total accounts receivable	183,941,247,116.24
including total overdue accounts receivable	949,505,258.21

Debtors accounting for less than 10% of the total accounts payable for the specified reporting period:

Full corporate name: **Public Joint-Stock Company Boguchanskaya HPP**

Short corporate name: **PJSC Boguchanskaya HPP**

Location: **Unified Base No. 1, Building 1, Left Bank Construction Base, Kodinsk, Kezhemskiy District, Krasnoyarsk Krai, Russia**

INN: **2420002597**

OGRN: **1022400828119**

Amount of receivables: **RUB 21,027,454,895.67**

Amount and conditions of overdue accounts receivable (interest rate, fines, penalties): **none**

The debtor is the Issuer's affiliate: **none**

Issuer's share in the authorized capital of the entity, %: **2.9**

Share of ordinary shares in the entity belonging to the Issuer, %: **3.06**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

Full corporate name: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Short corporate name: **JSC Nizhne-Bureyskaya HPP**

Location: **Novobureyskiy Industrial Community (Urban-Type Settlement), Bureyskiy District, Amur Region**

INN: **2813006299**

OGRN: **1062813007817**

Amount of receivables: **RUB 26,976,674,692.44**

Amount and conditions of overdue accounts receivable (interest rate, fines, penalties): **overdue receivables in the amount of RUB 9,382,224.48. From December 1, 2016, the loan is interest-free. A penalty in the amount of 0.2% per annum on the amount of overdue payment for each day of delay is provided for.**

The debtor is the Issuer's affiliate: **yes**

Issuer's share in the authorized capital of the entity, %: **100**

Share of ordinary shares in the entity belonging to the Issuer, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

VII. Accounting (Financial) Statements of the Issuer and Other Financial Information

7.1 Annual Accounting (Financial) Statements of the Issuer

Annual Accounting (Financial) Statements of the Issuer for 2017 and the Auditor's Report thereto are included in the Quarterly Report for Q1 2018.

The Issuer does not prepare annual financial statements in accordance with IFRS or other internationally accepted rules besides IFRS.

The Issuer prepares the consolidated financial statements of RusHydro and its subsidiaries in accordance with IFRS.

7.2. Interim Accounting (Financial) Statements of the Issuer

The interim accounting (financial) statements for six months of 2018 attached to this Quarterly Report (Schedule 1) consist of:

Balance sheet

Statement of Financial Results

The Auditor did not perform any procedures in relation to and did not give its opinion on the reliability of the interim accounting statements of the Issuer for six months of 2018 attached to this Quarterly Report and prepared in accordance with RAS.

The Issuer does not prepare separate interim financial statements in accordance with IFRS or other internationally accepted rules besides IFRS.

7.3. Consolidated Financial Statements of the Issuer

The Issuer prepares consolidated financial statements in accordance with IFRS, which meets the requirements of Article 22 of Federal Law No. 208-FZ dated July 27, 2010, "On Consolidated Financial Statements."

Consolidated financial statements under IFRS and the auditor's report for the year ended December 31, 2017, and as at that date are included in the Quarterly Report for Q1 2018.

Condensed Consolidated Interim Financial Information (unaudited) prepared in accordance with IFRS 34 for three months that ended March 31, 2018, and as of that date are attached to this Report in the following scope (Schedule 2):

Condensed Consolidated Interim Statement of Financial Position

Condensed Consolidated Interim Profit and Loss Statement

Condensed Consolidated Interim Statement of Comprehensive Income

Condensed Consolidated Interim Statement of Cash Flows

Condensed Consolidated Interim Statement of Changes in Equity

Notes to the Condensed Consolidated Interim Financial Information

7.4. Information on the Accounting Policy of the Issuer

In the reporting quarter, no amendments were made to the accounting policy adopted by the Issuer for the current year. Information is disclosed in the Quarterly Report for Q1 2018.

7.5. Information on the Total Amount of Exports as Well as on the Share of Exports in Total Sales

The Issuer does not export products (goods, works, services).

7.6. Information on Material Changes in the Issuer's Property since the Expiry Date of the Last Complete Reporting Year

*Information on material changes in the Issuer's property that took place within 12 months prior to the expiry date of the reporting quarter: **there have been no material changes.***

7.7. Information on the Issuer's Participation in Litigation, if Such Participation May Have a Material Effect on the Financial and Business Activities of the Issuer

The Issuer did not participate/is not participating in any litigations that had/may have a material effect on the financial and business activities of the Issuer within the period from the start date of the last complete reporting year to the expiry of the reporting quarter.

VIII. Additional Information on the Issuer and Equity Securities Placed Thereby

8.1. Additional Information on the Issuer

8.1.1. Information on the Size and Structure of the Issuer's Authorized Capital

Information on the size and structure of the Issuer's authorized capital

The size of the Issuer's authorized capital as of the expiry date of the reporting quarter: **RUB 426,288,813,551**

Breakdown of the Issuer's authorized capital into equity shares and preferred shares, specifying the total par value of each category of shares and the size of the share of each category of shares in the Issuer's authorized capital:

Ordinary shares

Total par value: **RUB 426,288,813,551**

Share in the authorized capital: **100%**

Preferred shares were not issued by the Issuer.

Size of the authorized capital specified herein is in conformity with the Issuer's Articles of Association.

Issuer's shares are traded outside the Russian Federation through trading of depositary securities (securities of a foreign issuer certifying rights with respect to the specified shares of a Russian issuer):

Category (class) of shares traded outside the Russian Federation: **ordinary**

percentage of shares traded outside the Russian Federation from the total shares of the relevant category (class): **3.95%**

name and location of the foreign issuer the depositary securities of which certify rights with respect to the Issuer's shares of the respective category (class): **The Bank of New York Mellon, One Wall Street & 101 Barclay Street, New York City, New York**

Summary description of the program (program type) on issue of securities of a foreign issuer certifying rights in respect to shares of such category (class):

Program types	GDR according to Rule 144A
	ADR, 1st level
Depository bank	The Bank of New York Mellon
Ratio	1 GDR, 1 ADR = 100 ordinary shares
Ticker	RSHYY, HYDR
CUSIP number GDR 144A	782183503
CUSIP number ADR 1st level	782183404
Maximum possible program capacity, pcs.	832,131,000

Information on receipt of the authorization of Bank of Russia and/or competent governmental authority (competent government agency) of the Russian Federation for placement and/or trading of the Issuer's shares of the respective category (type) outside the Russian Federation:

Authorization of the Federal Service for Financial Markets of the Russian Federation No. 08-EK-03/10335 dated May 23, 2008 (Order of the FSFM of Russia No. 08-1116/pz-i dated May 20, 2008), authorization of the Federal Service for Financial Markets of the Russian Federation No. 09-EK-03/27137 dated November 19, 2009 (Order of the FSFM of Russia No. 09-3711/pz-i dated November 19, 2009), authorization of the Federal Service for Financial Markets of the Russian Federation No. 11-SKh-03/350 dated January 17, 2011 (Order of the FSFM of Russia No. 11-22/pz-i dated January 13, 2011), authorization of the Federal Service for Financial Markets of the Russian Federation No. 11-SKh-03/21348 dated August 18, 2011 (Order of the FSFM of Russia No. 11-2064/pz-i dated August 16, 2011)

Name of the foreign listing authority (listing authorities) through which the Issuer's shares (depositary securities certifying rights with respect to the Issuer's shares) are traded: **London Stock Exchange, Main Market (trading with listing procedure), and in the USA, OTCQX electronic system of over-the-counter trading, 304 Hudson Street, 2nd Floor, New York, NY 10013, USA.**

Other information on the trading of the Issuer's shares outside the Russian Federation specified by the Issuer at its sole discretion: **none.**

8.1.2. Information on Changes in the Amount of the Issuer's Authorized Capital

Information on changes in the size of the Issuer's authorized capital for the last completed financial year as well as for the period from the beginning date of the current year to the end date of the reporting quarter:

The size and the structure of the authorized capital of the Issuer prior to the relevant change:

size of the authorized capital: **RUB 386,255,464,890**

Breakdown of the Issuer's authorized capital into equity shares and preferred shares, specifying the total par value of each category of shares and the size of the share of each category of shares in the Issuer's authorized capital:

Ordinary shares

Total par value: **RUB 386,255,464,890**

Share in the authorized capital: **100%**

Preferred shares were not issued by the Issuer.

Name of the Issuer's management body making the decision on a change in the size of the authorized capital of the Issuer: **the Board of Directors**

The date and the number of the minutes of the meeting of the Issuer's management entity on which the decision on a change in the size of the authorized capital of the Issuer was made: **Minutes No. 244 dated November 23, 2016. It was thereby resolved to increase the authorized capital of the Issuer by placement of additional shares in the amount of 40,429,000,000 units.**

Date of the change in the size of the authorized capital of the Issuer: **August 4, 2017**

The size and the structure of the authorized capital of the Issuer prior to the relevant change:

Size of the authorized capital: **RUB 426,288,813,551**

Breakdown of the Issuer's authorized capital into equity shares and preferred shares, specifying the total par value of each category of shares and the size of the share of each category of shares in the Issuer's authorized capital:

Ordinary shares

Total par value: **RUB 426,288,813,551**

Share in the authorized capital: **100%**

Preferred shares were not issued by the Issuer.

8.1.3. Information on the Convening and Holding of the Meeting of the Issuer's Supreme Management Body

This information was specified in the Quarterly Report for Q1 2018; no changes were made to this information during Q2 2018.

8.1.4. Information on Commercial Organizations in Which the Issuer Holds at Least 5% of the Authorized Capital or at Least 5% of Equity Shares

The list of commercial organizations where as of the end date of the last reporting quarter the Issuer holds at least 5% of the authorized capital or at least 5% of equity shares

1. Full corporate name: **Joint-Stock Company HydroEngineering Siberia**

Short corporate name: **JSC HydroEngineering Siberia**

Location: **Moscow, Russia**

INN: **7804328940**

OGRN: **1057813314525**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

2. Full corporate name: **Joint-Stock Company Russian National Scientific and Research Institute of Hydraulic Engineering named after B. Ye. VNIIG**

Short corporate name: **JSC Vedeneyev VNIIG**

Location: **Saint Petersburg**

INN: **7804004400**

OGRN: **1027802483400**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

3. Full corporate name: ***Joint-Stock Company Geotherm***

Short corporate name: ***JSC Geotherm***

Location: ***Petropavlovsk-Kamchatskiy, Kamchatka Krai, Russia***

INN: ***4101023932***

OGRN: ***1024101023429***

Share of the Issuer in the authorized capital of the commercial organization, %: **99.74**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **99.74**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

4. Full corporate name: ***Joint-Stock Company Zaramagskiye HPPs***

Short corporate name: ***JSC Zaramagskiye HPPs***

Location: ***Moscow***

INN: ***1505008701***

OGRN: ***1021500822001***

Share of the Issuer in the authorized capital of the commercial organization, %: **99.75**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **99.75**

Share of the person in the authorized capital of the issuer, %: **0.06**

Percentage of the Issuer's ordinary shares held by the person, %: **0.06**

5. Full corporate name: ***Joint-Stock Company Hidroinvest***

Short corporate name: ***JSC Hidroinvest***

Location: ***Yakutsk, Sakha Republic (Yakutia), Russia***

INN: ***7814382859***

OGRN: ***1077847558381***

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

6. Full corporate name: ***Joint-Stock Company Leningradskaya PSHPP***

Short corporate name: ***JSC Leningradskaya PSHPP***

Location: ***The settlement of Yanega, Lodeynopolskiy District, Leningrad Region, Russia***

INN: ***7804328926***

OGRN: ***1057813313315***

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

7. Full corporate name: ***Joint-Stock Company Scientific and Research Institute of Energy Structures***

Short corporate name: ***JSC Scientific and Research Institute of Energy Structures***

Location: ***Moscow***

INN: ***7733021533***

OGRN: ***1027739536868***

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

8. Full corporate name: **Joint-Stock Company Managing Company HydroOGK**

Short corporate name: **JSC MC HydroOGK**

Location: **Moscow**

INN: **5260096381**

OGRN: **1025203040136**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

9. Full corporate name: **Joint-Stock Company Energy Construction Complex UES¹¹**

Short corporate name: **JSC ESKO UES**

Location: **Moscow**

INN: **7729540430**

OGRN: **1067746217373**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

10. Full corporate name: **Joint-Stock Company Boguchanskaya HPP Construction Organizer**

Short corporate name: **JSC Boguchanskaya HPP Construction Organizer**

Location: **Kodinsk**

INN: **2420070942**

OGRN: **1072420000135**

Share of the Issuer in the authorized capital of the commercial organization, %: **51**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **51**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

11. Full corporate name: **Closed Joint-Stock Company Boguchanskaya HPP Construction Customer**

Short corporate name: **CJSC Boguchanskaya HPP Construction Customer**

Location: **10/1 Prospekt Leninskogo Komsomola, Kodinsk, Kezhemskiy District, Krasnoyarsk Krai 663491, Russia**

INN: **2420070910**

OGRN: **1072420000168**

Share of the Issuer in the authorized capital of the commercial organization, %: **49**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **49**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

12. Full corporate name: **Closed Joint-Stock Company Boguchanskiy Aluminum Smelter Construction Organizer**

Short corporate name: **CJSC Boguchanskiy Aluminum Smelter Construction Organizer**

Location: **10/1 Prospekt Leninskogo Komsomola, Kodinsk, Kezhemskiy District, Krasnoyarsk Krai 663491, Russia**

INN: **2420070928**

OGRN: **1072420000157**

Share of the Issuer in the authorized capital of the commercial organization, %: **49**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **49**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

¹¹ The company is undergoing bankruptcy proceedings.

13. Full corporate name: ***Joint-Stock Company Boguchanskiy Aluminum Smelter Construction Organizer***
Short corporate name: ***JSC Boguchanskiy Aluminum Smelter Construction Organizer***
Location: ***Industrial Site of Boguchanskiy Aluminum Smelter, Boguchanskiy District, Krasnoyarsk Krai, Russia***
INN: ***2420070935***

OGRN: ***1072420000146***

Share of the Issuer in the authorized capital of the commercial organization, %: ***51***

Share of ordinary shares held by the Issuer in such joint-stock company, %: ***51***

Share of the person in the authorized capital of the issuer, %: ***0***

Percentage of the Issuer's ordinary shares held by the person, %: ***0***

14. Full corporate name: ***Joint-Stock Company Nizhne-Bureyskaya HPP***

Short corporate name: ***JSC Nizhne-Bureyskaya HPP***

Location: ***Novobureyskiy Industrial Community (Urban-Type Settlement), Bureyskiy District, Amur Region***

INN: ***2813006299***

OGRN: ***1062813007817***

Share of the Issuer in the authorized capital of the commercial organization, %: ***100***

Share of ordinary shares held by the Issuer in such joint-stock company, %: ***100***

Share of the person in the authorized capital of the issuer, %: ***0***

Percentage of the Issuer's ordinary shares held by the person, %: ***0***

15. Full corporate name: ***Joint-Stock Company Zagorskaya PSHPP-2***

Short corporate name: ***JSC Zagorskaya PSHPP-2***

Location: ***the settlement of Bogorodskoye, Sergiyev-Posadskiy Municipal District, Moscow Region, Russia***

INN: ***5042086312***

OGRN: ***1065042071137***

Share of the Issuer in the authorized capital of the commercial organization, %: ***100***

Share of ordinary shares held by the Issuer in such joint-stock company, %: ***100***

Share of the person in the authorized capital of the issuer, %: ***0***

Percentage of the Issuer's ordinary shares held by the person, %: ***0***

16. Full corporate name: ***Joint-Stock Company Transport Company RusHydro***

Short corporate name: ***JSC Transport Company RusHydro***

Location: ***The settlement of Cheremushki, Sayanogorsk, Republic of Khakassia, Russian Federation***

INN: ***1902018248***

OGRN: ***1031900676356***

Share of the Issuer in the authorized capital of the commercial organization, %: ***100***

Share of ordinary shares held by the Issuer in such joint-stock company, %: ***100***

Share of the person in the authorized capital of the issuer, %: ***0***

Percentage of the Issuer's ordinary shares held by the person, %: ***0***

17. Full corporate name: ***Joint-Stock Company Renewable Energy Engineering Center***

Short corporate name: ***JSC Renewable Energy Engineering Center***

Location: ***Moscow***

INN: ***7728638105***

OGRN: ***1077762186633***

Share of the Issuer in the authorized capital of the commercial organization, %: ***100***

Share of ordinary shares held by the Issuer in such joint-stock company, %: ***100***

Share of the person in the authorized capital of the issuer, %: ***0***

Percentage of the Issuer's ordinary shares held by the person, %: ***0***

18. Full corporate name: ***Joint-Stock Company Yuzhno-Yakutskiy Hydropower Complex***

Short corporate name: *JSC Yuzhno-Yakutskiy HPC*

Location: *Moscow, Russia*

INN: *1402046840*

OGRN: *1061402006126*

Share of the Issuer in the authorized capital of the commercial organization, %: *100*

Share of ordinary shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the issuer, %: *0*

Percentage of the Issuer's ordinary shares held by the person, %: *0*

19. Full corporate name: *Nonpublic Joint-Stock Company Sulakskiy Hydropower Cascade*

Short corporate name: *JSC Sulakskiy HydroCascade*

Location: *7A Stroitelnyy Proyezd, Moscow 125362*

INN: *0516009712*

OGRN: *1070546001173*

Share of the Issuer in the authorized capital of the commercial organization, %: *100*

Share of ordinary shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the issuer, %: *0*

Percentage of the Issuer's ordinary shares held by the person, %: *0*

20. Full corporate name: *Joint-Stock Company Neporozhniy Sayano-Shushenskaya HPP Service Center*

Short corporate name: *JSC SShHPP SC*

Location: *the settlement of Cheremushki, Republic of Khakassia*

INN: *1902018368*

OGRN: *1031900677324*

Share of the Issuer in the authorized capital of the commercial organization, %: *100*

Share of ordinary shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the issuer, %: *0*

Percentage of the Issuer's ordinary shares held by the person, %: *0*

21. Full corporate name: *Joint-Stock Company Hydroremont-VCC*

Short corporate name: *JSC Hydroremont-VCC*

Location: *Moscow*

INN: *6345012488*

OGRN: *1036301733005*

Share of the Issuer in the authorized capital of the commercial organization, %: *100*

Share of ordinary shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the issuer, %: *0*

Percentage of the Issuer's ordinary shares held by the person, %: *0*

22. Full corporate name: *Joint-Stock Company Karachayev-Cherkesskaya Hydrogeneration Company*

Short corporate name: *JSC Karachayev-Cherkesskaya Hydrogeneration Company*

Location: *Moscow*

INN: *0917001661*

OGRN: *1050900973177*

Share of the Issuer in the authorized capital of the commercial organization, %: *100*

Share of ordinary shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the issuer, %: *0*

Percentage of the Issuer's ordinary shares held by the person, %: *0*

23. Full corporate name: *Private Limited Company HYDROOGK ALUMINUM COMPANY LIMITED*

Short corporate name: *Hydroogk aluminum company limited*

Location: *16 Kyriakos Matsis Avenue, Nicosia, Cyprus*

Share of the Issuer in the authorized capital of the commercial organization, %: **100**
Share of the person in the authorized capital of the issuer, %: **0**
Percentage of the Issuer's ordinary shares held by the person, %: **0**

24. Full corporate name: **Private Limited Company HYDROOGK POWER COMPANY LIMITED**

Short corporate name: **HYDROOGK POWER COMPANY LIMITED**

Location: **16 Kyriakos Matsis Avenue, Nicosia, Cyprus**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

25. Full corporate name: **Joint-Stock Company Lenhydroproject**

Short corporate name: **JSC Lenhydroproject**

Location: **Saint Petersburg**

INN: **7814159353**

OGRN: **1077763382597**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

26. Full corporate name: **Public Joint-Stock Company Kolymaenergo**

Short corporate name: **PJSC Kolymaenergo**

Location: **Magadan**

INN: **2460215591**

OGRN: **1092468017751**

Share of the Issuer in the authorized capital of the commercial organization, %: **98.76**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **98.76**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

27. Full corporate name: **Joint-Stock Company Main Computing Center of the Energy Industry**

Short corporate name: **JSC MCC of the Energy Industry**

Location: **Moscow**

INN: **7705020880**

OGRN: **1027739064858**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

28. Full corporate name: **Joint-Stock Company ChirkeiGESstroi**

Short corporate name: **JSC ChirkeiGESstroi**

Location: **Moscow**

INN: **0533001760**

OGRN: **1020501741523**

Share of the Issuer in the authorized capital of the commercial organization, %: **74.99**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **74.99**

Share of the person in the authorized capital of the issuer, %: **0.0069**

Percentage of the Issuer's ordinary shares held by the person, %: **0.0069**

29. Full corporate name: **Joint-Stock Company Dyakov Ust-Srednekanskaya HPP**

Short corporate name: *JSC Dyakov Ust-Srednekanskaya HPP*

Location: *Magadan, Magadan Region, Russia*

INN: *4909095293*

OGRN: *1074910002310*

Share of the Issuer in the authorized capital of the commercial organization, %: *67.82*

Share of ordinary shares held by the Issuer in such joint-stock company, %: *67.82*

Share of the person in the authorized capital of the issuer, %: *0*

Percentage of the Issuer's ordinary shares held by the person, %: *0*

30. Full corporate name: *Joint-Stock Company Energy Retailing Company RusHydro*

Short corporate name: *ESC RusHydro*

Location: *Moscow*

INN: *7804403972*

OGRN: *1089848039973*

Share of the Issuer in the authorized capital of the commercial organization, %: *100 minus one share*

Share of ordinary shares held by the Issuer in such joint-stock company, %: *100 minus one share*

Share of the person in the authorized capital of the issuer, %: *0*

Percentage of the Issuer's ordinary shares held by the person, %: *0*

31. Full corporate name: *Joint-Stock Company Dalnevostochnaya WPP*

Short corporate name: *JSC Dalnevostochnaya WPP*

Location: *Moscow*

INN: *2536217601*

OGRN: *1092536005297*

Share of the Issuer in the authorized capital of the commercial organization, %: *100*

Share of ordinary shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the issuer, %: *0*

Percentage of the Issuer's ordinary shares held by the person, %: *0*

32. Full corporate name: *Joint-Stock Company Malaya Dmitrovka*

Short corporate name: *JSC Malaya Dmitrovka*

Location: *Moscow*

INN: *7727685303*

OGRN: *1097746103905*

Share of the Issuer in the authorized capital of the commercial organization, %: *100*

Share of ordinary shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the issuer, %: *0*

Percentage of the Issuer's ordinary shares held by the person, %: *0*

33. Full corporate name: *Joint-Stock Company Altay Small HPPs*

Short corporate name: *JSC Altay Small HPPs*

Location: *Gorno-Altaysk, Altay Republic, Russia*

INN: *0411151856*

OGRN: *1100411007674*

Share of the Issuer in the authorized capital of the commercial organization, %: *100*

Share of ordinary shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the issuer, %: *0*

Percentage of the Issuer's ordinary shares held by the person, %: *0*

34. Full corporate name: *Joint-Stock Company Dagestan Small HPPs*

Short corporate name: *JSC Dagestan SHPPs*

Location: *Moscow, Russia*

INN: **0562068208**

OGRN: **1042401810494**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

35. Full corporate name: ***RusHydro International B.V.***

Short corporate name: ***RusHydro International B.V.***

Location: ***Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands***

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

36. Full corporate name: ***Public Joint-Stock Company Yakutskenergo***

Short corporate name: ***Yakutskenergo***

Location: ***Yakutsk, Russia***

INN: **1435028701**

OGRN: **1021401047260**

Share of the Issuer in the authorized capital of the commercial organization, %: **29.80**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **29.00**

Share of the person in the authorized capital of the issuer, %: **0.000013**

Percentage of the Issuer's ordinary shares held by the person, %: **0.000013**

37. Full corporate name: ***Public Joint-Stock Company Kamchatskiy Gas and Energy Complex***

Short corporate name: ***PJSC KAMGEC***

Location: ***Petropavlovsk-Kamchatskiy, Kamchatka Krai, Russia***

INN: **4101047002**

OGRN: **1024101019469**

Share of the Issuer in the authorized capital of the commercial organization, %: **96.58**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **96.58**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

38. Full corporate name: ***Joint-Stock Company RusHydro Snabzheniye***

Short corporate name: ***JSC RGS***

Location: ***Moscow, Russia***

INN: **1510012774**

OGRN: **1041500751016**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

39. Full corporate name: ***Joint-Stock Company RAO Energy Systems of the East***

Short corporate name: ***JSC RAO Energy Systems of the East***

Location: ***Khabarovsk, Khabarovsk Krai***

INN: **2801133630**

OGRN: **1087760000052**

Share of the Issuer in the authorized capital of the commercial organization, %: **84.39**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **85.16**

Share of the person in the authorized capital of the issuer, %: **0.01**

Percentage of the Issuer's ordinary shares held by the person, %: **0.01**

40. Full corporate name: ***Open Joint-Stock Company Sakhalinskaya Energy Company***

Short corporate name: ***JSC SEC***

Location: ***40 Dzerzhinskogo St., Yuzhno-Sakhalinsk 693007, Russia***

INN: ***6501210088***

OGRN: ***1096501006030***

Share of the Issuer in the authorized capital of the commercial organization, %: **26.94**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **26.94**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

41. Full corporate name: ***Limited Liability Company RusHydro IT Service***

Short corporate name: ***LLC RusHydro IT Service***

Location: ***Moscow, Russia***

INN: ***1902022558***

OGRN: ***1091902000772***

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

42. Full corporate name: ***Limited Liability Company Verkhnebalkarskaya Small HPP***

Short corporate name: ***LLC Verkhnebalkarskaya SHPP***

Location: ***Moscow***

INN: ***0706004536***

OGRN: ***1090720000370***

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

43. Full corporate name: ***Limited Liability Company Small HPPs of Stavropol Krai and Karachay-Cherkessia***

Short corporate name: ***LLC SHPPs of Stavropol Krai and Karachay-Cherkessia***

Location: ***Moscow***

INN: ***0917014406***

OGRN: ***1090917001867***

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

44. Full corporate name: ***Closed Joint-Stock Company Verkhne-Narynskiye HPPs***

Short corporate name: ***JSC Verkhne-Narynskiye HPPs***

Location: ***326 Zhibek-Zholu Prospekt, Bishkek, Kyrgyz Republic***

INN: ***02510201210033***

OGRN: ***125748-3300-ZAO***

Share of the Issuer in the authorized capital of the commercial organization, %: **50**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **50**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

45. Full corporate name: ***Joint-Stock Company Irkutskaya Electric Grid Company***

Short corporate name: ***JSC IEGC***

Location: ***257 Lermontova St., Irkutsk 664033, Russia***

INN: **3812122706**

OGRN: **1093850013762**

Share of the Issuer in the authorized capital of the commercial organization, %: **42.75**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **42.75**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

46. Full corporate name: **JSC CHPP at Sovetskaya Gavan**

Short corporate name: **JSC CHPP at Sovetskaya Gavan**

Location: **Sovetskaya Gavan, Russia**

INN: **2704022491**

OGRN: **1132709000489**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

47. Full corporate name: **Joint-Stock Company Blagoveshchenskaya CHPP**

Short corporate name: **JSC Blagoveshchenskaya CHPP**

Location: **Blagoveshchensk, Amur Region, Russia**

INN: **2801186142**

OGRN: **1132801005556**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

48. Full corporate name: **Joint-Stock Company Sakhalinskaya SDPP-2**

Short corporate name: **JSC Sakhalinskaya SDPP-2**

Location: **Yuzhno-Sakhalinsk, Russia**

INN: **6501256357**

OGRN: **1136501004012**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

49. Full corporate name: **Joint-Stock Company Yakutskaya SDPP-2**

Short corporate name: **JSC Yakutskaya SDPP-2**

Location: **Yakutsk, Sakha Republic (Yakutia), Russia**

INN: **1435269489**

OGRN: **1131447010640**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

50. Full corporate name: **Limited Liability Company VOLGAHYDRO**

Short corporate name: **LLC VOLGAHYDRO**

Location: **76 30 Let Pobedy St., Balakovo, Saratov Region 413840, Russia**

INN: **6439082561**

OGRN: **1136439001841**

Share of the Issuer in the authorized capital of the commercial organization, %: **40**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

51. Full corporate name: **Joint-Stock Company BoAZ Holding Company**

Short corporate name: **LLC BoAZ Holding Company**

Location: **Moscow**

INN: **7733866026**

OGRN: **5137746242420**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

52. Full corporate name: **Joint-Stock Company BoHPP Holding Company**

Short corporate name: **JSC BoHPP Holding Company**

Location: **Moscow**

INN: **7733866019**

OGRN: **5137746242376**

Share of the Issuer in the authorized capital of the commercial organization, %: **100**

Share of ordinary shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the issuer, %: **0**

Percentage of the Issuer's ordinary shares held by the person, %: **0**

8.1.5. Information on Major Transactions Made by the Issuer

No such transactions were made.

8.1.6. Information on the Issuer's Credit Ratings

With regard to every credit rating known to the Issuer for the last complete financial year as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, the following is to be specified:

Rating object: **Issuer**

Rating company:

Full corporate name: **Fitch Ratings Ltd.**

Short corporate name: **Fitch**

Location: **30 North Colonnade, Canary Wharf, London E14 5GN, UK and 26 Valovaya St., Moscow 115054, Russia (office in Russia)**

Description of credit rating methods or URL where information on credit rating methods is freely available: **<https://www.fitchratings.com>, <http://www.fitchratings.ru>**

Value of the long-term credit rating as of the end date of the reporting quarter: **BB+ under the international scale¹²**

Credit rating change history for the last completed financial year as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, specifying the credit rating and assignment (change) date thereof

Assignment date	Credit rating
February 6, 2017	Fitch Ratings Ltd. made a decision on the confirmation and withdrawal of credit ratings assigned according to the national scale to issuers from Russia, including RusHydro. This rating action is not related to and does not affect the credit rating of RusHydro assigned by Fitch according to the international scale.
June 9, 2017	Fitch Ratings Ltd. improved the forecast of the rating of RusHydro from "Negative" to "Stable" and confirmed credit ratings at BB+ (long-term rating in foreign currency)

¹² During the period after the reporting date of August 1, 2018, Fitch Ratings Ltd. increased the long-term credit rating of RusHydro to the investment level of BBB- with a Stable outlook.

according to the international scale).

Rating object: *Issuer*

Rating company:

Full corporate name: *Standard & Poor's Credit Market Services Europe Limited*

Short corporate name: *Standard & Poor's*

Location: *55 Water Street, New York, NY 10041, United States and 4/7 Vozdvizhenka St., Bldg. 2, Moscow 125009 (branch in Russia)*

Description of credit rating methods or URL where information on credit rating methods is freely available: <http://www.standardandpoors.com>, <http://standardandpoors.ru>

Value of the long-term credit rating as of the end date of the reporting quarter: *BBB- on the international scale*

Credit rating change history for the last completed financial year as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, specifying the credit rating and assignment (change) date thereof

Assignment date	Credit rating
April 24, 2017	Standard & Poor's increased the credit rating of RusHydro from "BB" to "BB+" (long-term rating according to the international scale in foreign currency) with a Positive outlook.
June 2, 2017	Standard & Poor's made a decision to withdraw credit ratings assigned according to the national scale to issuers from Russia, including RusHydro. This rating action is not related to and does not affect the credit rating of RusHydro assigned by Standard & Poor's according to the international scale.
February 27, 2018	Standard & Poor's increased the credit rating of RusHydro from "BB" to "BBB-" (long-term rating according to the international scale in foreign currency) with a Stable outlook.
April 27, 2018	Standard & Poor's confirmed the credit rating of RusHydro at the level of BBB- (long-term rating according to the international scale in foreign currency) with a Stable outlook.

Rating object: *Issuer*

Rating company:

Full corporate name: *Moody's Investors Service Ltd.*

Short corporate name: *Moody's*

Location: *One Canada Square, Canary Wharf, London E 14 5 FA, UK and 21 Pervaya Tverskaya-Yamskaya St., Moscow, Russia (branch in Russia)*

Description of credit rating methods or URL where information on credit rating methods is freely available: <https://www.moodys.com/>, <http://www.moodys.ru>

Value of the long-term credit rating as of the end date of the reporting quarter: *"Ba1" according to the international scale*

Credit rating change history for the last completed financial year as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, specifying the credit rating and assignment (change) date thereof

Assignment date	Credit rating
September 8, 2017	Moody's raised the level of the long-term credit rating of RusHydro according to the international scale in foreign currency to Ba1 with a Stable outlook.
January 29, 2018	Moody's changed its outlook from Stable to Positive and confirmed the level of the long-term credit rating of RusHydro according to the international scale in foreign currency at the level of Ba1.

Rating object: *Issuer*

Rating company:

Full corporate name: *Analytical Credit Rating Agency (Joint-Stock Company)*

Short corporate name: *ACRA*

Location: *75 Sadovnicheskaya Naberezhnaya, Moscow 115035*

Description of credit rating methods or URL where information on credit rating methods is freely available: www.acra-ratings.ru

Value of the long-term credit rating as of the end date of the reporting quarter: *AAA(RU) according to the national scale*

Credit rating change history for the last completed financial year as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, specifying the credit rating and assignment (change) date thereof

Assignment date	Credit rating
October 3, 2017	ACRA assigned RusHydro the highest long-term credit rating AAA(RU), with a Stable outlook.
June 29, 2018	ACRA Rating Agency confirmed the long-term credit rating of RusHydro at the highest level, AAA(RU), with a Stable outlook.

Rating object: *the Issuer's securities*¹³

Information on the securities

Type of securities: *bonds, exchange-traded bonds*

Series, other identification features of the securities: *bonds of series 01, 02, 07, 08, 09; exchange-traded bonds: BO-P01, BO-P02, BO-P03, BO-P04;*

Form of securities: *certificated;*

Other identifying features of the securities: *bonds: inconvertible interest-bearing bearer bonds with obligatory centralized custody, with the possibility of early repayment at the holder's request and at the Issuer's discretion; exchange-traded bonds: exchange-traded certificated interest-bearing nonconvertible bearer bonds with obligatory centralized custody;*

State registration number of the securities issue and the date of its state registration (identification number of the securities issue and the date of its assignment): *bonds: 4-01-55038-E dated September 23, 2010, 4-02-55038-E dated September 23, 2010, 4-07-55038-E dated December 27, 2012, 4-08-55038-E dated December 27, 2012, 4-09-55038-E dated December 27, 2012; exchange-traded bonds: 4B02-01-55038-E-001P dated July 3, 2015, 4B02-02-55038-E-001P dated July 3, 2015, 4B02-03-55038-E-001P dated July 3, 2015, 4B02-04-55038-E-001P dated April 1, 2016;*

Rating company:

Full corporate name: *Fitch Ratings Ltd.*

Short corporate name: *Fitch*

Location: *30 North Colonnade, Canary Wharf, London, E14 5GN, UK (main office) and 26 Valovaya St., Moscow 115054, Russia (office in Russia)*

Description of credit rating methods or URL where information on credit rating methods is freely available: <https://www.fitchratings.com>, <http://www.fitchratings.ru>

Value of the long-term credit rating as of the end date of the reporting quarter: *priority unsecured rating "BB+" according to the international scale*¹⁴

Credit rating change history for the last completed financial year as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, specifying the credit rating and assignment (change) date thereof

Assignment date	Credit rating
June 9, 2017	Fitch confirmed the priority unsecured rating for ruble-denominated bonds of RusHydro (series 01, 02, 07, 08, 09, BO-P01, BO-P02, BO-P03, BO-P04) at the level of BB+.

8.2. Information on Each Category (Class) of the Issuer's Shares

Category of shares: *ordinary*

Face value of each share: *RUB 1.00*

Number of shares in circulation (number of shares that have not been redeemed or canceled): *426,288,813,551 shares*

Number of additional shares that may be or are being offered (number of shares of an additional issue that has undergone state registration but has not undergone state registration of the report on the additional issue results, or for which the notice of the additional issue results has not been given): *0 shares*

Number of authorized shares: *14,013,888,828 shares*

Number of shares received by (kept on the books of) the Company: *0 shares*

Number of additional shares that may be offered as a result of the conversion of outstanding securities convertible into shares or as a result of performance under the Company's options: *0 shares*

State registration number of the issue: *1-01-55038-E*

State registration date of the issue: *February 22, 2005*

State registration date of the report on the issue results: *February 22, 2005*

¹³ Information on placement of Eurobonds of RusHydro (the issuer of which is RusHydro Capital Markets DAC, a special-purpose vehicle) and credit ratings assigned to that issue is specified in Section 8.8 of this Report, "Other Information."

¹⁴ During the period after the reporting date of August 1, 2018, Fitch Ratings Ltd. increased the long-term credit rating of RusHydro and of all rated issues of bonds to the investment level of BBB-.

Body in charge of state registration of the issue and of the report on the issue results: *Federal Financial Markets Service of Russia.*

Rights granted under the shares to their holders:

According to Clause 6.2, Article 6 of the Issuer's Articles of Association:

"Each registered ordinary share of the Company shall endow its shareholder with an equal volume of rights.

Holders of registered ordinary shares of the Company shall be entitled to:

- 1) Participate in the General Meeting of Shareholders of the Company in person or by proxy with the right to vote on all items within their competence*
 - 2) Propose items for the agenda of the General Meeting of Shareholders in accordance with the procedure stipulated under the laws of the Russian Federation and these Articles of Association*
 - 3) Obtain information on the activities of the Company and view the documents of the Company pursuant to Article 91 of the Federal Law "On Joint-Stock Companies"*
 - 4) Receive dividends declared by the Company*
 - 5) Acquire additional shares placed by subscription and equity securities converted into shares in an amount proportional to the amount of shares of this category (class) that they hold*
 - 6) In the case of liquidation of the Company, obtain a part of its property*
 - 7) Exercise other rights stipulated under the laws of the Russian Federation and these Articles of Association"*
- The Company has not issued any preferred shares.*

Other information: *none.*

8.3. Information on Previous Issues of the Issuer's Equity Securities, Except for the Issuer's Shares

8.3.1. Information on Issues with Cancelled Securities

There are no said securities.

8.3.2. Information on Issues with Outstanding Securities

This information was specified in the Quarterly Report for Q1 2018; no changes were made to this information during Q2 2018.

8.4. Information on Persons Providing Security for the Issuer's Secured Bonds as well as on the Terms of Securing Performance of the Issuer's Secured Bonded Obligations

The Issuer did not register a secured bond prospectus, and secured exchange bonds were not listed on the stock exchange.

8.5. Information on Companies Registering Rights to the Issuer's Equity Securities

This information was specified in the Quarterly Report for Q1 2018; no changes were made to this information during Q2 2018.

8.6. Information on Legislative Enactments Governing Import and Export of Capital That May Influence Payment of Dividends, Interest, and Others Payments to Nonresidents

This information was specified in the Quarterly Report for Q1 2018; no changes were made to this information during Q2 2018.

8.7. Information on Declared (Accrued) and Paid Dividends on the Issuer's Shares, as Well as on the Issuer's Bond Yield

8.7.1. Information on Declared and Paid Dividends on the Issuer's Shares

Information about declared and/or paid dividends on the Issuer's shares for the last five completed financial years as well as for the period from the beginning date of the current year to the end date of the reporting quarter:

Indicator description	Dividend period: 2013
Category of shares and class for preferred shares	Ordinary registered
The Company's management body that adopted a decision on the declaration of dividends, the date of such decision, the date of preparation, and the number of the minutes of the meeting of the management body at which such decision was adopted	General Meeting of Shareholders of the Issuer, date of the decision: June 27, 2014, Minutes No. 12 dated June 27, 2014
Declared dividends per one share, RUB	RUB 0.01358751
Declared dividends for all shares of that category (class), RUB	RUB 5,248,249,991.75
Date of compilation of the list of persons entitled to dividends	July 8, 2014
The reporting period (year, quarter) for which (based on the results of which) declared dividends are (were) paid	2013
Established payment term (date) of declared dividends	For a nominee holder and a trustee that is a market professional in the securities market registered in the shareholders register: 10 business days, and for other persons registered in the shareholders register: 25 business days from the date when the persons entitled to dividends are determined
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net earnings for the reporting year, retained net earnings for prior years, special purpose fund)	Net earnings for the reporting year
Share of the declared dividends in the net earnings for the reporting year, %	14.86%
Total dividends paid on shares of such category (class), RUB	RUB 5,228,643,996.64
Share of paid dividends out of the total amount of declared dividends on shares of that category (class), %	99.63%
If declared dividends were not paid or incompletely paid by the Issuer, the reasons for failure to pay declared dividends shall be specified.	According to the results of 2013, dividends have been paid to all persons included in the dividend list, apart from persons who failed to provide reliable and complete details necessary for dividend payment in the enquiry form of a registered person.
Other information on declared and/or paid dividends specified at the Company's discretion	Due to the expiry of the three-year period during which the Company's shareholders had the right to apply with claims for payment of declared dividends for the 2013 financial year, declared and unclaimed dividends were recovered as part of the Company's retained earnings, and the obligation to pay them ceased.

Indicator description	Dividend period: 2014
Category of shares and class for preferred shares	Ordinary registered
The Company's management body that adopted a decision on the declaration of dividends, the date of such decision, the date of preparation, and the number of the minutes of the meeting of the management body at which such decision was adopted	General Meeting of Shareholders of the Issuer, date of the decision: June 26, 2015, Minutes No. 13 dated June 26, 2015

Declared dividends per one share, RUB	RUB 0.01561855
Declared dividends for all shares of that category (class), RUB	RUB 6,032,750,291.16
Date of compilation of the list of persons entitled to dividends	July 7, 2015
The reporting period (year, quarter) for which (based on the results of which) declared dividends are (were) paid	2014
Established payment term (date) of declared dividends	For a nominee holder and a trustee that is a market professional in the securities market registered in the shareholders register: not more than 10 business days from the date when persons entitled to receive dividends are determined—that is, not later than on July 21, 2015, and for other persons registered in the shareholders register: 25 business days from the date when the persons entitled to dividends are determined—that is, not later than on August 11, 2015
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net earnings for the reporting year, retained net earnings for prior years, special purpose fund)	Net earnings for the reporting year
Share of the declared dividends in the net earnings for the reporting year, %	19.63%
Total dividends paid on shares of such category (class), RUB	RUB 6,011,036,180.04
Share of paid dividends out of the total amount of declared dividends on shares of that category (class), %	99.64%
If declared dividends were not paid or incompletely paid by the Issuer, the reasons for failure to pay declared dividends shall be specified.	According to the results of 2014, dividends were paid to all persons included in the dividend list, apart from persons who failed to submit reliable and complete details necessary for dividend payment in the questionnaires of registered persons or apart from persons with respect to which the nominee, for reasons beyond its control, failed to fulfill the commitment to transfer dividends.
Other information on declared and/or paid dividends specified at the Company's discretion	Due to the expiry of the three-year period during which the Company's shareholders had the right to apply with claims for payment of declared dividends for the 2014 financial year, declared and unclaimed dividends were recovered as part of the Company's retained earnings, and the obligation to pay them ceased.

Indicator description	Dividend period: 2015
Category of shares and class for preferred shares	Ordinary registered
The Company's management body that adopted a decision on the declaration of dividends, the date of such decision, the date of preparation, and the number of the minutes of the meeting of the management body at which such decision was adopted	General Meeting of Shareholders of the Issuer, date of the decision: June 27, 2016, Minutes No. 15 dated June 29, 2016

Declared dividends per one share, RUB	RUB 0.038863
Declared dividends for all shares of that category (class), RUB	RUB 15,011,046,132.02
Date of compilation of the list of persons entitled to dividends	July 8, 2016
The reporting period (year, quarter) for which (based on the results of which) declared dividends are (were) paid	2015
Established payment term (date) of declared dividends	For a nominee holder and a trustee that is a market professional in the securities market registered in the shareholders register: not more than 10 business days from the date when persons entitled to receive dividends are determined—that is, not later than on July 22, 2016, and for other persons registered in the shareholders register: 25 business days from the date when the persons entitled to dividends are determined—that is, not later than on August 12, 2016
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net earnings for the reporting year, retained net earnings for prior years, special purpose fund)	Net earnings for the reporting year
Share of the declared dividends in the net earnings for the reporting year, %	50%
Total dividends paid on shares of such category (class), RUB	RUB 14,962,489,085.78
Share of paid dividends out of the total amount of declared dividends on shares of that category (class), %	99.68%
If declared dividends were not paid or incompletely paid by the Issuer, the reasons for failure to pay declared dividends shall be specified.	According to the results of 2015, dividends were paid to all persons included in the dividend list, apart from persons who failed to submit reliable and complete details necessary for dividend payment in the questionnaires of registered persons or apart from persons with respect to which the nominee, for reasons beyond its control, failed to fulfill the commitment to transfer dividends.
Other information on declared and/or paid dividends specified at the Company's discretion	None

Indicator description	Dividend period: 2016
Category of shares and class for preferred shares	Ordinary registered
The Company's management body that adopted a decision on the declaration of dividends, the date of such decision, the date of preparation, and the number of the minutes of the meeting of the management body at which such decision was adopted	General Meeting of Shareholders of the Issuer, date of the decision: June 26, 2017, Minutes No. 16 dated June 27, 2017
Declared dividends per one share, RUB	RUB 0.0466245
Declared dividends for all shares of that category (class), RUB	RUB 19,875,502,787.41
Date of compilation of the list of persons entitled to dividends	July 10, 2017
The reporting period (year, quarter) for which (based on the results of which) declared dividends are (were) paid	2016

Established payment term (date) of declared dividends	The dividends payment period for a nominee holder and beneficial owner that is a professional participant in the securities market registered in the shareholders register shall not exceed 10 business days—that is, not later than on July 24, 2017, and for other persons registered in the shareholders register, 25 business days from the date when the persons entitled to dividends are determined—that is, not later than on August 14, 2017.
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net earnings for the reporting year, retained net earnings for prior years, special purpose fund)	Net earnings for the reporting year
Share of the declared dividends in the net earnings for the reporting year, %	47.5%
Total dividends paid on shares of such category (class), RUB	RUB 19,816,518,215.39
Share of paid dividends out of the total amount of declared dividends on shares of that category (class), %	99.70%
If declared dividends were not paid or incompletely paid by the Issuer, the reasons for failure to pay declared dividends shall be specified.	According to the results of 2016, dividends were paid to all persons included in the dividend list, apart from persons who failed to submit reliable and complete details necessary for dividend payment in the questionnaires of registered persons or apart from persons with respect to which the nominee, for reasons beyond its control, failed to fulfill the commitment to transfer dividends.
Other information on declared and/or paid dividends specified at the Company's discretion	None

Indicator description	Dividend period: 2017
Category of shares and class for preferred shares	Ordinary registered
The Company's management body that adopted a decision on the declaration of dividends, the date of such decision, the date of preparation, and the number of the minutes of the meeting of the management body at which such decision was adopted	General Meeting of Shareholders of the Issuer, date of the decision: June 27, 2018, Minutes No. 17 dated June 28, 2018
Declared dividends per one share, RUB	RUB 0.0263335
Declared dividends for all shares of that category (class), RUB	RUB 11,225,676,471.65
Date of compilation of the list of persons entitled to dividends	July 7, 2018
The reporting period (year, quarter) for which (based on the results of which) declared dividends are (were) paid	2017

Established payment term (date) of declared dividends	The dividends payment period for a nominee holder and beneficial owner that is a professional participant in the securities market registered in the shareholders register shall not exceed 10 business days—that is, not later than on July 20, 2018, and for other persons registered in the shareholders register, 25 business days from the date when the persons entitled to dividends are determined—that is, not later than on August 10, 2018.
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net earnings for the reporting year, retained net earnings for prior years, special purpose fund)	Net earnings for the reporting year
Share of the declared dividends in the net earnings for the reporting year, %	31.05%
Total dividends paid on shares of such category (class), RUB	RUB 0
Share of paid dividends out of the total amount of declared dividends on shares of that category (class), %	0%
If declared dividends were not paid or incompletely paid by the Issuer, the reasons for failure to pay declared dividends shall be specified.	As of June 30, 2018, the term of dividend payment for 2017 has not come yet.
Other information on declared and/or paid dividends specified at the Company's discretion	None

8.7.2. Information on Accrued and Paid Yield on the Issuer's Bonds

Indicator description	Reporting period: 2011–2018
Series, form, and other identifiers of the bond issue	Certificated inconvertible interest-bearing bearer bonds with obligatory centralized custody, series 01 with possibility of early repayment at the holder's request and at the Issuer's discretion, quantity: 10,000,000 pcs., amount of issue at par value: RUB 10,000,000,000.
State registration number of the bonds issue and the date of state registration thereof (identification number of the issue and the date of its assignment, if the bonds issue is not subject to state registration)	4-01-55038-E dated September 23, 2010
Type of yield paid on bonds of the issue (face value, interest (coupon), etc.)	Coupon yield
Yield payable under the bonds of the issue, in monetary terms, per one bond of the issue, RUB/foreign currency	RUB 39.89 (yield from coupon periods 1 to 10) RUB 47.37 (yield from coupon periods 11 to 20)
Yield payable under the bonds of the issue, in monetary terms for all bonds of the issue, RUB/foreign currency	RUB 4,005,897,636.92

Payment period (date) of yield on bonds of the issue	The first coupon yield was paid on October 24, 2011. The second coupon yield was paid on April 23, 2012. The third coupon yield was paid on October 22, 2012. The fourth coupon yield was paid on April 22, 2013. The fifth coupon yield was paid on October 21, 2013. The sixth coupon yield was paid on April 21, 2014. The seventh coupon yield was paid on October 20, 2014. The eighth coupon yield was paid on April 20, 2015. The ninth coupon yield was paid on October 19, 2015. The tenth coupon yield was paid on April 18, 2016. The eleventh coupon yield was paid on October 17, 2016. The twelfth coupon yield was paid on April 17, 2017. The thirteenth coupon yield was paid on October 16, 2017. The fourteenth coupon yield was paid on April 16, 2018.
Form of yield payment for the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 4,005,897,636.92
Share of paid yield for bonds of the issue out of the total payable yield for bonds of the issue, %	100
If bond yield payable was not paid or incompletely paid by the Issuer, the reasons for failure to pay such yield	—
Other information on bonds of the issue specified at the Issuer's discretion	The maturity of the JSC RusHydro bonds is 10 years. An offer to acquire the bonds at their owners' request with a term of five years from the starting date of the offering is possible with respect to said securities. On April 8, 2016, the Issuer decided to set a new interest rate for the eleventh–twentieth coupon periods. On April 22, 2016, bonds were acquired at the request of their holders.

Indicator description	Reporting period: 2011–2018
Series, form, and other identifiers of the bond issue	Certificated inconvertible interest-bearing bearer bonds with obligatory centralized custody, series 02 with possibility of early repayment at the holder's request and at the Issuer's discretion, quantity: 5,000,000 pcs., amount of issue at par value: RUB 5,000,000,000.
State registration number of the bonds issue and the date of state registration thereof (identification number of the issue and the date of its assignment, if the bonds issue is not subject to state registration)	4-02-55038-E dated September 23, 2010
Type of yield paid on bonds of the issue (face value, interest (coupon), etc.)	Coupon yield
Yield payable under the bonds of the issue, in monetary terms, per one bond of the issue, RUB/foreign currency	RUB 39.89 (yield from coupon periods 1 to 10) RUB 47.37 (yield from coupon periods 11 to 20)
Yield payable under the bonds of the issue, in monetary terms for all bonds of the issue, RUB/foreign currency	RUB 2,024,960,804.80

Payment period (date) of yield on bonds of the issue	The first coupon yield was paid on October 24, 2011. The second coupon yield was paid on April 23, 2012. The third coupon yield was paid on October 22, 2012. The fourth coupon yield was paid on April 22, 2013. The fifth coupon yield was paid on October 21, 2013. The sixth coupon yield was paid on April 21, 2014. The seventh coupon yield was paid on October 20, 2014. The eighth coupon yield was paid on April 20, 2015. The ninth coupon yield was paid on October 19, 2015. The tenth coupon yield was paid on April 18, 2016. The eleventh coupon yield was paid on October 17, 2016. The twelfth coupon yield was paid on April 17, 2017. The thirteenth coupon yield was paid on October 16, 2017. The fourteenth coupon yield was paid on April 16, 2018.
Form of yield payment for the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 2,024,960,804.80
Share of paid yield for bonds of the issue out of the total payable yield for bonds of the issue, %	100
If bond yield payable was not paid or incompletely paid by the Issuer, the reasons for failure to pay such yield	—
Other information on bonds of the issue specified at the Issuer's discretion	The maturity of the JSC RusHydro bonds is 10 years. An offer to acquire the bonds at their owners' request with a term of five years from the starting date of the offering is possible with respect to said securities. On April 8, 2016, the Issuer decided to set a new interest rate for the eleventh–twentieth coupon periods. On April 22, 2016, bonds were acquired at the request of their holders.

Indicator description	Reporting period: 2013–2018
Series, form, and other identifiers of the bond issue	Certificated inconvertible interest-bearing bearer bonds with obligatory centralized custody, series 07 with possibility of early repayment at the holder's request and at the Issuer's discretion, quantity: 10,000,000 pcs., amount of issue at par value: RUB 10,000,000,000.
State registration number of the bonds issue and the date of state registration thereof (identification number of the issue and the date of its assignment, if the bonds issue is not subject to state registration)	4-07-55038-E dated December 27, 2012
Type of yield paid on bonds of the issue (face value, interest (coupon), etc.)	Coupon yield
Yield payable under the bonds of the issue, in monetary terms, per one bond of the issue, RUB/foreign currency	RUB 42.38
Yield payable under the bonds of the issue, in monetary terms for all bonds of the issue, RUB/foreign currency	RUB 4,238,000,000.00

Payment period (date) of yield on bonds of the issue	The first coupon yield was paid on August 15, 2013. The second coupon yield was paid on February 13, 2014. The third coupon yield was paid on August 14, 2014. The fourth coupon yield was paid on February 12, 2015. The fifth coupon yield was paid on August 13, 2015. The sixth coupon yield was paid on February 11, 2016. The seventh coupon yield was paid on August 11, 2016. The eighth coupon yield was paid on February 9, 2017. The ninth coupon yield was paid on August 10, 2017. The tenth coupon yield was paid on February 8, 2018.
Form of yield payment for the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 4,238,000,000.00
Share of paid yield for bonds of the issue out of the total payable yield for bonds of the issue, %	100
If bond yield payable was not paid or incompletely paid by the Issuer, the reasons for failure to pay such yield	—
Other information on bonds of the issue specified at the Issuer's discretion	The maturity of JSC RusHydro bonds of series 07 is 10 years. An offer for the period of five years from the beginning of placement is possible with respect to the securities. On January 31, 2018, the Issuer decided to set a new interest rate for the eleventh–twentieth coupon periods. On February 13, 2018, bonds were acquired upon the demand of their holders.

Indicator description	Reporting period: 2013–2018
Series, form, and other identifiers of the bond issue	Certificated inconvertible interest-bearing bearer bonds with obligatory centralized custody, series 08 with possibility of early repayment at the holder's request and at the Issuer's discretion, quantity: 10,000,000 pcs., amount of issue at par value: RUB 10,000,000,000.
State registration number of the bonds issue and the date of state registration thereof (identification number of the issue and the date of its assignment, if the bonds issue is not subject to state registration)	4-08-55038-E dated December 27, 2012
Type of yield paid on bonds of the issue (face value, interest (coupon), etc.)	Coupon yield
Yield payable under the bonds of the issue, in monetary terms, per one bond of the issue, RUB/foreign currency	RUB 42.38
Yield payable under the bonds of the issue, in monetary terms for all bonds of the issue, RUB/foreign currency	RUB 4,238,000,000.00
Payment period (date) of yield on bonds of the issue	The first coupon yield was paid on August 15, 2013. The second coupon yield was paid on February 13, 2014. The third coupon yield was paid on August 14, 2014. The fourth coupon yield was paid on February 12, 2015. The fifth coupon yield was paid on August 13, 2015. The sixth coupon yield was paid on February 11, 2016. The seventh coupon yield was paid on August 11, 2016. The eighth coupon yield was paid on February 9, 2017. The ninth coupon yield was paid on August 10, 2017. The tenth coupon yield was paid on February 8, 2018.
Form of yield payment for the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 4,238,000,000.00

Share of paid yield for bonds of the issue out of the total payable yield for bonds of the issue, %	100
If bond yield payable was not paid or incompletely paid by the Issuer, the reasons for failure to pay such yield	—
Other information on bonds of the issue specified at the Issuer's discretion	The maturity of RusHydro bonds of series 08 is 10 years. An offer for the period of five years from the beginning of placement is possible with respect to the securities. On January 31, 2018, the issuer decided to set a new interest rate for the eleventh–twentieth coupon periods. On February 13, 2018, bonds were acquired upon the demand of their holders.

Indicator description	Reporting period: 2015–2018
Series, form, and other identifiers of the bond issue	Certificated inconvertible interest-bearing bearer bonds with obligatory centralized custody, series 09 with the possibility of early redemption at the request of the holder and at the discretion of the Issuer
State registration number of the bonds issue and the date of state registration thereof (identification number of the issue and the date of its assignment, if the bonds issue is not subject to state registration)	4-09-55038-E dated December 27, 2012
Type of yield paid on bonds of the issue (face value, interest (coupon), etc.)	Coupon yield
Yield payable under the bonds of the issue, in monetary terms, per one bond of the issue, RUB/foreign currency	RUB 63.58 (yield from coupon periods 1 to 5) RUB 37.40 (yield from coupon periods 6 to 16)
Yield payable under the bonds of the issue, in monetary terms for all bonds of the issue, RUB/foreign currency	RUB 3,207,674,093.80
Payment period (date) of yield on bonds of the issue	The first coupon yield was paid on October 27, 2015. The second coupon yield was paid on April 26, 2016. The third coupon yield was paid on October 25, 2016. The fourth coupon yield was paid on April 25, 2017. The fifth coupon yield was paid on October 24, 2017. The sixth coupon yield was paid on April 24, 2018.
Form of yield payment for the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 3,207,674,093.80
Share of paid yield for bonds of the issue out of the total payable yield for bonds of the issue, %	100
If bond yield payable was not paid or incompletely paid by the Issuer, the reasons for failure to pay such yield	—
Other information on bonds of the issue specified at the Issuer's discretion	The maturity of bonds of series 09 is 10 years. Tender offer for a period of 5.5 years is possible with respect to the securities. On October 16, 2017, the issuer decided to set a new interest rate for the sixth–sixteenth coupon periods. On October 27, 2017, bonds were acquired at the demand of their holders.

Indicator description	Reporting period: 2015–2018
Series, form, and other identifiers of the bond issue	Exchange-traded certificated interest-bearing inconvertible bearer bonds with obligatory centralized custody of series BO-P01

State registration number of the bonds issue and the date of state registration thereof (identification number of the issue and the date of its assignment, if the bonds issue is not subject to state registration)	4B02-01-55038-E-001P dated July 3, 2015
Type of yield paid on bonds of the issue (face value, interest (coupon), etc.)	Coupon yield
Yield payable under the bonds of the issue, in monetary terms, per one bond of the issue, RUB/foreign currency	RUB 59.09
Yield payable under the bonds of the issue, in monetary terms for all bonds of the issue, RUB/foreign currency	RUB 1,477,250,000.00
Payment period (date) of yield on bonds of the issue	The first coupon yield was paid on January 11, 2016. The second coupon yield was paid on July 6, 2016. The third coupon yield was paid on January 9, 2017. The fourth coupon yield was paid on July 5, 2017. The fifth coupon yield was paid on January 9, 2018.
Form of yield payment for the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 1,477,250,000.00
Share of paid yield for bonds of the issue out of the total payable yield for bonds of the issue, %	100
If bond yield payable was not paid or incompletely paid by the Issuer, the reasons for failure to pay such yield	—
Other information on bonds of the issue specified at the Issuer's discretion	The maturity of exchange-traded bonds of series BO-P01 is 3 years.

Indicator description	Reporting period: 2015–2018
Series, form, and other identifiers of the bond issue	Exchange-traded certificated interest-bearing inconvertible bearer bonds with obligatory centralized custody of series BO-P02
State registration number of the bonds issue and the date of state registration thereof (identification number of the issue and the date of its assignment, if the bonds issue is not subject to state registration)	4B02-02-55038-E-001P dated July 3, 2015
Type of yield paid on bonds of the issue (face value, interest (coupon), etc.)	Coupon yield
Yield payable under the bonds of the issue, in monetary terms, per one bond of the issue, RUB/foreign currency	RUB 59.09
Yield payable under the bonds of the issue, in monetary terms for all bonds of the issue, RUB/foreign currency	RUB 1,477,250,000.00
Payment period (date) of yield on bonds of the issue	The first coupon yield was paid on January 11, 2016. The second coupon yield was paid on July 6, 2016. The third coupon yield was paid on January 9, 2017. The fourth coupon yield was paid on July 5, 2017. The fifth coupon yield was paid on January 9, 2018.
Form of yield payment for the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 1,477,250,000.00
Share of paid yield for bonds of the issue out of the total payable yield for bonds of the issue, %	100
If bond yield payable was not paid or incompletely paid by the Issuer, the reasons for failure to pay such yield	—

Other information on bonds of the issue specified at the Issuer's discretion	The maturity of exchange-traded bonds of series BO-P02 is 3 years.
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Indicator description	Reporting period: 2015–2018
Series, form, and other identifiers of the bond issue	Exchange-traded certificated interest-bearing inconvertible bearer bonds with obligatory centralized custody of series BO-P03
State registration number of the bonds issue and the date of state registration thereof (identification number of the issue and the date of its assignment, if the bonds issue is not subject to state registration)	4B02-03-55038-E-001P dated July 3, 2015
Type of yield paid on bonds of the issue (face value, interest (coupon), etc.)	Coupon yield
Yield payable under the bonds of the issue, in monetary terms, per one bond of the issue, RUB/foreign currency	RUB 59.09
Yield payable under the bonds of the issue, in monetary terms for all bonds of the issue, RUB/foreign currency	RUB 1,477,250,000.00
Payment period (date) of yield on bonds of the issue	The first coupon yield was paid on January 11, 2016. The second coupon yield was paid on July 6, 2016. The third coupon yield was paid on January 9, 2017. The fourth coupon yield was paid on July 5, 2017. The fifth coupon yield was paid on January 9, 2018.
Form of yield payment for the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 1,477,250,000.00
Share of paid yield for bonds of the issue out of the total payable yield for bonds of the issue, %	100
If bond yield payable was not paid or incompletely paid by the Issuer, the reasons for failure to pay such yield	—
Other information on bonds of the issue specified at the Issuer's discretion	The maturity of exchange-traded bonds of series BO-P03 is 3 years.

Indicator description	Reporting period: 2016–2018
Series, form, and other identifiers of the bond issue	Exchange-traded certificated interest-bearing inconvertible bearer bonds with obligatory centralized custody of series BO-P04
State registration number of the bonds issue and the date of state registration thereof (identification number of the issue and the date of its assignment, if the bonds issue is not subject to state registration)	4B02-04-55038-E-001P dated April 1, 2016
Type of yield paid on bonds of the issue (face value, interest (coupon), etc.)	Coupon yield
Yield payable under the bonds of the issue, in monetary terms, per one bond of the issue, RUB/foreign currency	RUB 51.61
Yield payable under the bonds of the issue, in monetary terms for all bonds of the issue, RUB/foreign currency	RUB 3,096,600,000.00
Payment period (date) of yield on bonds of the issue	The first coupon yield was paid on October 6, 2016. The second coupon yield was paid on April 6, 2017. The third coupon yield was paid on October 5, 2017. The fourth coupon yield was paid on April 5, 2018.

Form of yield payment for the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 3,096,600,000.00
Share of paid yield for bonds of the issue out of the total payable yield for bonds of the issue, %	100
If bond yield payable was not paid or incompletely paid by the Issuer, the reasons for failure to pay such yield	—
Other information on bonds of the issue specified at the Issuer's discretion	The maturity of exchange-traded bonds of series BO-P04 is 3 years.

Indicator description	Reporting period: 2017–2018
Series, form, and other identifiers of the bond issue	Exchange-traded certificated interest-bearing inconvertible bearer bonds with obligatory centralized custody of series BO-P05
State registration number of the bonds issue and the date of state registration thereof (identification number of the issue and the date of its assignment, if the bonds issue is not subject to state registration)	4B02-05-55038-E-001P dated June 9, 2017
Type of yield paid on bonds of the issue (face value, interest (coupon), etc.)	Coupon yield
Yield payable under the bonds of the issue, in monetary terms, per one bond of the issue, RUB/foreign currency	RUB 40.89
Yield payable under the bonds of the issue, in monetary terms for all bonds of the issue, RUB/foreign currency	RUB 817,800,000.00
Payment period (date) of yield on bonds of the issue	The first coupon yield was paid on December 15, 2017. The second coupon yield was paid on June 15, 2018.
Form of yield payment for the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 817,800,000.00
Share of paid yield for bonds of the issue out of the total payable yield for bonds of the issue, %	100
If bond yield payable was not paid or incompletely paid by the Issuer, the reasons for failure to pay such yield	—
Other information on bonds of the issue specified at the Issuer's discretion	The maturity of exchange-traded bonds of series BO-P05 is 3 years.

8.8. Other Information

On September 28, 2017, and February 15, 2018, the issues of Eurobonds (ISIN: XS1691350455 and XS1769724755) issued by the special purpose company RusHydro Capital Markets DAC were completed. The volume of each issue amounted to RUB 20 billion. The rate of the coupon paid twice a year is 8.125% per annum under the first issue, with the Eurobonds maturing in 2022, and 7.4% per annum under the second issue, with the Eurobonds maturing in 2021. The issues were assigned the following credit ratings: S&P: BB+ (on February 27, 2018, the rating was raised to BBB-); Moody's: Ba1; Fitch: BB+ (as of August 1, 2018, the rating was increased to BBB-); AKPA: AAA(RU). The issues were arranged by VTB Capital, JP Morgan, Gazprombank, and Sberbank CIB. Eurobonds were listed on the Irish Stock Exchange according to Reg S rules.

8.9. Information on Underlying Securities and the Issuer of Underlying Securities, Title to Which Is Certified by Russian Depositary Receipts

The Issuer is not an issuer of Russian depositary receipts.

Schedule 1. Interim Accounting (Financial) Statements for Six Months of 2018

BALANCE SHEET as at 30 June 2018

	Codes
Form on OKUD	0710001
Date (year, month, day)	2018/06/30
Company <u>Public Joint Stock Company Federal Hydro-Generating Company – RusHydro PJSC RusHydro</u>	OKPO 75782411
Taxpayer identification number	INN 2460066195
Field of activity <u>Electricity generation by hydro power plants</u>	OKVED 35.11.2
Legal form / form of ownership	OKOPF / OKFS 47 / 41
<u>Public Joint Stock Company / mixed Russian property with a federal share</u>	OKEI 385
Unit of measurement: <u>millions of RR</u>	
Address: <u>Krasnovarsk. the Krasnovarsk Territory</u>	

Note	ASSETS	Line code	As at 30 June 2018	As at 31 Desember 2017	As at 31 Desember 2016
1	2	3	4	4	5
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	1,114	1,267	1,324
	Results of research and development	1120	887	920	1,077
	Property, plant and equipment, incl.:	1150	419,032	419,635	409,109
	fixed assets	1151	385,383	382,007	372,514
	construction in process	1152	33,649	37,628	36,595
	Income-bearing investments in tangible assets	1160	-	-	-
	Financial investments	1170	324,040	312,149	292,273
	Other non-current assets	1190	4,224	4,222	4,703
	Total Section I	1100	749,297	738,193	708,486
	II. CURRENT ASSETS				
	Inventories	1210	5,188	4,258	4,252
	Value added tax on goods purchased	1220	34	30	51
	Accounts receivable, incl.:	1230	183,942	177,308	149,614
	accounts receivable (payments expected later than 12 months after the reporting date), incl.:	1231	54,328	54,713	62,615
	buyers and customers	1231.1	48	34	178
	advances issued	1231.2	18,169	19,819	20,004
	other debtors	1231.3	36,111	34,860	42,433
	accounts receivable (payments expected within 12 months after the reporting date), incl.:	1232	129,614	122,595	86,999
	buyers and customers	1232.1	9,799	6,726	7,120
	advances issued	1232.2	5,140	4,276	10,206
	other debtors	1232.3	114,675	111,593	69,673
	Financial investments (excl. cash equivalents)	1240	16,617	12,450	5,305
	Cash and cash equivalents	1250	52,491	50,929	40,954
	Other current assets	1260	23	11	11
	Total Section II	1200	258,295	244,986	200,187
	TOTAL	1600	1,007,592	983,179	908,673

This is an English language translation of the document originally prepared in the Russian language. The Russian version is formalized and shall irrevocably prevail.

Note	LIABILITIES	Line code	As at 30 June 2018	As at 31 Desember 2017	As at 31 Desember 2016
1	2	3	4	4	5
	III. CAPITAL AND RESERVES				
	Charter capital	1310	426,289	426,289	386,255
	Revaluation of non-current assets	1340	52,526	52,606	52,705
	Additional capital (excl. revaluation)	1350	58,424	58,424	58,424
	Reserve capital	1360	15,179	13,371	11,278
	Retained earnings (loss), incl.:	1370	288,659	274,994	260,674
	undistributed profit of previous years	1371	262,041	238,845	218,797
	undistributed profit of the current year	1372	26,618	36,149	41,877
	Total Section III	1300	841,077	825,684	769,336
	IV. LONG-TERM LIABILITIES				
	Borrowings and bank loans	1410	94,575	71,698	94,848
	Deferred tax liabilities	1420	18,654	17,113	13,676
	Other liabilities	1450	4,044	4,264	3,746
	Total Section IV	1400	117,273	93,075	112,270
	V. SHORT-TERM LIABILITIES				
	Borrowings and bank loans	1510	21,216	50,258	14,025
	Accounts payable, incl.:	1520	26,349	10,563	9,681
	suppliers and contractors	1521	3,471	4,040	4,190
	payables to employees	1522	234	244	24
	payables to state non-budgetary funds	1523	128	134	14
	taxes payable	1524	7,058	5,242	4,697
	dividends payable	1525	11,355	141	122
	other creditors	1526	4,103	762	634
	Income of future periods	1530	67	67	73
	Estimated liabilities	1540	1,018	2,976	2,447
	Other liabilities	1550	592	556	841
	Total Section V	1500	49,242	64,420	27,067
	TOTAL	1700	1,007,592	983,179	908,673

Chairman of Management Board – General Director

(signature)

N. G. Shulginov
(print full name)

Chief Accountant

(signature)

Y. G. Medvedeva
(print full name)

27 July 2018

This is an English language translation of the document originally prepared in the Russian language. The Russian version is formalized and shall irrevocably prevail.

STATEMENT OF FINANCIAL RESULTS
for the in three months ended 30 June 2018

Company Public Joint Stock Company Federal Hydro-Generating Company – RusHydro
(PJSC RusHydro)
Taxpayer identification number
Field of activity Electricity generation by hydro power plants
Legal form / form of ownership
Public Joint Stock Company / mixed Russian property with a federal share
Unit of measurement: millions of RR

	Codes
Form on OKUD	0710002
Date (year, month, day)	2018/06/30
OKPO	75782411
INN	2460066195
OKVED	35.11.2
OKOPF / OKFS	12247 / 41
OKEI	385

Note	Narrative	Line code	Three months ended 30 June 2018	Three months ended 30 June 2017
1	2	3	4	5
	Revenue	2110	82,837	58,231
	Cost of sales	2120	(47,369)	(27,407)
	Gross profit	2100	35,468	30,824
	Profit from sales	2200	35,468	30,824
	Income from participation in other companies	2310	829	857
	Interest income	2320	3,875	4,463
	Interest expense	2330	(3,860)	(4,036)
	Other income	2340	4,165	5,178
	Other expense	2350	(6,593)	(6,405)
	Profit before tax	2300	33,884	30,881
	Current income tax, incl.:	2410	(5,725)	(4,551)
	permanent tax liabilities (assets)	2421	(463)	(816)
	Change in deferred tax liabilities	2430	(1,297)	(1,935)
	Change in deferred tax assets	2450	(244)	(617)
	Other	2460	-	(7)
	Net profit	2400	26,618	23,771
	REFERENCE			
	Gain or loss from other operations not included in the net profit of the period	2520	-	-
	Total financial result for the period	2500	26,618	23,771
	Basic earnings per share, RR	2900	0.06244	0.06154

Chairman of Management Board – General Director

N. G. Shulginov

Chief Accountant

Y. G. Medvedeva

30 June 2018

This is an English language translation of the document originally prepared in the Russian language. The Russian version is formalized and shall irrevocably prevail.

Schedule 2. Condensed Consolidated Interim Financial Information (Unaudited) Prepared in Accordance with IFRS 34 for Three Months That Ended on March 31, 2018, and as of That Date



RUSHYDRO GROUP

**Condensed Consolidated Interim
Financial Information (Unaudited)
prepared in accordance with IAS 34**

As at and for the three months ended 31 March 2018

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RusHydro Group
Condensed Consolidated Interim Statement of Financial Position (unaudited)
(in millions of Russian Rubles unless noted otherwise)



	Note	31 March 2018	31 December 2017
ASSETS			
Non-current assets			
Property, plant and equipment	6	803,702	799,855
Investments in associates and joint ventures		20,286	20,097
Financial asset at fair value through profit or loss		20,307	-
Financial assets at fair value through other comprehensive income		639	-
Available-for-sale financial assets		-	18,495
Deferred income tax assets		8,934	9,354
Other non-current assets	7	25,494	25,331
Total non-current assets		879,262	873,132
Current assets			
Cash and cash equivalents	8	56,437	70,156
Income tax receivable		4,112	3,839
Accounts receivable and prepayments	9	61,716	51,201
Inventories	10	22,617	25,523
Other current assets	11	17,313	4,400
Total current assets		162,195	155,119
TOTAL ASSETS		1,041,457	1,028,251
EQUITY AND LIABILITIES			
Equity			
Share capital	12	426,289	426,289
Treasury shares	12	(4,613)	(4,613)
Share premium		39,202	39,202
Retained earnings and other reserves		253,828	231,967
Equity attributable to the shareholders of PJSC RusHydro		714,706	692,845
Non-controlling interest		4,505	2,719
TOTAL EQUITY		719,211	695,564
Non-current liabilities			
Deferred income tax liabilities		41,788	41,695
Non-current debt	14	110,633	90,912
Non-deliverable forward contract for shares	15	18,854	20,716
Other non-current liabilities	16	28,207	28,116
Total non-current liabilities		199,482	181,439
Current liabilities			
Current debt and current portion of non-current debt	14	46,442	78,613
Accounts payable and accruals	17	57,700	55,625
Current income tax payable		1,032	976
Other taxes payable	18	17,590	16,034
Total current liabilities		122,764	151,248
TOTAL LIABILITIES		322,246	332,687
TOTAL EQUITY AND LIABILITIES		1,041,457	1,028,251

Chairman of Management Board – General Director

N. G. Shulginov

Chief Accountant

Y. G. Medvedeva

07 June 2018



The accompanying notes are an integral part of this Condensed Consolidated Interim Financial Information

RusHydro Group
Condensed Consolidated Interim Income Statement (unaudited)

(in millions of Russian Rubles unless noted otherwise)



	Note	Three months ended 31 March 2018	Three months ended 31 March 2017
Revenue	19	99,699	98,779
Government grants	20	10,398	4,580
Other operating income	2	2,341	-
Operating expenses (excluding impairment losses)	21	(84,795)	(78,869)
Operating profit excluding impairment losses		27,643	24,490
Impairment of accounts receivable, net		(1,483)	(975)
Impairment of property, plant and equipment	6	(480)	(871)
Operating profit		25,680	22,644
Finance income	22	3,013	3,257
Finance costs	22	(1,753)	(2,139)
Share of results of associates and joint ventures		346	175
Profit before income tax		27,286	23,937
Income tax expense	13	(4,335)	(5,131)
Profit for the period		22,951	18,806
Attributable to:			
Shareholders of PJSC RusHydro		21,203	17,182
Non-controlling interest		1,748	1,624
Earnings per ordinary share for profit attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)	23	0.0502	0.0462
Weighted average number of shares outstanding – basic and diluted (millions of shares)	23	422,437	371,570

The accompanying notes are an integral part of this Condensed Consolidated Interim Financial Information

RusHydro Group
Condensed Consolidated Interim Statement of Comprehensive Income (unaudited)

(in millions of Russian Rubles unless noted otherwise)



	Note	Three months ended 31 March 2018	Three months ended 31 March 2017
Profit for the period		22,951	18,806
Other comprehensive income, net of tax:			
<i>Items that will not be reclassified to profit or loss</i>			
Profit arising on financial assets at fair value through other comprehensive income		12	-
Total items that will not be reclassified to profit or loss		12	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Profit arising on available-for-sale financial assets	27	-	400
Other comprehensive (loss) / income		(2)	15
Total items that may be reclassified subsequently to profit or loss		(2)	415
Other comprehensive income for the period		10	415
Total comprehensive income for the period		22,961	19,221
Attributable to:			
Shareholders of PJSC RusHydro		21,213	17,613
Non-controlling interest		1,748	1,608

The accompanying notes are an integral part of this Condensed Consolidated Interim Financial Information

RusHydro Group
Condensed Consolidated Interim Statement of Cash Flows (unaudited)

(in millions of Russian Rubles unless noted otherwise)



	Note	Three months ended 31 March 2018	Three months ended 31 March 2017
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax		27,286	23,937
Depreciation of property, plant and equipment and amortisation of intangible assets	6, 21	6,624	5,683
Loss on disposal of property, plant and equipment, net		96	61
Share of results of associates and joint ventures		(346)	(175)
Other operating income	2	(2,341)	-
Finance income	22	(3,013)	(3,257)
Finance costs	22	1,753	2,139
Impairment of property, plant and equipment	6	480	871
Impairment of accounts receivable, net		1,483	975
Other income		(224)	(283)
Operating cash flows before working capital changes, income tax paid and changes in other assets and liabilities		31,798	29,951
Working capital changes:			
Increase in accounts receivable and prepayments		(11,639)	(5,969)
Decrease in other current assets		240	524
Decrease in inventories		3,003	2,386
Increase / (decrease) in accounts payable and accruals		3,911	(4,141)
Increase in other taxes payable		1,681	793
Increase in other non-current assets		(56)	(134)
(Decrease) / increase in other non-current liabilities		(695)	36
Income tax paid		(4,226)	(3,460)
Net cash generated by operating activities		24,017	19,986
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(10,383)	(10,531)
Proceeds from sale of property, plant and equipment		38	35
Investment in bank deposits and purchase of other investments		(13,927)	(7,548)
Redemption of bank deposits and proceeds from sale of other investments		775	4,276
Interest received		1,240	2,032
Net cash used in investing activities		(22,257)	(11,736)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from share issue	12	-	40,000
Proceeds from sale of treasury shares	12	-	15,000
Payments for non-deliverable forward for shares	15	(406)	(275)
Proceeds from current debt	14	12,619	13,365
Proceeds from non-current debt	14	31,297	8,772
Repayment of debt	14	(54,601)	(70,344)
Interest paid		(4,346)	(4,492)
Finance lease payments		(53)	(93)
Net cash (used in) / generated by financing activities		(15,490)	1,933
Effect of foreign exchange differences on cash and cash equivalents balances		11	(158)
(Decrease) / increase in cash and cash equivalents		(13,719)	10,025
Cash and cash equivalents at the beginning of the period		70,156	67,354
Cash and cash equivalents at the end of the period	8	56,437	77,379

The accompanying notes are an integral part of this Condensed Consolidated Interim Financial Information

RusHydro Group
Condensed Consolidated Interim Statement of Changes in Equity (unaudited)

(in millions of Russian Rubles unless noted otherwise)



	Note	Share capital	Treasury shares	Share premium	Merger reserve	Foreign currency translation reserve	Revaluation reserve on property, plant and equipment	Revaluation reserve on financial assets	Reserve for remeasurement of pension benefit obligation	Retained earnings	Equity attributable to shareholders of PJSC RusHydro	Non-controlling interest	Total equity
As at 1 January 2017		386,255	(22,578)	39,202	(135,075)	(538)	182,968	16,909	459	179,067	646,669	4,263	650,932
Profit for the period		-	-	-	-	-	-	-	-	17,182	17,182	1,624	18,806
Profit arising on available-for-sale financial assets	27	-	-	-	-	-	-	416	-	-	416	(16)	400
Other comprehensive income		-	-	-	-	15	-	-	-	-	15	-	15
Total other comprehensive income		-	-	-	-	15	-	416	-	-	431	(16)	415
Total comprehensive income		-	-	-	-	15	-	416	-	17,182	17,613	1,608	19,221
Sale of treasury shares	12	-	17,965	-	-	-	-	-	-	(2,965)	15,000	-	15,000
Non-deliverable forward contract for shares	15	-	-	-	-	-	-	-	-	(10,013)	(10,013)	-	(10,013)
Transfer of revaluation reserve to retained earnings		-	-	-	-	-	(198)	-	-	198	-	-	-
Other movements		-	-	-	-	-	-	-	-	21	21	-	21
As at 31 March 2017		386,255	(4,613)	39,202	(135,075)	(523)	182,770	17,325	459	183,490	669,290	5,871	675,161
As at 1 January 2018		426,289	(4,613)	39,202	(135,075)	(547)	181,163	14,356	647	171,423	692,845	2,719	695,564
Application of IFRS 9	2,12	-	-	-	-	-	-	(13,894)	-	14,542	648	38	686
As at 1 January 2018 (restated)		426,289	(4,613)	39,202	(135,075)	(547)	181,163	462	647	185,965	693,493	2,757	696,250
Profit for the period		-	-	-	-	-	-	-	-	21,203	21,203	1,748	22,951
Profit arising on financial assets at fair value through other comprehensive income	27	-	-	-	-	-	-	12	-	-	12	-	12
Other comprehensive loss		-	-	-	-	(2)	-	-	-	-	(2)	-	(2)
Total other comprehensive income		-	-	-	-	(2)	-	12	-	-	10	-	10
Total comprehensive income		-	-	-	-	(2)	-	12	-	21,203	21,213	1,748	22,961
Transfer of revaluation reserve to retained earnings		-	-	-	-	-	(49)	-	-	49	-	-	-
As at 31 March 2018		426,289	(4,613)	39,202	(135,075)	(549)	181,114	474	647	207,217	714,706	4,505	719,211

The accompanying notes are an integral part of this Condensed Consolidated Interim Financial Information



Note 1. The Group and its operations

PJSC RusHydro (hereinafter referred to as “the Company”) was incorporated and is domiciled in the Russian Federation. The Company is a joint stock company limited by shares and was set up in accordance with Russian regulations.

The primary activities of the Company and its subsidiaries (hereinafter referred to as “the Group”) are generation and sale of electricity and capacity on the Russian wholesale and retail markets, as well as generation and sale of heat energy.

Economic environment in the Russian Federation. The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The tax, currency and customs legislation continue to develop and are subject to frequent changes and varying interpretations. The Russian economy showed signs of recovery in 2017, after the economic downturn of 2015 and 2016. The economy is negatively impacted by low oil prices, ongoing political tension in the region and continuing international sanctions against certain Russian companies and individuals. The financial markets continue to be volatile.

This economic environment has a significant impact on the Group’s operations and financial position. Management is taking necessary measures to ensure sustainability of the Group’s operations. However, the future effects of the current economic situation are difficult to predict and management’s current expectations and estimates could differ from actual results.

During the three months ended 31 March 2018 no substantial changes to the rules of Russian wholesale and retail electricity and capacity markets, their functioning and price setting mechanisms have been made.

Relations with the Government and current regulation. As at 31 March 2018 the Russian Federation owned 60.56 percent of the total voting ordinary shares of the Company (31 December 2017: 60.56 percent). As at 31 March 2018 PJSC Bank VTB that is controlled by the Russian Federation owned 13.34 percent of the Company’s shares (31 December 2017: 13.34 percent).

The Group’s major customer base includes a large number of entities controlled by, or related to the Government. Furthermore, the Government controls contractors and suppliers, which provide the Group with electricity dispatch, transmission and distribution services, and a number of the Group’s fuel and other suppliers (Note 5).

In addition, the Government affects the Group’s operations through:

- participation of its representatives in the Company’s Board of Directors;
- regulation of tariffs for electricity, capacity and heating;
- approval and monitoring of the Group’s investment programme, including volume and sources of financing.

Economic, social and other policies of the Russian Government could have a material effect on operations of the Group.

Seasonality of business. The demand for the Group’s heat and electricity generation and supply depends on weather conditions and the season. In addition to weather conditions, the electricity production by hydro generation plants depends on water flow in the river systems. In spring and in summer (flood period) electricity production by hydro generation plants is significantly higher than in autumn and in winter. Heat and electricity production by the heat generation assets, to the contrary, is significantly higher in autumn and in winter than in spring and in summer. The seasonal nature of heat and electricity generation has a significant influence on the volume of fuel consumed by heat generation assets and electricity purchased by the Group.

Note 2. Summary of financial reporting framework and new accounting pronouncements

Basis of preparation. This Condensed Consolidated Interim Financial Information has been prepared in accordance with IAS 34, *Interim Financial Reporting* and should be read in conjunction with the annual Consolidated Financial Statements as at and for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

This Condensed Consolidated Interim Financial Information is unaudited. Certain disclosures duplicating information included in the annual Consolidated Financial Statements as at and for the year ended 31 December 2017 have been omitted or condensed.



(in millions of Russian Rubles unless noted otherwise)

Significant accounting policies. The accounting policies followed in the preparation of this Condensed Consolidated Interim Financial Information are consistent with those applied in the annual Consolidated Financial Statements as at and for the year ended 31 December 2017 except for income tax which is accrued in the interim periods using the best estimate of the weighted average annual income tax rate that would be applicable to expected total annual profit or loss and new standards and interpretations that are effective from 1 January 2018.

Certain reclassifications have been made to prior period data to conform to the current period presentation. These reclassifications are not material.

Changes in accounting policies. The Group has changed its accounting policies from 1 January, 2018 due to the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

IFRS 9, Financial Instruments: Classification and Measurement – accounting policies and the impact of the adoption. The Group applies new accounting policies due to adoption of IFRS 9 Financial Instruments.

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

The total impact of classification and measurement on the Group's retained earnings as at 1 January 2018.

	RR, million
Retained earnings as at 31 December 2017	171,423
Non-controlling interest as at 31 December 2017	2,719
Reclassification of accumulated gains on available-for-sale financial assets to retained earnings	13,894
Reversal of impairment of financial assets measured at amortised cost in accounts receivable	749
Change in deferred taxes relating to impairment provisions of financial assets measured at amortised cost in accounts receivable	(63)
Total change in retained earnings	14,542
Total change in non-controlling interest	38
Retained earnings as at 1 January 2018	185,965
Non-controlling interest as at 1 January 2018	2,757



(in millions of Russian Rubles unless noted otherwise)

Reclassification of financial assets.

On 1 January 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories.

	Available-for-sale financial assets / measured at fair value through OCI (FVOCI)	Financial assets / measured at fair value through PL (FVPL)	Total
As at 31 December 2017 - IAS 39	18,495	-	18,495
Reclassification of available-for-sale financial assets to FVPL	(17,953)	17,953	-
As at 1 January 2018 - IFRS 9	542	17,953	18,495

Investments in shares of listed companies are reclassified from available-for-sale financial assets to financial assets at fair value through profit or loss, due to the fact that if there is a favorable commercial offer / favorable conjuncture of the securities market, management of the Group expects to sell them in the medium or short term. The gains from revaluation at fair value of the shares of listed companies accumulated as at 1 January 2018 in revaluation reserve on available-for-sale financial assets in the amount of RR 13,894 million were transferred to retained earnings as at 1 January 2018. Subsequent revaluations of the fair value of these shares after reclassification are reported in profit or loss as "Other operating income".

Other investments in shares of unquoted companies are reclassified to financial assets at fair value through other comprehensive income. The accumulated gains from their revaluation in the amount of RR 462 million as at January 1, 2018 is recognized in the revaluation reserve for financial assets.

Trade receivables. IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. For each company of the Group, the trade receivables were grouped on the above principles and for each group of counterparties, the shares of expected losses were determined in accordance with the credit risk for each duration of the delay in payment. As a result, the provision for impairment of accounts receivable as at January 1, 2018 reduced by RR 749 million (before income tax) and, accordingly, accounts receivable increased by the same amount.

IFRS 15, Revenue from Contracts with Customers. IFRS 15 introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. In accordance with the transition provisions in IFRS 15 the Group applies the simplified transition method with the effect of the transition to be recognised as at 1 January 2018.

The Group applies the practical expedient available for the simplified transition method. IFRS 15 applies retrospectively only to contracts that are outstanding at the date of initial recognition (1 January 2018). The Group analyzed the effect of the retrospective application of the standard in relation to such contracts and concluded that it was immaterial, and therefore no retrospective recalculation was carried out.

In accordance with IFRS 15, revenue is recognised in an amount that reflects the consideration to which the Group is expected to be entitled in exchange for the transfer of goods or services promised to the customer.

Received compensation of losses in grids. From January 1, 2018 the Group recognises revenue from compensation of transmission losses and expenses on power distribution under contracts with grid companies on a net basis. Compensation of transmission losses that the Group receives from grid companies are not treated as separate performance obligations in accordance with IFRS 15. Therefore, this compensation cannot be recognised within revenues as the contract on compensation of losses is not a contract with customers in the context of IFRS 15 and is beyond the scope of IFRS 15. The compensation of transmission losses that entities of the Group received in the three months ended 31 March 2017 amounted to RR 1,396 million. Expenses on power distribution under contracts with grid companies totalled RR 4,038 million for the three months ended 31 March 2017.

Purchase of electricity for own needs. The cost of electricity that the Group buys at WEM to support the work process and for own needs, in accordance with IFRS 15 represents compensation to be paid to the customer. From January 1, 2018 this compensation is recognised as a reduction of the transaction price and, therefore, of revenue, unless the payment to the customer is in exchange for distinct goods or services that the customer transfers to the entity. The cost of electricity purchased to support the work process and for other own needs totalled RR 155 million for the three months ended 31 March 2017.



Critical accounting estimates and judgements. The preparation of Condensed Consolidated Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this Condensed Consolidated Interim Financial Information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements as at and for the year ended 31 December 2017 with the exception of changes in estimates that are required in determining the estimate weighted average annual income tax rate (Note 13) as well as judgements in respect of the non-deliverable forward contract for the shares (Note 15).and recognition of a premium to the price of capacity with subsequent transfer of the collected amounts to the budgets of the respective regions.

New standards and interpretations

The Group has adopted all new standards and interpretations that were effective from 1 January 2018. The impact of the adoption of these new standards and interpretations has not been significant with respect to this Condensed Consolidated Interim Financial Information.

Apart from new standards and interpretations becoming effective from 1 January 2019 and after that date applicable to the Group as disclosed in the consolidated financial statements as at and for the year ended 31 December 2017, the following interpretations and amendments was issued which is applicable to the Group:

- Plan Amendment, Curtailment or Settlement - Amendments to IAS 19 (issued on 7 February 2018 and effective for annual periods beginning on or after 1 January 2019).

This interpretation is not expected to affect significantly the Group's consolidated financial statements.

Note 3. Principal subsidiaries

All principal subsidiaries are incorporated and operate in the Russian Federation. Differences between the ownership interest and voting interest held by some subsidiaries represent the effect of preference shares and / or effects of indirect ownership, or non-corporate partnership (LLC).

The Group operates in the three main reportable segments one of which is presented by the Group's parent company – PJSC RusHydro (Note 4). The principal subsidiaries are presented below according to their allocation to the reportable segments as at 31 March 2018 and 31 December 2017.

ESC RusHydro subgroup segment

ESC RusHydro subgroup segment includes the Group's subsidiaries which sell electricity to final customers. All the entities included in this segment with the exception of JSC ESC RusHydro have the guaranteeing supplier status and are obliged to sign contracts on supplies with all final consumers of their region upon their request.

	31 March 2018		31 December 2017	
	% of ownership	% of voting	% of ownership	% of voting
JSC ESC RusHydro	100.00%	100.00%	100.00%	100.00%
PJSC Krasnoyarskenergosbyt	65.81%	69.40%	65.81%	69.40%
PJSC Ryazanenergosbyt	90.52%	90.52%	90.52%	90.52%
JSC Chuvashskaya Electricity Sales Company	100.00%	100.00%	100.00%	100.00%

RAO ES East subgroup segment

RAO ES East subgroup segment consists of JSC RAO ES East and its subsidiaries that generate, distribute and sell electricity and heat in the Far East region of the Russian Federation and render transportation, construction, repair and other services.

RusHydro Group
Notes to the Condensed Consolidated Interim Financial Information
as at and for the three months ended 31 March 2018 (unaudited)



(in millions of Russian Rubles unless noted otherwise)

Principal subsidiaries of this segment are presented below:

	31 March 2018		31 December 2017	
	% of ownership	% of voting	% of ownership	% of voting
JSC RAO ES East*	99.98%	99.98%	99.98%	99.98%
PJSC DEK	52.11%	52.17%	52.11%	52.17%
JSC DGK	52.11%	100.00%	52.11%	100.00%
JSC DRSK	52.11%	100.00%	52.11%	100.00%
PJSC Kamchatskenergo	98.72%	98.74%	98.72%	98.74%
PJSC Magadanenergo**	48.99%	49.00%	48.99%	49.00%
PJSC Sakhalinenergo	57.80%	57.82%	57.80%	57.82%
PJSC Yakutskenergo	79.15%	79.16%	79.15%	79.16%

* Voting and ownership percent interests in JSC RAO ES East as at 31 March 2018 and 31 December 2017 include 15.59 percent interest held by the Group's subsidiary LLC Vostok-Finance.

** Control over PJSC Magadanenergo is achieved by the majority of votes on the shareholders meeting because the remaining part of the shares not owned by the Group are distributed among a large number of shareholders the individual stakes of which are insignificant.

Other segments

Other segments include:

- the Group's subsidiaries with production and sale of electricity and capacity;
- the Group's subsidiaries primarily engaged in research and development related to the utilities industry and construction of hydropower facilities;
- the Group's subsidiaries engaged in repair, upgrade and reconstruction of equipment and hydropower facilities;
- the Group's subsidiaries engaged primarily in hydropower plants construction;
- minor segments which do not have similar economic characteristics.

Principal subsidiaries included in all other segments are presented below:

	31 March 2018		31 December 2017	
	% of ownership	% of voting	% of ownership	% of voting
JSC Blagoveschensk TPP	100.00%	100.00%	100.00%	100.00%
JSC VNIIG named after B. E. Vedeneev	100.00%	100.00%	100.00%	100.00%
JSC Geotherm	99.65%	99.65%	99.65%	99.65%
JSC Hidroremont-VKK	100.00%	100.00%	100.00%	100.00%
JSC Zagorskaya GAES-2	100.00%	100.00%	100.00%	100.00%
JSC Zaramag HS	99.75%	99.75%	99.75%	99.75%
JSC Institute Hydroproject	100.00%	100.00%	100.00%	100.00%
PJSC Kolimaenergo	98.76%	98.76%	98.76%	98.76%
JSC Lenhydroproject	100.00%	100.00%	100.00%	100.00%
JSC NIIES	100.00%	100.00%	100.00%	100.00%
JSC Nizhne-Bureiskaya HPP	100.00%	100.00%	100.00%	100.00%
JSC Sakhalin GRES-2	100.00%	100.00%	100.00%	100.00%
JSC Sulak HidroKaskad	100.00%	100.00%	100.00%	100.00%
JSC TPP in Sovetskaya Gavan	100.00%	100.00%	100.00%	100.00%
JSC Ust'-Srednekangesstroy	98.76%	100.00%	98.76%	100.00%
JSC Ust'-Srednekanskaya HPP named after A. F. Dyakov	99.63%	100.00%	99.63%	100.00%
JSC Chirkeigesstroy	100.00%	100.00%	100.00%	100.00%
JSC Yakutskaya GRES-2	100.00%	100.00%	100.00%	100.00%



Note 4. Segment information

Operating segments are components of the Group engaged in operations from which they may earn revenue and incur expenses, including revenue and expenses relating to transactions with other components of the Group. The individual financial information of the operating segments, which based on the same principles as the present consolidated financial statements, is available and is regularly reviewed by the chief operating decision maker (CODM) to make operating decisions about resources to be allocated to the segments and the performance of the segments' operating activities.

The CODM analyses the information concerning the Group by the groups of operations which are aggregated in operating segments presented by the following separate reportable segments: PJSC RusHydro (the Group's parent company), ESC RusHydro subgroup, RAO ES East subgroup and other segments (Note 3). Transactions of other segments are not disclosed as reportable segments based on quantitative indicators for the periods presented.

Management of operating activities of segments is performed with direct participation of individual segment managers accountable to the CODM. Segment managers on a regular basis submit for approval to the CODM results of operating activities and financial performance of segments. The CODM approves the annual business plan at the level of reportable segments as well as analyses actual financial performance of segments. Management bears responsibility for execution of approved plan and management of operating activities at the level of segments.

The segments' operational results are assessed on the basis of EBITDA, which is calculated as operating profit / loss excluding depreciation of property, plant and equipment and amortisation of intangible assets, profit arising on financial assets at fair value through profit or loss, impairment of property, plant and equipment, impairment of accounts receivable, gain / loss on disposal of property, plant and equipment, gain / loss on disposal of subsidiaries and associates and other non-monetary items of operating expenses. This method of definition of EBITDA may differ from the methods applied by other companies. CODM believes that EBITDA represents the most useful means of assessing the performance of ongoing operating activities of the Company and the Group's subsidiaries, as it reflects the earnings trends without showing the impact of the above charges.

Segment information also contains capital expenditures and the amount of debt as these indicators are analysed by the CODM. Intersegment debt's balances are excluded.

Other information provided to the CODM complies with the information presented in the consolidated financial statements.

Intersegment sales are carried out at market prices.

Segment information for the three months ended 31 March 2018 and 31 March 2017 and as at 31 March 2018 and 31 December 2017 is presented below.



Three months ended 31 March 2018	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Revenue	30,123	16,869	54,441	6,958	108,391	(8,692)	99,699
<i>including:</i>							
<i>from external companies</i>							
<i>sales of electricity</i>	27,036	16,855	54,356	1,452	99,699	-	99,699
<i>sales of heat and hot water sales</i>	18,324	16,523	30,955	232	66,034	-	66,034
<i>sales of capacity</i>	69	-	16,600	1	16,670	-	16,670
<i>other revenue</i>	8,602	-	2,104	93	10,799	-	10,799
<i>from intercompany operations</i>	41	332	4,697	1,126	6,196	-	6,196
	3,087	14	85	5,506	8,692	(8,692)	-
Government grants	-	-	10,332	66	10,398	-	10,398
Operating expenses (excluding depreciation and other non-monetary items)	(10,188)	(16,346)	(54,261)	(6,247)	(87,042)	8,967	(78,075)
EBITDA	19,935	523	10,512	777	31,747	275	32,022
Depreciation of property, plant and equipment and amortization of intangible assets	(3,657)	(46)	(2,237)	(725)	(6,665)	41	(6,624)
Other non-monetary items of operating income and expenses	(192)	(111)	(753)	1,316	260	22	282
<i>including:</i>							
<i>profit arising on financial assets at fair value through profit or loss</i>	924	-	31	1,386	2,341	-	2,341
<i>impairment of property, plant and equipment</i>	(258)	-	(222)	-	(480)	-	(480)
<i>impairment of accounts receivable, net</i>	(795)	(108)	(536)	(44)	(1,483)	-	(1,483)
<i>loss on disposal of property, plant and equipment, net</i>	(63)	(3)	(26)	(26)	(118)	22	(96)
Operating profit	16,086	366	7,522	1,368	25,342	338	25,680
Finance income							3,013
Finance costs							(1,753)
Share of results of associates and joint ventures							346
Profit before income tax							27,286
Total income tax expense							(4,335)
Profit for the period							22,951
Capital expenditure	3,044	-	4,145	4,869	12,058	-	12,058
31 March 2018							
Non-current and current debt	110,437	2,430	39,517	4,691	157,075	-	157,075



	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Three months ended 31 March 2017							
Revenue	27,677	17,299	54,849	4,675	104,500	(5,721)	98,779
<i>including:</i>							
<i>from external companies</i>	25,333	17,294	54,749	1,403	98,779	-	98,779
<i>sales of electricity</i>	16,155	17,016	33,265	163	66,599	-	66,599
<i>sales of heat and hot water sales</i>	61	-	15,607	-	15,668	-	15,668
<i>sales of capacity</i>	9,087	-	1,434	67	10,588	-	10,588
<i>other revenue</i>	30	278	4,443	1,173	5,924	-	5,924
<i>from intercompany operations</i>	2,344	5	100	3,272	5,721	(5,721)	-
Government grants	-	-	4,563	17	4,580	-	4,580
Operating expenses (excluding depreciation and other non-monetary items)	(9,279)	(16,734)	(48,615)	(4,374)	(79,002)	5,877	(73,125)
EBITDA	18,398	565	10,797	318	30,078	156	30,234
Depreciation of property, plant and equipment and amortisation of intangible assets	(3,235)	(35)	(2,000)	(457)	(5,727)	44	(5,683)
Other non-monetary items of operating income and expenses	(1,137)	(126)	(484)	(160)	(1,907)	-	(1,907)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(719)	-	(97)	(55)	(871)	-	(871)
<i>impairment of accounts receivable, net</i>	(415)	(126)	(349)	(85)	(975)	-	(975)
<i>loss on disposal of property, plant and equipment, net</i>	(3)	-	(38)	(20)	(61)	-	(61)
Operating profit / (loss)	14,026	404	8,313	(299)	22,444	200	22,644
Finance income							3,257
Finance costs							(2,139)
Share of results of associates and joint ventures							175
Profit before income tax							23,937
Total income tax expense							(5,131)
Profit for the period							18,806
Capital expenditure	4,007	1	2,800	6,693	13,501	-	13,501
31 December 2017							
Non-current and current debt	120,070	1,268	43,348	4,839	169,525	-	169,525



Note 5. Related party transactions

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Group's principal related parties for the three months ended 31 March 2018 and 31 March 2017 and as at 31 March 2018 and 31 December 2017 were associates and joint ventures of the Group, government-related entities.

Joint ventures

The Group had the following balances with its joint ventures:

	31 March 2018	31 December 2017
Promissory notes	7,040	6,880
Advances to suppliers	169	172
Loans issued	9	8
Loans received	750	750

The Group had the following transactions with its joint ventures:

	Three months ended 31 March 2018	Three months ended 31 March 2017
Sales of electricity and capacity	77	86
Other revenue	150	149
Purchased electricity and capacity	161	843

Associates

The Group had the following balances with its associates:

	31 March 2018	31 December 2017
Trade and other receivables	526	456
Accounts payable	1,390	1,277

The Group had the following transactions with its associates:

	Three months ended 31 March 2018	Three months ended 31 March 2017
Sales of electricity and capacity	961	957
Other revenue	27	34
Rent	154	149
Purchased electricity and capacity	7	6

Government-related entities

In the normal course of business the Group enters into transactions with the entities controlled by the Government.

The Group had transactions during the three months ended 31 March 2018 and 31 March 2017 and balances outstanding as at 31 March 2018 and 31 December 2017 with a number of government-related banks. All transactions are carried out on market rates. The Company also entered into a non-deliverable forward transaction of its treasury shares with PJSC VTB Bank (Note 15).

The Group's sales of electricity, capacity and heat to government-related entities comprised approximately 30 percent of total sales of electricity, capacity and heat for the three months ended 31 March 2018 (for the three months ended 31 March 2017: approximately 20 percent). Sales of electricity and capacity under the regulated contracts are conducted directly to the consumers, within the day-ahead market (DAM) – through commission agreements with JSC Centre of Financial Settlements (hereinafter referred to as "CFS"). Electricity and capacity supply tariffs under the regulated contracts and electricity and heating supply tariffs in non-pricing zone of the Far East are approved by FTS and by regional regulatory authorities of the Russian Federation. On DAM the price is determined by balancing the demand and supply and such price is applied to all market participants.



(in millions of Russian Rubles unless noted otherwise)

During the three months ended 31 March 2018 the Group received government subsidies in amount of RR 10,398 million (for the three months ended 31 March 2017: RR 4,580 million) (Note 20).

Government subsidies receivable comprised RR 6,132 million as at 31 March 2018 (31 December 2017: RR 3,401 million) (Note 9). Accounts payable on free-of-charge targeted contributions of the Group comprised RR 3,185 million as at 31 March 2018 (31 December 2017: no accounts payable on free-of-charge targeted contributions) (Note 17).

The Group's purchases of electricity, capacity and fuel from government-related entities comprised approximately 40 percent of total expenses on purchased electricity, capacity and fuel for the three months ended 31 March 2018 (for the three months ended 31 March 2017: approximately 40 percent).

Electricity distribution services provided to the Group by government-related entities comprised approximately 90 percent of total grid companies services on electricity distribution for the three months ended 31 March 2018 (for the three months ended 31 March 2017: approximately 70 percent). The distribution of electricity is subject to tariff regulations.

Key management of the Group. Key management of the Group includes members of the Board of Directors of the Company, members of the Management Board of the Company, heads of the business subdivisions of the Company and their deputies, key management of subsidiaries of RAO ES East subgroup segment.

Remuneration to the members of the Board of Directors of the Company for their services in their capacity and for attending Board meetings is paid depending on the results for the year and is calculated based on specific remuneration policy approved by the Annual General Shareholders Meeting of the Company.

Remuneration to the members of the Management Board and to other key management of the Group is paid for their services in full time management positions and is made up of a contractual salary and performance bonuses depending on the results of the work for the period based on key performance indicators approved by the Board of Directors of the Company.

Main compensation for Key management of the Group generally is short-term excluding future payments under pension plans with defined benefits. Pension benefits for key management of the Group are provided on the same terms as for the rest of employees.

Short-term remuneration paid to the key management of the Group for the three months ended 31 March 2018 comprised RR 186 million (for the three months ended 31 March 2017: RR 217 million).



(in millions of Russian Rubles unless noted otherwise)

Note 6. Property, plant and equipment

Revalued amount / cost	Buildings	Facilities	Plant and equipment	Assets under construction	Other	Total
Balance as at 31 December 2017	101,476	432,524	353,294	296,562	14,477	1,198,333
Reclassification	(1)	(3)	(73)	(2)	79	-
Additions	111	313	562	10,829	243	12,058
Transfers	253	707	5,835	(6,810)	15	-
Disposals and write-offs	(251)	(815)	(227)	(139)	(115)	(1,547)
Balance as at 31 March 2018	101,588	432,726	359,391	300,440	14,699	1,208,844
Accumulated depreciation (including impairment)						
Balance as at 31 December 2017	(41,595)	(162,870)	(153,722)	(31,556)	(8,735)	(398,478)
Impairment charge	-	(17)	(11)	(452)	-	(480)
Charge for the period	(551)	(2,299)	(3,583)	-	(294)	(6,727)
Transfers	(4)	(146)	(2)	216	(64)	-
Disposals and write-offs	140	97	187	53	66	543
Balance as at 31 March 2018	(42,010)	(165,235)	(157,131)	(31,739)	(9,027)	(405,142)
Net book value as at 31 March 2018	59,578	267,491	202,260	268,701	5,672	803,702
Net book value as at 31 December 2017	59,881	269,654	199,572	265,006	5,742	799,855

Revalued amount / cost	Buildings	Facilities	Plant and equipment	Assets under construction	Other	Total
Balance as at 31 December 2016	91,324	407,267	311,929	292,889	14,286	1,117,695
Reclassification	213	(680)	490	265	(288)	-
Additions	9	5	284	13,128	75	13,501
Transfers	227	345	6,076	(6,648)	-	-
Disposals and write-offs	(60)	(109)	(537)	(79)	(142)	(927)
Balance as at 31 March 2017	91,713	406,828	318,242	299,555	13,931	1,130,269
Accumulated depreciation (including impairment)						
Balance as at 31 December 2016	(35,459)	(143,461)	(133,736)	(32,224)	(7,768)	(352,648)
Impairment charge	-	-	(48)	(822)	(1)	(871)
Charge for the period	(484)	(2,052)	(3,084)	-	(287)	(5,907)
Transfers	(17)	(237)	113	121	20	-
Disposals and write-offs	14	6	404	15	115	554
Balance as at 31 March 2017	(35,946)	(145,744)	(136,351)	(32,910)	(7,921)	(358,872)
Net book value as at 31 March 2017	55,767	261,084	181,891	266,645	6,010	771,397
Net book value as at 31 December 2016	55,865	263,806	178,193	260,665	6,518	765,047

As at 31 March 2018 included in the net book value of the property, plant and equipment are office buildings and plots of land owned by the Group in the amount of RR 7,437 million (31 December 2017: RR 7,486 million) which are stated at cost.

Assets under construction represent the expenditures for property, plant and equipment that are being constructed, including power plants under construction, as well as advances to construction companies and suppliers of equipment. As at 31 March 2018 such advances amounted to RR 35,413 million (31 December 2017: RR 36,577 million).

Additions to assets under construction include capitalised borrowing costs in the amount of RR 2,231 million, the capitalisation rate was 8.65 percent (for the three months ended 31 March 2017: RR 3,094 million, the capitalisation rate was 9.78 percent).

Additions to assets under construction include capitalised depreciation in the amount of RR 86 million (for the three months ended 31 March 2017: RR 205 million).



(in millions of Russian Rubles unless noted otherwise)

Impairment. Management of the Group considered the market and economic environment in which the Group operates to assess whether any indicators of property, plant and equipment being impaired existed, or that an impairment loss recognised in prior periods may no longer exist or may have decreased. At the reporting date no indicators of significant changes of management's assumptions used to determine the recoverable amounts of cash-generating units as at 31 December 2017 were identified as a result of this analysis.

Basing on the same assumptions the Group continued to recognise impairment loss in the amount of RR 480 million for the three months ended 31 March 2018 in respect of additions of property, plant and equipment related to cash-generating units impaired in previous periods (for the three months ended 31 March 2017: RR 871 million).

Note 7. Other non-current assets

	31 March 2018	31 December 2017
Long-term promissory notes	39,549	39,549
Discount	(15,407)	(15,662)
Impairment provision	(14,025)	(14,025)
Long-term promissory notes, net	10,117	9,862
Long-term advances to suppliers	5,062	5,024
VAT recoverable	2,790	2,957
Goodwill	481	481
Other non-current assets	7,044	7,007
Total other non-current assets	25,494	25,331

Note 8. Cash and cash equivalents

	31 March 2018	31 December 2017
Cash equivalents	39,149	59,029
Cash at bank	17,263	11,106
Cash in hand	25	21
Total cash and cash equivalents	56,437	70,156

Cash equivalents held as at 31 March 2018 and 31 December 2017 comprised short-term bank deposits with original maturities of three months or less.

Note 9. Accounts receivable and prepayments

	31 March 2018	31 December 2017
Trade receivables	69,725	61,279
Provision for impairment of trade receivables	(27,237)	(26,571)
Trade receivables, net	42,488	34,708
VAT recoverable	6,804	7,841
Advances to suppliers and other prepayments	3,856	2,944
Provision for impairment of advances to suppliers and other prepayments	(702)	(837)
Advances to suppliers and other prepayments, net	3,154	2,107
Other receivables	7,911	7,959
Provision for impairment of other receivables	(4,773)	(4,815)
Other receivables, net	3,138	3,144
Government grants receivables	6,132	3,401
Total accounts receivable and prepayments	61,716	51,201

As at 1 January, 2018 the trade receivables were recounted according to IFRS 9 (Note 2).

The Group does not hold any accounts receivable pledged as collateral.



(in millions of Russian Rubles unless noted otherwise)

Note 10. Inventories

	31 March 2018	31 December 2017
Fuel	12,249	16,162
Materials and supplies	7,517	6,782
Spare parts	2,671	2,466
Other materials	437	386
Total inventories before provision for impairment	22,874	25,796
Provision for impairment of inventories	(257)	(273)
Total inventories	22,617	25,523

There are no inventories pledged as collateral for borrowings as at 31 March 2018 and as at 31 December 2017.

Note 11. Other current assets

	31 March 2018	31 December 2017
Special funds	3,202	3,429
Deposits	13,943	790
Loans issued	2,475	2,472
Provision for loans issued	(2,451)	(2,447)
Loans issued, net	24	25
Other short-term investments	144	156
Total other current assets	17,313	4,400

As at 31 March 2018 the rest of special funds in the amount of RR 3,202 million received by the Group to fund construction of generating facilities are located on special accounts of the Federal Treasury of Russia (as at 31 December 2017: RR 3,429 million). These special funds may be used by the Group only after the due procedure of expenditure approval performed by the Federal Treasury of Russia according to the Order of Ministry of Finance of the Russian Federation No. 213n dated 25 December 2015.

Note 12. Equity

	Number of issued and fully paid ordinary shares (Par value of RR 1.00)
As at 31 March 2018	426,288,813,551
As at 31 December 2017	426,288,813,551
As at 31 March 2017	386,255,464,890
As at 31 December 2016	386,255,464,890

Changes in the equity as at 1 January 2018 due to changes in accounting policies. The Group recalculated capital as at 1 January 2018 due to adoption of IFRS 9 (Note 2). The revaluation reserve on available-for-sale financial assets for those financial assets reclassified to fair value through profit or loss in the amount of RR 13,894 million as at January 1, 2018 was transferred to retained earnings. As a result of the recalculation of the provision for impairment of trade receivables, retained earnings as at January 1, 2018 increased by RR 648 million and a non-controlling interest by RR 38 million.

Additional share issue 2016–2017. On 22 November 2016 the Board of Directors of the Company adopted a resolution to make a placement of 40,429,000,000 ordinary shares by open subscription. The placement price of the additional shares was determined at RR 1.00 per share. On 7 December 2016 the share issue was registered with the Bank of Russia.

In January 2017, as a result of certain shareholders exercising their pre-emptive right, the Company placed 33,348,661 additional shares, which were paid in December 2016.

In March 2017 PJSC Bank VTB purchased 40 billion additional shares under the agreement related to the purchase of 55 billion ordinary shares of the Company for a total amount of RR 55 billion (Note 2). The other 15 billion shares of quasi-treasury stock were sold to the bank by the Group's subsidiaries. The full amount of cash received by the Group was used to repay the debts of RAO ES East subgroup.

On 11 May 2017 the placement of ordinary shares of the Company under the additional share issue 2016–2017 was completed.

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On 5 June 2017 the results of the additional share issue were registered. 40,033,348,661 shares were placed as a result of the additional issue which represents 99.02 percent of the additional issue's total number of shares registered. The shares issued were fully paid for in cash.

Treasury shares. As at 31 March 2018 treasury shares were represented by 3,852,260,628 ordinary shares in the amount of RR 4,613 million (31 December 2017: 3,852,267,925 ordinary shares in the amount of RR 4,613 million).

In March 2017, 15 billion treasury shares were sold to PJSC Bank VTB at the price of RR 1,00 per share in accordance with the agreement described above. Weighted average cost of these treasury shares was RR 17,965 million; the loss on disposal of RR 2,965 million was accounted for within equity.

Note 13. Income tax

Income tax expense is recognised based on the management's best estimate of the weighted average annual income tax rate expected for the full financial year. The tax effect of the exceptional or one-off items has not been included in the estimation of the weighted average annual income tax rate. The estimated average annual effective income tax rate used for the three months ended 31 March 2018 was 18 percent (for the three months ended 31 March 2017: 21 percent).

	Three months ended 31 March 2018	Three months ended 31 March 2017
Current income tax expense	3,885	3,913
Deferred income tax expense	450	1,218
Total income tax expense	4,335	5,131

Note 14. Current and non-current debt

Non-current debt

	Due date	31 March 2018	31 December 2017
PJSC Sberbank	2018–2028	43,577	54,790
Eurobonds (RusHydro Capital Markets DAC), issued in February 2018	2021	20,016	-
Eurobonds (RusHydro Capital Markets DAC), issued in September 2017	2022	19,833	20,235
Russian bonds (PJSC RusHydro) issued in April 2016	2019	15,562	15,357
Russian bonds (PJSC RusHydro) issued in July 2015	2018	15,422	15,868
Russian bonds (PJSC RusHydro) issued in June 2017	2020	10,399	10,016
PJSC ROSBANK	2018–2019	5,992	4,520
UniCredit Bank Austria AG	2018–2026	4,946	5,113
Russian bonds (PJSC RusHydro) issued in February 2013	2018*	2,180	20,650
PJSC Bank VTB	2018–2019	1,909	5,046
Bank GPB (JSC)	2018–2027	1,831	1,794
Municipal authority of Kamchatka region	2018–2034	1,592	1,560
EBRD	2018–2027	1,278	1,350
ASIAN Development bank	2018–2026	1,239	1,310
Russian bonds (PJSC RusHydro) issued in April 2015	2025	782	767
Russian bonds (PJSC RusHydro) issued in April 2011	2021	261	255
Other long-term debt	-	851	831
Finance lease liabilities	-	760	1,586
Total		148,430	161,048
Less current portion of non-current debt		(37,665)	(69,877)
Less current portion of finance lease liabilities		(132)	(259)
Total non-current debt		110,633	90,912

* The bonds mature in 10 years with a put option to redeem them in 2018 respectively.

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Eurobond issue. In February 2018 the Group placed Eurobonds, issued by the special purpose company RusHydro Capital Markets DAC. The volume of the issue was RR 20,000 million. The term of the bonds is 3 years, the coupon rate is 7.4 percent per annum. VTB Capital, JP Morgan, Gazprombank and Sberbank CIB acted as joint lead managers of the issue. The placement and listing of the Eurobonds took place on the Irish Stock Exchange under Reg S rule. Eurobonds could have been partly purchased by government-related entities.

Current debt

	31 March 2018	31 December 2017
PJSC Sberbank	4,405	5,428
BANK ROSSIYA	1,400	1,000
PJSC ROSBANK	1,268	930
LLC AlstomRusHydroEnergy	750	750
Bank GPB (JSC)	149	334
Current portion of non-current debt	37,665	69,877
Current portion of finance lease liabilities	132	259
Other current debt	673	35
Total current debt and current portion of non-current debt	46,442	78,613
<i>Reference:</i>		
Interest payable	2,074	3,012

Compliance with covenants. The Group is subject to certain covenants related primarily to its debt. As at 31 March 2018 and 31 December 2017 the Group met all required covenant clauses of the credit agreements.

Note 15. Non-deliverable forward contract for sharespayable

	The fair value of the forward contract
As at 31 December 2017	20,716
Decrease in the fair value of the non-deliverable forward contract (Note 22)	(1,456)
Interim payments	(406)
As at 31 March 2018	18,854

The table below includes key assumptions made to determine the forward contract's fair value using the Monte-Carlo model:

Key assumptions made to assess the forward contract's fair value	As at 31 March 2018	As at 31 December 2017
Expected term of the forward transaction	3.93 years	4.17 years
Market value of the share	RR 0.7660	RR 0.7264
CB RF key refinancing rate	7.25 percent	7.75 percent
Volatility of shares	35.04 percent	34.85 percent
Risk-free rate	6.45 percent	7.01 percent
Discount rate	7.11 percent	7.84 percent
Expected dividend yield	5.10 percent	5.10 percent

The sensitivity analysis of the fair value of the forward contract to the key assumptions is presented in Note 27.

Note 16. Other non-current liabilities

	31 March 2018	31 December 2017
Non-current advances received	10,681	10,766
Pension benefit obligations	8,715	8,634
Other non-current liabilities	8,811	8,716
Total other non-current liabilities	28,207	28,116



Note 17. Accounts payable and accruals

	31 March 2018	31 December 2017
Trade payables	30,049	30,949
Settlements with personnel	9,871	8,880
Advances received	9,130	11,664
Accounts payable on free-of-charge targeted contributions (Note 2)	3,185	-
Accounts payable under factoring agreements	196	258
Dividends payable	150	159
Other accounts payable	5,119	3,715
Total accounts payable and accruals	57,700	55,625

All accounts payable and accruals are denominated in Russian Rubles.

Note 18. Other taxes payable

	31 March 2018	31 December 2017
VAT	9,611	10,236
Insurance contributions	3,713	3,160
Property tax	3,651	2,038
Other taxes	615	600
Total other taxes payable	17,590	16,034

Note 19. Revenue

	Three months ended 31 March 2018	Three months ended 31 March 2017
Sales of electricity	66,034	66,599
Sales of heat and hot water	16,670	15,668
Sales of capacity	10,799	10,588
Other revenue	6,196	5,924
Total revenue	99,699	98,779

Other revenue includes revenue earned from transportation of electricity and heat, connections to the grid, rendering of construction, repair and other services.

Note 20. Government grants

In accordance with legislation of the Russian Federation, several companies of the Group are entitled to government subsidies for compensation of the difference between approved economically viable electricity and heat tariffs and actual reduced tariffs and for compensation of losses on purchased fuel, purchased electricity and capacity.

During the three months ended 31 March 2018 the Group received government subsidies in the amount of RR 10,398 million (for the three months ended 31 March 2017: RR 4,580 million) The subsidies were received in the following territories: Kamchatsky territory, Sakha Republic (Yakutia), Magadan Region, Chukotka Autonomous Area and other Far East regions. The total amount of government grants received by the Group's companies – guaranteeing suppliers, under the Resolution of the Russian Government No. 895 "On achievement of basic rates (tariffs) for electric power (capacity) in the territories of the Far East Federal region", for the three months ended 31 March 2018 amounted to RR 6,596 million.



Note 21. Operating expenses (excluding impairment losses)

	Three months ended 31 March 2018	Three months ended 31 March 2017
Fuel expenses	21,239	17,900
Employee benefit expenses (including payroll taxes and pension benefit expenses)	19,006	18,662
Grid companies services on electricity distribution	12,293	11,802
Purchased electricity and capacity	11,401	11,622
Depreciation of property, plant and equipment and amortisation of intangible assets	6,624	5,683
Taxes other than on income	3,046	2,680
Other materials	1,499	1,812
Third parties services, including:		
Purchase and transportation of heat power	1,107	1,098
Provision of functioning of electricity and capacity market	897	909
Security expenses	840	835
Insurance cost	589	545
Repairs and maintenance	556	561
Consulting, legal and information expenses	462	424
Rent	452	525
Services of subcontracting companies	376	235
Transportation expenses	163	182
Other third parties services	2,151	1,895
Water usage expenses	903	797
Social charges	205	138
Travel expenses	192	157
Other expenses	794	407
Total operating expenses (excluding impairment losses)	84,795	78,869

Note 22. Finance income, costs

	Three months ended 31 March 2018	Three months ended 31 March 2017
<i>Finance income</i>		
Change of fair value of non-deliverable forward contract for shares (Note 15)	1,456	404
Interest income	1,241	2,126
Income on discounting	119	108
Foreign exchange gain	10	590
Other income	187	29
Total finance income	3,013	3,257
<i>Finance costs</i>		
Interest expense	(1,251)	(1,520)
Foreign exchange loss	(169)	(147)
Expense on discounting	(101)	(159)
Finance lease expense	(24)	(55)
Other costs	(208)	(258)
Total finance costs	(1,753)	(2,139)



Note 23. Earnings per share

	Three months ended 31 March 2018	Three months ended 31 March 2017
Weighted average number of ordinary shares issued (millions of shares)	422,437	371,570
Profit for the period attributable to the shareholders of PJSC RusHydro	21,203	17,182
Earnings per share attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)	0.0502	0.0462

Note 24. Capital commitments

In accordance with consolidated investment programme approved under the consolidated business plan of the Group, as of 31 March 2018 the Group has to invest RR 380,043 million for the period 2018–2022 for reconstruction of the existing and construction of new power plants and grids, including capital commitments for 2018 year in the amount of RR 111,269 million, for 2019 year – RR 93,359 million, for 2020 year – RR 72,098 million, for 2021 year – RR 55,506 million, for 2022 year – RR 47,811 million (31 December 2017: RR 391,711 million for the period 2018–2022).

Note 25. Contingencies

Social commitments. The Group contributes to the maintenance and upkeep of the local infrastructure and the welfare of its employees, including contributions toward the development and maintenance of housing, hospitals, transport services and other social needs in the geographical areas in which it operates.

Insurance. The Group holds limited insurance policies in relation to its assets, operations, public liability or other insurable risks. Accordingly, the Group is exposed for those risks for which it does not have insurance.

Legal proceedings. The Group's subsidiaries are parties to certain legal proceedings arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which, upon final disposition, will have a material adverse effect on the financial position and results of the Group.

Tax contingencies. Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management may be challenged by tax authorities, in particular, the way of accounting for tax purposes of some income and expenses of the Group as well as deductibility of input VAT from suppliers and contractors. The impact of this course of events cannot be assessed with sufficient reliability, but it can be significant in terms of the financial situation and / or the business of the Group. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax non-compliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

The Russian transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific features. This legislation provides for the possibility of additional tax assessments for controlled transactions (transactions with related parties and certain transactions between unrelated parties) if such transactions are not on an arm's length basis.

During the three months ended 31 March 2018, the Group's subsidiaries had controlled transactions and transactions which highly probably will be considered by tax authorities to be controlled based on the results of the period. Management has implemented internal controls to be in compliance with this transfer pricing legislation. In case of receipt of a request from tax authorities, the management of the Group will provide documentation meeting the requirements of Art. 105.15 of the Tax Code.

Tax liabilities arising from controlled transactions are determined based on their actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

New provisions aimed at deoffshorisation of Russian economy have been added to the Russian tax legislation and are effective from 1 January 2015. Specifically, they introduce new rules for controlled foreign



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companies, a concept of beneficiary owner of income for the purposes of application of preferential provisions of taxation treaties of the Russian Federation, a concept of tax residency for foreign persons and taxation of indirect sale of Russian real estate assets.

The Group is currently assessing the effects of new tax rules on the Group's operations and takes necessary steps to comply with the new requirements of the Russian tax legislation. However, in view of the recent introduction of the above provisions and insufficient related administrative and court practice, at present the probability of claims from Russian tax authorities and probability of favourable outcome of tax disputes (if they arise) cannot be reliably estimated. Tax disputes (if any) may have an impact on the Group's financial position and results.

Management believes that as at 31 March 2018, its interpretation of the relevant legislation was appropriate and the Group's tax positions would be sustained.

Environmental matters. The Group's subsidiaries and their predecessor entities have operated in the utilities industry of the Russian Federation for many years. The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group's subsidiaries periodically evaluate their obligations under environmental regulations. Group accrued assets retirement obligation for ash dumps used by the Group which is included in other non-current liabilities and other accounts payable and comprised RR 1,373 million as at 31 March 2018 (31 December 2017: RR 1,348 million).

Potential liabilities might arise as a result of changes in legislation and regulation or civil litigation. The impact of these potential changes cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

Guarantees. In February 2018 the Group signed an agreement on the termination of the surety agreement with SC Vnesheconombank with regard to performance by PJSC Boguchanskaya HPP of its obligations under the loan agreement:

Counterparty	31 March 2018	31 December 2017
<i>for PJSC Boguchanskaya HPP:</i>		
State Corporation Vnesheconombank	-	25,935
Total guarantees issued	-	25,935

Note 26. Financial instruments and financial risk management

Financial risks. The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

These condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2017.

There have been no changes in any risk management policies during the three months ended 31 March 2018.

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Presentation of financial instruments by measurement category. The following table provides a reconciliation of classes of financial assets with the measurement categories of IFRS 9 Financial instruments and information about the rest of special funds on the accounts of the Federal Treasury as at 31 March 2018 and 31 December 2017. Reclassifications of financial assets by measurement categories are presented in Note 2.

As at 31 March 2018	Financial asset at amortised cost	Financial asset at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Assets				
Other non-current assets (Note 7)	10,626	-	-	10,626
Promissory notes	10,117	-	-	10,117
Long-term loans issued	509	-	-	509
Financial asset at fair value through profit or loss	-	20,307	-	20,307
Financial assets at fair value through other comprehensive income	-	-	539	539
Trade and other receivables (Note 9)	45,170	-	-	45,170
Trade receivables	42,488	-	-	42,488
Other financial receivables	2,682	-	-	2,682
Other current assets (Note 11)	17,169	-	-	17,169
Special funds	3,202	-	-	3,202
Deposits and promissory notes	13,943	-	-	13,943
Short-term loans issued	24	-	-	24
Cash and cash equivalents (Note 8)	56,437	-	-	56,437
Total financial assets	129,402	20,307	539	150,248
Non-financial assets				891,209
Total assets				1,041,457

As at 31 December 2017	Loans and receivables	Available-for-sale financial assets	Total
Assets			
Other non-current assets (Note 7)	10,394	-	10,394
Promissory notes	9,862	-	9,862
Long-term loans issued	532	-	532
Available-for-sale financial assets	-	18,495	18,495
Trade and other receivables (Note 9)	37,370	-	37,370
Trade receivables	34,708	-	34,708
Other financial receivables	2,662	-	2,662
Other current assets (Note 11)	4,244	-	4,244
Special funds	3,429	-	3,429
Deposits and promissory notes	790	-	790
Short-term loans issued	25	-	25
Cash and cash equivalents (Note 8)	70,156	-	70,156
Total financial assets	122,164	18,495	140,659
Non-financial assets	-	-	887,592
Total assets	-	-	1,028,251

As at 31 March 2018 financial liabilities of the Group valued at fair value are represented by the non-deliverable forward contract for shares in the amount of RR 18,854 million (Note 15) (31 December 2017: RR 20,716 million).

All other financial liabilities of the Group are carried at amortised cost and are represented mainly by the current and non-current debt (Note 14), trade payables, accounts payable under factoring agreements and other accounts payable (Note 17).



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Note 27. Fair value of assets and liabilities

a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period.

The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Financial asset at fair value through profit or loss	20,295	-	12	20,307
Financial assets at fair value through other comprehensive income	66	-	473	539
Non-financial assets				
Property, plant and equipment (except for construction in progress, office buildings and land)	-	-	527,564	527,564
Total assets recurring fair value measurements	20,361	-	528,049	548,410
Financial liabilities				
Non-deliverable forward contract for shares	-	-	18,854	18,854
Total liabilities recurring fair value measurements	-	-	18,854	18,854
31 December 2017				
Financial assets				
Available-for-sale financial assets	18,022	-	473	18,495
Non-financial assets				
Property, plant and equipment (except for construction in progress, office buildings and land)	-	-	527,363	527,363
Total assets recurring fair value measurements	18,022	-	527,836	545,858
Financial liabilities				
Non-deliverable forward contract for shares	-	-	20,716	20,716
Total liabilities recurring fair value measurements	-	-	20,716	20,716

There were no changes in the valuation techniques, inputs and assumptions for recurring fair value measurements during the three months ended 31 March 2018.

Fair value of financial asset at fair value through profit or loss mainly consists of the market value of PJSC Inter RAO shares. Profit / (loss) arising on financial asset at fair value through profit or loss was mainly affected by the change in market quotes of this company's shares.

At 31 March 2018 and 31 December 2017 the fair value of the forward contract in line "Non-deliverable forward contract for shares" is determined based on the Monte-Carlo model, taking into account adjustments and using unobservable inputs, and included in Level 3 of fair value hierarchy (Note 15).

The valuation of the Level 3 financial liability and the related sensitivity to reasonably possible changes in unobservable and observable inputs are as follows at 31 March 2018:

	Fair value	Valuation technique	Significant unobservable /observable inputs	Reasonable possible change	Reasonable possible values	Sensitivity of fair value measurement
Financial liability						
Non-deliverable forward contract for shares	18,854	Monte-Carlo model	Dividend yield	-2%	3.10 percent	(620)
				+2%	7.10 percent	647
			Market value of the share	-20%	RR 0.6128	7,899
				+20%	RR 0.9192	(7,814)

Based on management's estimate, the possible changes of unobservable inputs do not have a significant impact on the fair value of the non-deliverable forward contract.



The fair value estimate of the non-deliverable forward contract is significantly influenced by observable inputs, in particular, by the market value of the shares which was RR 0.7660 as at 31 March 2018 (Note 15).

b) Assets and liabilities not measured at fair value but for which fair value is disclosed

Financial assets carried at amortised cost. The Group considers that the fair value of cash (Level 1 of the fair value hierarchy), cash equivalents and short-term deposits (Level 2 of the fair value hierarchy), short-term accounts receivable (Level 3 of the fair value hierarchy) approximates their carrying value. The fair value of long-term accounts receivable, other non-current and current assets is estimated based on future cash flows expected to be received including expected losses (Level 3 of the fair value hierarchy); the fair value of these assets approximates their carrying value.

Liabilities carried at amortised cost. The fair value of floating rate liabilities approximates their carrying value. The fair value of bonds is based on quoted market prices (Level 1 of the fair value hierarchy). Fair value of the fixed rate liabilities is estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity (Level 3 of the fair value hierarchy).

The fair value of current liabilities carried at amortised cost approximates their carrying value.

At 31 March 2018 fair value of bonds exceeded their carrying value by RR 2,008 million (31 December 2017: RR 1,073 million).

At 31 March 2018 the carrying value of non-current fixed rate debt was RR 37,905 million and exceeded their fair value by RR 721 million. As at 31 December 2017 the carrying value of non-current fixed rate debt was RR 39,396 million and exceeded their fair value by RR 925 million.

Note 28. Subsequent events

Loan. In April, 2018 the Group signed the loan agreement with Far East Development Fund (FEDF) for RR 5,000 million to finance construction of Sakhalin GRES-2 infrastructure facilities. The term of the loan is 8 years, the interest rate is 5,0 percent per annum. The reduced interest rate offered by the FEDF will help lower project's financing costs and optimize electricity tariffs.