

# QUARTERLY REPORT

## Public Joint-Stock Company Federal Hydrogeneration Company RusHydro

Code of the Issuer: 55038-E

for Q2 2016

Address of the Issuer: 43 Dubrovinskogo St., bldg. 1, 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

Date: August 15, 2016

\_\_\_\_\_ N.G. Shulginov  
signature

Corporate Accounting and Reporting Department of Chief  
Accountant – Acting Director

Date: August 15, 2016

\_\_\_\_\_ K.V. Permyakov  
signature

Contact person: **Roman Yuryevich Sorokin, Head of the Directorate for Equity and Corporate Transaction  
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The address of the Internet site (sites) where the information contained herein is to be disclosed:

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

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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 accompanied by the registration of the prospectus of the securities in the placement of securities through a public offering;**

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

This Quarterly Report contains evaluations and expectancies of the Issuer's authorized management entities with regard to future events and (or) actions, development prospects of the economic sector where the Issuer is carrying out its primary activities, and results of the Issuer's activities, including the Issuer's plans, likelihood of certain events and performance of certain actions. Investors shall not rely entirely upon the evaluations and expectancies of the Issuer's management entities, since, in future actual results of the Issuer's activities may differ from the expected results for various reasons. Acquisition of the Issuer's securities is connected with the risks described herein.

# **I. Information on Bank Accounts, Auditor (Audit Organisation), Appraiser, and Financial Advisor of the Issuer, as well as on Persons who Have Signed the Quarterly Report**

## **1.1. Information on the Issuer's Bank Accounts**

Information is indicated in Quarterly Report for Q1 2016, there were no changes in such information in Q2 2016

## **1.2. Information on the Issuer's Auditor (Audit Organisation)**

Information is indicated in Quarterly Report for Q1 2016, there were no changes in such information in Q2 2016

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

Information is indicated in Quarterly Report for Q1 2016, there were no changes in such information in Q2 2016

## **1.4. Information on the Issuer's Consultants**

Financial consultants were not attracted within 12 months before the end of the reporting quarter on the grounds specified in this clause.

## **1.5. Information on Persons who Have Signed the Quarterly Report**

Full name: *Nikolay Grigoryevich Shulginov*

Born in: *1951*

Primary employment:

Company: *PJSC RusHydro*

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

Full name: *Kirill Vladimirovich Permyakov*

Born in: *1977*

Primary employment:

Company: *PJSC RusHydro*

Position: *Acting Director of Corporate Accounting and Reporting Department – Chief Accountant*

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

### 2.1. The Issuer's Financial and Economic Performance Indicators

The dynamics of the Issuer's financial and economic performance indicators Standard (rule), in accordance with which the accounting (financial) statements are prepared, on the basis of which indicators are calculated: RAS

Measurement unit for workforce productivity calculation: **thousand Russian rubles/person**

| Indicator              | 2015, 6 months | 2016, 6 months |
|------------------------|----------------|----------------|
| Workforce productivity | 9 293          | 10 742         |
| Debt-to-equity ratio   | 0.21           | 0.20           |
| Leverage ratio         | 0.12           | 0.15           |
| Debt coverage ratio    | 1.29           | 0.23           |
| Overdue debt rate, %   | 0              | 0              |

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 dynamics of the given indicators:**

The 15,6% increase in the workforce productivity ration in 2016 (6 months) against 2015 (6 months) is due to the growth in revenue from the sale of electricity (capacity) because of the increased inflow in the main HEP reservoirs (+17,3% from fact 2015 (6 months)) and 3,4% decrease in the number of employees (business process optimisation and as a consequence, number).

Debt-to-equity ratio characterizes the correlation between external and own sources of financing. The indicator for analysed periods is practically on the same level.

Debt coverage ratio shows the extent of current liabilities which may be covered by funds available or expected in the nearest future. The decline of this indicator is a positive feature of the Company's activities, as the ratio of the existing short-term liabilities coverage by funds available increases. Comparison of this indicator for 2015 (6 months) and 2016 (6 months) shows a positive dynamic from 1.29 to 0.23, what is due to the decrease in the size of current liabilities at the end of 1 half year 2016.

In general, analysis of the creditworthiness indicators allows us to state 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 product of the number of shares of the relevant category (type) and the market value of one share disclosed by the market operator.

Unit of measure: **RUB**

**Issue 1-01-55038-E**

Issuer's equity shares are eligible for on ex-change trading on the exchange CJSC MICEX Stock Exchange.

| Indicator             | December 30, 2015  | June 30, 2016      |
|-----------------------|--------------------|--------------------|
| Market capitalization | 232,294,036,584.85 | 234 997 824 839,08 |

Information on the securities market operator providing the data for calculation of the market capitalization, as well as any other additional information on public trading of securities at the Issuer's discretion:

Source of information: bulletin CJSC MICEX Stock Exchange at the end of trading of securities (Market transactions T+): <http://www.moex.com/ru/marketdata/bulletins/#/date=2016-06-30>

## 2.3. The Issuer's Liabilities

### 2.3.1. Borrowed Funds and Accounts Payable

as of June 30, 2016

#### Structure of borrowed funds

Measurement unit: Russian rubles

| Indicator                            | Indicator value,<br>Russian rubles |
|--------------------------------------|------------------------------------|
| Long-term borrowed funds             | 118 114 393 571,39                 |
| Including:                           |                                    |
| Credits                              | 56 719 880 678,75                  |
| Loans, except for bond loans         | 1 144 573 892,64                   |
| Bond loans                           | 60 249 939 000,00                  |
| Short-term borrowed funds            | 4 609 808 126,59                   |
| Including:                           |                                    |
| Credits                              | 1 694 559 285,59                   |
| Loans, except for bond loans         | 817 000 000,00                     |
| Bond loans                           | 2 098 248 841,00                   |
| Total overdue debt on borrowed funds | 0                                  |
| Including:                           |                                    |
| On credits                           | 0                                  |
| On loans, except for bond loans      | 0                                  |
| On bond loans                        | 0                                  |

#### Structure of accounts payable

Measurement unit: Russian rubles

| Indicator                                     | Indicator value,<br>Russian rubles |
|---|------------------------------------|
| Total accounts payable                        | 13 177 657 361,96                  |
| including overdue                             | 323 584 284,03                     |
| Including                                     |                                    |
| To the budget and state extra-budgetary funds | 5 116 557 818,58                   |
| including overdue                             | 0                                  |
| To suppliers and contractors                  | 5 224 188 880,07                   |
| including overdue                             | 311 908 863,26                     |
| To employees of the organisation              | 297 956 355,72                     |
| including overdue                             | 0                                  |
| Other   | 2 538 954 307,59                   |
| including overdue                             | 11 675 284,03                      |

<sup>1</sup> On December 31, 2015 the Issuer's securities were not traded at CJSC MICEX SE.



*There are no overdue accounts payable.*

Creditors with at least 10 per cent of the total accounts payable or at least 10 per cent of the total borrowed (long-term and short term) funds:

Full corporate name: **Public Joint-Stock Company Sberbank of Russia**

Abbreviated corporate name: **PJSC Sberbank**

Location: **19 Vavilova St., Moscow, 117997**

INN: **7707083893**

OGRN: **1027700132195**

Debt: **33 908 494 083,06 Russian rubles.**

Amount and terms and conditions of the overdue debt (interest rate, fine sanctions, penalties):

**None**

The creditor is an affiliate of the Issuer: **No**

## 2.3.2. Credit History of the Issuer

Execution by the Issuer of its obligations under the facility agreements and/or loan agreements in force within the last completed reporting year and current year, including those concluded due to issue and sale of bonds, the principal debt under which is 5 and more per cent 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 conclusion of the relevant agreement as well as other facility agreements and/or loan agreements, which the Issuer deems material.

| <b>Type and Identification Characteristics of Liabilities</b>   |  |
|---|--|
| <b>1. Loan, Rushydro Finance Limited, Loan Agreement of October 27, 2010</b>  |  |
| <b>Terms and conditions of liability and information on its execution</b>   |  |
| Name and location or full name of the creditor (lender)   | Rushydro Finance Limited, 53 Merrion Square, Dublin 2, Ireland |
| Principal debt as at the date of liabilities, RUB/foreign currency  | RUB 20 000 000 000   |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 0  |
| Credit (loan) period, (years)   | 5  |
| Average interest on credit (loan), % per annum  | 7.875  |
| Number of interest (coupon) periods   | 10   |
| Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any) | None   |
| Scheduled credit (loan) payment period (date)   | October 28, 2015   |
| Actual credit (loan) payment period (date)  | October 28, 2015   |
| Other information on liabilities specified at the Issuer's discretion   | None   |

| <b>Type and Identification Characteristics of Liabilities</b>                                 |   |
|---|---|
| <b>2. Bonds, series 01</b>  |   |
| <b>State registration number and registration date: 4-01-55038-E dated September 23, 2010</b> |   |
| <b>Terms and conditions of liability and information on its execution</b>                     |   |
| Name and location or full name of the creditor (lender)                                       | Transferees of securities of the issue, |
| Principal debt as at the date of liabilities, RUB/foreign currency                            | RUB 10 000 000 000                      |
| Principal debt as at the end of the reporting quarter,  | RUB 89 179 000 000                      |

|   |  |
|---|--|
| RUB/foreign currency  |  |
| Credit (loan) period, (years)   | 10   |
| Average interest on credit, loan, % per annum   | 8.75   |
| Number of interest (coupon) periods   | 20   |
| Delays in payment of interest on credit (loan), and 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 OJSC RusHydro is 10 years. Tender offer for acquisition of bonds at the owner's request for a period of 5 years from the beginning of placement is possible in respect of defined securities.<br>April 8, 2016 Issuer decided to set a new interest rate for eleventh-twelfth coupon periods.<br>April 22, 2016 Acquisition of bonds was hold at the owner's request |

| <b>Type and Identification Characteristics of Liabilities</b>   |  |
|---|--|
| <b>3. Bonds, series 02</b>  |  |
| <b>State registration number and registration date: 4-02-55038-E dated September 23, 2010</b>                         |  |
| <b>Terms and conditions of liability and information on its execution</b>   |  |
| Name and location or full name of the creditor (lender)   | Transferees of securities of the issue,  |
| Principal debt as at the date of liabilities, RUB/foreign currency  | RUB 5 000 000 000  |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 160 760 000 000  |
| Credit (loan) period, (years)   | 10   |
| Average interest on credit, loan, % per annum   | 8,75   |
| Number of interest (coupon) periods   | 20   |
| Delays in payment of interest on credit (loan), and 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 OJSC RusHydro is 10 years. Tender offer for acquisition of bonds at the owner's request for a period of 5 years from the beginning of placement is possible in respect of defined securities.<br>April 8, 2016 Issuer decided to set a new interest rate for eleventh-twelfth coupon periods.<br>April 22, 2016 Acquisition of bonds was hold at the owner's request |

| <b>Type and Identification Characteristics of Liabilities</b>  |   |
|--|---|
| <b>4. Credit, Public Joint-Stock Company Sberbank of Russia, Credit Agreement No. 5486 dated November 18, 2011</b> |   |
| <b>Terms and conditions of liability and information on its execution</b>  |   |
| Name and location or full name of the creditor (lender)  | Public Joint-Stock Company Sberbank of Russia, Moscow, the Russian Federation |
| Principal debt as at the date of liabilities, RUB/foreign currency   | RUB 40 000 000 000  |

|   |                    |
|---|--------------------|
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 20 000 000 000 |
| Credit (loan) period, (years)   | 9                  |
| Average interest on credit, loan, % per annum   | 8.28               |
| Number of interest (coupon) periods   | 36                 |
| Delays in payment of interest on credit (loan), and 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               |

| <b>Type and Identification Characteristics of Liabilities</b>   |  |
|---|--|
| <b>5. Credit, Unicredit Bank Austria AG, Credit Agreement dated December 12, 2011</b>                                 |  |
| <b>Terms and conditions of liability and information on its execution</b>   |  |
| Name and location or full name of the creditor (lender)   | Unicredit Bank Austria AG, 1010 Wien, Schottengasse 6 — 8, Austria |
| Principal debt as at the date of liabilities, RUB/foreign currency  | EUR 127 796 550  |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | EUR 86 208 239   |
| Credit (loan) period, (years)   | 15   |
| Average interest on credit, loan, % per annum   | 3.11   |
| Number of interest (coupon) periods   | 60   |
| Delays in payment of interest on credit (loan), and 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 is performed from 2012 to 2017                            |

| <b>Type and Identification Characteristics of Liabilities</b>   |  |
|---|--|
| <b>6. Credit, European Bank for Reconstruction and Development, Credit Agreement dated December 7, 2011</b>           |  |
| <b>Terms and conditions of liability and information on its execution</b>   |  |
| Name and location or full name of the creditor (lender)   | European Bank for Reconstruction and Development, One Exchange Square, London EC2A 2JN, United Kingdom |
| Principal debt as at the date of liabilities, RUB/foreign currency  | RUB 8 000 000 000  |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 7 500 000 000  |
| Credit (loan) period, (years)   | 15   |
| Average interest on credit (loan), % per annum  | 12.71  |
| Number of interest (coupon) periods   | 60   |
| Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any) | None   |
| Scheduled credit (loan) payment period (date)   | March 10, 2026   |
| Actual credit (loan) payment period (date)  | Existing   |

|   |      |
|---|------|
| Other information on liabilities specified at the Issuer's discretion | None |
|---|------|

| <b>Type and Identification Characteristics of Liabilities</b>   |  |
|---|--|
| <b>7. Credit, Bayerische Landesbank, Credit Agreement dated October 15, 2012</b>                                      |  |
| <b>Terms and conditions of liability and information on its execution</b>   |  |
| Name and location or full name of the creditor (lender)   | Bayerische Landesbank, Brienner Str. 18<br>80333 Munich, Germany |
| Principal debt as at the date of liabilities, RUB/foreign currency  | EUR 16 485 731,83  |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | EUR 14 836 476,54  |
| Credit (loan) period, (years)   | 12.5   |
| Average interest on credit, loan, % per annum   | 1.05   |
| Number of interest (coupon) periods   | 26   |
| Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any) | None   |
| Scheduled credit (loan) payment period (date)   | April 30, 2025   |
| Actual credit (loan) payment period (date)  | Existing   |
| Other information on liabilities specified at the Issuer's discretion   | None   |

| <b>Type and Identification Characteristics of Liabilities</b>   |  |
|---|--|
| <b>8. Credit, Public Joint-Stock Company Sberbank of Russia, Credit Agreement No. 5685 dated December 4, 2013</b>     |  |
| <b>Terms and conditions of liability and information on its execution</b>   |  |
| Name and location or full name of the creditor (lender)   | Joint-Stock Company Sberbank of Russia, Moscow, the Russian Federation |
| Principal debt as at the date of liabilities, RUB/foreign currency  | RUB 10 612 754 000   |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 10 612 754 000   |
| Credit (loan) period, (years)   | 5  |
| Average interest on credit, loan, % per annum   | 7.99   |
| Number of interest (coupon) periods   | 20   |
| Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any) | None   |
| Scheduled credit (loan) payment period (date)   | December 04, 2018  |
| Actual credit (loan) payment period (date)  | Existing   |
| Other information on liabilities specified at the Issuer's discretion   | None   |

| <b>Type and Identification Characteristics of Liabilities</b>   |  |
|---|--|
| <b>9. Credit, European Bank for Reconstruction and Development, Credit Agreement dated December 5, 2013</b> |  |
| <b>Terms and conditions of liability and information on its execution</b>                                   |  |
| Name and location or full name of the creditor (lender)   | European Bank for Reconstruction and Development<br>One Exchange Square, London EC2A 2JN, United Kingdom |

|   |                     |
|---|---------------------|
| Principal debt as at the date of liabilities, RUB/foreign currency  | RUB 4,400,000,000   |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 3,441,000,000.5 |
| Credit (loan) period, (years)   | 12                  |
| Average interest on credit, loan, % per annum   | 14.65               |
| Number of interest (coupon) periods   | 47                  |
| Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any) | None                |
| Scheduled credit (loan) payment period (date)   | October 14, 2025    |
| Actual credit (loan) payment period (date)  | Existing            |
| Other information on liabilities specified at the Issuer's discretion   | None                |

**Type and Identification Characteristics of Liabilities**

**10. Bonds, 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 execution**

|   |  |
|---|--|
| Name and location or full name of the creditor (lender)   | Transferees of securities of the issue   |
| Principal debt as at the date of liabilities, RUB/foreign currency  | RUB 10,000,000,000   |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 10,000,000,000   |
| Credit (loan) period, (years)   | 10   |
| Average interest on credit, loan, % per annum   | 8.50   |
| Number of interest (coupon) periods   | 20   |
| Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any) | None   |
| Scheduled credit (loan) payment period (date)   | February 02, 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. Tender offer for a period of 5 years is possible in respect of the securities. |

**Type and Identification Characteristics of Liabilities**

**11. Bonds, 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 execution**

|   |  |
|---|--|
| Name and location or full name of the creditor (lender)   | Transferees of securities of the issue |
| Principal debt as at the date of liabilities, RUB/foreign currency  | RUB 10,000,000,000                     |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 10,000,000,000                     |
| Credit (loan) period, (years)   | 10                                     |
| Average interest on credit, loan, % per annum   | 8.50                                   |
| Number of interest (coupon) periods   | 20                                     |
| Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any) | None                                   |

|   |   |
|---|---|
| Scheduled credit (loan) payment period (date)                         | February 02, 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. Tender offer for a period of 5 years is possible in respect of the securities. |

| <b>Type and Identification Characteristics of Liabilities</b>   |   |
|---|---|
| <b>12. Credit, Public Joint-Stock Company Sberbank of Russia, Credit Agreement No. 5724 dated April 8, 2014</b>       |   |
| <b>Terms and conditions of liability and information on its execution</b>   |   |
| Name and location or full name of the creditor (lender)   | Public Joint-Stock Company Sberbank of Russia, Moscow, the Russian Federation |
| Principal debt as at the date of liabilities, RUB/foreign currency  | RUB 2,776,363,638.11  |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 2,776,363,638.11  |
| Credit (loan) period, (years)   | 8   |
| Average interest on credit, loan, % per annum   | 14.89   |
| Number of interest (coupon) periods   | 32  |
| Delays in payment of interest on credit (loan), and 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)  | existing  |
| Other information on liabilities specified at the Issuer's discretion   | None  |

| <b>Type and Identification Characteristics of Liabilities</b>  |   |
|--|---|
| <b>13. Credit, Crédit Agricole Corporate and Investment Bank Deutschland / ING BANK, a Branch of ING-DiBa AG, Credit Agreement dated March 4, 2014</b> |   |
| <b>Terms and conditions of liability and information on its execution</b>  |   |
| 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 at the date of liabilities, RUB/foreign currency   | EUR 190,284,359   |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency  | EUR 86,998,547.17   |
| Credit (loan) period, (years)  | 15  |
| Average interest on credit, loan, % per annum  | 0.77  |
| Number of interest (coupon) periods  | 30  |
| Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)                                  | None  |
| Scheduled credit (loan) payment period (date)  | April 4, 2029   |
| Actual credit (loan) payment period (date)   | existing  |
| Other information on liabilities specified at the Issuer's discretion  | None  |

| <b>Type and Identification Characteristics of Liabilities</b>   |   |
|---|---|
| <b>14. Bonds, series 09</b>   |   |
| <b>State registration number and registration date: 4-09-55038-E dated December 27, 2012</b>                          |   |
| <b>Terms and conditions of liability and information on its execution</b>   |   |
| Name and location or full name of the creditor (lender)   | Transferees of securities of the issue  |
| Principal debt as at the date of liabilities, RUB/foreign currency  | RUB 10,000,000,000  |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 10,000,000,000  |
| Credit (loan) period, (years)   | 10  |
| Average interest on credit, loan, % per annum   | 12.75   |
| Number of interest (coupon) periods   | 20  |
| Delays in payment of interest on credit (loan), and 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 in respect of the securities. |

| <b>Type and Identification Characteristics of Liabilities</b>   |  |
|---|--|
| <b>15. Bonds, series БО-II01</b>  |  |
| <b>State registration number and registration date: 4B02-01-55038-E-001P dated July 3, 2015</b>                       |  |
| <b>Terms and conditions of liability and information on its execution</b>   |  |
| Name and location or full name of the creditor (lender)   | Transferees of securities of the issue |
| Principal debt as at the date of liabilities, RUB/foreign currency  | RUB 5,000,000,000                      |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 5,000,000,000                      |
| Credit (loan) period, (years)   | 3                                      |
| Average interest on credit, loan, % per annum   | 11.85                                  |
| Number of interest (coupon) periods   | 6                                      |
| Delays in payment of interest on credit (loan), and 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                                   |

| <b>Type and Identification Characteristics of Liabilities</b>                                   |  |
|---|--|
| <b>16. Bonds, series БО-II02</b>  |  |
| <b>State registration number and registration date: 4B02-02-55038-E-001P dated July 3, 2015</b> |  |
| <b>Terms and conditions of liability and information on its execution</b>                       |  |
| Name and location or full name of the creditor (lender)   | Transferees of securities of the issue |
| Principal debt as at the date of liabilities, RUB/foreign currency                              | RUB 5,000,000,000                      |

|   |                   |
|---|-------------------|
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 5,000,000,000 |
| Credit (loan) period, (years)   | 3                 |
| Average interest on credit, loan, % per annum   | 11.85             |
| Number of interest (coupon) periods   | 6                 |
| Delays in payment of interest on credit (loan), and 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              |

| <b>Type and Identification Characteristics of Liabilities</b>   |  |
|---|--|
| <b>17. Bonds, series БО-II03</b>  |  |
| <b>State registration number and registration date: 4B02-03-55038-E-001P dated July 3, 2015</b>                       |  |
| <b>Terms and conditions of liability and information on its execution</b>   |  |
| Name and location or full name of the creditor (lender)   | Transferees of securities of the issue |
| Principal debt as at the date of liabilities, RUB/foreign currency  | RUB 5,000,000,000                      |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 5,000,000,000                      |
| Credit (loan) period, (years)   | 3                                      |
| Average interest on credit, loan, % per annum   | 11.85                                  |
| Number of interest (coupon) periods   | 6                                      |
| Delays in payment of interest on credit (loan), and 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                                   |

| <b>Type and Identification Characteristics of Liabilities</b>   |  |
|---|--|
| <b>18. Bonds, series БО-II04</b>  |  |
| <b>State registration number and registration date: 4B02-04-55038-E-001P dated July 3, 2015</b>                       |  |
| <b>Terms and conditions of liability and information on its execution</b>   |  |
| Name and location or full name of the creditor (lender)   | Transferees of securities of the issue |
| Principal debt as at the date of liabilities, RUB/foreign currency  | RUB 15,000,000,000                     |
| Principal debt as at the end of the reporting quarter, RUB/foreign currency   | RUB 15,000,000,000                     |
| Credit (loan) period, (years)   | 3                                      |
| Average interest on credit, loan, % per annum   | 10.35                                  |
| Number of interest (coupon) periods   | 6                                      |
| Delays in payment of interest on credit (loan), and 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     |

### 2.3.3. Liabilities of the Issuer under Security it provides

Information shall be disclosed on the total amount of security provided by the Issuer (amount of outstanding obligations for which the Issuer provided security if, in accordance with conditions of the security provided, performance of the relevant obligations is secured in full) specifying separately the amount of the security provided by the Issuer for obligations of third parties. If the Issuer provides security in the form of a pledge or guarantee, in addition the amount of security provided by the Issuer in the form of a pledge shall be indicated, specifying separately the amount of security in the form of a pledge provided by the Issuer for obligations of third parties, and the amount of security provided by the Issuer in the form of a guarantee, specifying separately the amount of security in the form of a guarantee provided by the Issuer for obligations of third parties.

Unit of measure: **RUB**

| Indicator  | June 30, 2016     |
|--|-------------------|
| Total amount of security provided by the Issuer (amount of outstanding obligations for which the Issuer provided security)   | 99 716 109 989,92 |
| Amount of security provided by the Issuer for obligations of third parties   |                   |
| Amount of security provided by the Issuer in the form of a pledge, specifying separately the amount of security in the form of a pledge provided by the Issuer for obligations of third parties,       | 25 642 903 370,59 |
| Amount of security provided by the Issuer in the form of a guarantee, specifying separately the amount of security in the form of a guarantee provided by the Issuer for obligations of third parties, | 74 073 206 619,33 |

Information on each case of the provision of a security, the amount of which is five or more per cent of the balance value of the Issuer's assets as at the end of the relevant reporting period: Such liabilities at the reporting date are not available.

Issuer's exposure to risk inherent to non-performance or improper performance of secured obligations by third party is evaluated as negligible

### 2.3.4. Other Liabilities of the Issuer

There are no other obligations not recognized in the accounting (financial) statements that could materially affect the Issuer's financial status, liquidity, sources of financing, and terms and conditions of application thereof, performance results and expenses

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

**The Issuer's risk management policy:**

**Detailed analysis of risk factors related to acquisition of the placed equity securities, in particular:**

**Industry risks**

## **Country and regional risks**

### **Financial risks**

### **Legal risks**

### **Reputation risk**

### **Strategic risk**

### **Risks related to the Issuer's activities**

Emerging wholesale and retail electricity and capacity markets have a higher risk level than developed markets of other products and services and include significant legal, economic, and, because of high social significance for country, political risks. Dynamic development of these markets allows us to suppose, with a high probability, that information contained herein can be promptly outdated. Current information uncertainty because of the dynamic change of factors can influence the Issuer's future activity, possibility of asset sale, and meeting of repayment deadlines. The investors shall take that uncertainty into account in estimating of own risks and taking a decision on investment feasibility. In addition, some risks that are not substantial at the moment may become substantial in future.

In order to optimize risks, the Issuer performs regular work on their recognition, assessment, and control, as well as development and application of risk response measures, business continuity management, and aspires to meet international and national risk management standards (National State Standard R ISO 31000-2010, COSO ERM 2004, Corporate governance code of the Central Bank of the Russian Federation, guidelines of Federal Property Management Agency and the Ministry of Finance in the field of risk management and internal control, etc.).

Quality of the risk management system of the Issuer was earlier confirmed by an independent jury of international competitions. In particular, the Issuer was pronounced the winner in such categories as the Best Risk Management Comprehensive Program, the Best Risk Manager of Russia, conducted by Russian Risk Management Society RusRisk, Russian National Association of Risk Managers, being a member of the Federation of European Risk Management Association (FERMA). In June, 2015 within the framework of the 13th International professional forum "Risk Management in Russia and CIS" program RusHydro risk management has become a winner of the annual competition "Best Risk Management 2015" in the category "Production organization". In November 2015 the Company participated in the KPMG study, "The practice of risk management in Russia: strengths and areas for development." Results of the study are presented under the link [http://www.kpmg.com/RU/ru/IssuesAndInsights/ArticlesPublications/Documents/S\\_CG\\_10r.pdf](http://www.kpmg.com/RU/ru/IssuesAndInsights/ArticlesPublications/Documents/S_CG_10r.pdf). As it was demonstrated by this study many of the best practices of corporate risk management are assessed on major Russian companies and are used in PJSC "RusHydro" (the integration of risk management in the company's development strategy, the collection and accumulation of statistical data, the interaction between departments, the involvement and active participation of key stakeholders as well as the quality of information on key risks. By the Decision of the Management Board of the Company dated November 28, 2014, No. 884, the Development Program for Corporate Internal Control and the Risk Management System of RusHydro Group was approved.

The Issuer's activity with regard to risk management is connected with the need to reconstruct operating and construct new generating facilities, including:  
Improving reliability, safety, and cost effectiveness of the equipment by regenerating worn main and auxiliary equipment;

Increase technical-and-economic characteristics of HPP for operation on the competitive electrical energy market, and reduce repair expenses;

Increase in operating performance through implementation of a program to reduce operating costs and make savings;

Targeted financial policy;

Continuous analysis of electric energy market conditions;

Competitive environment in procurement, works, and services.

### **The Issuer's risk management policy:**

The Issuer's risk management policy implies timely recognition and prevention of possible risks in order to minimize losses. In October, 2015 the Audit Committee of PJSC "RusHydro" approved "POLICY in the area of internal control and risk management of PJSC "RusHydro" in the new version, which was approved by the

Board of Directors of PJSC "RusHydro" (protocol number 227 16/11/2015 ). The Issuer's activities within specific risks management are described in Clauses 2.4.1.—2.4.7. below.

## 2.4.1. Industry Risks

Influence of possible decline in the Issuer's industry on its activities and fulfilment of the obligations under securities. Major possible changes in the sector according to the Issuer (separately in domestic and foreign markets), as well as prospective actions of the Issuer in these circumstances:

Foreign market:

The Issuer is exposed to comparatively moderate external industry risks. According to Moody's international rating agency, annual default frequency in the electricity sector is projected at 1,3%. The actual frequency of defaults in the electricity industry in 2015 was 0%, a year earlier it was 7,3% (see Moody's Investors Service, Special comment: Annual Default Study: Corporate Default and Recovery Rates, 1920–2015).

In 2015 PJSC "RusHydro" took 137 position in the ranking of 250 leading energy companies of the world according to Platts (Platts 2015 the Top 250 Global Energy Company Rankings). In the list of Russian energy companies RusHydro was ahead of Volzhskaya Territorial Generating Company, today PJSC "Plus T" (165 place), PJSC "Inter RAO" (207 place) and "Rosseti " (210 place).

In Platts ranking were 12 companies of the Russian energy sector. In this list, RusHydro was the best electric company (9<sup>th</sup> position), behind were only the eight of largest oil and gas companies.

While composing the ranking, the financial performance of public enterprises of the energy sector with total assets of more than 5 billion US dollars is used.

Assessment is based on the following financial metrics: asset value, revenues, profits and return on invested capital for the last fiscal year.

Domestic market:

The Issuer is exposed to industry risks mainly due to the possible changes in the electric power industry. On the one hand, it is to be noted that decrease in uncertainty of work of the Issuer on the wholesale market power associated with the transition in 2015 on a long-term model for competitive selection of power required by Rules of the wholesale electricity and capacity market (Approved by regulation of the Government of the Russian Federation No. 1172 dated December 27, 2010). As a result of competitive selection of power held in 2015 the price of power for the period to 2019 (inclusive) was defined. The increase predictability of prices for future periods reduces the level of industry risk.

At the same time as part of the continuing reforming of the energetics, the norms governing the Russian power market, as well as the norms applied to market liberalization, specification of power tariffs, functioning of the capacity market, and relationships between power manufacturers and consumers are subject constant changes. Since the official beginning of the reformation in July 2001, the implementation term of the reformation stages and the scope of these stages have changed several times.

As a result the Russian power market has suffered fundamental changes and has been operating in relative uncertainty (during 2015 the Rules of the wholesale market of electric energy and capacity were adjusted 12 times).

As part of the risk management industry Issuer undertakes the necessary measures to create a favourable legal framework for electricity and capacity market for the Issuer. To realize 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 the Ministry of Energy, the Association "NP Market Council" and the Federal Antimonopoly Service.

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

The Issuer is exposed to the competitive expansion risk on the retail market due to activation of power supply companies aspiring to render services to large consumers. In order to manage that risk, the Issuer is focused on the work with the customer base. Measures on risk elimination connected with loss of consumers:

- Individual relationship building with large consumers
- Promotion of the company on key consumer markets
- Transfer to new relations with consumers: increase of consumer services, considering needs and expectations of customers, and with strict observance of obligations
- Continued status of guaranteeing supplier for concentration of the customer base and reduction of costs per energy unit by trade companies of the Issuer.

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

1. Operational (production) risks related to wear and tear, infringement of operational conditions, and critical changes in equipment working conditions. Realization of such risks may result in equipment breakdown (emergency cases) and destruction of facilities. Systematic emergencies may result in power system separation, rolling blackouts of consumers, and operation of capital equipment under critical conditions.

Hydroelectric power plants are essential for provision of the required quality of power supply covering uneven sections of daily load curves and being a short term operative and emergency power reserve.

Unsatisfactory equipment conditions due to its wear and tear are one of the central causes of operational risks, which are, but are not limited to:

- Decrease in the operational and economic indicators of HPP
- Risk of emergency resulting in a lack of electric power and grave environmental and social consequences
- Operation of engineering devices at hazardous production facilities (operation of pressurized lifting installations and equipment) of the branches and PJSC "RusHydro" beyond the normative period that significantly increases the risk of emergency and accidents occurring at hazardous production facilities
- Risk of personnel injury and death

Besides, the Issuer's equipment is to a significant extent exposed to natural disasters, malfunction, etc. These factors may cause decrease the reliability of equipment, enhance the likelihood of failure and increase maintenance costs.

Action plan for management of these risks:

Industrial operational risk management of PJSC "RusHydro" branches forms the basis for decision making on technical and engineering issues by the Issuer when planning equipment technical influence programs (within prospective technical reconstruction and modernization, repair, and maintenance program).

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

The probability of equipment failure is assessed as standing referring industry average. All the Issuer's main production facilities are insured. In addition, a set of measures is implemented to ensure the reliability of the equipment and facilities at the adequate level, i.e.:

- planned repair works are carried out in full extent;
- The Technical Policy, approved by the Board of Directors (Minutes No. 133 dated September 05, 2011), is applied in the Company, and it is based on the principle of achieving of the Company's strategic aims, integrated management of the Issuer's engineering system, transparency, and economic feasibility of adopted engineering decisions. In 2011, the Board of Directors approved the Comprehensive Modernization Program (hereinafter CMP) for Generating Facilities for 2012–2025. The aim thereof is to maintain the long-term reliability and safety of generating facilities of PJSC "RusHydro" in the long run. As part of the PTP in 2015 the company implemented the modernization of stations, 14 hydroelectric units with total capacity of 1171 MW. Remarking nine modernized hydraulic units of Kama, Saratov, Zhiguli, the Volga and the Novosibirsk HPP allowed increasing of their capacity to 55.5 MW. Modernization of the equipment is accompanied by improvement of operational and environmental performance. The new turbines and generators, designed and manufactured in accordance with the current level of power engineering, have a higher efficiency, longer run and require lower repair costs, more reliable and secure..

- Modern diagnostics methods without equipment shutdown are implemented.
- The structure and volumes of spare parts optimized.
- A tender selection of service and supply organisations is performed to improve the quality of services and materials provided, increase contractors' responsibility, and reduce the cost per unit.

To ensure reliability of the system, emergency automation is implemented and constantly updated in accordance with the latest requirements. The objectives of the centralized emergency automation system include provision of system reliability in the event of local emergencies. As a result of the application of the above activities, it is worth noting that the Sayano-Shushenskaya HPP of RusHydro on the results of 2015 was awarded as the System Operator "For significant contribution to the reliability modes UES of Russia". The award took place on December, 22 at a gala event of the Ministry of Energy of the Russian Federation in honour of the Day of Energy.

Risk management within compliance with the industrial safety requirements throughout the production risk management structure of PJSC "RusHydro" branches is ensured on the basis of an effective system of production control over compliance with the requirements of industrial safety at hazardous production facilities at PJSC "RusHydro" branches, developed on the basis of industrial safety requirements of the federal legislation.

2. Environmental risks expressed in the form of oil leakage to rivers from the hydroelectric generating set of HPPs and the exceeding of dam (storage 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 implementation of actions stipulated by the prospective technical reconstruction and modernization program, the Issuer replaces the elements and units of the hydroturbines with modern facilities, the design of which ensures high ecological compatibility of the production process. An example was introduced in September 2015 for use on the Cheboksary GES "RusHydro" of reconstructed hydraulic unit (GA) number 2. Water turbines of Cheboksary GES are environmentally friendly designed with oil-free bushings impellers. This prevents even the hypothetical possibility of oil entering the water.

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

Action plan for management of these risks:

The storage reservoir level control is carried out in strict compliance with the schedule issued by the Inter-Agency Operational Team. To prevent underflooding, protective dams and installations are used. It is the owners' responsibility to ensure their proper condition and timely fortification of disintegrating dam sections. The Issuer shall for its part timely inform water consumers based on meteorological forecasts for the period of flood inflows on possible river levels to allow them to adopt the necessary protection measures.

To improve the environmental protection management process further, PJSC "RusHydro" implements an environmental management system in accordance with the international standard ISO-14001:2004. On November 2015 PJSC "RusHydro" was the winner of the First All-Russian competition "MediaTEK" in the category "Environmental standard." Diploma of the winner in the category "Environmental standards" was presented on November 20 in the framework of the business program of the IV International Forum ENES - 2015.

Environmental audits of company subsidiaries are performed on a regular basis. Recommendations issued based on the results of environmental audit are implemented in accordance with the Inconsistencies Elimination Action Plan.

In September 2015 PJSC "RusHydro" took 3rd place in the competition of "Environmental Initiative of Russian companies in the media. Mining and metallurgy" prepared by "the Institute of Modern Media" (Modern Media Research Institute) in collaboration with the TV channel "Living Planet". Federal charity event "Protect!" is held since 2005 by all hydropower plants of the location areas from the Caucasus to the Far East. The campaign aims to raise young people caring attitude to water reservoirs and coastal areas. This result is exported tons of debris, landscaping of beaches and promenades with the participation of more than 30 000 children, adolescents and adults. In 2015, 51 environmental actions took place in 17 regions of Russia, as well as in Kyrgyzstan. More than 4,000 participants have gathered about 6,000 bags of garbage.

3. Risks related to construction of own power supply facilities by large consumers.

One of the objectives of the reformation of the Russian power industry is to create competition within Russian power generation and power supply sectors. Construction of own power supply facilities by large consumers may result in competitive expansion and reduction of the Issuer's future power production and sales volumes.

To decrease this risk, the Issuer performs active work with its consumers aimed at establishing mutually advantageous and long-term relations.

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

- Increase in operating performance through implementation of a program to reduce operating costs and make savings.
- Work on increasing the share of long-term contracts for power supply in the total volume of executed contracts.
- Implementation by the Issuer of a balanced financial policy.

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

The risk of power generation uncertainty for the Issuer involves the impossibility of precise forecasting of the volumes of power generated in the mid-term and long-term. This risk basically affects fulfilment of the Issuer's obligations on power supply on the wholesale electricity (and capacity) market. The Issuer may face the inability to supply the electricity required by generation agreements 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 more prolonged nights and colder weather, within days during office hours. Taking into account the production flexibility of HPP results in a maximum production capacity of the Issuer's participate in the regulation for the

periods indicated resulting in a complete workload of the Issuer's capacity within the stated periods. In this connection, the Issuer may face the risk of economically inefficient capacity utilization during the high demand for electricity and the inability to compensate for lost income over the period of diminution in the demand for electricity due to the limited amount of drawdown of reservoirs.

The Issuer's action plan for management of these risks:

This risk is mitigated within the production and sales activities of PJSC "RusHydro" due to:

- Protection of the HPP's interests at the Interdepartmental Operating Groups of the Federal Water Resources Agency
- Execution of hedging bilateral agreements for the day-ahead market (including purchase of electric power as collateral for obligations).

In accordance with the foregoing, the Issuer believes that the possible decline in the Issuer's industry, adverse changes in the operation and production process, and construction of own power supply facilities by large consumers may affect the Issuer, but shall not substantially affect fulfilment of its obligations under its securities.

5. Risks related to possible changes of 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 fulfilment of the obligations under securities:

Foreign market:

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 their share in production cost is about 1 per cent, and the share of import deliveries for the Issuer is insignificant.

Domestic market:

Since the key raw material for the Issuer during electricity generation is water resources, and no increase in the water tax rate over the price for electricity is forecast, risks inherent in a possible change in the raw material price are insignificant.

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

Foreign market:

Risks inherent in 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 market:

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

- Improvement of operational efficiency by implementation of programs on reducing production costs and making savings (creation of competition in the works and services procurement sector, contracting with a firm contract price, optimization of repair and maintenance, capital construction costs, etc.)
- Implementation of a balanced financial policy as regards compliance with the payment discipline to mitigate insolvency risks and procurement of financial stability of the Issuer and compliance with standards of business planning

The risk shall not materially influence performance of the Issuer's obligations under securities.

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

Foreign market:

The Issuer does not export electricity on the foreign market, so in this respect, risks inherent in a possible change in prices for products and/or services on the foreign market are absent.

Domestic market:

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

In present the above mentioned risk is assessed as being insignificant.

8. The influence of a possible decline in situation in the Issuer's industry on its activities and fulfilment of obligations under securities:

Foreign market:

The Issuer does not export electricity to the external market, and therefore the risks associated with a possible worsening of the situation in the global power industry, which do not affect the Russian market, are missing for the Issuer.

Domestic market:

The Issuer is the largest hydropower company in Russia holding a key position in the national economy. The Issuer believes that the possible decline in the Issuer's industry, adverse changes in the operation, and production process, construction of own power supply facilities by large consumers may affect the Issuer but shall not substantially affect fulfilment of its obligations under securities.

## 2.4.2. Country and Regional Risks

**Risks inherent in the political and economic situation in a country (countries) and region, where the Issuer is registered as a taxpayer and/or performs its primary activity, provided that primary activity of the Issuer in such a country (region) brings 10 and more per cent of income for the last complete reporting period preceding the securities prospectus approval date.**

### Country Risks

The Russian economy has no protection against market recessions or a slowdown in global economic development. Nowadays, perception of country risks by investors decreases the volume of foreign investments in Russia and has a negative impact on the Russian economy. Furthermore, as Russia produces and exports large volumes of natural gas and oil, the Russian economy is vulnerable to changes in international prices for energy products, and a slide in natural gas and oil prices have a significant effect on development of the Russian economy. These events may limit the Company's access to capital and adversely affect the purchasing ability of the Company's consumers. The Issuer supposes implementation of all the actions intended for a decrease in the influence of such events on its activities by optimizing leverage in crisis conditions.

Furthermore, due to the world 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 proceeds, as well as a risk of accounts receivable growth due to non-payment by power consumers.

Exposure to country risk may be indirectly assessed by credit rating with some assumptions (less political risks for business). Due to external factors such as the decrease in the oil prices according to the results of 2014, Russia's rating was initially decreased from BBB at a positive forecast to BBB- with a negative forecast (according to Standard & Poor's international rating agency) and in January 2015 from BBB- to non-investment BB+, which is inevitably a negative factor; however, it has a specific character connected with anti-Russian sanctions. Depending on the continuation of this policy or its cancelation, the level of country risk will be subject to change. In this connection, there is possible growth in the risk connected with failure to discharge obligations by separate foreign suppliers and contractors, contraction of the sales market and contract revision. It is worth noting that the results of the first half-year period of 2016 do not show a deterioration of the situation. According to the international rating agency Standard & Poor's as of March 2016 the long-term credit rating of Russia on foreign currency liabilities is maintained at "BB +" level (sub-investment) with a negative outlook on it. The situation in Russian macroeconomics since the previous estimates S & P and Fitch did not undergo adverse changes, the economists pay attention. In the basis of assessments is political engagement of leading rating agencies. Russian outlook could be revised to stable if the financial situation and the prospects for economic growth in the country will improve. The downgrade is likely to happen if geopolitical developments lead to a tightening of sanctions against foreign states in the Russian Federation.

In order to diversify the country risk is developing cooperation with both European and Asian, and Latin American partners in accordance with previously signed agreements intercompany

It is also worth noting the growing volume of Russia's cooperation with partners in the SCO and BRICS, the establishment of new financial institutions and the arrival to the country capital data partners that influence country risk in the direction of its decline.

### Political Risks

Due to the tightening of control on the part of energy sector regulatory agencies, the Issuer is taking steps necessary to avoid a detrimental effect of the above-mentioned risks on its activity. In particular, key attention is paid to ensuring transparency and reliability of control procedures for expenditure of budgetary funds under implementation of the Issuer's investment program, as well as implementation of risk management measures, as described in this section.

## **Regional Risks**

The Issuer is registered as a taxpayer in Krasnoyarsk Krai, but productive assets and the operations themselves are carried out in many regions of the Russian Federation. In this respect it is possible to define specific risk in two regions: risks inherent in potential terrorist activity are a burning problem for the North Caucasus, and the Far East is characterized by earthquake activity and the inaccessibility of certain areas. Measures are being taken in respect of these risks and they are described in the following two sections. The risk on the whole is assessed as insignificant.

### **Assumed actions of the Issuer in the event of an adverse effect of changes in the situation in the country (countries) and the region (regions) on its activities.**

Work is progressing by the Issuer on amendment of Russian Federation legislation and corporate standards in technical regulation as regards procurement of hydropower engineering facility safety and reliability;

The Issuer continues implementation of the social policy, directed to support relatives of the deceased and injured persons of the accident at the Sayano-Shushenskaya HPP (for detailed information please visit the Issuer's corporate site <http://www.sshges.rushydro.ru/>, SShHPP Reconstruction).

The Company is also constructing 4 electricity generation facilities in the Far East (CHPP in Sovetskaya Gavan (planned date of commissioning - 2017), Sakhalinskaya SDPP-2 (1st stage) (planned date of commissioning - 2017); Yakutsk SDPP-2 (1st stage) (planned date of commissioning - 2016), Blagoveshchenskaya CHPP (2nd stage (planned date of commissioning - 2016).

Besides in 2015 the first phase of the second stage of the Annunciation CHP was conducted. The main technological equipment have passed the individual test and trial starts: December 10, 2015 dust coal boiler has successfully passed the first launch of a liquid fuel (fuel oil), in the ignition mode, with 30% of the installed thermal load of boiler aggregate worked continuously for 45 hours. It received a positive opinion from the RTN to stage a voltage of 110 kW of outdoor switchgear. December 25, 2015 a new power grid was issued into a single first current turbine generator was synchronized with the grid. Main process equipment has successfully passed comprehensive testing, during which the boiler, steam turbine and generator continuously worked for 72 hours. The transaction on the transfer of companies of the BEMA project under the jurisdiction of the Russian Federation is being implemented.

In the second phase of the project in the first half of 2016, construction of the tower is completed, system installation of air distribution and monitoring instrumentation and towel equipment adjustment are in progress.

it is planned to complete construction of the tower, perform landscaping, reconstruction of fuel facilities, building of roads and external networks, to complete the reconstruction of protective structures. In order to ensure maximum transparency of expenditure of budgetary funds allocated by the state for the development of power industry of the Far East, PJSC "RusHydro" has formed a mechanism to Ministry of Economic Development, Ministry of Energy and the Accounts Chamber of the Russian Federation continuously assess and analyse the progress of the project, to check the efficiency of capital investments and to exercise control over target use of funds. Transparent use of funds provides PJSC "Savings Bank" through a system of separate bank accounts, which are opened for each participant in the construction. Independent price and technology audit of design and estimate documentation for each project are carried out by engineering companies, selected on a competitive basis by PJSC Sberbank. For more information on the parameters of the target budget of spending control system can be found in a special section of the site RusHydro "Development of the Far East Energy" at [http://www.rushydro.ru/activity/razvitie\\_energetiki\\_dalnego\\_vostoka/](http://www.rushydro.ru/activity/razvitie_energetiki_dalnego_vostoka/)

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 it is the case with 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 case of disruption in the situation in Russia or the regions, which may adversely affect the Issuer's activities, the Issuer's management will undertake a number of actions for crisis management to mitigate to the greatest possible extent the adverse effect of the situation on the company.

### **Risks related to possible military conflicts, imposition of a state of emergency or strikes in the country and region where the Issuer is a tax resident and/or carries out its principal activities.**

In case of possible military conflicts, as well as a threat of terrorist exposure to the Issuer's facilities (including under conditions of an aggravated international situation), there are possible risks of personnel death and capital asset breakdown. The Issuer's region of registration and many regions of the Issuer's activities are characterized by a peaceful political situation. The probability of military conflicts, a declaration of a state of emergency and 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 possible escalation of the Georgian-Ossetian conflict, the described risk may arise in the region of the Issuer's activities — the Republic of North Ossetia-Alania.



According to the results 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 comprehensive reassessment of safety systems at every facility. According to its results, a comprehensive plan for protection enhancement at the Issuer's facilities has been implemented, within which changes in the ongoing safety program at the Issuer's plants, including those in progress, have been introduced.

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

- Evacuation of personnel and construction equipment located in close proximity;
- Enhancement of security of the Issuer's facilities by engaging additional forces of the Ministry of Internal Affairs of the Russian Federation in order to prevent risks.

**Risks related to geographic features of the country and region where the Issuer is registered as a tax resident and/or carries out its principal activities, including the 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 termination of transport connection. In this respect, 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 constantly advances technologies of access to and work in severe weather conditions of these areas. However, there is no guarantee that the Issuer will not incur additional expenses in overcoming technical difficulties associated with climate and accessibility of these areas, which may exert a negative influence on the Issuer's business, income, financial standing, performance, and prospects. In the foreseeable future, these risks are assessed by the Issuer as insignificant.

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

### **2.4.3. Financial Risks**

**Exposure of the Issuer to risks inherent in a change in interest rates, foreign currency exchange rates, due to activity of the Issuer or due to hedging performed by the Issuer with a view to reduce adverse effects of the above risks.**

**Exposure of the Issuer's financial standing, its liquidity, sources of funding, performance, etc., to a change in 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. The settlements with suppliers of the resources, accrual and receipt of payments from power consumers are performed mostly in the Russian currency — RUB. The influence of volatility of the national currency exchange rate of the Russian Federation on the Issuer's financial status is assessed as insignificant.

The Issuer's obligations are also primarily denominated in rubles. Therefore, the Issuer's exposure to risk of changes in foreign currency exchange rates is estimated by the Issuer as insignificant.

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

Due to the deteriorating of international situation, economic sanctions and other force majeure could increase the risk of the Issuer's access to credit difficulties foreign counterparts, more expensive debt issuer, losses due to increased foreign exchange rates and interest rates. Controlling these risks is to reduce the limits for counterparty banks to lower the ratings of stress-testing of possible losses due to the growth of the euro and interest rates on the Issuer approved the procedure control currency and interest rate risks, legal support of contractual base.

Some loans of the Issuer are connected with floating interest rates of MosPrime and Euribor. However, a share of loans with a fixed interest rate is 77 % of the Issuer's balance of outstanding loans to the end of 2 quarter of 2016. In order to minimize interest risk by the Issuer, swap contract was concluded so as to fix variable interest rate in relation to the credit of PJSC Sberbank (approximately 1,2 billions of RUB on June 30, 2016).

**According to the Issuer, inflation has a critical influence on securities payments, inflation levels as well as expected actions of the Issuer with regard to a decrease in the above risk.**

The inflation level directly depends on the political and economic situation in the country. An increase of the inflation is connected with general increase in interest rates.

The adverse effect of inflation on financial and economic activities of the Issuer may result from the following risks:

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

It should be noted a significant effect of inflation on the financial results of the Issuer's activity. Inflation growth significantly affects the financial performance results of the Issuer. It may lead to an increase in the Issuer's costs as a consequence to a fall in profits and in the profitability of activities. In addition, the rise in inflation is connected with increasing of borrowing costs for the Issuer, which is characterised by risk of lack of working capital.

**Critical significance of inflation, according to the Issuer:**

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. However, according to the forecast of socio-economic development of the Russian Federation for 2016 and the planning period of 2017 and 2018, published by the Russian Ministry of Economic Development, the rate of annual inflation (CPI) in 2016 is projected at 6.5% in the baseline scenario with the price of Urals oil 40 dollars. / bbl., at 9% in the conservative scenario, with the price of Urals oil of \$ 25. / bbl., at 6.5% in the target scenario, if the price of Ural oil per bbl is 40 dollars.

At the end of 2015, according to Rosstat, inflation in Russia amounted to 12.9% against 11.4% in 2014, 6.5% in 2013, 6.6% in 2012, 6,1% in 2011 and 8.8% in 2010 and 2009.

In the event of a rise in inflation, the Issuer plans to raise working capital turnover by amending contractual relations with its consumers.

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

| Risk                            | Probability | Indices of financial statements subject to change to a greater extent 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):<br>1) Accounts payable (other creditors)<br>Statement of Financial Performance (form No. 2): 1) Interest payable<br>2) Net profit   | Profit decrease, increase of debt service costs  |
| Exchange risk                   | Average     | Balance sheet (form No. 1):<br>1) Accounts receivable<br>2) Accounts payable<br>3) Cash —<br>Statement of Financial Performance (form No. 2):<br>1) Other income and expenses<br>2) Net profit<br>3) Interest payable | Growth in investment costs, increase in accounts payable, growth in other expenses, increase in expenditures connected with interest and reduction of net profit |
| Inflation risks                 | High        | Statement of Financial Performance (form No. 2):<br>1) Other expenses<br>2) Cost of goods, products, works, services sold<br>3) Net profit  | Profit decrease  |

**2.4.4. Legal Risks**

Since generation as well as purchase and sale of electric energy and capacity is the core business of the Issuer, legal risks concerning regulation of this type of activities may significantly affect the Issuer's status, i.e. lead to a decrease in the Issuer's net profits. A decrease of the net profits of the Issuer in its turn may lead to a decrease in the amount of the dividends payable.

**Risks Related to Changes in the Currency Control**

Domestic Market:

Taking into account that the Issuer's export of products is insignificant, the risk of changes to currency regulation shall be deemed insignificant as well.

Foreign Market:

Taking into account that the Issuer's import of products is insignificant, the risk of changes to currency regulation shall be deemed insignificant as well.

**Legal Risks Related to Changes in the Customs Clearance Regulations and Duties**

Domestic Market:

Taking into account that the Issuer's export of products is insignificant, the risk of changes in customs regulations and duties shall be deemed insignificant as well.

Foreign Market:

Taking into account that the Issuer's import of products is insignificant, the risk of changes in customs regulations and duties shall be deemed insignificant as well.

**Risks Related to Amendments to the Tax Laws**

Domestic Market:

The Russian tax system is characterized by a large number of taxes and frequent changes in regulations. The Russian tax laws are subject to varying interpretations and frequent changes. Laws and regulations often include unclear and contradictory wording and allow varying interpretation of the same issue. As a consequence, tax authorities often have different views on interpretation of the same regulatory documents at different levels. Therefore, the operations and activities which have never been contested may be contested. Tax audits may cover three calendar years of activity immediately preceding the year of audit. Under certain conditions even the earlier period may become subject to audit.

Amendments to the tax legislation as regards an increase in the tax rates or changes to the tax calculation and payment procedure or terms may result in a decrease in the net profits of the Issuer, that in its turn may lead to a decrease in the amount of dividends payable. These risks of the Issuer are considered as insignificant.

Foreign Market:

Risks related to amendments to the tax law are considered as insignificant. These risks influence the Issuer to the same extent as other members of the market.

**Risks related to changes in requirements governing licensing of the Issuer's principal activities or licensing rights to use objects with limited circulation (including natural resources) as well as requirements pertaining to environmental and other permits and compliance with established standards**

Domestic Market:

Changes to the licensing requirements of the Issuer's principal activities may delay preparation of the documents necessary for prolongation of the license, and might cause additional costs that the Issuer comply with the stated requirements. In general this risk should be deemed insignificant, except that for prolongation of the license or performance of the activities subject to licensing such requirements will be specified which the Issuer will not be able to comply with or compliance with which will be tightly related to excessive expenses, which may result in cessation of these activities by the Issuer.

Foreign Market:

In case of changes to the licensing requirements of the Issuer's principal activities, the Issuer will act in accordance with new requirements, including as regards obtaining the necessary licenses.

**Risks related to changes in the legal practice pertaining to issues concerning the Issuer's activities (including the issues of licensing), which may adversely affect the results of its activities, as well as the results of on-going legal proceedings involving the Issuer**

Domestic Market:

Changes in the legal practice in relation to issues concerning the Issuer's activities may lead to increased costs related to rendering of legal services and lawyers staff increase, as well as judgments against the Issuer which may adversely affect the Issuer's operational results.

Foreign Market:

This risk influences the Issuer to the same extent as other members of the market.

## **2.4.5. Reputation Risk**

To lower the risk, the Issuer, together with concerned parties, arranges public events, special events for the media, analysts and representatives of the investment community, regularly updates information on its official web resources, prepares official comments on key issues of its activity and regularly monitors the public space. The Public Activity Regulation and Information Activity Performance Regulation are approved at PJSC "RusHydro". The complex of measures taken ensures constant broadcasting of reliable information in the public domain on behalf of the Issuer, so this risk is assessed by the Issuer as insignificant.

## 2.4.6. Strategic Risk

This risk is reflected in the Issuer's losses as a result of errors (deficiencies), admitted in decision-making, defining business strategy and development of the Issuer (strategic management) and are expressed in not counting or insufficient account of possible hazards that may threaten the activity of the Issuer, wrong flax or insufficiently reasonable definition of perspective directions of activity in which the Issuer can achieve a competitive advantage, there is no provision or incomplete necessary resources (financial, material, technical, human) and organizational measures (administrative decisions), which should ensure the achievement of the strategic objectives of the Issuer's activity.

The PJSC RusHydro implemented strategic management system built on the basis of:

- Strategy;
- The long-term development program;
- Procedures of the current (tactical) planning;
- Audit of the implementation of long-term development program;
- System of key performance indicators.

The establishment and implementation aimed at optimizing risk control procedures for all elements of strategic management is carried out by means of regulation and formalization of control procedures as well as the responsibility of securing the implementation of control procedures for the specific structural units and employees of the PJSC RusHydro.

Strategic Issuer's management system meets the requirements of the Federal Property Agency to the formation of a system of strategic planning of joint stock companies with state participation (a letter from the Federal Property Agency 29.04.2014 N OD-11/18576 "On the development of key strategic documents in state-owned companies").

Due to the high quality of the strategic planning work, a prompt response to external factors and an integrated approach this risk is assessed as insignificant.

## 2.4.7. Risks Related to the Issuer's Activities

### **Risks inherent in current court processes, in which the Issuer is involved.**

There are no court processes, involvement in which may materially affect 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 facilities that have limited transferability (including natural resources).**

The Issuer does not use in its activity facilities which are limited in turnover (including natural resources), does not engage in banking, insurance activities, is not a professional securities trader or investment fund. The Issuer likewise does not extract commercial minerals and does not render communication services.

After establishment of the institution of self-regulated organisations (SRO), licensing of construction activities has been replaced since January 01, 2010, with a competency certificate to be granted by the SRO. Subsidiaries of PJSC "RusHydro" joined NP ENERGOPROJECT (self-regulating organisation in the field of project activities), NP ENERGOSTROY (self-regulating organisation in building activities), and NP AISS (self-regulating organisation in engineering surveys). The Issuer is a member of NP EnergoStroiAllianz Group of Construction Organisations.

Work permits for activities involved in building, refurbishment, and overhaul of capital construction projects, front-end engineering design of capital construction projects, and engineering surveys of capital construction projects have been received by construction, repair, design, and research and development subsidiaries and affiliates of PJSC RusHydro Subsidiaries Company.

The Issuer shall meet all license requirements in full and on time, the Issuer does not foresee any difficulty in renewal of current licenses (the complete list of the Issuer's licenses is disclosed in Clause 3.2.5. "Information on the Issuer's Authorizations (Licenses) or Permits for Separate Types of Works)" of the present quarterly report), is not projected by the Issuer.

These risks are assessed by the Issuer as insignificant.

Additional actions of the Issuer for management of this risk:

Work is ongoing on receipt by the Issuer's branches of waste disposal limits in accordance with the established procedure.

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

Liability for debts of subsidiaries may be incurred as stipulated by the applicable laws of the Russian Federation, namely, if the Issuer's instructions binding on subsidiaries result in losses or bankruptcy of subsidiaries. The probability of these risks is low.

Due to acquisition during the course of the issuance in 2011–2013 of PJSC “RAO Energy Systems of East” shares by the Issuer, the Issuer integrated all business processes of two companies in order to detect and manage new risks. As a result, since the beginning of 2012, the project is implemented for creation of the corporate risk management system of “RAO ES of East” Holding in accordance with the Issuer's Risk Management Policy. In particular, regularly updated plans for strategic risk management of company "RAO ES of the East" holding are developed. The procedure for regular reporting for execution of the Strategy Risk Management Plan to the Board of Directors is being implemented by both subsidiaries and PJSC “RAO ES” of the East.

**Risks related to loss of possible consumers, providing turnover amounting to at least 10 per cent of the total revenues 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.

**Other risks related to the issuer's activities**

The Company is actively working on prevention of corruption. Under Resolution No. RP-39 of the President of Russian Union of Industrialists and Entrepreneurs (hereinafter RUIE) dated June 07, 2013, No RP-39 the Issuer was included in the Consolidated Register of Participants in the Anti-Corruption Charter of Russian Business. The essence of this instrument is implementation of special anti-corruption programs and practices by companies that affect not only the situation in the company, but also relationships with business partners and with the state. The Charter provides for the waiver of preferences, procurement through open bidding, financial control, training and work with personnel, assistance to law enforcement agencies, and other measures. In autumn 2014 the RSPP experts acknowledged efforts to prevent corruption in the PJSC "RusHydro" one of the best among the companies participating in the Anti-Corruption Charter of Russian Business. This conclusion is made on the basis of monitoring the implementation of the Charter, carried out by the Issuer has revealed full compliance PJSC "RusHydro" with the Charter. The Issuer improves the internal control and risk management system on a regular basis.

More than 200 thousand consumers of electricity and thermal energy group of companies JSC "ESC RusHydro" and PAO "RAO ES of the East" have been tested within the project "reliable partner". The most conscientious of them have been awarded by the Council of Federation of the Federal Assembly of the Russian Federation. The winners were selected on the basis of several criteria chief among which are respect for the terms of payment and availability of metering devices.

Pursuant to Regulation No. 883 of the Russian Federation Government dated October 07, 2013, specifying the list of companies, directors of which shall submit information on income, expenses, property, and property obligations, which includes PJSC “RusHydro”, the company set itself the task of optimizing such work both in relation to efforts and accuracy of submitted information. As a result, the algorithm for detection of concealment of information and conflict of interest (declared or secret participation in legal entity having relations with any company from the RusHydro Group) was automated, information collection was automated for due diligence concerning revelation of a conflict of interest within RusHydro Group, statement preparation within the declared campaign was also automated, and the number of errors was decreased when completing declarations on account of built-in protection from input errors. The program was called “Client of Affiliates” and certificate thereto No. 2014617320 dated July 17, 2014, was issued by Rospatent.

The Code of Corporate Ethics, Regulations on notification of the employer regarding facts of inducing employees to commit illegal actions, Regulations on notification of gifts received by the employees due to hospitality events, business trips, and other formal events, and Regulations on prevention and settlement of conflicts of interest have been implemented. In October 2015 the Anti-corruption policy of PJSC "RusHydro", of the Board of Directors of PJSC "RusHydro" was approved. Information and campaign materials were developed and coordinated, warning about the responsibility for illegal actions. Trust Line operates on an ongoing basis. Uninterrupted operation of the telephone line for Trust Line is ensured. Mechanisms for periodic performance checks of the communication line for Trust Line with recording of information about its faults have been developed and implemented. Trust Line webpages at the Company's official website are improved. In 2015 "Line of confidence" received 522 appeals. On 6 appeals the facts were confirmed and decisions were made on bringing to disciplinary liability.

**Risks related to the actions of third parties:**

1. Failure to fulfil obligations within the term stipulated by a contract may result in untimely commissioning of power generating equipment and that will affect power generation.

2. If default under contracts takes on massive proportions as regards the term of completion of works, this may lead to an extension of the term for completion of repair works and lead to depreciation of capital funds. This may affect operational reliability of power plant equipment.

3. Contractors, due to their substandard management and performance of works, may impair plant equipment, which may result in equipment emergency stops potentially affecting power generation.

4. Risks inherent in trade unions and retention of qualified managerial personnel.

These risks are assessed as insignificant due to the significant efforts undertaken by the Issuer with respect to staff retention and development, in particular, creation of a specific order for specialist training, recovery of human resources of the hydropower industry with secondary technical education, creation of “Young Hydropower Workers” circles based on youth technical creativity centres within the corporate footprint of the Issuer, enhancement of interaction with educational specialized universities and scientific institutes.

Special attention is paid to increasing motivation, material and moral incentives, and social protection of staff.

The PJSC “RusHydro” policy in relation to employees is based on the following principles:

- Increase in qualification of the employees through implementation of training programs
- Granting the best social packages in the electric power industry to its employees
- Development of the employee motivation/stimulation system for the purposes of growth in efficiency of staff and the Issuer as a whole

Due to the need for staffing provision for commissioning capacity of major new construction projects in the framework of the investment program of the Issuer and the implementation of key objectives of the Issuer's production plan, such as maintenance of reliable and uninterrupted operation of facilities and increase in operating performance, mitigation of human factor risks by means of better professional training and staff accountability at all levels, in September 2010, Chairman of the PJSC “RusHydro” Management Board, approved the Human Resources Priority Development Concept within the campaign From New School to Work Area and program of its Implementation. The primary objective of the program is to develop technical education and increase the prestige of technical professions creating conditions to satisfy the needs of PJSC “RusHydro” in professionals educated in a quality manner, who are expected to operate the PJSC “RusHydro” capacities, both current and planned for commissioning, and to maintain their reliable and uninterrupted operation.

The risk of it being impossible to conclude an agreement under terms and conditions acceptable for employees is assessed by the Issuer as insignificant in the medium term. The risk of it being impossible to select qualified managerial personnel is minimized by the Company's measures on creation of a candidate pool and training of newcomers in specialized professions. In this respect a number of partner agreements with specialized universities have been concluded.

5. Covenants in credit agreements.

In accordance with the terms and conditions of certain credit agreements, the Issuer is obliged to execute imposed financial and other conditions limiting its ability, among other things, to pledge property or other encumbrance, acquire assets, or invest, sell, transfer, or otherwise dispose of its assets or accounts receivable, carry out a merger or acquisition, or insert amendments to its business or dividend payment policy. The terms and conditions of credit agreements require that the Issuer achieve certain financial ratios. The necessity to adhere to financial ratios and other restrictions may prevent the Issuer from executing its business strategies. Moreover, any restriction violation indicated in credit agreements by the Issuer may cause a default of such obligation and, correspondingly, immediate debt repayment. The consequence thereof may be a significant adverse effect on business, income, financial standing, performance of the Issuer and its ability to fulfil obligations, as well as pay dividends.

The Issuer has formalized a control process concerning covenant observance (the relevant local normative act is in force); when management decisions are made, these risks are assessed on a permanent basis. Therefore, the Issuer considers these risks to be insignificant.

6. Observance of terms and conditions of credit agreements with SC Vnesheconombank.

RUSAL and PJSC “RusHydro” control progress and observance of established projected timetables, they also monitor observance of indicators stipulated by credit agreements.

7. Health and safety.

Powers, responsibilities, and accountability in the health, safety, and security 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 of the facilities (orders, regulations, procedures).

At PJSC “RusHydro” strict observance of occupational safety standard are of all employees performing work at the Issuer's facilities are carried out.

Monitoring of compliance with safety standards in PJSC RusHydro is entrusted to occupational safety and health division and production supervision, monitoring of compliance with safety standards in the production of specific activities is entrusted to the responsible supervisors.

Facilities have the full, necessary regulatory technical and legal base, and local normative documents (occupational safety regulations) for all professions and types of work have been elaborated.

Blue-collar employees have monthly briefings on 3–4 health and safety matters as a whole and on profession and types of performed work in particular.

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

Management of all levels involved in production is also briefed and their knowledge are tested.

Workplace employment conditions compliance certification is carried out at all facilities of the Issuer.

The special assessment of working conditions (certification of workplaces) involves independent specialized organizations.

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

Independent specialized organisations are engaged to assess safety of hydraulic structures and equipment.

The Company has an effective alert system which immediately inform about all undesirable events (incidents).

Each and every incident is subject to investigation.

Hazardous production facilities of PJSC "RusHydro" are operated in accordance with the legislation pertaining to production safety: a system is used for industrial control over compliance with the industrial safety requirements, the necessary authorization documents are available on operation of hazardous production (hereinafter HPF) facilities, risk of civil liability during operation of hazardous production facilities is insured, and the personnel of the Issuer facilities is certified in the area of production safety.

Fire safety declarations have been drawn up Activities in the field of fire safety in the Issuer's production facilities is carried out strictly in accordance with the requirements in the field of fire safety legislation.

In all of the Issuer's facilities are designed and maintained to date the declaration of safety of hydraulic structures.

The Issuer's action plan for management of these risks:

- Tightening of control over activity of the Issuer's contractors and subcontractors at facilities ;
- Blacklisting unscrupulous contractors;
- Insuring the power plant equipment against damage by third-party operations
- Granting work permits only to qualified personnel
- Claim administration works with contractors who have violated works performance timeframes as regards payment of discharge for default under a contract
- Monitoring progress of works performance at the plants on a monthly basis

*This section covers only risks which the Issuer deems to be insignificant. Other risks not covered by this section are also possible. Any other risks unknown to or insignificant for the Issuer at the moment may also negatively affect the Issuer's business activities and fulfillment of its obligations, 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: *Public Joint-Stock Company Federal Hydrogeneration Company RusHydro*

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

Effective date of the current full corporate name: *July 06, 2015(State registration of the new edition of the Statute of the Issuer, approved by resolution of the annual general meeting of shareholders (Protocol №13 of 26/062015)*

Abbreviated corporate name of the Issuer: *PJSC “RusHydro”*

-in English: **PJSC «RusHydro»**

Effective date of the current abbreviated corporate name: *July06, 2015(State registration of the new edition of the Statute of the Issuer, approved by resolution of the annual general meeting of shareholders (Protocol №13 of 26/062015)*

If the corporate name of the Issuer (name for non-profit organisation) is registered as trademark or service mark, **Information on their registration shall be specified:**

**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 02, 2019;

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

**All previous names of the Issuer over the entire period of its operation.**

Full corporate name: **Open Joint-Stock Company Federal Hydro-Generating Company – RusHydro**

Abbreviated corporate name: *JSC RusHydro*

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

Reasons for the name coming into effect: *State registration of new version the Issuer's Charter 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 04, 2011) and Resolution No. 1322-r of the Ministry of Justice of the Russian Federation dated June 17, 2011.*

Full corporate name: *Open Joint-Stock Company Federal Hydro-generating Company*

Abbreviated corporate name: *JSC RusHydro*

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

Reasons for the name coming into effect: *State registration of new version the Issuer's Charter 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: *Joint-Stock Company RusHydro*

Abbreviated corporate name: *JSC RusHydro*

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

Reasons for the name coming into effect: *State registration of new edition of the Issuer's Charter on July 04, 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: *Joint-Stock Company Federal Hydrogeneration Company*

Abbreviated corporate name: *JSC HydroOGC*

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

Reasons for the name coming into effect: *State registration of the 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*

State registration date: *December 26, 2004*

Name of the registering authority: *Inspectorate of the Ministry of Taxation of the Russian Federation for Zheleznodorozhniy District of Krasnoyarsk, Krasnoyarsk Krai.*

### **3.1.3. Information on Foundation and Development of the Issuer**

The Issuer is established for an unspecified period of time.

**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, which is important for taking decision on acquisition of the Issuer's securities:**

PJSC "RusHydro" was established in accordance with Resolution No. 526 of the Russian Federation Government dated July 11, 2001 "Main Directions of Electrical Power Industry Reform in the Russian Federation" and Directive No. 1254-p of the Russian Federation Government (as amended on October 25, 2004, No. 1367-p) as a wholly owned subsidiary of OAO 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 PJSC "RusHydro" in the form of an Operating Company managing its branches established on the basis of JSC HPPs during reorganisation of subsidiaries and affiliates (S&A) in the form of affiliation with PJSC "RusHydro" (Minutes No. 204 dated September 30, 2005 — October 4, 2005).

On April 27, 2005, 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 with RusHydro of subsidiary JSC HPPs (without construction sites and infrastructure subsidiaries), other JSC HPPs, as well as JSC State Holding HidroOGK and JSC Minority Holding HidroOGK, established as a result of reorganisation of RAO UES of Russia in the form of split-off (Minutes No. 250 dated April 27, 2007). The Issuer's Operating Company with the direct participation in the Issuer's authorized capital of shareholders of subsidiaries and affiliates (S&A), as well as shareholders of RAO UES of Russia (through JSC Minority Holding HidroOGK and JSC State Holding HidroOGK) was formed within 2007–2008 through reorganisation in the form of affiliation with RusHydro of the following joint-stock companies (hereinafter referred to as the Affiliated Companies):

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

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

Following the results of consolidation, the Company consolidated over 50 HPPs in 18 regions of the Russian Federation.

In 2011, the charter capital of PJSC "RusHydro", the Russian Federation was introduced a controlling stake in PJSC "RAO Energy Systems of East", resulting in "RusHydro" installed capacity of the Group increased from 26.1 to 35.2 GW. Currently, in accordance with the decision of the Board of Directors of PJSC "RusHydro" (protocol number 223 7/10/2015) taking steps to consolidate 100% shares of PJSC "RAO ES of the East" in the ownership of "RusHydro" Group.

The Issuer's strategic objectives are major guidelines for development of the Issuer.

The strategic objectives of the Issuer:

- Safe and secure operation of the Company's facilities;
- Sustainable electric power production development;
- Far East energy development

- Increase in the Company's value.

Mission of the Issuer is efficient use of water resources, the creation of conditions to ensure the reliability of the Unified Energy System of Russia, as well as creating the conditions for socio-economic development of the Far East regions due to accessibility provision of energy infrastructure for existing and prospective customers.

Other information on the Issuer's activities that is important when taking decisions on acquisition of the Issuer's securities: N/A.

### 3.1.4. Contact Information

Location of the Issuer

***Krasnoyarsk, Krasnoyarsk Krai.***

Address of the Issuer specified in the Unified State Register of Legal Entities:

***43 Dubrovinskogo St., bldg. 1, Krasnoyarsk, Krasnoyarsk Krai, 660017.***

Other address for correspondence

***7 Malaya Dmitrovka St., Moscow, Russia, 127006***

Tel.: +7 800 333 8000

Fax: +7 (495) 225 37 37

E-mail: [office@rushydro.ru](mailto:office@rushydro.ru)

Address of website (websites) where information on the Issuer, its securities issued or being issued is available:

[www.rushydro.ru](http://www.rushydro.ru)

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

Name of the Issuer's special division working with shareholders and investors of the Issuer:

***Strategy and IR Department***

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

Tel.: +7 800 333 8000

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

E-mail: [ir@rushydro.ru](mailto:ir@rushydro.ru)

Website address: [www.rushydro.ru](http://www.rushydro.ru)

Name of the Issuer's special division working with shareholders and investors of the Issuer:

***Corporate Governance and Property Management Department***

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

Tel.: +7 800 333 8000

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

E-mail: [office@rushydro.ru](mailto:office@rushydro.ru)

Website address: [www.rushydro.ru](http://www.rushydro.ru)

### 3.1.5. Taxpayer Identification Number

2460066195

### 3.1.6. Branches and Representative Offices of the Issuer

Information on the Issuer's subsidiaries in accordance with the Charter of the Issuer.

The Issuer has no representative office.

Name: PJSC "RusHydro branch" — Bureyskaya HPP

Location: Talakan, Bureyskiy District, Amur Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Aleksandr Sergeevich Garkin

Validity period of the power of attorney: until January 31, 2017

Name: PJSC „RusHydro branch“ — Volzhskaya HPP

Location: 1a Lenina Avenue, Volzhskiy, Volgograd Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Sergey Nikolaevich Bologov

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Votkinskaya HPP

Location: Chaykovskiy, Perm Krai, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Aleksey Georgievich Byakov

Validity period of the power of attorney: until January 31, 2017

Name: PJSC „RusHydro branch“ — Dagestan branch

Location: 5 M. Khalilova St., Kaspiysk, Republic of Dagestan, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Timur Gamzatovich Gamzatov

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Zhigulevskaya HPP

Location: Zhigulevsk, Samara Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Oleg Vladimirovich Leonov

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Zagorskaya PSHP

Location: 100, township Bogorodskoe, Sergievo-Posadskiy District, Moscow Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Vladimir Ivanovich Magruk

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Zeyskaya HPP

Location: Zeya, Amur Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Irina Dmitrievna Savelyeva

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Kabardino-Balkarsky branch

Location: Township Kashkhatau, Cherek District, Kabardino-Balkar Republic, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Igor Evgenevich Kladko

Validity period of the power of attorney: until January 31, 2017

Name: PJSC „RusHydro branch“ — Kamskaya HPP

Location: Kamskaya HPP, Perm, Russian Federation

Opening date: August 27, 2007

Head of the branch  
Full name: Viktor Georgievich Alekseev  
Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Karachaevo-Cherkessky branch  
Location: Township Pravokubanskiy, Karachaiivskiy District, Karachay-Cherkess Republic, Russian Federation

Opening date: August 27, 2007  
Head of the branch  
Full name: Petr Vasilyevich Kravchenchenko  
Validity period of the power of attorney: until October 31, 2016

Name: PJSC “RusHydro branch” — Cascade of Verkhnevolzhskiy HPPs  
Location: Rybinsk, Yaroslavl Oblast, Russian Federation  
Opening date: August 27, 2007  
Head of the branch  
Full name: Andrey Vladimirovich Derezhkov  
Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Cascade of Kuban HPPs  
Location: 360a Vodoprovodnaya Street, Nevinnomyssk, Stavropol Krai, Russian Federation  
Opening date: August 27, 2007  
Head of the branch  
Full name: Gennadiy Evgenyevich Sergeev  
Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — CorUnH  
Location: 49 Arkhitekora Vlasova Street, Moscow, Russian Federation  
Opening date: December 05, 2007  
Head of the branch  
Full name: Elena Anatolyevna Aksenova  
Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Nizhegorodskaya HPP  
Location: 14 Privokzalnaya St., Zavolzhye, Gorodets District, Nizhny Novgorod Oblast, Russian Federation

Opening date: August 27, 2007  
Head of the branch  
Full name: Aleksandr Arkadyevich Goyzenband  
Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Novosibirskaya HPP  
Location: 4 Novomorskaya St., Novosibirsk, Novosibirsk Oblast, Russian Federation  
Opening date: April 10, 2006  
Head of the branch  
Full name: Svyatoslav Ivanovich Poltaranin  
Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Saratovskaya HPP  
Location: city of Balakovo, Saratov Oblast, Russian Federation  
Opening date: August 27, 2007  
Head of the branch  
Full name: Lyudmila Viktorovna Odintsova  
Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Naporozhniy Sayano-Shushenskaya HPP  
 Location: township Cheremushki, city of Sayanogorsk, Republic of Khakassia, Russian Federation  
 Opening date: August 27, 2007  
 Head of the branch  
 Full name: Valeriy Arturovich Kyari  
 Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Severo-Osetinsky branch  
 Location: 63 Vaso Abaeva St., Vladikavkaz, Republic of North Ossetia-Alania, Russian Federation  
 Opening date: August 27, 2007  
 Head of the branch  
 Full name: Taymuraz Vladimirovich Balataev  
 Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Cheboksarskaya HPP  
 Location: 34 Naberezhnaya St., city of Novocheboksarsk, Chuvash Republic, Russian Federation  
 Opening date: August 27, 2007  
 Head of the branch  
 Full name: Vadim Grigoryevich Bardyukov  
 Validity period of the power of attorney: until January 31, 2017

## 3.2. Core Business Activity of the Issuer

### 3.2.1. The Issuer's Major Economic Sectors

Codes of major economic sectors of the Issuer according to OKVED: 40.10.12

|             |
|-------------|
| OKVED codes |
| 40.10.14    |
| 40.10.42    |
| 40.10.44    |
| 51.56.4     |
| 71.3        |
| 74.14       |
| 74.20.55    |
| 80.22.22    |

### 3.2.2. Core Business Activity of the Issuer

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

Measurement unit: Russian rubles

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

| Indicator  | 2015, 6 months | 2016, 6 months |
|--|----------------|----------------|
| Sales proceeds (sales volume) from this type of business activity, RUB   | 50 577 596 588 | 56 715 855 489 |
| Share of sales proceeds (sales volume) from this type of business activity in the total sales proceeds (sales volume) of the Issuer, % | 98.8 %         | 99.1 %         |

The increase of revenue following the result of 2016 (6 months) as compared with 2015 (6 month) to 12.1% due to the increase of the Issuer's hydroelectricity power generation by 17.3%.

**Changes in the sales revenue (sales volume) of the Issuer from its core business activity by 10 and more per cents as compared with the same reporting period of the previous year and reasons therefor:**

Increase in revenues by 12.1% due to the growth of production 2016 (6 months) – 44.4 billion kWh, 2015 (6 months) – 37.9 billion kWh).

The growth in output is due to the following factors:

- increased water inflow in Zeyskoe reservoir by 60% more than the norm;
- increased inflow in Kuybyshevskoe, Kamskoe and Votkinskoe reservoirs.
- close to normal annual value of water flow in Siberian reservoirs;
- close to water content norm of Hydro power plants of North Caucasus

**General structure of the Issuer's production cost**

| Name of cost items  | 2015, 6 months | 2016, 6 months |
|---|----------------|----------------|
| Raw and other materials, %  | 0.6            | 0.6            |
| Acquired component, semi-finished goods, %  | 0.0            | 0.0            |
| Outsourced production-related works and services, %   | 7.2            | 7.3            |
| Fuel, %   | 0.0            | 0.0            |
| Energy, %   | 22.3           | 13.2           |
| Labour costs, %   | 11.3           | 12.2           |
| Interest on loans, %  | 0.0            | 0.0            |
| Lease payment, %  | 2.2            | 2.4            |
| Social allocations, %   | 2.2            | 3.4            |
| Amortization of fixed assets, %   | 23.6           | 28.4           |
| Taxes included in production cost, %  | 13.4           | 15.6           |
| Other costs   | 17.2           | 16.9           |
| Amortization of intangible assets, %  | 0.9            | 0.5            |
| Remuneration for rationalization proposal, %  | -              | -              |
| Mandatory insurance payments, %   | 2.0            | 2.9            |
| Entertainment allowance, %  | 0.05           | 0.03           |
| Other (please specify), % *   | 14.2           | -13.5          |
| Total: Expenses for production and sale of products (works, services) (production costs), % | 100.0          | -100.0         |
| For reference: Proceeds from sale of products (works, services), % against production cost  | 178.3          | 220.0          |

\* Including expenses on electricity and capacity market performance in 2015 — 4.8 %, in 2016 (6 months) — 5.4 %; expenses on protection of facilities in 2015 — 3.0 %, in 2016 (6 months) — 3.4 %.

**New types of products (works, services) being of essential importance offered by the Issuer on the market of its core business to the extent it corresponds to public information on such types of products (works, services). The development state of such types of products (works, services) shall be specified.** There are no new types of products (works, services) being of essential importance.

**Standards (rules) in accordance with which the Issuer's accounting (financial) statements are prepared and calculations specified in this subclause are made.**

The Issuer's accounting statements are prepared in accordance with the accounting and reporting rules currently effective in the Russian Federation, provided for by Federal Law On Accounting No. 402-FZ dated December 06, 2011 and Regulation on Accounting and Reporting in the Russian Federation, approved by Order of the Ministry of Finance of the Russian Federation No. 34n dated July 29, 1998, as well as 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 available), OGRN (if available) of the Issuer's suppliers, accounting for at least 10 per cent of all supplies of materials and goods and their shares in total supply for the last completed financial year, as well as for the last completed reporting period to the securities prospectus approval date.

#### **For 6 months, 2016**

Full corporate name: **Open Joint-Stock Company Financial Settlement Centre**

Abbreviated corporate name: **OJSC FSC**

Location: **12 Krasnopresnenskaya Embankment, entrance 7, floors 7 — 8, Moscow, Russian Federation**

INN: **7705620038**

OGRN: **1047796723534**

Share in the total supplies, %: **93.71**

**Information on price adjustments for basic materials and goods (raw materials) by more than 10 per cent within the relevant reporting period as compared with the reporting period for the previous financial year or on the lack of such change.**

The price for basic materials and goods (raw materials) was not adjusted by more than 10 % within the relevant reporting period

**Share of import in deliveries of materials and goods, forecast for availability of sources of import and possible alternative sources**

There are no import deliveries.

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

#### **Key markets where the Issuer conducts its business:**

The Issuer conducts its business 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” (hereinafter referred to as 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):**

Electricity (capacity) is traded under terms and conditions of regulated contracts concluded on the wholesale electricity (capacity) market at regulated prices (rates), approved by the FAS Russia

. The cumulative volume of electric energy and the cumulative volume of capacity supplied by the Issuer under RC in the relevant calendar year shall not exceed 35 per cent of the overall electric energy and capacity production specified in the budgeted balance sheet for the Issuer's period of regulation.

#### **Competitive trade in generating capacity, competitive capacity outtake (CCO):**

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

purchase /sale of capacity, selected on the basis of competitive selection of power.

- On the purchase and sale contracts of power, concluded on the basis of competitive selection of power;
- purchase /sale of capacity under free agreements of purchase and sale of power (SDM);
- purchase/sale of capacity under agreements for capacity and contracts for the sale of power of new nuclear power plants and hydropower plants, the same DP;
- purchase/sale of power generating facilities, related to the generation facilities that supply power in forced mode;
- purchase/sale of capacity under regulated contracts (in the scope of supply to the population and equivalent categories);
- purchase/sale of the power produced by qualified generating facilities that operate through the use of renewable energy sources (hereinafter - RES), on contracts for supply of power, concluded as a result of competitive selection of investment projects for the construction of generating facilities operating on the basis of renewable energy sources.

Competitive selection of capacity (CSC), conducted by the system operator, is the basis of the power of the market and determines how much power will be paid on the wholesale market.

By 2015, CSC was conducted only 1 year in advance (for next year). RF Government Decree № 893 of August 27, 2015 approved the new rules of the CSC and the principles of trade improved capacity on the wholesale market. Beginning in 2016 under the PTO power annually selected for the year, coming in three calendar years after the year of the CSC. In 2015 the CSC for 2016-2019 years is held.

CSC is conducted in price zones without separation of free power transfer zones (FTZ). Indexing is made when the CSC was carried out for more than 1 year in advance. The price of CSC indexed for the period from January 1 of the year following the year of the CSC, until January 1 of the year of delivery, in accordance with the CPI, decreased by 1%.

In the long term capacity market demand volume in the competitive selection of power given the dependence of the volume of demand on the price of power: at a lower price buyers are willing to purchase a larger amount of power at a higher price - lower. 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 CSC. The first point of the volume of demand is determined by the procedure of the Ministry of Energy on the basis of the forecast peak demand in the price zone and the planned reserve ratio, the price is set at 150 thousand rubles / MWh for the CSC 2016 for the first price zone and 210 rubles / MW for the second price zone. In the second point of the demand volume increased by 12% relative to the value at the first point, the price for the CSC 2016 is set at 110 thousand rubles / MWh for the first price zone and 150 rubles / MW for the second price zone.

The price of CSC corresponds to a maximum of prices in selected applications and the price at which the demand function takes a value equal to the total volume of the selected power (including power, paid regardless of the results of CSC). The CSC price for each zone is the same for all the selected generating facilities. The power which has not passed the competitive selection is not paid.

As we approach the year of delivery in case of exceeding the adjusted demand for power over the amount payable generating capacity possible corrective competitive capacity selection. A mandatory fee that does not depend on the results of CSC, subject to the power introduced by PDM and PDM similar agreements with new nuclear power plants and hydropower plants, as well as generating units, whose work is essential for maintaining the technological modes of operation of the power or thermal energy supply (forced generators).

Payment for power delivered by internally generators, carried out at the price established by the authorized federal agency (or the Government of the Russian Federation) is not higher than the power price in the previous year, the sale as a result of competitive selection of power or forced mode. The decision to classify the generator to internally accepted prior to the CSC. As an exception can only be the generating facilities for which after the CSC has been stated about the intention of decommissioning, while the Ministry of Energy was demanded the postponement of the output due to the threat of attack power deficit. Power generators operating in forced mode, and power introduced by the Democratic Party and similar contracts with new nuclear power plants and hydropower plants, during the CSC is included in the spot price acceptance of the offer.

Payment capacity is distributed as follows: the financial burden to pay for power generating facilities selected CSC and power facilities, receiving payment on the PDM is distributed to all users of the price zone. Power objects related to forced generators to the threat of attack power shortage is paid by consumers the corresponding WSP. Power objects related to forced generators to the threat of attack heat deficit are paid by consumers of the corresponding subject of the Russian Federation.

On April 28, 2014, Regulation of the Government of the Russian Federation No. 374 On Amendment of Regulations for Wholesale Electricity and Capacity Market with Regard to Characteristics of Participation in the Wholesale Market of Electric Power Engineering Entities Owning Hydropower Plants Located in the Second Pricing Zone of the Wholesale Market was signed, concerning partial deregulation of the capacity market in Siberia.

This Regulation stipulates amendments to the Regulations for the Wholesale Electricity and Capacity Market:

From May 1, 2014 till December 31, 2015, the capacity of hydropower plants, located in the second pricing zone of the wholesale market, is sold on the basis of competitive capacity outtake (CCO) at the price of capacity sale under regulated contracts amounting to 35 per cent of capacity volume being sold according to the CCO results; from January 1, 2016 till December 31, 2016—20 per cent. The remaining capacity volume of hydropower plants being sold according to the CCO results in the second pricing zone will be paid at the prices determined according to the CCO results at the relevant free power transfer zones;



The rule on application of prices equal to the prices stated in the regulated contracts for calculation of capacity cost according to the CCO results is not applied to new hydropower plants (generating facilities of hydropower plants in relation to generation DPCs of which electricity and capacity was not traded as at January 1, 2012).

On April 30, 2016, Regulation of the Government of the Russian Federation №379 was signed and it lifted restrictions to sale of all hydropower capacity volume, located in the second pricing zone at free (non-regulated) prices. Therefore, all hydropower capacity volume located in the second pricing zone, excluding volume supplied by regulated contracts, will be supplied at CCO prices. Moreover, it is necessary to point out that early liberalization introduced under the condition that a defined RF Government marginal growth of the value of the unit cost of the electric power and capacity buying for the Republic of Buryatia consumers from May to December 2016 will not exceed 7.5%. In the event that the present level of price increase exceeds, 100% liberalization is cancelled and HEPs back to their previous level of liberalization of 80%.

**Day-Ahead Market (DAM):**

The volume of electricity generated above the RD volumes is sold at free prices on the day-ahead market and shortages are purchased on the DAM so as to provide for RC. The rules of the wholesale market provide for the possibility of electricity sale/purchase under free bilateral contracts (FBC). Participants in the wholesale market independently determine counteragents under contracts, as well as prices and volumes of deliveries within free bilateral contracts.

**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 price bids of participants.

The Issuer sells a share of electricity produced on the wholesale market at free prices.

**Factors that may have a negative impact on sale of the Issuer's products (works, services):**

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

**The Issuer's measures on minimization of negative factors:**

Formation of a regulatory and legal framework favourable to the Issuer for electricity and capacity market performance. For the purposes thereof the Issuer is fully engaged in processes pertaining to development of laws and regulations in the electric power industry performed by the Ministry of Energy of the Russian Federation, NP Market Council Association and FAS of the Russian Federation.

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

Authority (organisation) issuing the relevant authorization (license) or permit for separate types of works: **Self-Regulating Organisation Non-Commercial Partnership EnergoStroiAllianz Group of Construction Organisations**

Number of authorization (license) or document evidencing the receipt of permit for separate types of works: **No. C-089- 05-02610**

Type of activity (work), in relation to which the Issuer has received the relevant authorization (license) or permit: **Certificate of permit for separate type or types of work having influence on the safety of capital construction projects**

Issue date of the authorization (license) or permit for separate types of works: **August 14, 2015**

Validity period of the authorization (license) or permit for separate types of works: **Unlimited**

Authority (organisation) issuing the relevant authorization (license) or permit for separate types of works: **The Federal Service for Environmental, Engineering, and Nuclear Supervision**

Number of authorization (license) or document evidencing the receipt of permit for separate types of works: **No. BX-00-015161**

Type of activity (work), in relation to which the Issuer has received the relevant authorization (license) or permit: **Exploitation of explosion and fire and chemically hazardous production facility of I, II and III classes of hazard.**

Issue date of the authorization (license) or permit for separate types of works: **December 16, 2014**

Validity period of the authorization (license) or permit for separate types of works: **Unlimited**

Authority (organisation) issuing the relevant authorization (license) or permit for separate types of works: **Yenisey Administration of the Federal Service for Environmental, Engineering, and Nuclear Supervision**

Number of authorization (license) or document evidencing the receipt of permit for separate types of works: **No. A66-02932**

Type of activity (work), in relation to which the Issuer has received the relevant authorization (license) or permit: **Certificate of Registration of Hazardous Industrial Facilities**

Issue date of the authorization (license) or permit for separate types of works: **October 08, 2014**

Validity period of the authorization (license) or permit for separate types of works: **Unlimited**

Authority (organisation) issuing the relevant authorization (license) or permit for separate types of works: **Centre for Licensing, Certification, and Protection of State Secrets of the FSS of Russia**

Number of authorization (license) or document evidencing the receipt of permit for separate types of works: **GT No. 0085520 Reg. No. 5269**

Type of activity (work), in relation to which the Issuer has received the relevant authorization (license) or permit: **Works involving use of information classified as state secret**

Issue date of the authorization (license) or permit for separate types of works: **August 10, 2015**

Expiry date: **August 09, 2020**

Authority (organisation) issuing the relevant authorization (license) or permit for separate types of works: **Centre for Licensing, Certification, and Protection of State Secrets of the FSS of Russia**

Number of authorization (license) or document evidencing the receipt of permit for separate types of works: **GT No. 0085518 Reg. No. 5277**

Type of activity (work), in relation to which the Issuer has received the relevant authorization (license) or permit: **Right to take measures and/or render services related to protection of state secrets**

Issue date of the authorization (license) or permit for separate types of works: **July 28, 2014**

Validity period of the authorization (license) or permit for separate types of works: **September 02, 2015**

Upon expiry of the validity period of the above-mentioned licenses, the Issuer plans to take all possible steps in order to prolong them or to obtain new licenses. The impossibility to prolong licenses or to obtain new ones can have a materially adverse effect on the activities and financial results of the Issuer's operations. The possibility of such risk is low.

### **3.2.6. Information on Activities of Separate Types of Issuers**

The Issuer is not a Joint-Stock investment fund, insurance or credit organisation, mortgage agent, or specialized company.

### **3.2.7. Additional Information on Issuers, the Primary Line of Business of which is Mining Operation**

On 09.01.2015 JSC "LUR" controlled by the issuer whose main business is mining was registered.

a) Mineral reserves

The list of mineral deposits which has significant financial and economic importance for the Issuer, the right to use of which belong to the issuer or is under his control organizations.

1. Field: Bikin brown coal mine, mine "Luchegorsky - 1"

Owner of the field

Full name: Joint Stock Company "Luchegorsky Mine"

Abbreviated name: JSC "LUR"

Location: township Luchegorsk, Pozharsky district, Primorskiy Kray, Russian Federation

INN: 2526006224

BIN: 1152721004963

Type of mineral: brown coal grade B1

Proved reserves: 228 187 000 tons

Production rate for the relevant reporting period (s) for the 6 months 2016 - 762,110 tonnes

2. Field: Bikin brown coal mine, mine "Luchegorsky-2"

Owner of the field

Full name: Joint Stock Company "Luchegorsky Mine"

Abbreviated name: JSC "LUR"

Location: township Luchegorsk, Pozharsky district, , Primorskiy Kray, Russian Federation

INN: 2526006224

BIN: 1152721004963

Type of mineral: brown coal grade B1

Proved reserves: 274 343 000 tons

Production rate for the relevant reporting period (s) for the 6 months 2016 – 1 331.167 tonnes

3. Field: Luchegorskoye andesitic porphyry deposits (building stone), a quarry "Southern"

Owner of the field

Full name: Joint Stock Company "Luchegorsky Mine"

Abbreviated name: JSC "LUR"

Location: township Luchegorsk, Pozharsky district, Primorskiy Kray, Russian Federation

INN: 2526006224

BIN: 1152721004963

Type of mineral: Andesitic porphyrite

Proved reserves: 2,817,000 m3

Production rate for the relevant reporting period(s) for 6 months 2016 – 34 593.18 m3.

Licenses for subsoil use, obtained by the issuer or its controlled organizations for the use of fields of the issuer's significant financial and economic value

#### 1. License: VLV number 02503 TE

Object subsoil: **Cut "Luchegorsky-1"**

Legal entity that obtained a license: JSC "LUR"

Date of issue: January 14, 2016 (as amended on July 20, 2016)

Term of the license: December 31, 2034

In case of execution of conditions of licensing, the license will be extended in the manner prescribed by applicable law.

The basis for licensing of subsoil use: Right to use field section "Luchegorsky-1" Bikin brown coal deposit was granted to JSC "LUR" in accordance with paragraph 7 of Article 10.1, paragraph 5 of Section 17.1. Law of the Russian Federation "On Subsoil" dated 21.02.1992 № 2395-1, in connection with the reorganization of the legal entity - the subsoil user (JSC "Far Eastern Generating Company" (hereinafter - JSC "DGC")) by isolating it from another entity ( JSC "LUR"), based on the decision of the Commission of the Federal agency for subsoil Use for 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 (protocols of 11/19/2015 number 470), in order renewal of the license number 14549 VLV TE (order Dalnedra from 12/01/2016 number 2).

Description of the subsurface allotted for use: Field of Cut "Luchegorsky-1", Bikin brown coal mine. The subsurface site is located in the territory of Primorski Krai, Pozharsky municipal district.

Type of License: **For exploration and mining of** mineral deposit, including the use of waste mining and related processing plants.

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

- Geologic information concerning subsoil resources is subject to be presented in federal and territorial funds of geological information according to established procedure.

- The Subsoil User is obliged to ensure safety of primary geological information obtained in the course of works on the subsoil resources including rock samples, core, and reservoir fluids. According to federal and territorial funds of geological information, the Subsoil User is obliged to provide free temporary storage of geological information, of which he is the owner, including the temporary storage of samples of rocks, core of reservoir fluids.

- The Subsoil User is obliged annually, not later than 15 February of the following reporting year, to represent in proper local agency of the Federal Subsurface Management Agency an information report on

conducted works on provided for use sites of subsoil resources in accordance with Federal Subsurface Management Agency and its local agencies.

- The Subsoil User is obliged to fulfil requirements established by legislation on conservation of subsoil resources and environment, safe work practices related to subsoil resources use.

- Production level of materials and date of reaching of project capacity is determined by detailed development plan of mineral deposit.

- All obligations are satisfied by the Subsoil User at a stated time.

Obligatory payments to be made by the user of subsoil under the terms of the license:

The Subsoil User is obliged to pay established by legislation payments, tax and fees for subsoil use, land and water.

Implementation of the Issuer, its subsidiaries and affiliates obligations resulting from the licenses, as well as any factors that may adversely affect fulfilment of license obligations with the probability of their occurrence: the obligations resulting from the license are fulfilled. **Factors which may have adverse effect on the performance of obligations under the license are not observed.**

## **2. License: VLV number 02502 TE**

Object subsoil: plot №4 Bikin brown coal deposit (section "Luchegorsky-2")

Legal entity that obtained a license: JSC "LUR"

Date of issue: January 14, 2016 (as amended on July 20, 2016)

Validity of the license: December 31. 2034

**In case of execution conditions of licensing, the license will be extended in the manner prescribed by applicable law.**

Grounds for License issue: **The right to use subsoil fields in the area №4 Bikin brown coal deposit (box cut "Luchegorsky-2") was given to JSC "LUR" in accordance with paragraph 7 of Article 10.1, paragraph 5 of Section 17.1.. Law of the Russian Federation "On Subsoil" dated 21.02.1992 № 2395-1, in connection with the reorganization of the legal entity - the subsoil user (JSC "Far Eastern Generating Company" (hereinafter - JSC "DGC")) by isolating it from another entity ( JSC "LUR"), based on the decision of the Commission of the Federal agency for subsoil Use for 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 of 11.19.2015 number 470), in order renewal of the license number 14514 VLV TE (order of 12/01/2016 Dalnedra number 3).**

Description of the subsurface allotted for use: The site №4 of Bikin brown coal mine, Pozharsky municipal district. The subsurface site is located in the territory of Primorski Krai,.

Type of licence: **For exploration and mining of** mineral deposit, including the use of waste mining and related processing plants.

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

- Geologic information concerning subsoil resources is subject to be presented in federal and territorial funds of geological information according to established procedure.

- The Subsoil User is obliged to ensure safety of primary geological information obtained in the course of works on the subsoil resources including rock samples, core, and reservoir fluids. According to federal and territorial funds of geological information, the Subsoil User is obliged to provide free temporary storage of geological information, of which he is the owner, including the temporary storage of samples of rocks, core of reservoir fluids.

- The Subsoil User is obliged annually, not later than 15 February of the following reporting year, to represent in proper local agency of the Federal Subsurface Management Agency an information report on conducted works on provided for use sites of subsoil resources in accordance with Federal Subsurface Management Agency and its local agencies.

- The Subsoil User is obliged to fulfil requirements established by legislation on conservation of subsoil resources and environment, safe work practices related to subsoil resources use.

- Production level of materials and date of reaching of project capacity is determined by detailed development plan of mineral deposit.

- All obligations are satisfied by the Subsoil User at a stated time.

Obligatory payments to be made by the user of subsoil under the terms of the license:

The Subsoil User is obliged to pay established by legislation of Russian Federation payments, tax and fees for subsoil use, land and water.

Implementation of the Issuer, its subsidiaries and affiliates obligations resulting from the licenses, as well as any factors that may adversely affect fulfillment of license obligations with the probability of their

occurrence: the obligations resulting from the license are fulfilled. Factors which may adversely affect the performance of obligations under the license are absent.

### **3. License: POZh 00787 OShch**

Legal entity that obtained a license

Full name: Joint Stock Company "Luchegorsky Mine"

Abbreviated name: JSC "LUR"

Location: township Luchegorsk, Pozharsky district, Primorskiy Kray, Russian Federation

TIN: 2526006224

OGRN: 1152721004963

License number: POZh 00787 OShch

Date of issue: 10/07/2015

Term of the license: 09/15/2024

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

Grounds for License issue: Order of the Department of Natural Resources and Environmental Protection of the Primorsky Kray from 07/10/2015 No 114

Description of the subsurface allotted for use:

The site is located in the territory of Pozharsky municipal region, in 6 km to the south of the village Luchegorsk.

Type of License: for subsoil use with the purpose and types of work: mining andesitic porphyries (building stone) on Luchegorsky deposit (Southern Section).

Main provisions of the license concerning subsoil user obligations indicating the period of performance of the specified obligations: Provide annual production of up to 500 m<sup>3</sup>. Production quota is agreed annually.

Obligatory payments to be made by the user of subsoil under the terms of the license: Subsoil user is obliged to pay tax on the extraction of minerals - the size of the tax rate determined in accordance with the Tax Code, as well as other charges and fees, a fee for the land and pay for the negative impact on the environment, in the amount and terms set by the legislation of the Russian Federation.

Implementation of the Issuer, its subsidiaries and affiliates obligations resulting from the licenses, as well as any factors that may adversely affect fulfillment of license obligations with the probability of their occurrence: the obligations resulting from the license are fulfilled. Factors which may adversely affect the performance of obligations under the license are absent.

#### b) Mineral processing

Main assets used for processing: JSC "LUR" is not processing coal. Crushing and grading plant JSC "LUR" is designed to produce rubble products.

The issuer, its subsidiaries or affiliates do not engage any contractors to process mineral resources

#### c) Product sales

Permits granted by authorized government agencies for the implementation of minerals and their products, quotas, including for export: The need to obtain government approval for the implementation of minerals and their products, quotas, including for export, the legislation has not been established.

### **3.2.8. Additional Information on Issuers, the Primary Line of Business of which is Rendering Services**

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

### **3.3. Plans for the Issuer's Future Activities**

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q2 of 2016.

### **3.4. The Issuer's Participation in Banking Groups, Banking Holdings,**

## Holdings, and Associations

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q2 of 2016.

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

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

Abbreviated corporate name: **JSC Zagorskaya PSPP-2**

Location: worker's settlement **Bogorodskoe, Sergievo-Posadsky District, Moscow Oblast, Russian Federation**

INN: 5042086312

OGRN: 1065042071137

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

Nature of the control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent in the supreme management body of the Issuer's controlled company**

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

Portion of the controlled company's equity shares held by the Issuer: 100 %

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

Portion of the Issuer's equity shares held by the controlled company: 0 %

Description of the controlled company's core business: **performance of building owner's functions in reconstruction projects 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, % | Portion of the Issuer's equity shares held by the person, % |
|--|--|---|
| Andrey Vladimirovich Vidman (Chairman) | 0  | 0   |
| Yanina Eduardovna Stanyulenayte        | 0  | 0   |
| Vladimir Ivanovich Magruk              | 0.000040   | 0.000040  |
| Vadim Vladislavovich Nedotko           | 0  | 0   |
| Marsel Magsumovich Imatov              | 0  | 0   |

#### Members of the Collective Executive Body

The collective executive body is not provided for by the Charter

**The powers of the sole executive body of the company was delegated to the managing organization**

Full name: **Joint Stock Company "RusHydro Management company"**

Abbreviated name: **JSC "RusHydro MC"**

Location: **city of MoskvaOtkrytoe**

INN: **5260096381**

BIN: **1025203040136**

The issuer's share in the authorized capital of the managing entity, %: **100**

Percentage of ordinary shares of the management company owned by the Issuer: **100%**

Share of the managing organization (manager) in the authorized (share) capital (mutual fund) of the issuer: **0**

Ownership of the managing entity of the issuer's ordinary shares: **0%**

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

Abbreviated corporate name: **PJSC RAO Energy Systems of East**

Location: **Khabarovsk Kray, Khabarovsk**

INN: 2801133630

OGRN: 1087760000052

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

Nature of control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent in the supreme management body of the Issuer's controlled company**

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

Portion of the controlled company's equity shares held by the Issuer: 85.163759 %

Share of the controlled company in the authorized capital of the Issuer: 0.012584 %

Portion of the Issuer's equity shares held by the controlled company: 0.012584 %

Description of the controlled company's core business: **management of generating companies to satisfy demand for electrical and thermal power in the Far-Eastern Federal District and in the neighboring territories effectively and with 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, %: | Portion of the Issuer's equity shares held by the person, % |
|---|---|---|
| Nikolay Grigoryevich Shulginov (Chairman) | 0   | 0   |
| Sergey Nikolaevich Tolstoguzov            | 0.0004180   | 0.0004180   |
| Oleg Nikolaevich Kozhemyako               | 0   | 0   |
| Andrei Valentinovich Kazachenkov          | 0   | 0   |
| Bairta Nikolaevna Perveeva                | 0   | 0   |
| Sergey Arkadyevich Plastinin              | 0   | 0   |
| Yanina Eduardovna Stanyulenayte           | 0   | 0   |
| Sergei Sergeevich Terebulin               | 0   | 0   |
| Viktor Viktorovich Khmarin                | 0   | 0   |

#### Members of the controlled company's collective executive body

| Full name                                 | Share of the person in the authorized capital of the Issuer, %: | Portion of the Issuer's equity shares held by the person, % |
|---|---|---|
| Sergey Nikolaevich Tolstoguzov (Chairman) | 0.0004180   | 0.0004180   |
| Aleksey Aleksandrovich Kaplun             | 0   | 0   |
| Nina Lipatovna Zapryagaeva                | 0   | 0   |
| Viktor Nikolaevich Borodin                | 0   | 0   |
| Evgeniy Mikhaylovich Zhadovets            | 0   | 0   |

#### Sole executive body of the controlled company

| Full name | Share of the person in the authorized capital of the Issuer, % | Portion of the Issuer's equity shares held by the person, % |
|-----------|--|---|
|-----------|--|---|

|                                |           |           |
|--------------------------------|-----------|-----------|
| Sergey Nikolaevich Tolstoguzov | 0.0004180 | 0.0004180 |
|--------------------------------|-----------|-----------|

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

Abbreviated corporate name: **PJSC FEEC**

Location: **Vladivostok, Russian Federation**

INN: 2723088770

OGRN: 1072721001660

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

Nature of control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent in the supreme management body of the Issuer's controlled company**

Share of the Issuer in the authorized capital of the controlled company: **1.037643 %**

Portion of the controlled company's equity shares held by the Issuer: **1.037643 %**

In case of indirect control—successively all the Issuer's controlled companies (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 controller. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

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

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

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

Portion of equity shares of PJSC FEEC held by RAO Energy Systems of East: **51.03 %**

Share of the controlled company in the authorized capital of the Issuer: **0.018923 %**

Portion of the Issuer's equity shares held by the controlled company: **0.018923 %**

**Description of the controlled company's core business:**

- **Acquisition of electric energy on wholesale and retail electricity (capacity) markets;**
- **Sale of electric energy on wholesale and retail electricity (capacity) markets to consumers (including civilians);**
- **Rendering services to third parties, including on collection of payments for sold goods and rendered services;**
- **Diagnostics, operation, repair, replacement, and check of electricity and heat measuring devices.**

**Members of the controlled company's Board of Directors**

| Full name                            | Share of the person in the authorized capital of the Issuer, %: | Portion of the Issuer's equity shares held by the person, % |
|--------------------------------------|---|---|
| Ilya Yurievich Lishanskyi (Chairman) | 0   | 0   |
| Vladimir Grigoryevich Akulshin       | 0   | 0   |
| Aleksey Valeryevich Vlasov           | 0   | 0   |
| Valentin Genadyevich Kudryashov      | 0   | 0   |
| Lada Aleksandrovna Linker            | 0   | 0   |
| Mikhail Varfolomeevich Kuznetsov     | 0   | 0   |
| Aleksey Evgenevich Bay               | 0   | 0   |
| Stanislav Sergeevich Koptyakov       | 0   | 0   |
| Sergey Anatolyevich Tverdokhle       | 0   | 0   |
| Kirill Andreevich Trubitsyn          | 0   | 0   |
| Svetlana Viktorovna Suvorova         | 0   | 0   |
| Alexey Alexandrovich Kovalenko       | 0   | 0   |



|                             |           |           |
|-----------------------------|-----------|-----------|
| Aleksey Anatolyevich Udalov | 0         | 0         |
| Vladimir Petrovich Fedorov  | 0         | 0         |
| Viktor Vladimirovich Milush | 0.0000699 | 0.0000699 |

#### Members of the controlled company's collective executive body

| Full name                              | Share of the person in the authorized capital of the Issuer, %: | Portion of the Issuer's equity shares held by the person, % |
|--|---|---|
| Viktor Vladimirovich Milush (Chairman) | 0.0000699   | 0.0000699   |
| Aleksandr Sergeevich Efremov           | 0   | 0   |
| Elena Yuryevna Tyurina                 | 0   | 0   |
| Sergey Andreevich Khitun               | 0.0000125   | 0.0000125   |
| Vitaliy Ivanovich Pravilo              | 0   | 0   |

#### Sole executive body of the controlled company

| Full name                   | Share of the person in the authorized capital of the Issuer, % | Portion of the Issuer's equity shares held by the person, % |
|-----------------------------|--|---|
| Viktor Vladimirovich Milush | 0.0000699  | 0.0000699   |

#### 4. Full corporate name: **Joint-Stock Company Far East Generating Company**

Abbreviated corporate name: **JSC FEGC**

Location: **Khabarovsk, Russian Federation**

INN: 1434031363

OGRN: 1051401746769

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

Nature of control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company**

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

Portion of the controlled company's equity shares held by the Issuer: **0 %**

In case of indirect control—successively all the Issuer's controlled companies (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 controller. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

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

**Public Joint-Stock Company Far East Energy Company, Vladivostok, Russian Federation, INN 2723088770, OGRN 1072721001660**

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

**Public Joint-Stock Company Far East Energy Company is a controlled company of the Issuer (indirect control). Information on OJSC Far East Energy Company is given above in this section.**

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

Portion of equity shares of JSC FEGC held by OJSC Far East Energy Company: **100% - 1 share**

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

Portion of the Issuer's equity shares held by the controlled company: 0 %

**Description of the controlled company's core business:**

- **Supply (sale) of electric and heat power under the set rates and in accordance with electrical and heat load dispatch schedules;**
- **Electric and heat energy generation;**
- **Arrangement of power-saving mode of equipment operation at power plants, and energy delivery according to agreements;**
- **Sale of heat energy at retail heat markets to consumers (including citizens).**

**Members of the controlled company's Board of Directors**

| Full name                               | Share of the person in the authorized capital of the Issuer, %: | Portion of the Issuer's equity shares held by the person, % |
|---|---|---|
| Aleksey Dmitrievich Yakovlev (Chairman) | 0.0000105   | 0.0000105   |
| Vitaliy Sergeevich Ponurovskiy          | 0   | 0   |
| Elena Yurevna Tyurina                   | 0   | 0   |
| Yuriy Alexandrovich Andreychenko        | 0   | 0   |
| Stanislav Sergeevich Koptyakov          | 0   | 0   |
| Nikolay Valeryevich Savostikov          | 0,0000002   | 0,0000002   |
| Andriyan Valeryevich Shamayko           | 0   | 0   |
| Sergey Vasilyevich Sinyavskiy           | 0   | 0   |
| Sergey Konstantinovich Storozhuk        | 0   | 0   |
| Elena Vladimirovna Kolmogorova          | 0   | 0   |
| Mihail Innokentevich Shukaylov          | 0,0000018   | 0,0000018   |
| Eduard Yuryevich Orlov                  | 0   | 0   |
| Dmitriy Sergeevich Trefilov             | 0   | 0   |

**Members of the controlled company's collective executive body**

The collective executive body is not provided for by the Charter

**Sole executive body of the controlled company**

| Full name                        | Share of the person in the authorized capital of the Issuer, % | Portion of the Issuer's equity shares held by the person, % |
|----------------------------------|--|---|
| Mikhail Innokentyevich Shukaylov | 0.0000018  | 0.0000018   |

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

Abbreviated corporate name: **PJSC Krasnoyarskenergosbyt**

Location

**Krasnoyarsk**

INN: 2466132221

OGRN: 1052460078692

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

Nature of control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company**

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

Portion of the controlled company's equity shares held by the Issuer: **0 %**

In case of indirect control—successively all the Issuer's controlled companies (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 controller. 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 subsidiary of the Issuer.**

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

Portion of equity shares of OJSC Krasnoyarskenergosbyt held by JSC ESC RusHydro, %: **66.33**

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

Portion of the Issuer's equity shares held by the controlled company: **0 %**

Description of the controlled company's core business:

- **Sale of electric energy in Krasnoyarsk Krai;**
- **Acquisition and/or sale (supply) of electric energy on the wholesale electricity and capacity market;**
- **Acquisition and/or sale (supply) of capacity on the wholesale electricity and capacity market;**
- **Sale (supply) of electric energy (capacity) on the retail electricity and capacity market to electric energy (capacity) consumers, including energy services to electrical (capacity) users, including conclusion of a services agreement for power transfer to consumers with network organisations on behalf of electrical (capacity) users or on its own behalf, but in the interests of electrical (capacity) users;**
- **Acquisition of electric energy (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, %: | Portion of the Issuer's equity shares held by the person, % |
|--|---|---|
| Aleksandr Olegovich Muravev (Chairman) | 0   | 0   |
| Aleksandr Yuryevich Arkhipchenko       | 0   | 0   |
| Maxim Valentinovich Zavalko            | 0,000071  | 0,000071  |
| Aleksey Aleksandrovich Zotov           | 0   | 0   |
| Bislan Isanovich Gayrabekov            | 0   | 0   |
| Vadim Vladislavovich Nedotko           | 0   | 0   |
| Vladimir Viktorovich Potyekhin         | 0   | 0   |
| Oleg Vladimirovich Dyachenko           | 0   | 0   |
| Mihail Yurevich Hardikov               | 0   | 0   |

#### **Members of the controlled company's collective executive body**

The collective executive body is not provided for by the Charter

#### **Authorities of the Company's sole executive body are transferred to the management company**

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

Abbreviated corporate name: **JSC ESC RusHydro**

Location: **Moscow**

INN: **7804403972**

OGRN: **1089848039973**

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

Portion of the management company's equity shares held by the Issuer, %: **99.99**

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

Portion of the Issuer's equity shares held by the management company, %: **0**

6. Full corporate name: **Limited Liability Company Energy Sales Company of Bashkortostan**

Abbreviated corporate name: **LLC ESCB**

Location: **city of Ufa, Republic of Bashkortostan, Russian Federation**

INN: 0275038496

OGRN: 1020202770642

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

Nature of control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company**

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

Portion of the controlled company's equity shares held by the Issuer: **is not a joint-stock company**

In case of indirect control—successively all the Issuer's controlled companies (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 controller. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

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

**Joint-Stock Company ESC RusHydro is a subsidiary of the Issuer.**

Share of Joint-Stock Company ESC RusHydro in the authorized capital of the controlled company LLC ESCB, %: **100 %**

Portion of equity shares of LLC ESCB held by JSC ESC RusHydro, %: **is not a joint-stock company**

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

Portion of the Issuer's equity shares held by the controlled company: **0 %**

Description of the controlled company's core business:

**- Sale of electric energy in the Republic of Bashkortan;**

#### **Members of the controlled company's Board of Directors**

| Full name                              | Share of the person in the authorized capital of the Issuer, %: | Portion of the Issuer's equity shares held by the person, % |
|--|---|---|
| Bislan Isanovich Guyrabekov (Chairman) | 0   | 0   |
| Vadim Vladislavovich Nedotko           | 0   | 0   |
| Aleksandr Olegovich Muravev            | 0   | 0   |

#### **Members of the controlled company's collective executive body**

The collective executive body is not provided for by the Charter

#### **Authorities of the Company's sole executive body are transferred to the management company**

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

Abbreviated corporate name: **JSC ESC RusHydro**

Location: **Moscow**

INN: 7804403972

OGRN: 1089848039973

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

Portion of the management company's equity shares held by the Issuer, %: 99.99

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

Portion of the Issuer's equity shares held by the management company, %: 0

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

Abbreviated corporate name: **PJSC JSC Yakutskenergo**

Location

**Yakutsk, Russian Federation**

INN: 1435028701

OGRN: 1021401047260

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

Nature of control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company**

Share of the Issuer in the authorized capital of the controlled company: **29.795104 %**

Portion of the controlled company's equity shares held by the Issuer: **29.002941 %**

In case of indirect control—successively all the Issuer's controlled companies (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 controller. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

**Public Joint-Stock Company RAO Energy Systems of East, Khabarovsk, Khabarovsk Krai, INN 2801133630, OGRN 108776000052.**

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

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

Portion of equity shares of OJSC JSC Yakutskenergo held by PJSC RAO Energy Systems of East, %: **57.63**

Share of the controlled company in the authorized capital of the Issuer: 0.000014 %

Portion of the Issuer's equity shares held by the controlled company: 0.000014 %

Description of the controlled company's core business:

**Electric and heat energy 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, %: | Portion of the Issuer's equity shares held by the person, % |
|---------------------------------------|---|---|
| Alexey Anatolyevich Udalov (Chairman) | 0   | 0   |
| Yuriy Aleksandrovich Andreychenko     | 0   | 0   |
| Anton Nikolayevich Burkov             | 0   | 0   |
| Aleksey Valeryevich Vlasov            | 0   | 0   |
| Nikolay Nikiforovich Duraev           | 0   | 0   |
| Evgeniy Viktorovich Kurin             | 0   | 0   |
| German Viktorovich Tyutyukov          | 0.0000013   | 0.0000013   |
| Stanislav Vladimirovich Linetskiy     | 0   | 0   |
| Lada Alexandrovna Linker              | 0   | 0   |

#### Members of the controlled company's collective executive body

| Full name                             | Share of the person in the authorized capital of the Issuer, %: | Portion of the Issuer's equity shares held by the person, % |
|---------------------------------------|---|---|
| Oleg Vladimirovich Tarasov (Chairman) | 0   | 0   |
| Sergey Yuryevich Gavrilov             | 0   | 0   |
| Aleksandr Stepanovich Sloik           | 0   | 0   |
| Irina Petrovna Sysolyatina            | 0.0000036   | 0.0000036   |
| Yuriy Stepanovich Savchuk             | 0   | 0   |

|                            |   |   |
|----------------------------|---|---|
| Oksana Leonidovna Sologub  | 0 | 0 |
| Petr Mikhaylovich Dyakonov | 0 | 0 |
| Andrey Fedorovich Sanachev | 0 | 0 |

**Sole executive body of the controlled company**

|                            |  |   |
|----------------------------|--|---|
| Full name                  | Share of the person in the authorized capital of the Issuer, % | Portion of the Issuer's equity shares held by the person, % |
| Oleg Vladimirovich Tarasov | 0  | 0   |

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

Measurement unit: **Russian rubles**

| Group of fixed asset items | Initial (replacement) cost | Amortization accrued     |
|----------------------------|----------------------------|--------------------------|
| Accounting date 30/06/2016 |                            |                          |
| Buildings                  | 39,561,538,646.06          | 5,336, 629,526.23        |
| Structures                 | 219,769,203,666.34         | 31,681,989, 799.97       |
| Equipment                  | 181,195,500,809.45         | 52,781,615,381.93        |
| Others                     | 1,481,675,609.01           | 912,795,838.14           |
| <b>TOTAL</b>               | <b>442,007,918,730.86</b>  | <b>90,713,030,546.27</b> |

**Information on depreciation accrual methods by groups of fixed asset items:** Groups of fixed asset items are depreciated using a straight-line method on the basis of the useful service life of such items.

**Results of the last fixed assets and long-term leased fixed assets reassessment performed within the last complete financial year, with specification of the reassessment date, total and residual (net of depreciation) balance value of fixed asset before reassessment, and total and depreciated replacement value (net of depreciation) of fixed asset taking into account reassessment. The specified information is given by groups of fixed asset items. Information on depreciation accrual methods by groups of fixed asset items is specified.**

Fixed assets for the above mentioned period were not reassessed

**Information is specified about plans for acquisition, replacement, and retirement of fixed assets, the value of which amounts to 10 per cent and 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 (with specification of the nature of encumbrance, date of its occurrence, its validity period and other conditions at the Issuer's discretion):**

Acquisition, replacement, and retirement of fixed assets, the value of which amounts to 10 per cent and more of the value of the Issuer's fixed assets, is not planned.

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

### 4.1. Financial and Economic Performance of the Issuer

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

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

Measurement unit for the uncovered loss: the Russian rubles

| Indicator   | 6 months 2015 | 6 months 2016 |
|---|---------------|---------------|
| Net profit margin, %  | 39.4          | 49.7          |
| Asset turnover ratio, times   | 0.06          | 0.06          |
| Return on assets, %   | 2.27          | 3.09          |
| Return on equity, %   | 2.75          | 3.69          |
| Amount of uncovered losses as of the reporting date, Russian rubles                     | 0             | 0             |
| Ratio between uncovered losses as of the reporting date and the balance sheet assets, % | 0             | 0             |

In order to calculate given indices, methodology was used recommended by the Regulation on Information Disclosure by Issuers of Equity Securities approved by the Bank of Russia (No. 454-II dated December 30, 2014).

#### **Economic analysis of the Issuer's profitability/unprofitability on the basis of the dynamics of the given indexes.**

The net profit margin characterizes the rate of return from business activities of the company. That index in 2015 (6 months) amounted to 39.4 %, in 2016 (6 months) – 49.7%. The Index growth in 2016 (6 months) is stipulated for increase of net profit to 8 250 million rubles. (+ 41%) against the results of 2015 (6mth). This growth was formed due to the growth of the net revenues of electricity (capacity): increase in sales revenues of electricity (capacity) minus the purchase of electricity (capacity) is 9 120 million rubles.

The asset turnover ratio shows how often over a period, usually within one year, there is a complete production cycle and circulation which brings effect in the form of profit. The utilization efficiency by the Issuer of all available resources, irrespective of from where they are sourced, is characterized. This index did not change in 2015 (6 months) and 2016 (6 months) it is 0.06 times

Profitability ratios, that is the relation between profit (net income) and profit earning means, are characterized by the operating efficiency of the company—productivity or return on financial resources.

The return on assets is the effectiveness of using funds belonging to owners of an enterprise. It serves as the key criterion when assessing the share level on the stock exchange. The return on assets according to net profit shall guarantee the payback of funds invested in the enterprise by its shareholders. This ratio shows what profit the company receives from every Russian rubles invested in assets. The return on assets defining the effectiveness of using the company's property amounted to 2.27 % in 2015 (6 months) and to 3.09 % in 2016 (6 months) correspondingly. The growth of index is due to the growth of net profit.

The return on equity shows the utilization efficiency of the Issuer's equity. The return on equity in 2015 (6 months) and 2016 (6 months) amounted to 2.75 % and to 3.69 %. The growth of index is due to the growth of net profit.

### 4.2. Liquidity of the Issuer, Capital and Fixed Asset Adequacy

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

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

Measurement unit for Net Working Capital: million Russian rubles

| <b>Indicator</b>        | 2015, 6 months | 2016, 6 months |
|-------------------------|----------------|----------------|
| Net working capital     | 74 226         | 109 551        |
| Current liquidity ratio | 2.34           | 7.34           |
| Quick liquidity ratio   | 2.27           | 7.06           |

All indexes are calculated on the basis of recommended methods of calculation.

**Economic analysis of liquidity and financial solvency of the Issuer, capital adequacy of the Issuer for performance of short-term obligation and coverage of current operating expenditure 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 liquidity and financial solvency of the Issuer:**

Net working capital shows the amount of current assets financed at the company's own expense, and the amount financed at the expense of bank loans. Net working capital is needed to maintain financial stability of the company, because 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 growth of indexes at the end of 2016 (6months) is caused by a decrease in the size of short-term liabilities due to the refinancing of short-term debt for long-term borrowings.

The current liquidity ratio enables assessment of the current assets per one Russian ruble of current liabilities. This ratio exceeded the standard value for the period under analysis (1.5); as at July 30, 2016 it amounted to 7.34.

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 when inventories, the least liquid part, are excluded from calculations. This ratio exceeded the standard value for the period under analysis (0.95); as at July 30, 2016 it amounted to 7.06.

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 per cent and more of its all financial investments as of the expiry date of the reporting period**

**Investments of Issuer in equity securities that make up 5 percent or more of all its financial investments at July 30, .2016:**

type of securities: **uncertified registered ordinary shares**

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

Abbreviated corporate name of the Issuer: **JSC Zagorskaya PSHPP-2**

Location of the Issuer: **101 Bogorodskoye industrial community, Bogorodskoye urban settlement, Sergievo-Posadskiy municipal district, Moscow Oblast, Russian Federation**

INN: **5042086312**

OGRN: **1065042071137**

state registration numbers of the securities issues: **1-01-11397-A,**

state registration date: **January 18, 2007**

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **53 681 508 646 un.**

total par value of securities owned by the Issuer: **53 681 508 646 Russian rubles**

maturity for bonds and other debt equity securities, as well as to the issuer's options: not applicable to shares



total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **60 690 958 886,76 Russian rubles**  
dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **There are no preferred shares.**  
declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**  
Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of 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**

type of securities: **uncertified registered ordinary shares, preferred shares**

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

Abbreviated corporate name of the Issuer: **PJSC RAO Energy Systems of East**

Location of the Issuer: **46 Leningradskaya St., Khabarovsk, 680021**

INN: **2801133630**

OGRN: **1087760000052**

state registration numbers of the securities issues: **1-01-55384-E from July 29, 2008; 2-02-55384-E from December 08, 2009;**

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **equity shares — 36,926,003,431 un., preferred shares — 1 416 245 040 un.**

total par value of securities owned by the Issuer: **equity shares — 18 463 001 716 rubles, preferred shares — 708 122 520 rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **18 495 246 562 rubles.**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of 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**

type of securities: **uncertified registered ordinary shares**

Full corporate name of the Issuer: **Joint-Stock Company Ust-Srednekamskaya HPP**

Abbreviated corporate name of the Issuer: **JSC Ust-Srednekamskaya HPP**

Location of the Issuer: **84 Proletarskaya St., bld. 2, Magadan, 685030**

INN: **4909095293**

OGRN: **1074910002310**

state registration numbers of the securities issues: **1-01-56315-E, 1-01-55315-E**

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

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia, Bank of Russia**

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

total par value of securities owned by the Issuer: **18 809 586 927,00 Russian rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **23 111 468 131,08 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **The shares are no preferred.**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the

authorized capital of a joint-stock company at the expense of 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**

type of securities: **uncertified registered ordinary shares**

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

Abbreviated corporate name of the Issuer: **JSC Zaramagskiye HPPs**

Location of the Issuer: **7A, bldg. 5, Stroitelniy passage, Moscow, Russian Federation**

INN: **1505008701**

OGRN: **151301001**

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

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

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **17 933 142**

total par value of securities owned by the Issuer: **17 933 142 Russian rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **17 216 207 775,52 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **The shares are no preferred.**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of 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 type of securities: **ordinary equity shares in trust management of PJSC RAO Energy Systems of East (rights attached to shares hand in trust management of PJSC Energy Systems)**

Full corporate name of the Issuer: **Joint-Stock Company RHEPP-2 of Yakut**

Abbreviated corporate name of the Issuer: **JSC RHEPP-2 of Yakutsk**

Location of the Issuer: **602office, 23 Dzerzhinskogo, Yakutsk, Yakutia, Republic of Sakha**

INN: **1435269489**

OGRN: **1131447010640**

state registration numbers of the securities issues: **1-01-58921-N from July 29, 2008; 2-02-55384-E from December 08, 2009;**

state registration date: **June 21, 2013**

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **16 861 500 000 un.,**

total par value of securities owned by the Issuer **16 861 500 000 rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **16 861 500 000 rubles.**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **shares are not preferred**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of 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 type of securities: **ordinary equity shares in trust management of PJSC RAO Energy Systems of East (rights attached to shares hand in trust management of PJSC RAO ES of the East)**

Full corporate name of the Issuer: **Joint-Stock Company RHEPP of Sakhalin**

Abbreviated corporate name of the Issuer: **JSC RHEPP-of Sakhalin**

Location of the Issuer:

172 Mira Prospect, Yuzhno-Sakhalinsk, Yuzhno-Sakhalinsk region, 693 000

INN: **6501256357**

OGRN: **1136501004012**

state registration numbers of the securities issues: **1-01-58922-N**

state registration date: June 21, 2013

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **12 995 500 000,00 un.**,

total par value of securities owned by the Issuer **12 995 500 000,00 rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **12 995 500 000,00 rubles.**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **shares are not preferred**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of 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**

type of securities: **uncertified registered ordinary shares**

Full corporate name of the Issuer: **Joint-Stock Company ESC RusHydro**

Abbreviated corporate name of the Issuer: **JSC ESC RusHydro**

Location of the Issuer: **51 Arkhitektora Vlasova St., Moscow, the Russian Federation**

INN: **7804403972**

OGRN: **772801001**

state registration numbers of the securities issues: **1-01-11305-E,**

state registration date: **April 08, 2008**

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **11 981 227 367 un.**

total par value of securities owned by the Issuer: **11 981 227 367 Russian rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **11 832 369367,00 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **The shares are no preferred.**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of 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**

type of securities: **uncertified registered ordinary shares**

Full corporate name of the Issuer: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name of the Issuer: **JSC Nizhne-Bureyskaya HPP**

Location of the Issuer: **49 Sovetskaya St., Novobureyskiy settlement, Bureyskiy District, Amur Oblast, 676720, the Russian Federation**

INN: **2813006299**

OGRN: **1062813007817**

state registration numbers of the securities issues: **1-01-32629-F1-01-55459-E**

state registration date: **January 29, 2013**

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **14 610 989 509 un.**

total par value of securities owned by the Issuer: 14 610 989 509.00 Russian rubles

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **14 610 989 509.00 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **shares are not preferred**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of 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**

type of securities: **uncertified registered ordinary shares**

Full corporate name of the Issuer: **Joint-Stock Company Hidroinvest**

Abbreviated corporate name of the Issuer: **JSC Hidroinvest**

Location of the Issuer: 4/3 Oktyabrya Avenue, Sovetskiy region, Ufa, Republic Bashkortostan:

INN 7814382859

OGRN: 1077847558381

state registration numbers of the securities issues: **1-01-04339-D**

state registration date: **August 24, 2013**

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **9 550 150 000,00 un.**

total par value of securities owned by the Issuer: **9 550 150 000,00 00** Russian rubles

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **9 550 150 000,00 00 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **shares are not preferred**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of 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 created provisions for impairment of securities.

Provision for impairment of these financial investments was not created.

Information on provision for impairment of the financial investments refers to the annual accounting (financial) statements of the Issuer for 2015 (p. 33-35)

There are no investments of the Issuer in non-equity securities, amounting to 5 per cent and more of all financial investments at July 30, 2016.

There are no other investments, amounting to 5 per cent and more of all financial investments at July 30, 2016.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name: **Open Joint-Stock Company Zagorskaya PSHPP-2**

Abbreviated corporate name: **JSC Zagorskaya PSHPP-2**

Location: **101 Bogorodskoye industrial community, Bogorodskoye urban settlement, Sergievo-Posadskiy municipal district, Moscow Oblast, Russian Federation**

INN: **5042086312**

OGRN: **1065042071137**

Investment in terms of money: **1 945 967 199,83**

Unit of measurement: Russian rubles

Income from financial investment facility or procedure for its determination, and repayment period: **Interest rate within the interest period is 8.213 % per annum. Interest is paid according to the payment schedule. Loan repayment term: February 05, 2018.**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name: **Open Joint-Stock Company Zagorskaya PSHPP-2**

Abbreviated corporate name: **JSC Zagorskaya PSHPP-2**

Location: **101 Bogorodskoye industrial community, Bogorodskoye urban settlement, Sergievo-Posadskiy municipal district, Moscow Oblast, Russian Federation**

INN: **5042086312**

OGRN: **1065042071137**

Investment in terms of money: **116 907 034,62**

Unit of measurement **Russian rubles**

Income from financial investment facility or procedure for its determination, and repayment period: **Interest rate within the interest period is 8.213 % per annum. Interest is paid according to the payment schedule. Loan repayment term: February 05, 2018.**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

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

The object of the investment:

Full corporate name: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name: **JSC Nizhne-Bureyskaya HPP**

Location: **49 Sovetskaya St., Novobureyskiy settlement, Bureyskiy District, Amur Oblast, 676720, Russian Federation**

INN: 2813006299

OGRN: 1062813007817

Investment in monetary terms: **1 197 707 973.06**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 8.242 % per annum. Interest is paid according to the payment schedule. Loan repayment term: December 25, 2019**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

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

The object of the investment:

Full corporate name: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name: **JSC Nizhne-Bureyskaya HPP**

Location: **49 Sovetskaya St., Novobureyskiy settlement, Bureyskiy District, Amur Oblast, 676720, Russian Federation**

INN: 2813006299

OGRN: 1062813007817

Investment in monetary terms: **461 542 915.66**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 9.703 % per annum. Interest is paid according to the payment schedule.**

**Loan repayment term: June 29, 2018**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

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

The object of the investment:

Full corporate name: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name: **JSC Nizhne-Bureyskaya HPP**

Location: **49 Sovetskaya St., Novobureyskiy settlement, Bureyskiy District, Amur Oblast, 676720, Russian Federation**

INN: 2813006299

OGRN: 1062813007817

Investment in monetary terms: **2 018 467 041.15**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 9.513 % per annum. Interest is paid according to the payment schedule.**

**Loan repayment term: June 29, 2019**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

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

The object of the investment:

Full corporate name of the Issuer: **Joint Stock Company Ust-Srednekamskaya HPP**

Abbreviated corporate name of the Issuer: **JSC Ust-Srednekamskaya HPP**

Location of the Issuer: **84 Proletarskaya St., bldg. 2, Magadan, 685030**

INN: **4909095293**

OGRN: **1074910002310**

Investment in monetary terms: **1 099 143 907.49**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 8.213 % per annum. Interest is paid according to the payment schedule.**

**Loan repayment term: February 05, 2018**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

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

The object of the investment:

Full corporate name of the Issuer: **Joint Stock Company Ust-Srednekamskaya HPP**

Abbreviated corporate name of the Issuer: **JSC Ust-Srednekamskaya HPP**

Location of the Issuer: **84 Proletarskaya St., bldg. 2, Magadan, 685030**

INN: **4909095293**

OGRN: **1074910002310**

Investment in monetary terms: **647 661 899,19**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 8.213 % per annum. Interest is paid according to the payment schedule.**

**Loan repayment term: February 05, 2018**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

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

Abbreviated corporate name: **JSC ESC RusHydro**  
Location: **51 Arkhitektora Vlasova St., Moscow, 117393, Russia.**  
INN: **7804403972**  
OGRN: **772801001**

Investment in monetary terms: **2 885 000 000.00**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 9.703 % per annum. Interest is paid according to the payment schedule. Loan repayment term: December 01, 2025**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name of the Issuer: **Joint-Stock Company Hidroinvest**

Abbreviated corporate name of the Issuer: **JSC Hidroinvest**

Location of the Issuer: 4/3 Oktyabrya Avenue, Sovetskiy region, Ufa, Republic Bashkortostan:

INN 7814382859

OGRN: 1077847558381

Investment in monetary terms: **9 723 638 661,64**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 0.10 % per annum. Interest is paid according to the payment schedule.**

**Loan repayment term: April 28, 2018**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name of the Issuer: **Joint-Stock Company Hidroinvest**

Abbreviated corporate name of the Issuer: **JSC Hidroinvest**

Location of the Issuer: 4/3 Oktyabrya Avenue, Sovetskiy region, Ufa, Republic Bashkortostan:

INN 7814382859

OGRN: 1077847558381

Investment in monetary terms: **1 468 000 000,00**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 7,875 % per annum. Interest is paid according to the payment schedule.**

**Loan repayment term: June 29, 2018**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name of the Issuer: **Joint-Stock Company Hidroinvest**

Abbreviated corporate name of the Issuer: **JSC Hidroinvest**

Location of the Issuer: 4/3 Oktyabrya Avenue, Sovetskiy region, Ufa, Republic Bashkortostan:

INN 7814382859

OGRN: 1077847558381

Investment in monetary terms: **1 067 827 100.72**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 0.10 % per annum. Interest is paid according to the payment schedule.**

**Loan repayment term: April 28, 2018**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Information on the amount of potential losses connected with bankruptcy of organisations (enterprises), into which investments have been made, by every type of the specified investments: **The amount of potential losses connected with bankruptcy of organisations (enterprises), into which investments have been made, by every type of the specified investments, is limited by the amount of invested funds.**

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

Accounting standards (rules), in accordance with which calculations have been made by the Issuer, are specified in this clause of the Quarterly Report: **Prospectus: FD-19/02 "Accounting Regulations "Investment Account" approved by Order of the Ministry of Finance of the Russian Federation from December 10, 2002. No126n.**

#### 4.4. Intangible Assets of the Issuer

**As at July 30, 2015**

Measurement unit: Russian rubles

| Group of intangible asset items                          | Initial (replacement) cost | Amortization accrued    |
|--|----------------------------|-------------------------|
| Intangible assets of the Company                         | 1 463 099 355,29           | 1 063 213 764.56        |
| Expenses for research, development, and engineering work | 269 884 300.20             | -                       |
| Patents  | 48 040 875.29              | 6 249 163.89            |
| <b>TOTAL</b>   | <b>1 781 024 530.78</b>    | <b>1 069 462 928.45</b> |

**Accounting standards (rules) in accordance with which the Issuer submits information on its intangible assets:** RAS 4/99 Financial Statements of the Company (approved by Order of the Ministry of Finance of Russia No. 43n dated July 06, 1999); Regulations for Financial Accounting "Intangible Asset Accounting" RAS 14/2000 (approved by order of the Ministry of Finance of Russia No. 91n dated October 16, 2000).

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

Information on the Issuer's policy in 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 own funds in the said reporting period:

The Issuer regularly carries out research and development in order to improve technological processes (to examine properties of materials, condition of equipment, test, etc.) in order to enhance the reliability, safety and effectiveness of HPP operation.

**For 6 months of 2016, Tenders concerning the following research and development works were announced by the Issuer:**

1. Research and development of remote monitoring methods of structures state and operation mode of HPP. Development of assessment method of hydraulic structures state and hydraulic units of HPP, based on the results of monitoring of the amplitude-frequency response characteristics of their oscillations in combination with earth foundation

2. Research of opportunities and development of recommendations for energy efficiency improvement of the main technological cycle of HPP in order to increase power generation.

Development of new technologies, construction solutions and work procedures at high and medium pressure earth and concrete hydro-technical utilities of HPP. Property improvement technology of nonbed-rock foundation of hydro-technical utilities and mountings of earth slope by polifilizator processing.



For 6 month of 2016 the Issuer received the final results on research and development works.

1. Development of repair procedures and new constructions of keys of interblock joints of HPP.
2. Selection and examination of application technology of antiadhesion coating on the HPP constructions in order to prevent freezing and increase efficiency of decontamination from ice.
3. Research and development of estimation techniques of HPP's energy efficiency taking into account the beneficial use of water resources.
4. Development of the list and regulations of HPP main and auxiliary equipment inspection provided optimal timing and sequence of their implementation.
5. Production engineering of dumpy level accuracy increase with the purpose of hydraulic structure condition monitoring.

Costs associated with scientific and technological activities at the Issuer's own expense for 6 months of 2016 amounted to 37.389 million Russian rubles with VAT.

**Information on creation of major intellectual property and its legal protection obtained by the Issuer (including information on the date of issue and the validity periods of patents for invention, a utility model and an industrial design, state registration of trade and service marks, name of the place of origin of commodities), guidelines for and results of the use of the Issuer's major intellectual property.**

In the 2<sup>nd</sup> quarter of 2016 the Issuer obtained the document on major intellectual property and its protection.

Patent on utility model № 162434 of 20.05.2016 "Geothermal Turbine Plant".

In the 1st quarter of 2016 the Issuer did not create and did not receive the documents on the protection of basic objects of intellectual property.

**Principal directions 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 PJSC RusHydro engineering system.

Due to the uniqueness of items and sector-specific research, development, and engineering works, intellectual property items are not commercially applied currently.

**Risk factors connected with the possible expiration of the validity period of patents and licenses to use trademarks essential for the Issuer:**

There are no risk factors connected with the possible expiration of the validity period of patents and licenses to use trademarks essential for the Issuer.

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

**Basic development trends of the branch of the economy where the Issuer carries out its core activities:**

1. Strategic developments of the sector

Regulation of the Government of the Russian Federation No. 1715-p dated November 13, 2009 approved the Energy Strategy of the Russian Federation until 2030. The main objective of the document is creation of priority growth area of the power industry for the long term until 2030

Currently, the Ministry of Energy of the Russian Federation prepared Energy Strategy project of the Russian Federation, which is being at approval stage for the period until 2035. The strategy project was developed in accordance with the Federal Law No 172-FZ "On the strategic planning in the Russian Federation" of June 28, 2014 and is being an inter-industry document for the power-generating sector (oil, gas, coal, electric power and heat power industry) and for energy as a sphere of government control.

Decree of the Government of the Russian Federation No. 215-P dated February 22, 2008 approved the Master Plan of Power Industry Facilities Allocation until 2020. The key purpose of the Master Plan is the formation, based on current potential and the established sector development priority, of reliable, cost effective and rational generating mix and power supply network facilities, effectively using the country's fuel resources and creating conditions for the prevention of the forecasted deficit of electrical power and capacity most effectively.

Decree of the Government of the Russian Federation No. 2084-p dated November 11, 2013 approves 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, as well as expanding power engineering facilities, in respect of which the need for additional land allotment was not determined as along with maps of the scheduled allocation of objects of federal significance for the period until 2030.

It was approved the Development Program and Scheme of the Unified Energy System of Russia for 2016–2022 (Order of the Ministry of Energy of the Russian Federation No. 147 dated March 01, 2016) within implementation of medium term planning tools.

The main objective of the plan and program is assistance in development of networked infrastructure and generating capacities as well as ensuring the satisfaction of long-term and medium-term demand for electric energy and capacity.

A number of regulatory legal documents for supporting the Russian economy was accepted, including the energy industry. The Issuer was included in the list of the country's strategic enterprises, which means it can count on implementation of measures of state support.

Federal Law dated November 24, 2014 No. 366-FZ On Amending Part Two of the Tax Code of the Russian Federation and Certain Legislative Acts of the Russian Federation has indexed since January 1, 2015 the rates of water tax and charge for the use of bodies of water. Indexing is provided annually.

## 2. Electricity and capacity consumption and production.

According to operation data of SO UPS, JSC for 1<sup>st</sup> half year of 2016:

Consumption of electrical energy in the Russian UES amounted to 4509.9 bln kWh that is on 0.7% more than during the same period of 2015. Exclusively of the extra day impact of leap year, electricity consumption augmentation was 0.1%.

Electricity production in the Russian UES amounted to 519.8 bln kWh, that is on 0.8% more than in the same period of the previous year. Exclusively of the extra day impact of leap year, electricity consumption augmentation was 0.2%.

## 3. Innovation development of the power industry and energy efficiency

In accordance with the instructions of the President of the Russian Federation (list of instructions based on the results of work of the Committee under the President of the Russian Federation with respect to modernization and technological development of the economy in June — December 2009 No. IIP-2 dated January 4, 2010) and Government Commission for Advanced Technology and Innovation (Minutes No. 4 dated August 3, 2010), RusHydro PJSC developed and approved (Minutes of the Board of Directors No. 130 dated August 2, 2012) the Innovation Development Program of RusHydro PJSC for 2011–2015 with an outlook until 2021.

According to the appointment of the Prime Minister of the Russian Federation D.A. Medvedev (a list of appointments No DM-P36-6057 from July 25, 2014), actualized innovation development program on 2016-2020 with an outlook for 2025 is developed by the Company.

The program will be formed in accordance with the procedural guidelines and guidance materials accepted at 2015, based on the results of the independent technology audit on RusHydro Group companies, including PJSC RAO Energy Systems of East.

### **Basic factors influencing the sector:**

- GDP growth rates determining demand for electrical power and setting requirements to the quality of electrical power and schedules of its consumption, the level of investment in new capacities;
- 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.;
- Level of state stimulation concerning development of specific types of electrical power generation;
- Condition of fixed production assets used by enterprises in the sector;
- The social and economic situation in the country;
- Accessibility of capital markets, including credit resources;
- Level of payment discipline of electrical power consumers

### **Assessment of results of the Issuer's activities:**

General assessment of the Issuer's results in such sector is positive.

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

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

RusHydro PJSC was the six among all generating companies participating in the wholesale market as regards Efficiency on the Market in the Final Annual Rating of Association of Non-Profit Partnership Market Council for 2015 (Company had same rating in 2014). As regards Economic Efficiency the Company was also

the six.

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

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q2 of 2016.

#### **4.8. Competitors of the Issuer**

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q2 of 2016.

## **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 Structure and Terms of Reference of the Issuer's Management Entities**

Charter of the Company in the new edition (Protocol No 15 of July 29, 2016) was approved by General Meeting of Shareholders of the Company in July 27, 2016.

#### **Full description of the structure and competence of the Issuer's management entities pursuant to the Issuer's Charter (constituent documents):**

The management entities of the Issuer:

General Meeting of Shareholders;

Board of Directors.

The executive bodies of the Issuer:

Management Board, the collective executive body;

Chairman of the Management Board, CEO, the sole executive body.

The competence of the General Meeting of Shareholders is specified in Article 10 of the Issuer's Charter:

"10.2. The General Meeting of Shareholders shall have the competence to:

- 1) Amend the Charter or approve a restated version of the Charter;
- 2) Reorganize the Company.
- 3) Liquidate the Company, appoint the Liquidation Commission, and approve the interim and final liquidation balance sheets.
- 4) Determine the quantity, par value, and category (class) of the declared shares and the rights provided by the said shares.
- 5) Increase the Company's authorized capital by way of raising the par value of shares or by placing additional shares as specified in the Federal Law On Joint-Stock Companies;
- 6) Reduce the Company's authorized capital by reducing the par value of shares, by acquiring a part of the shares for the Company to reduce their total quantity, as well as by cancelling shares acquired or redeemed by the Company;
- 7) Split and consolidate shares in the Company;
- 8) Pass a resolution on placement by the Company of bonds convertible into shares and other equity securities convertible into shares;
- 9) Elect members of the Company's Board of Directors and terminate their powers;
- 10) Elect members of the Company's Internal Audit Commission and terminate their powers;
- 11) Approve the Company's Auditor;
- 12) Approve annual reports, annual accounting (financial) statements Company, as well as distribute profits (including pay (declare) dividends, with the exception of payment (declare) dividends for the first three, six or nine months of the report year) and losses incurred by the Company in the report year;
- 13) Pay (declare) dividends for the first three, six or nine months of the report year;
- 14) Decide on approval of major transactions in cases provided in the Federal Law On Joint-Stock Companies;
- 15) Decide on approval of transactions in cases provided in the Federal Law On Joint-Stock Companies;
- 16) Decide on participation in financial and industrial groups, associations and other groups of commercial organisations;
- 17) Approve internal documents governing the activities of the Company's management and supervisory bodies;
- 18) Decide on payment of remuneration and/or compensation to members of the Internal Audit Commission;
- 19) Decide on payment of remuneration and/or compensation to the members of the Company's Board of Directors;
- 20) Decide on handling the application for delisting the Company's shares and/or the Company's equity securities convertible into its shares;
- 21) Resolve other matters as provided for by the Federal Law on Joint-Stock Companies.

10.3. Matters falling under the competence of the General Meeting of Shareholders shall not be transferred to the Board of Directors, Management Board and sole executive body of the Company.

The General Meeting of Shareholders may not discuss or decide on any issues outside its competence pursuant to the Federal Law On Joint-Stock Companies.

The competence of the Issuer's Board of Directors is specified in Article 12 of the Issuer's Charter:

"12.1. The Board of Directors shall exercise general management of the Company's activities, except for the matters that fall under the competence of the General Meeting of Shareholders pursuant to the Federal Law On Joint-Stock Companies and the Charter.

Competence of the Board of Directors shall include the following issues:

- 1) Determine priority areas of the Company's activities
- 2) Approve of development strategy and long-term development programs of the Company (including examining reports on implementation of the Company's development strategy);
- 3) Convene annual and extraordinary General Meetings of Shareholders and pass resolutions on issues related to the calling, preparing, and holding General Meetings of Shareholders;
- 4) Place the Company's bonds and other equity securities, unless otherwise stipulated under the Federal Law On Joint-Stock Companies and this Charter;
- 5) Approve resolutions on the issue (additional issues) of securities, prospectus of securities, reports on acquisition of shares from the Company's shareholders, reports on redemption of shares, reports on the results of requests by the Company's shareholders concerning buyout of shares held by them;
- 6) Determine the price (monetary value) of property, the price of placement or the procedure for determining the price of equity securities placement and the price of repurchase of the Company's equity securities, as stipulated under the Federal Law On Joint-Stock Companies and when resolving the issues stated in Subclauses 7, 20, and 21 of Clause 12.1 of this Charter;
- 7) Acquire shares, bonds, and other securities issued by the Company as stipulated under the Federal Law On Joint-Stock Companies or other federal laws;
- 8) Dispose of (sell) the Company's shares acquired by the Company as a result of purchase or buyout of shares from the Company's shareholders or otherwise in accordance with laws and regulations of the Russian Federation;
- 9) Determine the number of members in the Company's Management Board, elect the Management Board's members, determine remuneration and compensation payable to them, terminate their powers, including decisions on termination of their contracts;
- 10) Determine the policy on remuneration and compensation to members of the Board of Directors and executive bodies of the Company, approval of documents within specified policy except for documents to be liable to approval by General Meeting of Shareholders of the Company;
- 11) Elect the Chairman of the Management Board, CEO and terminate his/her powers, including passing a resolution terminating his/her labour contract, apply disciplinary penalties and incentives in accordance with labour laws of the Russian Federation, and pass resolutions on nominating for national and industry awards;
- 12) Authorise an individual acting as the sole executive body and members of the Management Board to hold posts in management bodies of other companies, as well as other paid positions in other companies;
- 13) Elect the Chairman and Deputy Chairman of the Board of Directors and terminate their powers;
- 14) Form committees of the Company's Board of Directors, elect members of committees of the Board of Directors, and approve regulations for the committees of the Company's Board of Directors, approval of progress report of the Company's Board of Directors;
- 15) Elect the Corporate Secretary of the Company and terminate his/her powers, approval of regulation on Corporate Secretary, job evaluation of Corporate Secretary and hearing of reports on his/her work, decision for payment of remuneration to Corporate Secretary;
- 16) Approve (adjust) the Company's key performance indicators, review reports on their implementation;
- 17) Approval of Investment Program (including preliminary approval of the investment program project) and business plan of the Company, review reports on their implementation;
- 18) Determine remuneration payable to the Auditor;
- 19) Give recommendations to the General Meeting of Shareholders for dividend on shares, payment term and date at which persons entitled to dividends are determined;
- 20) Approve internal documents of the Company establishing the procedure for formation and use of the Company's funds, and pass decisions on the use of the Company's funds;
- 21) Approve internal documents of the Company, other than internal documents to be approved by the General Meeting of Shareholders or delegated to the executive bodies of the Company, and approve internal documents drafted for the purpose of compliance with the requirements of laws and regulations of the Russian Federation and securities market organiser's regulations for issuers, the shares of which are traded on the stock market;
- 22) Establish affiliates and open representative offices of the Company, liquidate them and locations of affiliates and representative offices;
- 23) Adopt resolutions on participation and termination of participation of the Company in other companies (except for the companies specified in Subclause 16 of Clause 10.2 of Article 10 of the Charter);
- 24) Give prior approval of decisions on the Company's entering into:

- a) Transactions with non-current assets of the Company in excess of ten (10) per cent of the balance sheet value of such assets of the Company as at the date of the decision to enter into such transaction;
  - b) Transactions (several associated transactions) involving disposal or potential disposal of the Company's property making fixed assets, intangible assets, and construction 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 interest of companies, where the Company has a share, in cases (amounts) and in a 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 established.
- 25) Determine the Company's lending policy in respect of the issue of loans by the Company, entering into credit agreements and loan agreements, issue of guarantees, assumption of liabilities under a bill (issue of promissory notes or bills of exchange), and passing decisions on the Company's effecting the said transactions, where the procedure for making decisions thereon is not defined in the lending policy of the Company, and passing decisions in accordance with the accepted lending policy;
- 26) Take decisions on the Company's transactions associated with transfer of the Company's property without compensation or property right (claims) to itself or to third parties; transactions associated with release from property obligation before itself or before third parties; transactions associated with rendering services (performing works) by the Company to third parties without compensation, in cases (amounts) determined by separate decision of the Board of Directors;
- 27) Approve major transactions, provided by the Chapter X of Federal Law On Joint-Stock Companies;
- 28) Approve transactions, provided by the Chapter X of Federal Law On Joint-Stock Companies;
- 29) Approve the Company's registrar and terms and conditions of his/her contract terminate contract with the registrar;
- 30) Adoption of recommendations for a voluntary or obligatory proposal received by the Company for the purchase of the Company's shares as well as other equity securities convertible into Company shares, including suggested price evaluation of acquired securities and possible changes in their market cost after the acquisition, evaluation of person's plans who submitted a voluntary or mandatory offer in respect of the Company, including in relation to its employees;
- 31) Define the attitude of the Company (representatives of the Company), including instructions to participate or not to participate in voting on items on the agenda, vote for or against or abstain from voting with respect to the following items on the agenda of the management bodies of subsidiaries and affiliates unless otherwise determined by individual decision of the Directors Board of the Company:
- a) Concerning reorganisation or liquidation of affiliate;
  - b) Concerning determination of the quantity, par value, and category (class) of the declared shares of the affiliate and the rights provided by the said shares;
  - c) Concerning an increase in the authorized capital of the affiliate through an increase in the par value of shares or placement of additional shares;
  - d) Concerning placement of the affiliate securities convertible into equity shares;
  - e) Concerning splitting or consolidation of the affiliate shares;
  - f) Concerning acquisition by the affiliate of shares (interest in the authorized capital) of other business companies, including in case of incorporation of companies, if the price of such transaction is 15 (fifteen) per cent and more of the balance value of the affiliate's assets, determined based on the affiliate 's accounting (financial) statements as at the last reporting date;
  - g) Concerning approval of major transactions to be entered into by the affiliate;
  - h) Concerning entering into transactions by the affiliate (including several associated transactions) that involve disposal or potential disposal of the affiliate's property comprising fixed assets, intangible assets, and construction in progress, designated for production, transmission, dispatching, and distribution of electricity and heat in cases (amounts) determined by individual decision of the Company's Board of Directors;
  - i) Concerning transactions made by the affiliate for disposal, pledge or other encumbrance (by making one or more related transactions) of shares and interest of secondary subsidiaries and affiliates producing, transferring, dispatching, distributing, and selling electric and heat power.
- 32) Determine the policy of the Company in the area of insurance coverage for the Company
- 33) Determine the procurement policy of the Company, including Regulations for the Procedure for the Regular Procurement of Goods, Works, and Services, and take decisions in accordance with the approved Regulations;
- 34) Approve the procedure for the selection of the appraisers and/or candidate appraiser(s) to estimate the value of shares, property, and other assets of the Company as provided for by the Federal Law On

- Joint-Stock Companies, this Charter, and individual resolutions of the Company's Board of Directors;
- 35) Examine the Company's corporate structure;
  - 36) Approve the collective agreement;
  - 37) Increase the Company's authorized capital through placement of additional shares within the number of authorized shares taking into account limitations established by the Federal Law On Joint-Stock Companies and this Charter;
  - 38) 35) Make a decision on filling an application for listing the Company's shares and/or the Company's equity securities convertible into its shares in cases set forth in the Federal Law On Joint-Stock Companies and other regulations of the Russian Federation;
  - 39) Approve internal control policy and general risk management in order to determine basic principles and approaches to organization of internal control system and risk management, as well as approve evaluation report on system operation of internal control and Company's risk management;
  - 40) Approve internal audit policy, approve resolutions on designation, dismissal of the head of the Internal Audit Service, consider meaningful constrains on Internal Audit Service powers or other constrains that may adversely affect the implementation of the internal audit;
  - 41) Recognize candidate of the Company's Board of Directors (member of the Company's Board of Directors) as independent
  - 42) Consider Peer Review of Board of Directors or results of independent evaluation of efficiency of Company's Board of Directors)
  - 43) Consider the results of evaluation of corporate management practise;
  - 44) Approve (adjust) the Register of Company's non-core assets, approve reports on its fulfilment;
  - 45) Approve annual reports in the area of corporate social responsibility and sustainable development;
  - 46) Give recommendations to executive bodies of the Company for any issues relating to the Company's activities;
  - 47) Take decisions on other matters related to the competence of the Board of Directors by the Federal Law On Joint-Stock Companies and this Charter.

The competence of the Issuer's Management Board is specified in Article 18 of the Issuer's Charter:

"18.2. The Management Board of the Company shall be competent to:

- 1) Develop and submit to the Board of Directors priority areas of the Company's activities and long-term implementation plans;
- 2) Prepare reports on the implementation of decisions passed by the General Meeting of Shareholders and the Company's Board of Directors;
- 3) Submit to the Company's Board of Directors reports on reaching key performance indicators by the Company and implementation of the Company's business plan;
- 4) Approve (adjust) the Company's budget;
- 5) Define the attitude of the Company (representatives of the Company), including instructions to participate or not to participate in voting on items on the agenda, vote for or against or abstain from voting with respect to the items on the agenda of the management bodies of subsidiaries and affiliates:
  - a) Concerning approval (adjustment) of the key performance indicators (KPI) of the affiliate and consideration of reports on their fulfilment;
  - b) Concerning participation of the affiliate in other entities (joining an existing entity or establishing a new one), and acquisition, disposal or encumbering of shares and interests in the authorized capital of entities, in which the affiliate participates, changing of interests in the authorized capital of the relevant entity, except for issues attributed to the exclusive competence of the Company's Board of Directors;
  - c) Concerning determination of the attitude of the affiliate representatives on items on the agenda of management bodies of the affiliate's subsidiaries and affiliates with respect to entering into (approval of) transactions (including several associated transactions) involving disposal or potential disposal of property comprising fixed assets, intangible assets, or construction in progress designated for production, transmission, dispatching, and distribution of electricity and heat;
  - d) Concerning determination of the attitude of the affiliate representatives on items on the agenda of management bodies of the affiliate's subsidiaries and affiliates engaged in production, transmission, dispatching, distribution, and sale of electricity and heat, relating to reorganisation, liquidation, increase of the authorized capital through an increase in the par value of shares, placement of additional shares or issue of securities convertible into equity shares;
- 6) The Company's nomination of persons to be elected to the sole executive bodies, other management bodies, control bodies, and nomination of the auditor for organisations, in which the Company participates;
- 7) Functions performing of the supreme management bodies of business companies, in which one hundred (100) per cent of the authorized capital is held by the Company;
- 8) Address the Board of Directors for recommendations in relation to the adoption of resolutions on any aspect of the Company's activity;

9) Decide on other issues of management of the Company's day-to-day operations pursuant to resolutions of the General Meeting of Shareholders and the Board of Directors and issues referred to the Management Board by the sole executive body of the Company.

The competence of the Issuer's Chairman of the Management Board is specified in Article 19 of the Issuer's Charter:

"19.1. All matters related to the management of the Company's day-to-day operations, except for any issues falling within the competence of the General Meeting of Shareholders, the Board of Directors, or the Management Board of the Company, shall fall under the competence of the sole executive body.

The sole executive body shall act on behalf of the Company without a power of attorney, including as follows:

- 1) Conduct transactions on behalf of the Company, issue powers of attorney, open current and other accounts for the Company;
- 2) Dispose of the Company's property at its discretion subject to restrictions stipulated by the effective laws and regulations and the Company's Charter;
- 3) Hire and dismiss employees of the Company and apply incentives and disciplinary penalties to them;
- 4) Arrange the work of the Company's Management Board and preside over its meetings;
- 5) Submit proposals for designation and termination of powers of the Management Board's members including early termination of labor contracts with them to the Board of Directors for consideration;
- 6) Approve the Company's staffing table and official salaries;
- 7) Ensure implementation of the Company's business plans necessary to attain the Company's objectives;
- 8) Approve Regulations on the Company's branches and representative offices, appoint directors of the Company's branches and representative offices;
- 9) Arrange maintenance of accounting records and accounting (financial) statements in the Company;
- 10) Issue orders, approve directives and other internal documents of the Company related to matters falling under the competence of the sole executive body, and give instructions binding upon all employees of the Company;
- 11) Address other matters in the day-to-day operations of the Company with the exception of issues falling under the competence of the General Meeting of Shareholders, the Board of Directors, and the Management Board of the Company."

**Information on the Issuer's code of corporate management or other similar document.**

The Code of Corporate Governance of PJSC RusHydro is approved by the Issuer's Board of Directors (Minutes No. 94 dated April 02, 2010).

**Information on changes in the Issuer's Charter as well as internal documents governing activities of its management bodies for the last reporting period:**

In June 2, 2016, by General Meeting of Shareholders of the Company it were approved the Charter of the Company in the new edition, the Regulation on the procedure of convening and holding of the General Meeting of Shareholders in the new edition, the Regulation on the procedure of convening and holding of the Board of Directors meetings in the new edition, the Regulation on the Auditing Committee of the Company in the new edition(protocol No15 of 06.29.2016).

The public registration of the Company's Charter in the new edition was in June 12, 2016.

**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**

(approved by resolution of the General Meeting of Shareholders on June 27, 2016)

Full name: *Artem Davidovich Avetisyan*

Born in: *1957*

Education: *Higher education, Finance Academy under the Government of the Russian Federation, specialty - "Electric power plant valuation a activity" Finance and Credit ", year of graduation - 1979- 1998.*

Positions held by this person in the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

| Period |    | Name of the company | Title |
|--------|----|---------------------|-------|
| from   | to |                     |       |
|        |    |                     |       |



|      |         |   |                                       |
|------|---------|---|---------------------------------------|
| 2008 | To 2011 | JSC «NEO Centre»  | President                             |
| 2004 | present | JSC Regional credit Commercial Bank   | Chairman of the Board of Directors    |
| 2011 | 2015    | Agency of Strategic Initiatives for new projects promotion, Autonomous Nonprofit Organization | Department Director of ‘New Business’ |
| 2012 | 2016    | MSP Bank JSC FGC UES  | Member of Supervisory board           |
| 2012 | 2015    | JSC Rosselkhozbank  | Member of the Board of Directors      |
| 2013 | 2014    | JSC Russian racetracks  | Member of the Board of Directors      |
| 2003 | 2014    | JSC RZD   | Chairman                              |
| 2013 | 2015    | JSC Rosagroleasing  | Member of the Supervisory Board       |
| 2014 | present | LLC NEO Centre  | Vice-President                        |
| 2015 | present | PJSC RusHydro   | Member of the Board of Directors      |
| 2015 | present | LLC Uniastum Commercial Bank  | President                             |

Share of the person in the authorized capital of the Issuer, %: has no  
Share of the Issuer's equity shares held by the person, %: has no  
Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); was **a member of the Investment Committees until July 27, 2016 under the Board of Directors of PJSC RusHydro.**

Full name: ***Maksim Sergeevich Bystrov***

Born in: ***1964***

Education: ***Higher education, Moscow Institute of Civil Engineering named after V.V. Kuybyshev, Hydraulic Engineering of River Installations and Hydro Power Plants, graduation year: 1986; Russian Academy for Foreign Trade, Global Economics, graduation year: 1998.***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

| Period |    | Name of the company | Title |
|--------|----|---------------------|-------|
| from   | to |                     |       |
|        |    |                     |       |

|      |         |   |   |
|------|---------|---|---|
| 2010 | 2013    | Administration of the President of the Russian Federation | Deputy Plenipotentiary of the President of the Russian Federation in North Caucasian Federal District |
| 2012 | present | LLC Managing Company Airport Mineralnye Vody              | Chairman of the Board of Directors, member of the Board of Directors                                  |
| 2013 | present | SC Northern Caucasus Resorts                              | Chairman of the Board of Directors, member of the Board of Directors                                  |
| 2013 | present | PJSC RusHydro   | Member of the Board of Directors  |
| 2014 | present | NP Market Council   | Chairman of the Management Board, Chairman of the Supervisory Board                                   |
| 2013 | present | JSC ATS   | Chairman of the Management Board  |
| 2014 | present | PJSC FGC UES  | Member of the Board of Directors  |
| 2014 | present | JSC SO UES  | Chairman of the Board of Directors, Member of the Board of Directors                                  |

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates:  
- Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Is a member of the Investments Committees until July 27 2016 under the Board of Directors of PJSC RusHydro as well as a member of the Audit Committee and Human Resources and Compensation Committee under the Board of Directors of RusHydro JSC.**

Full name: ***Pavel Sergeevich Grachev***

Born in: ***1973***

Education: ***Higher education, Saint Petersburg State University, jurisprudence, lawyer, 1998, University, Trieste, jurisprudence, Doctor of Law, graduation year: 1997***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

| Period |    | Name of the company | Title |
|--------|----|---------------------|-------|
| from   | to |                     |       |
|        |    |                     |       |

|      |         |   |                                    |
|------|---------|---|------------------------------------|
| 2008 | 2011    | Agency of LLC Nafta Moscow (Cyprus) Limited (Republic of Cyprus) Moscow                         | Managing director                  |
| 2008 | 2013    | Agency of Company Limited by Shares ALPINAKAPITAL EY.SI.EL. LIMITED (Republic of Cyprus) Moscow | Chief Representative               |
| 2013 | 2013    | JSC Fund for Development of the Far East and the Baikal region                                  | General Director                   |
| 2013 | 2016    | Polyus Gold International Limited   | Member of the Board of Directors   |
| 2013 | 2014    | Polyus Gold International Limited   | Temporary CEO                      |
| 2014 | 2014    | Agency of LLC Nafta Moscow (Cyprus) Limited (Republic of Cyprus) Moscow                         | Chairman of the Board of Governors |
| 2010 | 2014    | JSC POLIUS  | President                          |
| 2014 | present | LLC UK POLIUS   | General Director                   |
| 2014 | 2016    | Polyus Gold International Limited   | CEO                                |
| 2010 | 2016    | PJSC Polius   | Member of the Board of Directors   |
| 2016 | present | PJSC FSK EES  | Member of the Board of Directors   |
| 2016 | present | PJSC RusHydro   | Member of the Board of Directors   |

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates: Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **until July 27, 2016 was Chairman of the Audit Committee under the Board of Directors of PJSC RusHydro as well as a member of the Committee on the reliability, energy efficiency and innovations and Human Resources and Compensation Committee under the Board of Directors of PJSC RusHydro.**

Full name: ***Sergey Nikilaievych Ivanov (Chairman)***

Born in: ***1961***

Education: ***Higher education***, Moscow Engineering Physics Institute, Department - Theoretical Nuclear Physics, year of graduation - 1984; Doctor of Economic Sciences - 2007; Professor - 2010; Corresponding Member of the Russian Academy of Natural Sciences - 1999.

**Positions held by this person at the Issuer and other organisations in the past 5 years and**

**currently, in chronological order, including part-time positions**

| Period |          | Name of the company                         | Title   |
|--------|----------|---|---|
| from   | to       |   |   |
| 2008   | 2016     | JSC "ERKO"                                  | Member of the Board of Directors              |
| 2007   | 2014     | ANO "National Energy Security Institute"    | Chairman of the Presidium                     |
| 2007   | 2013     | OJSC "Malaya Energetika"                    | Member of the Board of Directors              |
| 2011   | 2016     | OJSC "ERKO"                                 | Director-General                              |
| 2012   | 2015     | LLC "LENSENT"                               | General Director of the managing organization |
| 2002   | 2015     | PJSC "RusHydro"                             | Member of the Board of Directors              |
| 2002   | 2015     | CJSC INPK "RET"                             | Member of the Board of Directors              |
| 2012   | 2013     | OJSC "Exhibition hall" Electrification "    | Member of the Board of Directors              |
| 2012   | 2013     | CJSC "Bank Sberkred"                        | Member of the Board of Directors              |
| 2013   | 2016     | LLC "Lisiteya"                              | General Director of the managing organization |
| 2013   | 2016     | LLC "Pasiphae"                              | General Director of the managing organization |
| 2013   | 2016     | LLC "Metida"                                | General Director of the managing organization |
| 2013   | 2016     | LLC "Almateia"                              | General Director of the managing organization |
| 2013   | 2016     | LLC "Oberon"                                | General Director of the managing organization |
| 2014   | 2015     | CJSC "Novoyeniseysk wood chemical complex"  | Member of the Board of Directors              |
| 2015   | 2016     | OJSC Corporation "Nechernozemagropromstroy" | Member of the Board of Director General       |
| 2015   | present  | PJSC "RusHydro"                             | Member of the Board of Directors              |
| 2016   | presents | LLC RT-Kapital                              | Director general, Member of the Board         |

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

***The person has no said shares***

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations: until July 27, 2016 was **Chairman of the Audit Committee under the Board of Directors of PJSC RusHydro as well as a member of the Committee on the reliability, energy efficiency and innovations and Human Resources and Compensation Committee under the Board of Directors of PJSC RusHydro.**

Full name: **Vyacheslav Mikhailovich Kravchenko**

Year of birth: **1967**

Education: **Higher**, Lomonosov Moscow State University, majoring in legal studies, graduation year: 1995.

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |      | Name of entity                          | Position                         |
|--------|------|---|----------------------------------|
| from   | by   |   |                                  |
| 2008   | 2011 | PJSC Irkutskenergo                      | Member of the Board of Directors |
| 2008   | 2011 | LLC RN-Energo                           | General Director                 |
| 2009   | 2011 | PJSC Tomskenergosbyt                    | Member of the Board of Directors |
| 2009   | 2011 | PJSC Kubanenergo                        | Member of the Board of Directors |
| 2009   | 2011 | OJSC Kuban Transmission Networks        | Member of the Board of Directors |
| 2009   | 2011 | OJSC Kubanenergosbyt                    | Member of the Board of Directors |
| 2009   | 2011 | OJSC Kuban Generating Company           | Member of the Board of Directors |
| 2009   | 2011 | OJSC Tomsk Distribution Company         | Member of the Board of Directors |
| 2009   | 2011 | OJSC Tomsk Transmission Networks        | Member of the Board of Directors |
| 2010   | 2012 | OJSC United Energy Retailing Company    | General Director                 |
| 2011   | 2012 |   | Member of the Board of Directors |
| 2011   | 2012 | OJSC Altayenergosbyt                    | Member of the Board of Directors |
| 2011   | 2012 | OJSC Petersburg Sales Company           | Member of the Board of Directors |
| 2011   | 2012 | PJSC Saratovenergo                      | Member of the Board of Directors |
| 2011   | 2012 | PJSC Mosenergosbyt                      | Member of the Board of Directors |
| 2011   | 2012 | PJSC Tambov Energy Retailing Company    | Member of the Board of Directors |
| 2012   | 2013 | NP Market Council                       | Chairman of the Management Board |
| 2013   | 2014 | Russian Regional Development Bank (JSC) | Member of the Supervisory        |

|      |          |  |  |
|------|----------|--|--|
|      |          |  | Board  |
| 2012 | 2014     | OJSC ATS   | Chairman of the Management Board, Member of the Board of Directors |
| 2008 | 2015     | OJSC INTER RAO   | Member of the Board of Directors                                   |
| 2011 | 2015     | Closed Joint-Stock Company Financial Settlement Center   | Member of the Board of Directors, Chairman of the Board            |
| 2011 | presents | JSC Rosseti  | Member of the Board of Directors                                   |
| 2011 | present  | Non-Profit Partnership Market Council                    | Representative of the state in the Supervisory Board               |
| 2012 | 2016     | JSC FGC UES  | Member of the Board of Directors                                   |
| 2012 | present  | SO UPS, JSC  | Member of the Board of Directors                                   |
| 2013 | present  | Ministry of Energy of the Russian Federation             | Deputy Minister of Energy of the Russian Federation                |
| 2014 | present  | OJSC MOESK   | Member of the Board of Directors                                   |
| 2014 | present  | PJSC RusHydro  | Member of the Board of Directors                                   |
| 2015 | present  | PJSC Interregional Distribution Grid Company of Siberia, | Member of the Board of Directors                                   |

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

**There is no said kinship**

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

**No said sanctions have been imposed upon the person**

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

**The person has not held such positions**

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); until July 27, 2016 **was a member of the Committee on the reliability, energy efficiency and innovations under the Board of Directors of PJSC RusHydro.**

Full name: *Yuriy Petrovich Trutnev*

Born in: **1956**

Education: : **Permian Polytechnic Institute, major — mining engineer, graduation year: 1978.**

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in**

**chronological order, including part-time positions**

| Period |         | Name of the company   | Title   |
|--------|---------|---|---|
| from   | to      |   |   |
| 2004   | 2012    | Ministry of Natural Resources and Ecology of the Russian Federation | Minister of Natural Resources and Ecology of the Russian Federation |
| 2012   | 2013    | Administration of the President of the Russian Federation           | Assistant to the President of the Russian Federation                |
| 2012   | present | State Atomic Energy Corporation Rosatom                             | Supervisory director  |
| 2016   | present | PJSC RusHydro   | Chairman of board of directors                                      |

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates:- Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s): **Not a member of the Committees under the Board of Directors of PJSC RusHydro.**

Full name: ***Vyacheslav Viktorovich Pivovarov***

Born in: ***1972***

Education: ***Higher education, Sergo Ordzhonikidze State Management Academy, graduation year: 1995; American University in Paris, Applied Economics, graduation year: 1995; Stanford School of Business, MBA, graduation year: 2002.***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

| Period |         | Name of the company   | Title                             |
|--------|---------|---|-----------------------------------|
| from   | to      |   |                                   |
| 2009   | 2011    | Ministry for Economic Development of the Russian Federation | Freelance counsel to the Minister |
| 2011   | present | LLC Altera Capital  | President, CEO                    |
| 2012   | 2013    | PJSC Kvadra   | Member of the Board of Directors  |
| 2013   | present | PJSC RusHydro   | Member of the Board of Directors  |

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates:- Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); until July 27, 2016 was a **Chairman of the Committee on Human Resources and Compensation Committee under the Board of Directors and a member of the Investment Committee and the Audit Committee under the Board of Directors of PJSC RusHydro**

Full name: ***Nikolay Radievich Podguzov***

Born in: ***1974***

Education: ***Higher education, St. Petersburg State Technical University - 1997, he graduated from the Moscow State Institute, Institute of International Relations (University) of the MFA of Russia - 2000***

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of the company                  | Title  |
|--------|---------|--------------------------------------|--|
| from   | to      |                                      |  |
| 2010   | 2012    | PJSC VTB Bank                        | Chief of Branch, Head of Directorate                               |
| 2012   | 2013    | Government of the Russian Federation | Deputy Director of Department of Economy and Finance               |
| 2013   | Present | MEDT of Russia                       | Deputy Minister of Economic Development of the Russian Federation. |
| 2016   | present | PJSC RusHydro                        | Member of the Board of Directors                                   |

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates, Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes



and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Is a member of the Strategy Committees under the Board of Directors.**

Full name: ***Nikolay Dmitrievich Rogalev***

Born in: ***1962***

Education: Higher, **Moscow Power Engineering Institute, Thermal Power Station - 1985.**

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of the company  | Title  |
|--------|---------|--|--|
| from   | to      |  |  |
| 2010   | 2012    | CJSC Eskotek   | Research Instructor – 1 <sup>st</sup><br>Deputy Director General                                     |
| 2012   | 2012    | Fund Unlimited Energy, OJSC Inter RAO UES of Russia                              | Deputy Fund Manager  |
| 2013   | 2013    | FSBEI HE Moscow Power Engineering Institute                                      | Acting Rector  |
| 2013   | present | FSBEI HE Moscow Power Engineering Institute                                      | Rector   |
| 2013   | 2015    | PJSC Rosseti   | Committee Member of the interaction with the community, consumers, government and information policy |
| 2013   | present | PJSC Rosseti   | Member of Strategy Committee   |
| 2001   | 2013    | FSBEI HE Moscow Power Engineering Institute                                      | Department Chairmen (combined duties)  |
| 2014   | 2015    | LLC Engineering Center "Gas turbine technology "                                 | Member of the Board of Directors   |
| 2015   | 2016    | PJSC Inter RAO   | Member of the Audit Committee  |
| 2015   | 2016    | PJSC Inter RAO   | Independent Director   |
| 2016   | Present | Non-profit Partnership Scientific and Technical Council of Unified Energy System | President  |

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none.**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates: Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates, Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none.**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Not a member of the Committees under the Board of Directors of PJSC RusHydro.**

Full name: *Aleksey Olegovich Chekunkov*

Born in: *1980*

Education: *Higher education*, Moscow State Institute of International Relations, Economist - 2001.

| Period |         | Name of the company  | Title                                     |
|--------|---------|--|---|
| from   | to      |  |   |
| 2011   | 2013    | LLC UK RFPI  | Director, Member of board of directors    |
| 2013   | 2014    | LLC Kada-Neftegas  | First Deputy Director General             |
| 2014   | Present | JSC Fund for Development of the Far East and the Baikal region   | Director General                          |
| 2015   | Present | JSC "ALROSA" (PJSC)  | Member of the Supervisory Board           |
| 2015   | Present | Independent Noncommercial Organization Agency for the Development of Human Capital in the Far East       | Member of the Supervisory Board           |
| 2015   | Present | Joint Stock Company Corporation of development of the Far East   | Member of the Board of Directors          |
| 2016   | Present | Independent Noncommercial Organization Agency of the Far East to attract investment and export promotion | Chairman, Member of the Supervisory Board |
| 2016   | Present | PJSC RusHydro  | Member of the Board of Directors          |

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates, Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations

during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Is a member of the Strategy Committees under the Board of Directors.**

Full name: *Sergey Vladimirovich Shishin*

Born in: *1963*

Education: ***Higher education, Higher Border Guards Academy of the Committee for State Security of the USSR, graduation year: 1984; Institution of Higher Education of the Committee for State Security of the USSR, graduation year: 1990; Russian Academy of Public Administration under the President of the Russian Federation, State and Municipal Management, graduation year — 1999***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

| Period |         | Name of the company                     | Title   |
|--------|---------|---|---|
| from   | to      |   |   |
| 2007   | present | PJSC VTB Bank                           | Senior Vice-President   |
| 2011   | 2013    | OJSC Rosneft Oil Company                | Member of the Board of Directors<br>Deputy Chairman of the Board of Directors |
| 2011   | present | PJSC RusHydro                           | Member of the Board of Directors  |
| 2011   | present | Russian Regional Development Bank (JSC) | Member of the Supervisory Board   |

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none.**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates, Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none.**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); until July 27, 2016 was a **member of the Strategy Committees under the Board of Directors.**

Full name: **Andrey Nikolaevich Shishkin**

Year of birth: **1959**

Education: **Higher**, I. M. Gubkin Moscow Institute of the Petrochemical and Gas Industry, major: industrial heat-and-power engineer, graduation year: 1985.

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of entity                       | Position   |
|--------|---------|--------------------------------------|--|
| from   | by      |                                      |  |
| 2006   | present | OJSC Tyumen Energy Selling Company   | Member of the Board of Directors                                     |
| 2012   | 2015    | Rusenergo Fund                       | Member of the Board of Directors                                     |
| 2010   | 2012    | Ministry of Energy of Russia         | Deputy Minister  |
| 2012   | present | OJSC Rosneft Oil Company             | Board member<br>Vice-President for Energy, OHS, and Ecology          |
| 2013   | 2016    | PJSC Rosseti                         | Member of the Board of Directors                                     |
| 2013   | present | OJSC United Shipbuilding Corporation | Member of the Board of Directors                                     |
| 2013   | 2016    | NP Market Council                    | Member of the Supervisory Board                                      |
| 2014   | 2015    | JSC Okhinskaya TPP                   | Member of the Board of Directors, Chairman of the Board of Directors |
| 2014   | present | PJSC RusHydro                        | Member of the Board of Directors, Chairman of the Board of Directors |
| 2014   | present | RIG Research Pte Ltd                 | Member of the Board of Directors                                     |
| 2014   | present | LLC National Oil Consortium          | Member of the Board of Directors                                     |
| 2014   | present | LLC RN-CIR                           | Member of the Board of Directors                                     |
| 2015   | present | OJSC FESSRC                          | Member of the Board of Directors, Chairman of the Board of Directors |
| 2015   | present | LLC RN-Active                        | Director General   |
| 2016   | present | OJSC CKB Lazurit                     | Member of the Board of Directors, Chairman of the Board of Directors |
| 2016   | present | Saras S.p.A.                         | Member of the Board of Directors                                     |

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on holding by the person any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

**Member of the Strategy Committee under the Board of Directors of PJSC RusHydro.**

Full name: *Nikolay Hryhorievych Shulginov*

Born in: *1951*

Education: *Higher education, Novocherkassk Labor Red Banner Order Sergo Ordzhonikidze Polytechnic Institute named after , power supply of industrial enterprises and cities, year of graduation - 1973; Candidate of Technical Sciences*

**Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of the company   | Title   |
|--------|---------|---|---|
| from   | to      |   |   |
| 2004   | 2015    | Open Joint Stock Company "System Operator of Unified Energy System "                      | Deputy Chairman<br>First Deputy Chairman of the Board |
| 2008   | 2011    | Open Joint Stock Company "First Generation Company of the Wholesale Electricity Market"   | Member of the Board of Directors                      |
| 2008   | 2011    | Public Joint Stock Company "Moscow United Electric Grid Company"                          | Member of the Board of Directors                      |
| 2008   | 2012    | Public Joint-Stock Company for Energy and Electrification "Mosenergo"                     | Member of the Board of Directors                      |
| 2008   | present | Noncommercial Partnership "Scientific and Technical Council of the Unified Energy System" | Member of the Supervisory Board                       |
| 2009   | 2011    | Public Joint-Stock Company for Energy and Electrification "Lenenergo"                     | Member of the Board of Directors                      |
| 2013   | 2016    | PJSC "FGC UES"  | Member of the Board of Directors                      |
| 2015   | present | PJSC RusHydro   | Chairman of the Board - CEO                           |
| 2016   | Present | PJSC RusHydro   | Member of the Board of Directors                      |

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

Number of shares of each category (type) that may be purchased by this individual through exercising options owned by him: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities 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 members of the Board of Directors (Supervisory Board), who are deemed independent by the Issuer:**

1. Maxim Sergeevich Bystrov - Chairman of the Board of NP Market Council, OJSC ATS
2. Pavel Sergeevich Grachev – Director General of LLC UK Polius
3. Sergey Nikolaevich Ivanov - Director General of LLC RT-Kapital.
4. Vyacheslav Viktorovich Pivovarov, President of Altera Capital LLC.

## 5.2.2. Information on the Issuer's Sole Executive Body

Full name: ***Nikolay Hryhorievych Shulginov***

Born in: ***1951***

Education: ***Higher education, Novocherkassk Labor Red Banner Order Sergo Ordzhonikidze Polytechnic Institute named after , power supply of industrial enterprises and cities, year of graduation - 1973; Candidate of Technical Sciences***

**Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of the company   | Title   |
|--------|---------|---|---|
| from   | to      |   |   |
| 2004   | 2015    | Open Joint Stock Company "System Operator of Unified Energy System "                      | Deputy Chairman<br>First Deputy Chairman of the Board |
| 2008   | 2011    | Open Joint Stock Company "First Generation Company of the Wholesale Electricity Market"   | Member of the Board of Directors                      |
| 2008   | 2011    | Public Joint Stock Company "Moscow United Electric Grid Company"                          | Member of the Board of Directors                      |
| 2008   | 2012    | Public Joint-Stock Company for Energy and Electrification "Mosenergo"                     | Member of the Board of Directors                      |
| 2008   | present | Noncommercial Partnership "Scientific and Technical Council of the Unified Energy System" | Member of the Supervisory Board                       |

|      |         |   |                                  |
|------|---------|---|----------------------------------|
| 2009 | 2011    | Public Joint-Stock Company for Energy and Electrification "Lenenergo" | Member of the Board of Directors |
| 2013 | 2016    | PJSC "FGC UES"  | Member of the Board of Directors |
| 2015 | present | PJSC RusHydro   | Chairman of the Board - CEO      |
| 2016 | Present | PJSC RusHydro   | Member of the Board of Directors |

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

Number of shares of each category (type) that may be purchased by this individual through exercising options owned by him: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities 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 (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **until July 27, 2016 was a member of the Committees under the Board of Directors of JSC RusHydro**

### 5.2.3. Composition of the Issuer's Collective Executive Body

Full name: ***Nikolay Hryhorievych Shulginov***

Born in: ***1951***

Education: ***Higher education, Novochoerkassk Labor Red Banner Order Sergo Ordzhonikidze Polytechnic Institute named after , power supply of industrial enterprises and cities, year of graduation - 1973; Candidate of Technical Sciences***

**Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |      | Name of the company  | Title   |
|--------|------|--|---|
| from   | to   |  |   |
| 2004   | 2015 | Joint Stock Company "System Operator of Unified Energy System "                    | Deputy Chairman<br>First Deputy Chairman of the Board |
| 2008   | 2011 | Joint Stock Company "First Generation Company of the Wholesale Electricity Market" | Member of the Board of Directors                      |

|      |         |   |                                  |
|------|---------|---|----------------------------------|
| 2008 | 2011    | Public Joint Stock Company "Moscow United Electric Grid Company"                          | Member of the Board of Directors |
| 2008 | 2012    | Public Joint-Stock Company for Energy and Electrification "Mosenergo"                     | Member of the Board of Directors |
| 2008 | present | Noncommercial Partnership "Scientific and Technical Council of the Unified Energy System" | Member of the Supervisory Board  |
| 2009 | 2011    | Public Joint-Stock Company for Energy and Electrification "Lenenergo"                     | Member of the Board of Directors |
| 2013 | 2016    | PJSC "FGC UES"  | Member of the Board of Directors |
| 2015 | present | JSC RusHydro  | Chairman of the Board - CEO      |
| 2016 | Present | PJSC RusHydro   | Member of the Board of Directors |

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

Number of shares of each category (type) that may be purchased by this individual through exercising options owned by him: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities 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 (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **until July 27, 2016 was a member of the Committees under the Board of Directors of JSC RusHydro**

Full name: ***Boris Borisovich Bogush***

Born in: ***1952***

Education: ***Higher education***, Saratov Polytechnic Institute, graduation year: 1975, Mechanic Engineer, Academy of National Economy of the Russian Federation Government, graduation year: 2004

**Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of the company | Title                      |
|--------|---------|---------------------|----------------------------|
| from   | to      |                     |                            |
| 2009   | present | PJSC RusHydro       | Managing Director, Head of |



|      |         |   |   |
|------|---------|---|---|
|      |         |   | the Production Business Unit, Member of the Management Board — Chief Engineer; member of the Management Board, First Deputy Director General — Chief Engineer |
| 2013 | present | Not-for-profit Charitable Fund Soprichastnost | Member of the Board of Guardians  |
| 2013 | present | LLC VolgaHydro                                | Member of the Board of Directors  |
| 2014 | present | NP Hydraulic Power of Russia                  | Member of the Supervisory Board   |

Share of the person in the authorized capital of the Issuer, %: **0.004241**

Share of the Issuer's equity shares held by the person, %: **0.004241**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates: **none**

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities 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 (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); until July 27, 2016 was **Member of the Reliability, Energy Efficiency and Innovation Committee and Investment Committee under the Board of Directors of JSC RusHydro.**

Full name: ***Sergey Anatoliyovych Kirov***

Born in: ***1976***

Education: **Higher education**, D.N Pryanishnikov Perm State Agricultural Academy, economics and management of agricultural production, year of graduation - 1998, the Regional Centre for Interdisciplinary retraining "Economics and Management" program of the Perm Technical University (2004).

**Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of the company | Title                 |
|--------|---------|---------------------|-----------------------|
| from   | to      |                     |                       |
| 2010   | present | PJSC "RusHydro"     | Executive Director of |

|      |      |                              |  |
|------|------|------------------------------|--|
|      |      |                              | Economics, director of economics and the economy<br>CEO and procurement<br>Deputy General Director for Economics,<br>Investment and procurement activities, member of the Board, First Deputy General Director |
| 2010 | 2014 | LLC "RusHydro IT service"    | CEO, Member of the Board of Directors  |
| 2010 | 2011 | SC "Leningrad GAES"          | Member of the Board of Directors   |
| 2010 | 2012 | SC "Ust-SrednekanGESstroy"   | Member of the Board of Directors   |
| 2010 | 2015 | SC "UK HidroOGK"             | Member of the Board of Directors   |
| 2010 | 2012 | SC "ESC RusHydro"            | Member of the Board of Directors   |
| 2013 | 2015 |                              |  |
| 2010 | 2011 | SC "ESCO UES"                | Member of the Board of Directors   |
| 2015 | 2015 |                              |  |
| 2011 | 2012 | SC "Hydroinvest"             | Member of the Board of Directors   |
| 2011 | 2012 | LLC "EZOP"                   | Member of the Board of Directors   |
| 2011 | 2012 | JSC "YUYATEK"                | Member of the Board of Directors   |
| 2011 | 2012 | SC "Zagorsk GAES-2"          | Member of the Board of Directors   |
| 2013 | 2014 |                              |  |
| 2011 | 2012 | LLC "SNRG"                   | Member of the Board of Directors   |
| 2013 | 2014 |                              |  |
| 2011 | 2014 | SC "Nizhne-Bureya HPP"       | Member of the Board of Directors   |
| 2011 | 2015 | SC "NIIES"                   | Member of the Board of Directors   |
| 2011 | 2012 | PJSC "Kolymaenergo"          | Member of the Board of Directors   |
| 2013 | 2015 |                              |  |
| 2011 | 2015 | PJSC "Krasnoyarskenergosbyt" | Member of the Board of Directors   |
| 2011 | 2015 | CJSC "MEK"                   | Member of the Board of Directors   |
| 2011 | 2012 | SC "Mosoblhidroproekt"       | Member of the Board of Directors   |
| 2014 | 2015 |                              |  |
| 2011 | 2015 | PJSC "RESK"                  | Member of the Board of Directors   |
| 2011 | 2012 | OJSC "CSO SSHHPP"            | Member of the Board of Directors   |
| 2013 | 2015 |                              |  |
| 2011 | 2015 | LLC "ESKB"                   | Member of the Board of Directors   |

|      |      |   |                                  |
|------|------|---|----------------------------------|
| 2012 | 2014 | JSC "Ust-Srednekanskaya HPP"            | Member of the Board of Directors |
| 2012 | 2014 | JSC "RusHydro Bashkortostan Efficiency" | Member of the Board of Directors |
| 2012 | 2015 | CJSC "Upper-Naryn HPP"                  | Member of the Board of Directors |
| 2012 | 2015 | PJSC "RAO Energy Systems of East"       | Member of the Board of Directors |
| 2013 | 2014 | CJSC «Boguchany Aluminium Plant"        | Member of the Board of Directors |
| 2013 | 2014 | LLC "ENEX"                              | Member of the Board of Directors |
| 2013 | 2015 | SC " B.E Vedeneyev VNIIG "              | Member of the Board of Directors |
| 2013 | 2015 | SC "Gidroremont-VKK"                    | Member of the Board of Directors |
| 2013 | 2015 | SC "Geoterm"                            | Member of the Board of Directors |
| 2014 | 2015 | SC "Malaya Dmitrovka"                   | Member of the Board of Directors |
| 2014 | 2015 | SC "Institute Hydroproject"             | Member of the Board of Directors |
| 2014 | 2015 | SC "Chuvash Energy Retail Company"      | Member of the Board of Directors |
| 2015 | 2015 | SC "Zaramagsk HPP"                      | Member of the Board of Directors |

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities 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 (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); until July 27, 2016 was **Member of the Committees under the Board of Directors of JSC RusHydro**

Full name: *George Ilyich Rizhinashvili*

Born in: *1981*

Education: **Higher education**, master course at M.V. Lomonosov Moscow State University, major — Economics, graduation year: 2004, Ph.D. in Economics: 2011

**Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of the company                              | Title  |
|--------|---------|--|--|
| from   | to      |  |  |
| 2009   | present | JSC RusHydro                                     | Member of the Management Board, Deputy Chairman of the Management Board, member of the Management Board, First Deputy Director General |
| 2010   | 2014    | NP KONTs UES                                     | Member of the Supervisory Board  |
| 2013   | present | Not-for-profit Charitable Fund<br>Soprichastnost | Member of the Board of Guardians   |

Share of the person in the authorized capital of the Issuer, %: **0.014193**

Share of the Issuer's equity shares held by the person, %: **0.014193**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities 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 (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); until July 27, 2016 was **Member of the Reliability, Energy Efficiency and Innovation Committee, Strategy Committee and Investment Committee under the Board of Directors of JSC RusHydro.**

Full name: *Andrey Valentinovich Kazachenkov*

Born in: *1980*

Education: **Higher education**, St. Petersburg State Engineering and Economic University, Economics and management at machine-building enterprises, "Management"; University MBA degree Wisconsin (Madison, USA).

**Positions held by this person at the Issuer and other organizations in the past 5 years and**

**currently, in chronological order, including part-time positions**

| Period |         | Name of the company      | Title  |
|--------|---------|--------------------------|--|
| from   | to      |                          |  |
| 2009   | 2015    | PJSC " FGC UES "         | Advisor to Chairman of the Board;<br>Deputy Chairman of the Board,<br>First Deputy Chairman of the Board                                       |
| 2015   | present | PJSC "RusHydro"          | Advisor to the Chairman of the Board - Director General;<br>First Deputy General Director; Member of the Board, First Deputy General Director; |
| 2015   | 2016    | NP "Market Council"      | Member of the Supervisory Board  |
| 2016   | present | PJSC "RAO ES of the East | " Member of the Board of Directors   |

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities 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 (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s): until July 27, 2016 was **Member of the Committee on Development of the Far East Energy of the Board of Directors of PJSC "RusHydro"**.

### **5.3. Information on Remuneration and/or Compensation as to the Issuer's Management Entities**

Information on remuneration of 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 measure: **RUB**

| Indicator   | As of July 30, 2016 |
|---|---------------------|
| Remuneration for participation in the management entities' activities   | 0                   |
| Salary  | 0                   |
| Bonuses   | 0                   |
| Commission  | 0                   |
| Compensation of expenses  | 0                   |
| Other types of remuneration   | 0                   |
| TOTAL   | 0                   |
| Expenses connected with performance of functions of a member of the management entity compensated by the Issuer | 0                   |

Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated.

Remuneration is paid to the members of the Board of Directors pursuant to approved general shareholders meeting documents and individual solution of the general shareholders meeting.

In the second quarterly the Regulations "On Payment of Remuneration to Members of the Board of Directors of RusHydro" was in force approved on 26 of July, 2015 by the annual General Meeting of Shareholders of JSC RusHydro is approved a new edition "On Payment of Remuneration to Members of the Board of Directors of RusHydro" (Protocol № 13 26.06.2015).

July 26, 2016 new edition of The Regulations with regard to remuneration and compensation was accepted to the members of the Board of Directors (<http://www.rushydro.ru/upload/iblock/170/05Polozhenie-o-vyplate-vozn-chlenov-SD-novaja-redakcija.pdf>), as well as the decision was made on "To pay remuneration to the members of the Board of Directors on the results of the Board of Directors work for the period of 26.06.2015 through 27.06.2016 in the amount, order and time defined by the On Payment of Remuneration to Members of the Board of Directors of RusHydro", approved by the decision of the Annual General Shareholders Meeting on 06.26.2015 (Protocol №13).

The Regulations with regard to remuneration and compensation to the members of the Board of Directors of PJSC RusHydro accepted on July 27, 2016 shall not apply to the members of the Board of Directors, Companies (for the full or partial term of office of a Board member) that are members of the collegial executive body or the body performing functions of sole executive body of the Company.

Remuneration to the Chairman and members of the Board of Directors, which are (for the full or partial terms of office of the Board of Directors member) persons in respect of which the legislation of the Russian Federation provided by the restriction or prohibition on the receipt of any payments from commercial organizations are not charged and paid.

To a Member of the Board of Directors of the Company:

- Remuneration shall be paid within 60 days after the Annual General Meeting of Shareholders, at which the decision on the election of a new Board of Directors;
- Basic remuneration for every member of the Board of Directors amounts to RUB 900,000;
- Remuneration depends upon the number of meetings, in which the Board of Directors' member has participated;
- Remuneration is increased, if the member of the Board of Directors is the Chairman of the Board of Directors (by 30 %), Chairman of the Board of Directors' committee (by 20 %), Senior Independent Director (by 15%), or member of the Board of Directors' committee (by 10 %).

## Management Board

Unit of measure: *RUB*

| Indicator   | As of July 30, 2016  |
|---|----------------------|
| Remuneration for participation in the management entities' activities   | 0                    |
| Salary  | 28 031 140.38        |
| Bonuses   | 52 185 690.00        |
| Commission  | 0                    |
| Compensation of expenses  | 0                    |
| Other types of remuneration   | 0                    |
| <b>TOTAL</b>  | <b>80 216 830.38</b> |
| Expenses connected with performance of functions of a member of the management entity compensated by the Issuer | 1 938 135.97         |

Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated. Remuneration and compensation are paid to the members of the Management Board of the Issuer subject to the conditions of labour agreements and Regulations "On Payment of Remuneration and Compensation to Members of the Management Board of JSC RusHydro", approved by the resolution of the Company's Board of Directors dated November 16, 2010 (Minutes No. 111 dated November 19, 2010).

During the current financial year, the Issuer has concluded no additional agreements with the members of the Management Board as to payment of remuneration or other financial rewards and incentives.

## 5.4. Information on Structure and Terms of Reference of the Issuer's Bodies, Monitoring Financial and Economic Activities as well as Arrangement of Risk Management and Internal Control Systems

**Full description of the structure of the Issuer's bodies monitoring financial and economic activities and their terms of reference pursuant to the Issuer's Charter (constituent documents) and internal documents:**

In accordance with Clause 20.1 of Article 20 of the Company's Charter, the General Meeting of Shareholders shall elect the Internal Audit Commission of the Company annually in order to control financial and economic activities of the Company.

The Internal Audit Commission of the Company is elected at the General Meeting of Shareholders of the Company on an annual basis in the amount of five (5) persons. The Internal Audit Commission of the Company takes decisions by a majority vote of its members.

The Internal Audit Commission of the Company acts within its terms of reference established by the Federal Law "On Joint-Stock Companies", Charter of the Company, as well as Regulations "On the Internal Audit Commission of the Company," approved by the decision of the Management Board of JSC RAO UES of Russia, acting as the General Meeting of Shareholders of the Company (Minutes № 15 dated July 29, 2016)

The Company's Internal Audit Commission shall be empowered to:

1) Confirm the reliability of information contained in the annual report, balance sheet, and the income statement of the Company;

2) Analyze the financial condition of the Company, identify existing reserves for improving the financial condition of the Company, and develop recommendations for the management entities of the Company;

3) Organize and conduct audits of the financial and economic activities of the Company, in particular:

- Audits of financial, accounting, payment-and-settlement and other documents of the Company related to its financial and economic activities in respect of its compliance with the laws of the Russian Federation, Charter and internal documents of the Company;

- Control over the preservation and use of fixed assets;

- Control over compliance with the established procedure for charging insolvent debtors' liabilities to the losses of the Company;

- Control over the Company's expenditures in accordance with the approved financial documents of the Company;

- Control over formation and use of the reserve fund and other specialized funds of the Company;

- Checking if dividends on the Company's shares, interest on bonds, and return on other securities are correctly and timely calculated and paid;

- Checking if earlier prescriptions to remedy violations or defects revealed by previous audits have been satisfied;

- Other actions (measures) related to the audits of financial and economic activities of the Company.

In accordance with Clause 20.9. of Article 20 of the Company's Charter, the auditor shall audit the Company's financial and economic activities in accordance with the legislation of the Russian Federation and pursuant to an agreement entered into with it.

The General Meeting of Shareholders shall approve the Company's 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 JSC RusHydro is given in Clause 1.3 of the Quarterly Report.

In accordance with Article 16 of the RusHydro Charter, committees of the Board of Directors are formed under the decision of the Board of Directors and created in order to examine issues within the terms of reference of the Board of Directors or examined by the Board of Directors in order to control activity of executive bodies of the Company, and to develop necessary recommendations for the Board of Directors and executive bodies of the Company.

**Information on arrangement of risk management and internal control systems in relation to financial and economic activities of the Issuer, including:**

**Information on the Audit Committee of the Board of Directors (Supervisory Board) of the Issuer, its functions, personal and numerical composition:**

**The Audit Committee under the Board of Directors of the Company** was elected by the Board of Directors of the Company on July 17, 2015 (Protocol dated 20.07.2015 No. 220) and had been in force until the Annual General Shareholders Meeting, which was held on 06.27.2016 (Minutes №15).

There are 3 members in the Audit Committee under the Company's Board of Directors:

Sergey Nikolaevich Ivanov (Chairman)

Maksim Sergeevych Bystrov

Vyacheslav Viktorovich Pyvovarov

New membership of Audit Committee under the Company's Board of Directors elected by Company's Board of Directors on August 10, 2016, consists of 3 members in the Audit Committee



under the Company's Board of Directors:

Ivanov Sergey Nikolaevich (Chairman)  
Bystrov Maksim Sergeevych  
Pyvovarov Vyacheslav Viktorovich

The Audit Committee acts on the basis of the Regulations on the Audit Committee under the Board of Directors (approved by the Board of Directors of RusHydro on July 23, 2016, Minutes №239).

The purpose of the Audit Committee is to promote the effective implementation of the functions of the Board of Directors particularly concerning control of financial and economic activities of the Company.

The competence of the Audit Committee includes: control (ensuring completeness, accuracy and truthfulness) of Company's financial statements; of system operation of internal control, risk management and corporate management; ensuring of the independence and objectivity of the internal audit function; monitoring of system operation of notification system on potential cases of unethical practices of employees of the Company (including the dishonest use of insider or confidential information) and third parties, as well as control over the implementation of measures taken by the Company in the framework of such a system.

**Information on availability of separate structural subdivision(s) for risk management and internal control (other body (structural subdivision) different from the Internal Audit Commission (Internal Auditor) performing internal control over financial and business activity of the Issuer), its tasks and functions, information on availability at the Issuer of separate structural subdivision (service) of internal audit, its tasks and functions:**

Control and Risk Management Department

The Department is a structural subdivision of the Company subordinate to the Company's Chairman of the Management Board—CEO.

The Head of the Internal Audit, Control and Risk Management Department is Posevina Irina Olegovna, Director of the Department.

The main tasks and functions of the Department concerning internal audit are as follows:

- the organization of an effective enterprise risk management, internal controls, anti-corruption system in the Company;
- Development and monitoring of the execution of plans and programs for improving corporate risk management and internal control of the Company and the companies with his participation (indirect participation) (hereinafter - S&A).
- Interaction with the territorial bodies of the Russian Federation, the executive, the Accounts Chamber of the Russian Federation, the Company's Audit Commission and other supervisory authorities on internal control, as well as in the course of their audit of the Company and S&A;
- Control over the disclosure of information on Company and S&A;
- Cooperating with the Audit Committee under the Company's Board of Directors.

**Information on the Issuer's separate structural unit (service) internal audit, its tasks and functions:**

**The Internal Audit Service operates in The Company.** Service is a structural division of the Company's Head of the Internal Audit Service functionally subordinated to the Audit Committee of the Board of Directors, administrative - Director of Internal Control and Risk Management – head of Department.

The tasks and functions of the Internal Audit Service are:

- Organizing and conducting internal audits of the Company and S&A.
- Assessment of the effectiveness of internal control systems, risk management, corporate governance and S&A.
- Organization of methodological support and control over the activities of the representatives of the Company Auditing Committee of S&A.
- Interaction with the Audit Committee of the Board of Directors.

**Information about the issuer's policy in the field of risk management and internal controls, as well as the presence of the issuer's internal document establishing the rules to prevent the misuse of confidential and insider information:**

Systems of internal control and risk management, internal audit in the Company correspond to international standards, as well as applied in the Russian Federation, regulatory requirements and recommendations, common principles and approaches that are fixed in the Policy in the field of internal control and risk management and policy in the field of internal audit:

1. Policy on Internal Control and Risk Management PJSC "RusHydro"

URL to its full contents:

[http://www.rushydro.ru/corporate/regulations\\_and\\_docs/documents/board/](http://www.rushydro.ru/corporate/regulations_and_docs/documents/board/)

2. Regulations on the Internal Audit PJSC "RusHydro"

URL to its full contents:

[http://www.rushydro.ru/corporate/regulations\\_and\\_docs/documents/board/](http://www.rushydro.ru/corporate/regulations_and_docs/documents/board/)

3. Order of interactions of the Audit Committee of the Board of Directors with executive bodies of the Issuer's management is set out in the Regulations on the Board of Directors on the Audit Committee of PJSC "RusHydro".

URL to its full contents:

[http://www.rushydro.ru/corporate/regulations\\_and\\_docs/documents/board/](http://www.rushydro.ru/corporate/regulations_and_docs/documents/board/)

4. Regulations on insider information approved by the Board of Directors of JSC "RusHydro"

URL to its full contents:

<http://www.rushydro.ru/investors/disclosure/inside/>

The Regulation governs the practice of the Company meeting the requirements of Russian legislation with regard to the prevention of unlawful use of insider information and market manipulation. During preparation of the Regulation international corporate governance practice was taken into account, including the requirements of the Disclosure and Transparency Rules of the Financial Conduct Authority.

The Regulation established categories of persons, who/which are included into the list of insiders by JSC RusHydro, access procedure and rules for confidentiality protection of the insider information as well as restrictions for use of the information by insiders for making transactions with financial instruments of the Company and for transfer of the relevant information to third parties. This list also includes employees of JSC RusHydro who have access to information and documents containing insider information to perform their employment functions.

The list of insider information is prepared in Russian and English and is published on the corporate website of JSC RusHydro ([www.rushydro.ru](http://www.rushydro.ru) and [www.eng.rushydro.ru](http://www.eng.rushydro.ru)). The Company publishes the insider information in Russian in the newswire of the authorized news agency Interfax ([www.e-disclosure.ru](http://www.e-disclosure.ru)) and in English—on RNS newswire (<http://www.londonstockexchange.com/exchange/prices-andnews/news/market-news/market-news-home.html>).

The current list of insider information of PJSC "RusHydro" approved by the order of PJSC "RusHydro" from 16/03/2015 № 198,

Address of the Internet page on which free access to the full text:

<http://www.rushydro.ru/investors/disclosure/inside/>

## 5.5. Information on Members of the Issuer's Bodies, Monitoring Financial and Economic Activities

Name of the Issuer's financial and economic activities monitoring body: *Internal Audit Commission* (approved by resolution of the General Meeting of Shareholders on June 27, 2016)

Full name: *Annikova Naliia Nikolaevna*

Born in: *1955*

Education: *Higher education*

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of the company                  | Title                         |
|--------|---------|--------------------------------------|-------------------------------|
| from   | to      |                                      |                               |
| 2010   | 2010    | OJSC "BetElTrans"                    | CEO's counselor               |
| 2010   | 2013    | OJSC "RZDstroy"                      | CEO's counselor               |
| 2013   | present | OJSC "Construction Management № 308" | First Deputy General Director |

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: *none*

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

*There is no said kinship*

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

*No said sanctions have been imposed upon the person*

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

*The person has not held such positions*

Full name: *Mandal Denis Ryshyevych Kant*

Year of birth: *1987*

Education: *Higher education*

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |      | Name of entity                     | Position                                      |
|--------|------|------------------------------------|---|
| from   | by   |                                    |   |
| 2008   | 2011 | OJSC Renaissance Capital           | Customer Service Manager                      |
| 2012   | 2016 | Federal Property Management Agency | Deputy Head of Department of Federal Property |

|  |  |  |                    |
|--|--|--|--------------------|
|  |  |  | Management Agency* |
|--|--|--|--------------------|

\*The position is indicated as of the date of nomination

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

***The person has no said shares***

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on holding by the person any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Full name: ***Igor Nikolaevich Repin***

Year of birth: ***1966***

Education: ***Higher education***

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of entity                                       | Position                  |
|--------|---------|--|---------------------------|
| from   | by      |  |                           |
| 2003   | present | Nonprofit organization Investment Rights Association | Deputy Executive Director |

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

***The person has no said shares***

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on holding by the person any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Full name: ***Aleksandr Evgenevich Bogashov***

Year of birth: **1989**

Education: **Higher education**

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of entity                     | Position  |
|--------|---------|------------------------------------|---|
| from   | by      |                                    |   |
| 2011   | 2013    | Federal Property Management Agency | Specialist of the 1 class, lead professional, expert of the Board of management |
| 2013   | present | The Russian Ministry of Energy     | Chief of Branch of Department   |

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

***The person has no said shares***

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on holding by the person any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Full name: ***Khvorov Vladymyr Vasylyevych***

Year of birth: **1947**

Education: **Higher education**

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of entity   | Position                            |
|--------|---------|--|-------------------------------------|
| from   | by      |  |                                     |
| 2009   | present | Ministry of Economic Development of the Russian Federation | Lead Expert of Branch of Department |

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

***The person has no said shares***

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions)

due to economic infringements, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on holding by the person any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Body exercising control of financial and economic activities of the issuer: the **Audit Committee of the Board of Directors**

Full name: *Sergey Nikilaievych Ivanov (Chairman)*

Born in: **1961**

Education: **Higher education**, Moscow Engineering Physics Institute, Department - Theoretical Nuclear Physics, year of graduation - 1984; Doctor of Economic Sciences - 2007; Professor - 2010; Corresponding Member of the Russian Academy of Natural Sciences - 1999.

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of the company   | Title   |
|--------|---------|---|---|
| from   | to      |   |   |
|        |         | JSC "ERKO"  | Member of the Board of Directors              |
| 1992   | present | Federal State Budgetary Institution of Sciences Institute for Water Problems of the Russian Academy of Sciences | Director, Chairman of the Academic Council    |
| 2003   | present | ANO "National Energy Security Institute"  | Chairman of the Presidium                     |
| 2007   | 2013    | JSC "Malaya Energetika"   | Member of the Board of Directors              |
| 2010   | present | JSC "ERKO"  | Acting Director-General, Director-General     |
| 2012   | 2015    | LLC "LENSENT"   | General Director of the managing organization |
| 2013   | 2014    | PJSC "RusHydro"   | Member of the Board of Directors              |
| 2002   | 2015    | INPK CJSC "RET"   | Member of the Board of Directors              |
| 2012   | 2013    | OAD "Exhibition hall" Electrification "   | Member of the Board of Directors              |
| 2012   | 2013    | CJSC "Bank Sberkred"  | Member of the Board of Directors              |
| 2013   | present | LLC "Lisiteya"  | General Director of the managing organization |
| 2013   | present | LLC "Pasiphae"  | General Director of the managing organization |
| 2013   | present | LLC "Metida"  | General Director of the managing organization |
| 2013   | present | LLC "Almateia"  | General Director of the managing organization |
| 2013   | present | LLC "Oberon"  | General Director of the managing organization |
| 2014   | 2015    | CJSC "Novoyeniseysk wood chemical   | Member of the Board of                        |

|      |         |   |                                       |
|------|---------|---|---------------------------------------|
|      |         | complex"                                      | Directors                             |
| 2011 | present | JSC Corporation<br>"Nechernozemagropromstroy" | Member of the Board of Directors, CEO |
| 2015 | present | PJSC "RusHydro"                               | Member of the Board of Directors      |

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

***The person has no said shares***

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Full name: **Maksym Sergiyoych Bystrov**

Born in: **1964**

Education: **Higher education**, Moscow Civil Engineering Institute. VV Kuibyshev hydraulic engineering structures and river hydropower plants, year of graduation - 1986; All-Russian Academy of Foreign Trade, the global economy, the end of the year - 1998.

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of the company                                 | Title   |
|--------|---------|---|---|
| from   | to      |   |   |
| 2010   | 2013    | Russian Presidential Administration                 | Deputy Plenipotentiary Representative of RF President in the North Caucasian Federal District |
| 2012   | present | LLC "Management Company Airport to Mineralnye Vody» | Chairman of the Board of Directors, member of the Board of Directors                          |
| 2013   | present | JSC "Resorts of the North Caucasus"                 | Chairman of the Board of Directors, member of the Board of Directors                          |
| 2013   | present | PJSC "RusHydro"                                     | Member of the Board of Directors  |
| 2013   | present | NP "Market Council"                                 | And about. Chairman of the Board, Chairman of the Board, member of the Supervisory Board      |

|      |         |                |                                  |
|------|---------|----------------|----------------------------------|
| 2013 | present | OJSC "ATS"     | Chairman of the Board            |
| 2014 | present | OJSC "UES FGC" | Member of the Board of Directors |
| 2014 | present | OJSC "SO UES"  | Member of the Board of Directors |

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

Full name: **Viacheslav Viktorovich Pyvovarov**

Born in: **1972**

Education: **Higher education**, State Academy of Management Sergo Ordzhonikidze, the world economy, the year of graduation: 1995; American University in Paris, applied economics, year of graduation: 1995; Stanford Business School, MBA, graduated in 2002.

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of the company  | Title                             |
|--------|---------|--|-----------------------------------|
| from   | to      |  |                                   |
| 2009   | 2011    | Ministry of Economic Development of the Russian Federation | Freelance Advisor to the Minister |
| 2011   | present | LLC "Altera Capital"                                       | President, CEO                    |
| 2012   | 2013    | PJSC "Quadra"  | Member of the Board of Directors  |
| 2013   | present | PJSC "RusHydro"  | Member of the Board of Directors  |

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the



rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

### ***Internal Audit, Control and Risk Management Department***

Full name: ***Irina Olegovna Posevina — Director of the Department***

Born in: ***1970***

Education: ***Higher education***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

| Period |         | Name of the company | Title   |
|--------|---------|---------------------|---|
| from   | to      |                     |   |
| 2008   | 2010    | OJSC INTER RAO UES  | Deputy Director for Internal Control, Head of the Internal Audit, Controlling and Risk Management Block                   |
| 2010   | present | PJSC RusHydro       | Director for Internal Control and Risk Management; Director of the Internal Audit, Control and Risk Management Department |

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: ***none***

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer:

***The person has no said shares***

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one

of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***The person has not held such positions***

### **Head of the Internal Audit Department**

Full name: ***Oleg Evginiyovich Adzhymov***

Born in: ***1977***

Education: Higher education

**Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions**

| Period |         | Name of the company | Title   |
|--------|---------|---------------------|---|
| from   | to      |                     |   |
| 2008   | 2010    | JSC "IDGC of Urals" | Head of Internal Control and Audit Department   |
| 2010   | present | PJSC "RusHydro"     | Head of the Internal Audit / Deputy Director of the Audit Department of Internal Audit, Control and Risk Management / Head of Internal Audit Department |

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: ***none***

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: ***none***

A share of participation in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer.

Percentage of ordinary shares of subsidiaries and dependent companies of the issuer and the number of shares of each category (type) that may be purchased by this individual through exercising options owned by him subsidiaries and dependent companies of the issuer: ***none***

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

***There is no said kinship***

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

***No said sanctions have been imposed upon the person***

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

***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 last completed calendar year and for the first quarter, shall be specified:

***Internal Audit Commission***

Unit of measure: ***RUB***

| Indicator  | July 30, 2016 |
|--|---------------|
| Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body   | 629 475.00    |
| Salary   | 0             |
| Bonuses  | 0             |
| Commission   | 0             |
| Compensation of expenses   | 0             |
| Other types of remuneration  | 0             |
| TOTAL  | 629 475.00    |
| Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer | 0             |

Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated:

In the second quarterly of 2016 there were such regulations: until July 27 2016 - Regulation on Payment of Remuneration to Members of Internal Audit Commission of PJSC RusHydro of June 26, 2015 (Minutes No. 13 of June 26, 2015), after July 27 2016 – Regulation on remuneration and compensation to Members of Internal Audit Commission of PJSC RusHydro of July 27, 2016 (Minutes №15 of July 29, 2016)

No agreements concerning the amount of remuneration have been concluded with the members of the Internal Audit Commission.

***Audit Committee under the Board of Directors***

Unit of measure: ***RUB***

| Indicator  | As of July 30, 2016 |
|--|---------------------|
| Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body   | 0                   |
| Salary   | 0                   |
| Bonuses  | 0                   |
| Commission   | 0                   |
| Compensation of expenses   | 0                   |
| Other types of remuneration  | 0                   |
| TOTAL  | 0                   |
| Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer | 0                   |

Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated:

Remuneration shall be paid to the Members of Audit Committee under approved documents by General Shareholders Meeting.

In the second quarter Regulation on payment of remuneration to members of the PSC "RusHydro" Council approved June 26, 2015 General Meeting of Shareholders of PJSC "RusHydro" (Minutes of 26.06.2015 №13) was in force.

27.06.2016 General Meeting of Shareholders of PJSC "RusHydro" (Minutes of 29.06.2016 №15) approved a new edition of the Regulation on payment of remuneration and compensations to members of the Board of Directors of PJSC "RusHydro"

Regulations on payment of remuneration and compensation to members of the Board of Directors of PJSC "RusHydro", approved June 27, 2016 does not apply to members of the Board who are (for the full or partial terms of office of the Board of Directors member) as members of the collegial executive body or by the sole executive function body of the Company.

Remuneration to the Chairman and members of the Board of Directors, who are (for the full or partial terms of office of the Board of Directors member) persons in respect of which the legislation of the Russian Federation provided the restriction or prohibition on the receipt of any payments from commercial organizations are not charged and paid.

Remuneration shall be paid to the members of the Audit Committee under the Board of Directors in accordance with the Regulations on Payment of Remuneration to Members of PJSC RusHydro Board of Directors of June 26, 2015 (Minutes No. 13 of June 26, 2015). The amount of remuneration to be paid to a member of the Board of Directors shall increase in relation to his/her remuneration as a member of the Board of Directors, if a member of the Board of Directors is the Chairman of the Board of Directors' Committee (20 per cent), a member of the Board of Directors' Committee (10 per cent).

[http://www.rushydro.ru/file/main/global/investors/disclosure/documents/Polozhenie\\_o\\_vyplate\\_chlena\\_m\\_SD\\_Obschestva\\_voznagrashdenij\\_-\\_2010.pdf](http://www.rushydro.ru/file/main/global/investors/disclosure/documents/Polozhenie_o_vyplate_chlena_m_SD_Obschestva_voznagrashdenij_-_2010.pdf)

No agreements concerning the amount of remuneration have been concluded with the members of the Audit Committee under the Board of Directors.

#### ***Control and Risk Management Department***

Unit of measure: ***RUB***

| Indicator  | July 30, 2016 |
|--|---------------|
| Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body   | 0             |
| Salary   | 16 480 763.65 |
| Bonuses  | 6 203 988.00  |
| Commission   | 0             |
| Compensation of expenses   | 0             |
| Other types of remuneration  | 0             |
| TOTAL  | 22 684 751.65 |
| Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer | 831 676.00    |

#### ***Internal Audit Service***

Unit of measure: ***RUB***

| Indicator  | July 30, 2016 |
|--|---------------|
| Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body | 0             |
| Salary   | 4 879 610,34  |
| Bonuses  | 1 856 680.00  |
| Commission   | 0             |
| Compensation of expenses   | 0             |

|  |              |
|--|--------------|
| Other types of remuneration  | 0            |
| TOTAL  | 6 736 290.34 |
| Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer | 203 380,00   |

**Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated:**

*Remuneration is paid to the employees in accordance with the terms and conditions of their labour agreements.*

### ***5.7. Information on the Number, General Information on Content of the Issuer's Employees (Workers), and Alterations of the Number of the Issuer's Employees (Workers)***

Average number of employees (workers) of the Issuer, including employees (workers) working at its branches and representative offices as well as accrued salary and social payments

| Indicator  | First half-year of 2016 |
|--|-------------------------|
| Average number of employees, persons                           | 5 502.4                 |
| Total payroll for the reporting period                         | 3 159 112 091           |
| Social payments to the employees for the reporting period, RUB | 133 133 700             |

Employees (workers) of the Issuer include employees having significant impact on financial and economic activities of the Issuer (key employees). Information on such key employees of the Issuer:

- Nicolai Shulginov, Chairman of the Management Board — General Director, member of the Board of Directors (personal information shall be given in clause 5.2. of the quarterly report);
- Members of the Board (personal information shall be given in clause 5.2. of the quarterly report).

Employees of the Issuer did not create a trade union committee. As a result of affiliation of S&A to the Company during the Issuer's reorganisation, employees of the affiliated S&A, which currently are members of various trade unions created in S&A before affiliation with the Issuer, were included in the Issuer's staff.

### ***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 (workers) as to the possibility of their participation in its authorized capital.

## **VI. Information on the Issuer's Participants (Shareholders) and Non-arm's length transactions Made by the Issuer**

### ***6.1. Information on Total Number of the Issuer's Participants (Shareholders)***

Total number of persons with non-zero balances on their personal accounts recorded in the Issuer's register of shareholders as at the end of the last reporting quarter: **305 709**

Nominee shareholders of Issuer enter to the membership of person registered in the Registry of Issuer's shareholders. Total number of the Issuer's nominee shareholders: **17**

Total number of persons included in the final list of persons which had (have) the right to participate in the General Meeting of Shareholders of the Issuer (other list of persons composed for purposes of execution of rights attached to the Issuer's shares and for composition of which the Issuer's nominee shareholders presented data on persons, in the interests of which they hold the Issuer's shares): **345 289**

Class of the Issuer, the owners of which had to be included in such list: **uncertified registered ordinary shares;**

Preparation date of such list: 23.05.2016

Quantity of own shares on the balance sheet of the Issuer as at the end of the reporting quarter: On Issuer's balance, own shares are absent

Quantity of the Issuer's **uncertified registered ordinary shares** owned by the controlled organizations: **18 852 353,167**

### ***6.2. Information on the Issuer's Participants (Shareholders) Holding at least Five Per Cent of the Authorized Capital or at least Five Per Cent 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 Per Cent of the Authorized (Reserve) Capital (Unit Fund) or at least 20 Per Cent of their Equity Shares***

The Issuer's participants (shareholders), holding at least five per cent of its authorized capital or at least five per cent of its equity shares

The participants (shareholders) holding at least five percent of its authorized capital or not less than five percent of its common shares

Full corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Abbreviated corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Location

**9 Nikolskiy Pereulok, Moscow, Russia, 109012**

INN: **7710723134**

PSRN: **1087746829994**

Share of the Issuer's participant (shareholder) in the authorized capital of the Issuer, %: **66.836992**

Share of the Issuer's equity shares held by the participant (shareholder), %: **66.836992**

Persons controlling the Issuer's participant (shareholder)

**None**

Participants (shareholders) of such person, holding at least 20 per cent of its authorized capital or at least 20 per cent of its equity shares:

**None**

**The Issuer's shares, that constitute not less than five per cent of the authorized capital or not less than five per cent common shares registered in the Issuer's shareholder register in the name of a nominee shareholder**

Information on the nominee holder:

Full corporate name: **Non-bank Credit Institution National Settlement Depository Closed Joint-Stock Company**

Abbreviated corporate name: **NCO CJSC NSD**

Location

**105066, Spartakovskaya str., bldg.12, Moscow.**

INN: **7702165310**

PSRN: **1027739132563**

Tel.: **(495) 234-4827**

Fax: **(495) 956-0938**

E-mail: [info@ndc.ru](mailto:info@ndc.ru)

Information of the license of the securities market professional

Number: **177-12042-000100**

Date of issue: **February 19, 2009**

Expiry date:

**Unlimited**

Name of the issuing authority: **Bank of Russia**

Number of the Issuer's equity shares, registered in the Issuer's register of shareholders in favour of the nominee holder: **115 537 326 396**

Number of the Issuer's preferred shares, registered in the Issuer's register of shareholders in favour of the nominee holder: **0 ( the Issuer hasn't issued the preferred shares)**

December 30, 2015 The Issuer received a notification from Gazprombank (Joint Stock Company) (Moscow, INN 7744001497, PSRN 1027700167110) on the right to dispose of a certain number of votes of the Issuer. According to the present notice, the Issuer disclosed the information that on the December 24, 2015 Gazprombank (JSC) has acquired the right to dispose of 6.367% of the votes attached to the voting shares of the Issuer. Information on the shareholder is also in para. 6.5 of the present Quarterly Report

As of July 30, 2016, the Issuer has no information about the ownership and/or the accurate share owned by Gazprombank (JSC) in the authorized capital and ordinary shares of the Issuer.

### ***6.3. Information on the Share of the State or Municipal Entity in the Authorized Capital of the Issuer, and Availability of the Special Right (Golden Share)***

Information on the share of the state (municipal entity) is specified in the authorized capital of the Company and special right:

Share of the Issuer's authorized capital in state (federal, Russian Federation constituent entities), municipal ownership: 66,93050994%;

Information on managers of state, municipal blocks of shares: **None;**

Information on persons acting as the Issuer's participant (shareholder) on behalf of the Russian Federation, constituent entity of the Russian Federation or municipal entity

**1) State property (federal):**

1. Name: **Federal Agency for State Property Management**

Location: **9 Nikolsky Per., Moscow, 109012**

Share of the Issuer's authorized capital in state (federal) ownership: **66,836992**

2. Full corporate name: **ITAR-TASS News Agency, Federal State Unitary Enterprise**

Location: **10-12 Tverskoi Blvd., Moscow, 125993**

Share of the Issuer's authorized capital in state (federal) ownership: **0.000064 %**

**2) State property (property of Russian Federation constituent entities)**

1. Name: **Rostov Oblast in the face of state budget institutions of Rostov Oblast Property Fund of Rostov Oblast**

Location: **112 Sotsialisticheskaya St., Rostov-on-Don, Rostov Oblast, 344050**

Share of the Issuer's authorized capital in state (Russian Federation subjects) ownership: **0.000021**

2. Name: **Financial Department of Administration for Orenburg Oblast**

Location: **54 Sovetskaya St., Orenburg, 460311**

Share of the Issuer's authorized capital in state (Russian Federation subjects) ownership: **0.00000009**

**3) Municipal property**

1. Name: **Bureysky District Administration for Amur Oblast**

Location: **49 Sovetskaya St., Novobureysk, Amur Oblast, 676701**

Share of the Issuer's authorized capital in municipal ownership: **0.000394 %**

2. Name: **Administration of municipal entity Selsovet Zubutli-Miatlinsky of Kizilyurtovsky District of the Republic of Dagestan**

Location: **Lenina St., Zubutli-Miatli, Kizilyurtovsky District, Republic of Dagestan, Russia**

Share of the Issuer's authorized capital in municipal ownership: **0, 015897**

3. Name: **Administration of Ashilta**

Location: **Ashilta, Untsukulsky District, Republic of Dagestan, 368240**

Share of the Issuer's authorized capital in municipal ownership: **0.001704 %**

4. Name: **Administration of Verkhny Chiryurt-Gelbakh**

Location: **2-11-38 Verkhny Chiryurt, Kizilyurtovsky District, Republic of Dagestan, 368100**

Share of the Issuer's authorized capital in municipal ownership: **0.010122 %**

5. Name: **Administration of Gergebil**

Location: **Gergebil, Gergebil District, Republic of Dagestan, 368250**

Share of the Issuer's authorized capital in municipal ownership: **0.005552 %**

6. Name: **Administration of Untsukul**

Location: **Untsukul, Untsukul District, Republic of Dagestan, 368240**

Share of the Issuer's authorized capital in municipal ownership: **0.002901 %**

7. Name: **Municipal entity of rural settlement Chirkata rural community of Gumbetovsky District of the Republic of Dagestan**

Location: **Chirkata, Gumbetovsky District, Republic of Dagestan, 368933**

Share of the Issuer's authorized capital in municipal ownership: **0.011710 %**

8. Name: **Municipal entity of Chirkey represented by the municipal entity administration of Chirkey**

Location: **Chirkey, Buynaksky District, Republic of Dagestan, 368114**

Share of the Issuer's authorized capital in s municipal ownership: **0.050897 %**

9. Name: **Administration of rural settlement Selsovet Khvartikuninsky**

Location: **Khvartikuni, Gergebil District, Republic of Dagestan, 368258**

Share of the Issuer's authorized capital in municipal ownership: **0.005552 %**

10. Name: **Municipal Property Management Committee of Zeya**

Location: **217 Mukhina St., Zeya, Amur Oblast, 676246**

Share of the Issuer's authorized capital in state municipal ownership: **0.000356 %**

11. Name: **MUNICIPAL EDUCATIONAL INSTITUTION OF MIXED TYPE BOARDING SCHOOL**

Location: **32 Chkalova St., Partizansk, Primorsky Krai**



Share of the Issuer's authorized capital in municipal ownership: **0.00000002 %**

Information on the availability of the special right of the Russian Federation, constituent entity of the Russian Federation, municipal entity to participate in management of the Issuer — joint-stock company (golden share) and the validity of the special right (golden share): ***There is no such right.***

#### ***6.4. Information on Restriction to Participate in the Issuer's Authorized Capital***

There are no restrictions to participate in the Issuer's authorized capital (unit fund).

#### ***6.5. Information on Changes in the Structure and Interests of the Issuer's Participants (Shareholders), Holding at least Five Per Cent of its Authorized Capital or at least Five Per Cent of its Equity Shares***

Structure of the Issuer's participants (shareholders) holding at least five per cent of the Issuer's authorized capital and being joint-stock companies for the Issuer, as well as at least five per cent of the Issuer's equity shares specified as of the date of the list of persons which had right to participate in each General Meeting of Shareholders (Participants) of the Issuer held for the last complete reporting 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 which had right to participate in every such meeting.

Preparation date of a list of persons entitled to take part in the General Meeting of Shareholders (Participants) of the Issuer: ***May 25, 2015***

List of shareholders (participants)

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

Location: ***9 Nikolsky Per., Moscow 109012***

INN: ***7710723134***

PSRN: ***1087746829994***

Share of the person in the authorized capital of the Issuer (of the total amount of placed shares), %: ***66.836992***

Portion of the Issuer's equity shares held by the person, %: ***66.836992***

Preparation date of a list of persons entitled to take part in the General Meeting of Shareholders (Participants) of the Issuer: ***November 23, 2015***

List of shareholders (participants)

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

Location: ***9 Nikolsky Per., Moscow 109012***

INN: ***7710723134***

PSRN: ***1087746829994***

Share of the person in the authorized capital of the Issuer (of the total amount of placed shares), %: ***66.836992***

Portion of the Issuer's equity shares held by the person, %: ***66.836992***

Preparation date of a list of persons entitled to take part in the General Meeting of Shareholders (Participants) of the Issuer: ***May 23, 2015***

List of shareholders (participants)

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

Location: ***9 Nikolsky Per., Moscow 109012***

INN: ***7710723134***

PSRN: ***1087746829994***

Share of the person in the authorized capital of the Issuer (of the total amount of placed shares), %: ***66.836992***

Portion of the Issuer's equity shares held by the person, %: ***66.836992***

Name: Gazprombank (Joint Stock Company)

Location: 117420,bldg.16, Nametkina str., bldg. 1, Moscow.

INN: 7744001497

PSRN:1027700167110

Share of the person in the authorized capital of the Issuer (of the total amount of placed shares), %:  
**6,367032**

Portion of the Issuer's equity shares held by the person, %: **6,367032**

## **6.6. Information on Non-arm's length transactions Made by the Issuer**

Information on the number and volume of transactions in monetary terms made by the Issuer, which in accordance with the laws of the Russian Federation are considered as non-arm's length transactions requiring approval of the authorized management entities of the Issuer, according to the results of the last reporting quarter

Unit of measure: *Russian rubles*.

| Indicator   | Total number | Total volume in monetary terms, RUB |
|---|--------------|-------------------------------------|
| Non-arm's length transactions made by the Issuer for the reporting period, requiring approval of the authorized management entity of the Issuer                                 | 5            | 9 998 489 340,91*                   |
| Non-arm's length transactions made by the Issuer for the reporting period, which have been approved by the General Meeting of Shareholders (Participants) of the Issuer         |              |                                     |
| Non-arm's length transactions made by the Issuer for the reporting period, which have been approved by the Board of Directors (the Supervisory Board) of the Issuer             | 5            | 9 998 489 340,91*                   |
| Non-arm's length transactions made by the Issuer for the reporting period, requiring approval of, but have not been approved by, the authorized management entity of the Issuer |              |                                     |

\* 3 transactions of the total amount is an additional agreement to previously concluded contracts, they do not stipulate arising of new obligations, they amend the number of material provisions of the previously concluded contracts. Moreover, price of the specified contract is recognized in the Total Volume in Monetary Terms column.

Transactions (groups of related transactions), which price is 5 or more per cents of the Issuer's assets balance value, defined according to its financial statements as of the last reporting date before the transaction made by the issuer for the last reporting quarter: *None*

Transactions (groups of related transactions) of current interest and the decision on approval of which has not been taken by the Board of Directors (Supervisory Board) or the General Meeting of Shareholders (Participants) of the Issuer, if such approval is mandatory according to the laws of the Russian Federation: *None*

## **6.7. Information on Accounts Receivable**

As at July 30, 2016

Measurement unit: *Russian rubles*.

| Indicator   | Indicator value   |
|---|-------------------|
| Accounts receivable of buyers and customers   | 6 904 709 593,51  |
| including overdue   | 108 579 848,71    |
| Accounts receivable for bills receivable  | 49 809 389 820,16 |
| including overdue   | 13 621 000 000,00 |
| Accounts receivable of members (founders) as to contributions to the authorized capital | 0                 |
| including overdue   | 0                 |

|   |                    |
|---|--------------------|
| Other accounts receivable                   | 73 571 206 892,08  |
| including overdue                           | 3 279 709 522,81   |
| Total accounts receivable                   | 130 285 306 305,75 |
| including total overdue accounts receivable | 17 009 289 371,52  |

Debtors owning less than 10 per cent of the total accounts receivable for the specified reporting period

Full corporate name: **Open Joint-Stock Company Power machines — ZTL, LMZ, Electrosila, Energomachexport**

Abbreviated corporate name: **JSC Power Machines**

Location: **3, Lit. A, Vatutina St., St. Petersburg, 190000 Russia**

INN: **7702080289**

PSRN: **1027700004012**

Accounts receivable: **17 402 376 054,99 Russian rubles**

Amount and terms and conditions of the overdue accounts receivable (interest rate, fine sanctions, penalties): **No**

The debtor is an affiliate of the Issuer: **no**

Full corporate name: **Joint-Stock Company Boguchanskaya HPP**

Abbreviated corporate name: **JSC Boguchanskaya HPP**

Location: **1 Unified Base No. 1, Left Bank Construction Base, Kodinsk, Kezhemskiy District, Krasnoyarsk Krai, Russian Federation**

INN: **2420002597**

PSRN: **1022400828119**

Accounts receivable: **21 027 965 186,67 Russian rubles**

Amount and terms and conditions of the overdue accounts receivable (interest rate, fine sanctions, penalties): **No**

The debtor is an affiliate of the Issuer: **no**

## **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 2015 and the Audit report to it includes in the Quarterly Report for the 1 quarter of 2016.

The Issuer does not prepare annual financial statements in accordance with IFRS or other internationally accepted rules different from IFRS.

The Issuer prepares consolidated financial statements of PJSC RusHydro and subsidiaries in accordance with IFRS.

### ***7.2. Interim Accounting (Financial) Statements of the Issuer***

Interim accounting (financial) statements for 6 months of 2016 attached to this quarterly report (Appendix No. 1) include:

- Balance sheet as of June 30, 2016;
- Profit and loss statement for the period from January 01, 2016 to June 30, 2016;

The Auditor did not perform any procedures in relation to and did not give its opinion on reliability of interim accounting statements of the Issuer for 6 months of 2016 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 different from IFRS.

### ***7.3. Consolidated Financial Statements of the Issuer***

The Issuer prepares consolidated financial statements in accordance with IFRS which complies with Article 22 of Federal Law No. 208-FZ On Consolidated Financial Statements, dated July 27, 2010.

Consolidated financial statements are prepared in accordance with IFRS and the auditor's report for the year ended on December 31, 2015 and as at that date are included in the Quarterly Report for the 1st quarter 2016.

Composition attached to this Quarterly Report, Condensed Consolidated Interim (Financial) Information (Unaudited), prepared in accordance with IAS 34, As at and for the three months ended 31 March 2016 (Appendix 2):

- Condensed Consolidated Interim Financial Report of financial position;
- Condensed Consolidated Interim Financial Report of profit and loss statement;
- Condensed Consolidated Interim Financial Report of comprehensive income;
- Condensed Consolidated Interim Financial Report of cash flows;
- Condensed Consolidated Interim Financial Report of changes in equity;
- Notes to Condensed Consolidated Interim Financial Information.

### ***7.4. Information on the Accounting Policy of the Issuer***

The accounting policies adopted by the Issuer for the current year, in the reporting period no changes were made. The information is listed in the Quarterly Report for the 1st quarter 2016.

### ***7.5. Information on the Total Amount of Export, as well as on Export Share 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 which took place within 12 months prior to the expiry date of the reporting quarter:

There were no material changes in the Issuer's property within 12 months prior to the expiry date of the reporting quarter.

## ***7.7. Information on the Issuer's Participation in Judicial Proceedings, if such Participation may have a Material Effect on Financial and Business Activities of the Issuer***

The Issuer did not participate/is not participating in any judicial proceedings, which had/may have a material effect on 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 by it

### 8.1. Additional Information on the Issuer

#### 8.1.1. Information on the Amount and Structure of the Authorized Capital of the Issuer

Information on Amount, structure of the authorized capital of the Issuer as at the end date of the reporting quarter: **three hundred eighty-six billion two hundred fifty-five million four hundred sixty-four thousand eight hundred and ninety (386,255,464,890) RUB**

Breakdown of the issuer's authorized capital for common and preferred shares with an indication of the total nominal value of each class of shares and the amount of each class of shares in the authorized capital of the issuer

Equity shares

Total par value: **three hundred eighty-six billion two hundred fifty-five million four hundred sixty-four thousand eight hundred and ninety (386,255,464,890) RUB**

Share in the authorized capital: **100 %**

Preferred shares was not produced by the Issuer.

*The amount of the authorized capital (provided in this paragraph) corresponds*

Information on correspondence between the amount of the authorized capital specified in this Clause and the Issuer's constituent documents: *The amount of the authorized capital corresponds to the Issuer's Statute.*

**The shares of the Issuer are traded outside the Russian Federation by circulation of the deposit securities (securities of a foreign issuer certifying the title for the said shares of the Russian issuer)**

Category (class) of shares traded outside the Russian Federation: *equity*

Percentage of shares which are traded outside the Russian Federation from the total shares of the relevant category (class): **5.553912 %**

**Name and location of** Foreign issuer, depository securities of which certify rights in respect to the Issuer's shares of the relevant 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 depository securities of a foreign issuer, certifying rights in respect to shares of the relevant category (class):

|  |  |
|--|--|
| Program type                           | GDR according to Rule 144A<br>ADR, 1st level |
| Depository bank                        | The Bank of New York Mellon                  |
| Relation                               | 1 GDR, 1 ADR = 100 equity shares             |
| Ticker                                 | HYDR   |
| Number CUSIP GDR 144A                  | 782183503                                    |
| Number CUSIP ADR 1st level             | 782183404                                    |
| Maximum possible program capacity, pcs | 832,131,000                                  |

**Information on obtaining a permit from the Bank of Russia and/or the authorized state authority of the Russian Federation to place and/or arrange trade in the Issuer's shares of relevant category (type) outside the Russian Federation:**

*permit of the Federal Financial Markets Service of the Russian Federation No. 08-EK-03/10335 dated May 23, 2008 (order №1116/pz-i of the Russian FFMS of May 20, 2008 ), permit of the Federal Financial Markets Service of the Russian Federation No. 09-EK-03/27137 dated November 19, 2009 (order №09-3711/pz-i of the Russian FFMS of November 19, 2009 ), permit of the Federal Financial Markets Service of the Russian Federation No. 11-SH-03/350 dated November 17, 2010 (order №11-22/pz-i of the Russian FFMS of January 13, 2011 ), permit of the Federal Financial Markets Service of the Russian Federation No. 11-SH-03/21348 dated August 18, 2011 (order №11-2064/pz-i of the Russian FFMS of August 16, 2011).*

Name of the foreign listing authority, through which the Issuer's shares are traded (depository securities certifying rights in respect to the Issuer's shares): *London Stock Exchange, Main Market (trading with listing procedure) and in USA electronic system of over-the-counter trading OTCQX, 304 Hudson Street, 2nd Floor, New York, NY 10013, USA.*

*Other Information on the issuer's shares organizations outside the Russian Federation by the Issuer at its sole discretion, are not available.*

### **8.1.2. Information on Change in the Amount of the Authorized Capital of the Issuer**

Information on changes in the Issuer's authorized capital for the last completed reporting year as well as for the period from the beginning date of the current year to the end date of the reporting quarter:

During 2015 and in the period of 6 months of 2016 there were no changes in amount of the authorized capital.

### **8.1.3. Information on Convening and Holding the Meeting of the Issuer's Supreme Management Body**

**Name of the Issuer's supreme management body:** General Meeting of Shareholders

**Procedure for notification of shareholders (participants) of holding of the meeting of the Issuer's supreme management body:**

Notice of the General Meeting of Shareholders shall be posted on the Company's website [www.rushydro.ru](http://www.rushydro.ru) not later than thirty (30) days prior to the date thereof.

Notice of the extraordinary General Meeting of Shareholders, the proposed agenda of which contains an issue about election of members of the Board of Directors, shall be posted on the Company's website [www.rushydro.ru](http://www.rushydro.ru) not later than seventy (70) days prior to the date thereof.

**Persons who may call for (demand the calling for) an extraordinary meeting of the Issuer's supreme management body, as well as procedure for sending such requests:**

The extraordinary General Meeting of Shareholders shall be held by a resolution of the Board of Directors passed on its own initiative, upon the request of the Internal Audit Commission, the Company's Auditor, or shareholders holding at least ten (10) per cent of the voting shares of the Company as at the date when the request is submitted.

Demand the calling for the extraordinary General Meeting of Shareholders may be made by:

sending via mail communication or courier service at location of the Company and also at postal address: building 7, Malaya Dmitrovka, Moscow city, 127006;

delivery against receipt to Chairman of the Executive Board: Director General, Chairman of the Board of Directors or Corporate Secretary of the Company.

Sending via e-mail at address: [akcioner@rushydro.ru](mailto:akcioner@rushydro.ru) with the use of electronic digital signature in the manner prescribed by the legislation of the Russian Federation.

The extraordinary General Meeting of Shareholders, at the request of the Internal Audit Commission of the Company, Auditor of the Company, as well as shareholders holding at least ten (10) per cent of the Company's voting shares at the date of request, is called by the Board of Directors and shall be held within fifty (50) days of the request.

Should the proposed agenda of the extraordinary General Meeting of Shareholders contain an item on election of members of the Board of Directors of the Company, such General Meeting of Shareholders shall be held within ninety-five (95) days of the request.

Within five (5) days of the request for calling for an extraordinary General Meeting of Shareholders, the Board of Directors shall take a decision to call the extraordinary General Meeting of Shareholders or refuse to call it.

The resolution of the Board of Directors on calling an extraordinary General Meeting of Shareholders or reasoned resolution on refusal thereof shall be sent to persons demanding it within three (3) days of the date thereof.

**Procedure for determining the date of the meeting of the Issuer's supreme management body:**

The annual General Meeting of Shareholders shall be held not earlier than two months and not later than six months after the end of the reporting year.

The annual General Meeting of Shareholders shall be called and held upon the Board of Directors' decision.

The extraordinary General Meeting of Shareholders shall be held by a resolution of the Board of Directors passed on its own initiative, upon the request of the Internal Audit Commission, the Company's Auditor, or shareholders holding at least ten (10) per cent of the voting shares of the Company as at the date when the request is submitted.

The extraordinary General Meeting of Shareholders, at the request of the Internal Audit Commission of the Company, Auditor of the Company, as well as shareholders holding at least ten (10) per cent of the Company's voting shares at the date of request, is called by the Board of Directors and shall be held within fifty (50) days of the request.

Should the proposed agenda of the extraordinary General Meeting of Shareholders contain an item on election of members of the Board of Directors of the Company, such General Meeting of Shareholders shall be held within ninety-five (95) days of the request.

**Persons who may propose items on the agenda of the Issuer's supreme management body, as well as the procedure therefore:**

The shareholder(s) holding in the aggregate at least two (2) per cent of the Company's voting shares are entitled to propose issues to be included in the agenda of the annual General Meeting of Shareholders and to nominate candidates to the Company's Board of Directors and Audit Commission, as long as the number of such candidates does not exceed the number of members of the given body.

Such propositions shall be delivered to the Company within ninety (90) days after the end of the reporting year.

The proposals of agenda items for the General Meeting of Shareholders and proposals concerning nomination of candidates shall be submitted in writing, with specification of the name (corporate name) of shareholders submitting the proposal, and the quantity and category (class) of shares they hold, under the shareholders' signature.

The proposals of agenda items for the General Meeting of Shareholders shall contain the wording of each proposed item, and proposals concerning nomination of candidates — name and ID details (serial and/or number of the document, date and place of its issue, issuing authority) of each nominates, name of the body for election to which it is nominated.

The Board of Directors of the Company shall examine the proposals submitted and decide on placing items on the agenda of the General Meeting of Shareholders or refuse to place them within five (5) days of expiry of the period specified in Clause 11.1, Article 11 of the PJSC RusHydro Charter.

The Board of Directors may refuse to place items proposed by shareholders on the agenda of the General Meeting of Shareholders, or to include recommended candidates in the list of candidates for election to the relevant body of the Company in cases specified by the Federal Law On Joint-Stock Companies and other legislative and regulatory acts of the Russian Federation.

The reasoned resolution of the Board of Directors to refuse to include the proposed item on the agenda of the General Meeting of Shareholders or a candidate in the list of candidates for voting for election to the relevant body of the Company shall be sent to the shareholder(s) who tabled the item or who recommended the candidate, within three (3) days of its adoption.

The Board of Directors may not change the wording of items proposed to be included in the agenda of the General Meeting of Shareholders, or the wording of resolutions on such issues (if any).

Apart from the items that shareholders propose for inclusion on the agenda of the General Meeting of Shareholders, and also if no such proposals were made, if no candidates or an insufficient number of candidates were proposed for the formation of the given body, the Board of Directors may place items on the agenda of the General Meeting of Shareholders or include candidates in the list of candidates at its own discretion.

**Persons who may familiarize themselves with information (materials) provided for preparation and holding of the meeting of the Issuer's supreme management body, as well as the familiarization procedure:**

Information (files) concerning the agenda of the General Meeting of Shareholders shall be made available within thirty (30) calendar days before the General Meeting of Shareholders (in case of an extraordinary General Meeting of Shareholders with the issue on the agenda as per Subclause 4 of Clause 1 of Article 48 of the Federal Law On Joint-Stock Companies, within 20 days prior to the meeting) to the persons entitled to participate in the General Meeting of Shareholders at the places to be stated in the message on the General Meeting of Shareholders, this information is also posted on the Company's website.

The list of persons entitled to participate in the General Meeting of Shareholders is compiled based upon the



Company's register of shareholders as at the date established by the Board of Directors when deciding on holding of the General Meeting of Shareholders according to Federal Law On Joint-Stock Companies.

The procedure for familiarization of persons entitled to participate in the General Meeting of Shareholders with information (materials) on the agenda of the General Meeting of Shareholders and the list of such information (materials) is determined by the Board of Directors.

**Procedure for announcement (notification of shareholders (participants) of the Issuer) of decisions accepted by the supreme management body of the Issuer, as well as voting results:**

The minutes of the General Meeting of Shareholders shall be made within three (3) business days after the General Meeting of Shareholders, when the General Meeting of Shareholders is held in the form of joint attendance, or after the deadline for acceptance of ballots, when the General Meeting of Shareholders is held in the form of voting in absentia.

The Minutes of the General Meeting of Shareholders shall be signed by the Chairman of the General Meeting of Shareholders and by the Secretary of the General Meeting of Shareholders.

Minutes of the General Meeting of Shareholders shall be posted on the Company's website on the working day following its signing.

Voting results and decisions taken by the General Meeting of Shareholders may be announced at the General Meeting of Shareholders at which the voting took place, and shall be announced to persons entitled to participate in the General Meeting of Shareholders, in the form of voting results report under the procedure and within the term stipulated by the Federal Law On Joint-Stock Companies.

### **8.1.4. Information on Commercial Organisations, in which the Issuer Holds at least Five Per Cent of the Authorized Capital or at least Five Per Cent of Equity Shares**

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q2 of 2016.

### **8.1.5. Information on Major Transactions Made by the Issuer**

Such transactions were not made.

### **8.1.6. Information on the Issuer's Credit Ratings**

In respect of every credit ratings, known to the Issuer, for the last complete reporting 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.**

Abbreviated corporate name: **Fitch**

Location: 30 North Colonnade, Canary Wharf, London E14 5GN, UK and **26 Valovaya St., (office in Russia), Moscow, Russia 115054.**

Description of credit rating methods or URL where information on credit rating methods is posted in free access:

**<https://www.fitchratings.com>, <http://www.fitchratings.ru>**

Credit rating as at the end of the reporting quarter: **BB+ according to international scale, AA (rus) according to national scale**

Credit rating change history for the last completed reporting year, preceding the end date of the reporting quarter, as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, with specification of the credit rating and allocation (change) date thereof

| Allocation date  | Credit rating   |
|------------------|---|
| January 21, 2015 | Fitch Ratings Ltd. confirmed Negative outlook of JSC RusHydro and confirmed its credit ratings at BB+ (foreign long-term rating) and AA(rus) (national long-term rating). |
| May 20, 2016     | Fitch Ratings Ltd. confirmed Negative outlook of JSC RusHydro and confirmed its credit ratings at BB+ (foreign long-term rating) and AA(rus) (national long-term rating). |

Rating object: **Issuer**

Rating company

Full corporate name: **Standard & Poor's Credit Market Services Europe Limited**

Abbreviated corporate name: **Standard & Poor's**

Location: **55 Water Street New York, NY, United States, 10041 (central office), 4/7 Vozdvizhenka St., bldg. 2, Moscow, 125009, Russia (branch in Russia).**

Description of credit rating methods or URL where information on credit rating methods is posted in free access:

<http://www.standardandpoors.com>, <http://standardandpoors.ru>

Credit rating as at the end of the reporting quarter: **BB+ according to international scale, ruAA+ according to national scale**

Credit rating change history for the last completed reporting year, preceding the end date of the reporting quarter, as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, with specification of the credit rating and allocation (change) date thereof

| Allocation date  | Credit rating  |
|------------------|--|
| February 4, 2015 | Standard&Poor's rating agency revised JSC RusHydro ratings and determined the long-term rating in foreign currency at BB changing Negative to Stable outlook, national long-term rating at ruAA (due to change in sovereign credit rating of the Russian Federation on January 26, 2015 from BBB- to BB+). |

Rating object: **Issuer**

Rating company

Full corporate name: **MOODY'S Investors Service Ltd**

Abbreviated corporate name: **MOODY'S**

Location: **One Canada Square, Canary Wharf, London E 14 5 FA, UK and 2 1-ya Tverskaya-Yamskaya St., Moscow, Russia, 125047 (branch in Russia)**

Description of credit rating methods or URL where information on credit rating methods is posted in free access:

<https://www.moodys.com/>, <http://www.moodys.ru>

Credit rating as at the end of the reporting quarter: **«Ba2» according to international scale**

Credit rating change history for the last completed reporting year, preceding the end date of the reporting quarter, as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, with specification of the credit rating and allocation (change) date thereof

| Allocation date   | Credit rating   |
|-------------------|---|
| February 25, 2015 | MOODY'S Investors Service Ltd. rating agency revised the long-term credit rating in foreign currency and determined it at Ba2 Negative outlook (due to similar action concerning sovereign credit rating outlook of the Russian Federation on February 20, 2015).                   |
| February 26, 2015 | CJSC Moody's Interfax Rating Agency revised the national long-term credit rating in foreign currency and determined it at Aa2 (due to similar action concerning sovereign credit rating outlook of the Russian Federation on February 20, 2015).                                    |
| December 07, 2015 | MOODY'S Investors Service Ltd. Rating Agency revised JSC RusHydro rating changing Negative to Stable outlook and confirmed its credit rating at Ba2 according to international scale (foreign and national long-term rating according to international scale).                      |
| March 09, 2016    | MOODY'S Investors Service Ltd. Rating Agency decided to revise the level (forecast) of JSC RusHydro rating according to international scale with the possibility of downgrading (due to similar action concerning bonds of the Russian Federation with a rating on March 04, 2016). |
| March 10, 2016    | CJSC Moody's Interfax Rating Agency decided to revise the level (forecast) of JSC RusHydro rating according to national scale with the possibility of downgrading (due to rating action concerning bonds of the Russian Federation with a rating on March 04, 2016).                |
| March 18, 2016    | CJSC Moody's Interfax Rating Agency decided to revoke JSC RusHydro rating according to national scale (system decision regarding revocation by the Agency of all ratings allocated to issuers according to national scale).   |

|                |  |
|----------------|--|
| April 04, 2016 | Moody's Investors Service Ltd Rating Agency approved the long-term credit rating in foreign currency and determined it at Ba2 Stable outlook |
|----------------|--|

Rating object: **securities of the Issuer**

Information on securities

Type of securities: **bonds, exchange-traded bonds,**

Series, other identification characteristics of securities: **bonds, series 01, 02, 07, 08, 09; exchange-traded bonds: BO-P01, BO-P02, BO-P03, BO-P04**

form of securities: **certificated**

Other identification characteristics of securities: **bonds, inconvertible interest-bearing bonds to the bearer with obligatory centralized storage and possibility of early redemption at the holders' request and at the discretion of the Issuer; exchange-traded bonds: exchange-traded inconvertible certificated interest-bearing bonds to the bearer with with obligatory centralized storage;**

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 of September 23,2010,4-07-55038-E of December 27, 2012, 4-08-55038-E of December 27, 2012, 4-09-55038-E of December 27, 2012; exchange-traded bonds: 4B02-01-55038-E-001P of July 03, 2015, 4B02-02-55038-E-001P of July 03, 2015, 4B02-03-55038-E-001P of July 03, 2015, 4B02-04-55038-E-00P of April 01, 2016;**

Credit rating as the date of the securities prospectus approval: **priority unsecured rating BB+ according to international scale;**

Credit rating change history for the last five completed reporting years, preceding the date of the securities prospectus approval, with specification of the credit rating and allocation (change) date thereof:

Rating company

Full corporate name: **Fitch Ratings Ltd.**

Abbreviated corporate name: **Fitch**

Location: **30 North Colonnade, Canary Wharf, London, UK (Main office)**

**Fitch Ratings 101Finsbury Pavement London EC2A 1 RS UK (central office), 26 Valovaya St., Moscow, 115054, Russia (LightHouse Business Centre) Fitch Ratings CIS Ltd (Moscow office)**

Description of credit rating methods or URL where information on credit rating methods is posted in free access:

**<https://www.fitchratings.com>, <http://www.fitchratings.ru>**

Credit rating as at the end of the reporting quarter: **BB+ priority unsecured rating according to international scale**

Credit rating change history for the last completed reporting year, preceding the end date of the reporting quarter, as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, with specification of the credit rating and allocation (change) date thereof

| Allocation date  | Credit rating  |
|------------------|--|
| January 01, 2015 | Fitch Ratings confirmed BB+ priority unsecured credit rating of Russian ruble bonds of JSC RusHydro (series 01, 02, 07 and 08).                                |
| April 30, 2015   | Fitch Ratings attached BB+ priority unsecured rating to Russian ruble bonds of JSC RusHydro (series 09).   |
| July 09, 2015    | Fitch Ratings attached BB+ priority unsecured rating to Russian ruble bonds of JSC RusHydro (exchange-traded bonds of series BO-P01, BO-P02, and BO-P03).      |
| April 11, 2016   | Fitch Ratings attached BB+ priority unsecured rating to Russian ruble bonds of JSC RusHydro (exchange-traded bonds of series BO-P04).                          |
|                  | Fitch Ratings affirmed BB+ priority unsecured credit rating to Russian ruble bonds of JSC RusHydro (series 01, 02, 07, 08, BO-P01, BO-P02, BO-P03 and BO-P04). |

## 8.2. Information on each category (class) of the Issuer's shares

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q2 of 2016.

## 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

None.

### 8.3.2. Information on Issues with Outstanding Securities

Information about the total number and amount according to par value (if there is a notional value for such a type of securities) of all the Issuer's securities of each separate type excluding shares, issue(s) of which was (were) registered (or they were assigned with an identification number if in accordance with the Federal Law On Securities Market issue(s) of securities are not subject to state registration) and which are not paid off (they may be placed, are being placed, have been placed and/or circulated).

Total amount: **75,000,000**

**Total amount in terms of par value: 75,000,000,000 Russian rubles**

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| Type, series (class), form and other identifiers of securities   | Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 01 with possible early redemption at the request of the holder and at the discretion of the Issuer   |
| State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)           | 4-01-55038-E dated September 23, 2010  |
| Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration) | Federal Financial Markets Service of Russia  |
| Number of securities of the issue  | 10,000,000   |
| Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value  | 10,000,000,000 Russian rubles  |
| Status of securities of the issue (not placed; are being placed; placed; outstanding)  | outstanding  |
| Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)  | On March 05, 2013, the notice of the results of the securities issue was submitted to the Federal Financial Markets Service of Russia.   |
| Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)  | 20   |
| Maturity period (date) of the issue  | April 12, 2021   |
| URL where text of the securities issue resolution and securities prospectus is posted (if any)   | <a href="http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_0102/">http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_0102/</a><br><a href="http://www.edisclosure.ru/portal/company.aspx?id=8580">http://www.edisclosure.ru/portal/company.aspx?id=8580</a> |

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| Type, series (class), form and other identifiers of securities   | certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 02 with possible early redemption at the request of the holder and at the discretion of the Issuer |
| State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration) | 4-02-55038-E dated September 23, 2010  |

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| Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration) | Federal Financial Markets Service of Russia   |
| Number of securities of the issue*   | 5,000,000   |
| Number of securities issued at their par value or specification than in accordance with the laws of the Russian Federation such type of securities has no par value*   | 5,000,000,000 Russian rubles  |
| Status of securities of the issue (not placed; are being placed; placed; outstanding)  | outstanding   |
| Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)  | On March 05, 2013, the notice of the results of the securities issue was submitted to the Federal Financial Markets Service of Russia.  |
| Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)  | 20  |
| Maturity period (date) of the issue  | April 12, 2021  |
| URL where text of the securities issue resolution and securities prospectus is posted (if any)   | <a href="http://www.rushydro.ru/investors/stockmarket/bonds/bond_iss ue/obligatsii_0102/http://www.e-disclosure.ru/portal/company.aspx?id=8580">http://www.rushydro.ru/investors/stockmarket/bonds/bond_iss ue/obligatsii_0102/http://www.e-disclosure.ru/portal/company.aspx?id=8580</a> |

\*registered number of securities of the issue is 10,000,000 with total par value of 10,000,000,000 Russian rubles, 5,000,000 bonds with total par value of 5,000,000,000 Russian rubles were placed

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| Type, series (class), form and other identifiers of securities   | certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 07 with possible early redemption at the request of the holder and at the discretion of the Issuer |
| State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)           | 4-07-55038-E dated December 27, 2012   |
| Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration) | Federal Financial Markets Service of Russia  |
| Number of securities of the issue  | 10,000,000   |
| Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value  | 10,000,000,000 Russian rubles  |
| Status of securities of the issue (not placed; are being placed; placed; outstanding)  | outstanding  |
| Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)  | On March 05, 2013, the notification of securities issue results was submitted to the Federal Financial Markets Service of Russia.  |
| Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)  | 20   |
| Maturity period (date) of the issue  | February 02, 2023  |

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| URL where text of the securities issue resolution and securities prospectus is posted (if any) | <a href="http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_07080910/">www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_07080910/</a><br><a href="http://www.e-disclosure.ru/portal/company.aspx?id=8580">http://www.e-disclosure.ru/portal/company.aspx?id=8580</a> |
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| Type, series (class), form and other identifiers of securities   | certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 08 with possible early redemption at the request of the holder and at the discretion of the Issuer  |
| State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)           | 4-08-55038-E dated December 27, 2012  |
| Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration) | Federal Financial Markets Service of Russia   |
| Number of securities of the issue  | 10,000,000  |
| Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value  | 10,000,000,000 Russian rubles   |
| Status of securities of the issue (not placed; are being placed; placed; outstanding)  | outstanding   |
| Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)  | On March 05, 2013, the notification of securities issue results was submitted to the Federal Financial Markets Service of Russia  |
| Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)  | 20  |
| Maturity period (date) of the issue  | February 02, 2023   |
| URL where text of the securities issue resolution and securities prospectus is posted (if any)   | <a href="http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_07080910/">www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_07080910/</a><br><a href="http://www.e-disclosure.ru/portal/company.aspx?id=8580">http://www.e-disclosure.ru/portal/company.aspx?id=8580</a> |

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| Type, series (class), form and other identifiers of securities   | Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 09 with possible early redemption at the request of the holder and at the discretion of the Issuer |
| State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)           | 4-09-55038-E dated December 27, 2012   |
| Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration) | Federal Financial Markets Service of Russia  |
| Number of securities of the issue  | 10,000,000   |
| Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value  | 10,000,000,000 Russian rubles  |

|   |   |
|---|---|
| Status of securities of the issue (not placed; are being placed; placed; outstanding)   | Outstanding   |
| Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue) | On May 05, 2015 notification of the securities issue results was submitted to the Federal Financial Markets Service of Russia   |
| Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)               | 20  |
| Maturity period (date) of the issue   | - April 15, 2015  |
| URL where text of the securities issue resolution and securities prospectus is posted (if any)  | <a href="http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_07080910/">www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_07080910/</a><br><a href="http://www.e-disclosure.ru/portal/company.aspx?id=8580">http://www.e-disclosure.ru/portal/company.aspx?id=8580</a> |

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| Type, series (class), form and other identifiers of securities   | Exchange-traded inconvertible certificated interest-bearing to the bearer with obligatory centralized storage of series BO-P01                               |
| State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)           | 4B02-01-55038-E-001P dated July 03, 2015   |
| Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration) | PJSC Moscow Exchange MICEX-RTS   |
| Number of securities of the issue  | 5 000 000  |
| Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value  | 5,000,000,000 Russian rubles   |
| Status of securities of the issue (not placed; are being placed; placed; outstanding)  | Outstanding  |
| Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)  | Submission of report (notification) on the results of the securities issue in respect of exchanged-traded bonds to the registering authority is not required |
| Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)  | 6  |

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| Maturity period (date) of the issue  | July 04, 2018   |
| URL where text of the securities issue resolution and securities prospectus is posted (if any)   | <a href="http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/programma-birzhevykh-obligatsiy/http://www.e-disclosure.ru/portal/company.aspx?id=8580">http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/programma-birzhevykh-obligatsiy/http://www.e-disclosure.ru/portal/company.aspx?id=8580</a> |
| Type, series (class), form and other identifiers of securities   | Exchange-traded inconvertible certificated interest-bearing to the bearer with with obligatory centralized storage of series BO-P02   |
| State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)           | 4B02-02-55038-E-001P dated July 03, 2015  |
| Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration) | PJSC Moscow Exchange MICEX-RTS  |
| Number of securities of the issue  | 5 000 000   |
| Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value  | 5,000,000,000 Russian rubles  |
| Status of securities of the issue (not placed; are being placed; placed; outstanding)  | Outstanding   |
| Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)  | Submission of report (notification) on the results of the securities issue in respect of exchanged-traded bonds to the registering authority is not required  |
| Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)  | 6   |
| Maturity period (date) of the issue  | July 04, 2018   |
| URL where text of the securities issue resolution and securities prospectus is posted (if any)   | <a href="http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/programma-birzhevykh-obligatsiy/http://www.e-disclosure.ru/portal/company.aspx?id=8580">http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/programma-birzhevykh-obligatsiy/http://www.e-disclosure.ru/portal/company.aspx?id=8580</a> |

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|--|---|
| Type, series (class), form and other identifiers of securities | Exchange-traded inconvertible certificated interest-bearing to the bearer with with obligatory centralized storage of series BO-P03 |
| State registration number of the securities issue and          | 4B02-03-55038-E-001P dated July 03, 2015  |



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| state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)   |  |
| Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration) | PJSC Moscow Exchange MICEX-RTS   |
| Number of securities of the issue  | 5 000 000  |
| Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value  | 5,000,000,000 Russian rubles   |
| Status of securities of the issue (not placed; are being placed; placed; outstanding)  | Outstanding  |
| Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)  | Submission of report (notification) on the results of the securities issue in respect of exchanged-traded bonds to the registering authority is not required   |
| Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)  | 6  |
| Maturity period (date) of the issue  | July 04, 2018  |
| URL where text of the securities issue resolution and securities prospectus is posted (if any)   | <a href="http://www.rushydro.ru/investors/disclosure/greports/">http://www.rushydro.ru/investors/disclosure/greports/</a><br><a href="http://www.e-disclosure.ru/portal/company.aspx?id=8580">http://www.e-disclosure.ru/portal/company.aspx?id=8580</a> |

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| Type, series (class), form and other identifiers of securities   | Exchange-traded inconvertible certificated interest-bearing to the bearer with with obligatory centralized storage of series BO-P04 |
| State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration) | 4B02-04-55038-E-001P dated April 04, 2016   |
| Registering authority which carried out state registration of the securities issues (organisation which allocated identification   | PJSC Moscow Exchange MICEX-RTS  |

|   |  |
|---|--|
| number to the securities issue, if the securities issue is not subject to state registration)   |  |
| Number of securities of the issue   | 15 000 000   |
| Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value | 15,000,000,000 Russian rubles  |
| Status of securities of the issue (not placed; are being placed; placed; outstanding)   | Outstanding  |
| Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)                             | Submission of report (notification) on the results of the securities issue in respect of exchanged-traded bonds to the registering authority is not required   |
| Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)   | 6  |
| Maturity period (date) of the issue   | April 04, 2019   |
| URL where text of the securities issue resolution and securities prospectus is posted (if any)  | <a href="http://www.rushydro.ru/investors/disclosure/greports/">http://www.rushydro.ru/investors/disclosure/greports/</a><br><a href="http://www.e-disclosure.ru/portal/company.aspx?id=8580">http://www.e-disclosure.ru/portal/company.aspx?id=8580</a> |

With respect to the securities, the state registration of additional issues of securities was not carried out (no assignment of identification numbers to additional securities issues was carried out)

The Issuer has not place secured bonds, convertible securities, options of the issuer, and Russian depository receipts

There were no events when the Issuer's matured obligations on securities of the issue, including due to the fault of the Issuer (delay of the debtor) or holder of securities (delay of the creditor), were not performed or were improperly performed.

#### **8.4. Information on Persons Providing a Security for the Issuer's Secured Bonds, as well as on Security Provided for the Issuer's Secured Bonded Obligations**

The Issuer did not register the secured bond prospectus, secured bonds were not listed for trading.

#### **8.5. Information on Companies Registering Rights to the Issuer's Equity Securities**

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q2 of 2016.

## 8.6. Information on Legislative Enactments Governing Import and Export of Capital, which may Influence Payment of Dividends, Interest and Others Payments to Non-Residents

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q2 of 2016.

## 8.7. Information on Declared (Accrued) and/or 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 reporting years as well as for the period from the beginning date of the current year to the end date of the reporting quarter: According to the results of 2008, the Issuer's dividends were not accrued and paid.

At year-end 2009, the Issuer's dividends were not declared.

|  |   |
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| Indicator  | Dividend period: 2010   |
| Category of shares and type for preferred shares   | equity registered   |
| Management body of the Company which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the management body where such decision was taken | General Meeting of Shareholders of the Issuer, date of the decision: June 30, 2011, Minutes No. 7 dated July 04, 2011   |
| Declared dividends per one share, RUB  | RUB 0.00860091  |
| Declared dividends per all shares of that category (class), RUB  | 2,496,867,415.91  |
| Date of making a list of the persons entitled to dividends are (were) determined   | May 23, 2011  |
| Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid   | 2010  |
| Fixed Payment period (date) of declared dividends  | 60 days   |
| Form of payment of declared dividends (money, other property)  | In monetary form  |
| Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)  | Net profit  |
| Share of the declared dividends in the net profit for the reporting year, %  | 6.6 %   |
| Total dividends paid on shares of such category (class), RUB   | RUB 2,483,922,593.78  |
| Share of paid dividends in total declared dividends on shares of that category (class), %  | 99.48 %   |
| If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified   | According to the results of 2010, dividends are paid to all persons included in the dividend list, apart from persons who failed to submit in the enquiry form of the registered person the reliable and complete details necessary for dividend payment  |
| Other information on declared and (or) paid dividends specified at the Company's discretion  | Due to the 3-year term expiry, during which the Company's shareholders had the right to claim payment of the dividends declared for the 2010 financial year, declared and unclaimed dividends are restored as part of the Company's undistributed profits, and the obligation to pay them terminated. |

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|--|---|
| Indicator  | Dividend period: 2011   |
| Category of shares and type for preferred shares   | equity registered   |
| Management body of the Company which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the management body where such decision was taken | General Meeting of Shareholders of the Issuer, date of the decision: June 29, 2012, Minutes No. 8 dated June 29, 2012   |
| Declared dividends per one share, RUB  | RUB 0.00789317  |
| Declared dividends per all shares of that category (class), RUB  | RUB 2,500,000,051.36  |
| Date of making a list of the persons entitled to dividends are (were) determined   | May 24, 2012  |
| Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid   | 2011  |
| Fixed Payment period (date) of declared dividends  | 60 days   |
| Form of payment of declared dividends (money, other property)  | In monetary form  |
| Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)  | Net profit of the reporting year  |
| Share of the declared dividends in the net profit for the reporting year, %  | 8.16 %  |
| Total dividends paid on shares of such category (class), RUB   | RUB 2,482,255,452.38  |
| Share of paid dividends in total declared dividends on shares of that category (class), %  | 99.29 %   |
| If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified   | According to the results of 2011, dividends are 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.  |
| Other information on declared and/or paid dividends specified at the Company's discretion  | Due to the 3-year term expiry, during which the Company's shareholders had the right to claim payment of the dividends declared for the 2011 financial year, declared and unclaimed dividends are restored as part of the Company's undistributed profits, and the obligation to pay them terminated. |

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| Indicator  | Dividend period: 2012  |
| Category of shares and type for preferred shares   | equity registered  |
| Management body of the Company which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the management body where such decision was taken | General Meeting of Shareholders of the Issuer, date of the decision: June 28, 2013, minutes No. 11 dated June 28, 2013 |
| Declared dividends per one share, RUB  | RUB 0.00955606   |
| Declared dividends per all shares of that category (class), RUB  | RUB 3,675,573,209.73   |
| Date of making a list of the persons entitled to dividends are (were) determined   | May 23, 2013   |
| Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid   | 2012   |
| Fixed payment period (date) of declared dividends  | 60 days  |
| Form of payment of declared dividends (money, other property)  | In monetary form   |

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|---|---|
| Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund) | Net profit in reporting period  |
| Share of the declared dividends in the net profit for the reporting year, %   | 25 %  |
| Total dividends paid on shares of such category (class), RUB  | RUB 3,655,635,451.13  |
| Share of paid dividends in total declared dividends on shares of that category (class), %   | 99.46 %   |
| If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified    | According to the results of 2011, dividends are paid to all person 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. |
| Other information on declared and/or paid dividends specified at the Company's discretion   | None  |

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| Indicator   | Dividend period: 2013  |
| Category of shares and type for preferred shares  | Equity registered  |
| Management body of the Company which took decision on dividend declaration, date of such decision, date of preparation, and number of minutes of the meeting of the management body where such decision was taken | General Meeting of Shareholders of the Issuer, date of the decision: June 28, 2014, Minutes No. 12 dated June 27, 2014   |
| Declared dividends per one share, RUB   | RUB 0.01358751   |
| Declared dividends per all shares of that category (class), RUB   | RUB 5,248,249,991.75   |
| Date of making a list of the persons entitled to dividends are (were) determined  | July 8, 2014   |
| Reporting period (year, quarter) for which (according to the results of which) declared dividends are (were) paid   | 2013   |
| Fixed payment period (date) of declared dividends   | For a nominee holder and beneficial owner being the professional participant in the securities market, registered in the shareholders register, 10 business days, and for other persons registered in the shareholders register, 25 business days upon 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 profit for the reporting year, undistributed net profit for prior years, special purpose fund)   | Net profit in reporting period   |
| Share of the declared dividends in the net profit for the reporting year, %   | 14.86 %  |
| Total dividends paid on shares of such category (class), RUB  | RUB 5,229,164,491.97   |
| Share of paid dividends in total declared dividends on shares of that category (class), %   | 99.64 %  |
| If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified  | According to the results of 2013, dividends are 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.   |
| Other information on declared and/or paid dividends specified at the Company's discretion   | None   |

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| Indicator  | Dividend period: 2014 |
| Category of shares and type for preferred shares | Equity registered     |

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| Management body of the Company which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the management body where such decision was taken | 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 per all shares of that category (class), RUB  | RUB 6,032,750,291.16   |
| Date of making a list of the persons entitled to dividends are (were) determined   | July 07, 2015  |
| Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid   | 2014   |
| Fixed payment period (date) of declared dividends  | For a nominee holder and beneficial owner being the professional participant in the securities market, registered in the shareholders register, 10 business days, i.e. not later than July 21, 2015, and for other persons registered in the shareholders register, 25 business days, i.e. August 11, 2015, upon 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 profit for the reporting year, undistributed net profit for prior years, special purpose fund)  | Net profit in reporting period   |
| Share of the declared dividends in the net profit for the reporting year, %  | 19,63 %  |
| Total dividends paid on shares of such category (class), RUB   | RUB 6,010,842,206.61   |
| Share of paid dividends in total declared dividends on shares of that category (class), %  | 99.64 %  |
| If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified   | According to the results of 2014, dividends are paid to all person 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, as well as persons in relation to which the nominal holder failed to perform its obligation to transfer dividends due to reasons beyond its control. |
| Other information on declared and/or paid dividends specified at the Company's discretion  | None   |

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| Indicator  | Dividend period: 2015  |
| Category of shares and type for preferred shares   | Equity registered  |
| Management body of the Company which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the management body where such decision was taken | General Meeting of Shareholders of the Issuer, date of the decision: July 27, 2016, minutes No. 15 dated July 29, 2015 |
| Declared dividends per one share, RUB  | RUB 0,038863   |
| Declared dividends per all shares of that category (class), RUB  | RUB 15,011,046,132.02  |
| Date of making a list of the persons entitled to dividends are (were) determined   | June 08, 2015  |
| Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid   | 2015   |

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| Fixed payment period (date) of declared dividends   | For a nominee holder and beneficial owner being the professional participant in the securities market, registered in the shareholders register, 10 business days, i.e. not later than June 22, 2015, and for other persons registered in the shareholders register, 25 business days, i.e. August 12, 2016, upon 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 profit for the reporting year, undistributed net profit for prior years, special purpose fund) | Net profit in reporting period   |
| Share of the declared dividends in the net profit for the reporting year, %   | 50 %   |
| Total dividends paid on shares of such category (class), RUB  | RUB 0  |
| Share of paid dividends in total declared dividends on shares of that category (class), %   | 0 %  |
| If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified    | payment of dividends period does not become due the reporting date. For a nominee holder and beneficial owner being the professional participant in the securities market, registered in the shareholders register, 10 business days, i.e. not later than June 22, 2015, and for other persons registered in the shareholders register, 25 business days, i.e. August 12, 2016, upon the date when the persons entitled to dividends are determined. |
| 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  | Reporting period: 2011–Q2 2016  |
|--|---|
| Series, form, and other identifiers of securities issue  | Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 01, possible early redemption at the request of the holder and at the discretion of the Issuer, quantity — 10,000,000, issue at par value — RUB 10,000,000,000. |
| State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, 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 (par value, interest (coupon), etc.)  | Coupon yield  |
| Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency   | RUB 39.89 (thirty-nine rubles eighty-nine kopecks)  |
| Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency  | RUB 3,989,000,000.00 (tree billion nine hundred eighty-nine million rubles)   |

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| Payment period (date) of bond yield of the issue   | The first coupon yield is paid on October 24, 2011;<br>The second coupon yield is paid on April 23, 2012<br>The third coupon yield is paid on October 22, 2012;<br>The fourth coupon yield is paid on April 22, 2013;<br>The fifth coupon yield is paid on October 21, 2013<br>The sixth coupon yield is paid on April 21, 2014;<br>The seventh coupon yield is paid on October 20, 2014;<br>The eighth coupon yield is paid on April 20, 2015;<br>The ninth coupon yield is paid on October 19, 2015;<br>The tenth coupon yield is paid on April 18, 2016 |
| Form of revenue payment upon 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 3,989,000,000.00 (tree billion nine hundred eighty-nine million rubles)  |
| Share of paid bond yield of the issue in total payable bond yield of the issue, %  | 100  |
| If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified | -  |
| Other information on bonds of the issue specified at the Issuer's discretion   | Maturity of PJSC RusHydro bonds is 10 years. Tender offer for purchase of the bonds at the request of their holders for the period of 5 years from the beginning of placement is possible in respect of the said securities.<br>April 8, 2016 Issuer decided to set a new interest rate for eleventh-twelfth coupon periods.<br>April 22, 2016 Acquisition of bonds was hold at the owner's request  |

| Indicator  | Reporting period: 2011–Q2 2016  |
|--|---|
| Series, form, and other identifiers of securities issue  | Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 02, possible early redemption at the request of the holder and at the discretion of the Issuer, quantity — 5,000,000, issue at par value — RUB 5,000,000,000.   |
| State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, 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 (par value, interest (coupon), etc.)  | Coupon yield  |
| Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency   | RUB 39.89 (thirty-nine rubles eighty-nine kopecks)  |
| Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency  | RUB 1,994,500,000.00 (one billion nine hundred ninety-four million fifty thousand rubles)   |
| Payment period (date) of bond yield of the issue   | The first coupon yield is paid on October 24, 2011;<br>The second coupon yield is paid on April 23, 2012<br>The third coupon yield is paid on October 22, 2012;<br>The fourth coupon yield is paid on April 22, 2013;<br>The fifth coupon yield is paid on October 21, 2013;<br>The sixth coupon yield is paid on April 21, 2014;<br>The seventh coupon yield is paid on October 20, 2014;<br>The eighth coupon yield is paid on April 20, 2015;<br>The ninth coupon yield is paid on October 19, 2015;<br>The tenth coupon yield is paid on April 18, 2016 |



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| Form of revenue payment upon 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 1,994,500,000.00 (one billion nine hundred ninety-four million fifty thousand rubles)   |
| Share of paid bond yield of the issue in total payable bond yield of the issue, %  | 100   |
| If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified | -   |
| Other information on bonds of the issue specified at the Issuer's discretion   | Maturity of PJSC RusHydro bonds is 10 years. Tender offer for purchase of the bonds at the request of their holders for the period of 5 years from the beginning of placement is possible in respect of the said securities.<br>April 8, 2016 Issuer decided to set a new interest rate for eleventh-twelfth coupon periods.<br>April 22, 2016 Acquisition of bonds was hold at the owner's request |

| Indicator  | Reporting period: 2013–Q2 2016   |
|--|--|
| Series, form, and other identifiers of securities issue  | Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 07, possible early redemption at the request of the holder and at the discretion of the Issuer, quantity — 10,000,000, issue at par value — RUB 10,000,000,000.  |
| State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, 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 (par value, interest (coupon), etc.)  | Coupon yield   |
| Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency   | Forty-two rubles thirty-eight kopecks (RUB 42.38)  |
| Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency  | RUB 2,542,800,000 (two billion five hundred and forty-two million eight hundred thousand rubles)   |
| Payment period (date) of bond yield of the issue   | The first coupon yield is paid on August 15, 2013<br>The second coupon yield is paid on February 13, 2014<br>The third coupon yield is paid on August 14, 2014<br>The fourth coupon yield is paid on February 12, 2015<br>The fifth coupon yield is paid on August 13, 2015<br>The sixth coupon yield is paid on February 11, 2016 |
| Form of revenue payment upon 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 2,542,800,000 (two billion five hundred and forty-two million eight hundred thousand rubles)   |
| Share of paid bond yield of the issue in total payable bond yield of the issue, %  | 100  |
| If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified   | -  |

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| Other information on bonds of the issue specified at the Issuer's discretion | Maturity of PJSC RusHydro bonds of series 07 is 10 years. Tender offer for the period of 5 years from the beginning of placement is possible in respect of securities. |
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| Indicator  | Reporting period: 2013–Q2 2016   |
|--|--|
| Series, form, and other identifiers of securities issue  | Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 08, possible early redemption at the request of the holder and at the discretion of the Issuer, quantity — 10,000,000, issue at par value — RUB 10,000,000,000.  |
| State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, 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 (par value, interest (coupon), etc.)  | Coupon yield   |
| Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency   | RUB 42.38 (forty-two rubles thirty-eight kopecks)  |
| Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency  | RUB 2,542,800,000 (two billion five hundred and forty-two million eight hundred thousand rubles)   |
| Payment period (date) of bond yield of the issue   | The first coupon yield is paid on August 15, 2013<br>The second coupon yield is paid on February 13, 2014<br>The third coupon yield is paid on August 14, 2014<br>The fourth coupon yield is paid on February 12, 2015<br>The fifth coupon yield is paid on August 13, 2015<br>The sixth coupon yield is paid on February 11, 2016 |
| Form of revenue payment upon 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 2,542,800,000 (two billion five hundred and forty-two million eight hundred thousand rubles)   |
| Share of paid bond yield of the issue in total payable bond yield of the issue, %  | 100  |
| If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified   | -  |
| Other information on bonds of the issue specified at the Issuer's discretion   | Maturity of PJSC RusHydro bonds of series 08 is 10 years. Tender offer for the period of 5 years from the beginning of placement is possible in respect of securities.   |

| Indicator  | Reporting period: Q2 2015 – O1 2016   |
|--|---|
| Series, form, and other identifiers of securities issue  | Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 09, possible early redemption at the request of the holder and at the discretion of the Issuer. |
| State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, 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 (par value, interest (coupon), etc.)  | Coupon yield  |

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| Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency  | RUB 63.58 (sixty-three rubles fifty-eight kopecks)   |
| Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency | RUB 1,271,600,000.00 (One billion two hundred seventy-one million six hundred thousand)  |
| Payment period (date) of bond yield of the issue  | The first coupon yield is paid on October 27, 2015<br>The second coupon yield is paid on April 26, 2016  |
| Form of revenue payment upon 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 1,271,600,000.00 (One billion two hundred seventy-one million six hundred thousand)  |
| Form of revenue payment upon the Issuer's bonds (money, other property)   | Money in the currency of the Russian Federation in cashless form   |
| Share of paid bond yield of the issue in total payable bond yield of the issue, %   | 100  |
| If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified  | -  |
| Other information on bonds of the issue specified at the Issuer's discretion  | Maturity of PJSC RusHydro bonds of series 09 is 10 years. Tender offer for the period of 2,5 years from the beginning of placement is possible in respect of securities. |

| Indicator  | Reporting period: Q2 2016  |
|--|--|
| Series, form, and other identifiers of securities issue  | Exchange-traded certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series BO-P01 |
| State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration) | 4B02-01-55038-E-001P dated July 03, 2015   |
| Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)  | Coupon yield   |
| Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency   | RUB 59.09 (fifty-nine rubles nine kopecks)   |
| Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency  | RUB 295,450,000 (two hundred and ninety five million four hundred and fifty thousand rubles).                                  |
| Payment period (date) of bond yield of the issue   | The first coupon yield is paid on January 11, 2015   |
| Form of revenue payment upon 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 295,450,000 (two hundred and ninety five million four hundred and fifty thousand rubles).                                  |
| Form of revenue payment upon the Issuer's bonds (money, other property)  | Money in the currency of the Russian Federation in cashless form   |
| Share of paid bond yield of the issue in total payable bond yield of the issue, %  | 100  |
| If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified   | -  |

|  |  |
|--|--|
| Other information on bonds of the issue specified at the Issuer's discretion | Maturity of PJSC RusHydro exchange-traded bonds of series BO-P01 is 3 years. |
|--|--|

| Indicator  | Reporting period: Q1 2016  |
|--|--|
| Series, form, and other identifiers of securities issue  | Exchange-traded certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series BO-P02 |
| State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration) | 4B02-02-55038-E-001P dated July 03, 2016   |
| Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)  | Coupon yield   |
| Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency   | RUB 59.09 (fifty-nine rubles nine kopecks)   |
| Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency  | RUB 295,450,000 (two hundred and ninety five million four hundred and fifty thousand rubles).                                  |
| Payment period (date) of bond yield of the issue   | The first coupon yield is paid on January 11, 2016   |
| Form of revenue payment upon 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 295,450,000 (two hundred and ninety five million four hundred and fifty thousand rubles).                                  |
| Form of revenue payment upon the Issuer's bonds (money, other property)  | Money in the currency of the Russian Federation in cashless form   |
| Share of paid bond yield of the issue in total payable bond yield of the issue, %  | 100  |
| If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified   | -  |
| Other information on bonds of the issue specified at the Issuer's discretion   | Maturity of PJSC RusHydro exchange-traded bonds of series BO-P02 is 3 years.   |

| Indicator  | Reporting period: Q2 2016  |
|--|--|
| Series, form, and other identifiers of securities issue  | Exchange-traded certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series BO-P03 |
| State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration) | 4B02-03-55038-E-001P dated July 03, 2016   |
| Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)  | Coupon yield   |
| Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency   | RUB 59.09 (fifty-nine rubles nine kopecks)   |

|   |   |
|---|---|
| Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency | RUB 295,450,000 (two hundred and ninety five million four hundred and fifty thousand rubles). |
| Payment period (date) of bond yield of the issue  | The first coupon yield is paid on January 11, 2016  |
| Form of revenue payment upon 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 295,450,000 (two hundred and ninety five million four hundred and fifty thousand rubles). |
| Form of revenue payment upon the Issuer's bonds (money, other property)   | Money in the currency of the Russian Federation in cashless form                              |
| Share of paid bond yield of the issue in total payable bond yield of the issue, %   | 100   |
| If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified  | -   |
| Other information on bonds of the issue specified at the Issuer's discretion  | Maturity of PJSC RusHydro exchange-traded bonds of series BO-P02 is 3 years.                  |

## 8.8. Other Information

Absent

## 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 the Issuer of Russian depositary receipts.

**Appendix 1. Interim Accounting (Financial) Statements of the Issuer  
for 6 months of 2016**

**BALANCE SHEET**  
**as at 30 June 2016**

|   |  |                         |                   |
|---|--|-------------------------|-------------------|
|   |  | Form on OKUD            | Codes             |
|   |  | Date (year, month, day) | <b>0710001</b>    |
| Company <b>Public Joint Stock Company Federal Hydro-Generating Company – RusHydro</b> |  | OKPO                    | <b>2016/06/30</b> |
| <b>PJSC RusHydro)</b>   |  | INN                     | <b>75782411</b>   |
| Taxpayer identification number  |  | OKVED                   | <b>2460066195</b> |
| Field of activity <b>Electricity generation by hydro power plants</b>                 |  | OKOPF / OKFS            | <b>40.10.12</b>   |
| Legal form / form of ownership  |  | OKEI                    | <b>47 / 41</b>    |
| <b>Public Joint Stock Company / mixed Russian property with a federal share</b>       |  |                         | <b>385</b>        |
| Unit of measurement: <b>millions of RR</b>  |  |                         |                   |
| Address: <b>Krasnoyarsk, the Krasnoyarsk Territory</b>                                |  |                         |                   |

| Note | ASSETS  | Line code   | As at 30 June 2016 | As at 31 Desember 2015 | As at 31 December 2014 |
|------|---|-------------|--------------------|------------------------|------------------------|
| 1    | 2   | 3           | 4                  | 5                      | 6                      |
|      | <b>I. NON-CURRENT ASSETS</b>  |             |                    |                        |                        |
|      | Intangible assets   | 1110        | 770                | 893                    | 1 032                  |
|      | Results of research and development   | 1120        | 1 078              | 1 091                  | 843                    |
|      | Property, plant and equipment, incl.:   | 1150        | 398 683            | 392 723                | 378 027                |
|      | fixed assets  | 1151        | 351 295            | 344 986                | 321 645                |
|      | construction in process   | 1152        | 47 388             | 47 737                 | 56 382                 |
|      | Income-bearing investments in tangible assets   | 1160        | 7 003              | 7 065                  | 7 189                  |
|      | Financial investments   | 1170        | 322 576            | 320 097                | 264 352                |
|      | Other non-current assets  | 1190        | 3 094              | 3 287                  | 3 538                  |
|      | <b>Total Section I</b>  | <b>1100</b> | <b>733 204</b>     | <b>725 156</b>         | <b>654 981</b>         |
|      | <b>II. CURRENT ASSETS</b>   |             |                    |                        |                        |
|      | Inventories   | 1210        | 4 678              | 4 115                  | 3 437                  |
|      | Value added tax on goods purchased  | 1220        | 28                 | 40                     | 105                    |
|      | Accounts receivable, incl.:   | 1230        | 130 285            | 129 291                | 144 565                |
|      | accounts receivable (payments expected later than 12 months after the reporting date), incl.: | 1231        | 61 365             | 62 549                 | 62 341                 |
|      | buyers and customers  | 1231.1      | 574                | 976                    | 409                    |
|      | advances issued   | 1231.2      | 25 864             | 28 524                 | 31 099                 |
|      | other debtors   | 1231.3      | 34 927             | 33 049                 | 30 833                 |
|      | accounts receivable (payments expected within 12 months after the reporting date), incl.:     | 1232        | 68 920             | 66 742                 | 82 224                 |
|      | buyers and customers  | 1232.1      | 6 330              | 6 741                  | 5 840                  |
|      | advances issued   | 1232.2      | 11 378             | 14 495                 | 12 870                 |
|      | other debtors   | 1232.3      | 51 212             | 45 506                 | 63 514                 |
|      | Financial investments (excl. cash equivalents)  | 1240        | 8 761              | 15 879                 | 43 446                 |
|      | Cash and cash equivalents   | 1250        | 44 443             | 18 139                 | 9 032                  |
|      | Other current assets  | 1260        | 13                 | 11                     | 14                     |
|      | <b>Total Section II</b>   | <b>1200</b> | <b>188 208</b>     | <b>167 475</b>         | <b>200 599</b>         |
|      | <b>TOTAL</b>  | <b>1600</b> | <b>921 412</b>     | <b>892 631</b>         | <b>855 580</b>         |

*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 2016 | As at 31 Desember 2015 | As at 31 December 2014 |
|------|--|-------------|--------------------|------------------------|------------------------|
| 1    | 2  | 3           | 4                  | 5                      | 6                      |
|      | <b>III. CAPITAL AND RESERVES</b>         |             |                    |                        |                        |
|      | Charter capital                          | 1310        | 386 255            | 386 255                | 386 255                |
|      | Revaluation of non-current assets        | 1340        | 52 866             | 52 928                 | 53 111                 |
|      | Additional capital (excl. revaluation)   | 1350        | 58 424             | 58 424                 | 58 424                 |
|      | Reserve capital                          | 1360        | 11 278             | 9 776                  | 8 240                  |
|      | Retained earnings (loss), incl.:         | 1370        | 262 072            | 235 086                | 212 430                |
|      | undistributed profit of previous years   | 1371        | 233 646            | 205 064                | 181 701                |
|      | undistributed profit of the current year | 1372        | 28 426             | 30 022                 | 30 729                 |
|      | <b>Total Section III</b>                 | <b>1300</b> | <b>770 895</b>     | <b>742 469</b>         | <b>718 460</b>         |
|      | <b>IV. LONG-TERM LIABILITIES</b>         |             |                    |                        |                        |
|      | Borrowings and bank loans                | 1410        | 118 114            | 105 070                | 92 262                 |
|      | Deferred tax liabilities                 | 1420        | 12 911             | 12 402                 | 9 672                  |
|      | Other liabilities                        | 1450        | 2 126              | 2 195                  | 2 335                  |
|      | <b>Total Section IV</b>                  | <b>1400</b> | <b>133 151</b>     | <b>119 667</b>         | <b>104 269</b>         |
|      | <b>V. SHORT-TERM LIABILITIES</b>         |             |                    |                        |                        |
|      | Borrowings and bank loans                | 1510        | 4 610              | 18 940                 | 21 915                 |
|      | Accounts payable, incl.:                 | 1520        | 11 052             | 9 822                  | 8 575                  |
|      | suppliers and contractors                | 1521        | 4 785              | 5 492                  | 5 295                  |
|      | payables to employees                    | 1522        | 298                | 669                    | 823                    |
|      | payables to state non-budgetary funds    | 1523        | 196                | 135                    | 119                    |
|      | taxes payable                            | 1524        | 4 920              | 3 103                  | 1 923                  |
|      | dividends payable                        | 1525        | 67                 | 67                     | 65                     |
|      | other creditors                          | 1526        | 786                | 356                    | 350                    |
|      | Income of future periods                 | 1530        | 74                 | 70                     | 75                     |
|      | Estimated liabilities                    | 1540        | 630                | 601                    | 1 405                  |
|      | Other liabilities                        | 1550        | 1 000              | 1 062                  | 881                    |
|      | <b>Total Section V</b>                   | <b>1500</b> | <b>17 366</b>      | <b>30 495</b>          | <b>32 851</b>          |
|      | <b>TOTAL</b>                             | <b>1700</b> | <b>921 412</b>     | <b>892 631</b>         | <b>855 580</b>         |

Chairman of Management Board – General Director

\_\_\_\_\_  
(signature)

**N. G. Shulginov**

\_\_\_\_\_  
(print full name)

Acting Chief Accountant

\_\_\_\_\_  
(signature)

**K.V. Permyakov**

\_\_\_\_\_  
(print full name)

\_\_\_\_\_  
29 July 2016

*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 six months ended 30 June 2016**

Company **Open Joint Stock Company Federal Hydro-Generating Company – RusHydro (OJSC RusHydro)**  
 Taxpayer identification number  
 Field of activity **Electricity generation by hydro power plants**  
 Legal form / form of ownership  
**Open Joint Stock Company / mixed Russian property with a federal share**  
 Unit of measurement: **millions of RR**

|                         |                   |
|-------------------------|-------------------|
| Form on OKUD            | <b>0710002</b>    |
| Date (year, month, day) | <b>2016/06/30</b> |
| OKPO                    | <b>75782411</b>   |
| INN                     | <b>2460066195</b> |
| OKVED                   | <b>40.10.12</b>   |
| OKOPF / OKFS            | <b>12247 / 41</b> |
| OKEI                    | <b>385</b>        |

| Note | Narrative   | Line code   | Three months ended<br>30 June 2016 | Three months ended<br>30 June 2015 |
|------|---|-------------|------------------------------------|------------------------------------|
| 1    | 2   | 3           | 4                                  | 5                                  |
|      | Revenue   | 2110        | 57 211                             | 51 212                             |
|      | Cost of sales   | 2120        | (26 010)                           | (28 727)                           |
|      | <b>Gross profit</b>   | <b>2100</b> | <b>31 201</b>                      | <b>22 485</b>                      |
|      | <b>Profit from sales</b>  | <b>2200</b> | <b>31 201</b>                      | <b>22 485</b>                      |
|      | Income from participation in other companies                                    | 2310        | 525                                | 809                                |
|      | Interest income   | 2320        | 4 167                              | 4 833                              |
|      | Interest expense  | 2330        | (3 963)                            | (3 883)                            |
|      | Other income  | 2340        | 7 411                              | 8 502                              |
|      | Other expense   | 2350        | (4 859)                            | (7 190)                            |
|      | <b>Profit before tax</b>  | <b>2300</b> | <b>34 482</b>                      | <b>25 556</b>                      |
|      | Current income tax, incl.:  | 2410        | (5 559)                            | (3 925)                            |
|      | permanent tax liabilities (assets)  | 2421        | 288                                | 328                                |
|      | Change in deferred tax liabilities  | 2430        | (1 328)                            | (1 417)                            |
|      | Change in deferred tax assets   | 2450        | 819                                | (45)                               |
|      | Other   | 2460        | 12                                 | 7                                  |
|      | <b>Net profit</b>   | <b>2400</b> | <b>28 426</b>                      | <b>20 176</b>                      |
|      | REFERENCE   |             |                                    |                                    |
|      | Gain or loss from other operations not included in the net profit of the period | 2520        | -                                  | -                                  |
|      | Total financial result for the period   | 2500        | 28 426                             | 20 176                             |
|      | Basic earnings per share, RR  | 2900        | 0,07359                            | 0,05224                            |

**Chairman of Management Board – General Director**

\_\_\_\_\_  
(signature)

**N. G. Shulginov**

\_\_\_\_\_  
(print full name)

**Acting Chief Accountant**

\_\_\_\_\_  
(signature)

**K. V. Permyakov**

\_\_\_\_\_  
(print full name)

29 July 2016

**Appendix 2. Condensed Consolidated Interim (Financial)  
Information (Unaudited), prepared in accordance with IAS 34, As at  
and for the three months ended 31 March 2016**



**RUSHYDRO GROUP**

**Condensed Consolidated Interim  
Financial Information (Unaudited)  
prepared in accordance with IAS 34**

**As at and for the three months ended 31 March 2016**

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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 2016  | 31 December 2015 |
|---|------|----------------|------------------|
| <b>ASSETS</b>   |      |                |                  |
| <b>Non-current assets</b>   |      |                |                  |
| Property, plant and equipment   | 6    | 753,149        | 744,585          |
| Investments in associates and joint ventures                                |      | 14,495         | 14,142           |
| Available-for-sale financial assets   | 7    | 9,978          | 6,094            |
| Deferred income tax assets  |      | 5,531          | 5,486            |
| Other non-current assets  | 8    | 21,099         | 21,402           |
| <b>Total non-current assets</b>   |      | <b>804,252</b> | <b>791,709</b>   |
| <b>Current assets</b>   |      |                |                  |
| Cash and cash equivalents   | 9    | 61,165         | 48,025           |
| Income tax receivable   |      | 838            | 1,396            |
| Accounts receivable and prepayments   | 10   | 54,478         | 49,646           |
| Inventories   | 11   | 21,451         | 23,999           |
| Other current assets  | 12   | 16,531         | 22,574           |
|   |      | <b>154,463</b> | <b>145,640</b>   |
| Non-current assets and assets of disposal group classified as held for sale |      | -              | 788              |
| <b>Total current assets</b>   |      | <b>154,463</b> | <b>146,428</b>   |
| <b>TOTAL ASSETS</b>   |      | <b>958,715</b> | <b>938,137</b>   |
| <b>EQUITY AND LIABILITIES</b>   |      |                |                  |
| <b>Equity</b>   |      |                |                  |
| Share capital   | 13   | 386,255        | 386,255          |
| Treasury shares   |      | (22,578)       | (26,092)         |
| Share premium   |      | 39,202         | 39,202           |
| Retained earnings and other reserves  |      | 224,474        | 203,114          |
| <b>Equity attributable to the shareholders of PJSC RusHydro</b>             |      | <b>627,353</b> | <b>602,479</b>   |
| Non-controlling interest  |      | 7,977          | 11,440           |
| <b>TOTAL EQUITY</b>   |      | <b>635,330</b> | <b>613,919</b>   |
| <b>Non-current liabilities</b>  |      |                |                  |
| Deferred income tax liabilities   |      | 37,814         | 37,034           |
| Non-current debt  | 15   | 134,705        | 135,179          |
| Other non-current liabilities   |      | 12,570         | 14,551           |
| <b>Total non-current liabilities</b>  |      | <b>185,089</b> | <b>186,764</b>   |
| <b>Current liabilities</b>  |      |                |                  |
| Current debt and current portion of non-current debt                        | 15   | 61,534         | 62,214           |
| Accounts payable and accruals   | 16   | 58,082         | 60,307           |
| Current income tax payable  |      | 2,146          | 898              |
| Other taxes payable   | 17   | 16,534         | 14,035           |
| <b>Total current liabilities</b>  |      | <b>138,296</b> | <b>137,454</b>   |
| <b>TOTAL LIABILITIES</b>  |      | <b>323,385</b> | <b>324,218</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |      | <b>958,715</b> | <b>938,137</b>   |

Chairman of Management Board – General Director

N. G. Shulginov

Acting Chief Accountant

K. V. Permyakov



23 June 2016

**RusHydro Group**  
**Condensed Consolidated Interim Income Statement (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



|   | Note | Three months ended<br>31 March 2016 | Three months ended<br>31 March 2015 |
|---|------|-------------------------------------|-------------------------------------|
| Revenue   | 18   | 104,404                             | 94,614                              |
| Government grants   | 19   | 3,303                               | 3,054                               |
| Other operating income  |      | 241                                 | 933                                 |
| Operating expenses (excluding impairment losses)  | 20   | (86,951)                            | (84,797)                            |
| <b>Operating profit excluding impairment losses</b>   |      | <b>20,997</b>                       | <b>13,804</b>                       |
| Impairment of accounts receivable, net  |      | (1,362)                             | (1,291)                             |
| Impairment of property, plant and equipment   |      | (777)                               | -                                   |
| <b>Operating profit</b>   |      | <b>18,858</b>                       | <b>12,513</b>                       |
| Finance income  | 21   | 2,590                               | 4,258                               |
| Finance costs   | 21   | (2,263)                             | (2,411)                             |
| Profit in respect of associates and joint ventures  |      | 484                                 | 615                                 |
| <b>Profit before income tax</b>   |      | <b>19,669</b>                       | <b>14,975</b>                       |
| Total income tax expense  | 14   | (4,622)                             | (3,113)                             |
| <b>Profit for the period</b>  |      | <b>15,047</b>                       | <b>11,862</b>                       |
| Attributable to:  |      |                                     |                                     |
| Shareholders of PJSC RusHydro   |      | 14,168                              | 11,764                              |
| Non-controlling interest  |      | 879                                 | 98                                  |
| Earnings per ordinary share attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share) |      |                                     |                                     |
|   | 22   | 0.0387                              | 0.0323                              |
| Weighted average number of shares outstanding – basic and diluted (millions of shares)  |      |                                     |                                     |
|   | 22   | 366,339                             | 364,469                             |

**RusHydro Group**  
**Condensed Consolidated Interim Statement of Comprehensive Income (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



|  | Three months ended<br>31 March 2016 | Three months ended<br>31 March 2015 |
|--|-------------------------------------|-------------------------------------|
| Profit for the period  | 15,047                              | 11,862                              |
| <b>Other comprehensive income / (loss), net of tax:</b>                    |                                     |                                     |
| <i>Items that will not be reclassified to profit or loss</i>               |                                     |                                     |
| Other comprehensive income / (loss)  | 731                                 | (8)                                 |
| <b>Total items that will not be reclassified to profit or loss</b>         | <b>731</b>                          | <b>(8)</b>                          |
| <i>Items that may be reclassified subsequently to profit or loss</i>       |                                     |                                     |
| Income arising on available-for-sale financial assets                      | 3,865                               | 1,955                               |
| <b>Total items that may be reclassified subsequently to profit or loss</b> | <b>3,865</b>                        | <b>1,955</b>                        |
| <b>Other comprehensive income for the period</b>                           | <b>4,596</b>                        | <b>1,947</b>                        |
| <b>Total comprehensive income for the period</b>                           | <b>19,643</b>                       | <b>13,809</b>                       |
| Attributable to:   |                                     |                                     |
| Shareholders of PJSC RusHydro  | 18,749                              | 13,707                              |
| Non-controlling interest   | 894                                 | 102                                 |

**RusHydro Group**  
**Condensed Consolidated Interim Statement of Cash Flows (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



|   | Note     | Three months ended<br>31 March 2016 | Three months ended<br>31 March 2015 |
|---|----------|-------------------------------------|-------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |          |                                     |                                     |
| <b>Profit before income tax</b>   |          | <b>19,669</b>                       | <b>14,975</b>                       |
| Depreciation of property, plant and equipment and intangible assets   | 6, 20    | 6,194                               | 5,683                               |
| Loss on disposal of property, plant and equipment, net  | 20       | 11                                  | 94                                  |
| Profit in respect of associates and joint ventures  |          | (484)                               | (615)                               |
| Other operating income  |          | (241)                               | (933)                               |
| Finance income  | 21       | (2,590)                             | (4,258)                             |
| Finance costs   | 21       | 2,263                               | 2,411                               |
| Impairment of property, plant and equipment   |          | 777                                 | -                                   |
| Impairment of accounts receivable, net  |          | 1,362                               | 1,291                               |
| Other expense   |          | 419                                 | 76                                  |
| <b>Operating cash flows before working capital changes, income tax paid and changes in other assets and liabilities</b> |          | <b>27,380</b>                       | <b>18,724</b>                       |
| Working capital changes:  |          |                                     |                                     |
| Increase in accounts receivable and prepayments   |          | (6,275)                             | (7,695)                             |
| Decrease in inventories   |          | 2,527                               | 3,561                               |
| Decrease in accounts payable and accruals   |          | (1,408)                             | (1,489)                             |
| Increase in other taxes payable   |          | 2,478                               | 2,911                               |
| Increase in other non-current assets  |          | (43)                                | (106)                               |
| (Decrease) / increase in other non-current liabilities  |          | (2,113)                             | 15                                  |
| Income tax paid   |          | (2,100)                             | (1,783)                             |
| <b>Net cash generated by operating activities</b>   |          | <b>20,446</b>                       | <b>14,138</b>                       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |          |                                     |                                     |
| Purchase of property, plant and equipment   |          | (10,065)                            | (15,832)                            |
| Proceeds from sale of property, plant and equipment   |          | 24                                  | 253                                 |
| Investment in bank deposits and purchase of other investments   |          | (7,732)                             | (20,743)                            |
| Redemption of bank deposits and proceeds from sale of other investments   |          | 13,584                              | 37,848                              |
| Proceeds from sale of subsidiaries  |          | -                                   | 60                                  |
| Purchase of shares of subsidiary  |          | (39)                                | -                                   |
| Interest received   |          | 2,778                               | 2,201                               |
| <b>Net cash (used) / generated in investing activities</b>  |          | <b>(1,450)</b>                      | <b>3,787</b>                        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |          |                                     |                                     |
| Proceeds from current debt  | 15       | 15,452                              | 16,682                              |
| Proceeds from non-current debt  | 15       | 1,513                               | 349                                 |
| Repayment of debt   | 15       | (17,084)                            | (17,848)                            |
| Interest paid   |          | (5,189)                             | (4,149)                             |
| Finance lease payments  |          | (155)                               | (191)                               |
| <b>Net cash used by financing activities</b>  |          | <b>(5,463)</b>                      | <b>(5,157)</b>                      |
| Foreign exchange loss on cash balances  |          | (393)                               | (29)                                |
| <b>Increase in cash and cash equivalents</b>  |          | <b>13,140</b>                       | <b>12,739</b>                       |
| <b>Cash and cash equivalents at the beginning of the period</b>   |          | <b>48,025</b>                       | <b>34,394</b>                       |
| <b>Cash and cash equivalents at the end of the period</b>   | <b>9</b> | <b>61,165</b>                       | <b>47,133</b>                       |



**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 | Available-for-sale financial assets | Remeasurement of pension benefit obligation | Retained earnings | Equity attributable to shareholders of PJSC RusHydro | Non-controlling interest | Total equity   |
|---|------|----------------|-----------------|---------------|------------------|--------------------------------------|---------------------|-------------------------------------|---|-------------------|--|--------------------------|----------------|
| <b>As at 1 January 2015</b>                           |      | <b>386,255</b> | <b>(26,092)</b> | <b>39,202</b> | <b>(135,075)</b> | <b>(362)</b>                         | <b>190,476</b>      | -                                   | <b>1,721</b>                                | <b>122,796</b>    | <b>578,921</b>                                       | <b>16,230</b>            | <b>595,151</b> |
| Profit for the period                                 |      | -              | -               | -             | -                | -                                    | -                   | -                                   | -   | 11,764            | 11,764   | 98                       | 11,862         |
| Income arising on available-for-sale financial assets |      | -              | -               | -             | -                | -                                    | -                   | 1,951                               | -   | -                 | 1,951  | 4                        | 1,955          |
| Other comprehensive income                            |      | -              | -               | -             | -                | (8)                                  | -                   | -                                   | -   | -                 | (8)  | -                        | (8)            |
| <b>Total comprehensive income</b>                     |      | -              | -               | -             | -                | <b>(8)</b>                           | -                   | <b>1,951</b>                        | -   | <b>11,764</b>     | <b>13,707</b>  | <b>102</b>               | <b>13,809</b>  |
| Disposal of subsidiaries                              |      | -              | -               | -             | -                | -                                    | -                   | -                                   | -   | -                 | -  | 77                       | 77             |
| Transfer of revaluation reserve to retained earnings  |      | -              | -               | -             | -                | -                                    | (39)                | -                                   | -   | 39                | -  | -                        | -              |
| <b>As at 31 March 2015</b>                            |      | <b>386,255</b> | <b>(26,092)</b> | <b>39,202</b> | <b>(135,075)</b> | <b>(370)</b>                         | <b>190,437</b>      | <b>1,951</b>                        | <b>1,721</b>                                | <b>134,599</b>    | <b>592,628</b>                                       | <b>16,409</b>            | <b>609,037</b> |
| <b>As at 1 January 2016</b>                           |      | <b>386,255</b> | <b>(26,092)</b> | <b>39,202</b> | <b>(135,075)</b> | <b>(474)</b>                         | <b>188,552</b>      | <b>1,952</b>                        | <b>689</b>                                  | <b>147,470</b>    | <b>602,479</b>                                       | <b>11,440</b>            | <b>613,919</b> |
| Profit for the period                                 |      | -              | -               | -             | -                | -                                    | -                   | -                                   | -   | 14,168            | 14,168   | 879                      | 15,047         |
| Income arising on available-for-sale financial assets |      | -              | -               | -             | -                | -                                    | -                   | 3,850                               | -   | -                 | 3,850  | 15                       | 3,865          |
| Other comprehensive loss                              |      | -              | -               | -             | -                | 731                                  | -                   | -                                   | -   | -                 | 731  | -                        | 731            |
| <b>Total comprehensive income</b>                     |      | -              | -               | -             | -                | <b>731</b>                           | -                   | <b>3,850</b>                        | -   | <b>14,168</b>     | <b>18,749</b>  | <b>894</b>               | <b>19,643</b>  |
| Purchase of shares of PJSC RAO ES East                | 13   | -              | 3,514           | -             | -                | -                                    | -                   | -                                   | -   | 2,611             | 6,125  | (4,433)                  | 1,692          |
| Disposal of subsidiaries                              |      | -              | -               | -             | -                | -                                    | -                   | -                                   | -   | -                 | -  | 76                       | 76             |
| Transfer of revaluation reserve to retained earnings  |      | -              | -               | -             | -                | -                                    | (64)                | -                                   | -   | 64                | -  | -                        | -              |
| <b>As at 31 March 2016</b>                            |      | <b>386,255</b> | <b>(22,578)</b> | <b>39,202</b> | <b>(135,075)</b> | <b>257</b>                           | <b>188,488</b>      | <b>5,802</b>                        | <b>689</b>                                  | <b>164,313</b>    | <b>627,353</b>                                       | <b>7,977</b>             | <b>635,330</b> |

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 legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. Russian economy was negatively impacted by low oil prices, ongoing political tension in the region and continuing international sanctions against certain Russian companies and individuals, all of which contributed to the country’s economic recession characterised by a decline in gross domestic product. The financial markets continue to be volatile and are characterised by frequent significant price movements and increased trading spreads. Russia’s credit rating is still below investment grade.

This operating 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 2016 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 2016 the Russian Federation owned 66.84 percent of the total voting ordinary shares of the Company (31 December 2015: 66.84 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 2015, 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 2015 have been omitted or condensed.



### ***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 2015 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 2016. Certain reclassifications have been made to prior period data to conform to the current period presentation. These reclassifications are not material.

### ***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 2015 with the exception of changes in estimates that are required in determining the estimate weighted average annual income tax rate (Note 14).

### ***New standards and interpretations***

The Group has adopted all new standards and interpretations that were effective from 1 January 2016. The impact of the adoption of these new standards and interpretations has not been significant with respect to this Condensed Consolidated Interim Financial Information.

Certain new standards, interpretations and amendments to standards and interpretations, as disclosed in the Consolidated Financial Statements as at and for the year ended 31 December 2015, have been issued but are not effective for the financial year beginning 1 January 2016 and which the Group has not early adopted.

***Amendments to IFRS 15, Revenue from Contracts with Customers (issued on 12 April 2016 and effective for annual periods beginning on or after 1 January 2018)***. The amendments do not change the underlying principles of the Standard but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; how to determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and how to determine whether the revenue from granting a licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new Standard. The Group is currently assessing the impact of the new standard on its 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 2016 and 31 December 2015.



### **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 2016  |             | 31 December 2015 |             |
|--|----------------|-------------|------------------|-------------|
|  | % 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 Ryazan Power Distributing Company | 90.52%         | 90.52%      | 90.52%           | 90.52%      |
| JSC Chuvashskaya energy retail company | 100.00%        | 100.00%     | 100.00%          | 100.00%     |
| LLC ESC Bashkortostan                  | 100.00%        | -           | 100.00%          | -           |

### **RAO ES East subgroup segment**

RAO ES East subgroup segment consists of PJSC 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.

Principal subsidiaries of this segment are presented below:

|                      | 31 March 2016  |             | 31 December 2015 |             |
|----------------------|----------------|-------------|------------------|-------------|
|                      | % of ownership | % of voting | % of ownership   | % of voting |
| PJSC RAO ES East*    | 95.29%         | 97.31%      | 85.92%           | 86.20%      |
| PJSC DEK             | 49.72%         | 52.17%      | 44.92%           | 52.17%      |
| JSC DGK              | 49.72%         | 100.00%     | 44.92%           | 100.00%     |
| JSC DRSK             | 49.72%         | 100.00%     | 44.92%           | 100.00%     |
| PJSC Kamchatskenergo | 94.09%         | 98.74%      | 84.83%           | 98.74%      |
| PJSC Magadanenergo** | 46.69%         | 49.00%      | 42.10%           | 49.00%      |
| OJSC Sakhalinenergo  | 55.09%         | 57.81%      | 49.67%           | 57.82%      |
| PJSC Yakutskenergo   | 76.84%         | 79.16%      | 72.21%           | 79.16%      |

\* Voting and ownership percent interests in PJSC RAO ES East include 12.92 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.

**RusHydro Group**  
**Notes to the Condensed Consolidated Interim Financial Information**  
**as at and for the three months ended 31 March 2016 (unaudited)**

(in millions of Russian Rubles unless noted otherwise)



Principal subsidiaries included in all other segments are presented below:

|                             | 31 March 2016  |             | 31 December 2015 |             |
|-----------------------------|----------------|-------------|------------------|-------------|
|                             | % of ownership | % of voting | % of ownership   | % of voting |
| JSC Blagoveschensk HPP      | 100.00%        | 100.00%     | 100.00%          | 100.00%     |
| JSC VNIIG                   | 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 Sahalin GRES-2          | 100.00%        | 100.00%     | 100.00%          | 100.00%     |
| JSC Sulak HidroKaskad       | 100.00%        | 100.00%     | 100.00%          | 100.00%     |
| JSC HPP 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 | 99.63%         | 100.00%     | 99.63%           | 100.00%     |
| JSC Chirkeigesstroy         | 100.00%        | 100.00%     | 100.00%          | 100.00%     |
| JSC ESCO UES                | 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 and the performance of 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 as the performance is 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 estimated on the basis of EBITDA, which is calculated as operating profit / loss excluding depreciation of property, plant and equipment and intangible assets, impairment of property, plant and equipment, impairment of accounts receivable, loss on disposal of property, plant and equipment, profit / loss on disposal of subsidiary 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 certain 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.

**RusHydro Group**  
**Notes to the Condensed Consolidated Interim Financial Information**  
**as at and for the three months ended 31 March 2016 (unaudited)**

(in millions of Russian Rubles unless noted otherwise)

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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 2016 and 31 March 2015 and as at 31 March 2016 and 31 December 2015 is presented below.



| Three months ended 31 March 2016  | PJSC RusHydro  | ESC RusHydro subgroup | RAO ES East subgroup | Other segments | Total segments | Unallocated adjustments and intercompany operations | TOTAL          |
|---|----------------|-----------------------|----------------------|----------------|----------------|---|----------------|
| <b>Revenue</b>  | <b>27,097</b>  | <b>26,226</b>         | <b>52,757</b>        | <b>4,774</b>   | <b>110,854</b> | <b>(6,450)</b>                                      | <b>104,404</b> |
| <i>including:</i>   |                |                       |                      |                |                |   |                |
| <i>from external companies</i>  | 24,268         | 26,215                | 52,659               | 1,262          | 104,404        | -   | 104,404        |
| <i>sales of electricity</i>   | 16,634         | 25,938                | 31,542               | 154            | 74,268         | -   | 74,268         |
| <i>sales of heat and hot water sales</i>                                    | 68             | -                     | 15,728               | -              | 15,796         | -   | 15,796         |
| <i>sales of capacity</i>  | 7,436          | -                     | 1,339                | 97             | 8,872          | -   | 8,872          |
| <i>other revenue</i>  | 130            | 277                   | 4,050                | 1,011          | 5,468          | -   | 5,468          |
| <i>from intercompany operations</i>   | 2,829          | 11                    | 98                   | 3,512          | 6,450          | (6,450)   | -              |
| Government grants   | -              | -                     | 3,282                | 21             | 3,303          | -   | 3,303          |
| Other operating income  | -              | -                     | -                    | 241            | 241            | -   | 241            |
| Operating expenses (excluding depreciation and other non-monetary items)    | (8,521)        | (25,222)              | (47,799)             | (5,224)        | (86,766)       | 6,030   | (80,736)       |
| <b>EBITDA</b>   | <b>18,576</b>  | <b>1,004</b>          | <b>8,240</b>         | <b>(188)</b>   | <b>27,632</b>  | <b>(420)</b>  | <b>27,212</b>  |
| Depreciation of property, plant and equipment and intangible assets         | (3,550)        | (201)                 | (1,975)              | (523)          | (6,249)        | 55  | (6,194)        |
| Other non-monetary items of operating income and expenses                   | (1,115)        | (180)                 | (812)                | (49)           | (2,156)        | (4)   | (2,160)        |
| <i>including:</i>   |                |                       |                      |                |                |   |                |
| <i>impairment of property, plant and equipment</i>                          | (604)          | -                     | (173)                | -              | (777)          | -   | (777)          |
| <i>impairment of accounts receivable, net</i>                               | (515)          | (171)                 | (627)                | (49)           | (1,362)        | -   | (1,362)        |
| <i>profit / (loss) on disposal of property, plant and equipment, net</i>    | 4              | (9)                   | (6)                  | -              | (11)           | -   | (11)           |
| <i>loss on disposal of subsidiaries, associates and joint ventures, net</i> | -              | -                     | (6)                  | -              | (6)            | (4)   | (10)           |
| <b>Operating profit / (loss)</b>  | <b>13,911</b>  | <b>623</b>            | <b>5,453</b>         | <b>(760)</b>   | <b>19,227</b>  | <b>(369)</b>  | <b>18,858</b>  |
| Finance income  |                |                       |                      |                |                |   | 2,590          |
| Finance costs   |                |                       |                      |                |                |   | (2,263)        |
| Profit in respect of associates and joint ventures                          |                |                       |                      |                |                |   | 484            |
| <b>Profit before income tax</b>   |                |                       |                      |                |                |   | <b>19,669</b>  |
| Total income tax expense  |                |                       |                      |                |                |   | (4,622)        |
| <b>Profit for the period</b>  |                |                       |                      |                |                |   | <b>15,047</b>  |
| <b>Capital expenditure</b>  | <b>6,436</b>   | <b>14</b>             | <b>3,136</b>         | <b>5,867</b>   | <b>15,453</b>  | <b>1,143</b>  | <b>16,596</b>  |
| <b>31 March 2016</b>  |                |                       |                      |                |                |   |                |
| <b>Non-current and current debt</b>   | <b>120,993</b> | <b>2,675</b>          | <b>67,091</b>        | <b>5,480</b>   | <b>196,239</b> | <b>-</b>  | <b>196,239</b> |





|   | PJSC RusHydro  | ESC RusHydro subgroup | RAO ES East subgroup | Other segments | Total segments | Unallocated adjustments and intercompany operations | TOTAL          |
|---|----------------|-----------------------|----------------------|----------------|----------------|---|----------------|
| <b>Three months ended 31 March 2015</b>   |                |                       |                      |                |                |   |                |
| <b>Revenue</b>  | <b>22,498</b>  | <b>24,934</b>         | <b>48,373</b>        | <b>4,953</b>   | <b>100,758</b> | <b>(6,144)</b>                                      | <b>94,614</b>  |
| <i>including:</i>   |                |                       |                      |                |                |   |                |
| <i>from external companies</i>  | 19,985         | 24,931                | 48,287               | 1,411          | 94,614         | -   | 94,614         |
| <i>sales of electricity</i>   | 13,107         | 24,678                | 29,479               | 110            | 67,374         | -   | 67,374         |
| <i>sales of heat and hot water sales</i>  | 56             | -                     | 13,788               | -              | 13,844         | -   | 13,844         |
| <i>sales of capacity</i>  | 6,784          | -                     | 1,322                | 87             | 8,193          | -   | 8,193          |
| <i>other revenue</i>  | 38             | 253                   | 3,698                | 1,214          | 5,203          | -   | 5,203          |
| <i>from intercompany operations</i>   | 2,513          | 3                     | 86                   | 3,542          | 6,144          | (6,144)   | -              |
| Government grants   | -              | -                     | 3,048                | 6              | 3,054          | -   | 3,054          |
| Other operating income  | -              | -                     | 235                  | 230            | 465            | -   | 465            |
| Operating expenses (excluding depreciation and other non-monetary items)        | (8,863)        | (23,984)              | (46,167)             | (5,825)        | (84,839)       | 5,819   | (79,020)       |
| <b>EBITDA</b>   | <b>13,635</b>  | <b>950</b>            | <b>5,489</b>         | <b>(636)</b>   | <b>19,438</b>  | <b>(325)</b>  | <b>19,113</b>  |
| Depreciation of property, plant and equipment and intangible assets             | (3,112)        | (173)                 | (2,000)              | (449)          | (5,734)        | 51  | (5,683)        |
| Other non-monetary items of operating expenses                                  | (493)          | (477)                 | 189                  | (139)          | (920)          | 3   | (917)          |
| <i>including:</i>   |                |                       |                      |                |                |   |                |
| <i>impairment of accounts receivable, net</i>                                   | (417)          | (477)                 | (379)                | (18)           | (1,291)        | -   | (1,291)        |
| <i>(loss) / profit on disposal of property, plant and equipment, net</i>        | (76)           | -                     | 23                   | (121)          | (174)          | 80  | (94)           |
| <i>gain / (loss) on disposal of subsidiaries, associates and joint ventures</i> | -              | -                     | 545                  | -              | 545            | (77)  | 468            |
| <b>Operating profit / (loss)</b>  | <b>10,030</b>  | <b>300</b>            | <b>3,678</b>         | <b>(1,224)</b> | <b>12,784</b>  | <b>(271)</b>  | <b>12,513</b>  |
| Finance income  |                |                       |                      |                |                |   | 4,258          |
| Finance costs   |                |                       |                      |                |                |   | (2,411)        |
| Profit in respect of associates and joint ventures                              |                |                       |                      |                |                |   | 615            |
| <b>Profit before income tax</b>   |                |                       |                      |                |                |   | <b>14,975</b>  |
| Total income tax expense  |                |                       |                      |                |                |   | (3,113)        |
| <b>Profit for the period</b>  |                |                       |                      |                |                |   | <b>11,862</b>  |
| <b>Capital expenditure</b>  | <b>5,599</b>   | <b>20</b>             | <b>3,450</b>         | <b>12,773</b>  | <b>21,842</b>  | <b>(560)</b>  | <b>21,282</b>  |
| <b>31 December 2015</b>   |                |                       |                      |                |                |   |                |
| <b>Non-current and current debt</b>   | <b>121,861</b> | <b>1,847</b>          | <b>68,019</b>        | <b>5,666</b>   | <b>197,393</b> | <b>-</b>  | <b>197,393</b> |





**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 2016 and 31 March 2015 and as at 31 March 2016 and 31 December 2015 were associates and joint ventures of the Group, government-related entities and key management of the Group.

Disclosure of the Group's related party transactions is presented on an aggregate basis however there may be an additional disclosure of certain significant transactions (balances and turnovers) with certain related parties in each reporting period.

**Joint ventures**

The Group had the following balances with its joint ventures:

|                                 | <b>31 March 2016</b> | <b>31 December 2015</b> |
|---------------------------------|----------------------|-------------------------|
| Promissory notes                | 5,845                | 5,711                   |
| Long-term advances to suppliers | 5,420                | -                       |
| Loans issued                    | 2,528                | 2,725                   |
| Loans received                  | 750                  | 750                     |

The Group had the following transactions with its joint ventures:

|                                    | <b>Three months ended<br/>31 March 2016</b> | <b>Three months ended<br/>31 March 2015</b> |
|------------------------------------|---|---|
| Sales of electricity and capacity  | 727   | 62  |
| Other revenue                      | 78  | 126   |
| Purchased electricity and capacity | 851   | 669   |

**Associates**

The Group had the following balances with its associates:

|                             | <b>31 March 2016</b> | <b>31 December 2015</b> |
|-----------------------------|----------------------|-------------------------|
| Trade and other receivables | 573                  | 440                     |
| Accounts payable            | 580                  | 481                     |

The Group had the following transactions with its associates:

|                                    | <b>Three months ended<br/>31 March 2016</b> | <b>Three months ended<br/>31 March 2015</b> |
|------------------------------------|---|---|
| Sales of electricity and capacity  | 917   | 782   |
| Other revenue                      | 38  | 39  |
| Rent                               | 113   | 76  |
| Purchased electricity and capacity | 7   | 8   |

**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 2016 and 31 March 2015 and balances outstanding as at 31 March 2016 and 31 December 2015 with a number of government-related banks. All transactions are carried out on market rates.

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 2016 (for the three months ended 31 March 2015: approximately 30 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. During the three months ended 31 March 2016 the Group received government subsidies in amount of RR 3,303 million (for the three months ended 31 March 2015: RR 3,054 million) (Note 19).

The Group's purchases of electricity, capacity and fuel from government-related entities comprised approximately 20 percent of total expenses on purchased electricity, capacity and fuel for the three months ended 31 March 2016 (for the three months ended 31 March 2015: approximately 20 percent).

Electricity distribution services provided to the Group by government-related entities comprised approximately 60 percent of total electricity distribution expenses for the three months ended 31 March 2016 (for the three months ended 31 March 2015: approximately 50 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 2016 comprised RR 159 million (for the three months ended 31 March 2015: RR 310 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            |
|--|-----------------|------------------|---------------------|---------------------------|----------------|------------------|
| <b>Balance as at 31 December 2015</b>                  | <b>83,887</b>   | <b>398,693</b>   | <b>268,513</b>      | <b>285,292</b>            | <b>13,646</b>  | <b>1,050,031</b> |
| Reclassification                                       | (2)             | (73)             | (2,578)             | 2,774                     | (121)          | -                |
| Additions  | 208             | 25               | 558                 | 15,697                    | 108            | 16,596           |
| Transfers  | 84              | 1,106            | 6,351               | (7,600)                   | 59             | -                |
| Disposals and write-offs                               | (241)           | (25)             | (144)               | (810)                     | (98)           | (1,318)          |
| <b>Balance as at 31 March 2016</b>                     | <b>83,936</b>   | <b>399,726</b>   | <b>272,700</b>      | <b>295,353</b>            | <b>13,594</b>  | <b>1,065,309</b> |
| <b>Accumulated depreciation (including impairment)</b> |                 |                  |                     |                           |                |                  |
| <b>Balance as at 31 December 2015</b>                  | <b>(31,803)</b> | <b>(131,656)</b> | <b>(105,881)</b>    | <b>(29,192)</b>           | <b>(6,914)</b> | <b>(305,446)</b> |
| Impairment charge                                      | (1)             | (4)              | (56)                | (716)                     | -              | (777)            |
| Charge for the period                                  | (565)           | (2,027)          | (3,381)             | -                         | (324)          | (6,297)          |
| Transfers  | (8)             | (69)             | (235)               | 309                       | 3              | -                |
| Disposals and write-offs                               | 112             | 4                | 117                 | 70                        | 57             | 360              |
| <b>Balance as at 31 March 2016</b>                     | <b>(32,265)</b> | <b>(133,752)</b> | <b>(109,436)</b>    | <b>(29,529)</b>           | <b>(7,178)</b> | <b>(312,160)</b> |
| <b>Net book value as at 31 March 2016</b>              | <b>51,671</b>   | <b>265,974</b>   | <b>163,264</b>      | <b>265,824</b>            | <b>6,416</b>   | <b>753,149</b>   |
| <b>Net book value as at 31 December 2015</b>           | <b>52,084</b>   | <b>267,037</b>   | <b>162,632</b>      | <b>256,100</b>            | <b>6,732</b>   | <b>744,585</b>   |
| <b>Cost</b>  |                 |                  |                     |                           |                |                  |
| <b>Balance as at 31 December 2014</b>                  | <b>81,110</b>   | <b>378,702</b>   | <b>226,137</b>      | <b>256,121</b>            | <b>14,925</b>  | <b>956,995</b>   |
| Reclassification                                       | (174)           | 133              | (1,960)             | 2,406                     | (405)          | -                |
| Additions  | 11              | 27               | 412                 | 20,807                    | 25             | 21,282           |
| Transfers  | 225             | 2,290            | 6,520               | (9,131)                   | 96             | -                |
| Disposals and write-offs                               | (7)             | (15)             | (92)                | (247)                     | (43)           | (404)            |
| <b>Balance as at 31 March 2015</b>                     | <b>81,165</b>   | <b>381,137</b>   | <b>231,017</b>      | <b>269,956</b>            | <b>14,598</b>  | <b>977,873</b>   |
| <b>Accumulated depreciation (including impairment)</b> |                 |                  |                     |                           |                |                  |
| <b>Balance as at 31 December 2014</b>                  | <b>(29,504)</b> | <b>(116,411)</b> | <b>(89,161)</b>     | <b>(29,062)</b>           | <b>(6,667)</b> | <b>(270,805)</b> |
| Charge for the period                                  | (289)           | (2,151)          | (2,858)             | -                         | 4              | (5,294)          |
| Transfers  | (16)            | (77)             | (102)               | 199                       | (4)            | -                |
| Disposals and write-offs                               | 7               | 15               | 83                  | 18                        | 37             | 160              |
| <b>Balance as at 31 March 2015</b>                     | <b>(29,802)</b> | <b>(118,624)</b> | <b>(92,038)</b>     | <b>(28,845)</b>           | <b>(6,630)</b> | <b>(275,939)</b> |
| <b>Net book value as at 31 March 2015</b>              | <b>51,363</b>   | <b>262,513</b>   | <b>138,979</b>      | <b>241,111</b>            | <b>7,968</b>   | <b>701,934</b>   |
| <b>Net book value as at 31 December 2014</b>           | <b>51,606</b>   | <b>262,291</b>   | <b>136,976</b>      | <b>227,059</b>            | <b>8,258</b>   | <b>686,190</b>   |

As at 31 March 2016 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 7,765 million (31 December 2015: RR 7,793 million) which are stated at cost.

**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 2015 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 777 million for the three months ended 31 March 2016 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 2015: RR 0 million).



**Note 7. Available-for-sale financial assets**

|  | 31 March 2016  |              | 31 December 2015 |              |
|--|----------------|--------------|------------------|--------------|
|  | % of ownership | Fair value   | % of ownership   | Fair value   |
| PJSC Inter RAO                                   | 4,92%          | 9,362        | 4,92%            | 5,606        |
| PJSC Russian Grids                               | 0,28%          | 279          | 0,28%            | 228          |
| PJSC FGC UES                                     | 0,13%          | 137          | 0,13%            | 99           |
| Other  | -              | 200          | -                | 161          |
| <b>Total available-for-sale financial assets</b> |                | <b>9,978</b> |                  | <b>6,094</b> |

**Note 8. Other non-current assets**

|   | 31 March 2016 | 31 December 2015 |
|---|---------------|------------------|
| Long-term promissory notes                            | 38,189        | 38,189           |
| Discount  | (16,761)      | (16,946)         |
| Impairment provision                                  | (14,025)      | (14,025)         |
| Long-term promissory notes, net                       | 7,403         | 7,218            |
| VAT recoverable                                       | 2,257         | 2,546            |
| Dams of Bratskaya, Ust'-Ilimskaya and Irkutskaya HPPs | 2,141         | 2,164            |
| Customer base of LLC ESC Bashkortostan                | 415           | 553              |
| Goodwill  | 481           | 481              |
| Other non-current assets                              | 8,402         | 8,440            |
| <b>Total other non-current assets</b>                 | <b>21,099</b> | <b>21,402</b>    |

**Note 9. Cash and cash equivalents**

|  | 31 March 2016 | 31 December 2015 |
|--|---------------|------------------|
| Cash at bank                           | 20,346        | 11,857           |
| Cash equivalents                       | 40,798        | 36,137           |
| Cash in hand                           | 21            | 31               |
| <b>Total cash and cash equivalents</b> | <b>61,165</b> | <b>48,025</b>    |

Cash equivalents held as at 31 March 2016 and 31 December 2015 comprised short-term bank deposits with original maturities of three months or less.

**Note 10. Accounts receivable and prepayments**

|   | 31 March 2016 | 31 December 2015 |
|---|---------------|------------------|
| Trade receivables   | 61,695        | 55,075           |
| Provision for impairment of trade receivables                           | (21,387)      | (20,158)         |
| <b>Trade receivables, net</b>   | <b>40,308</b> | <b>34,917</b>    |
| <b>VAT recoverable</b>  | <b>7,254</b>  | <b>8,156</b>     |
| Advances to suppliers and other prepayments                             | 3,850         | 3,540            |
| Provision for impairment of advances to suppliers and other prepayments | (1,051)       | (1,021)          |
| <b>Advances to suppliers and other prepayments, net</b>                 | <b>2,799</b>  | <b>2,519</b>     |
| Other receivables   | 7,058         | 7,248            |
| Provision for impairment of other receivables                           | (2,941)       | (3,194)          |
| <b>Other receivables, net</b>   | <b>4,117</b>  | <b>4,054</b>     |
| <b>Total accounts receivable and prepayments</b>                        | <b>54,478</b> | <b>49,646</b>    |

The Group does not hold any accounts receivable pledged as collateral.



**Note 11. Inventories**

|  | <b>31 March 2016</b> | <b>31 December 2015</b> |
|--|----------------------|-------------------------|
| Fuel   | 11,069               | 14,291                  |
| Materials and supplies                                   | 6,953                | 6,555                   |
| Spare parts  | 2,815                | 2,782                   |
| Other materials  | 839                  | 606                     |
| <b>Total inventories before provision for impairment</b> | <b>21,676</b>        | <b>24,234</b>           |
| <b>Provision for impairment of inventories</b>           | <b>(225)</b>         | <b>(235)</b>            |
| <b>Total inventories</b>                                 | <b>21,451</b>        | <b>23,999</b>           |

**Note 12. Other current assets**

|                                   | <b>31 March 2016</b> | <b>31 December 2015</b> |
|-----------------------------------|----------------------|-------------------------|
| Special funds                     | 6,998                | 6,098                   |
| Deposits and promissory notes     | 6,747                | 13,434                  |
| Loans issued                      | 2,521                | 2,728                   |
| Other short-term investments      | 265                  | 314                     |
| <b>Total other current assets</b> | <b>16,531</b>        | <b>22,574</b>           |

As at 31 March 2016 the rest of special funds in the amount of RR 6,998 million received from the Russian Federation to fund construction of generating facilities are located on special accounts of the Federal Treasury in Moscow.

**Note 13. Equity**

|                        | <b>Number of issued ordinary shares<br/>(Par value of RR 1.00)</b> |
|------------------------|--|
| As at 31 March 2016    | 386,255,464,890  |
| As at 31 December 2015 | 386,255,464,890  |
| As at 31 March 2015    | 386,255,464,890  |
| As at 31 December 2014 | 386,255,464,890  |

**Treasury shares.** As at 31 March 2016 treasury shares were represented by 18,852,353,167 ordinary shares in the amount of RR 22,578 million (31 December 2015: 21,786,611,933 ordinary shares in the amount of RR 26,092 million).

During three months ending 31 March 2016 2,934,258,766 treasury shares were transferred to shareholders of PJSC RAO ES East as a compensation for purchased shares of subsidiary in accordance with declared on 3 November 2015 voluntary offer to purchase shares of PJSC RAO ES East.

**Effect of changes in non-controlling interest of subsidiaries.** As at 31 March 2016 in accordance with voluntary offer to purchase shares of PJSC RAO ES East Group's share in PJSC RAO ES East increased to 95.29 percent (Note 3). As a result non-controlling interest decreased by RR 4,433 million and retained earnings of the Group increased by RR 2,611 million.

**Offer for shares of PJSC RAO ES East.** During three months ending 31 March 2016 shareholders who voted against decision on approval of large-scale deals or who did not participate in voting within the extraordinary General Shareholders meeting held at 12 November 2015 offered their shares for repurchase. 22,282,264 ordinary shares and 3,608,736 preference shares in the total amount of RR 9 million were repurchased.

Shareholders accepted terms of the voluntary offer offered LLC Vostok-Finance for repurchase 4,707,066,939 ordinary shares and 341,828,698 preference shares of PJSC RAO ES East which amount to 11.11 percent of voting shares. PJSC RAO ES East shareholders received 2,934,258,766 shares of the Company and RR 30 million as a compensation for purchased shares.

As at 31 March 2016 the Group recognised obligation to purchase PJSC RAO ES East shares in the amount of RR 385 million (as at 31 December 2015: RR 2,108 million) (Note 16).



**Note 14. 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 2016 was 23 percent (for the three months ended 31 March 2015: 21 percent).

|                                 | Three months ended<br>31 March 2016 | Three months ended<br>31 March 2015 |
|---------------------------------|-------------------------------------|-------------------------------------|
| Current income tax expense      | 3,906                               | 3,030                               |
| Deferred income tax expense     | 716                                 | 83                                  |
| <b>Total income tax expense</b> | <b>4,622</b>                        | <b>3,113</b>                        |

**Note 15. Current and non-current debt**

*Non-current debt*

|   | Due date  | 31 March 2016  | 31 December 2015 |
|---|-----------|----------------|------------------|
| PJSC Sberbank   | 2016–2027 | 46,627         | 47,865           |
| Russian bonds (PJSC,RusHydro) issued in February 2013     | 2018*     | 20,212         | 20,635           |
| EBRD  | 2016–2027 | 19,945         | 20,280           |
| Russian bonds (PJSC,RusHydro) issued in April 2011        | 2016*     | 15,539         | 15,240           |
| Russian bonds (PJSC RusHydro) issued in July 2015         | 2018      | 15,399         | 15,840           |
| Russian bonds (PJSC RusHydro) issued in April 2015        | 2017*     | 10,532         | 10,214           |
| UniCredit Bank Austria AG                                 | 2017–2026 | 6,323          | 6,585            |
| Crédit,Agricole,Corporate,and,Investment Bank,Deutschland | 2018–2029 | 6,000          | 6,252            |
| PJSC ROSBANK  | 2016–2018 | 5,579          | 4,909            |
| PJSC Bank VTB   | 2017–2027 | 4,838          | 4,522            |
| ASIAN Development bank                                    | 2017–2026 | 1,592          | 1,787            |
| Municipal authority of Kamchatka region                   | 2016–2034 | 1,566          | 1,535            |
| Bayerische Landesbank                                     | 2016–2025 | 1,167          | 1,212            |
| Bank GPB (JSC)  | 2016–2018 | 495            | 469              |
| PJSC Bank Vozrozhdenie                                    | 2017      | 440            | 440              |
| Other long-term debt                                      | -         | 993            | 964              |
| Finance lease liabilities                                 | -         | 2,185          | 2,262            |
| <b>Total</b>  |           | <b>159,432</b> | <b>161,011</b>   |
| Less current portion of non-current debt                  |           | (24,178)       | (25,159)         |
| Less current portion of finance lease liabilities         |           | (549)          | (673)            |
| <b>Total non-current debt</b>                             |           | <b>134,705</b> | <b>135,179</b>   |

\* The bonds mature in 10 years with a put option to redeem them in 2018, 2016 and 2017 respectively.

**RusHydro Group**  
**Notes to the Condensed Consolidated Interim Financial Information**  
**as at and for the three months ended 31 March 2016 (unaudited)**

(in millions of Russian Rubles unless noted otherwise)



*Current debt*

|   | <b>31 March 2016</b> | <b>31 December 2015</b> |
|---|----------------------|-------------------------|
| PJSC Sberbank   | 17,367               | 19,668                  |
| Bank GPB (JSC)  | 8,414                | 7,038                   |
| PJSC ROSBANK  | 4,749                | 6,776                   |
| JSC Raiffeisenbank  | 1,876                | -                       |
| JSC Alfa-Bank   | 1,473                | 501                     |
| Bank «RRDB» (JSC)   | 879                  | 966                     |
| Far Eastern Bank (PJSC)   | 756                  | 226                     |
| LLC AlstomRusHydroEnergy  | 750                  | 750                     |
| JSC Rosselkhozbank  | 230                  | 252                     |
| Current portion of non-current debt                               | 24,178               | 25,159                  |
| Current portion of finance lease liabilities                      | 549                  | 673                     |
| Other current debt  | 313                  | 205                     |
| <b>Total current debt and current portion of non-current debt</b> | <b>61,534</b>        | <b>62,214</b>           |
| <i>Reference:</i>   |                      |                         |
| Interest payable  | 2,724                | 2,942                   |

**Compliance with covenants.** The Group is subject to certain covenants related primarily to its debt. As at 31 March 2016 and 31 December 2015 the Group met all required covenant clauses of the credit agreements.

**Note 16. Accounts payable and accruals**

|  | <b>31 March 2016</b> | <b>31 December 2015</b> |
|--|----------------------|-------------------------|
| Trade payables   | 34,730               | 33,475                  |
| Settlements with personnel                               | 8,808                | 8,410                   |
| Advances received  | 7,330                | 9,849                   |
| Accounts payable under factoring agreements              | 3,028                | 4,071                   |
| Obligation to PJSC RAO ES East shares purchase (Note 13) | 385                  | 2,108                   |
| Dividends payable  | 86                   | 86                      |
| Other accounts payable                                   | 3,715                | 2,308                   |
| <b>Total accounts payable and accruals</b>               | <b>58,082</b>        | <b>60,307</b>           |

All accounts payable and accruals are denominated in Russian Rubles.

**Note 17. Other taxes payable**

|                                  | <b>31 March 2016</b> | <b>31 December 2015</b> |
|----------------------------------|----------------------|-------------------------|
| VAT                              | 9,340                | 8,085                   |
| Insurance contributions          | 3,304                | 2,864                   |
| Property tax                     | 3,167                | 2,159                   |
| Other taxes                      | 723                  | 927                     |
| <b>Total other taxes payable</b> | <b>16,534</b>        | <b>14,035</b>           |

**Note 18. Revenue**

|                             | <b>Three months ended<br/>31 March 2016</b> | <b>Three months ended<br/>31 March 2015</b> |
|-----------------------------|---|---|
| Sales of electricity        | 74,268                                      | 67,374                                      |
| Sales of heat and hot water | 15,796                                      | 13,844                                      |
| Sales of capacity           | 8,872                                       | 8,193                                       |
| Other revenue               | 5,468                                       | 5,203                                       |
| <b>Total revenue</b>        | <b>104,404</b>                              | <b>94,614</b>                               |

Other revenue includes revenue earned from transportation of electricity and heat, connections to the grid, rendering of construction, repair and other services.





**Note 19. 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. During the three months ended 31 March 2016 the Group received government subsidies in the amount of RR 3,303 million (for the three months ended 31 March 2015: RR 3,054 million) in the following subsidised territories: Kamchatsky territory, Sakha Republic (Yakutiya), Magadan Region and other Far East regions.

**Note 20. Operating expenses (excluding impairment losses)**

|  | Three months ended<br>31 March 2016 | Three months ended<br>31 March 2015 |
|--|-------------------------------------|-------------------------------------|
| Fuel expenses  | 19,432                              | 18,491                              |
| Employee benefit expenses (including payroll taxes and pension benefit expenses) | 18,287                              | 17,834                              |
| Purchased electricity and capacity   | 17,290                              | 17,863                              |
| Electricity distribution expenses  | 12,684                              | 11,535                              |
| Depreciation of property, plant and equipment and intangible assets              | 6,194                               | 5,683                               |
| Taxes other than on income   | 2,475                               | 2,455                               |
| Other materials  | 1,465                               | 1,676                               |
| Third parties services, including:   |                                     |                                     |
| Purchase and transportation of heat power  | 1,038                               | 962                                 |
| Provision of functioning of electricity and capacity market                      | 915                                 | 907                                 |
| Security expenses  | 831                                 | 765                                 |
| Repairs and maintenance  | 583                                 | 496                                 |
| Rent   | 522                                 | 509                                 |
| Insurance cost   | 520                                 | 385                                 |
| Transportation expenses  | 475                                 | 202                                 |
| Services of subcontracting companies   | 378                                 | 783                                 |
| Consulting, legal and information expenses                                       | 172                                 | 399                                 |
| Other third parties services   | 1,570                               | 1,583                               |
| Water usage expenses   | 781                                 | 686                                 |
| Travel expenses  | 133                                 | 400                                 |
| Social charges   | 105                                 | 227                                 |
| Loss on disposal of property, plant and equipment, net                           | 11                                  | 94                                  |
| Other expenses   | 1,090                               | 862                                 |
| <b>Total expenses (excluding impairment losses)</b>                              | <b>86,951</b>                       | <b>84,797</b>                       |

**Note 21. Finance income, costs**

|                             | Three months ended<br>31 March 2016 | Three months ended<br>31 March 2015 |
|-----------------------------|-------------------------------------|-------------------------------------|
| <i>Finance income</i>       |                                     |                                     |
| Interest income             | 1,935                               | 2,791                               |
| Foreign exchange gain       | 413                                 | 1,322                               |
| Income on discounting       | 93                                  | 118                                 |
| Other income                | 149                                 | 27                                  |
| <b>Total finance income</b> | <b>2,590</b>                        | <b>4,258</b>                        |
| <i>Finance costs</i>        |                                     |                                     |
| Interest expense            | (1,337)                             | (1,682)                             |
| Foreign exchange loss       | (368)                               | (169)                               |
| Expense on discounting      | (92)                                | (420)                               |
| Finance lease expense       | (87)                                | (87)                                |
| Other costs                 | (379)                               | (53)                                |
| <b>Total finance costs</b>  | <b>(2,263)</b>                      | <b>(2,411)</b>                      |





**Note 22. Earnings per share**

|  | Three months ended<br>31 March 2016 | Three months ended<br>31 March 2015 |
|--|-------------------------------------|-------------------------------------|
| Weighted average number of ordinary shares issued (millions of shares)   | 366,339                             | 364,469                             |
| Profit for the period attributable to the shareholders of PJSC RusHydro  | 14,168                              | 11,764                              |
| <b>Earnings per share attributable to the shareholders of PJSC RusHydro – basic and diluted</b><br>(in Russian Rubles per share) | <b>0.0387</b>                       | <b>0.0323</b>                       |

**Note 23. Capital commitments**

In accordance with investment programme of the Company and separate investment programmes of subsidiaries, the Group has to invest RR 312,196 million for the period 2016–2018 for reconstruction of the existing and construction of new power plants (RR 341,208 million for the period 2015–2017).

Capital commitments of the Group as at 31 March 2016 are as follows: 2016 year – RR 124,957 million, 2017 year – RR 111,827 million, 2018 year – RR 75,411 million.

Future capital expenditures are mainly related to reconstruction of equipment of power plants: Saratovskaya HPP in the amount of RR 20,519 million, Volzhskaya HPP in the amount of RR 18,106 million, Zhigulevskaya HPP in the amount of RR 12,128 million; and to construction of power plants: Sakhalin GRES-2 in the amount of RR 25,032 million, Zaramagskie HPP in the amount of RR 23,242 million, Ust'-Srednekanskaya HPP in the amount of RR 14,054 million, HPP in Sovetskaya Gavan in the amount of RR 9,334 million, Zagorskaya GAES-2 in the amount of RR 9,140 million.

**Note 24. 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 position 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 and the formal documentation supporting the tax positions 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. 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 incompliant 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 to a large extent aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD). This legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length.

During the three months ended 31 March 2016 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 the new transfer pricing legislation.

Tax liabilities arising from transactions between companies are determined using 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.

Management believes that as at 31 March 2016 its interpretation of the relevant legislation was appropriate and the Group's tax position 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 683 million as at 31 March 2016 and 31 December 2015.

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.** The Group has issued guarantees for CJSC Boguchansky Aluminium Plant in favour of its suppliers for future equipment deliveries and for OJSC Boguchanskaya HPP in favour of the State Corporation Vnesheconombank for the loan facility:

| <b>Counterparty</b>                          | <b>31 March 2016</b> | <b>31 December 2015</b> |
|--|----------------------|-------------------------|
| <i>for OJSC Boguchanskaya HPP:</i>           |                      |                         |
| State Corporation Vnesheconombank            | 27,241               | 27,398                  |
| <i>for CJSC Boguchansky Aluminium Plant:</i> |                      |                         |
| ALSTOM Grid SAS                              | 74                   | 77                      |
| <b>Total guarantees issued</b>               | <b>27,315</b>        | <b>27,475</b>           |

#### **Note 25. 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 2015.

There have been no changes in any risk management policies during the three months ended 31 March 2016.

**RusHydro Group**  
**Notes to the Condensed Consolidated Interim Financial Information**  
**as at and for the three months ended 31 March 2016 (unaudited)**

(in millions of Russian Rubles unless noted otherwise)



**Presentation of financial instruments by measurement category.** The following table provides a reconciliation of classes of financial assets with the measurement categories of IAS,39 Financial instruments: Recognition and Measurement and information about the rest of special funds on the accounts of the Federal Treasury as at 31 March 2016 and 31 December 2015:

| <b>As at 31 March 2016</b>   | <b>Loans and receivables</b> | <b>Available-for-sale financial assets</b> | <b>Total</b>   |
|--|------------------------------|--|----------------|
| <b>Assets</b>  |                              |  |                |
| <b>Other non-current assets (Note 8)</b>   | <b>8,061</b>                 | -  | <b>8,061</b>   |
| Promissory notes   | 7,403                        | -  | 7,403          |
| Long-term loans issued   | 628                          | -  | 628            |
| Net settled derivatives  | 30                           | -  | 30             |
| <b>Available-for-sale financial assets</b>   | -                            | <b>9,978</b>                               | <b>9,978</b>   |
| <b>Trade and other receivables (Note 10)</b>                                       | <b>43,824</b>                | -  | <b>43,824</b>  |
| Trade receivables  | 40,308                       | -  | 40,308         |
| Promissory notes receivable  | 9                            | -  | 9              |
| Other financial receivables  | 3,507                        | -  | 3,507          |
| <b>Other current assets (Note 12)</b>  | <b>16,283</b>                | -  | <b>16,283</b>  |
| Special funds  | 6,998                        | -  | 6,998          |
| Deposits and promissory notes  | 6,747                        | -  | 6,747          |
| Short-term loans issued  | 2,521                        | -  | 2,521          |
| Net settled derivatives  | 17                           | -  | 17             |
| <b>Cash and cash equivalents (Note 9)</b>  | <b>61,165</b>                | -  | <b>61,165</b>  |
| <b>Total financial assets</b>  | <b>129,333</b>               | <b>9,978</b>                               | <b>139,311</b> |
| <b>Non-financial assets</b>  | -                            | -  | <b>819,404</b> |
| <b>Total assets</b>  | -                            | -  | <b>958,715</b> |
| <b>As at 31 December 2015</b>  |                              |  |                |
| <b>Assets</b>  |                              |  |                |
| <b>Other non-current assets (Note 8)</b>   | <b>7,896</b>                 | -  | <b>7,896</b>   |
| Promissory notes   | 7,218                        | -  | 7,218          |
| Long-term loans issued   | 633                          | -  | 633            |
| Net settled derivatives  | 45                           | -  | 45             |
| <b>Available-for-sale financial assets</b>   | -                            | <b>6,094</b>                               | <b>6,094</b>   |
| <b>Trade and other receivables (Note 10)</b>                                       | <b>38,383</b>                | -  | <b>38,383</b>  |
| Trade receivables  | 34,917                       | -  | 34,917         |
| Promissory notes receivable  | 9                            | -  | 9              |
| Other financial receivables  | 3,457                        | -  | 3,457          |
| <b>Other current assets (Note 12)</b>  | <b>22,291</b>                | -  | <b>22,291</b>  |
| Deposits and promissory notes  | 13,434                       | -  | 13,434         |
| Special funds  | 6,098                        | -  | 6,098          |
| Short-term loans issued  | 2,728                        | -  | 2,728          |
| Net settled derivatives  | 31                           | -  | 31             |
| <b>Cash and cash equivalents (Note 9)</b>  | <b>48,025</b>                | -  | <b>48,025</b>  |
| <b>Total financial assets</b>  | <b>116,595</b>               | <b>6,094</b>                               | <b>122,689</b> |
| <b>Non-financial assets</b>  | -                            | -  | <b>814,660</b> |
| <b>Non-current assets and assets of disposal group classified as held for sale</b> | -                            | -  | <b>788</b>     |
| <b>Total assets</b>  | -                            | -  | <b>938,137</b> |

All financial liabilities of the Group are carried at amortised cost. Financial liabilities are represented mainly by the current and non-current debt (Note 15), trade payables and other accounts payable (Note 16).



**Note 26. 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:

| <b>31 March 2016</b>   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
|--|----------------|----------------|----------------|----------------|
| <b>Financial assets</b>  |                |                |                |                |
| Available-for-sale financial assets  | 9,929          | -              | 49             | <b>9,978</b>   |
| <b>Non-financial assets</b>  |                |                |                |                |
| Property, plant and equipment (except for construction in progress, office buildings and land) | -              | -              | 479,560        | <b>479,560</b> |
| <b>Total assets recurring fair value measurements</b>  | <b>9,929</b>   | <b>-</b>       | <b>479,609</b> | <b>489,538</b> |
| <b>31 December 2015</b>  |                |                |                |                |
| <b>Financial assets</b>  |                |                |                |                |
| Available-for-sale financial assets  | 6,057          | -              | 37             | <b>6,094</b>   |
| <b>Non-financial assets</b>  |                |                |                |                |
| Property, plant and equipment (except for construction in progress, office buildings and land) | -              | -              | 480,692        | <b>480,692</b> |
| <b>Total assets recurring fair value measurements</b>  | <b>6,057</b>   | <b>-</b>       | <b>480,729</b> | <b>486,786</b> |

The Group had no liabilities measured at fair value as at 31 March 2016 and 31 December 2015.

There were no changes in valuation techniques, inputs and assumptions for recurring fair value measurements during the three months ended 31 March 2016.

**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, short-term deposits and accounts receivable approximates their carrying value (Level 3 of the fair value hierarchy). The fair value of long term accounts receivable 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.

As at 31 March 2016 the carrying value of bonds exceeded their fair value by RR 301 million (31 December 2015: by RR 763 million).

As at 31 March 2016 the carrying value of non-current fixed rate debt exceeded their fair value by RR 8,437 million (31 December 2015: by RR 7,121 million).

**Note 27. Subsequent events**

According to current Russian legislation repurchase of more than 10 percent and consolidation of more than 95 percent of PJSC RAO ES East shares within voluntary offer (Note 13) allowed the Group to send to the rest of PJSC RAO ES East shareholders claim for compulsory repurchase of the shares.

All settlements of compulsory repurchase of PJSC RAO ES East shares were completed in June 2016 after Group subsidiary LLC Vostok-Finance has repurchased 887,233,672 ordinary shares and 312,687,580 preference shares of PJSC RAO ES East.