

Rationalization of the need to adopt a resolution to increase the Authorized Capital of the Company and explanation of potential consequences for the Company and its shareholders in case of taking a decision to increase the Authorized Capital of the Company

The authorized capital is increased in pursuance of Decree of the President of the Russian Federation dated July 19, 2021 No. 423 and Directive of the Government of the Russian Federation dated August 7, 2021 No. 2176-r which specify that the Russian Federation's contribution to the authorized capital of RusHydro shall be 100 percent of the publicly owned shares of Far East Energy Management Company – GeneratsiyaSeti Joint Stock Company as payment for additional placement of the Company's shares due to the increase of its authorized capital.

Pursuant to paragraph 2 of clause 1 of Article 40 of the Federal Law "On Joint Stock Companies", shareholders of the Company who voted against or did not participate in the voting on increasing the authorized capital of the Company have a preemptive right to purchase additional ordinary shares in an amount proportionate to the number of ordinary shares in the Company held by them.

Shareholders who will vote for the increase of the authorized capital (except for the Russian Federation in whose favor the increase of the authorized capital is made) and shareholders who will not exercise their preemptive right to purchase shares will bear the consequences of the increase of the authorized capital in the form of a reduction of their interest in the authorized capital of the Company and, consequently, a reduction of dividend rights. This reduction will amount to a maximum of 2.28%.